

Consolidated financial statements at 31 December 2021



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CONSOLIDATED BALANCE SHEET

Data in €K	Notes	31/12/2021	31/12/2020
Goodwill	6	7 353	8 373
incl Intangible assets	5	1 368	1 549
Property, plant and equipment	7	17 736	10 119
Long-term investments	8	1 627	885
Investments in subsidiaries	9	0	0
Fixed assets		26 717	19 377
Inventories and work in progress	10	25 507	19 933
Trade accounts receivable	11	20 377	14 823
Other receivable and accruals	12	10 386	4 032
Deferred tax assets	13		
Short-term investment securities	14	6 000	38
Cash and short term investments	14	14 467	16 279
Current assets		76 737	55 105
TOTAL ASSETS		103 454	74 482
Capital stock		25 794	23 246
Share premium		14 409	5 151
Retained earnings		-8 887	-10 144
Profit or loss for the financial year		-7 313	1 282
Other shareholders' equity		248	
Shareholders' equity, Group share	15	24 252	19 536
Non-controlling interests	15	432	397
Shareholders' equity for consolidated group		reholders	19 934
Contingencies and loss provisions	16	3 966	2 874
Borrowings and financial liabilities	17	30 471	25 425
Trade accounts payable	18	17 663	7 802
Other payables and accruals	19	26 669	18 448
Debt		74 804	51 675
TOTAL LIABILITIES		103 454	74 482

CONSOLIDATED PROFIT AND LOSS STATEMENT

Data in K €	Note	31/12/2021	31/12/2020
Turn over	19	41 020	20 635
Licencing revenues	19	11 740	20 000
Revenue and licencing revenues		52 760	40 635
Other operating income	20	21 732	17 556
Operating income		74 492	58 190
Consumed purchases	21	-54 481	-34 835
Personnal cost	22	-15 222	-10 667
Other operating expenses		-722	-499
Taxes and duties		-613	-810
Depreciation/amortisation and provision	23	-10 277	-7 906
Operating expenses		-81 316	-54 718
Operating profit before amortisation and depreciation of goodwill		-6 825	3 472
Amortisation/depreciation of goodwill		-246	-125
Operating profit after amortisation and depreciation of goodwill		-7 071	3 348
Financial profit	24	-222	-807
Profit or loss from ordinary activities of consolidated companies		-7 293	2 541
Extraordinary profit	25	4	-607
Tax on earnings	26	-7	-122
Net profit from consolidated companies		-7 296	1 812
Share of profit from associates		0	-516
Consolidated net income		-7 296	1 296
Non-controlling interests		-17	-14
Net income group share		-7 313	1 282
Net earning per share (in euro)	27	-0,30	0,06
Diluated earnings per share (in euro)	27	-0,30	0,06

CONSOLIDATED CASH FLOW STATEMENT

Data in K€	31/12/2021	31/12/2020
Cash flow from operating activities		
Net profit (loss) from consolidated companies	-7 050	1 936
Elimination of income and expenses with no impact on cash flow or not related to		
Depreciation, impairment and provisions	5 492	3 256
Other income and expenses with no impact on cash flow		
Changes in deferred taxes		
Gains/losses on disposals	147	
Cash flow	-1 411	5 192
Changes in operating working capital requirements		
<i>Inventories</i>		
<i>Trade receivables</i>	-5 561	-7 462
<i>Trade payables</i>	-4 730	376
<i>Other receivables/payables</i>	9 740	-1 260
Impact of changes in receivables/payables	1 535	7 581
Net cash flow from operating activities	-427	4 426
Cash flows from investing activities		
Impact of changes in the consolidation scope	-961	3 151
Acquisition property, plant and equipment	-12 327	-3 582
Disposal of fixed assets	786	1
Net cash flow from investing activities	-12 502	-430
Cash flows from financing activities		
Capital increases/decreases in cash	11 805	4 639
Cash inflows/outflows from treasury shares	-5	8
Issuance of bank loans	1 689	5 875
Repayment of bank loans	-2 773	-1 736
Change in other financial liabilities	248	133
Net cash flow from (used by) financing activities	10 964	8 919
Change in cash flows	113	
Net cash flow	-1 852	12 915
<i>Opening cash position</i>	<i>16 299</i>	<i>3 384</i>
<i>Closing cash position</i>	<i>14 448</i>	<i>16 299</i>

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

Amounts in € thousand	Number of shares	Share capital	Premiums	Consolidated reserves	Profit (loss)	Other equity	Shareholders' equity, Group share	Non-controlling interests	Shareholders' equity, Group share
Shareholders' equity at 31/12/2019	211 369 812	21 137	2 622	-7 277	-2 891		13 591	5	13 596
Capital transactions	-188 123 586	2 109	2 530				4 639		4 639
Appropriation of profit (loss) from the previous financial year				-2 891	2 891				
Changes in treasury shares									
Profit (loss) for the period					1 282		1 282	14	1 296
Ecart de conversion				15			15		15
Variation des titres en auto-contrôle				8			8		8
Variation de périmètre								379	379
Other movements									
Shareholders' equity at 31/12/2020	23 246 226	23 246	5 151	-10 145	1 282		19 536	397	19 933
Capital transactions	2 548 131	2 548	9 258				11 806		11 806
Appropriation of profit (loss) from the previous financial year				1 282	-1 282				
Profit (loss) for the period					-7 313		-7 313	17	-7 296
Ecart de conversion				-9			-9		-9
Variation des titres en auto-contrôle				-5			-5		-5
Variation de périmètre								17	17
Other movements				-10		248	238		238

- (1) The ending of the option of recognition as translation differences imposed by the new ANC regulation 2021-01 has had an impact of -€10K on the consolidated reserves.
- (2) The Group benefited from a €248K investment grant, which, in accordance with the new ANC regulation 2020-21 is classified as equity from 2021 onwards

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Note 1. BACKGROUND INFORMATION

1.1. Presentation of the Group

Gaussin SA has been listed on Euronext Growth in Paris since 16 June 2010. Gaussin SA shares have been listed in the E2 trading group (public offering) since 20 July 2012, after the Prospectus was approved by the AMF on 17 July 2012 under number 12-360.

Based in the Bourgogne-Franche-Comté region of France, the Group consists of 2 main entities, GAUSSIN and METALLIANCE.

GAUSSIN is an engineering company that designs, assembles and sells innovative products and services in the transport and logistics field, as well as playing a pioneering role in clean, smart mobility. Its know-how encompasses cargo and passenger transport, autonomous technologies used for self-driving solutions such as Automotive Guided Vehicles, and the integration of all types of batteries, electric and hydrogen fuel cells in particular. With more than 50,000 vehicles worldwide, GAUSSIN enjoys a strong reputation in four fast-expanding markets: Port terminals, Airports, Logistics and Smart Cities. A fifth market has emerged with the group's development on the logistics equipment for construction and public works and tunnel boring machines in particular. The group has developed strategic partnerships with major global players in an effort to accelerate its market penetration: Siemens Postal, Parcel & Airport Logistics in the airport field, Bolloré Ports and ST Engineering in ports, Bluebus for people mobility.

Over the last few years, the Group has strengthened its offering by developing, with the French Atomic Energy Agency (CEA), a modular engine powered by interchangeable batteries - either electric and hydrogen fuel cells - as well as an autonomous vehicle.

Investments in R&D have enabled the GAUSSIN Group to offer global cargo handling solutions today.

GAUSSIN is expanding internationally, offering its customers patented products and a range of vehicles for logistics and port sites, as well as for passenger transport, including:

- the AIV (Automotive Intelligent Vehicle) a port vehicle similar to the ATT, but self-guided;
- the ATT Lift and the AIV Lift: these automated guided vehicles are equipped with the Lift system to stack/unstack transported containers on a docking station;
- Docking stations (a system of fixed "rails" between which the ATT or AIV stacks or collects containers using the "lift" system) equipped with an innovative power unit, the Power Pack (removable, interchangeable module including the motor and the power source);
- the ATM Full Elec distributed by BLYYD: the ATM is an electric tractor used at logistics sites to move semi-trailers;
- the driverless "Fast Charge" AGV PERFORMANCE FULL ELEC: this electric autonomous vehicle is designed for container handling on port terminals seeking to improve productivity,
- the APM (Autonomous Prime Mover): this is a driverless autonomous FULL ELEC tractor;
- the AAT (Autonomous Airport Transporter): the AAT is an airport baggage tractor. It is available in a manual or autonomous versions;
- the ART (Airport Refueller Transporter): the ART is an electric tractor used in airports for aircraft refuelling;
- the ASBM (Automotive Swap Body Mover): this all-electric vehicle is used to load/unload and transport swap bodies of all sizes;
- the electric bus for passenger transport in closed areas. The bus is available in a manual or autonomous versions;
- the ATT (Automotive Terminal Trailer): a port vehicle specifically for handling (transport/unloading) containers.

METALLIANCE specialises in the design and construction of industrial and mobile equipment. It designs and builds equipment for the construction of infrastructure in the transport sector (road, rail, underground rail) and the energy sector (oil and gas, gas and steam, etc.).

METALLIANCE designs and builds vehicles, machines and equipment, and offers a range of standard and custom solutions standards for targeted applications, drawing on the same basic skills and know-how, including:

1. Construction machined and welded assembly singly or in series;
2. Design and manufacturing of bespoke machinery and prototype equipment;
3. Ranges of specialist equipment for large-scale works and networks.

The fields in which it operates are:

- Equipment for underground works with vehicles such as the BUTOR, the MENRIDER, the RUBBER-TYRED TRAIN and the MULTI-PURPOSE VEHICLE;
- Railway works with vehicles such as the AUTOMATIC SLEEPER LAYER, the TRACK LAYING GANTRY, the TOWING TRAIN, the MULTI-PURPOSE VEHICLE;
- Road works with equipment such as the F294 and F606 FEEDER FOR CONTINUOUS PAVING, the EL700 and the self-propelled E1000 ROAD WIDENER and the F12 EXTRUDER;
- Vibrating and bulk handling equipment such as the VIBRATING MACHINE FOR SPECIAL APPLICATIONS, the EME, the EMEG, the FM and the MGR;
- Industrial equipment such as the CARROUSSEL, the TRANSPORTER TROLLEY, the HEATING MACHINE, the CONVEYOR, the INSPECTION MACHINE, the GROOVING MACHINE, the PLATFORM AND BASKET FOR TETHERED BALLOONS, the STRUCTURE AND MECHANISM FOR AEROBAR, the SCANNING and ROBOT GANTRIES, AERONAUTICAL and HANDLING EQUIPMENT, the OFFSHORE and BALLOON WINCH SYSTEMS, TRANSFER CONVEYORS and the OFFSHORE and COIL REPAIR REELS;
- Welded constructions such as CHASSIS AND CABS, the RADAR CHASSIS and the BOGIE CHASSIS.
-

Licensing

The Gaussin Group has been developing a new business model since 2018 with licensing. This strategy enables the company to transfer its technology and know-how worldwide more quickly, drawing on the industrial experience of its local partners. Granting these licensing agreements allows the GAUSSIN Group to validate its know-how and patents in the field of self-driving, electric or hydrogen logistics and port vehicles.

The licensing business model allows the GAUSSIN Group to increase the probability of winning contracts whilst reducing its expenses and working capital requirement to finance the production cycle.

Income from licences is recognised under "Licensing income" and includes the following:

- Sales of licences where income is recognised when the licence is granted to the customer (transfer of the application onto the customer's hardware) and the customer can make virtually full use of it, when the licence transfers a right to use Gaussin's intellectual property as it exists at the time when the licence is granted,
- Royalties on future sales by the licensee, where the income is recognised based on the sales of the year.

The total licence income generated so far from licences by the group amounts to €43.5m with 4 licensees:

ST ENGINEERING in Singapore for €4.5m

QATAR AIRWAYS in Qatar for €9m,

AL ATTIYA in Qatar for €20m,

NEXPORT in Australia and New Zealand €10m;

1.2. Significant events during the period

Significant events during the period from 1 January 2021 to 31 December 2021

Development of R&D projects

The group has intensified its efforts in R&D project development, in particular the development of the 100% hydrogen/electric H2 RACING TRUCK which took part in the Dakar rally in January 2022.

In the 2021 financial year, self-production amounted to over €10m, including €4m for the H2 truck (compared to €2.7m in 2020).

Capital increases

In the 2021 financial year, GAUSSIN SA increased its capital by a total net of costs of €11,806K.

Obtaining of a bank loan

In the 2021 financial year, the group obtained €1,487K of new loans, €1,287K for GAUSSIN and €200K for METALLIANCE.

NEXPORT

On 12 November 2021, a Manufacturing and Licensing Agreement (MCLA) worth €10m was signed by Gaussin SA and Nexport Pty Limited.

Gaussin SA granted Nexport Pty Limited the exclusive right to manufacture and sell its vehicles in Australia and New Zealand for a period of 20 years as of 1 December 2021. A total of €10 million was recognised for the sale of this licence in the 2021 financial statements, including the intellectual property, the right to manufacture, repair, sell and exploit the software that is loaded in the vehicles without the overall price of €10 million being broken into separate amounts for the different rights. It was decided to recognise the €10 million one-off payment made to Gaussin SA.

ARAMCO

GAUSSIN signed a partnership agreement with ARAMCO to sponsor the H2 Racing Truck which took part in the Dakar rally in January 2022.

HIGH SPEED 2

METALLIANCE signed a new order for the delivery of 16 underground mobile machines (rubber-tyred trains (TSPs) and electric Menriders) for the High Speed 2 project in Great Britain, for personnel evacuation operations. The vehicles will have level 3 autonomy (out of 5) on the international "Advanced Driver Assistance System" scale.

BLUEBUS licence

BLUEBUS, a subsidiary of the Bolloré Group, has granted a worldwide licence for its 6-metres LMP IT2-22 passenger bus. This 20-year licence will allow GAUSSIN to sell these vehicles, in particular in the Middle East, where there is strong growth in demand for and adoption of clean, smart mobility systems.

Creation of GAUSSIN NORTH AMERICA

This company will lead the commercial deployment in North America. This new entity will accelerate the marketing of GAUSSIN electric and hydrogen vehicles following the signing of strategic partnership agreements with Magna, Plug Power and Robotic Research. See § 4.4

Creation of H2 RACING TRUCK - GHR

The object of this company is the different activities concerning events relating to hydrogen and the DAKAR rally. See § 4.4

Creation of GAUSSIN CHINA CO, LTD

The object of this company incorporated under Chinese law, based in Shanghai and wholly owned by GAUSSIN SA, is to form licensed partnerships to deploy the range of electric and hydrogen vehicles on the world's largest lorry market. See § 4.4

Creation of METALLIANCE PTY

METALLIANCE PTY LTD is a newly created Australian subsidiary wholly owned by METALLIANCE. See § 4.4

BPI grant

GAUSSIN has received new grants from the BPI for its NEWLINE project devoted to the modernisation of the production line where it builds prototypes and series of battery and fuel cell electric vehicles as well as its powerpacks.

AGA 2021

The Board of Directors acted under the delegation of authority granted to it by the Extraordinary General Meeting of 18 May 2021 to introduce 3 new free share plans for the benefit of employees and corporate officers.

In 2022, given that the acquisition conditions have been met, it will be possible to allot 95,000 free shares under the AGA 2020-2 plan, 166,500 free shares under the AGA 2020-3 plan, 75,075 free shares under the AGA 2021-S-GAU plan and 134,551 free shares under the AGA 2021-S-MET plan, subject to employees being present in the company until 27 July 2022.

The number of free shares allotted under these 5 plans will therefore reach 471,126 shares.

COVID-19

The COVID-19 health crisis had a significant impact on the group's business during the financial year, insofar as it led to a drop in productivity, procurement difficulties, an increase in the cost of supplies and delivery delays.

Our Group intends to ensure the continuity of its operations even in the event of an extended crisis, maintaining production and managing its order book.

Development of new vehicles within strategic partnerships

- **Partnership with Bolloré:** a framework agreement with preferential rights concerning the integration of the Blue Solutions LMP® battery in GAUSSIN vehicles and the joint development of the APM 75T vehicle for container handling in ports. To date GAUSSIN has received two orders from Bolloré Port and the Maersk group for APM 75Ts for the Port of Abidjan.
- **Partnership with Bluebus,** part of the Bolloré Group: GAUSSIN entered into a partnership agreement for the automation of the 6-metre Bluebus, in whose development Gaussin had participated and which won the Dubai World Challenge for Self-Driving Transport in the Leading Company Category, Best Energy and Environmental Sustainability.
- **Partnership with BLYDD:** distributor Blydd has strengthened its partnership with GAUSSIN through a new agreement for the supply of at least 150 ATMs over the next five years, to extend its current fleet of 46 vehicles with more than 25 different retailers and industrial customers. Today, this sturdy full electric tractor has covered over 300,000 km.
- **Partnership with TOTAL:** GAUSSIN and TOTAL are going to develop an ART (Aircraft Refueller Transporter), the first full-electric ART in the world, based on the know-how of SAFT (subsidiary of Total) for the choice of the batteries that will be used in this vehicle. The ART will be capable of carrying 80,000 litres of fuel, with the on-board refuelling system (Fardeau). A first vehicle will start operating in the AIRBUS factory in Toulouse, and will lead to the signing of a framework agreement with TOTAL spanning several years. The partnership also opens the way to the joint development of a fleet of innovative vehicles specifically for the aviation sector.
- **Partnership with Al-Attiya and JV GAME:** GAUSSIN has granted an exclusive 20-year licence to Al Attiya Motors and Trading Co, part of the Al Attiya group, relating to its electric vehicles for sea ports, airports, logistics and smart cities. The agreement provides for an upfront licence fee of €20m, 3 to 5% royalties on future developments and exclusive rights over the main countries of the Middle East. To support that licence, Gaussin and Al Attiya Motors have set up a joint venture named GAME (Gaussin Advanced Mobility Electric) to speed up the deployment of Gaussin smart emission-free vehicles across the region. GAME is based in the Qatar Free Zone, which is a world-class platform offering exceptional opportunities and advantages for development in the region and further afield.
- **Partnership with Magna International:** At the end of December 2020, the American group granted GAUSSIN an exclusive licence for its modular, ultra-light, multi-purpose chassis designed for electric heavy goods vehicles, both battery (BEV) and fuel cell (FCEV). This 20-year agreement gives GAUSSIN the chance to enter the road HGV market and reinforces GAUSSIN's activities in clean mobility.
- **Partnership with Robotic Research:** Gaussin and Robotic Research signed strategic agreement in December 2020 to collaborate on providing self-driving vehicle solutions using Robotic Research's AD Kit technology for fleet operations in their respective target sectors.

- **Partnership with Plug Power:** GAUSSIN is reinforcing its ramp-up in the hydrogen sector with a partnership with Plug Power Inc. to put a range of Gaussin transport vehicles powered by ProGen on the market. This partnership with a renowned American player in the hydrogen sector is also contributing to GAUSSIN's development on the North American market. In 2021, Plug Power placed an order for 20 hydrogen-powered yard tractors (ATM-H2), which will be deployed at Plug Power's existing customers in North America.

- **Agreement between ECT, GAUSSIN and Bouygues Energies & Services.** This cooperation agreement signed in 2021 concerns the development of hydrogen mobility solutions in the public works sector. It provides, in its first phase, for ECT to entrust BOUYGUES ENERGIES SERVICES with the development of a 2 MW renewable hydrogen production and distribution station. At the same time, ECT has entrusted GAUSSIN with the design and construction of a system to equip three types of hydrogen-powered GAUSSIN truck.

- **Partnership with Hynatics.** GAUSSIN and Hynatics, a subsidiary of EDF, signed a partnership agreement in 2021 to conduct four pilot projects to demonstrate the efficiency and productivity of "dual energy" (hydrogen and electric) GAUSSIN's 100% self-driving transport solutions. Supported by the Ministry for the Ecological Transition, which is in charge of Transport, the project will run until 2023.

- **Microvast batteries.** This partnership agreement signed in 2021 is designed to integrate the new generation of Microvast batteries into GAUSSIN's electric and hydrogen "skateboards". With its vertical integration capabilities, Microvast can provide a wide choice of different cell chemistries in its standard battery packs.

- **Partnership with NVIDIA.** GAUSSIN has opted for the NVIDIA DRIVE AGX Xavier™ platform for its centralised smart driving system, which is designed to transform the trucking industry and accelerate the transition to zero-emission goods transport.

- **Partnership with HRS:** a strategic partnership including the supply by HRS of 36 hydrogen refuelling stations.

1.3. Events after the reporting period ended 31 December 2021

NEXPORT

Following the sale of a licence to NEXPORT, GAUSSIN and NEXPORT have set up a new Joint Venture, in which GAUSSIN holds a 49% stake, to locally manufacture and sell zero-emission vehicles for port terminals, airports, logistics and people mobility.

REPAYABLE BPI VASCO PROJECT ADVANCE

In 2019, as part of the "VASCO" project funded by repayable advances provided by the BPI, GAUSSIN developed an automated, ground infrastructure-free container transfer system for port terminals. Following the technical success of this innovation, the company was able to benefit from a repayable grant of €5,418K.

However, in spite of the technical success of the project and the promotion of the innovation at numerous events, the company has had to resign itself to the fact that the market is not yet ready to take the plunge and acquire the solution developed in the VASCO project.

Following its decision of 6 April 2022, the BPI granted a reduction of €3.2m (or 60% of the total amount), which will be recognised as income in 2022 by cancelling the financial liability, with the introduction of a clawback provision.

PARTICIPATION IN THE DAKAR RALLY AS AN OFFICIAL CLEAN TECHNOLOGY AND SOLUTIONS PARTNER

Gaussin signed an official partnership with the DAKAR rally as a provider of clean solutions for vehicle engines. The specific partner in the arrangement is Amaury Sport Organisation, organiser of the Dakar rally and promoter of the World Rally-Raid Championship created by the FIA.

GAUSSIN has developed the first hydrogen-powered truck to take part in this rally. This truck, the H2 Racing Truck, successfully completed the race,

thereby confirming the reliability of the vehicle. The H2 Racing Truck is the precursor of the new range of 100% hydrogen and electric road trucks designed by PININFARINA.

CAPITAL INCREASE

On 14/04/2022, the company increased its capital again by €5.7m by creating 1,213,628 shares.

CONSEQUENCES OF THE WAR IN UKRAINE AND THE INTERNATIONAL SANCTIONS AGAINST RUSSIA

Given the group's limited activities and assets in Russia, Belarus and Ukraine, it does not expect to suffer any significant unfavourable consequences linked to the war or the sanctions taken by different countries against Russia (export restrictions, airspace closures and potential measure to deny Russia access to interbank payments systems).

1.4. Outlook

Global business development strategy

A global strategic commercial development plan based on 3 pillars will enable the Group, from 2021 on, to build up and control its international expansion and guarantee the growth of different income streams in fast-growth sectors such as electric, hydrogen, self-driving and connected vehicles, to support the boom in e-commerce and its impacts on logistics.

- a) The Global Licensing programme aimed at building a global network of licensees who will manufacture all the Group's technologies at local level.
- b) Creation of a subsidiary dedicated to hydrogen vehicles and systems for mobile and stationary applications.
- c) Development of new regional and international strategic commercial, technological and financial partnerships, in order to offer turnkey solutions adapted to each market and facilitate the signing of global master sales agreements.

In spite of the Covid-19 epidemic, the Group intends to ensure the continuity of its operations even in the event of an extended crisis, maintaining production and managing its order book.

Note 2. ACCOUNTING PRINCIPLES

2.1. Accounting standards applied

The consolidated financial statements of GAUSSIN SA have been prepared in accordance with the accounting principles generally accepted in France in line with the provisions of ANC regulation 2020-1 relating to consolidated financial statements.

The consolidated financial statements are not significantly impacted by the changes in ANC Regulation 2020-01 which applies **prospectively** to transactions occurring after 1 January 2021 as well as to contracts signed after that date.

The consolidated financial statements include those of GAUSSIN SA as well as those of its affiliated companies.

These companies together constitute the Group. A list of the main companies is provided in Note 4.3. Scope of consolidation.

2.2. Basis for preparation

The financial statements are presented in thousands of euros, unless otherwise stated, and are rounded to the nearest thousand.

The preparation of the Company's financial statements obliges the Management to make estimations and put forward assumptions liable to have an effect on the amounts entered in the accounts. These estimations relate in particular to inventories, fixed assets, contingencies and loss provisions and impairment and deferred tax assets. The estimations are calculated taking into account past experience, elements known on the reporting date and reasonable assumptions concerning future development. Results recorded at a later date could therefore differ from these estimations.

2.3. Reporting date

The financial statements used for the consolidation are the annual financial statements at 31/12/2021.

The annual financial statements of all the companies cover the period from 1 January to 31 December.

GAUSSIN ADVANCE MOBILITY ended its first financial period on 31/12/2021. A profit and loss statement was reconstituted for the period from 1 January to 31 December 2021 for the needs of the GAUSSIN group consolidation.

The comparative financial statements are the annual financial statements as at 31/12/2020. It should be noted that the profit and loss statement for 2020 includes six months' business of the Métalliance group since it was consolidated by the equity method in the first half of the year.

2.4. Method of translation of the accounts of the foreign subsidiaries

Translation of the financial statements of the foreign subsidiaries:

The financial statements of the foreign subsidiaries whose functional currency is neither the euro nor the currency of a hyper-inflationary economy, are translated based on the following principles:

- The balance sheet accounts, with the exception of the shareholders equity, are translated using the official exchange rates at the end of the financial year, known as the closing rates.
- The items in the profit and loss statement are translated using the average rate for the year.
- The components of shareholders' equity are translated at the historical rate.

The differences resulting from the translation of the financial statements of these subsidiaries are recognised under a separate heading in the statement of shareholders' equity, "unrealised exchange gains/losses".

2.5. Method of recognising payables and receivables in foreign currencies

Translation of transactions denominated in foreign currencies:

Transactions in foreign currencies are translated at the exchange rate on the day of the transaction. Differences between the exchange rate at the outset and the payment rate are posted in the balance sheet under "unrealised gains/losses".

Monetary assets and liabilities denominated in foreign currencies are converted at the end of the financial year at the rate at that date. The resulting translation differences are posted in the balance sheet under "unrealised gains/losses".
In the event of an unrealised loss, a provision for foreign exchange losses is recognised.

Note 3. RISKS AND UNCERTAINTIES FACING THE COMPANIES INCLUDED IN THE CONSOLIDATION SCOPE

The GAUSSIN Group has reviewed the risks which could have a major detrimental effect on its business, its financial position and its ability to achieve its objectives or results and considers that there are no other significant risks apart from those presented.

Within the group, only GAUSSIN SA and METALLIANCE constitute the main companies developing industrial and sales activities outside the group at the present time. Owing to the dependency of the companies included in this consolidation scope, the description of risks and uncertainties will mainly concern these two companies.

3.1. Liquidity risk and business continuity criteria

The group has carried out a specific liquidity risk review by making cash flow forecasts for the next 12 months.

The group will probably seek new external funding in order to continue investing to finalise the technologies currently being developed and to be able to honour its order book given the increase in its working capital requirement.

The Group's financial statements are thus presented according to the going concern principle.

In the event that there is no new funding before the end of the 2022 financial year, application of the going principle to the preparation of the financial statements could prove to be inappropriate.

The group did, however, increase its capital in April 2022 by €5.7m.

3.2. Tax and social security risks

METALLIANCE has undergone a tax audit of its accounts covering the years 2015 to 2017. This gave rise to the following amounts of research tax credit being reclaimed:

- 2015: €39K

- 2016: €214K

- 2017: €54K

Or a total of €307K.

The analysis of the case shows, at this stage, that the rectifications indicated mainly concern, according to the report of the expert appointed by the tax authority, items eligible for research tax credit. A favourable outcome is therefore expected for the discussions with the tax authority.

As a result, no provision has been recognised for this proposed rectification.

3.3. Risk concerning disputes

As far as the group is aware, there have been no disputes, no governmental or judicial proceedings other than those described above and there is no current or pending arbitration which could have a significant effect on the financial position, business or results.

Note 4. CONSOLIDATION SCOPE

4.1. Consolidation principles

4.1.1. Full consolidation

All the companies over which GAUSSIN SA has exclusive control are fully consolidated. Exclusive control is the direct or indirect power to manage the financial and operational policies of a company in order to derive benefits from its business.
Significant reciprocal receivables, payables, income and expenses are eliminated completely for fully consolidated companies.
The equity capital and profits/losses of fully consolidated companies are distributed on the basis of the percentage stake held by the consolidating company in these companies.

The main companies to which full consolidation applies are the following:

METALLIANCE

Previously consolidated by the equity method, METALLIANCE has now subject to full consolidation since 1 July 2020. This company holds 100% of the shares in TRIANGLE SERVICE INDUSTRIE, which has also been fully consolidated since 1 July 2020. This sub-group specialises mainly in designing and manufacturing handling equipment. Its areas of expertise are the manufacturing of vehicle control equipment, public works equipment, particularly equipment for underground and road works and the production of components and fabricated assemblies.

LEADERLEASE

This company specialises in the management of the Group's property holdings. As such, it owns the subsidiaries SCI HALL 7, SCI HALL 8 and SCI HALL 9Bis, which in turn own the industrial buildings in Héricourt. It owns SCI LES GRANDS VERGERS which in 2014 purchased a new plot of land in Héricourt located in "aux Guinnottes". Development work began on this plot in 2015 with the construction of a test site used in particular for the order for 2 AGVs for the port operator PSA Singapore and the VASCO project.

This company plans to offers products manufactured by the Group for hire.

GAUSSIN ASIA PACIFIC PTE LTD

Formerly GAUSSIN ASIA, this company is incorporated under Singapore law and its object is the commercial development of GAUSSIN products in Asia. This company has not had any business activity since 2018.

GAUSSIN H2 RACING TRUCK - GHR

The object of this company is the different activities concerning events relating to hydrogen and the DAKAR rally.

GAUSSIN CHINA CO LPT

The object of this company incorporated under Chinese law, based in Shanghai and wholly owned by GAUSSIN SA, is to form licensed partnerships to deploy the range of electric and hydrogen vehicles on the world's largest lorry market.

4.1.2. Proportional consolidation

The companies over which the Group directly or indirectly exercises joint control are consolidated by the Proportional Consolidation (PC) method.

Joint control reflects a situation where the shareholders in the controlled entity share authority. This type of control cannot be presumed and only exists where there is a formal contractual agreement setting out the arrangements for the sharing of authority.

GAUSSIN ADVANCE MOBILITY - GAME

GAME is held 49% by GAUSSIN SA and 51% by AL ATTIYA. The company is based on the Ras Bufontas free zone in Qatar and will assemble GAUSSIN vehicles.

Given that there is a shareholders' agreement in which it has been agreed that GAUSSIN will appoint the CEO and AL ATTIYA will appoint the CFO and that every decision must be jointly approved, it has been decided to consolidate this new company by the proportional consolidation method.

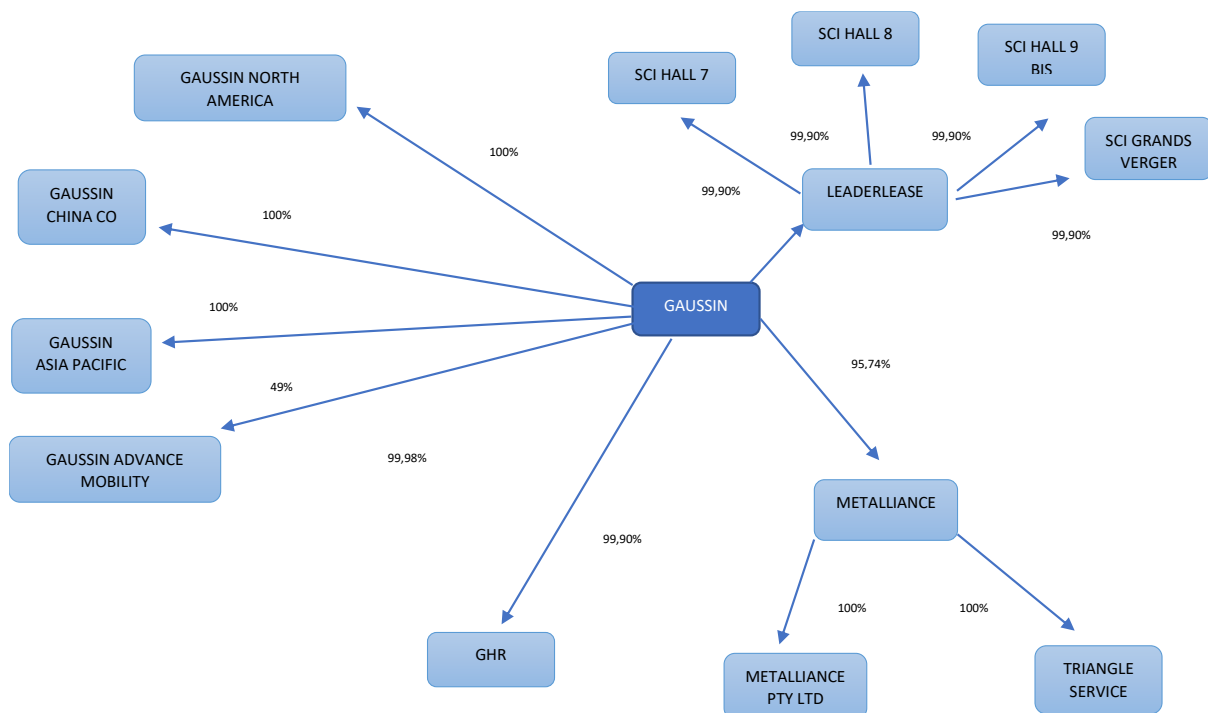
4.1.3. Equity method

The companies in which the Group exercises a significant direct or indirect influence are consolidated by the equity method. Significant influence is the power to participate in the financial and operational policies of a company without controlling it. The equity method consists of substituting the carrying amount of securities held with the share in the equity capital, including the profit/loss for the financial year determined according to consolidation rules.

METALLIANCE

METALLIANCE is the main company that was consolidated by the equity method until 30 June 2020. This company holds 100% of the shares in TRIANGLE SERVICE INDUSTRIE. This subsidiary was consolidated at METALLIANCE level until 30 June 2020. Since 1 July 2020, these companies have been consolidated by the full consolidation method.

4.2. Group organisation chart (with percentage of direct holding)



4.3. Consolidation scope

Raisons sociales	31 décembre 2021			31 décembre 2020			Siège social
	Contrôle	Intérêt	Méthode	Contrôle	Intérêt	Méthode	
GAUSSIN SA		Société mère			Société mère		11 rue du 47ème d'artillerie, 70400 HERICOURT
BATTERIE MOBILE	TUP	TUP	TUP	100%	100%	IG	11 rue du 47ème d'artillerie, 70400 HERICOURT
LEADERLEASE	99,98%	99,98%	IG	99,58%	99,58%	IG	11 rue du 47ème d'artillerie, 70400 HERICOURT
SCI HALL 7	99,90%	99,48%	IG	99,90%	99,48%	IG	11 rue du 47ème d'artillerie, 70400 HERICOURT
SCI HALL 8	99,90%	99,48%	IG	99,90%	99,48%	IG	11 rue du 47ème d'artillerie, 70400 HERICOURT
SCI HALL 9 BIS	99,90%	99,48%	IG	99,90%	99,48%	IG	11 rue du 47ème d'artillerie, 70400 HERICOURT
SCI DES GRANDS VERGERS	99,90%	99,48%	IG	99,90%	99,48%	IG	11 rue du 47ème d'artillerie, 70400 HERICOURT
GAUSSIN ASIA PACIFIC PTE LTD	100%	100%	IG	100%	100%	IG	Singapour
SA METALLIANCE	95,74%	95,74%	IG	95,74%	95,74%	IG	ZI La Saule, 71230 SAINT VALLIER
TRIANGLE SERVICE INDUSTRIE	100%	95,74%	IG	100%	95,74%	IG	ZI La Saule, 71230 SAINT VALLIER
GAUSSIN ADVANCE MOBILITY	49%	49%	IP	49%	49%	IP	Qatar
SA METALLIANCE PTY LTD	100,00%	95,74%	IG				Australie
GAUSSIN NORTH AMERICA	100,00%	100,00%	IG				Etats-Unis
GHR	99,90%	99,90%					11 rue du 47ème d'artillerie, 70400 HERICOURT
GAUSSIN CHINA CO LTD	100,00%	100,00%					Chine

FC: Full consolidation

PC: Proportional consolidation

4.4. Changes in the consolidation scope

At 31/12/2021, the changes to the consolidation scope as at 31/12/2020 were as follows:

4.4.1. Acquisition of a further stake in LEADERLEASE

GAUSSIN acquired 58,050 shares in LEADERLEASE (out of a total of 14,607,506 shares) on 9 March 2021 for €48K, taking its stake from 99.58% to 99.98%. This extra holding does not entail any change in scope.

4.4.2. Creation of GAUSSIN NORTH AMERICA

GAUSSIN has set up a subsidiary to conduct its business in North America. This strategic new entity will accelerate the marketing of GAUSSIN electric and hybrid vehicles following the signing of strategic partnership agreements with Magna, Plug Power and Robotic Research. GAUSSIN NORTH AMERICA is wholly owned and consolidated by the full consolidation method.

4.4.3. Creation of METALLIANCE PTY LTD

METALLIANCE PTY LTD is a newly created Australian subsidiary wholly owned by METALLIANCE. This entity is wholly owned and consolidated by the full consolidation method.

4.4.4. Creation of GAUSSIN RACING TRUCK SAS (GHR)

The object of this company is the different activities concerning events relating to hydrogen and the DAKAR rally.

4.4.5. Creation of GAUSSIN CHINA CO LTD

The object of this company incorporated under Chinese law, based in Shanghai and wholly owned by GAUSSIN SA, is to form licensed partnerships to deploy the range of electric and hydrogen vehicles on the world's largest lorry market.

Note 5. GOODWILL

The difference between the acquisition cost of securities and the total evaluation of assets and liabilities identified on the acquisition date constitutes the goodwill.

Positive goodwill is entered on the assets side under the "Goodwill" item. Positive goodwill may or may not be amortised depending on its useful life. Therefore, goodwill:

- with a limited useful life is amortised by the straight line method, or, if its useful life cannot be reliably determined, over 20 years.

An impairment test is carried out if there is an indication of an impairment loss.

- which does not have a limited useful life, is not amortised, but undergoes an impairment test at least once every financial year.

An impairment loss is recorded when the current recoverable amount of the goodwill is lower than its net carrying amount. This is final: it cannot be written back even if the situation becomes more favourable.

Negative goodwill is entered on the liabilities side under "Contingencies and loss provisions for" and offset against earnings over a period that reflects the assumptions made and conditions determined at the time of acquisition.

5.1. Goodwill variations

Data in €K	31/12/2020	Increase/All owance	Disposals/ Reversals	Variation in scope	31/12/2021
GAUSSIN ASIA PACIFIC PTE LTD (EX. DOCK IT PORT EQUIPMENT)	118	-	-	-	118
LEADERLEASE	3 497	-	-	65	3 562
SA METALLIANCE	2 493	-	-	-	2 493
Goodwill	6 108	-	-	65	6 173
GAUSSIN ASIA PACIFIC PTE LTD (EX. DOCK IT PORT EQUIPMENT)	(118)	-	-	-	(118)
LEADERLEASE	(3 497)	(65)	-	-	(3 562)
SA METALLIANCE	(943)	(181)	-	-	(1 124)
Deprec/Loss value goodwill	(4 558)	(246)	-	-	(4 805)
Net goodwill	1 549	(246)	-	65	1 368

On 9 March 2021, the acquisition of a further stake in LEADERLEASE led to the determination of goodwill as follows:

INFORMATION ON THE ACQUISITION	
Date of transaction	09/03/2021
Securities acquisition costs	47,688
Share of the consolidated net worth acquired	-17,492
Goodwill	65,180

5.2. Goodwill impairment test

The impairment tests carried out on goodwill have led the Group to impair all residual goodwill in LEADERLEASE and DOCK IT (GAUSSIN ASIA). This impairment is final.

At 31/12/2021, the net goodwill on METALLIANCE amounted to €1,368K, the goodwill on LEADERLEASE and DOCKIT being totally amortised.

5.3. Impairment test

The Group carries out impairment tests on cash-generating units (CGUs) whenever there is an indication of a loss in value. The Group has performed impairment tests to check the recoverable amount of its economic assets (or the capital used corresponding to the sum of the Group's fixed assets and WCR) in accordance with French accounting standards. The capital used by the Group (after recognition of impairments) stood at €38.7m at the end of December 2021.

The discounted cash flow (DCF) method, which values assets based on future cash flows discounted at the weighted average cost of capital, was used to determine the recoverable amount of the assets tested.

The future cash flows used are derived from the Business Plan established by the Group's Management on the basis of medium and long-term plans for each activity at 31 December 2021.

The pre-tax discount rate used at 31 December 2021 for testing assets for impairment was 12% and the perpetuity growth rate was 1.4%.

Based on the assumptions made, no further impairment loss was recognised for the 2021 financial year.

Sensitivity analysis:

A multivariate sensitivity analysis was done covering the discount rates (unfavourable change of 50 base points), the perpetuity growth rates (unfavourable change of 20 points) and the EBITDA rates (drop of 50 base points on the terminal value EBITDA rate). This analysis would not lead to the recognition of any further impairment loss.

Note 6. INTANGIBLE FIXED ASSETS

Intangible fixed assets are valued at their acquisition cost (purchase price and ancillary costs).

Amortisation is calculated, without taking the residual value into account, according to the straight line method based on the useful life.

If the assets are not divided into components:

- Research and development costs: 3 to years
- Patents: residual patent protection term (5 to 10 years)
- Other concessions and licences: 3 to years

Research and development costs

The research and development activities are performed by GAUSSIN and METALLIANCE. The GAUSSIN Group is also keen to develop the technological innovations required for a forward-looking industrial strategy. The Group books development costs as intangible assets when they relate to clearly individualised projects which have a significant chance of technical success and commercial profitability in accordance with the provisions of paragraph 311-3 of the French general chart of accounts. Development costs which result in the manufacturing of equipment required for future R&D are recorded as industrial equipment when the physical element of the asset outweighs the intangible component.

Patents and know-how

In connection with GAUSSIN SA's acquisition on 15/06/17 of 51% of the shares in BATTERIE MOBILE, a report, dated 24/05/17, was issued by the contributions auditor concerning the value of the shares of BATTERIE MOBILE, based in particular on the report, dated 31/12/16, on the valuation of BATTERIE MOBILE carried out by the firm SORGEM.

This work on the valuation of BATTERIE MOBILE culminated in the revaluation of the intangible assets of BATTERIE MOBILE in the consolidated financial statements of the GAUSSIN Group for the year ended 31/12/17 for an amount of €12,005K.

The amount of €12,005K in intangible assets corresponding to the assets of BATTERIE MOBILE (patents and know-how) is amortised over 5 years in the consolidated financial statements.

The Group carried out impairment tests on 31 December 2019 to check the recoverable amount of its intangible assets in accordance with the French accounting reference system (CRC no. 99-02). The discounted cash flow (DCF) method, which values assets based on future cash flows discounted at the weighted average cost of capital, was used to determine the recoverable amount of the assets tested.

The future cash flows used were derived from the Business Plan established by the Group's Management on the basis of medium and long-term plans for each activity at 31 December 2019.

Based on the assumptions made, an impairment loss of €5,001K was recognised in the financial statements for the 2019 financial year.

At the end of December 2019, the net carrying amount of these patents and know-how amounted to €1,002K. This net carrying amount will be amortised over 2.5 years as of 1 January 2020. At 31 December 2021, net value of these patents is €201K.

Data in €K	31/12/2020	Increase	Decrease	Variation in scope	Others variations	31/12/2021
Development costs (1)	11 834	311	-	-	352	12 497
Licences, patents and similar rights	13 376	4	-	-	-	13 380
Software	1 081	491	-	-	-	1 573
Business assets	1	-	-	-	-	1
Current intangible assets (2)	1 251	677	-	-	(322)	1 606
Other intangible assets	188	15	-	-	-	203
Gross intangible assets	27 732	1 498	-	-	29	29 259
Amortisation of development costs	(7 304)	(2 106)	325	-	20	(9 714)
Amortisation of licenses, patents and similar rights	(12 526)	(418)	-	-	-	(12 943)
Amortisation software	(909)	(172)	-	-	-	(1 081)
Amort/Imp goodwill	-	-	-	-	-	-
Amort/Imp intangible assets in progress	-	-	-	-	-	-
Amort/Imp other intangible assets	(170)	(15)	-	-	-	(186)
Amortisation/Intangible assets	(20 908)	(2 711)	325	-	20	(23 924)
Development costs	4 530	(1 795)	325	-	372	3 432
Licences, patents and similar rights	851	(414)	-	-	-	438
Software	173	319	-	-	-	492
Business assets	1	-	-	-	-	1
Current intangible assets	1 251	677	-	-	(322)	1 606
Other intangible assets	18	(0)	-	-	-	17
Net intangible assets	6 824	(1 213)	325	-	50	5 335

The following variations in intangible assets over the financial year were as follows:

- The net value of the Development costs item corresponds to the following projects:
 - VASCO: €1,201K
 - Hydrogen: €469K
 - APM/ASBM/AMDT/BUS: €728K
 - Underground: €1,034K
- The increase in intangible assets in progress corresponds to the development of:
 - The Autonomous drive project: €591K
 - The new functionalities APM project: €16K
 - The ART project: €70K
- Following the acquisition of 51% of the shares in BATTERIE MOBILE in 2017, the patents were revalued at €12,005K in the consolidated financial statements. They have been amortised over 5 years from 1 July 2017. At 31 December 2019 an amortisation allowance of €2,401K was recognised and an impairment loss of €5,001K was recognised in connection with the changes to the Group's business model. At 31 December 2019, the net carrying amount amounted to €201K.

The research and developments costs have been the subject of a cancellation of provisions of €325K

Note 7. PROPERTY, PLANT AND EQUIPMENT

Tangible assets (property, plant and equipment) are valued at their acquisition cost (purchase price and ancillary costs).

Depreciation is calculated according to useful life according to the straight-line method.

If the assets are not divided into components:

- Building improvements and fixtures and fittings: 10 years
- Equipment and tools: 5 years
- Prototypes: between 3 and 5 years
- Transport equipment: 4 years
- Office and IT equipment: 3 years
- Office furniture: 10 years

Recognition of finance lease contracts

When the assets used in the context of finance lease contracts are first recognised, they are entered under property, plant and equipment with a contra entry under long-term debts. The asset is recognised at the fair value of the leased asset on the starting date of the contract.

The variations in property, plant and equipment over the financial year were as follows:

Data in €K	31/12/2020	Increase	Decrease	Ecarts de conversion	Others variations	31/12/2021
Land	2 980	-	-	-	-	2 980
Buildings	3 247	-	-	-	-	3 247
Equipment & tools	22 918	996	(2 307)	3	3 177	24 787
Other property, plant and equipment	4 221	992	(332)	9	43	4 935
Current property, plant and equipment	1 675	8 465	-	-	(3 270)	6 870
Gross tangible assets	35 042	10 453	(2 639)	13	(50)	42 819
Amort. of layout and development of land	(1 195)	(200)	6	-	-	(1 389)
Amortisation of buildings	(2 316)	(182)	-	-	-	(2 498)
Amortisation of equipment & tools	(18 520)	(2 455)	2 946	(1)	-	(18 029)
Amortisation of other tangible assets	-	-	-	-	-	-
Amortisation Current property, plant and equipment	(2 892)	(441)	170	(2)	-	(3 166)
Depreciation/Tangible assets	(22 031)	(2 837)	2 952	(1)	-	(25 083)
Land	1 786	(200)	6	-	-	1 592
Buildings	931	(182)	-	-	-	749
Equipment & tools (1)	4 398	(1 459)	639	2	3 177	6 758
Current property, plant and equipment (2)	1 675	8 465	-	-	(3 270)	6 870
Other property, plant and equipment	1 329	552	(162)	0	43	1 769
Net tangible assets	10 119	7 176	483	2	(50)	17 736

- (1) "Machinery and equipment and tools" mainly includes the prototypes developed by the group: AIV, ATT, ATM, POWERPACK, Docking station.
Impact of the finance lease contracts:
- TRIANGLE SERVICES INDUSTRIES: €683K
 - METALLIANCE: €139K
- (2) "Tangible assets under construction" includes the prototypes linked to projects: Traffic mix for €629K, SYSTÈME GIE for €12K, the self-driving ATM/ASBMs for €457K, the APMR for €1,352K, hydrogen vehicles for €4,3011K (including the Dakar lorry for €4,147K) and the Tooling and fitting out projects for €119K
- (3) The "Machinery and equipment" item was the subject of a cancellation of provisions of €325K.

Note 8. LONG-TERM INVESTMENTS

Participating interests

The gross value is constituted by the acquisition cost. The inventory value is assessed on the closing date based on the value in use.

The value in use is assessed based on:

- The company's net assets and the market price if applicable,
- Prospects for future profitability,
- The strategic interest represented by the participating interest.
- The balance sheet value at the market price.

Other long-term investments

The gross value is constituted by the acquisition cost. When the balance sheet value is lower than the gross value, an impairment loss is recognised corresponding to the difference.

The variations in long-term investments over the year are as follows:

Data in K€	31/12/2020	Increase	Decrease	Perimeter variation	Allocations/reversals	Others	31/12/2021
Fixed securities (1)	150	393	-114	0	0	0	429
Other long-term investments (2)	1 146	612	-485	0	2	0	1 275
Gross long-term investments	1 296	1 005	-599	0	2	0	1 704
Impairment of long-term investments	-5						-5
Impairment of other long-term investments	-406	-67	400				-72
Dep. long-term investments	-411	-67	400	0	0	0	-78
Fixed securities (1)	145	393	-114	0	0	0	424
Other long-term investments (2)	741	545	-85	0	2	0	1 203
Net long-term investments	885	938	-199	0	2	0	1 627

(1) The change in the long-term investments corresponds to the acquisition of 40,000 shares in Obiz for €300K, with an inventory value at €250K. As the Group holds less than 20% of the company's capital, it is not included in the consolidation scope. It also includes the acquisition by METALLIANCE of shares in MAO (€53K), SEMCIB (€25K) and SAS ATELIER (€15K). The decrease of €114K corresponds to the liquidation of CORAIL, a company owned by METALLIANCE.

(2) The increases in the other long-term investments correspond to the liquidity agreements and guarantees paid in connection with the setting up of a reverse factoring contract. The decreases correspond to a €400K loan, written off and taken out of the assets in 2021 as well as to repayments of guarantees, connected to the reverse factoring contract in particular

Note 9. Investments in associates

The carrying amounts of investments in associates are reviewed at the close of each financial year taking into account the business outlook and expected profitability in order to identify potential impairment losses.

An impairment loss is recognised as soon as the carrying amount of the investments in associates exceeds their recoverable amount. Impairment losses are recognised as expenses in the profit and loss account.

None

Note 10. INVENTORY AND WORK-IN-PROGRESS

Stocks of raw materials are valued according to the "first in, first out" (FIFO) method.

Goods in progress and finished products are identified by "contract", the term being understood to correspond to a customer order. For each "contract", the supply costs are added to the cost of labour valued at a budgeted hourly rate. The subnormal capacity cost is excluded from the value of inventory and work in progress.

When the recoverable amount is lower than the carrying amount, a provision is set aside. Inventories of raw materials without any rotation for more than 2 years are written off, apart from METALLIANCE's stock of steel sheet which is subject to specific impairment rules depending on their value on the year-end closing date.

Data in €K	Gross	Impairment	Net
Stocks of RM, consumables and other supplies (1)	4 852	(1 512)	3 340
Goods in progress (2)	23 233	(1 253)	21 981
Finished and intermediate products (3)	1 544	(1 357)	187
Gross stocks and work in progress	29 630	(4 122)	25 507

31/12/2020

Data in K€	Gross	Impairment	Net
Stocks of RM, consumables and other supplies (1)	4 477	(1 306)	3 171
Goods in progress (2)	14 473	(702)	13 770
Finished and intermediate products (3)	4 337	(1 346)	2 991
Gross stocks and work in progress	23 287	(3 354)	19 933

- (1) Inventories of raw materials are written off for articles with a turnover rate exceeding 2 years, except for steel sheet.
- (2) Work-in-progress inventory includes trailers, ATMs, APMs, ARTs, BUSES, AMDTs, rubber-tyred trains (TSPs) and Menriders. The impairment losses concerning stocks of work-in-progress are in addition to the losses at completion recorded in the contingencies and loss provisions and concern the AMDTs, APMs and trailers.
- (3) The 2020 stock of finished goods included floats for Disney and APMs for Centreport, which were sold in 2021.

Note 11. ACCOUNTS RECEIVABLE

Accounts receivable are valued at their face value. A provision is set aside for impairment when the balance sheet value is lower than the carrying amount.

11.1. Analysis of accounts receivable

The gross value of the "Accounts receivable" item is €6,857K (€2,510K at 31/12/20). An impairment loss of €652K is recognised for this item (€1,787K at 31/12/20).

One long-distance export customer has accounted for €1m of outstanding receivables since the beginning of 2016. After the recognition of a 100% impairment loss in 2018, new discussions begun in May 2019 resulted in the settlement of part of the outstanding amount and there is hope that further payments will be made. The provision was therefore limited to €375K on 31/12/2021.

11.2. Accounts receivable aging schedule

The share of accounts receivable stands at €20,377K. Receivables due in more than one year amount to €2m.

Note 12. OTHER RECEIVABLES AND ACCRUED RECEIVABLES

Other receivables are valued at their face value. A provision is set aside for impairment when the balance sheet value is lower than the carrying amount.

Loan issue costs are spread over the term of the loan. They include bank charges and fees charged by external service providers upon issuance of the loan.

12.1. Analysis of Other receivables

Data in K€	31/12/2021	31/12/2020
Advances and down payments on orders	3 352	1 111
Receivables from staff and social org.	7	17
Tax receivables (1)	3 319	2 475
Prepaid expenses	2 855	227
Loan issue costs (3)	-	6
Other operating receivables (2)	852	196
Gross receivables	10 386	4 032

(1) "Tax receivables" includes VAT receivables (€2,400K) and research tax credits (€913K),

No impairment losses have been recognised for other receivables and accrued receivables

(2) The "Other operating receivables" item includes the portion of the GAME current account not eliminated due to the proportional consolidation method, namely €762K.

(3) The expenses incurred in 2021 relating to the DAKAR Rally 2022 were recognised as prepaid expenses in the financial statements at 31/12/21 for €2,530K.

12.2. Other receivables and accrued receivables aging schedule

All the items under this heading are due in less than one year, except for the GAME current account, which will probably have a maturity date later than one year.

Note 13. DEFERRED TAXES

Deferred taxes are determined according to a so-called balance sheet approach on the basis of temporary differences stemming from the difference between the carrying amount of assets and liabilities and their tax value. They are calculated using the tax rate by applying the accrual-based accounting method and are presented net for each tax entity.

Net deferred taxes linked to loss carry-forwards are recognised according to the likelihood of recovery, which is limited to three years. At the closing of accounts, the Group reviews the recoverable amount of the deferred tax assets of tax entities with tax losses that can be carried forward.

Future taxable profits stem from provisional documents outlining business and profit scenarios. The Group reviews these estimations and assessments regularly in order to update its forecasts essentially with regard to the development prospects for the "ATT port vehicle" business. These estimations, assumptions and evaluations are established on the basis of information or situations existing on the date on which the financial statements were prepared, which may change.

Since the group posted a loss in the previous financial years, it has decided not to maintain its deferred tax assets.

Deferred tax assets not recognised as assets in the consolidated balance sheet linked to loss carry-forwards amounted to €31,745K corresponding to a loss of €126,981K (€33,648K corresponding to a loss of €121,173K at 31/12/20). They have been calculated at rates of 25% and 28% respectively.

Note 14. CASH FLOW

The security deposits held by banking institutions in connection with assignments of trade receivables (Daily law) are credited to cash accounts until the assigned receivable has been paid in full and they have been refunded by the banking institution. They are therefore included in the sum of available cash and short-term investments.

Short-term investments consist of securities which have been acquired for a short period. The balance sheet value of listed securities is determined on the basis of the average price during the last month of the financial year.

Cash flow consists of available cash and short-term investments after deducting bank loans and overdrafts, which are entered on the liabilities side of the balance sheet.

14.1. Analysis of cash flow in the balance sheet

Data in K€	31/12/2021		
	Gross	Depreciation	Net
Short-term investments	6 000	-	6 000
Cash	14 467	-	14 467
Gross cash and short-term investments	20 467	-	20 467

Data in K€	31/12/2020		
	²	Depreciation	Net
Short-term investments	38	-	38
Cash	16 279	-	16 279
Gross cash and short-term investments	16 317	-	16 317

14.2. Analysis of cash flow in the cash flow statement

Data in K€	31/12/2021	31/12/2020
Cash and short-term investments	6 000	38
Cash	14 467	16 279
Short-term financial debts(bank overdrafts)	(6 020)	(3)
Net cash balance	14 447	16 299

Note 15. SHAREHOLDERS' EQUITY - GROUP SHARE AND NON-CONTROLLING INTERESTS

15.1. Breakdown of share ownership

Identified shareholders	31/12/2021		31/12/2020	
	Number of shares	% de capital	Number of shares	% de capital
Christophe GAUSSIN (1)	1 611 535	6,25%	1 553 642	5,67%
Volker BERL	226 840	0,88%	226 840	0,69%
Martial PERNICENI	71 320	0,28%	63 320	0,02%
Damien PERSONENI	401	0,00%	1	0,00%
Total members of Board of Directors	1 910 096	7,41%	1 843 803	7,93%
Holder of bearer shares	22 231 796	86,19%	20 980 964	91,59%
Other named shareholders	1 215 456	4,71%	59 861	0,63%
Staff - allocation of free shares	432 250	1,68%	358 200	1,39%
Own shares (liquidity contract)	4 759	0,02%	3 398	0,02%
Total	25 794 357	100%	23 246 226	100%

*Directly or indirectly held through OS ORIZON (ex-Milestone), a 100% holding.

15.2. Changes in share capital

The share capital of GAUSSIN SA stood at €25,794K at 31 December 2021 and was divided into 25,794,357 shares and 25,814,694 voting rights (including 20,337 double voting rights).

15.2.1. Capital increase

GAUSSIN SA increased its capital several times in the 2021 financial year:

- On 15/03/2021, a capital increase for an overall amount of €586K by issuing 585,500 free shares including 259,500 shares to corporate officer charged against the share premiums.
- On 21/09/2021, a capital increase for an amount of €3,378K by issuing 541,664 shares.
- On 06/10/2021, a capital increase for an amount of €8,810K by issuing 1,420,96 shares.
- The expenses charged against the share premium amounted to €362K

15.3. Non-controlling interests

Data in K€	31/12/2021	31/12/2020
Reserves allocated to non-controlling shareholders	415	383
Non-controlling shareholders' result	17	14
Non-controlling shareholders' interest	432	397

Note 16. CONTINGENCIES AND LOSS PROVISIONS

A contingencies and loss provision is recorded when a liability exists at the close of the financial year with a likely outflow of resources.

Provisions for customer warranties

A provision for risks associated with "customer warranties" is recorded each year based, for each manufacturing range, on the length of the contractual warranty, the turnover and the warranty claim cost recorded each year.

Provisions for losses on contracts

A provision for losses on contracts is booked to cover the estimated loss from a current loss-making contract.

Provisions for retirement indemnities

A provision for retirement payments and other statutory or collective agreement liabilities owed to staff is recorded on the liabilities side of the balance sheet for an amount determined according to the actuarial method.

The following parameters are used to calculate this liability:

- Retirement between 65 and 67 years for non-management and management staff
- Turnover rate: Low
- Employer contribution rate: 45%
- Discount rate: 0.98% (including inflation)
- Mortality table: TH 00-02:

The change to the provisions over the financial year is as follows:

Data in K€	31/12/2020	Allocation during the financial year	Reversals	Perimeter variation	31/12/2021
Provisions for disputes	45	82	(5)	-	122
Provisions for customer guarantees	680	653	(475)	-	858
Provisions for losses on completion (1)	692	898	(220)	-	1 377
Provisions for pensions and retirement	1 015	135	-	-	1 150
Provisions for other charge	441	68	(49)	-	460
Provisions for liabilities and expenses	2 874	1 836	(749)	-	3 966

(1) The new provisions for losses at completion concern future sales of ATMs, APMs and self-propelled vehicles.

Note 17. BORROWINGS AND FINANCIAL LIABILITIES

17.1. Analysis of borrowings and financial liabilities

Data in K€	31/12/2020	Increases	Decreases	Perimeter variation	Other variations	31/12/2021
Debenture loan	-	-	-	-	-	-
Loans from credit institutions (1)	14 480	1 487	-850	0	-197	14 919
Debt for leases	2 753	129	-1 316	0	0	1 565
Repayable advance from BPI (2)	7 492	0	-604	0	197	7 085
Accrued interest on loans	683	202	-3	0	0	882
Short-term financial debts (bank overdrafts)	18	6 002	0	0	0	6 019
Loans and financial debt	25 425	7 819	-2 773	0	0	30 471

(1) The borrowings correspond to the AGATE loan (€1,450K), the PGE loans (€10,765K) and bank borrowings (€2,704K).

(2) The repayable advances correspond to BPI innovation grants amounting to €1,088K, €5,418K for the VASCO project, an advance of €67K for the LOGISTIC H2 project from the ADEME and €512K of BPI advances received by METALLIANCE.

17.2. Financial liabilities aging report

Data in K€	31/12/2021	Below one year	Above one year and below five years	Above five years
Loans from credit institutions	14 919	1 980	12 682	257
Debt for leases	1 565	1 565		
Repayable advance from BPI	7 085	2 398	4 688	
Accrued interest on loans	882	882		
Short-term financial debts (bank overdrafts)	6 020	6 020		
Total financial debt	30 471	12 845	17 370	257

Note 18. OPERATING LIABILITIES AND ACCRUED LIABILITIES

18.1. Analysis of operating liabilities

Data in K€	31/12/2021	31/12/2020
Suppliers and related accounts	17 663	7 802
Payments on account for orders (1)	13 635	8 994
Welfare payables	4 255	4 545
Tax payables	461	565
Deferred income (2)	5 190	2 846
Other payables (3)	3 127	1 498
Other debt and accrual accounts	26 669	18 448
Operating debt	44 332	26 250

(1) Down payments from customers are used to finance current orders;

(2) Prepaid income includes the billing of €4,434K of sponsoring relating to the Dakar Rally 2022 (like the prepaid expenses);

(3) The other operating liabilities include, in particular, €1,808K linked to the reverse factoring contract, invoices relating to fixed assets amounting to €500K and the GAME current account.

18.2. Operating liabilities and accrued liabilities aging report

The operating liabilities due in more than one year correspond to the GAME current account, representing €749K.

Note 19. REVENUES

Revenues are made up of the following:

- Income from the sale of equipment. Sale of industrial and other equipment is recognised when ownership is transferred.
- Income from the provision of after sales services to support the sale of equipment (training, maintenance, and technical assistance) is recognised when the services are provided.
- Sales of designs are recognised when the designs are handed over.
- Income from the sale of manufacturing licences is recognised when the licence has been delivered.
- Income from the provision of services to support the sale of licences (training and technical assistance) is recognised when the services are provided.
- Income from the rental of equipment is recognised when the services are provided.

Income from licences is posted under "other operating income" and includes the following:

- Sales of licences where income is recognised when the licence is granted to the customer (transfer of the application onto the customer's hardware) and the customer can make virtually full use of it, when the licence transfers a right to use Gaussin's intellectual property as it exists at the time when the licence is granted.
- Royalties on future sales by the licensee, where the income is recognised based on the sales of the year.
-

The revenue breakdown is analysed as follows:

Data in €K	Exercice 2021	Exercice 2020
Sales of goods for resale	-	-
Goods produced and sold	19 652	6 868
Services supplied	1 226	233
Income from related activities	93	173
Revenues, France	20 971	7 274
Sales of goods for resale	-	-
Goods produced and sold	19 762	12 689
Services supplied	201	605
Income from related activities	87	67
Discounts and allowances granted	-	-
Revenues, Export	20 049	13 361
Revenues	41 020	20 635
Licensing revenue	11 740	20 000
Revenues and licensing revenue	52 760	40 635

The licence income of €11,740K corresponds to the sale of manufacturing rights to NEXPORT (€10m) and ST Engineering (€1.7m).

Note 20. OTHER OPERATING INCOME

The Group recognises research tax credits as other operating income, over the same period as the capitalised research and development costs and the depreciation of the prototypes to which the tax credit is attached.

Other operating income breaks down as follows:

Data in €K	Exercice 2021	Exercice 2020
Production held as inventory (1)	5 966	6 572
Self-production (2)	10 318	2 726
Operating grant (3)	1 089	581
Operating charges transferred	356	656
Reversal of provision (4)	3 848	6 324
Other operating income (5)	154	698
Other operating income	21 732	17 556

(1) Production held as inventory amounts to + €2,518K at GAUSSIN and + €3,438K at METALLIANCE.

(2) Self-production concerns the following projects: €5,679K for the HYDROGEN project (of which €4,147K concerns the Dakar truck), €288K for the AGV project, €2,978K for the automation project and €1,282K for Métalliance projects)

(3) The operating grants correspond to €913K of CIR (research tax credit) and €176K of grants.

(4) The reversals of provisions concern €475K for reversals of customer warranty provisions, €220K for reversals of provisions for losses on completion, €1,678K reversals of provisions for inventory impairment (including €406K at Métalliance linked to harmonisation with GAUSSIN methods), as well as €1,141K concerning fixed asset impairment and €280K for impairment of trade receivables.

In 2020, they included €1,846K of reversals of contingencies and loss provisions €2,265K of inventory impairment provisions and €2,180K of reversals of provisions for impairment of fixed assets.

(5) The other operating income corresponds to €147K of exchange gains on commercial transactions (€478K in 2020) and €6K of miscellaneous adjustments (€220K in 2020).

Note 21. PURCHASES CONSUMED, OTHER PURCHASES AND EXTERNAL EXPENSES

Data in €K	31/12/2021	31/12/2020
Purchase of raw materials, parts, finished subassemblies	(25 812)	(18 419)
Stock variations and work in progress	362	(683)
Changes in stock of goods for resale	(151)	-
Sub-total, purchases consumed	(25 600)	(19 102)
Purchases of project studies and services	(12 581)	(4 581)
Non-inventory materials and supplies	(751)	(323)
Sub-total, other purchases	(13 332)	(4 905)
Subcontracting	(59)	(11)
Rental	(1 232)	(600)
Maintenance	(804)	(336)
Insurance premiums	(548)	(381)
Seconded and temporary personnel		(1 101)
Agents' remuneration and fees	(4 333)	(1 932)
Advertising, publications and public relations	(4 574)	(4 310)
Transport	(935)	(793)
Other external services and other external charges	(1 262)	(133)
Business travel, missions and receptions	(1 189)	(786)
Postal and telecommunication costs	(188)	(143)
Bank charges	(425)	(302)
Sub-total, external charges	(15 550)	(10 829)
Purchases consumed, other purchases and external costs	(54 481)	(34 835)

Data in €K	31/12/2021	31/12/2020
Purchases consumed are the arithmetic sum of the following items:		
Purchase of goods for resale	(25 812)	(18 419)
Purchase of raw materials, parts, finished subassemblies	362	(683)
Stock variations and work in progress	(151)	-
Sub-total, purchases consumed	(25 600)	(19 102)
Purchases consumed are to be put in relation with the produced activity, namely:		
Turnover achieved	41 020	20 635
Self-production	10 318	2 726
Production held as inventory	5 966	6 572
Sum of activity produced	57 304	29 932
The difference between the activity produced and the purchases consumed is the operating margin	31 705	10 830
Rate of operating margin	55%	36%

Note 22. WORKFORCE AND PERSONNEL COSTS

22.1. Average workforce

The average workforce was 274 in 2021 (224 in the 2020 financial year).

The workforce breaks down as follows:

Companies	Employees	Managers	Temporary workers	External personnel	Total
GAUSSIN	72	1	8	1	82
METALLIANCE	143	1	20		164
GAME	5	1			6
GAUSSIN ASIA	2				2
GAUSSIN NORTH AMERICA	1				1
GAUSSIN CHINA	0				0
Total	223	3	28	1	246

22.2. Payroll expenses

Data in €K	31/12/2021	31/12/2020
Personnel wages and salaries	(10 680)	(6 744)
Social security and provident fund contributions	(3 977)	(2 701)
Others	(565)	(1 222)
Total payroll expenses	(15 222)	(10 667)

22.3. Share-based payments

During the 2020 financial year, the Board of Directors administration acted under the delegation of authority granted by the Extraordinary General Meeting of 21 August 2018 and introduced 6 new free share plans for the benefit of employees and corporate officers (3 of which have been cancelled following the departure of the employee) with the following characteristics:

Plan Name	AGA 2020-1	AGA 2020-2	AGA 2020-3	TOTAL
Date of allotment by Board of Directors	16/01/2020	16/01/2020	16/01/2020	
Number of free shares whose allotment is envisaged	328 000	285 000	499 500	1 112 500
Date of Board meeting which set the conditions of allotment			29/06/2020	
Number of shares cancelled	4 000			4 000
Number of free shares still to be issued at 31/12/20:	324 000	285 000	499 500	1 108 500
Number of free shares for which conditions met at 31/12/2021	324 000	95 000	166 500	585 500
Number of free shares issued during 2021 financial year	324 000	95 000	166 500	585 500
Number of free shares still to be issued at 31/12/21:	0	190 000	333 000	523 000
Vesting period	1 year - 2021	Over 3 years with: -1/3 in 2021 -1/3 in 2022 -1/3 in 2023	Over 3 years with: -1/3 in 2021 -1/3 in 2022 -1/3 in 2023	
Vesting conditions	Presence	In 3 tranches -Presence	In 3 tranches -Positive restated EBITDA	
	Manufacturing: 18 APM+7 TT+24 TT+ 5 floats+ 2 trailers	Signing of a €3m licence agreement Signing of a €6m licence agreement	Reduction of number of parts in stock and external expenses, positive restated EBITDA	

585,500 shares with a nominal value of €1 were allotted:

- 324,000 shares were allotted in the AGA 2020-1 plan, including 160,000 shares to a corporate officer
- 95,000 shares were allotted in the AGA 2020-2 plan, including 50,000 shares to a corporate officer
- 166,500 shares were allotted in the AGA 2020-3 plan, including 49,500 shares to a corporate officer

During the 2021 financial year, the Board of Directors availed of the delegation of authority granted by the Extraordinary General Meeting of 18 May 2021 and introduced 3 new free share plans for the benefit of employees and corporate officers.

The characteristics of these free share plans were as follows:

Plan Name	AGA-LICENCE	AGA-S-GAU	AGA-S-MET	TOTAL
Date of allotment by Board of Directors	27/07/2021	27/07/2021	27/07/2021	
Number of free shares whose allotment is envisaged	729 000	77 000	134 551	940 551
Date of Board meeting which defined the conditions of allotment		30/07/2021	30/07/2021	
Number of shares cancelled	39 000	1 925	0	40 925
Number of free shares still to be issued at 31/12/21:	690 000	75 075	134 551	899 626
Number of free shares for which conditions met at 31/12/2021	0	0	0	0
Number of free shares issued during 2021 financial year	0	0	0	0
Number of free shares still to be issued at 31/12/21:	690 000	75 075	134 551	899 626
Vesting period	2 year - 2023	1 year - 2022	1 year - 2022	
Vesting conditions		Presence	Presence	
	Licence signed in €1m tranches	Manufacturing 12 prototypes and vehicles	Manufacturing of 10 APMs + 16 ATMs	

349,285 shares were allotted to a corporate officer.

The expense recognised in the 2021 financial year for these 6 free share allocation plans was €467K (€1,634 in 2020), which breaks down into:

- Employer contributions for €448K
- For the 2022 and 2023 acquisitions: Net allowance for provisions for social contributions of €19K.

The meeting of the GAUSSIN SA Board of Directors held on 27 July 2021 decided to set up an Equity incentive plan for certain corporate officers and employees of GAUSSIN NORTH AMERICA, in the form of an allotment of stock options under American law, entitling them to 15,000 ordinary shares in GAUSSIN NORTH AMERICA, i.e. 12,000 shares for the directors and 3,000 shares for employees.

Note 23. DEPRECIATION ALLOWANCES AND OPERATING PROVISIONS

Data in K€	31/12/2021	31/12/2020
Depreciation charges and impairment of intangible assets (1)	(2 712)	(2 348)
Depreciation charges and impairment of tangible assets	(3 277)	(3 353)
Depreciation charges and deferred charges	(6)	(19)
Allowances for operating provisions	(1 831)	(1 461)
Allowances for provisions for pension commitments	(5)	(13)
Allowances for impairment of stock (2)	(2 446)	(692)
Allowances for impairment of receivables	0	(18)
Depreciation charges, impairment and provisions	(10 277)	(7 906)

(1) Including €400K relating to depreciation of patent valuation adjustments.

(2) The provision for inventory impairment concerns €1,243K of raw materials inventory (including €546K at METALLIANCE relating to the harmonisation of the method of calculating impairment with the GAUSSIN method), €1,202K of work-in-progress inventory and €17K of stocks of finished products.

Note 24. FINANCIAL PROFIT/LOSSES

Data in K€	31/12/2021	31/12/2020
Income from debts receivable related to participating interests	49	-
Exchange gains	157	62
Reprise des dotations aux provisions à caractère financier	115	-
Other financial income	21	26
Total produits financiers	343	88
Interest charges	(438)	(402)
Exchange losses	(22)	(493)
Net reversal of allowances for financial provisions	(67)	-
Other financial charges	(38)	-
Total charges financières	(565)	(895)
Financial earnings	(222)	(807)

Interest charges were €438K, corresponding to €155K for bank loans, €141K for the loan for taken out with AGATE, €63K for the BPI advances in connection with the VASCO project, and €78K for consolidation restatements for finance lease operations.

Note 25. EXTRAORDINARY PROFIT/LOSS

Extraordinary income and charges cover item that are not related to the routine activity of the company.

Data in €K	31/12/2021	31/12/2020
Income from disposal of fixed assets	301	25
Reversal of extraordinary provisions (1)	400	-
Other extraordinary income	232	3
Extraordinary income	934	28
Net book value of transferred assets	(645)	(23)
Depreciation charges and extraordinary provisions	-	(85)
Other extraordinary charges (2)	(286)	(526)
Extraordinary charges	(930)	(635)
Extraordinary profit/loss	4	(607)

(1) Linked to the loan taken out of the assets

(2) Linked to late performance penalties

Note 26. TAX ON EARNINGS

26.1. Breakdown of tax on earnings

Data in €K	31/12/2021	31/12/2020
Deferred taxes	-	-
Current income taxes	(7)	(122)
Income tax	(7)	(122)

26.2. Tax proof

Data in €K	31/12/2021	31/12/2020
Net profit/loss of consolidated companies	-7 296	1 936
Income tax expense	-7	-122
Net taxable income	-7 289	2 058
Normal tax rate of parent company	26,5%	28,0%
Theoretical income tax expense (A)	1 932	-576
Tax linked to permanent differences	19	137
Impact of unused tax losses	-1 910	-110
Tax at reduced rate	-77	-50
Tax loss carryforwards	30	477
Impact of particular tax situations (B)	-1 939	454
Impact of variation in tax rate (C)		
Actual income tax expense (A + B + C)	-7	-122
Actual income tax expense recognised	-7	-122

Note 27. BASIC EARNINGS AND DILUTED EARNINGS PER SHARE

The basic earnings per share are obtained by dividing the net earnings of the year attributable to the shareholders of the group, namely €7,313K, by the weighted average number of shares in circulation during the year. The basic earnings per share were thus - €0.30. The diluted net earnings per share are calculated considering the maximum impact of the conversion of dilutive securities into ordinary shares. The diluted earnings per share were thus - €0.28.

Note 28. INDUSTRY INFORMATION

The company operates in a number of sectors it refers to as: "LOGISTICS", "PORTS", "AIRPORTS", "SMART CITIES" and "UNDERGROUND AND TRACK LAYING" and "WELDED CONSTRUCTIONS".

The Logistics business consists of the design and manufacture of all-electric vehicles devoted to the handling of heavy goods semi-trailers on logistics platforms. These vehicles allow the replacement of a road tractor on site in order to release it for long-distance transport activities and mainly target industry, retailing, logistics and transport. This business also includes the sector known as MTO (Made to Order) which corresponds to the design and manufacture of machines for the transport of heavy loads (over 500 tonnes) to the technical specifications required by the customer.

The Ports business consists of the design and semi-mass production of equipment used by port operators for horizontal transport and container storage.

The Airports business consists of the design and manufacture of vehicles dedicated to the handling of cargo containers in airports, derived from the ATM, with which they share the platform and basic components, resulting in moderate development costs.

The Smart Cities business consists of the development of a solution for the movement of passenger vehicles, in driverless operation with no human intervention. This business did not generate any turnover during the 2021 financial year.

The UNDERGROUND AND TRACK LAYING and WELDED CONSTRUCTIONS business is that of METALLIANCE, which designs and manufactures machines for underground, rail and road works, as well as bespoke machinery.

Data in K€	31/12/2021	31/12/2020	Variation
	In €K		
Revenues	41 020	20 635	20 385
of which LOGISTICS equipment (ATM)	3 781	2 061	1 720
of which LOGISTICS equipment (ASBM)		375	-375
of which LOGISTICS equipment (AIV)	4 022		
of which LOGISTICS equipment (MTO)	2 212	1 513	699
of which PORT equipment	3 040	5 763	-2 723
of which AIRPORT equipment	631		
of which handling equipment	1 231	1 081	150
of which equipment for underground works	19 065	7 438	11 627
of which bespoke equipment	1 568	734	834
of which spare parts and services	4 874	578	4 296
of which provision of services	596	934	-338
of which Others		158	-158
Licence revenues	11 740	20 000	-8 260
TOTALS	52 760	40 635	12 125

Note 29. RELATED PARTIES

The services carried out with METALLIANCE during the 2021 financial year have been restated.

RELATED PARTIES	YEAR 2021		YEAR 2020	
	Amounts allocated	Gross amounts paid	Amounts allocated	Amounts paid
REMUNERATION				
Members of Board of Directors				
In euros				
Remuneration of governing officer				
Fixed remuneration	464 366 €	517 561 €	443 599 €	391 986 €
Variable remuneration	- €	- €	97 198 €	97 198 €
Total remuneration	464 366 €	517 561 €	540 797 €	489 184 €
Remuneration of director				
GAUSSIN SA	80 000 €	80 000 €	20 000 €	20 286 €
Other controlled companies	18 000 €	- €	6 000 €	6 000 €
Total remuneration of directors	98 000 €	80 000 €	26 000 €	26 286 €
Other remuneration				
Benefits in kind	1 955 €	1 955 €	11 733 €	11 733 €
Valuation of bonus shares allocated during the year				
TOTAL	1 955 €	1 955 €	11 733 €	11 733 €
Employer's contributions	190 035 €	195 482 €	437 764 €	420 183 €
COST OF REMUNERATION	754 356 €	794 998 €	1 016 293 €	947 385 €
Allowance for non-competition commitment	1 246 288 €		1 441 615	
Number of Gaussin North America stock options allocated	15 000			
Gaussin SA bonus share allocation				
Number of bonus shares allocated	349 285		458 500	
Number of bonus shares acquired	259 500	259 500	40 000	40 000
Total number of Gaussin SA bonus shares	608 785		498 500	40 000
AFFILIATED ENTITY	Amounts of expenses/revenue	Amounts paid/collected	Amounts of expenses	Amounts paid
Designs	- 1 867 588 €	- 2 032 966 €	- 1 510 754 €	- 1 764 421 €
Vehicles - revenue	58 851 €	58 851 €		
Vehicles - expenses	2 734 €	- €	28 365 €	28 365 €
Insurance	- 178 803 €	- 201 804 €	- 272 519 €	- 256 115 €
IT and marketing services	- 1 277 726 €	- 1 720 520 €	- 812 704 €	- 749 825 €
Newage consulting	- 100 203 €	- 93 116 €	- 23 101 €	- 23 101 €
Reinvoicing of Gaussin Advance Mobility net costs	- 244 000 €		- €	- €
Total AFFILIATED ENTITIES	- 3 606 735 €	- 3 989 555 €	- 2 647 443 €	- 2 821 827 €

Relations with OS ORIZON (ex-MILESTONE Factory) (company wholly owned by Christophe GAUSSIN):

A service agreement was entered into by OS ORIZON and the Gaussin relating to the provision of technical, commercial, IT, engineering and simulation advice, particularly in the following areas:

- Hydrogen vehicles;
- Vehicles with electric batteries;
- Fleet management software ecosystems for vehicles in their working environment (e.g. interactions with port cranes? etc.);

OS ORIZON bills its services at cost plus 10%. It also receives an advance payment on account.

The services billed by OS ORIZON had an impact of €1,868K on the consolidated financial statements 2021, which was covered by GAUSSIN. GAUSSIN made a €1,084K advance payment for the services of OS ORIZON for 2022.

Relations with NEWAGE (company wholly owned by Volker BERL):

A service agreement was entered into by Volker BERL, a director of GAUSSIN and the company NEW AGE, of which he is chairman, relating to commercial and financial consultancy services.

The service billed by NEW AGE had an impact of €100K on the consolidated financial statements for the 2021 financial year, €21K of which was covered by GAUSSIN and €79K by GAUSSIN AMERICA.

Note 30. STATUTORY AUDITORS' FEES

The statutory auditors' fees recorded in the profit and loss statement at 31 December 2021 amounted to €290,476.

STAT AUD FEES	SOFIGEC		ORFIS		TOTAL	
	Amount (ex VAT)		Amount (ex VAT)		Amount (ex VAT)	
	déc-21	déc-20	déc-21	déc-20	déc-21	déc-21
Statutory auditors, certification, examination of individual and consolidated accounts						
- Issuer	132 782	86 971	114 594	104 018	247 376	190 989
- Subsidiaries (incl. network)	8 115	14 560			8 115	14 560
Services other than certification of accounts (SACCs) required by law (1)						
- Issuer	18 494	22 563	16 491	19 463	34 985	42 026
- Subsidiaries (incl. network)						
Other SACCs						
- Issuer					0	0
- Subsidiaries (incl. network)						
Total fees	159 390	124 094	131 086	123 481	290 476	247 575

(1) These services mainly included the annual report, the special report on related party agreements and the capital transactions.

Note 31. OFF-BALANCE SHEET COMMITMENTS

Commitments given

Guarantees assigned to a commitment:

- Pledged bank accounts: €45K
- BPI cash collateral: €173K

SA GAUSSIN has guaranteed any sum that its subsidiary LEADERLEASE might owe to MONTE MALO under the equipment rental contract signed on 29 June 2015.

Pledge of 3,234,000 LEADERLEASE shares held by GAUSSIN SA in favour of MONTE MALO EQUIPEMENTS

Pledge of SOMUDIMEC securities/Loan: €38K

Pledge of the goodwill of METALLIANCE in favour of banks: €451K

Pledge of the reverse factoring account: €50K

Other security for Crédit-coopératif loan: €227K

BATTERIE MOBILE was granted a debt remission of €4,196k by CEA subject to a clawback provision. The group is repaying the amount of the remission granted in amounts of 15% of the positive EBIT amount of GAUSSIN (and BATTERIE MOBILE until its winding up) for each financial year ended from 31/12/15 to 31/12/22. Taking account of the EBIT at 31 December 2020, a provision of €520K was set aside in 2020, the amount of the debt remission still to be repaid therefore stands at €3,676K.

METALLIANCE was selected by SKANSKA COSTAIN STRABAG JOINT VENTURE in a call for tenders for a project relating to the maintenance of the high-speed rail line linking London to the West Midlands, Manchester and Leeds. METALLIANCE then signed a subcontracting contract with SCS JV for the supply of multi-purpose vehicles worth €12m.

GAUSSIN irrevocably and unconditionally guarantees the compliance and complete performance by METALLIANCE with all its obligations and liabilities and any sums owed by METALLIANCE under the subcontracting contract or by way of damages for any breach of the provisions of the subcontracting contract.

Following the buyout, in 2020, of a majority stake in METALLIANCE, commitment to pay an earn-out of €600K to METALLIANCE's shareholders calculated as follows:

- o €300K if the gross operating profit for the financial year ending 31 December 2022 is €2,250K or more;
- o €300K if the gross operating profit for the financial year ending 31 December 2023 is €2,500K or more.

The 2021 conditions are not met.

METALLIANCE has sold equipment with repurchase commitments. These commitments amounted to €23,273K at 31/12/2021.

The likelihood of these repurchase commitments being fulfilled is, however, evaluated at €13,994K.

Commitments received

- Bank guarantee from BNP: €783 K;
- Bank guarantee from Société Générale: €1,591K and USD 114K;
- Bank guarantee from LCL: €1,691 K;
- METALLIANCE bank guarantees: €8,659K and USD 418K.
- Currency hedging: €0K