



+

**ALL HANDS
ON DECK!**

ANNUAL REPORT 2020/21

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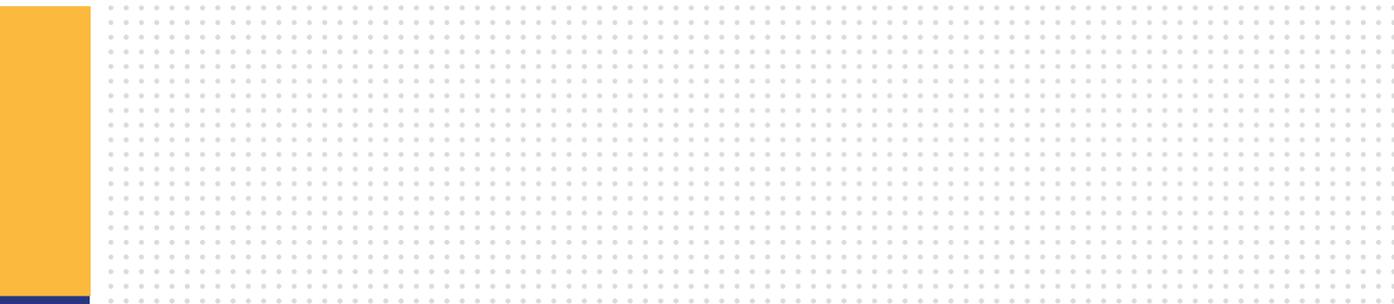


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Note: to harmonise GSE's accounts with our shareholder GOLDBECK's, we have moved our financial year's closing date, previously 31 December, to 31 March. Our financial "year" 2020/21 therefore has a duration of 15 months, starting on 1 January 2020 and ending on 31 March 2021.



Foreword

2020 was a year of growth. Growth in client and employee satisfaction, in our CSR focus, in our business and in all our key figures. Yet the first quarter was not very promising. We faced powerful headwinds: a downward trend in the logistics market, a collapsing SME market. The pandemic was there for the long haul – and it still is. We remained on deck, at the office or from home, but on deck, strictly complying with distancing measures, with a slower pace on construction sites, but managed with safety as top of mind and a motivated - hugely motivated team. I would like to thank everyone at GSE: we owe this year's success to you. As always.

We're staying the "client first" course, with a clear ambition: to have satisfied, very satisfied, the most satisfied clients in our market in fact. To remain on deck at every stage, from pre-sales to after-sales, with our values – PACT Performance,

Agility, Collaboration and Transparency – always in mind. We have surveyed our clients: 97% would like to work with us again.

This year, we renovated our head office and opened a company restaurant where we enjoy fresh, organic food. We have shared a lot, from our construction sites and our homes, discussed where we are going and how to get there. We learned about teleworking in massive doses. We adapted. And we stayed on deck. We all worked hard – and enjoyed ourselves in the process. We asked our employees how they felt about the company: 96% would recommend us to a friend or family member. And that's good news, since we're recruiting!

CSR has become an integral part of our practices and on our construction sites. It has been 18 years since we joined the Global Compact, but we have stepped up our sustainability agenda in the past four years. CSR is now a focus of GSE's governance, along with employee safety & wellbeing as well as applying best practices across our supply chain. We are Platinum-labelled by Ecovadis (a leading ratings agency on CSR for companies) and our carbon is offset. We remain on deck – but we want it all to be sustainable.

Our orders, revenues, cash flow and profit are up, both in France and internationally. We talk about it of course, but it is only a consequence.

We give our thanks to our clients, to our people... 2021 has started with a good backlog of business and with teams that are as strong as ever.

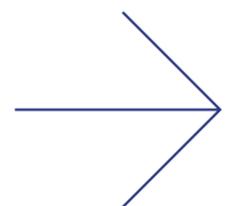
We're staying on deck!

Roland PAUL
Chairman

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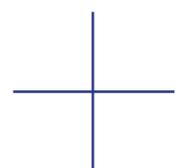
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**GSE, the leader
in commercial
real estate**



GSE has been the commercial real estate specialist for 45 years. Logistics platforms, factories, offices, shopping centres, labs, R&D centres: GSE helps clients manage their real estate projects from beginning to end.

GSE, the **global** contractor



GSE supports its clients throughout their real estate projects, from the search for land to the design and construction of their building and through the snagging and handover period.

We provide real estate solutions adapted to the client's specific challenges by designing and building each project to order. Acting as a single point of contact,

we enable them to focus on their core business with complete peace of mind. As a Global Contractor, we make firm commitments on performance, quality, deadlines and prices. We also take a proactive approach to CSR both within our company and on our construction sites.

For each project, we set up a dedicated team to serve the client, with the support of our in-house technical experts (design, mechanical & electrical, certifications, quality control, safety policy, etc.). We aim for excellence in client satisfaction.

Our R&D strategy helps us anticipate the building of tomorrow by pioneering key advances in smart architecture, digital innovation, energy optimisation, building connectivity and data analysis. We develop dedicated, proprietary products for some types of buildings – such as business parks, car parks, etc.

Though GSE builds more than a million square metres of commercial real estate every year in France, Europe and China, we remain a leader on a human scale. Nurturing our strong local roots, we aim to be exemplary in both our know-how and our relationships.



GSE, a **GOLDBECK** company

GOLDBECK, our group's new shareholder since 2019, is a dynamic, innovative, German-based European commercial real estate construction group. As a one-stop-shop for buildings' design and construction, as well as for services during operation, it has developed unique know-how in building excellence through its 'system' approach. GOLDBECK manufactures much of its own

construction elements. Its industrial approach to projects complements GSE's product range – much as the two companies complement each other geographically. Since its creation in 1969, GOLDBECK has completed more than 10,000 projects and today employs more than 7,800 people in over 70 locations.



Key figures

Our people

463

employees

280

engineers

17

nationalities

84 / 100

gender equality index

Our locations

14

in France

6

in Europe

25

years operating in China



Our balance

45

year's experience

€665_m

in revenues

12 months equivalent of a social 2020/21 financial year of 15 months

91 %

of customers are satisfied

81 %

of certified projects

96 %

of employees recommend GSE



Our operations

50

projects per year

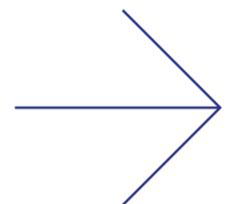
18

million m² of commercial real estate built

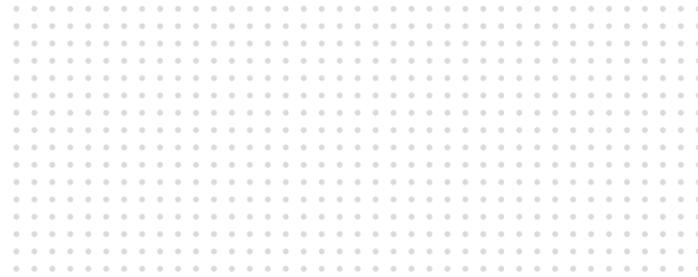
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**Creating today
the building
of tomorrow**



Executive Committee



1 Christophe **Malergue**
China Director

2 Muriel **Lecou**
Chief Customer Officer

3 Robert **De Marchi**
Business Development Director

4 Thierry **Milon**
EMEA Director

5 Aurore **Malblanc**
Human Resources Director

6 Manuel **Sanna**
Technical Director

7 Roland **Paul**
Chairman

8 Thierry **Chambellan**
GSE France Director

9 Benoît **Billon**
GSE France Director

10 John **Baltay**
Chief Marketing Officer

11 Emmanuel **Guillot**
CFO

Innovate. Anticipate. Evolve. Our Executive Committee ensures that GSE's men and women work together to create ever more efficient, sustainable and eco-responsible buildings – to our clients' greatest satisfaction.

Supervisory Board

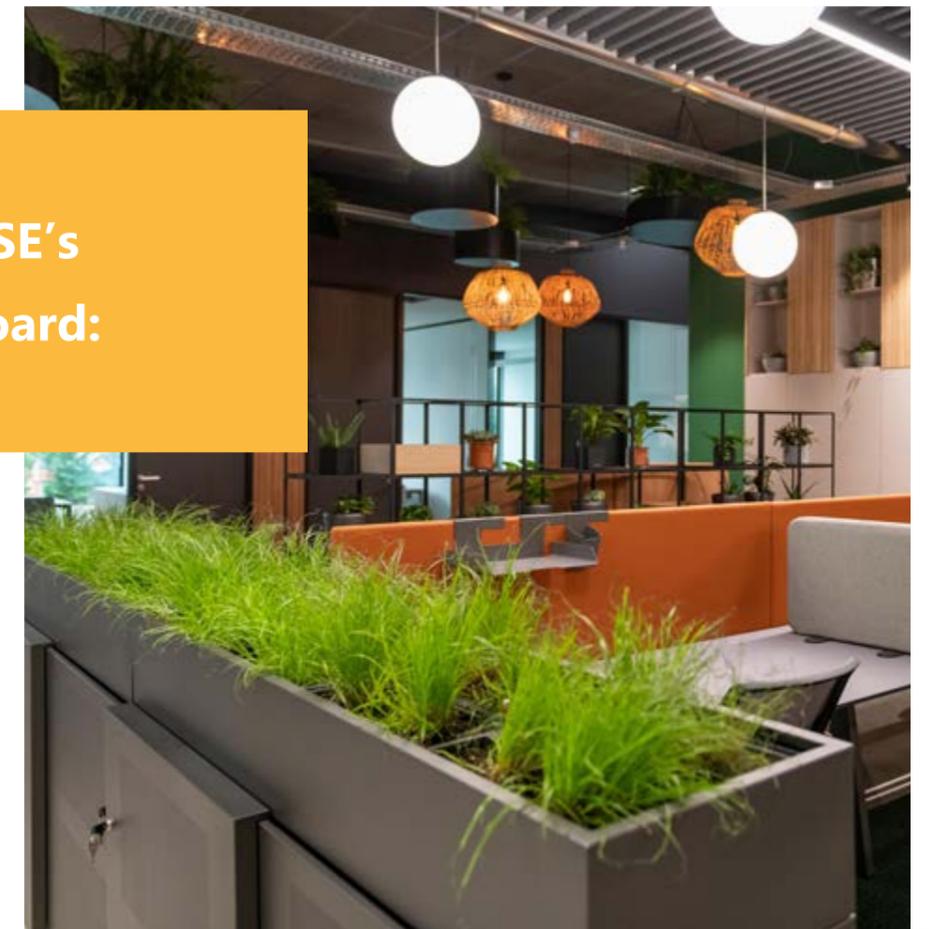
The Supervisory Board is the Group's steering body for all decisions relating to strategy, changes to our business model and financial matters. The Supervisory Board's members represent the shareholder, GOLDBECK. It meets at the request of GSE's Chairman, Roland Paul, or of one of its members.

Members of GSE's Supervisory Board:

Jan-Hendrik **Goldbeck**
Chairman

Jörg Harald **Strohmeier**
Member

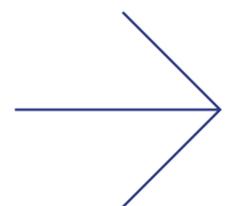
Dr. Benedikt Benjamin **Krings**
Member



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**Our strategy's
cornerstone:
client satisfaction**



Client satisfaction is central to our strategy. Our surveys tell us that our clients' appreciation has been improving for years. In 2020, 97% of our clients said they would be happy to do business with us again.



Delivering on your 2019 commitments

In 2019, we pledged to make the quality of our clients' experience a powerful differentiator. To this end, we implemented an ambitious programme addressing all key aspects of the client experience.

IN 2020, WE ADAPTED AND STRENGTHENED OUR INTERNAL CLIENT RELATIONSHIP GUIDELINES BY:

- ✓ Rolling out to all employees a dedicated course on tailored client relations.
- ✓ Including detailed requirements and indicators relating to our subcontractors' contracts and for the operational management of construction sites.



WE MONITOR THE KEY FACTORS OF CLIENT SATISFACTION THROUGHOUT THE DURATION OF EACH PROJECT USING A FULLY DIGITISED PROCESS: "THE CLIENT SATISFACTION NOTEBOOK".

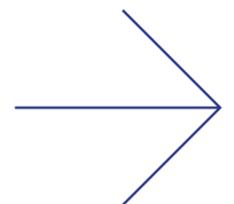
- ✓ We pursue this strategy through ongoing, targeted measures to improve key areas of client satisfaction, such as the quality of the fixtures, the effectiveness of post-handover de-snagging, the management of the one-year defects liability period, and how we receive clients at all GSE locations (head office, branch offices and construction sites).

The focus on client satisfaction pervades all levels of our organisation. Every GSE employee in every function – technical, sales and administrative – contributes to our clients' genuine satisfaction.

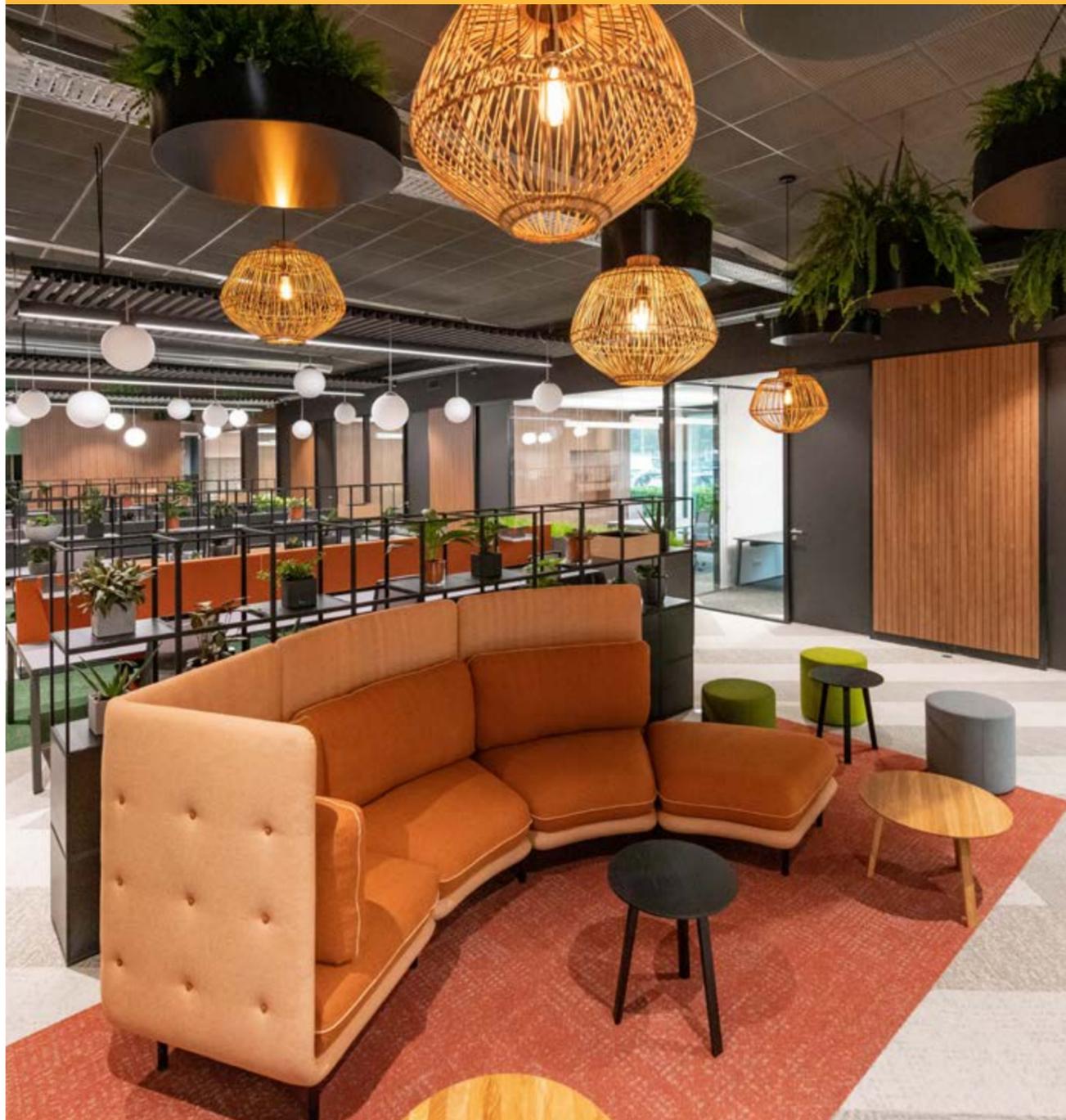
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A committed and responsible company



GSE has made Corporate Social Responsibility the centrepiece of its long-term strategic vision, with a clear roadmap and goals. This commitment to ethics and sustainable development is reflected in all our practices.



Always forward

Year after year, GSE incorporates the principles of sustainable development more deeply into its operations. EcoVadis upped its rating of our CSR strategy and practices to Platinum, placing us in the top 1% of the world's best-performing companies.

GSE has been a member of the UN Global Compact France since its creation in 2003 and served on its Board of Directors for 17 years. Reasserting the company's commitment to climate change mitigation, GSE has also renewed its endorsement of the French Business Climate Pledge, alongside some one hundred French companies.



OUR CSR STRATEGY FOCUSES ON:

- ✓ Ensuring worker wellbeing and safety (both for GSE employees and construction site workers).
- ✓ Creating buildings that remain sustainable throughout their lifecycle.
- ✓ Involving the supply chain in responsible procurement practices.
- ✓ Reducing the carbon footprint and protecting biodiversity.

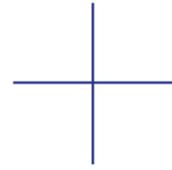
GSE's priority SDGs*

For more information on our CSR policy: GSE sends its annual Communication on Progress to the UN Global Compact and publishes a sustainable development report. They describe the actions taken and the results achieved in all relevant areas: HR, social and environmental.



* Sustainable Development Goals

Pursuing **responsible** construction



GSE pledges to act responsibly towards its clients, suppliers, investors and local communities. In particular, we apply a strict Code of Ethics and Anti-Bribery Policy, backed by detailed guidelines, audits and employee training.

Our sustainable purchasing charter spells out our mutual commitments with our business partners to apply the principles of sustainable development.

In 2020, we created the Responsible Building R&D programme. Its goals are to identify the best environmental practices to be deployed in all our buildings and to offer expertise and advice to clients in view of creating buildings that meet the requirements of sustainable development.



With and for **employees**

Employees are the starting point of our CSR strategy, which on the one hand focuses on their health & wellbeing and – on the other – requires their engagement. Safety and wellbeing are top priorities. GSE takes a variety of measures to improve the quality of employees' working conditions (management and support, facilities, services). On our construction sites, we enforce an uncompromising safety policy to protect all workers.

While GSE's executives are the active standard-bearers of the company's CSR strategy, it can only succeed with the full participation of all employees and their ownership of its principles. All departments have a role to play and every employee is invited to share his or her observations, ideas and aspirations regarding CSR through a network of CSR officers, meetings, events, suggestion boxes, etc.

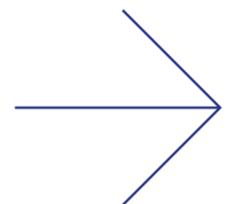
Regular training and awareness-raising campaigns enable employees to better grasp the issues and contribute to the development and deployment of a strategy that addresses the stakes of their day-to-day work. GSE's goal is to keep raising awareness and to involve employees in this strategy to maximise its effectiveness.



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Employee wellbeing



GSE pays close attention to employees' comfort. We provide modern premises, leisure facilities, pleasant working conditions, as well as independence and responsibility on the job.



Employee development

GSE offers various learning & development schemes. The Promo des Ingénieurs Projets (our Engineering training programme) is designed to onboard and support young engineers when they join GSE, with two days of training per month for one year.

Technical training is also provided to more experienced employees to improve their skills.

GSE also has a Promo Manager coaching programme for people starting out in management.

Wellbeing at work

One example of our commitment to quality working conditions is the extension of our head office. The project – named Emma – demonstrates GSE's expertise in the design and construction of frugal, environmentally efficient buildings. Emma is also part of our employee wellbeing policy: it offers employees better designed

and equipped offices, co-working space, and space for relaxation and interaction: a sports centre, lounges, a landscaped park, an organic restaurant and a car park with photovoltaic panels.



Emma, our new company restaurant-cum-lounge in Avignon

A new space to live and love. Our co-working space wishes you "Bon appétit".

Gender equality

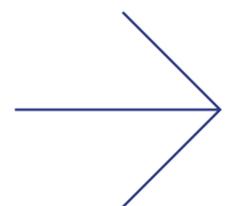
GSE is attentive to gender equality in all areas of HR management: recruitment, training, compensation and representation.

In 2020, our gender index, calculated in particular on the basis of compensation, raises and promotions, is 84/100. This is a comparatively strong result, but we must continue to improve it.

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**Quality,
Security,
Method**



At GSE, we scrutinise all the elements that could potentially affect people's safety or our buildings' reliability – down to the smallest detail. This is a constant priority throughout the building's design and construction.



Maximum safety & quality

Regardless of the project's type and location, our clients expect us to consistently deliver to a very high standard. To guarantee the same level of quality worldwide, GSE has developed its own Quality, Safety and Environmental policy, applying the procedures collected in handbooks: the Health & Safety Handbook ("Vademecum"), Quality Assurance Plan (QAP) and the Good Practices Guide for project process.

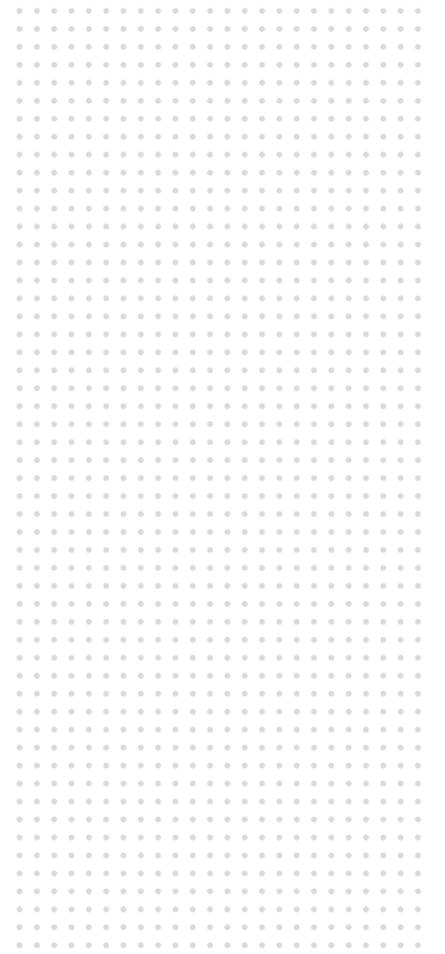
Assured quality

The Good Practices Guide defines the tasks to be carried out for the entire duration of a project, with clearly assigned responsibilities. GSE's own Quality Assurance Plan (QAP) has 50 control points and focuses on a list of standard details. It's a flexible tool that is constantly updated to adapt to new construction techniques.

Full control

GSE's objective is clear: to further improve quality throughout the design and construction phases. For each project, the Quality Safety Methods (QSM) department plans a series of actions to ensure that everything runs smoothly. Two to three meetings are held to prepare and launch the site and the higher-risk construction phases. Three to five audits are conducted

to ensure the worksite is running smoothly. The project management team is trained to take into account risk points. QSM works with the Design, Purchasing and After-Sales departments and provides support to the sales teams ahead of the operation.



A team of seven dedicated ensures on-site safety, the work's quality and compliance with deadlines.



Prevention: anticipation is the key to success

GSE believes that health and safety is everyone's responsibility and that everyone involved in a project – at all levels of seniority – must be fully committed. Indeed, hazards can exist on construction sites. GSE therefore does not skimp on controls and makes no compromises. Our aim is to reduce the risk of accidents to zero and to protect the people working on a project – as well as the clients' interests.

The GSE group's Health & Safety Handbook, the "Vademecum", was first issued in 2008 and has continued to evolve based on clear health & safety guidelines. Its procedures and good practices are applied at all GSE sites to guarantee maximum safety.

Right the first time: risk calls for analysis

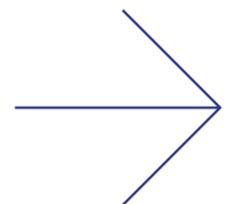
Risk management is the use of processes, methods and tools to address the key hazards facing the company. It's a policy that GSE has been pursuing for many years to tackle the various internal and external risk factors that could harm employees or affect the company's performance. It includes actions carried out in the execution of a contract (quality, safety, technical and financial monitoring plans), preceded by due diligence to rule out – or anticipate – any hazard before committing to project. GSE's Risk Management team regularly assesses exposure to risks. Indeed, our in-house professional expertise enables us to understand the various types of risk involved in our activities.

Applying reliable procedures to operational, financial, legal, environmental and technological matters strengthens GSE's ability to adapt easily to changing market conditions. In addition, we pay close attention to the security of our information and communication systems, which benefit from strong protection measures. Our users receive training to apply best practices for data security.

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**GSE's supply chain:
essential to our
construction
projects' success**



GSE's supply chain, which includes some 1,100 contractors specialised in many trades (civil engineering, structural work, carpentry, roofing, paving, electricity, carpentry, etc.), plays a key part in GSE's success.



A strength of each link in the chain

Our business partners are satisfied: in our latest survey, 96% of our contractors said they were keen to start a new project with GSE. This supply chain, comprising 17% of very small businesses, 48% of small & medium enterprises and 35% of major groups, is the very foundation of our work's quality.

Financial year 2020/21 was extraordinary in many regards and it demonstrated how successfully GSE and its supply chain have developed together. It brought further confirmation that our policy of long-term partnerships pays off.

Commitment, loyalty and mutual benefit are the key principles that guide the relationships between GSE and its partners. Shared knowledge, a long-term perspective, co-responsibility, trust and continuous improvement of services are the ingredients of our common vision.

Our success demonstrates the strength of the links in the complete supply chain we represent. We are proud that our partners are an integral part of our development.

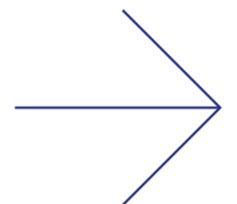


35-metre beams at the LISI Aerospace project in **Chaumont**

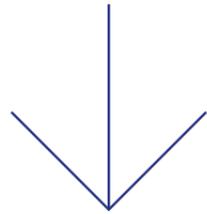
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Innovation, part of GSE's identity



We always think of our profession in terms of its capacity to constantly reinvent the world of real estate. In this spirit, we created an innovation centre – “Le Lab by GSE” – to find new solutions for the buildings of tomorrow. Innovating now also means harnessing digital technology in all aspects of our work.



Le Lab: acting now to build the future

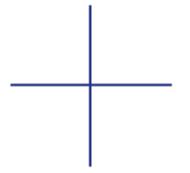
GSE created Le Lab in 2016 to anticipate future challenges and stay ahead of societal change and the new needs of our structures. Combining skills in architecture, digital innovation and environmental performance, it fosters new ideas and develops innovative solutions to meet the four major challenges facing the construction industry:

4 MAJOR CHALLENGES

- ✓ The energy and environmental transition
- ✓ The digital transition in construction
- ✓ The integration of digital technology in smart buildings
- ✓ Productivity-enhancing comfort and user-friendliness

These four areas of development are grounded in the imperative of sustainable development. Our aim is to offer operational solutions that are sustainable over the long term, in line with the environmental and social concerns that are deeply rooted in GSE's values and philosophy.

Staying ahead of the key trends



✓ New approaches to design & build

The evolution of digital technology and its applications has made “smart” the new normal. Today, we consume and work smart. A few years ago, GSE embarked on a far-reaching digital transformation through BIM (Building Information Modelling), creating 3D digital models to produce plans and input data, optimise design and strengthen the collaboration of all stakeholders at all stages of a project.

Now with a team of six BIM Managers, five BIM Modelers and a network of qualified partners trained by GSE,

Le Lab provides support to approximately a half of GSE's projects through all phases. And with the introduction of four BIM services and the use of new digital technologies at our construction sites (drones, 360° cameras, augmented reality, etc.), Le Lab adapts to the needs of its internal and external clients to provide them with pragmatic and innovative solutions.

Digital technology was particularly important in 2020: it enabled us to better monitor our construction sites despite restrictions on travel.



✓ Buildings' environmental performance: an imperative

Le Lab's dedicated team continues to support a growing number of environmentally certified projects. With help from our five environmental certification engineers, more than 50% of GSE's projects (accounting for 80% of revenues) receive one of the widely recognised environmental certificates such as BREEAM, HQE or LEED. Indeed, we are setting a high standard in our core business and we help clients raise the bar in addressing environmental challenges, including with new environmental labels (BEPOS, Biodiversity, E+C-, low carbon , etc.).

In 2020, we moved ahead with the development of a more comprehensive Responsible Building offering, to be launched in 2021. This service will address our clients' major environmental issues without relying on a certification process: we will systematically propose operational solutions to meet the key environmental challenges of the 21st century through our products: reducing the carbon footprint, protecting biodiversity, improving waste management, etc.

✓ Wellbeing at work: a criterion in its own right

We spend a considerable part of our lives working and it's only natural that GSE should design workplaces that maximise users' wellbeing. This is generally a major element in our clients' CSR policies. Thanks to BIM's digital tools and to Le Lab's growing team of designers, we have improved the management and quality of our office buildings' interior design. The impact is already clear in our clients' satisfaction level and we have begun in 2021 a far-reaching upgrade of all our design and interior finishing services.



✓ Smart buildings

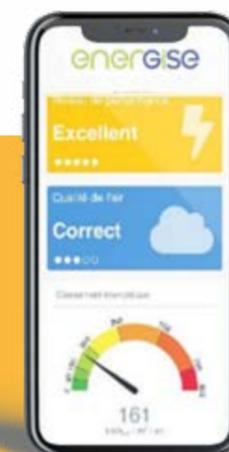


Buildings are becoming smarter than ever, in line with our clients' growing demand for performance. Indeed, the next regulatory package on energy will call for greater efficiency. This is why, this year, we have decided to systematically include our EnerGiSE energy consumption monitoring service in all our Building Management System (BMS) rollouts.



This solution helps our clients understand their building's energy performance and enables GSE to anticipate the 2030 targets of the French regulatory package requirements for commercial buildings ("décret tertiaire") and the call for energy self-production that is expected in the RE 2020 thermal regulation.

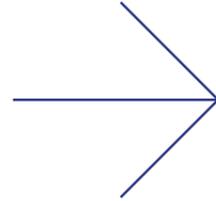
To demonstrate to our clients the benefits of our Smart Building offering, we have equipped the extension of our Avignon office with our best technology: Digital Twin, a mobile app for geolocation and comfort control.



✓ Open innovation takes us farther, faster

Le Lab extended and deepened its partnerships with incubators and open innovation companies in the fields of real estate and logistics. These partnerships enable us to identify major technical developments and to quickly detect new solutions that could improve or even transform our work. We now share this monitoring with

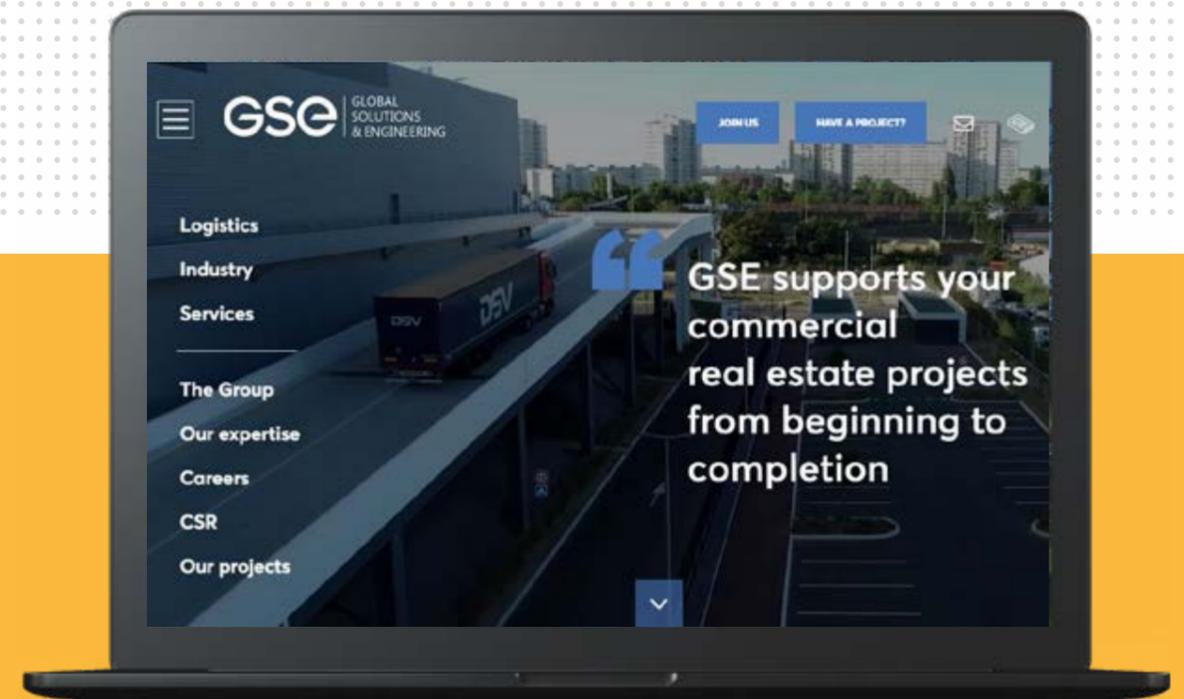
GOLDBECK – which has a dedicated innovation unit in the Silicon Valley – starting with the joint implementation of the 360° camera solution on construction sites with American start-up Holobuilder.



✓ Digital innovation at the heart of our business

Both in the design and construction phases, we use the most innovative tools and applications to improve our offering, our productivity and our responsiveness. For example, when we hand over our buildings, an application allows us to de-snag digitally on a tablet: snags are located, identified by a photo and followed upon by the contractors on site. And we share the state of progress with our clients.

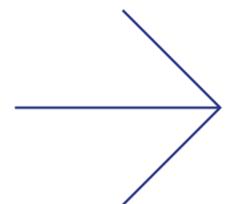
GSE also revamped its website in 2020. More contemporary, intuitive and user-friendly, it reflects the group's innovative and dynamic image. Through optimised user journeys, the website's visitors – clients, employees or future applicants – can access all the information they need to learn about and contact GSE. A 25% growth in the number of visits and a four-fold increase in project requests were recorded within a few months.



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Our logistics solutions



Logistics is our largest market. The Covid-19 outbreak highlighted the extent of the need for logistics in Europe. At our level, we were able to limit the pandemic's impact on our projects by adapting the organisation of work.

Managing complex logistics projects

The emerging trends were confirmed in FY 2020/21: super-large platforms for unified logistics, multi-storey verticalization, digitalised warehouses, small facilities for last-mile urban logistics. The logistics industry is undergoing an unprecedented period of innovation.

The share of XXL* buildings remains significant in our overall business. Our command of large and complex logistics projects has become a differentiating factor that strengthens GSE's positioning as a leader in the high value-added warehouse category.

Our projects are evenly divided among contracts with developers, major retailers / e-commerce brands, and international manufacturers.

In addition, GSE remains highly dedicated to environmental issues through various industry bodies: AFILOG's risk commission, GT Entrepôt and the chairmanship of the FLUMILOG steering committee.



The ARTS building won the "Grand Prix du SIMI 2020" award



In the 2020/21 accounting period, we delivered ten logistics projects, including:

- ✓ An automated logistics facility for ADP Paris Airports comprising:
 - a 16,500 m² warehouse with 2,400 m² of mezzanine offices
 - a 4,160 m², five-storey office building
- ✓ An art conservation centre for CHENUE at Le Bourget airport, which won an award at the SIMI 2020 Grand Prix in the Logistics Real Estate category
- ✓ Pre-sales projects for wine logistics in Arsac, Bordeaux region.

Backlog: another record year

2020 set a new record for GSE Logistics France, with €412 million in orders taken. Our business is secure for the coming year. Among the fifteen projects signed and in progress, let us quote:

- ✓ the Argan project for the world leader in e-commerce: a robotics building multi-storey near Metz with a surface area of 190,000 m²
- ✓ two warehouse projects for Goodman, one of 66,000 m² in Brébières and another of 36,000m² in Lambres, and a 70,000m² platform for Mediacovrac in Port-Saint-Louis-du-Rhône.

2020/21 REVENUES
€466m

The multi-storey building under construction near Metz



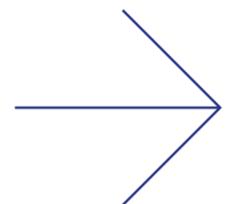
* Standard industry definition for warehouses over 50,000 m²

ORDER INTAKE 2021/21
€412m

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**A new
business unit:
GSE France**



2020 was an unprecedented year on many accounts inspiring in some ways as well as challenging for GSE. We seized the opportunity of this peculiar period to assert our position in France by changing our internal organisation.

2020/21 REVENUES
€171m



Complete coverage of the country



TWO FORMER BUSINESS UNITS MERGED INTO GSE FRANCE:

- ✓ GSE-TII (Tertiaire Industrie Ingénierie), which handled operations in the services and manufacturing sectors for large national and international companies,
- ✓ GSE-Régions which served companies at the regional level.

The new GSE France business unit, with its many references and deep expertise, now addresses all turnkey commercial real estate markets throughout France, with the exception of XXL logistics platforms, which are handled by the GSE Logistics France business unit.

A stronger local presence

GSE France's goal is to provide a local service across the country. The new entity has branch offices in the eight regions inherited from GSE's historical locations: Provence-Alpes-Côte d'Azur, Occitanie, Nouvelle-Aquitaine, Grand Ouest, Ile-de-France-Normandie-Val de Loire, Hauts-de-France, and Grand Est.

Regional Manager and Development Manager positions were created to lead these branches' business.



Extended range of services

GSE France offers a comprehensive range of services throughout the country.

Firstly, the market for turnkey commercial real estate in all sectors: services (retail, offices, head offices, training/conference/leisure centres, R&D centres, labs, service infrastructures), manufacturing and production (workshops, multi-company business parks), and storage. Secondly, pre-development: a turnkey project development unit that offers our clients operations on sourced or developed land under pre-sales or development contracts.

In addition, we have expanded our proprietary product offering: CECODIA (a wood-frame office concept), OFFICE ARCHITECTURE by GSE (a high-end services/office building concept), silo* or multi-storey car parks, IDEA'PARK (a modular business park concept).

Lastly, public contracts and related (requests for proposals, calls to tender for land development, design & build projects, projects carried out by local contractors, etc.).

Promising results

The commercial synergies are bearing fruit: we have received more than €170 million in orders for 34 operations (despite some of the markets being impacted by the Covid-19 pandemic). These contracts are evenly

divided between recurring and new clients, with a notable upturn in the last four months that contrasts with the wait-and-see attitude that prevailed in the summer of 2020.

THE NEW ORDERS INCLUDE:

- ✓ the redevelopment of a 15,000 m² existing shopping centre for Costco in Pontault Combault
- ✓ a 4,500 m² three-storey office building in Marseille
- ✓ in the manufacturing sector, the future 23,000 m² factory of the LISI Aerospace / Forges de Bologne group, led by semi-public developer Immobail in Chaumont, as well as the new 8,650 m² CQPS complex for MBDA on their site in Bourges
- ✓ two production buildings for ENEDIS in Caen and Montceau-les-Mines, of 2,000 m² and 1,000 m² respectively
- ✓ a 12,500 m² storage unit for ZOLUX in Ablaincourt.

Construction activity was sustained thanks to our proactive policy of keeping construction sites running despite the pandemic – with well-enforced sanitary measures. Although activity was slower in the last few

months of the year, as a result of a wait-and-see attitude on the part of business stakeholders in the middle of the year, the situation should be reversed in the coming months.

41 PROJECTS WERE DELIVERED, INCLUDING:

- ✓ a 2,300 m² retail park for the Crédit Agricole Group in Pertuis
- ✓ the 14,300 m² Urbansoccer leisure centre in Saint-Sébastien-sur-Loire
- ✓ an office building with R&D services over 4,500 m² designed for Renault Sport, for investor Fulton in Viry-Chatillon
- ✓ the 15,100 m² IDEA'PARK business park in Nice for the Perial group
- ✓ a 6,500 m² food processing plant for Charles & Alice in Monteux
- ✓ a 6,000 m² bottling plant for Compagnie Des Pyrénées in Mérens
- ✓ an 11,500 m² industrial laundry for the Elis group in St Geours
- ✓ the 18,000 m² extension of a factory for Aplix in Nantes
- ✓ an 18,500 m² warehouse for Narbonne Accessoire in Lézignan
- ✓ a 7,000 m² storage unit for DPD in Saint-Rambert-d'Albon.

GSE FRANCE STARTED THE 2021-2022 FINANCIAL YEAR WITH AN ORDER BOOK OF €173m.



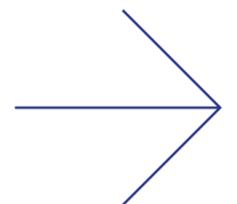
ORDER INTAKE 2020/21
€173m

* This refers to GOLDBECK's factories located across Europe

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**Well-established
in our international
markets**



ORDER INTAKE IN EUROPE
2020/21 (EXCL. FRANCE)

€276m



A cross-boarder project
for **Engler** in **Ensisheim**



Clear horizons

Strong growth of our operations in Italy, Germany and Spain has made GSE a player to be reckoned with in these markets.

Building on this strong local presence and on the engineering expertise shared at the group level, GSE is consolidating its position as a leader in the market for high value-added, increasingly innovative buildings in all our European locations.

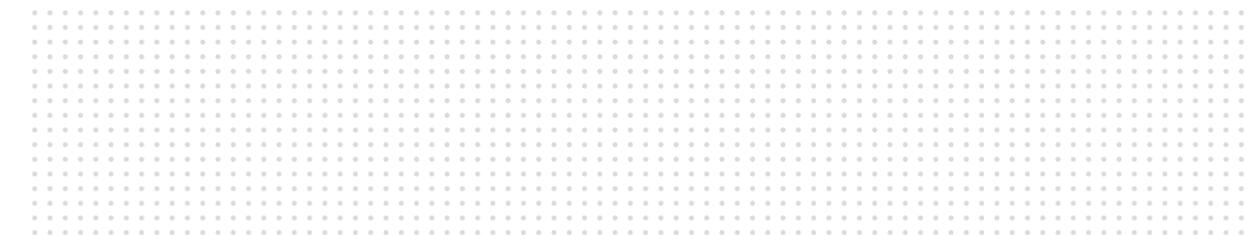
This is illustrated in particular by the construction of large multi-storey logistics platforms in Hamburg, Germany, and in Italy.

Other large-scale projects are also underway in Italy, such as the future construction of a glass packaging manufacturing unit for Vetropack, logistics platforms for Pirelli, Amazon, Prologis, etc., and in Romania with the delivery of a warehouse for Altex.

Supporting our clients in their **processes** and in **new geographies**

GSE's network of subsidiaries in Europe and the offices of parent company GOLDBECK are very complementary. By coordinating our work, we provide adapted solutions to each other's clients, such as German group Engler (e-gruppe), for which GSE built a logistics platform in Mulhouse.

Through our local offices, we offer clients real estate solutions adapted to their needs in each country: land identification, administrative authorisations, design, construction and often a financing solution.



Germany

Four Parx,
Hamburg (Mach2)



Engler, Niedersachsenpark,
Rieste



REVENUES 2020/21
€71m



GSE's business in Germany was slower than expected due to the impact of the pandemic, the postponement of construction on several projects due to delays in the delivery of building permits (Hillwood project in Weiterstadt and Four Parx project in Mainz), and the slowdown in works following the discovery of bombs dating back to the Second World War (on the sites of the Baytree project in Hanover and the Four Parx project in Hamburg): these unfortunate events are reflected in our lower-than-expected revenues in Germany (€71.4m).

However, the year was also marked by the first successes of our strategy of diversification into manufacturing buildings, with the signing and construction of two projects for medical device producer Becton Dickinson.

The order book continued to grow with the signing of a €39m contract for the construction of a logistics park consisting of three buildings (approximately 75,000 m²) in Rieste, in the Niedersachsenpark, for Engler. This success comes on the heels of the 120,000 m² project handed over in Alsace to the same client in 2020.

A building permit for a 30,000 m² building has been requested for Hillwood in Weiterstadt, a project which will be leased by an e-commerce giant and which will double in size with – in particular – a multi-storey car park for 630 electric vans built by GOLDBECK: a fine example of complementarity and synergy with our shareholder.

Due to the postponement of some projects and thanks to new signings, revenues are expected to rise again in financial year 2021/22 and return to their pre-Covid level.

ORDER INTAKE 2020/21
€98m

Italy

GreenOak Susa
Torino



Carlyle
Mesero (MI)

REVENUES 2020/21
€57m



GSE is recording significant growth in Italy, driven by both logistics and manufacturing. The pre-development of real estate operations is another growth driver: we operate in this independent line of business with our subsidiary Confluence, which efficiently manages the complex stages from searching for land to obtaining building permits.

GSE has become a key partner for players with various profiles: investment funds such as Carlyle and Bentall-GreenOak, international groups such as Pirelli, Kramp and Vetropack, developers such as Prologis and Goodman and local companies such as Susa Trasporti and Transmec.

3 operations were delivered during the year, including:

- ✓ 48,000 m² multifunctional logistics platform for Carlyle Real Estate in Mesero near Milan,
- ✓ 22,300 m² logistics platform in Paullo near Milan for the developer Prologis and the user Number 1 (grocery store).

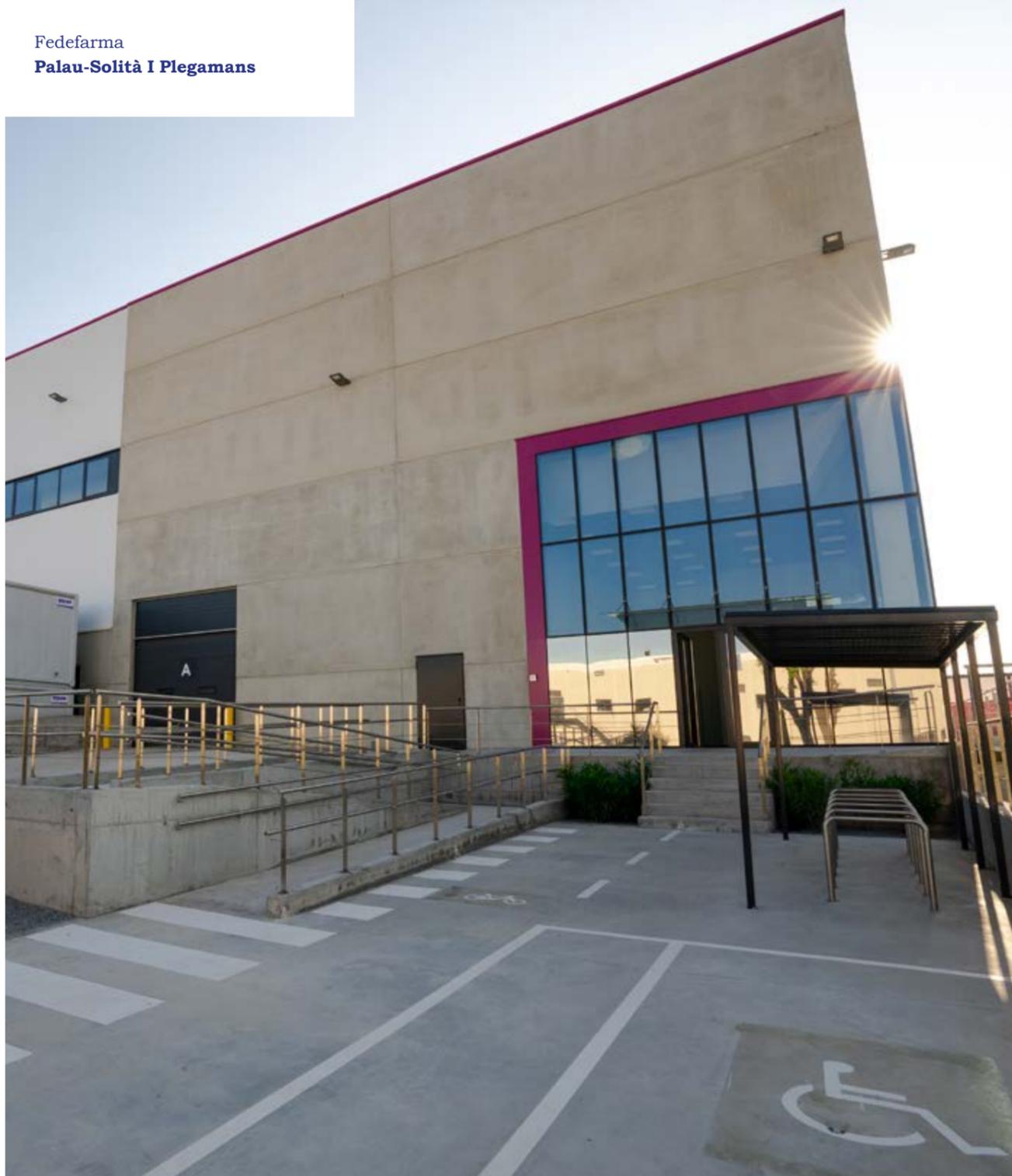
6 operations were taken in order, including:

- ✓ 116,500 m² logistics warehouse in Vidigulfo (Lombardy) for the investor GreenOak and the user Cab Log,
- ✓ a logistics hub of 3 buildings for a total of 71,600 m² in Calderara di Reno near Bologna airport for the investor Scannell,
- ✓ 54,000 m² tire warehouse for investor GreenOak and user Pirelli to serve its industrial hub in Settimo Torinese.

ORDER INTAKE 2020/21
€149m

Spain | Portugal

Fedefarma
Palau-Solità I Plegamans



REVENUES 2020/21
€30m

ORDER INTAKE 2020/21
€23m



GSE continues to consolidate its presence in Spain and is expanding in Portugal.

In 2020/21, we successfully handed over to Merlin Properties a large, 100,000 m² logistics platform, which obtained the highest LEED certificate: Platinum level. It's the first logistics building in Europe to obtain it and the third in the world.

We also completed a warehouse for Fedefarma in Barcelona: a fully air-conditioned and robotised building designed for the distribution of pharmaceutical products.

Also in Spain, we have kicked off the construction of a 37,000 m² logistics warehouse for Montepino, which should be completed by mid-2021.

In Portugal, GSE has launched the initial design phases of logistics projects with Segro (for Amazon) and Aquila Capital: a 115,000 m² logistics building near Lisbon that will become a benchmark for sustainability. Construction contracts are expected to be signed in the current financial year.

The opening of our Madrid office illustrates the consolidation of our presence in Spain. And the creation of Confluence Iberica will enable us to create new opportunities for the benefit of our clients (investors, developers and operators) and to consolidate our growth in the local market in Spain and Portugal.



Merlin Properties
Madrid

Romania

Altex
Dragomiresti Vale



REVENUES 2020/21
€13m

GSE has delivered a second, 35,000 m² warehouse to leading Romanian consumer goods retailer Altex – on the same site as the first one handed over in 2019.

We established a partnership with this client for projects in other regions. Moreover, GOLDBECK's takeover of the GSE group makes it possible to consider synergies with German manufacturers.

Meanwhile, we launched a land identification process to support our clients in Romania throughout the property development cycle.

With the development of the country's infrastructures, new land opportunities will materialise in the coming years.



China

PRD
Shanghai



REVENUES 2020/21
€10m



2020 was marked by the Covid-19 pandemic, as it was around the world. In China, the impact hit early (in January 2020) but was short-lived and our business activity followed the rebound of the Chinese economy in April – while the slowdown was felt in the rest of the world.

Despite unremarkable revenues, 2020 was a pivotal year for GSE China with a strong return to the logistics sector when we won an emblematic project for the construction of a three-storey warehouse in Shanghai with a truck access ramp and a total surface area of over 120,000 m². Benefiting from synergies with all of the group's companies, GSE China has developed an industrial concrete prefabrication solution for its projects in the logistics sector.

GSE China is also strengthening its position in the food industry with the construction of a factory in Nantong for American client NewlyWeds Foods. In the second half of 2020, we also signed a number of design agreements for industrial projects that offer good prospects for follow-through to the construction phase.

In the coming year, GSE China's activity will pick up with the construction of the multi-storey logistics site in Shanghai. The local office will ensure part of its business development through the identification and securing of plots of land for logistics and industrial brownfield, to be developed by our investor partners.

ORDER INTAKE 2020/21
€56m



Outlook for 2021/22

While the pandemic's long-term fallout cannot yet be predicted, economic recovery has begun and the outlook for GSE's business is promising. We are on track to pursue growth and meet the challenges of transformation.

The level of activity we expect in the coming year is naturally based on our backlog's strength and our people's commitment. In our French and European geographies, we will strengthen our local presence.

Leveraging the synergies with Goldbeck and inspired by their production model, GSE is in an excellent position to develop new products adapted to clients' needs. Meanwhile, we will remain the benchmark player in logistics, a

market in which we will continue to increase our expertise throughout the value chain – from the early stages of project development to the facilities' increasingly complex technical aspects.

Environmental issues and regulatory change are fostering growth in the market for sustainable buildings, with increasing demand for lifecycle analysis, decarbonisation, energy optimisation, responsible purchasing, industrial brownfield recovery and more. GSE will respond by placing even more emphasis on innovation, particularly digital innovation, in order to anticipate the building of tomorrow.

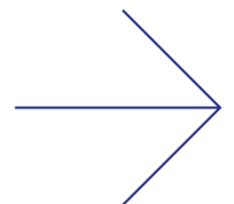
GSE's ability to respond to these challenges is based on its fundamentals: a proven business model, agility and commitment to the client.

**To continue on this journey,
GSE has all hands on deck,
staying the course!**

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Financial statements





**Consolidated
financial
statements**

Balance sheet

ASSETS

In €K	Mar 31, 2021		Dec 31, 2019	
	Gross	Deprec/Prov	Net	Net
Goodwill	148,166	71,183	76,983	76,495
Intangible fixed assets	5,176	4,570	606	537
Tangible fixed assets	20,721	8,210	12,511	7,498
Financial assets	579		579	1,159
Fixed assets	174,643	83,963	90,680	85,689
Inventories and work in progress	12,220	2,587	9,633	8,871
Advances and down payments on account				4
Accounts receivable	102,489	6,526	95,963	93,058
Other receivables	27,835	2,832	25,003	24,145
Cash and cash equivalent	197,938		197,938	149,717
Current assets	340,483	11,945	328,538	275,796
Deferred tax assets	11,424		11,424	13,336
Total assets	526,550	95,908	430,642	374,821

SHAREHOLDERS' EQUITY AND LIABILITIES

In €K	Mar 31, 2021	Dec 31, 2019
Capital	88,624	88,443
Share premium	6	6
Legal reserves	1,341	769
Retained earnings and other reserves	-26,986	-39,500
Net income - group share	20,212	15,279
Group shareholders' equity	83,196	64,997
Minority interest	1,090	247
Consolidated shareholders' equity	84,286	65,244
Provisions for liabilities and charges	32,352	25,703
Provisions	32,352	25,703
Leasing loans		1,427
Financial debts	0	1,427
Accounts payable	188,946	164,322
Tax and social security liabilities	35,711	34,439
Other liabilities	410	418
Deferred income	88,936	83,269
Other liabilities and deferred income	314,003	282,447
Total equity and liabilities	430,642	374,821

Income statement

	2020/21		2019	
	15 months		12 months	
	€K	% Rev	€K	% Rev
Revenues	831,155		554,218	
Purchases and sub-contracting costs	-715,908		-471,897	
Gross margin	115,248	13.9%	82,320	14.9%
Labour costs	-64,733	7.8%	-45,360	8.2%
Other operating expenses	-19,896	2.4%	-17,634	3.2%
EBITDA	30,618	3.7%	19,326	3.5%
Depreciation	-1,792		-1,312	
Operating result	28,826	3.5%	18,014	3.3%
Financial result	729		448	
Current result of the integrated companies	29,555		18,462	
Extraordinary result			-5,717	
Corporate tax and deferred tax	-8,501		2,711	
Net income of the consolidated companies	21,055	2.5%	15,456	2.8%
Minority interests	-843		-177	
Net income – group share	20,212		15,279	

Significant events

1- COVID 19

The pandemic had the effect of slowing down the progress of certain projects, particularly in the spring of 2020, when the health crisis in Europe began. The group then adapted and, in consultation with its clients and subcontractors, took the necessary measures which, thanks to the mobilization of its teams on site, enabled a rapid resumption of activity, in strict compliance with health regulations. The closing backlog amounted to 720 million euros at closing date, 15% higher than the opening backlog. The group has not applied for a State Guaranteed Loan or other State support measures.

1-FINANCIAL YEAR LENGTH

The fiscal year opened on January 1, 2020 has an exceptional duration of 15 months and ends on March 31, 2021. The change in the closing date meets the needs of our shareholder, the German company GOLDBECK, which itself closes its accounts on March 31.

2- TRANSACTIONS ON COMPANIES OUTSIDE THE SCOPE OF CONSOLIDATION

GSE Management and GAS, both non-consolidated, were merged into GSE in May 2020. This operation took effect retroactively as of January 1, 2020 and resulted in merger deficits respectively of €375K and €114K recorded in the merger deficit category in the balance sheet.

GSE sold GSE AVIGNA's shares for €1 (balance sheet value €116K). This company, non-consolidated, was based in India.

General principles

The group's financial statements are established in accordance with the provisions of regulation 99-02 issued by the French Accounting Regulations Committee.

1-CONSOLIDATION PRINCIPLES

All companies which are directly or indirectly under the exclusive control of GSE are fully consolidated.

Jointly controlled companies are proportionally consolidated.

The financial statements of the subsidiaries with a functional currency different from Euro are translated into Euros as follows:

- assets and liabilities are translated at the closing rates on March 31, 2021,
- shareholders' equity is translated at historical exchange rates,
- income statement items are translated at the average exchange rate for the period they are recognized.

Translation adjustments stemming from the application of the various rates are recognized as an equity component.

2-VALUATION METHODS

Long-term contracts

Long-term contracts, which are defined as contracts covering a period of at least two financial years, are accounted according to the stage of completion method.

Revenues and profit margin are recognized as and when the contract costs are incurred.

Expected losses on contracts in progress are fully recognized as soon as they are identified, a loss-at-completion provision is recorded.

The company reviews, and where necessary revises, for each contract, the estimates of revenue and costs as the contract progresses.

General principles

Therefore:

- Works in progress on long-term contracts are valued at production costs plus the accrued profit margin by reference to the stage of completion.

On the balance sheet, each construction contract is presented either as a receivable or a liability.

If costs incurred plus recognized margin exceed progress billings, the excess is presented as "Accounts receivable".

If progress billings exceed cost incurred plus recognized margin, the excess is presented as "Deferred income".

Expected losses upon completion are recorded as "Provision for liabilities" in the balance sheet.

- All remaining costs not yet recorded at construction delivery date are booked in "Invoices to be received", "Other provision for charges" and "Provision for time to be spent" (provision for charges).
- Contract costs that relate to a construction contract for which the signature is quite certain are recognized as an asset. Advances received that relate to this contract are recorded as "Deferred income".

Unrealized financial income

Both unrealized income on financial deposit and unrealized exchange gains as of March 31, 2021 are recorded as revenues in the Consolidated Income Statement.

Goodwill

The difference between the acquisition value of the shares, increased by the acquisition costs if any, and the share of the net situation on the day of the acquisition is posted in goodwill.

The evaluation methods in effect at the time of the acquisition of the shares of the GSE, GSE Régions and GAM International allow us to confirm the valuation of the goodwill on the closing day.

As the period during which the goodwill will provide economic advantages to the group is not limited, it is no longer amortized.

Intangible fixed assets

Intangible fixed assets correspond to software recognized at their acquisition cost and amortized on a linear basis over 3 years.

Tangible fixed assets

Tangible fixed assets are measured at their acquisition cost.

Depreciation is calculated on a linear basis over the following estimated useful lives:

- Buildings: 20 years
- Fixtures and fittings: 10 years
- Office furniture: 10 years
- Equipment: 5 years
- Office equipment: 3 to 5 years
- Vehicles: 4 years

Excess depreciation recorded in statutory accounts to secure a tax advantage is written-off in consolidated accounts.

Leasing

Assets financed by leasing agreements with an option of property transfer are finance lease contracts.

Other contracts are operating lease contracts.

For finance lease contracts, the asset market value is capitalized and amortized over the appropriate period as shown above. The related charge is recognized as a liability and is amortized over the period of the lease.

Loans and other financial assets

They are stated at cost.

When there is objective evidence of impairment, the difference between the carrying amount and the estimated recoverable amount is recorded as provision.

Inventories

Inventories are stated at their acquisition cost. An impairment loss is recognized if the market value at the year end is lower than its acquisition cost.

General principles

Receivables

Trade receivables are recognized at nominal value.

An allowance for doubtful debts is made when there is objective evidence that a trade receivable is impaired.

Prepaid expenses

Expenses paid for subsequent services are registered as prepaid expenses.

Deferred tax

Deferred tax on all timing differences between the carrying value and the tax value of assets and liabilities are recognized on the consolidated balance sheet. Under the liability method, deferred tax is calculated by applying the latest official tax rate at the closing date and applicable to the period in which the timing differences are reversed. Deferred tax assets on timing differences, on losses and tax credits carried forward are not recognized when their recovery is uncertain.

Retirement benefits

A provision is recorded for retirement benefits. Provision calculation is based on length of service, life expectancy and employee turnover considering revaluation and actuarial assumptions (0.80% without inflation), a salary increase rate of 2.5% per year and the hypothesis of a retirement age at 67.

Turnover rate is based only on departure for resignation reason.

No turnover rate is applied for employees above the age of 54.

Comparability of the financial statements

1-CHANGE OF METHOD

The accounting rules and methods applied to the consolidated financial statements as of March 31, 2021 are the same as those applied to the financial year ended December 31, 2019.

2-PERIMETER VARIATION

During the 2020/21 financial year:

- GSE Régions liquidated its Swiss branch in September 2020,
- GSE Polska was liquidated on November 24, 2020,
- GSEPT (a Portuguese company) was founded in April 2020. 100% held by GSE, this company is consolidated.

Consolidation perimeter

	Country of activity	Integration method	% of interest	% of control
GSE SAS (1)	France	Parent		
VEMARQ SAS (2)	France	Global	100%	100%
GSE Régions SAS (3)	France + Switzerland	Global	100%	100%
GSE Auvergne SAS (4)	France	Proportional	50%	50%
GSE Belgique SPRL	Belgium	Global	100%	100%
GSE Deustchland GmbH	Germany	Global	100%	100%
GSE Italia SRL	Italy	Global	100%	100%
Confluence SRL	Italy	Global	65%	65%
GSE Inmueble Llaves en Mano SL	Spain	Global	100%	100%
UK GSE Ltd	United Kingdom	Global	100%	100%
GSE Hungaria Kft	Hungary	Global	100%	100%
GSE China Ltd	China	Global	100%	100%
GSE Romania SRL	Romania	Global	100%	100%
GSEM SARL	Morocco	Global	100%	100%
GSEPT Unipessoal LDA	Portugal	Global	100%	100%

(1) GSE SAS :	Parc d'activités de l'Aéroport 310 allée de la Chartreuse 84005 Avignon SIREN : 488862368	(3) GSE Régions SAS :	Parc d'activités de l'Aéroport 310 allée de la Chartreuse 84005 Avignon SIREN : 450810221
(2) VEMARQ SAS :	Parc d'activités de l'Aéroport 310 allée de la Chartreuse 84005 Avignon SIREN : 523879682	(4) GSE Auvergne SAS :	21 rue Newton 63000 Clermont-Ferrand SIREN : 839533783

Notes on the balance sheet and the income statement (in thousands of euros)

1-GOODWILL

	Mar 31, 2021	Increase	Decrease	Dec 31, 2019
GSE goodwill	127,344			127,344
GSE Régions goodwill	14,259			14,259
GSE Ingénierie goodwill	5,630			5,630
GAM International goodwill	445			445
GSE Management goodwill	375	375		
GAS goodwill	114	114		
Gross value	148,166	488	0	147,678
Depreciation of GSE goodwill	61,664			61,664
Depreciation of GSE Régions goodwill	6,880			6,880
Depreciation of GSE Ingénierie goodwill	2,528			2,528
Depreciation of GAM International goodwill	111			111
Depreciation	71,183	0	0	71,183
Net value	76,983			76,495

An impairment test was carried out according to the discounted cash flow method (2021/2022 Budget, 3-year Business Plan, a perpetual growth rate of 1% and a discount rate of 10%). There is no depreciation to recognize on March 31, 2021.

2-INTANGIBLE ASSETS

	Mar 31, 2021	Increase	Decrease	Translation adjustment	Dec 31, 2019
Business goodwill	2,188				2,188
Software licenses	2,695	160	490	2	3,022
Intangible fixed assets in progress	294	294			0
Gross value	5,176	454	490	2	5,209
Amortization of goodwill	2,188				2,188
Amortization of software licenses	2,382	387	490	2	2,484
Amortization	4,570	387	490	2	4,672
Net value	606				537

The increase in the "Software licenses" category corresponds mainly to the continuation of the implementation of a software for invoices dematerialization for €65K, the implementation of a travel expenses software for €46K, a skill management software (GEC) for €29K and a fixed assets management software for €13K.

The decrease in the "Software licenses" category corresponds to the disposal of obsolete software.

Notes on the balance sheet and the income statement

(in thousands of euros)

3-TANGIBLE FIXED ASSETS

	Mar 31, 2021	Increase	Decrease	Reclass.	Translation adjustment	Dec 31, 2019
Land	588	64				523
Land improvements	456	456				0
Buildings	13,297	4,064	123			9,356
Technical facilities	104	26	14			92
Other tangible fixed assets	6,048	1,662	687		-9	5,082
Tangible fixed assets in progress	229	229				0
Gross value	20,722	6,502	824	0	-9	15,053
Deprec. of buildings	4,970	536	59	-30		4,523
Deprec. of technical facilities	72	13	14			73
Deprec. of other tangible fixed assets	3,168	717	533	30	-4	2,958
Depreciation	8,210	1,266	606	0	-5	7,555
Net value	12,512					7,498

The increase in the "Buildings" and "Land improvements" items mainly corresponds to the delivery of phase 3 of GSE's head office expansion and renovation project in Avignon (respectively €4,064K and €456K).

The increase in the "Other tangible fixed assets" category mainly corresponds to various operations such as:

- the fittings in the professional kitchen of Emma cafeteria in GSE's head office in Avignon for €613K,
- improvements and fittings in the older areas of the head office for €390K,
- the purchase of site containers to allow a quick installation of all the equipment required for the construction site offices for €220K,
- the implementation of a video surveillance system in several premises in France for €122K,
- improvements and fittings in different GSE Régions branch offices for €52K,
- Improvements and fittings in our subsidiaries in Italy, Romania and Germany for €59K.

Other acquisitions correspond to IT equipment.

The decrease in the "Other tangible fixed assets" category corresponds mainly to disposals following the renewal of IT equipment and office furniture.

4-FINANCIAL ASSETS

	Mar 31, 2021	Increase	Decrease	Merger	Dec 31, 2019
Shares	100	1,847		-2,425	678
Other financial assets	479	95	97		481
Net value	578	1,942	97	-2,425	1,159

The "Shares" item corresponds to the company Foncière GSE for €100K. This company was founded in 2021 and is not consolidated.

In 2020, GSE purchased shares in GSE Management and GAS, two companies outside the scope of consolidation, for €1,034K and €713K respectively, in anticipation of the merger-absorption operations of these companies. The merger operations resulted in a decrease in the "Shares" item of 1,422K€ and 1,002K€ respectively.

Other financial assets are exclusively composed of deposits and guarantees.

5-INVENTORIES AND WORK IN PROGRESS

	Mar 31, 2021	Dec 31, 2019
Work in progress on long-term contracts	471	380
Inventories	11,749	11,079
Gross value	12,220	11,459
Provision on inventories	2,587	2,587
Provision	2,587	2,587
Net value	9,633	8,871

6-RECEIVABLES

	Mar 31, 2021	Dec 31, 2019
Accounts receivable	74,658	76,049
Invoices to be issued	21,305	17,010
Supplier receivables	64	
Staff-related receivables	123	47
Tax receivables	20,687	20,042
Advances and sundry debtors	2,537	2,280
Prepaid expenses	1,592	1,780
Net value	120,966	117,207

Notes on the balance sheet and the income statement (in thousands of euros)

The category "Advances and sundry debtors" includes an advance of €1,918K to the Sprink'R. This receivable is written down up to 100%.

Other receivables have a term of less than one year.

7-CASH AND CASH EQUIVALENT

	Mar 31, 2021	Dec 31, 2019
Investments	113,211	83,342
Interest-bearing bank accounts	25,004	54,350
Ordinary bank accounts	59,723	12,025
Total	197,938	149,717

The book value of the various components is equal to the liquidation value.

The part of cash and cash equivalent in non-euro zone currencies is €11,751K and is broken down as follows:

	Mar 31, 2021	Dec 31, 2019
Yuan	9,188	9,400
Swiss Franc	1,287	2,264
Romanian Lei	273	5
Hungarian Forint	59	35
Norwegian Kroner		160
Pound sterling	860	368
US Dollar	1	14
Polish Zloty		5
Moroccan Dirham	82	3
Total	11,751	12,253

8-EQUITY

Group shareholders' equity

	Capital	Premiums linked to capital	Other reserves and retained earnings	Result	Total
Equity as of Dec 31, 2019	88,443	6	-38,731	15,279	64,997
Movements on the equity	180		-2,230		
Allocation of the 2019 result			15,279	-15,279	
2020/21 result				20,212	
Other movements incl. translation adjust. of foreign currencies			37		
Equity as of Mar 31, 2021	88,624	6	-25,645	20,212	83,196

The mergers of GSE Management and GAS into GSE resulted in a €1,922K equity reduction and a €127K decrease of other reserves.

As of March 31, 2021, the share capital was made up of €88,623,548 with a nominal value of €1.

The capital is distributed in the following way:

	Mar 31, 2021	
	Number of shares	% holding
GOLDBECK GmbH	86,520,366	97.63%
Individual shareholders	2,103,182	2.37%
Total	88,623,548	100%

The group share of net income is €0.23 per share.

Minority interests in equity

	Minority interests / reserves and result
Minority interests as of Dec 31, 2019	247
2020/21 result	843
Minority interests as of Mar 31, 2021	1,090

Notes on the balance sheet and the income statement

(in thousands of euros)

9-PROVISIONS FOR RISKS AND CHARGES

	Mar 31, 2021	Allowances	Reversals	Translation adjustment	Dec 31, 2019
Provision for losses on long-term contracts	52	52	122		122
Provision for disputes and litigation	11,699	6,067	2,292	0,5	7,924
Provision for risks	11,751	6,119	2,414	0,5	8,046
Provision for time remaining to be spent on completed contracts	4,289	4,289	3,744	0,2	3,744
Provision for retirement benefits	4,217	369			3,848
Other provisions for charges	12,095	12,097	10,066	-1	10,066
Provision for charges	20,601	16,755	13,810	-2	17,658
Total	32,352	22,874	16,224	-2	25,703

The allowances for provision for disputes and litigation are composed of:

- allowances for deductibles and insurance retention of €178K linked to claims filed but not yet closed,
- allowances for provision related to projects for €5 773K,
- allowances for various provisions for €116K.

The reversals of provision for disputes and litigation is composed of:

- reversals of provision for deductibles and insurance retention of €307K linked to closed claims,
- reversals of provision related to projects of €1,665K,
- reversals of various provisions for €320K.

The allowances and reversals to other provisions for charges correspond to provisions for various charges related to projects.

10-DEFERRED TAX

The net deferred tax position can be analyzed as follows:

	Assets	Liabilities
Deferred tax on losses carried forward	8,368	
Temporary differences	3,056	
Total	11,424	0

11-FINANCIAL DEBTS

The leasing loan ended in December 2020. The option has been exercised and the loan is fully repaid.

	Mar 31, 2021	Dec 31, 2019
Leasing loan		1,427
Total	0	1,427

12-OFF BALANCE SHEET COMMITMENTS

	Mar 31, 2021	Dec 31, 2019
Bonds and guarantees given	117,310	128,838
Financial guarantees of completion given	261,553	237,423
Total commitments given	378,863	366,261
Bonds and guarantees received	41,381	72,696
Total commitments received	41,381	72,696

Notes on the balance sheet and the income statement

(in thousands of euros)

The bonds and guarantees given correspond to the commitment of the group's companies to the financial institutions that have stood surety for these companies:

- for the benefit of clients as performance bonds for work contracts and in exchange for guarantee withholding,
- for the benefit of subcontractors for the payment of sums due in the context of their works contracts.

The amount of bonds and guarantees given is a percentage of price of the contract to which they are attached.

The amount of financial guarantees of completion corresponds to the price including VAT or the cost of sales price including VAT of the contract of which the completion guarantees is the accessory, at the guarantee issuance date, and is no subject to any amortization nor any weighting in relation to the works performed.

The financial completion guarantees ("GFA", specific French guarantee) in force on March 31, 2021 break down as follows:

Month of issuance	Amount of guarantee issued	% of completion by Mar 31, 2021
November 2019	141,133	75%
February 2020	23,706	85%
April 2020	64,119	73%
October 2020	19,036	44%
March 2021	13,560	3%
Total	261,553	

The bonds and guarantees received correspond to the commitments received from financial organizations that acted as guarantors for subcontractors to guarantee their commitment during the year of the perfect completion guarantee.

13-REVENUES

Revenues are broken down as follows:

	Mar 31, 2021	Dec 31, 2019
General Contractor revenues	810,180	542,420
Change in inventories on long-term contracts	762	-20
Project management revenues	317	148
Revenues from other services	15,024	8,352
Other income	4,873	3,318
Total	831,155	554,218

14-ALLOWANCES AND REVERSALS

	Mar 31, 2021	Dec 31, 2019
Net change in provisions on projects	6,407	-1,947
Net change in depreciation	1,792	1,312
Total	8,199	-635

Net variation of provisions on projects includes:

- a €555K net allowance for remaining time to be spent on delivered projects,
- a €70K net reversal for losses upon completion,
- a €5,922K net allowance for risks and charges on projects.

Net change in depreciation consists of:

- a €220K of property leasing depreciation,
- a €1,573K of other depreciation on intangible and tangible fixed assets.

EBITDA includes changes in provisions related to projects and trade receivables.

Notes on the balance sheet and the income statement

(in thousands of euros)

15-FINANCIAL RESULT

	Mar 31, 2021	Dec 31, 2019
Net result of financial investments	654	504
Shares depreciation		-116
Interests on late payment received following dispute resolution	15	57
Interests on late payment paid following dispute resolution		-43
Foreign exchange gains and losses	99	98
Interests on leasing	-23	-36
Other	-15	-16
Total	729	448

16-EXTRAORDINARY RESULT

	Mar 31, 2021	Dec 31, 2019
Fees on extraordinary transaction		-5,718
Extraordinary income on dispute settlement		1
Total	0	-5,717

17-TAX ON PROFITS

Tax consolidation agreement

GSE opted for the tax consolidation system for a five-year period as of May 12, 2006, tacitly renewable.

The amendment to the tax consolidation agreement signed on December 30, 2013 provides that as of the financial year opened on January 1, 2013, the beneficiary subsidiaries pay to the parent company the amount that they would have had to pay to the Tax Authorities if they were not members of the Integrated Group and the tax savings made by the group are kept by the parent company.

The tax integrated group recorded a benefit of €25,071K for the 15-month fiscal year 2020/21.

Losses that can be carried forward as of Mar 31, 2021 was €24,691K.

The tax due by the other group members without the tax integration is zero.

Analysis of the tax expense

	Mar 31, 2021	Dec 31, 2019
Tax due	6,706	2,177
Deferred tax	1,795	-4,888
Total	8,501	-2,711

Differences between the corporate tax recorded and the theoretical tax obtained by applying the French tax rate are as followed:

	Mar 31, 2021	Dec 31, 2019
Earnings before taxes	28,713	12,568
Tax rate applicable to the parent company	31.00%	33.33%
Theoretical tax	8,901	4,189
Tax recorded	8,501	-2,711
Total	-400	-6,900
Tax rate differences on foreign earnings	-242	108
Change in the tax rate in France (25%)	210	805
Permanent differences	249	303
Tax credits	-365	-279
Other	-254	-7,838
Total	-400	-6,900

Sector information

1-REVENUES

By geographical zone

	Mar 31, 2021		Dec 31, 2019	
	Revenue	%	Revenue	%
France	642,268	77.3%	408,439	73.7%
Germany	71,184	8.6%	76,580	13.8%
Southern Europe	86,881	10.5%	39,217	7.1%
Eastern & Northern Europe	20,798	2.5%	23,288	4.2%
Asia	10,024	1.2%	6,692	1.2%
Total	831,155	100%	554,218	100%

By line of business

	Mar 31, 2021		Dec 31, 2019	
	Revenue	%	Revenue	%
Logistics	618,701	74.4%	353,015	63.7%
GSE Régions SME buildings	170,975	20.6%	99,714	18.0%
Industry	11,281	1.4%	51,365	9.3%
Service Sector	4,541	0.5%	42,599	7.7%
Retail	317	0.0%	5,345	1.0%
Pre-development	25,271	3.0%	2,180	0.4%
Car parks	69	0.0%	0	0.0%
Total	831,155	100%	554,218	100%

2-OPERATING RESULT BY GEOGRAPHICAL ZONE

	Mar 31, 2021	Dec 31, 2019
France	19,370	12,771
Southern Europe	8,701	1,364
Germany	2,037	4,693
Eastern & Northern Europe	523	567
North Africa	-54	323
Asia	-1,750	-1,704
Total	28,826	18,014

3-STAFF BY GEOGRAPHICAL ZONE

	Mar 31, 2021	Dec 31, 2019
France	360	364
Southern Europe	32	24
Asia	31	28
Germany	26	25
Eastern & Northern Europe	10	13
Total	459	454

Other information

1-CONSOLIDATION

GSE group's accounts are consolidated into GOLDBECK group's annual accounts (Ummelner Straße 4-6, 33649 Bielefeld, Germany).

2-STAFF

The group's staff was 464 people as of March 31, 2021, compared to 454 people at the end of 2019.

3-FIXED ASSETS

Most of the group's fixed assets are located in France.

4-AUDITORS' FEES

As of March 31, 2021, the fees of the French auditors were €268K for legal verification of the financial statements.

5-DIRECTORS

For reasons of confidentiality, the amount of the remuneration paid to the members of the management bodies is not announced.

No advances or loans were granted to them.

6-OTHER INFORMATION

The countries in which the group operates do not provide specific comments on country risks.

7-SUBSEQUENT EVENTS

There are no subsequent events that have an impact on the consolidated financial statements as of March 31, 2021.

To be noted :

- the preparation of the merger of GSE Régions into GSE for which the Social and Economic Committee ("CSE") of the Economic and Social Unity ("UES") of GSE was consulted on May 31, 2021,
- the continuation of the global Covid-19 crisis, with no significant effect at this stage on the group's activity, order intake and consolidated results.

Cash flow statement (in thousands of euros)

	Mar 31, 2021	Dec 31, 2019
Operating Cash Flow		
Net result of the integrated companies	21,055	15,456
Elimination of expenses and income with no impact on the cash balance	10,366	-4,521
Variation of the WCR linked to the activity	26,964	4,439
Net cash flows from operations (I)	58,385	15,374
Investment Cash Flow		
Acquisitions of tangible and intangible assets	-6,955	-3,830
Net cash balance from acquisitions and sales of financial assets	-1,845	60
Changes in consolidation scope		(*) 458
Net cash flows from investment (II)	-8,801	-3,313
Financial Cash Flow		
Repayment of leasing loan	-1,427	-609
Net cash flows from financing (III)	-1,427	-609
Change in cash position of the financial year (I + II + III)	48,157	11,452
Opening cash balance (IV)	149,717	138,349
Closing cash balance (V)	197,938	149,717
Impact of variations of foreign currency exchange rates (VI)	-64	84
Change in cash position (V + VI - IV)	48,157	11,452

(*) Amount received as a result of a call under liability guarantee

Statutory auditor's report on the consolidated financial statements

EY Ernst & Young Audit - Marseille

To the Shareholders of GSE

Fifteen-month period ended 31 March 2021

OPINION

In compliance with the engagement entrusted to us by your annual general meeting, we have audited the accompanying consolidated financial statements of GSE for the fifteen-month period ended 31 March 2021.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the group as of 31 March 2021, and of the results of its operations for the period then ended in accordance with French accounting principles.

BASIS FOR OPINION

Audit framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the *Statutory Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report.

Independence

We conducted our audit engagement in compliance with the independence requirements of the French Commercial Code (*Code de commerce*) and the French Code of Ethics for Statutory Auditors (*Code de déontologie de la profession de commissaire aux comptes*) for the period from 1 January 2020, to the date of our report.

JUSTIFICATION OF ASSESSMENTS

Due to the global crisis related to the COVID-19 pandemic, the financial statements for this period have been prepared and audited under special circumstances. Indeed, this crisis and the exceptional measures taken in the context of the health emergency have had numerous consequences for companies, particularly on their operations and their financing, and have led to greater uncertainties regarding their future prospects. These measures, such as travel restrictions and remote working, have also had an impact on the companies' internal organization and on how audits are performed.

It is in this complex, evolving context that, in accordance with the requirements of Articles L. 823-9 and R.823-7 of the French Commercial Code (*Code de commerce*) relating to the justification of our assessments, we inform you of the assessments that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period.

These matters were addressed in the context of our audit of the consolidated financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on specific items of the consolidated financial statements.

As stated in the note "General principles – 2 – Valuation method – Long term contract" to the consolidated financial statements regarding the method used for the valuation of long-term contracts, your Company recognizes turnover and margin according to the percentage of completion method. This method involves the use by Management of estimates, in particular to determine the percentage of completion and the projected result at completion of each contract. Our work consisted in obtaining an understanding of the processes implemented by your Company and assessing the data and assumptions on which these estimates are based. We assessed the reasonableness of these estimates, on the basis of the information available for the period ended 31 March 2021.

SPECIFIC VERIFICATIONS

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by laws and regulations of the information relating to the group given in the President's management report.

We have no matters to report as to its fair presentation and its consistency with the consolidated financial statements.

RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with French accounting principles and for such internal control as Management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is expected to liquidate the Company or to cease operations.

The consolidated financial statements were approved by the President.

STATUTORY AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our role is to issue a report on the consolidated financial statements. Our objective is to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As specified in Article L. 823-10-1 of the French Commercial Code (*Code de commerce*), our statutory audit does not include assurance on the viability of the Company or the quality of management of the affairs of the Company.

As part of an audit conducted in accordance with professional standards applicable in France, the statutory auditor exercises professional judgment throughout the audit and furthermore:

- identifies and assesses the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for his opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management in the consolidated financial statements.
- assesses the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of his audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the statutory auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the consolidated financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein.
- evaluates the overall presentation of the consolidated financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation.
- obtains sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. The statutory auditor is responsible for the direction, supervision and performance of the audit of the consolidated financial statements and for the opinion expressed on these consolidated financial statements.

Marseille, 19 July 2021

The Statutory Auditor
French original signed by
ERNST & YOUNG Audit

Xavier Senent



**Corporate
financial
statements**

Balance sheet

ASSETS

In €K	Mar 31, 2021			Dec 31, 2019
	Gross	Depr/Prov	Net	Net
Intangible fixed assets	120,364	2,219	118,146	117,584
Tangible fixed assets	13,885	2,424	11,461	5,306
Financial assets	34,763	7,034	27,729	24,375
Fixed assets	169,012	11,676	157,336	147,264
Inventories and work in progress	4,270		4,270	3,514
Accounts receivable	68,715	1,876	66,839	66,010
Other receivables	27,354	3,328	24,026	22,688
Cash and cash equivalents	169,116		169,116	120,542
Prepaid charges	1,376		1,376	1,604
Current assets	270,831	5,204	265,627	214,358
Exchange rate differences - assets				9
Total assets	439,843	16,880	422,963	361,631

SHAREHOLDERS' EQUITY AND LIABILITIES

In €K	Mar 31, 2021	Dec 31, 2019
Capital	88,624	88,443
Share premium	6	6
Legal reserves	1,341	769
Retained earnings and other reserves	14,039	5,397
Net income	17,653	11,444
Regulated provisions	68	
Shareholders' equity	121,731	106,059
Provisions	15,890	10,659
Accounts payable	135,989	103,017
Tax and social security liabilities	24,078	24,169
Other liabilities	79,393	74,024
Deferred income	45,862	43,691
Liabilities and deferred income	285,322	244,901
Exchange rate differences - liabilities	21	12
Total shareholders' equity and liabilities	422,963	361,631

Income statement

In €K	2020/21	2019
	15 months	12 months
Revenues	528,338	319,983
Purchases and external expenses	-466,839	-286,167
Labour costs	-37,106	-30,105
Taxes	-2,764	-1,687
Net changes in provisions and others	-738	4,349
Operating result	20,890	6,372
Dividends received	3,154	2,381
Net changes in financial provisions	854	31,069
Other financial expenses and incomes	-2,486	-28,951
Financial result	1,522	4,498
Extraordinary result	-109	297
Employee profit sharing	-1,238	-1
Income Tax on profits	-3,413	278
Net income	17,653	11,444

Significant events

The fiscal year opened on January 1, 2020 has an exceptional duration of 15 months and ends on March 31, 2021. The change in the closing date meets the needs of our shareholder, the German company GOLDBECK, which itself closes its accounts on March 31.

In May 2020, GSE Management and GAS were merged into GSE. This operation was carried out under the preferential tax regime with a retroactive accounting and tax effect as of January 1st, 2020 and resulted in merger deficits, respectively of €375K and €114K, recorded in the merger deficit category in the balance sheet.

GSE's share capital now amounts to €88 624K due to the following operations:

- GSE's share capital reduction for €1.923K corresponds to the withdrawal of own shares recorded in GSE's accounts following the merger-absorption operations of GSE Management and GAS,
- The capital increase by incorporation of reserves carried out in February 2021 for an amount of €2,103K.

GSE Polska, a wholly owned subsidiary of GSE, was liquidated on November 24, 2020. The accounting consequences of this liquidation for GSE are recorded in the financial result category.

General principles

GSE is specialized in turnkey design and construction of real estate development projects for professional use, and has its headquarters in 310 allée de la Chartreuse, Avignon (84000).

The annual financial statements were prepared in compliance with the provisions of the Code of Commerce (accounting decree of November 29, 1983) and those of the Authority of Accounting Standards' regulations N° 2014-03 updated by regulations N°2015-06 of November 23, 2015 and N°2016-07 of November 4, 2016.

The accounting conventions were applied in observance of the principle of prudence, in accordance with the basic assumptions:

- Continuity of operations,
- Constancy of the accounting methods from one financial year to another,
- Independence of the financial years.

And in compliance with the general rules for the establishment and presentation of annual financial statements.

1-EVALUATION METHODS

Long-term contracts

Long-term contracts, which are defined as contracts covering a period of at least two financial years, are accounted according to the stage of completion method.

Revenues and profit margin are recognized as and when the contract costs are incurred.

Moreover, expected losses on contracts in progress are fully recognized as soon as they are identified, and a loss-at-completion provision is recorded. Such provision is accounted as "Provisions for liabilities".

The company reviews, and where necessary revises, for each contract, the estimates of revenue and costs as the contract progresses.

General principles

Therefore:

- Works in progress on long-term contracts are valued at production costs plus the accrued profit margin by reference to the stage of completion.

On the balance sheet, each construction contract is presented either as a receivable or a liability.

If costs incurred plus recognized margin exceed progress billings, the excess is presented as "Accounts receivable".

If progress billings exceed cost incurred plus recognized margin, the excess is presented as "Deferred income".

Expected losses upon completion are recorded as "Provision for liabilities" in the balance sheet.

- All remaining costs not yet recorded at construction delivery date are booked in "Invoices to be received", "Other provision for charges" and "Provision for time to be spent" (provision for charges).
- Contract costs that relate to a construction contract for which the signature is quite certain are recognized as an asset. Advances received that relate to this contract are recorded as "Deferred income".

Inventories

Inventories are stated at their acquisition cost.

An impairment loss is recognized when the market value falls below acquisition cost.

Goodwill

Goodwill is not amortized. An impairment test is performed at the year-end and if necessary a provision is recorded.

The impairment test was carried out according to the discounted cash flow method.

Intangible fixed assets

Intangible fixed assets correspond to software recognized at their acquisition cost.

The straight-line depreciation period is 3 years.

Tangible fixed assets

Tangible fixed assets are measured at their acquisition cost.

The straight-line depreciation periods are as follows:

- Buildings: 20 years
- Fixtures, facilities: 10 years
- Furniture: 10 years
- Equipment and tools: 5 years
- Office equipment: 3 to 5 years
- Transport vehicles: 4 years

The difference between the depreciation according to tax rules and the accounting depreciation is recorded in "Excess depreciation".

Loans and other financial assets

They are recorded at their acquisition cost.

However, provisions are posted when their estimated value in use is lower than the acquisition value.

Receivables

Receivables are recognized at nominal value.

An allowance for doubtful debts is made when there is objective evidence that a receivable is impaired.

General principles

Retirement benefits

No provision is allocated for retirement gratuities granted to employees, but rather covered during the financial years in which they are paid.

The evaluation of the retirement benefit obligations considers a discount rate with deduction of inflation of 0.8%.

An average rate of salaries increases of 2.5 % is applied.

The hypothesis used for the retirement age is 67.

Turnover rate is based on departure for resignation reason. No turnover rate is applied for employees above the age of 54.

2-CHANGES IN ACCOUNTING METHOD

The accounting rules and methods are the same as those applied in financial year ended December 31, 2019.

Notes on the balance sheet and the income statement (in thousands of euros)

1-INTANGIBLE FIXED ASSETS

	Mar 31, 2021	Increase	Decrease	Merger	Dec 31, 2019
Goodwill	117,543	488			117,055
Software licenses	2,528	160	459		2,827
Intangible fixed assets in progress	294	294			0
Gross value	120,364	942	459		119,881
Depr. of software licenses	2,219	380	459		2,298
Depreciation	2,219	380	459		2,298
Net value	118,146				117,584

The goodwill arises from:

- GSE, a merger loss with a gross value of €108,639K was posted following the absorption of this company in 2015, this amount has been reduced by €458K in 2019 following a call for a guarantee of liabilities, the merger loss amounts to €108,181K,
- GSE Management merger loss, posted following the absorption of this company in 2020, with a gross value of €375K,
- GAS merger loss, posted following the absorption of this company in 2020, with a gross value of €114K,
- GSE Ingénierie merger loss, posted following the absorption of this company in 2018, with a gross value of €5,207K.
- Michel Ferrier Engineering acquisition, goodwill of a gross value of €1,355K,
- KIC Ingénierie acquisition, goodwill of a gross value of €183K,
- IGSE acquisition, goodwill of a gross value of €650K,
- NOMA SA acquisition, goodwill of a gross value of €1,479K,

The increase in the "Software licenses" category corresponds mainly to the continuation of the implementation of a software for invoices dematerialization for €65K, the implementation of a travel expenses software for €46K, a skill management software (GEC) for €29K and a fixed assets management software for €13K.

The decrease in the "Software licenses" category corresponds to the disposal of obsolete software.

Notes on the balance sheet and the income statement (in thousands of euros)

2-TANGIBLE FIXED ASSETS

	Mar 31, 2021	Increase	Decrease	Dec 31, 2019
Land and land improvements	1,331	1,331		0
Buildings	8,202	4,062	123	4,263
Fixtures and equipment	104	26	3	81
Other tangible fixed assets	4,028	1,453	387	2,962
Tangible fixed assets in progress	220	220		0
Gross value	13,885	7,092	514	7,307
Depreciation of land improvements	0	0		
Depreciation of buildings	551	298	59	312
Depreciation of fixtures and equipment	72	13	3	62
Depreciation of other tangible fixed assets	1,800	561	387	1,627
Depreciation	2,424	872	449	2,001
Net value	11,461			5,306

The "Land and land improvements" item corresponds to the exercise of the lease option on the Avignon head office premises and the improvements work carried out as part of the head office expansion project.

The increase in the "Buildings" category corresponds to the delivery of the last phase of GSE's head office expansion project in Avignon.

The increase in the "Other tangible fixed assets" category corresponds essentially to:

- the fittings in the professional kitchen of Emma cafeteria in GSE's head office in Avignon for €613K,
- the purchase of site containers to allow a quick installation of all the equipment required for the construction site offices for €220K,
- the improvements and fittings in an older area of the head office for €149K,
- the renewal of the computer park for €144K,
- the implementation of the meeting rooms' videoconferencing system for €130K,
- The implementation of a video surveillance system in several premises in France for €122K.

The decrease in the "Other tangible fixed assets" category corresponds mainly to disposals following the renewal of IT equipment and office furniture.

3-FINANCIAL ASSETS

	Mar 31, 2021	Increase	Decrease	Merger	Dec 31, 2019
Shares	34,527	8,467	128	-2,425	28,613
Loans to affiliated entities	0		2,732		2,732
Deposits and guarantees	236	60	50		225
Gross value	34,763	8,527	2,910	-2,425	31,570
Shares depreciation	7,034	2,629	128		4,533
Depr. of loans to affiliated entities	0		2,662		2,662
Provisions	7,034	2,629	2,791		7,195
Net value	27,729				24,375

Details of shares' variation:

	Mar 31, 2021	2020/21 variation	Dec 31, 2019
GSE POLSKA SP Z.O.O	0	-13	13
GSE INMUEBLE LLAVES EN MANO SL	2,484		2,484
GSE DEUTSCHLAND GMBH	1,000		1,000
GSE ITALIA SRL	15		15
UK GSE LTD	2		2
GSE HUNGARIA KFT	11		11
GSE CHINA LTD	4,945	750	4,195
GSE BELGIQUE SPRL	20	2	19
GSE REGIONS SAS	15,330		15,330
GSEM SARL (MOROCCO)	2,558	2,549	9
CONFLUENCE SRL	137		137
VEMARQ SAS	4,555		4,555
GSE MANAGEMENT SAS	0	-388	388
GAS SAS	0	-289	289
GSE AUVERGNE SAS	50		50
GSE AVIGNA PVT LTD	0	-116	116
GSE ROMANIA SRL	0		0
GSEPT UNIPessoal LDA (PORTUGAL)	3,320	3,320	0
FONCIERE GSE SAS	100	100	0
Total	34,527	5,914	28,613

Notes on the balance sheet and the income statement (in thousands of euros)

During the year ended March 31, 2021, GSE:

- Liquidated its Polish subsidiary GSE Polska. The shares amounted to €13K.
- Absorbed GAS and GSE management. The shares of these companies respectively amounted to €388K and €289K.
- Sold GSE AVIGNA's shares, amounted on the balance sheet to € 116K, for €1.
- Founded the company Foncière GSE with a share capital of €100K€ (wholly owned by GSE).
- Bought on share of GSE Belgique from GSE Régions for €2K.
- Founded the company GSEPT in Portugal with a share capital €3,320K.
- Participated to GSEM company capital increase up to €2,549K and to GSE China capital increase up to €750K.

"Shares depreciation" breakdown:

	Mar 31, 2021	2020/21 variation	Dec 31, 2019
GSEM SARL (MOROCCO)	2,527	2,518	9
UK GSE LTD	2	2	0
GSE HUNGARIA KFT	11	11	0
GSE POLSKA SP Z.O.O	0	-13	13
VEMARQ SAS (FRANCE)	4,494	99	4,395
GSE AVIGNA PVT LTD (INDIA)	0	-116	116
Total	7,034	2,501	4,533

4-INVENTORIES AND WORK IN PROGRESS

	Mar 31, 2021	Dec 31, 2019
Inventories : lands under development	3,863	3,192
Work in progress on long-term contracts	407	322
Net value	4,270	3,514

5-RECEIVABLES

	Mar 31, 2021	Dec 31, 2019
Accounts receivable – non group	45,876	46,928
Bad debt	2,225	2,371
Bad debt depreciation	-1,865	-1,896
Accounts receivable – group	3,342	8,800
Provisions of group accounts receivable	-11	-610
Invoices to be established	17,272	10,417
Staff-related receivables	3	10
Social welfare bodies	83	128
State: taxes and VAT	16,225	13,992
Current account	7,003	9,007
Depreciation of current accounts	-1,382	-1,844
Various advances and debtors	4,039	3,367
Depreciation of various advances and debtors	-1,946	-1,973
Prepaid expenses	1,376	1,604
Exchange rate differences - assets	0	9
Net value	92,241	90,311

The category "State: taxes and VAT" includes mainly, as of the closing date:

- Unrealized VAT and VAT on inventory entries in the amount of €16,154K,
- An income tax credit in France of €71K.

On May 17, 2014, the GSE signed with other group companies a cash centralization agreement for which it is the managing company.

The provision for depreciation of group account receivable of €11K concerns the English subsidiary.

The current accounts depreciation corresponds to the Hungarian subsidiary for €1,234K and to the English subsidiary for €148K.

The "Various advances and debtors" category mainly includes an advance to Sprink'R for €1,918K, 100% depreciated, and advances on urban taxes for building permits submitted by GSE (€1,297K).

All receivables have a maturity of less than one year.

Notes on the balance sheet and the income statement

(in thousands of euros)

6-CASH AND CASH EQUIVALENTS

	Mar 31, 2021	Dec 31, 2019
Investment securities	91,693	65,084
Interest-bearing bank accounts	25,004	54,350
Cash	52,420	1,109
Total	169,116	120,542

The book value of investment securities and cash is equal to the liquidation value.

7-EQUITY

As of March 31, 2021, the share capital was made up of €88,623,548 with a nominal value of €1 and was broken down as follows:

	Mar 31, 2021	
	Number of shares	% of holding
GOLDBECK Gmbh	86,520,366	97.63%
Individual shareholders	2,103,182	2.37%
Total	88,623,548	100%

Equity as of Dec 31, 2019	106,059
2020/21 result	17,653
Capital decrease	-2,050
Change in regulated provisions	68
Equity as of Mar 31, 2021	121,731

The merger of GSE Management and GAS into GSE resulted in a capital reduction of €1,922K and a decrease in other reserves of €127K.

8-PROVISIONS FOR RISKS AND CHARGES

	Mar 31, 2021	Allowances	Reversals	Dec 31, 2019
Provision for losses at completion	18	18	122	122
Provision for disputes and litigation	5,686	2,760	423	3,348
Provision for foreign exchange losses	0		9	9
Other provisions for risks	393	393	22	22
Provisions for risks	6,096	3,171	575	3,500
Provision for time to be spent on completed contracts	2,989	2,989	2,358	2,358
Other provisions for charges	6,804	3,094	1,091	4,801
Provisions for charges	9,793	6,083	3,448	7,158
Total	15,890	9,254	4,023	10,659

The allowances for provisions for disputes and litigation is composed of:

- allowances for risks on projects of €2,546K,
- allowances for deductibles and insurance retention of €98K, linked to claims filed but not yet closed,
- allowances for severance pay and employee disputes, for €116K.

The reversals of provision for disputes and litigation is composed of:

- reversals of provision related to projects of €22K,
- reversals of provision for deductibles and insurance retention of €251K, linked to closed claims,
- reversals of provision for severance pay and employee disputes, for €150K.

Other provisions for risks correspond to the share of negative equity of our English subsidiary not covered by provisions for depreciation of receivables.

Allowances and reversals of other provisions for charges correspond to provisions for various charges related to construction projects.

Notes on the balance sheet and the income statement (in thousands of euros)

9-OPERATING LIABILITIES

	Mar 31, 2021	Dec 31, 2019
Suppliers	65,715	41,314
Invoices to be received	70,275	61,702
Credit note to be issued	511	
Staff-related liabilities	6,536	6,316
Social welfare bodies	4,687	4,069
State: VAT and charges to be paid	12,854	13,785
Current accounts	78,495	73,656
Other credit accounts	249	154
Accrued liabilities	138	214
Deferred income on general contracting activity	45,862	43,308
Other deferred income		383
Exchange rate differences - liabilities	21	12
Total	285,313	244,913

All debts have a term of less than 1 year.

The supplier balance includes:

- non-group suppliers: €36,455K,
- group suppliers: €390K,
- guarantee withholding: €3,693K,
- end of work withholding: €25,176K.

The category "Current account" is linked to the centralization of the management of cash surpluses at GSE level for all subsidiaries in the euro zone up to €78,267K and to the management of tax consolidation up to €227K.

In 2019, the category "Other deferred income" corresponded to the spreading out over the duration of the leasing contract of the capital gains made within the framework of the lease transfer operation carried out during the 2012 financial year. The leasing contract ended on December 27, 2020.

10-OFF BALANCE SHEET COMMITMENTS

	Mar 31, 2021	Dec 31, 2019
Bonds and guarantees given	61,764	66,565
Financial guarantees of completion given	261,554	220,149
Commitments given on leasing		640
Retirement benefit commitments	3,770	3,545
Total commitments given	327,088	290,899
Bonds and guarantees received	14,073	36,245
Total commitments received	14,073	36,245

The bonds and guarantees given correspond to the commitment of GSE to the financial institutions that have stood surety for GSE:

- for the benefit of clients as performance bonds for work contracts and in exchange for guarantee withholding,
- for the benefit of subcontractors for the payment of sums due in the context of their works contracts.

The amount of bonds and guarantees given is a percentage of price of the contract to which they are attached.

The amount of financial guarantees of completion corresponds to the price including VAT or the cost of sales price including VAT of the contract of which the completion guarantees is the accessory, at the guarantee issuance date, and is no subject to any amortization nor any weighting in relation to the works performed.

The financial completion guarantees ("GFA", specific French guarantee) in force on March 31, 2021 break down as follows:

Activation month of performance bond	Amount of performance bond	% of completion of the project at Mar 31, 2021
November 2019	141,133	75%
February 2020	23,706	85%
April 2020	64,119	73%
October 2020	19,036	44%
March 2021	13,560	3%
Total	261,554	

Notes on the balance sheet and the income statement

(in thousands of euros)

The bonds and guarantees received correspond to the commitments received from financial organizations that acted as guarantors for subcontractors to guarantee their commitment during the year of the perfect completion guarantee.

11-FINANCE LEASE

The finance lease, corresponding to our company's headquarters in Avignon, was granted for a period of 8 years, starting on December 27, 2012. It ended on December 27, 2020.

GSE has exercised the purchase option. The purchase value, which amounts to €875K (including €65K of acquisition costs), has been recorded under the "land" category.

12-REVENUES

Revenues are broken down as follows:

	Mar 31, 2021	France	Export	Dec 31, 2019
General contractor contracts	512,520	512,472	48	307,889
Services related revenues	15,753	10,836	4,917	11,929
Other revenues	65	65	0	165
Total	528,338	523,373	4,965	319,983

13-FINANCIAL RESULT

	Mar 31, 2021	Dec 31, 2019
Investment interest	402	224
Dividends	3,154	2,381
Vecom merger loss		-552
Vecom, reversal of provision for negative equity		552
Losses on receivables (in 2019 GSE Norway, in 2020/21 GSE Polska and GSE Avigna)	-2,653	-23,723
Reversals of provision for negative equity (in 2019 GSE Norway, in 2020/21 GSE Polska and GSE Avigna)	2,697	25,034
Variation in provisions for net negative equity of subsidiaries	-1,845	732
Interest paid on current accounts	-124	-101
Interest received on current accounts	112	390
Net foreign exchange result	-222	-457
Other interest paid and received	1	19
Total	1,522	4,498

14-EXTRAORDINARY RESULT

	Mar 31, 2021	Dec 31, 2019
Compensation paid following disputes	-1,029	-81
Tax fines	0	-23
Compensation received following disputes	350	10
Spreading out of lease back capital gains	383	388
Reversal of prescribed debts	293	
Disposal of tangible fixed assets	-65	
Other extraordinary incomes	27	3
Other extraordinary expenses	-68	
Total	-109	297

Other information

1-TAX AUDIT

GSE has been subject to a tax audit and has received a letter of observation with a readjustment of contribution amounting to €34K. An accrued charge has been recorded in the accounts of GSE.

2-STAFF

The average staff for the 2020/21 financial year ended March 31, 2021 was 262, compared with 243 people on average for the 2019 financial year.

3-TAX ON PROFITS

GSE opted for the tax consolidation scheme for a period of five years as of May 12, 2006, tacitly renewable.

The amendment to the tax consolidation agreement signed on December 30, 2013 provides that as of the financial year opened on 1st January 2013, the beneficiary subsidiaries pay the parent company the amount that they would have had to pay to the State Tax Authorities if they were not members of the Integrated Group and the tax savings made by the group are kept by the parent company.

The tax result of the consolidated tax group for the financial year ended March 31, 2021 is a profit of €25,071K.

The loss amount that could be carried forward as of March 31, 2021 is €24 691K.

The tax due from the other members of the group in the absence of tax integration is zero.

The future tax receivables, linked to timing differences between tax and accounting rules, are €868K.

4-CONSOLIDATION

GSE produces consolidated financial statements as the parent company.

The accounts of the GSE are consolidated in the accounts of the GOLDBECK GmbH group.

5-DIRECTORS

For reasons of confidentiality, the amounts of the remuneration paid to the members of the management bodies are not communicated.

No advances or loans were granted to them.

6-INFORMATION CONCERNING THE LINKED COMPANIES

These appendices were not established according to the simplified model. All the transactions between the linked companies are concluded in normal market conditions.

7-SUBSEQUENT EVENTS

There are no subsequent events that have an impact on the financial statements as of March 31, 2021.

To be noted :

- the preparation of the merger of GSE Régions into GSE for which the CSE of the UES of GSE was consulted on May 31, 2021,
- the continuation of the global Covid-19 crisis, with no significant effect at this stage on the group's activity, order intake and consolidated results.

Table of subsidiaries and holdings

List of the subsidiaries and holdings

Amount in euros as of Mar 31, 2021

Subsidiaries	Share of capital held in %	Capital	Other equity capital	Book value of the shares held		Loans and advances	Net result*	Dividends attributed	Endorsements and guarantees
				Gross	Net				
GSE Régions SAS	100%	157,080	2,226,245	15,330,000	15,330,000		-2,376	303,688	
GSE Belgique SPRL	100%	18,550	1,340,965	20,031	20,031		-424,910		
GSE China Ltd	100%	5,988,648	339,564	4,944,822	4,944,822		-993,552		
GSE Deutschland GmbH	100%	1,000,000		1,000,046	1,000,046		-1,197,478	1,850,000	
GSE Hungaria Kft	93%	8,258	-1,214,242	11,048		1,449,507	-50,729		
GSE Inmueble Llaves en Mano SL	100%	12,020	1,181,454	2,484,404	2,484,404		-451,517		
GSE Italia SRL	100%	100,000	285,011	15,339	15,339		2,414,920	1,000,000	
GSE Romania SRL	100%	101,579	228,451	47	47	250,128	-208,927		
GSEM SARL	100%	990,387	-898,152	2,557,610	30,699		-17,047		
UK GSE Ltd	100%	1,174	-1,043,089	1,661		147,762	507,861		
VEMARQ SAS	100%	90,000	69,678	4,555,172	60,999		-35,099		
GSE Auvergne SAS	50%	100,000	172,405	50,002	50,002		422,825		
CONFLUENCE SRL	65%	210,000	502,921	136,500	136,500		2,438,743		
GSEPT (Portugal)	100%	3,320,000		3,320,000	3,320,000		-92,152		
GSE FONCIERE	100%	100,000		100,000	100,000	266	*		
Total		12,197,695		34,526,683	27,492,889	1,847,663		3,153,688	0

* Data not available

Statutory auditor's report on the corporate financial statements

EY Ernst & Young Audit - Marseille

To the Shareholders of GSE

Fifteen-month period ended 31 March 2021

OPINION

In compliance with the engagement entrusted to us by your annual general meeting, we have audited the accompanying financial statements of GSE for the fifteen-month period ended 31 March 2021.

In our opinion, the financial statements give a true and fair view of the assets and liabilities and of the financial position of the company as of 31 March 2021 and of the results of its operations for the period then ended in accordance with French accounting principles.

BASIS FOR OPINION

Audit framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the *Statutory Auditor's Responsibilities for the Audit of the Financial Statements* section of our report.

Independence

We conducted our audit engagement in compliance with the independence requirements of the French Commercial Code (*Code de commerce*) and the French Code of Ethics for Statutory Auditors (*Code de déontologie de la profession de commissaire aux comptes*) for the period from 1 January 2020 to the date of our report.

JUSTIFICATION OF ASSESSMENTS

Due to the global crisis related to the COVID-19 pandemic, the financial statements for this period have been prepared and audited under special circumstances. Indeed, this crisis and the exceptional measures taken in the context of the health emergency have had numerous consequences for companies, particularly on their operations and their financing, and have led to greater uncertainties regarding their future prospects. These measures, such as travel restrictions and remote working, have also had an impact on the companies' internal organization and on how audits are performed.

It is in this complex, evolving context that, in accordance with the requirements of Articles L. 823-9 and R. 823-7 of the French Commercial Code (*Code de commerce*) relating to the justification of our assessments, we inform you of the assessments that, in our professional judgment, were of most significance in our audit of the financial statements of the current period.

These matters were addressed in the context of our audit of the financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on specific items of the financial statements.

As stated in the note "General principles - 1 - Valuation method" to the financial statements regarding the method used for the valuation of long-term contracts, your Company recognizes turnover and margin according to the percentage of completion method. This method involves the use by Management of estimates, in particular to determine the percentage of completion and the projected result at completion of each contract. Our work consisted in obtaining an understanding of the processes implemented by your Company and assessing the data and assumptions on which these estimates are based. We assessed the reasonableness of these estimates, on the basis of the information available for the period ended 31 March 2021.

SPECIFIC VERIFICATIONS

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by laws and regulations.

We have no matters to report as to the fair presentation and the consistency with the financial statements of the information given in the President's management report and in the other documents with respect to the financial position and the financial statements provided to the shareholders.

We attest the fair presentation and the consistency with the financial statements of the information relating to payment deadlines mentioned in Article D. 441-6 of the French Commercial Code (*Code de commerce*).

RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of the financial statements in accordance with French accounting principles and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is expected to liquidate the Company or to cease operations.

The financial statements were approved by the President.

STATUTORY AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our role is to issue a report on the financial statements. Our objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As specified in Article L. 823-10-1 of the French Commercial Code (*Code de commerce*), our statutory audit does not include assurance on the viability of the Company or the quality of management of the affairs of the Company.

As part of an audit conducted in accordance with professional standards applicable in France, the statutory auditor exercises professional judgment throughout the audit and furthermore:

- identifies and assesses the risks of material misstatement of the financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for his opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management in the financial statements.
- assesses the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of his audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the statutory auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein.
- evaluates the overall presentation of the financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation.

Marseille, 19 July 2021

The Statutory Auditor
French original signed by
ERNST & YOUNG Audit

Xavier Senent

gsegroup.com

