

H1 2022 results

Strong financial results and new record order intake

Key figures for the first half of 2022

- Revenues: €144.2 million, EBITDA: €79.7 million
- Core business: 88 LNG carrier orders (vs. 68 in 2021)
- LNG as fuel: 38 containership orders (vs. 27 in 2021)
- Interim dividend of €1.55 per share

Highlights

- New record order intake for LNG carriers and LNG-powered vessels
- Innovative technology approvals confirming the strong dynamism of GTT's R&D
- Elogen: approval of Hydrogen IPCEI¹ and new flagship order
- Update on GTT's exposure to Russia

Paris – July 28, 2022. GTT, the technological expert in membrane containment systems used to transport and store liquefied gases, today announces its results for the first half of 2022.

Commenting on the results, Philippe Berterottière, Chairman and CEO of GTT, said: *“With 88 orders for LNG carriers, our core business sales performance for the first half of 2022 beats our record for the whole of 2021, highlighting particularly strong momentum. Furthermore, the final investment decisions on new liquefaction plants taken in the second quarter, the expected ramp-up of LNG carrier orders from Qatar and increasing demand for LNG in Europe have confirmed the need for infrastructure and LNG carriers in the years to come.*

The first half is also promising for LNG as fuel, with 38 orders already placed, well above last year's level. In addition, the growing number of mid-sized container ships in our order book is evidence of our enlarged market share in this sector.

In order to meet the needs of the market, new shipyards have been marketing our technologies since the first half of the year.

GTT maintains a tireless focus on R&D to meet its customers' energy transition needs and the increased requirements they face. During the first half, we obtained a number of approvals from classification bodies to develop new innovative technologies across a wide range of fields, notably for our future NEXT1 containment system and for designing a LH₂ carrier as part of our partnership with Shell.

From a financial perspective, revenues for the first half of 2022 were, as expected, lower than for the first half of 2021. This decline is attributable to a base effect, as the first half of 2021 still benefitted from the excellent momentum experienced in 2020, whereas the first half of 2022 didn't get the full impact of the high order intake in 2021 and 2022. It is worth noting that revenues increased by 11.5% between Q1 and Q2 2022. Margin levels achieved in the first half of 2022 are also lower than in H1 2021, due to lower revenues, partly offset by cost reductions.

As regards 2022 targets, in the second quarter the Group noted some delays in shipbuilding schedules, resulting in a postponement of revenue recognition. These delays have various reasons: supply difficulties related to sanctions, lockdowns and social movements in Asia. Given these delays, we are confirming our annual targets, but we now expect to be in the lower half of the range announced in February.

Furthermore, work on projects in which the Group is involved in Russia is continuing in compliance with the applicable sanction regimes. However, given the increasing impact of international sanctions on LNG liquefaction

¹ Important Project of Common European Interest

projects in Russia, the continuation and proper execution of these contracts are exposed to risks of postponement or cancellation.

However, the crisis has highlighted the global scale of gas demand, the need for European countries to achieve energy independence in respect of Russia and, more specifically, the strategic importance of maritime transport of LNG, GTT's core business."

Business activity

- Record order intake for LNG carriers

In the first half of 2022, GTT booked 88 orders for LNG carriers, continuing the excellent sales momentum achieved in Q1 2022. Delivery is scheduled between Q3 2024 and Q2 2027. It should be noted that orders for projects in Qatar amounted to 24 vessels in the first half of the year.

- New record for fitting LNG-powered vessels

Following the record number of orders received in 2021 (27 vessels), GTT received 38 orders for LNG-powered vessels in the first half of 2022, confirming another record year in this segment. These orders were received from various Chinese and Korean shipyards on behalf of several major global ship-owners. Delivery of the vessels is scheduled between Q1 2024 and Q1 2026.

- Smart Shipping: flagship contract signed

GTT has signed a contract with a major player in the liquefied gas transport industry for GTT Digital to equip 30 vessels with Smart Shipping solutions. The contract includes the installation and activation of sensors, automatic data collection systems and smart software to manage and optimise the vessels' energy and environmental performance. It also provides for the regular intervention of GTT Digital experts to carry out customised data analysis and produce dedicated operational reporting.

- Elogen reaches new key milestones in its development

Three key partnerships have been signed to facilitate Elogen's international development:

- Exclusive collaborative agreement with HIFraser Group to market and supply electrolyzers in Australia and New Zealand for the production of green hydrogen. HIFraser will locally assemble the BOP² for Elogen's electrolyzers and adapt them to Australian standards and local customer requirements.
- Collaboration agreement between Elogen and Valmax Technology Corporation for the supply of electrolyzers in South Korea. Valmax will locally assemble the BOP² for Elogen's electrolyzers and will work with local certification bodies, such as the Korea Gas Safety Corporation, in order to obtain approval and install the electrolyzers.
- Non-binding letter of intent with Charbone Hydrogen Corporation (Charbone) to enter into a long-term framework supply agreement no later than November 30, 2022. Under the terms of the agreement, Elogen will supply Charbone with PEM³ electrolyzers for a capacity of up to 100 megawatts over a four-year period (2023-2026) for Charbone's green hydrogen projects in North America.

On July 15, 2022, Elogen's "gigafactory" and R&D reinforcement project was selected by the European Commission to form part of the Hydrogen IPCEI⁴. As a reminder, the Elogen "gigafactory" will start production in 2025 with a production capacity of 1 GW.

² Balance of Plant: electrical, piping and other mechanical installations.

³ Proton Exchange Membrane.

⁴ Important Project of Common European Interest.

Finally, in July, Elogen was selected by Symbio to supply an electrolyser with an initial capacity of 2.5 MW for Symbio's new fuel cell plant. This new contract represents an important milestone for Elogen, as it highlights the company's ability to deploy its technologies on multi-megawatt capacities for large industrial projects.

Development of new technologies - GTT once again leading the way in number of patents filed

In 2021, for the third year in a row, GTT ranked first in the list of medium-sized companies filing patents published by the INPI. This ranking highlights GTT's outstanding innovative momentum.

In the first half of 2022, GTT received numerous approvals from classification bodies:

- In March and April 2022, GTT received several approvals in principle in the field of LNG as fuel, including from Bureau Veritas for a new LNG conversion concept for very large container ships, from ClassNK for a new design of LNG fuel tank with 2 bar gauge pressure applicable to PCTC⁵ vessels as well as LNG-powered cruise ships, and lastly from DNV for an innovative design for an LNG-powered PCTC vessel.
- In the second quarter, GTT received further approvals in principle, including from Lloyd's Register for its future NEXT1 containment system and from Bureau Veritas for Shear-Water, a ballast-free vessel concept for LNG bunkering and refuelling vessels.
- Finally, late July 2022 GTT obtained approvals in principle from DNV for the containment system of the transport of liquid hydrogen, as well as for the concept of a "hydrogen carrier" vessel. These approvals in principle were obtained in the framework of the partnership with Shell announced early 2022 and reflect the progress of this project.

Order book at June 30, 2022

On January 1, 2022, GTT's order book excluding LNG as fuel comprised 161 units, and subsequently changed as follows:

- Deliveries completed: 15 LNG carriers, 4 ethane carriers, 1 FLNG
- Orders received: 88 LNG carriers

At June 30, 2022, the order book excluding LNG as fuel stood at 229 units, breaking down as follows:

- 210 LNG carriers
- 2 ethane carriers
- 2 FSUs
- 3 GBSs
- 12 onshore storage tanks

Regarding LNG as fuel, with the deliveries of two ultra-large container ships and orders for 38 container ships, the number of vessels in the order book stood at 68 units at June 30, 2022.

⁵ PCTC: Pure Car and Truck Carriers

Change in consolidated revenues for the first half of 2022

(in thousands of euros)	H1 2021	H1 2022	Change
Revenues	165,286	144,223	-12.7%
New builds	153,885	130,656	-15.1%
<i>LNG carriers/VLEC</i>	132,542	112,704	-15.0%
<i>FSUs⁶</i>	5,851	10,202	+74.4%
<i>FSRUs⁷</i>	6,958	-	nm
<i>FLNGs⁸</i>	1,460	1,218	-16.6%
<i>Onshore storage tanks</i>	611	3,116	+410.0%
<i>GBSS⁹</i>	1,719	2,292	+33.3%
<i>LNG-powered vessels</i>	4,745	1,124	-76.3%
Electrolysers	2,466	1,723	-30.1%
Services	8,935	11,844	+32.6%

Consolidated revenues for H1 2022 amounted to €144.2 million, down 12.7% versus H1 2021.

- New build revenues totalled €130.7 million, down 15.1% versus H1 2021, when the cycle was still at its peak.
 - o Royalties amounted to €112.7 million from LNG and ethane carriers, €10.2 million from FSUs, €1.2 million from FLNGs, €3.1 million from onshore storage tanks and €2.3 million from GBSSs.
 - o LNG as fuel royalties (€1.1 million) were not yet impacted by the high order intake in 2021 and 2022.
- First half revenues from Elogen's electrolyser business amounted to €1.7 million.
- First half revenues from services rose sharply, up 32.6% to €11.8 million, driven by growth in digital, maintenance and intervention operations on vessels in operation and new project studies.

⁶ Floating Storage Unit

⁷ Floating Storage Regasification Unit

⁸ Floating Liquefied Natural Gas unit

⁹ Gravity Based Structures: underwater tanks

Analysis of first half 2022 consolidated income statement

Summary consolidated income statement

(in thousands of euros, except earnings per share)	H1 2021	H1 2022
Revenues	165,286	144,223
Operating income before depreciation and amortisation of non-current assets (EBITDA ¹⁰)	96,478	79,706
EBITDA margin (on revenues, %)	58.4%	55.3%
Operating income (EBIT ¹¹)	92,851	75,937
EBIT margin (on revenue, %)	56.2%	52.7%
Net income	76,564	63,692
Net margin (on revenues, %)	46.3%	44.2%
Net earnings per share ¹² (in euros)	2.07	1.73

Operating income before depreciation and amortisation of non-current assets (EBITDA) amounted to €79.7 million, down 17.4% versus H1 2021. The EBITDA margin on revenue evolved from 58.4% in H1 2021 to 55.3% in H1 2022. External expenses decreased by 5.9% versus H1 2021, mainly due to a 35.5% decrease in testing and research expenses. Personnel expenses rose 3.8%, mainly due to the increase in headcount in the subsidiaries.

First half operating income amounted to €75.9 million, down 18.2% from €92.9 million in H1 2021.

Net income decreased from €76.6 million in H1 2021 to €63.7 million in H1 2022, resulting in a reduction in the net margin from 46.3% to 44.2%.

Other consolidated financial data

(in thousands of euros)	H1 2021	H1 2022
Capital expenditure (including acquisitions of non-current assets)	(6,115)	(8,340)
Dividends paid	(65,951)	(64,553)
Cash position	164,209	168,242
Change in cash (vs. 31/12)	+22,466	-35,563

The - €35.6 million change in cash at June 30, 2022 is mainly due to the temporary increase in trade receivables. At June 30, 2022, the Group had a positive net cash position of €168.2 million.

Update on Russian exposure

Work on projects in which the Group is involved in Russia is currently continuing in compliance with the applicable sanction regimes.

In Russia, the Group is involved in tank design for 15 ice-breaker LNG carriers currently being built at the Zvezda Shipbuilding Complex (Zvezda), as well as in the design of 3 GBSs currently under construction by Saren B.V.¹³ At July 1, 2022, €78 million of revenues has yet to be recognised in respect of the ice-breaker LNG carriers by 2025,

¹⁰ EBITDA corresponds to EBIT excluding depreciation and amortisation of non-current assets.

¹¹ EBIT stands for Earnings Before Interest and Tax.

¹² H1 2022 earnings per share was calculated based on the weighted average number of shares outstanding (excluding treasury shares), i.e. 36,887,043 shares.

¹³ Saren B.V. is a joint venture between Saipem and Rönensans.

including €11 million in 2022, while €13 million of revenues has yet to be recognised in respect of the GBSs by 2026, including €3 million in 2022.

Given the increasing impact of international sanctions on LNG liquefaction projects in Russia, the continuation and successful execution of these contracts are exposed to risks of postponement or cancellation. In particular, the Group notes that sanctions are affecting Russian imports of certain products and equipment used in current projects, including the Zvezda project. Furthermore, GTT was notified in July by Saren B.V. of its intention to terminate the contract between them. In this context, GTT is investigating solutions to ensure the proper implementation and integrity of its technology, in strict compliance with applicable international sanctions.

As a reminder, other orders in progress in Asian shipyards for six ice-breaker LNG carriers and two FSUs¹⁴ are specifically intended for Russian Arctic projects. To date, these projects are proceeding according to plan. At July 1, 2022, these orders represent for GTT a total of €38 million revenues to be recognised by 2023, including €17 million in 2022.

Finally, eight conventional LNG carriers ordered by international ship-owners, under construction in Asian shipyards, are intended for the Arctic LNG2 project, but can operate in all types of conditions.

Outlook for 2022

In its 2021 annual results press release dated February 17, 2022, the Group issued the following targets for 2022, assuming no significant order deferrals or cancellations:

- consolidated revenues between €290 million and €320 million,
- consolidated EBITDA between €140 million and €170 million,
- a dividend amount for the 2022 financial year at least equivalent to the 2021 dividend.

Given the first half delays in some shipbuilding schedules, the Group now expects these figures to reach the lower half of the ranges of revenues and EBITDA announced in February.

The crisis has also highlighted the global scale of gas demand, the need for European countries to achieve energy independence in respect of Russia and, more specifically, the strategic importance of maritime transport of LNG, GTT's core business.

In the longer term, the Group should benefit from the current strong order momentum and expects to achieve significantly higher revenues and earnings from 2023 onwards versus 2022.

Interim dividend

On July 28, 2022, the Board of Directors decided on the distribution of an interim dividend of €1.55 per share for the 2022 financial year, to be paid in cash according to the following schedule:

- December 13, 2022: Ex-dividend date;
- December 15, 2022: Payment date.

¹⁴ Floating Storage Unit

First half 2022 results presentation

Philippe Berterottière, Chairman and Chief Executive Officer, and Virginie Aubagnac, Chief Financial Officer, will comment on GTT's first half results and answer questions from the financial community during a webcast held, in English, on Friday, July 29, 2022, at 8:30 a.m. (Paris time).

This conference will be broadcast live on GTT's website (www.gtt.fr/finance).

To participate in the conference call, please dial one of the following numbers five to ten minutes before the start of the conference:

- France: + 33 1 70 91 87 04
- UK: +44 1 212 818 004
- USA: +1 718 705 87 96

Confirmation code: 555877

The presentation document will be available on the website on July 29, 2022 from 8:30 a.m.

Financial agenda

- Q3 2022 results: October 27, 2022 (after close of trading)
- Payment of an interim dividend of €1.55 per share for the 2022 financial year: December 15, 2022

About GTT

GTT is the technological expert in membrane containment systems dedicated to the transport and storage of liquefied gases. For over 50 years, GTT has been designing and marketing advanced technologies for improved energy performance. GTT technologies combine operational efficiency and safety to equip LNG carriers, floating terminals, onshore storage tanks and multi-gas carriers. The Group also offers systems for the use of LNG as fuel, as well as a wide range of services, including digital solutions in the field of Smart Shipping. GTT also operates in the hydrogen sector through its subsidiary Elogen, which designs and assembles electrolysers for the production of green hydrogen.

GTT is listed on Euronext Paris, Compartment A (ISIN FR0011726835 Euronext Paris: GTT) and is notably included in SBF 120, Stoxx Europe 600 and MSCI Small Cap indices.

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Important notice

The figures presented here are those customarily used and communicated to the markets by GTT. This message includes forward-looking information and statements. Such statements include financial projections and estimates, the assumptions on which they are based, as well as statements about projects, objectives and expectations regarding future operations, profits, or services, or future performance. Although GTT management believes that these forward-looking statements are reasonable, investors and GTT shareholders should be aware that such forward-looking information and statements are subject to many risks and uncertainties that are generally difficult to predict and beyond the control of GTT, and may cause results and developments to differ significantly from those expressed, implied or predicted in the forward-looking statements or information. Such risks include those explained or identified in the public documents filed by GTT with the French Financial Markets Authority (AMF – Autorité des Marchés Financiers), including those listed in the "Risk Factors" section of the GTT Registration Document filed with the AMF on April 25, 2022 and the half-year financial report released on July 28, 2022. Investors and GTT shareholders should note that if some or all of these risks are realised they may have a significant unfavourable impact on GTT.

Appendices (consolidated financial statements - IFRS 15)

Appendix 1: Consolidated balance sheet

In thousands of euros	December 31, 2021	June 30, 2022
Intangible assets	10,404	13,703
Goodwill	15,365	15,365
Property, plant and equipment	30,830	31,936
Non-current financial assets	4,912	4,685
Deferred tax assets	3,799	2,612
Non-current assets	65,310	68,301
Inventories	9,602	11,718
Trade receivables	70,763	104,246
Current tax receivable	44,543	33,131
Other current assets	18,821	20,824
Current financial assets	41	44
Cash and cash equivalents	203,804	168,242
Current assets	347,574	338,205
TOTAL ASSETS	412,884	406,507

In thousands of euros	December 31, 2021	June 30, 2022
Share capital	371	371
Share premium	2,932	2,932
Treasury shares	(13,559)	(13,565)
Reserves	124,412	196,603
Net income	134,074	63,667
Equity - Group Share	248,230	250,007
Total equity - share attributable to non-controlling interests	8	32
Total equity	248,238	250,040
Non-current provisions	14,903	13,732
Financial liabilities - non-current part	3,954	3,818
Deferred tax liabilities	106	179
Non-current liabilities	18,963	17,728
Current provisions	7,364	4,314
Trade payables	21,554	19,360
Current tax payable	2,173	5,410
Current financial liabilities	588	341
Other current liabilities	114,004	109,314
Current liabilities	145,683	138,739
TOTAL EQUITY AND LIABILITIES	412,884	406,507

Appendix 2: Consolidated income statement

In thousands of euros	H1 2021	H1 2022
Revenues from operating activities	165,286	144,223
Other operating revenues	368	735
Total operating revenues	165,654	144,958
Costs of sales	(4,762)	(5,957)
External expenses	(30,566)	(28,757)
Personnel expenses	(33,319)	(34,590)
Tax and duties	(2,354)	(1,925)
Depreciation, amortisation and provisions	(4,298)	(838)
Other operating income and expenses	2,496	3,046
Operating income	92,851	75,937
Financial income	61	330
Share of earnings of associates	-	-
Earnings before tax	92,912	76,267
Income tax	(16,348)	(12,575)
Net income	76,564	63,692
Basic earnings per share (in euros)	2.07	1.73

Appendix 3: Consolidated cash flow statement

(In thousands of euros)	H1 2021	H1 2022
Operating income	92,851	75,937
Non-cash items (provisions and impairment)	5,210	2,481
Taxes paid	194	3,190
Change in working capital	14,603	(44,558)
Net cash flow from operating activities (Total I)	112,859	37,050
Acquisition (net of cash)	-	-
Movements in Group shares	(17,595)	26
Other investments	(5,806)	(8,328)
Net cash flow from investing activities (Total II)	(23,401)	(8,302)
Dividends paid to shareholders	(65,951)	(64,553)
Other cash movements	(1,076)	(286)
Net cash flow from financing activities (Total III)	(67,027)	(64,839)
Impact of changes in foreign exchange rates (Total IV)	35	529
Change in cash (I+II+III+IV)	22,466	(35,563)
Opening cash	141,744	203,804
Closing cash	164,209	168,242
Change in cash	22,466	(35,563)

Appendix 4: 10 year order estimates

In units	Order estimates*
LNG carriers	400-450
Ethane carriers	25-40
FSRUs	<10
FLNGs	5
Onshore storage tanks and GBSS	25-30

* Period: mid-2022 to mid-2031 (10 years). The Company points out that the number of new orders may see large-scale variations from one half-year to another and even from one year to another, without the fundamentals on which its business model is based being called into question.