Press release

H1 2023 financial results:
Strong growth for revenues and earnings; continuation of good order intake momentum

- **High level of orders: 42 LNG carriers and 1 FLNG**
- **Revenues: 177.8 million euros, EBITDA: 104.2 million euros**
- **Confirmation of 2023 targets**
- **Interim dividend of 1.85 euro per share, up 19.4% on the 2022 interim dividend**

Paris – July 27, 2023. GTT, the technological expert in membrane containment systems used to transport and store liquefied gases, today announces its results for the first half of the 2023 financial year.

Commenting on the results, Philippe Berterottière, Chairman and CEO of GTT, said: *"With a total of 42 orders for LNG carriers and one order for an FLNG unit, GTT's commercial performance in the first half of 2023 continues to be very strong, in the wake of an exceptional 2022. LNG demand remains particularly strong, as illustrated by the number of long-term sales and purchase agreements leading to numerous final investment decisions for new liquefaction plants and to additional needs for LNG carriers.*

The GTT Group is pursuing its continued R&D and innovation efforts, as evidenced by several new approvals obtained from classification societies during the first half of 2023, notably in the field of alternative fuels. Confirming its technological foothold in the hydrogen field, GTT also signed a new partnership agreement for the development of a concept for a very large-capacity LH_2 carrier.

From the financial point of view, revenues for the first half of 2023 show an increase of 23.3% compared with the same period of 2022, and earnings are rising steeply as the Group begins to benefit from the numerous orders received in 2021 and 2022. In view of the shipbuilding schedules, the Group therefore confirms its revenue and EBITDA forecasts for the whole of the 2023 financial year. We are also proposing an interim dividend of 1.85 euro, reflecting the Group's strong performance."

Press release

Group business activity in H1 2023

- Continued momentum in LNG carrier orders

Following a record year in 2022 in terms of orders received, GTT booked 42 orders for LNG carriers in the first half of 2023. Their delivery is scheduled between the first quarter of 2026 and the fourth quarter of 2027.

GTT also received an order for one FLNG unit, which will be delivered in the first quarter of 2027.

- LNG as fuel

In July 2023, GTT received an order from its partner, the Chinese shipyard Yangzijiang, to design the cryogenic tanks for ten LNG-powered ultra-large container ships. Delivery of these container ships is scheduled between the second quarter of 2026 and the first quarter of 2028.

- Services for vessels in operation

In May 2023, GTT signed a new Technical Service Agreement with the maritime transportation company Eastern Pacific Shipping and its subsidiary Coolco to support them with the maintenance and operation of a fleet of 33 vessels (24 LNG carriers, 6 ethane carriers and 3 container ships).

- Digital: new contracts and new solutions

In March 2023, Marorka signed an important contract with a major European maritime transportation company to install automatic data collection systems and intelligent software to manage and optimise energy and environmental performance on 30 container ships, with an option for a further 30 in 2024.

In addition, GTT has been chosen by two major European LNG ship-owners to equip three vessels with its predictive maintenance solution, the “Sloshing Virtual Sensor”. This solution allows ship-owners and charterers to optimise tank maintenance, while complying with strict safety standards, improving operational flexibility and making substantial savings.

In May 2023, Ascenz Marorka won two contracts with JOVO, a supplier of clean energy services based in China, to equip two LNG carriers with its Smart Shipping solution.

Finally, in June 2023, Ascenz Marorka obtained a Type Approval certification by the classification society DNV for its Shaft Power Limitation (ShaPoLi[1]) solution for vessel propellers. This solution helps ship-owners and operators comply with the International Maritime Organization (IMO) regulations aimed at reducing greenhouse gas emissions and carbon intensity by 40% before 2030.

- Elogen pursues its development

In H1 2023, Elogen’s revenues[2] rose by 26.2% to 2.2 million euros, compared with 1.7 million euros for the same period of 2022 (as a reminder, 2022 revenues amounted to 4.7 million euros). An acceleration of this revenue growth is expected in the second half of 2023. During the first half, EBITDA showed a controlled level of loss at -7.7 million euros, compared with -4.8 million euros in H1 2022 and -14.7 million euros for the 2022 financial year. The Group recalls that Elogen's EBITDA is anticipated to reach breakeven from mid-decade.

[1] ShaPoLi: Shaft Power Limitation.

[2] Excluding subsidies

From the commercial point of view, Elogen is continuing to implement its selective approach to projects, while showing good sales momentum. Its order book stood at 20.3 million euros at June 30, 2023. This is 3.5 times higher than the order book at June 30, 2022 (5.9 million euros).

During the first half of the year, Elogen secured a flagship contract with CrossWind[3], a joint venture between Shell and Eneco, to build a 2.5 MW PEM electrolyser for an offshore wind farm off the Netherlands coast.

In July 2023, Elogen signed its first contract with its Korean partner Valmax, for the construction of an electrolyser with a power of 2.5 MW. With a production capacity of up to one tonne of hydrogen per day, this electrolyser will be integrated into a mobility project.

In parallel with cost management and a selective commercial approach, Elogen is pursuing the implementation of its strategy around three imperatives: "Be efficient, be reliable, be ready". Within this framework, Elogen is developing its R&D activities to improve the competitiveness and energy efficiency of its solutions, diversifying its technologies to produce large-scale electrolysers, and continuing the development of its network of local partners for Balance-Of-Plant assembly and maintenance. The company is also strengthening its technical and project management teams. Last but not least, Elogen is gearing up for its Vendôme gigafactory project (part of the IPCEI Hydrogen program).

- Development of new technologies

Innovations in the field of LNG carriers

As a reminder, in the first quarter of 2023, GTT received approval in principle from the classification society Lloyd's Register for a maintenance optimisation solution for LNG membrane tanks, called Sloshing Virtual Sensor.

In addition, GTT and Samsung Heavy Industries received approval in principle from Lloyd's Register for a new LNG carrier design, incorporating the three-tank concept developed by GTT and equipped with the Mark III Flex membrane containment system. This approval is the result of a joint development project initiated in 2022, aimed at designing a new generation of LNG carriers.

Innovations in the field of LNG fuelled vessels / alternative fuels

In March 2023, GTT received four approvals in principle from the Japanese classification society ClassNK for its latest alternative fuel development projects, namely:

- a 12,500 m^3 dual-fuel VLCC[4], equipped with the GTT Mark III Flex system;
- an LNG tank rated "NH_3 Ready"[5], which includes NH_3-compatible materials, risk assessment and gas boil-off rate management;
- an 8,000 CEU[6] dual-fuel PCTC[7] rated "NH_3 Ready";
- the Recycool™ system, applied to LNG-powered vessels, which reliquefies excess boil-off gas to reduce greenhouse gas emissions and improve economic performance.

[3] See the Elogen press release of 02/07/2023.
[4] VLCC: Very large crude carrier.
[5] NH_3 Ready: compatible with ammonia.
[6] PCTC: Pure Car and Truck Carrier – carriers of light vehicles, trucks and rolling stock.
[7] CEU: Car Equivalent Unit – measure of a PCTC's freight capacity.

In May 2023, GTT received an approval in principle from Bureau Veritas for the design of a dual-fuel Very Large Crude Carrier (VLCC) fuelled with LNG, in the context of a joint development project between Shanghai Waigaiqiao Shipyard, a world-renowned and leader shipyard in the construction of tankers, and Bureau Veritas.

In June 2023, GTT received three approvals in principle from DNV for its latest development projects in alternative fuels, namely:

- A concept for an LNG dual-fuel Suezmax tanker developed in collaboration with Deltamarin, fitted with a LNG fuel tank of 5,500 m^3 equipped with GTT's Mark III system;
- A concept for an LNG dual-fuel Very Large Crude Carrier (VLCC) also developed with the support of Deltamarin, fitted with a LNG fuel tank of 12,500 m^3 equipped with GTT's Mark III system;
- A concept for a Mark III LNG fuel tank with NH_3 Ready notation that includes material compatibility with NH_3, risk assessment and boil-off gas management.

The Group also obtained a 4.66 million euro subsidy from Bpifrance for the design of an onboard CO_2 capture system for vessels and the development of intelligent operational performance solutions by OSE Engineering[8] (GTT Group) as part of the MerVent project.

<u>Developments in the field of liquid hydrogen (LH_2) transportation</u>

In April 2023, GTT, TotalEnergies, LMG Marin and Bureau Veritas signed an agreement for a joint development project aimed at developing a concept for a LH_2 carrier with a capacity of 150,000 m^3, equipped with GTT's membrane containment system.

In July 2023, GTT received an approval in principle from ClassNK for a new concept of membrane type containment system for LH_2.

- CSR strategy

The GTT Group's CSR strategy is based on three key pillars:

1. Sustainability starts with us, with priority given to safety, promotion of gender equality, talent retention, and the ongoing anti-corruption efforts.
2. Environmental challenges are a driver of innovation: the Group's R&D is increasingly focused on zero-carbon solutions, in line with the decarbonisation strategy.
3. GTT is a responsible company, committed to significantly reducing its emissions.

In this context, on March 13, 2023, GTT announced that it had joined the United Nations Global Compact, thereby committing itself to promoting the "Ten Principles" on human rights, labour standards, the environment and anti-corruption, and to implementing the 17 Sustainable Development Goals (SDGs)[9] in its environmental, social and governance policy.

By the end of 2023, the Group will complete the work of establishing a detailed roadmap for its CSR strategy.

[8] More information on site: https://www.ose-engineering.fr/en/
[9] More information on the 17 SDGs: https://unglobalcompact.org/sdgs/17-global-goals

Order book at June 30, 2023[10]

On January 1, 2023, GTT's order book excluding LNG as fuel comprised 274 units. It has since changed as follows:

- Deliveries completed: 11 LNG carriers, 2 ethane carriers, 2 FSU;
- Orders received: 42 LNG carriers, 1 FLNG

At June 30, 2023, the order book excluding LNG as fuel stood at 302 units, breaking down as follows:

- 287 LNG carriers;
- 2 ethane carriers;
- 1 FSRU;
- 1 FLNG;
- 11 onshore storage tanks.

Regarding LNG as fuel, with the delivery of one vessel, there were 69 vessels in the order book at June 30, 2023.

Change in consolidated revenues for the first half of 2023

(in thousands of euros)	H1 2022	H1 2023	Change
Revenues	**144,223**	**177,800**	**+23.3%**
New builds	**130,656**	**163,530**	**+25.2%**
LNG carriers/ethane carriers	112,704	147,158	+30.6%
FSU[11]	10,202	2,422	-76.3%
FSRU[12]	-	-	N/A
FLNG[13]	1,218	-	-100.0%
Onshore storage tanks and GBSs[14]	5,408	2,468	-54.4%
LNG-powered vessels	1,124	11,482	+921.8%
Electrolysers	**1,723**	**2,174**	**+26.2%**
Services	**11,844**	**12,096**	**+2.1%**

Consolidated revenues for the first half of 2023 amounted to 177.8 million euros, up 23.3% compared to the first half of 2022.

- Newbuild revenues amounted to 163.5 million euros, up 25.2% compared with the first half of 2022.
    - Royalties from LNG and ethane carriers amounted to 147.2 million euros, up 30.6%. This rise is linked to the progressive increase in the number of LNG carriers under construction, thus generating additional income. Royalties from FSUs amounted to 2.4 million euros, down 76.3%, with the second and last FSU on order having been delivered during Q2, while royalties from onshore storage tanks and GBSs amounted to 2.5 million euros (-54.4%).

[10] Excluding orders linked to activities in Russia
[11] Floating storage units.
[12] Floating storage regasification units.
[13] Floating Liquefied Natural Gas vessel
[14] Gravity Based Structures: underwater tanks.

- Royalties generated by the LNG as fuel business are rising sharply (+921.8% to 11.5 million euros), benefiting from the large number of orders received in 2021 and 2022.

- Elogen's revenues amounted to 2.2 million euros in the first half of 2023, up 26.2% compared with 1.7 million euros in the first half of 2022. The Group anticipates an acceleration of revenue growth in the second half of the year.

- Revenues from services were up by 2.1% at 12.1 million euros in the first half of 2023, with income from assistance services for vessels in operation and increase in Ascenz Marorka activity more than offsetting the decrease in pre-project studies, for which demand is fluctuating by nature.

Analysis of the H1 2023 consolidated income statement

Summary consolidated income statement

(in thousands of euros, except earnings per share)	H1 2022	**H1 2023**	**Change**
Revenues	144,223	177,800	+23.3%
Operating income before depreciation and amortisation of non-current assets (EBITDA[15])	79,706	104,195	+30.7%
EBITDA margin (on revenues, %)	*55.3%*	*58.6%*	
Operating income (EBIT[16])	75,937	99,617	+31.2%
EBIT margin (on revenue, %)	*52.7%*	*56.0%*	
Net income	63,692	84,027	+31.9%
Net margin (on revenues, %)	*44.2%*	*47.3%*	
Net earnings per share[17] (in euros)	1.73	2.28	

Operating income before depreciation and amortisation of non-current assets (EBITDA) amounted to 104.2 million euros in the first half of 2023, up 30.7% compared with H1 2022, benefiting from the increase in revenues and non-recurring items (including a write-back of the KFTC fine provision of 8.1 million euros). The EBITDA margin on revenue stood at 58.6% in H1 2023, compared with 55.3% in H1 2022. External expenses were up 30.3% compared with the previous half-year, due in particular to the rise in subcontracting and travel costs linked to the increase in activity. Personnel expenses were up by 20.8%, reflecting the increase in headcount in the subsidiaries (Elogen, OSE Engineering, GTT China) as well as the overhaul of the compensation scheme (rebalancing between collective and individual components, adjustment of certain remuneration packages to the benchmark) which takes into account the impact of inflation.

Operating income amounted to 99.6 million euros in the first half of 2023 compared to 75.9 million euros in the first half of 2022, an increase of 31.2%.

Net income amounted to 84.0 million euros in the first half of 2023, compared with 63.7 million euros in H1 2022, representing an increase of 31.9%. The net margin was 47.3% compared with 44.2% in H1 2022.

[15] EBITDA corresponds to EBIT excluding depreciation and amortisation of non-current assets.
[16] EBIT stands for Earnings Before Interest and Tax.
[17] 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.

Other consolidated financial data

(in thousands of euros)	H1 2022	**H1 2023**
Capital expenditure (including acquisitions of non-current assets)	(8,340)	(12,668)
Dividends paid	(64,553)	(57,277)
Cash position	168,242	253,201
Change in cash (vs. 12/31)	-35,563	+40,399

The change in cash of +40.4 million euros at June 30, 2023 mainly reflects the increase in deferred income (due to a larger number of vessels in the beginning of construction). At June 30, 2023, the Group had a positive net cash position of 253.2 million euros.

KFTC

The Group recalls that by its decision of April 13, 2023, the Supreme Court of Korea rejected the appeal filed by GTT in December 2022 against the decision of the Seoul High Court. This decision confirmed the Company's obligation to separate, in whole or in part, the licensing from the technical assistance if so requested by the Korean shipyards.

GTT considers that technical assistance and engineering services are essential to the safety and performance of its solutions.

The Group specifies that the fine paid at the beginning of 2021 to the KFTC has been reimbursed to GTT and that it has not received, to date, any request from the shipyards to renegotiate the contracts.

2023 targets confirmed

At June 30, 2023, the Group benefits from greater visibility on its royalty revenues[18] than at December 31, 2022, thanks to the order backlog in its core business. This corresponds to revenues of 1,790 million euros over the period 2023-2027[19] (compared with 1,594 million euros at December 31, 2022), broken down as follows: 343 million euros in 2023[19], 529 million euros in 2024, 600 million euros in 2025, 372 million euros in 2026 and 98 million euros in 2027.

In addition, the Group anticipates an acceleration of its core business revenues during the second half of 2023, due to the growing number of vessels under construction.

In this context and in the absence of any significant order delays or cancellations, GTT confirms its targets for the 2023 financial year, namely:

- 2023 consolidated revenues of between 385 million euros and 430 million euros,
- 2023 consolidated EBITDA of between 190 million euros and 235 million euros,
- the distribution of a dividend for the 2023 financial year corresponding to a minimum payout ratio of 80% of consolidated net income[20].

[18] Royalties from core activities, i.e. excluding LNG as fuel and services
[19] Including152 millions euros accounted in H1 2023.
[20] Subject to approval by the Shareholders' Meeting and the amount of distributable net income in the GTT S.A. corporate financial statements.

Interim dividend

On July 27, 2023, the Board of Directors decided on the distribution of an interim dividend of 1.85 euro per share for the 2023 financial year, to be paid in cash according to the following schedule:

- December 12, 2023: ex-dividend date
- December 14, 2023: payment date

***

Presentation of the H1 2023 financial results

Philippe Berterottière, Chairman and Chief Executive Officer, and Virginie Aubagnac, Chief Financial Officer, will comment on GTT's 2023 half-year results and answer questions from the financial community during a webcast held, in English, on Friday, July 28, 2023, 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: 140215

The presentation document will be available on the Company's website on July 28 from 8:30 a.m.

Financial agenda

- 2023 third-quarter results: October 25, 2023 (after close of trading)
- Payment of an interim dividend of 1.85 euro per share for the 2023 financial year: December 14, 2023

About GTT
GTT is a technological expert in containment systems with cryogenic membranes used to transport and store liquefied gases. For over 50 years, GTT has been designing and providing cutting-edge technologies for a better energy performance, which combine operational efficiency and safety, to equip LNG carriers, floating terminals, land storage, and multi-gas carriers. GTT also develops systems dedicated to the use of LNG as fuel, as well as a full range of services, including digital services in the field of Smart Shipping. The Group is also active in hydrogen through its subsidiary Elogen, which designs and assembles electrolysers notably 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.

Investor Relations Contact:
information-financiere@gtt.fr / +33 1 30 23 20 87
Press Contact:
press@gtt.fr / +33 6 31 62 23 48
For more information, visit www.gtt.fr.

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 Universal 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, 2022**	**June 30, 2023**
Intangible assets	18,493	22,527
Goodwill	15,365	15,365
Property, plant and equipment	34,051	38,325
Non-current financial assets	6,935	6,632
Deferred tax assets	5,377	5,513
Non-current assets	**80,221**	**88,361**
Inventories	13,603	16,773
Trade receivables	117,936	122,319
Current tax receivable	40,110	54,085
Other current assets	19,729	12,231
Current financial assets	44	118
Cash and cash equivalents	212,803	253,201
Current assets	**404,224**	**458,727**
TOTAL ASSETS	**484,445**	**547,088**

In thousands of euros	**December 31, 2022**	**June 30, 2023**
Share capital	371	371
Share premium	2,932	2,932
Treasury shares	(10,818)	(9,136)
Reserves	139,049	208,693
Net income	128,260	84,004
Equity - Group Share	**259,794**	**286,864**
Total equity - share attributable to non-controlling interests	41	44
Total equity	**259,835**	**286,908**
Non-current provisions	13,499	5,630
Financial liabilities - non-current part	3,586	7,683
Deferred tax liabilities	52	41
Non-current liabilities	**17,137**	**13,354**
Current provisions	8,151	9,085
Trade payables	23,765	22,919
Current tax payable	13,833	9,201
Current financial liabilities	6,465	5,633
Other current liabilities	460	1,019
Current provisions	154,799	198,969
Current liabilities	**207,473**	**246,826**
TOTAL EQUITY AND LIABILITIES	**484,445**	**547,088**

Appendix 2: Consolidated income statement

In thousands of euros	H1 2022	H1 2023
Revenues from operating activities	144,223	**177,800**
Other operating revenues	735	188
Total operating revenues	**144,958**	**177,988**
Costs of sales	(5,957)	(5,558)
External expenses	(28,757)	(37,460)
Personnel expenses	(34,590)	(41,775)
Tax and duties	(1,925)	(1,876)
Depreciation, amortisation and provisions	(838)	6,296
Other operating income and expenses	3,046	2,001
Operating income	**75,937**	**99,617**
Financial income	330	896
Share of earnings of associates	-	(135)
Earnings before tax	**76,267**	**100,378**
Income tax	(12,575)	(16,351)
Net income	**63,692**	**84,027**
Basic earnings per share (in euros)	1.73	2.28

Appendix 3: Consolidated cash flow statement

In thousands of euros	**30 June 2022**	**30 June 2023**
Company profit for the year	**63,692**	**84,027**
Removal of income and expenses with no cash impact:		
Share of net income of equity-accounted companies		135
Allocations (reversals) to depreciation, amortisation, provisions and impairments	1,019	(2,144)
Net carrying amount of assigned intangible assets and property, plant and equipment	53	-
Financial expenses (income)	(330)	(896)
Tax expense (income) for the financial year	12,575	16,351
Free shares	1,409	475
Cash flow	**78,418**	**97,948**
Tax paid out in the financial year	3,190	(31,547)
Change in working capital requirement:		
- Inventories and works in progress	(2,116)	(3,170)
- Trade and other receivables	(33,241)	(4,170)
- Trade and other payables	(2,147)	(1,057)
- Other operating assets and liabilities	(7,054)	51,888
Net cash-flow generated by the business (Total I)	**37,050**	**109,891**
Investment operations		
Acquisition of non-current assets	(8,340)	(12,668)
Investment subsidy	-	(4,632)
Disposal of non-current assets	-	(1)
Control acquired on subsidiaries net of cash and cash equivalents acquired	-	0
Control lost on subsidiaries net of cash and cash equivalents sold	-	-
Financial investments	(2,135)	(128)
Disposal of financial assets	-	-
Treasury shares	26	(216)
Change in other fixed financial assets	2,147	1
Net cash-flow from investment operations (Total II)	**(8,302)**	**(17,644)**
Financing operations		
Dividends paid to shareholders	(64,553)	(57,277)
Capital increase	(32)	(0)
Debt repayment	(343)	(835)
Increase in debt levels	34	5,492
Interest paid	19	(37)
Interest received	36	1,834
Net cash from (used in) financing activities (Total III)	**(64,839)**	**(50,823)**
Effect of changes in currency prices (IV)	529	(1,025)
Cash change (I+II+III+IV)	***(35,562)***	***40,399***
Opening cash	203,804	212,802
Closing cash	168,242	253,201
Cash change	**(35,562)**	**40,399**

Appendix 4: 10 year order estimates

In units	Order estimates[1]
LNG carriers	400-450
Ethane carriers	25-40
FSRUs	<10
FLNGs	5
Onshore storage tanks and GBSs	25-30

[1] Period: mid-2023 to mid-2032 (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.