

## Nine-month 2022 revenues stand at €222 million, in line with expectations; strong order momentum continues

- **Record orders: 134 LNG carriers during the first nine months**
- **2022 targets confirmed**

**Paris – October 27, 2022.** GTT, the technological expert in membrane containment systems used to transport and store liquefied gases, today announces its revenues for the first nine months of 2022.

**Commenting on the results, Philippe Berterottière, Chairman and CEO of GTT, said:** *“With 134 LNG carrier orders, our core business during the first nine months of 2022 has broken all previous sales records, highlighting the continuation of particularly strong momentum. The surge in demand for LNG, particularly in Europe, is fuelling further demand for LNG carriers, underpinned by investment in liquefaction plants and increased construction capacity at shipyards.*

*In the LNG as fuel business, GTT booked 42 orders during the first nine months of 2022. While the high price of LNG in Europe could slow order intake in the short term, GTT is convinced of the relevance of its solutions and the potential of this activity over the medium and long term.*

*GTT maintains a tireless focus on R&D to meet its customers’ energy transition needs and the tightening requirements they face. Over the first nine months, we obtained numerous approvals from classification societies to develop new technologies in a wide range of fields, particularly in LNG as fuel, but also for the design of a hydrogen carrier and an innovative design for a three-tank LNG carrier.*

*From a financial perspective, Q3 2022 revenues were up 4.1% versus Q3 2021. As expected, nine-month 2022 revenues were down compared to the same period in 2021 due to an unfavourable base effect, which is gradually disappearing thanks to the strong order momentum.*

*In addition, the Group confirms its 2022 targets with results expected to reach the lower half of the initial target range, as announced in the first half results release.”*

## **Business activity during the first nine months**

### **- Continued momentum in LNG carrier orders**

In the first nine months of 2022, GTT booked 134 orders for LNG carriers, including 46 in the third quarter, in line with the excellent sales momentum achieved in the first half of the year. Delivery is scheduled between Q3 2024 and Q2 2027.

### **- Dynamic order intake of LNG-powered vessels**

In addition to the 38 orders for LNG-powered vessels received in the first half of 2022, four new orders were received in the third quarter of 2022, bringing the total to 42 orders for the first nine months. While the high price of LNG in Europe could slow order intake in the short term, GTT is convinced of the relevance of its solutions and the potential of this business over the medium and long term.

### **- New licensing agreements with Chinese shipyards**

In the third quarter of 2022, GTT signed two new Technical Assistance and Licensing Agreements (TALA), with the Yangzijiang Shipbuilding and China Merchants Heavy Industries shipyards for the construction of GTT membrane containment systems. This brings to five the number of construction sites now operating in China and contributes to increasing vessel construction capacity.

### **- Smart Shipping: new contract**

In July, GTT signed a contract with Antarctica21, the world's leading operator of fly and cruise expeditions to Antarctica, to install "GTT Digital" smart shipping solutions in its cutting-edge expedition vessel *Magellan Explorer*.

### **- €86 million State support for Hydrogen IPCEI<sup>1</sup> project confirms the relevance of Elogen positioning**

Following the selection by the European Commission of Elogen's "gigafactory" project and the strengthening of its R&D division as part of the Hydrogen IPCEI, Elogen has been awarded a maximum of €86 million in subsidies by the French government. An agreement regarding this subsidy will shortly be signed with Bpifrance. For the record, the Elogen gigafactory will start production in 2025 with a production capacity of over 1 GW.

Furthermore, in July 2022, 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.

Finally, as previously announced, in the first half of 2022 Elogen entered into several international partnerships for the manufacture and sale of electrolysers for producing green hydrogen:

- with HiFraser Group in Australia and New Zealand;
- with Valmax Technology Corporation in South Korea;
- with Charbone Hydrogène in North America.

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<sup>1</sup> Important Project of Common European Interest

## Innovation: development of new technologies in a wide range of fields

In the first half of 2022, GTT received several approvals in principle from classification societies, including:

- Bureau Veritas for a new LNG conversion concept for large-capacity container ships;
- ClassNK for a new design of LNG fuel tank with 2 bar gauge pressure applicable to PCTC<sup>2</sup> vessels as well as LNG-powered cruise ships;
- DNV for an innovative LNG-powered PCTC vessel design;
- Lloyd's Register for GTT's future NEXT1 containment system;
- Bureau Veritas for *Shear-Water*, a ballast-free vessel concept for LNG bunkering and refuelling vessels.

In the third quarter of 2022, GTT obtained five new approvals in principle from:

- DNV for a containment system enabling the transport of liquid hydrogen, as well as the concept for a hydrogen carrier vessel. Both approvals in principle were obtained in the framework of the cooperation agreement with Shell announced early 2022 and reflect the progress of this project;
- Lloyd's Register for a new digital solution named "POWER" designed to optimise transshipment operations between LNG carriers and floating units;
- Bureau Veritas for the design of a LNG-powered and "NH<sub>3</sub>-ready" Very Large Crude Carrier;
- Bureau Veritas and DNV for an innovative three-tank LNG carrier concept.

## Order book at September 30, 2022

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

- Deliveries completed: 21 LNG carriers, 4 ethane carriers, 1 FLNG;
- Orders received: 134 LNG carriers.

At September 30, 2022, the order book excluding LNG as fuel stood at 269 units, breaking down as follows:

- 250 LNG carriers;
- 2 ethane carriers;
- 2 FSUs;
- 3 GBSs;
- 12 onshore storage tanks.

Regarding LNG as fuel, following the delivery of four vessels, and orders for 42 container ship tanks, the number of vessels in the order book stood at 70 units at September 30, 2022.

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<sup>2</sup> PCTC (Pure Car and Truck Carriers): carriers of light vehicles, trucks and rolling stock

## Evolution of consolidated revenues for the first nine months of 2022

(in thousands of euros)	9M 2021	9M 2022	Change
<b>Revenues</b>	<b>240,025</b>	<b>222,037</b>	<b>-7.5%</b>
<b>Newbuilds</b>	<b>224,281</b>	<b>200,385</b>	<b>-10.7%</b>
<i>LNG carriers/VLEC</i>	<i>194,767</i>	<i>174,749</i>	<i>-10.3%</i>
<i>FSUs<sup>3</sup></i>	<i>9,660</i>	<i>13,578</i>	<i>+40.6%</i>
<i>FSRUs<sup>4</sup></i>	<i>8,054</i>	<i>-</i>	<i>nm</i>
<i>FLNGs<sup>5</sup></i>	<i>2,202</i>	<i>1,218</i>	<i>-44.7%</i>
<i>Onshore storage tanks</i>	<i>1,468</i>	<i>4,680</i>	<i>+218.8%</i>
<i>GBSs<sup>6</sup></i>	<i>2,521</i>	<i>3,303</i>	<i>+31.1%</i>
<i>LNG-powered vessels</i>	<i>5,610</i>	<i>2,857</i>	<i>-49.1%</i>
<b>Electrolysers</b>	<b>3,316</b>	<b>2,980</b>	<b>-10.1%</b>
<b>Services</b>	<b>12,428</b>	<b>18,672</b>	<b>+50.2%</b>

Consolidated revenues for the first nine months of 2022 were €222.0 million, down 7.5% compared to the first nine months of 2021. The third quarter 2022 revenues amounted to €77.8 million, up 4.1% compared to the third quarter 2021.

- Newbuild revenues totalled €200.4 million, down 10.7% compared with the first nine months of 2021, when the cycle was still at its peak.
  - o Royalties amounted to €174.7 million from LNG and ethane carriers, €13.6 million from FSUs, €1.2 million from FLNGs, €4.7 million from onshore storage tanks and €3.3 million from GBSs.
  - o LNG as fuel royalties (€2.9 million) were not yet impacted by the high order intake in 2021 and 2022.
- Nine-month revenues from the Elogen electrolyser business amounted to €3.0 million, in a context of increasing commercial dynamic.
- Revenues from services rose sharply, up 50.2% to €18.7 million, driven by growth in digital services and engineering studies mainly related to the conversion of LNG carriers into FSRUs.

<sup>3</sup> Floating Storage Unit

<sup>4</sup> Floating Storage Regasification Unit

<sup>5</sup> Floating Liquefied Natural Gas vessel

<sup>6</sup> Gravity Based Structures: underwater tanks

## Update on exposure to Russia

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-breaking LNG carriers currently being built at the Zvezda Shipbuilding Complex (Zvezda), as well as in the design of 3 GBSs<sup>7</sup> currently under construction at Saren B.V.<sup>8</sup> At October 1, 2022, revenues of €74 million have yet to be recognised by 2025 for ice-breaking LNG carriers, including €4 million in Q4 2022. Revenues of €12 million have yet to be recognised for 2027 for GBSs, including €1 million in Q4 2022.

Given the impact of international sanctions on LNG liquefaction projects in Russia, the continuation and successful execution of these contracts are still exposed to risks of postponement or cancellation. In particular, sanctions are still affecting Russian imports of certain products and equipment used in current projects, including the Zvezda project. Furthermore, as previously announced, in July Saren B.V. notified GTT of its intention to terminate the contract between them. The termination date has not yet been finally set. In this context, GTT continues to investigate solutions to ensure the proper implementation and integrity of its technology, in strict compliance with international sanctions.

As a reminder, other orders in progress in Asian shipyards for six ice-breaking LNG carriers and two FSUs<sup>9</sup> are specifically intended for Russian Arctic projects. These projects are currently proceeding according to plan. At October 1, 2022, these orders represented total revenues of €31 million for GTT, to be recognized by 2024, including €7 million in Q4 2022.

Finally, eight conventional LNG carriers ordered by international shipowners, under construction in Asian shipyards, are intended for the Arctic LNG 2 project, but can operate in all types of conditions.

## 2022 outlook confirmed

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

Given delays in shipbuilding schedules for certain vessels during the first nine months of 2022, the Group confirms its forecast that revenues and EBITDA will reach the lower half of the ranges announced in February.

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.

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<sup>7</sup> Gravity Based Structure - underwater tanks

<sup>8</sup> Saren B.V. is a joint venture between Saipem and Rönasans.

<sup>9</sup> Floating Storage Unit

## First nine months of 2022 activity update presentation

Philippe Berterottière, Chairman and Chief Executive Officer, and Virginie Aubagnac, Chief Financial Officer, will comment on GTT's business during the first nine months of 2022 and answer questions from the financial community during a conference call to be held, in English, on Thursday, October 27, 2022 at 6:15 p.m. Paris time.

This conference will also be broadcast live on GTT's website ([www.gtt.fr/finance](http://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: 130114

The presentation document will be available on the website on October 27, 2022 from 17:45 p.m.

## Financial agenda

- Payment of an interim dividend of €1.55 per share for the 2022 financial year: December 15, 2022
- 2022 full year results release: February 16, 2023 (after close of trading)
- Shareholders' Meeting: June 7, 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 electrolyzers 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

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**Important notice**

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