Technology for a Sustainable World

H1 2021 results

Strong financial results and excellent commercial performance; annual targets confirmed

Key figures for the first half of 2021

- Revenues: 165.3 million euros and EBITDA: 96.5 million euros
- Core business: 26 orders (18 LNG carriers, two ethane carriers, six onshore storage tanks)
- LNG as fuel: 17 container ship orders
- Interim dividend of 1.35 euro per share

Highlights

- Excellent performance of the LNG market resulting in a large number of orders
- Continued development of LNG as fuel
- Approval of new technologies highlighting the dynamism of GTT's R&D

Outlook for 2021

- 2021 targets confirmed in terms of revenue, EBITDA and dividend

Paris - July 28, 2021. Gaztransport & Technigaz (GTT), a technology and engineering company specialising in the design of membrane containment systems for maritime transportation and storage of liquefied gas, today announces its revenues for the first half of the 2021 financial year.

Commenting on these results, Philippe Berterottière, Chairman and Chief Executive Officer of GTT, said: *"With 18 orders for LNG carriers, two orders for ethane carriers and six orders for onshore storage tanks, the commercial performance achieved in the first half of 2021 was excellent for our core business. On top of this, nine LNGC orders were recorded in July, which shows that the market dynamic remains very positive. In addition, Qatar's decision in February this year to invest in a new gas liquefaction plant, as well as the various other liquefaction projects under construction, represent significant order potential for LNG carriers.*

New orders for LNG as fuel were also recorded during the first half. The order for 12 container ships in May 2021, which follows those for nine vessels in 2017 and five in 2019, confirm the adoption of GTT technology by CMA CGM for the liquefied natural gas propulsion of its vessels. The order from SHI on behalf of Seaspan for five container vessels fuelled by LNG, which are compatible with ammonia, further reflects the efficiency and appeal of our solutions to support the energy transition ship-owners.

In terms of innovation, activity is intense. For the second year in a row, GTT is the leading French mid-sized company in terms of the number of patents published by the INPI. During the first half of the year, we obtained several approvals from classification societies to develop new innovative technologies in a wide variety of areas, such as improving the performance of our NO technology or designing a ballast-free bunker vessel. GTT maintains a constant effort on R&D to meet its customers' energy transition needs and the increased requirements they face.

From a financial standpoint, revenues for the first half of 2021 are in line with our expectations. They were down 19% compared to H1 2020, which recorded an exceptionally high level following particularly strong order intake, however were up 35% compared with H1 2019. Margin levels achieved in the first half of 2021 are similar to those of the first half of 2019 and we are continuing to manage the Group with strict cost control.

Considering the level of our backlog and shipbuilding schedules, we are confirming our full-year targets for 2021".

Business activity

- Strong order intake for LNG carriers and ethane carriers

In the first half of 2021, GTT's business activity was marked by multiple successes, particularly in the field of LNG carriers. With 18 new orders recorded for LNG carriers in the first half of 2021, GTT's core business posted very satisfactory sales results. On top of this, nine new orders for LNG carriers were recorded in July. All of the carriers will be equipped with GTT's recent technologies (Mark III Flex+, Mark III Flex and NO96 GW). Delivery is scheduled between the first quarter of 2023 and the third quarter of 2025.

In April 2021, GTT also received an order from Hyundai Heavy Industries (HHI) for the design of the tanks of two very large ethane carriers (VLEC), with total cargo capacity of 98,000 m3, on behalf of an Asian ship-owner. The tanks will integrate GTT's Mark III membrane containment system. Delivery of the vessels is scheduled for the fourth quarter of 2022 and the first quarter of 2023.

- Six orders for onshore storage tanks

On May 24, 2021, GTT announced that it had received an order from China Huanqiu Contracting & Engineering Co. Ltd. (HQC) for the design of four large integral membrane onshore LNG storage tanks, and then on June 3, 2021, a second order from China Chengda Engineering Co., Ltd. (Chengda) for the design of two additional large tanks.

GTT will design these membrane storage tanks with a total capacity of 220,000 m3 using the latest generation GST® technology. These orders are part of the new cooperation agreement signed in March 2021 between BGG and GTT for the Tianjin Nangang LNG terminal.

- New orders in LNG as fuel

GTT received orders to equip 17 vessels with LNG as fuel in the first half of 2021. The first order received from the Chinese shipyards Hudong-Zhonghua Shipbuilding (Group) Co. Ltd. and Jiangnan Shipyard (Group) Co, on behalf of CMA CGM, includes the equipment of 12 ultra large container vessels fuelled by LNG. A second order received at the end of June from Samsung Heavy Industries, includes the equipment of five very large container vessels of the Asian ship-owner Seaspan, a subsidiary of Atlas Corp and of the Israeli charterer ZIM. The vessels will be equipped with a Mark III membrane tank, adapted in order to be compatible with ammonia.

- Smart Shipping: an innovative solution to improve the bunkering process

Ascenz, GTT's Singapore-based Smart Shipping company, announced on 23 July 2021 that it has launched the Electronic Bunker Delivery Note (eBDN) solution to improve the efficiency and transparency of the bunkering process. Ascenz's solution contributed to the success of the world's first live bunker delivery financing pilot. The operation was led by DBS Bank, in partnership with Trafigura Group's marine fuels supply and procurement joint venture TFG Marine, Ocean Network Express (ONE) and Ascenz, with the support of the Maritime and Port Authority of Singapore (MPA).

- An iconic contract for Elogen

On April 12, 2021, Elogen announced the signing of a contract with German energy company E.ON, as part of its major SmartQuart project. Elogen will supply E.ON with a 1MW-containerized electrolyser with a production capacity of 200 m3 of hydrogen per hour. The electrolyser will be equipped with a transformer and a compression unit. The integration of this equipment will allow the electrolyser to produce hydrogen for multiple uses. The electrolyser will be delivered to the Kaisersesch site in Germany and commissioned in the second half of 2022. The partnership also provides for the development by Elogen of a hydrogen purification unit. Designed by Elogen's teams in Les Ulis, France, this innovative equipment will be installed in the electrolyser delivered by Elogen to E.ON. It will achieve a purity level of 99.999%.

This order reflects Elogen's determination to lead the way in hydrogen system R&D.

In the first half of 2021, Elogen achieved €2.5 million in revenues and €4.6 million in order intake.

Development of new technologies - GTT champion in number of patents published

For the second year in a row, in 2020 GTT ranked first in the list of medium-sized companies filing patents published by the INPI. This ranking confirms GTT's strong innovation capacity. Innovation is at the heart of the Group's strategy, in all its activities, to help customers address decarbonisation issues.

In the first half of 2021, GTT received many approvals from classification societies, thereby enabling it to enter a new phase to meet its customers' needs.

- In early 2021, GTT received approvals in principle from the classification societies Bureau Veritas and DNV for the application of its NO96 containment system on the tanks of large-capacity container ships.

- On February 15, 2021, GTT obtained two approvals in principle from Bureau Veritas. The first relates to the “NH3 Ready” (compatible with ammonia) classification of Mark III membrane tanks. The second approval relates to the design pressure raised to “1 barg” for LNG fuel applications such as large-capacity container ships. This approval gives greater flexibility to ship-owners in all their operations.

- On April 6, 2021, GTT has obtained approval in principle from Bureau Veritas related to the use of a digital solution for sloshing[1] activity assessment in order to optimise the LNG membrane tank maintenance frequency. Combined with an appropriate risk analysis, this solution can support Alternative Survey Plans aiming at optimising the tank maintenance while complying with strict safety standards. This will translate into increased operational flexibility and substantial cost saving for the ship-owners.

- On July 1, 2021, GTT announced that it had received the final approvals from three classification societies for its NO96 Super+ technology, an evolution in the cargo containment system. With this innovation, GTT delivers a solution to reduce cargo evaporation, NO96 Super+ guaranteeing ship-owners a daily boil-off rate (BOR) of 0.085% for standard LNG carriers.

- On July 8, 2021, GTT announced that it had received, in partnership with the Hudong Zhonghua Shipbuilding Group Co. (HZ) shipyard, a dual approval in principle from the classification societies China Classification Society (CCS) and DNV, for the design of a ballast-free LNG bunker and refuelling vessel. The granting of such approvals recognises the compliance of this technology innovation with the rules and codes for sea-going vessels, their construction and equipment. The ballast-free design, equipped with GTT's membrane system, enables to build vessels that are more energy efficient and more respectful of the environment.

Order book at June 30, 2021

On January 1, 2021, GTT’s order book excluding LNG as fuel comprised 147 units, and subsequently changed as follows:

- Deliveries completed: 30 LNG carriers, five ethane carriers, one FSRU
- Orders received: 18 LNG carriers, two ethane carriers, six onshore storage tanks

[1] Liquid sloshing in tanks

At June 30, 2021 the order book excluding LNG as fuel, stood at 136 units, split as follows:

- 110 LNG carriers;
- 6 ethane carriers;
- 2 FSRUs[2];
- 2 FSUs;
- 1 FLNG;
- 3 GBS;
- 12 onshore storage tanks.

Regarding LNG as fuel, with the deliveries of 6 ultra large container ships (5 for CMA CGM and 1 for Hapag Lloyd) and the orders received for 12 CMA CGM container ships and 5 Seaspan container ships, the number of vessels in the order book stood at 25 units at June 30, 2021.

Change in consolidated revenues for the first half of 2021

(in thousands of euros)	H1 2020	**H1 2021**
Revenues	203,767	**165,286**
Of which new builds	197,739	**153,885**
Of which hydrogen electrolysers		**2,466**
Of which services	6,027	**8,935**

Consolidated revenues for the first half of 2021 were 165.3 million euros, down 18.9% compared to the first half of 2020.

- Revenues from new construction amounted to 153.9 million euros, down 22.2% compared to the first half of 2020, which fully benefited from order intake in 2018 and 2019.

    - Royalties from LNG and ethane carriers amounted to 132.5 million euros, those from FSRUs to 7.0 million euros, those from FLNGs to 1.5 million euros and those from onshore storage tanks to 0.6 million euros.

    - Other royalties were up significantly compared to the first half of 2020. These mainly include royalties from new applications, such as LNG as fuel for 4.7 million euros (up 27.1%), FSUs for 5.9 million euros and GBSs for 1.7 million euros (+68.5%).

- Revenues from Elogen's electrolyser business amounted to 2.5 million euros.

- Revenues from services rose sharply by 48.2% to 8.9 million euros in the first six months, driven by strong growth in all service activities (maintenance and work on vessels in operation, supplier certification, pre-engineering studies and training), most of which benefited from a easing of travel restrictions. The integration of OSE Engineering also contributed to the increase in services.

[2] Following the cancellation of an FSRU ordered in June 2020

Analysis of the consolidated income statement for the first half of 2021

Condensed consolidated income statement

(in thousands of euros, except for earnings per share)	H1 2020	**H1 2021**
Revenues	203,767	165,286
Operating income before depreciation and amortisation of fixed assets (EBITDA[3])	136,553	96,478
EBITDA margin (on revenue, %)	67.0%	58.4%
Operating income (EBIT[4])	133,870	92,851
EBIT margin (on revenue, %)	65.7%	56.2%
Net income	115,527	76,564
Net margin (on revenue, %)	56.7%	46.3%
Net earnings per share[5] (in euros)	3.12	2.07

Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA) amounted to 96.5 million euros in the first half of 2021, down 29.3% compared to the first half of 2020. The EBITDA margin on revenues was 58.4%[6] in the first half of 2021, down compared to the outstanding level of the first half of 2020 (67.0%), but up compared to the first half of 2019 (57.8%). Operating expenses were stable overall, as the impact of acquisitions was offset by a decrease in expenses at GTT SA. External expenses were slightly down (-0.4%) compared to the previous half-year, due in particular to the decrease in subcontracting and studies (-17.7%) and travel expenses (-13.2%), which more than offset some one-off external consulting expenses. Personnel expenses were slightly increasing (up 0.6%), which is attributable in particular to the headcount related to the companies acquired in 2020, while the profit-sharing item was down 21.4%.

Operating income amounted to 92.9 million euros in the first half of 2021, *i.e.* a margin on revenues of 56.2%, compared to 133.9 million euros in the first half of 2020.

Net income fell from 115.5 million euros in the first half of 2020 to 76.6 million euros in the first half of 2021 and the net margin came to 46.3%.

Other consolidated financial data

(in thousands of euros)	H1 2020	**H1 2021**
Capital expenditures (of which acquisitions of non-current assets)	(6,994)	(6,115)
Dividends paid	(64,873)	(65,951)
Cash position	199,049	164,207
Change in cash (vs. 12/31)	+30,033	+22,466

As of June 30, 2021, the Group had a positive net cash position of 164.2 million euros.

[3]EBITDA corresponds to EBIT excluding depreciation and amortisation of non-current assets.
[4]EBIT stands for Earnings Before Interest and Tax.
[5] In the first half of 2021, earnings per share were calculated based on the weighted average number of shares outstanding (excluding treasury shares), *i.e.* 36,960,391 shares.
[6] EBITDA margin of 60.6% at constant scope, i.e. excluding the impact of acquisitions

Outlook for 2021

The Group has good visibility on its royalty revenues[7] from now to 2025 thanks to its order book for its core business as at end June 2021. This corresponds to revenues of 768 million euros over the 2021-2025[8] period (273 million euros in 2021[8], 242 million euros in 2022, 175 million euros in 2023, 65 million euros in 2024 and 13 million euros in 2025).

In the absence of any significant order delays or cancellations, the Company confirms its targets for 2021, namely:

- 2021 consolidated revenues between 285 million euros and 315 million euros,
- 2021 consolidated EBITDA between 150 million euros and 170 million euros,
- a dividend amount, in respect of 2021, corresponding to a payout ratio of at least 80% of consolidated net income.

Interim dividend

The Board of Directors meeting of July 28, 2021 decided the distribution of an interim dividend of 1.35 euro per share for the 2021 financial year, to be paid in cash according to the following schedule:

- November 3, 2021: Ex-dividend date
- November 5, 2021: Payment date

Changes in the Board of Directors

GTT takes note of the resignation of Michèle Azalbert and Cécile Prévieu, members of the Board of Directors appointed upon proposal of Engie. The Board will proceed without undue delay with the co-option of a new independent director and a new director appointed on the proposal of Engie. The Board of Directors is thus expected to be composed of nine members, five of whom are independent and four of whom are women.

[7] Royalties from core business, *i.e.* excluding LNG fuel and services.
[8] Of which €149 million recognised for the first half of 2021.

Presentation of the results for the first half-year 2021

Philippe Berterottière, Chairman and Chief Executive Officer, and Virginie Aubagnac, Chief Financial Officer, will comment on GTT's results and answer questions from the financial community during a conference call in English on Thursday, July 29, 2021, at 8:30 a.m. (Paris time).
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 76 70 07 94
- United Kingdom: + 44 207 192 8000
- United States: + 1 631 510 7495

Confirmation code: 3966509

This conference will also be broadcast live on GTT's website (www.gtt.fr/finance). The presentation document will be available on the website.

Financial agenda

- Payment of an interim dividend of 1.35 euro per share for the financial year 2021: November 5, 2021
- Publication of revenues for the third quarter of 2021: October 28, 2021 (after the close of trading)

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 and MSCI Small Cap indices.

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For further information, please consult www.gtt.fr/en, and, in particular, the presentation to be uploaded online for the conference call of 29 July 2021.

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 27 April 2021, and the half-year financial report released on 28 July 2021. 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 IFRS 15 – financial statements)

Appendix 1: Consolidated balance sheet

In thousands of euros	December 31, 2020	June 30, 2021
Intangible assets	4,891	6,247
Goodwill	15,365	15,365
Property, plant and equipment	29,170	30,259
Non-current financial assets	4,833	4,518
Deferred tax assets	3,485	3,474
Non-current assets	**57,744**	**59,863**
Inventories	10,653	9,654
Customers	103,822	95,967
Current tax receivable	41,633	25,573
Other current assets	9,215	21,976
Current financial assets	43	41
Cash and cash equivalents	141,744	164,209
Current assets	**307,110**	**317,419**
TOTAL ASSETS	**364,854**	**377,283**

In thousands of euros	December 31, 2020	June 30, 2021
Share capital	371	371
Share premium	2,932	2,932
Treasury shares	(110)	(17,009)
Reserves	42,253	175,634
Net income	198,878	76,552
Equity - Group Share	**244,324**	**238,479**
Total equity - share attributable to non-controlling interests	(7)	(6)
Total equity	**244,317**	**238,474**
Non-current provisions	15,167	15,167
Financial liabilities - non-current part	5,229	4,193
Deferred tax liabilities	100	73
Non-current liabilities	**20,496**	**19,433**
Current provisions	4,170	4,590
Suppliers	18,160	14,834
Current tax debts	3,044	3,571
Current financial liabilities	856	815
Other current liabilities	73,813	95,565
Current liabilities	**100,042**	**119,376**
TOTAL EQUITY AND LIABILITIES	**364,854**	**377,283**

Appendix 2: Consolidated income statement

In thousands of euros	H1 2020	H1 2021
Revenue from operating activities	**203,767**	**165,286**
Costs of sales	(2,823)	(4,762)
External expenses	(30,700)	(30,566)
Personnel expenses	(33,107)	(33,319)
Tax and duties	(3,438)	(2,354)
Depreciations, amortisations and provisions	(2,984)	(4,298)
Other operating income and expenses	3,190	2,864
Impairment following value tests	(35)	-
Operating profit	**133,870**	**92,851**
Financial income	(87)	61
Share in the income of associated entities	35	
Profit before tax	**133,818**	**92,912**
Income tax	(18,292)	(16,348)
Net income	**115,527**	**76,564**
Basic earnings per share (in euros)	3.12	2.07

Appendix 3: Consolidated cash flow statement

(in thousands of euros)	H1 2020	H1 2021
Group result	**115,527**	**76,564**
Removal of income and expenses with no cash impact:		
Allocation (Reversal) of amortisation, depreciation, provisions and impairment	2,763	4,292
Proceeds on disposal of assets	-	-
Financial expense (income)	87	(61)
Tax expense (income) for the financial year	18,292	16,348
Free shares	1,419	918
Cash flow	**138,087**	**98,061**
Tax paid out in the financial year	(8,422)	194
Change in working capital requirement:		
- Inventories and work in progress	(23)	999
- Trade and other receivables	(6,371)	7,806
- Trade and other payables	1,517	(1,593)
Other operating assets and liabilities	(21,131)	7,391
Net cash-flow generated by the business (Total I)	**103,657**	**112,859**
Investment operations		
Acquisition of non-current assets	(4,426)	(6,115)
Disposal of non-current assets	-	(0)
Control acquired on subsidiaries net of cash and cash equivalents acquired	(2,568)	(56)
Financial investments	(5)	(47)
Disposal of financial assets	804	409
Treasury shares	(2,189)	(17,595)
Change in other fixed financial assets	47	3
Net cash-flow from investment operations (Total II)	**(8,338)**	**(23,401)**
Financing operations		
Dividends paid to shareholders	(64,873)	(65,951)
Repayment of financial liabilities	(375)	(1,671)
Increase of financial liabilities	(11)	542
Interest paid	(18)	(8)
Interest received	115	61
Change in bank lending	-	-
Net cash-flow from financing operations (Total III)	**(65,162)**	**(67,027)**
Effect of changes in currency prices (Total IV)	(125)	35
Change in cash (I+II+III+IV)	**30,033**	**22,466**
Opening cash	169,016	141,744
Closing cash	199,049	164,209
Cash change	**30,033**	**22,466**

Appendix 4: Consolidated revenue breakdown

In thousands of euros	H1 2020	H1 2021
Revenues	**203,767**	**165,286**
from royalties (on new construction)	**197,739**	**153,885**
from LNG carriers	*176,203*	132,542
from FSUs	-	5,851
from FSRUs	*14,254*	6,958
from FLNGs	*2,530*	1,460
from onshore storage tanks	-	611
from GBSs	*1,020*	1,719
from LNG as fuel	*3,733*	4,745
From hydrogen electrolysers		**2,466**
From services	***6,027***	**8,935**

Appendix 5: Estimated 10-year order book

In units	Order estimates *
LNG carriers	290-320 **
Ethane carriers	25-40
FSRUs	10-20
FLNGs	Up to 5
Onshore storage tanks and GBSs	25-30

*2021-2030 period. The Company points out that the number of new orders may see large-scale variations from one quarter to another and even one year to another without the fundamentals on which its business model is based being called into question.
** Includes the replacement market