2020 HALF-YEAR FINANCIAL REPORT

GAZTRANSPORT & TECHNIGAZ

A joint stock limited liability company (Société Anonyme) with a Board of Directors and share capital of **370,783.57** euros

Registered office : 1 Route de Versailles – 78470 Saint-Rémy-lès-Chevreuse, France

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STATEMENT OF THE PERSON RESPONSIBLE

“I certify that, to the best of my knowledge, the condensed financial statements for the first half year have been prepared in accordance with the applicable accounting standards (IFRS), and give a true and fair view of the assets and liabilities, the financial position and results of the Group, and that the half-year management report attached provides a fair view of the main events of the first six months of the year, their impact on the condensed financial statements, the significant transactions with related parties, and a description of the main risks and uncertainties for the next six months of this financial year”.

July 29, 2020

Philippe Berterottière, Chairman and Chief Executive Officer

FIRST HALF MANAGEMENT REPORT

KEY BUSINESS HIGHLIGHTS FOR THE FIRST HALF

1/ New base line

In order to highlight the importance of environmental factors in the Group's conduct, GTT is now adopting a new base line for its logo: "Technology for a Sustainable World".

2/ Business activity

Since January 1, 2020, GTT's order book, excluding LNG as fuel, which at the time stood at 133 units, has evolved as follows:

- 13 deliveries of LNG carriers
- 2 FSRU deliveries
- 1 FLNG delivery
- 12 LNG carrier orders
- 1 FSRU order
- 2 FSU orders
- 3 orders for onshore storage tanks

At June 30, 2020 the order book excluding LNG as fuel, stood at 135 units, split as follows:

- 112 LNG carriers
- 6 ethane carriers
- 5 FSRUs
- 2 FSUs
- 1 FLNG
- 3 GBS
- 6 onshore storage tanks

Regarding LNG as fuel, the number of vessels in the order book stood at 18 units as at June 30, 2020.

- Resumption of orders for LNG carriers

During the first half of 2020, GTT's sales activity was marked by a number of successes, in particular in the field of LNG carriers: With 12 orders for LNG carriers booked during the first half of 2020, GTT's core business activity now stands at a very satisfactory level, particularly given the context (Covid 19 and lower energy prices) that is very unfavourable to investment decisions. All of the carriers will be equipped with GTT's recent technologies (Mark III Flex+, Mark III Flex and NO96 GW). They will be delivered between the beginning of 2022 and the end of 2023. It is worth noting, among these orders, those of two medium-capacity LNG carriers on behalf of the ship-owner "K" LINE destined for the Chinese market.

- A semester also marked by order diversification throughout the LNG chain

- In early June 2020, GTT received an order from the Korean shipyard Daewoo Shipbuilding & Marine Engineering (DSME) to equip a storage and regasification unit (FSRU) on behalf of Japanese ship-owner Mitsui OSK Lines Ltd. (MOL). This FSRU with a capacity of 263,000 m3 will be positioned in Wilhelmshaven, Germany.

- In June 2020, GTT received an order from China Huanqiu Contracting & Engineering Co. Ltd. (HQC) for the design of two LNG membrane storage tanks, using GST® technology developed by GTT. Each with a capacity of 220,000 m3, they will be the largest onshore storage tanks in China. They will be located in the southern industrial zone of the port of Tianjin in China.

- At the end of June 2020, GTT received an order from the Korean shipyard Daewoo Shipbuilding & Marine Engineering (DSME) to design tanks for two floating LNG storage units (FSUs), the largest units ever built (361,600 m3), on behalf of the Russian company GTLK. These two FSUs will contribute to the Yamal and Arctic LNG 2 projects of Russian LNG producer Novatek.

- At the end of June, GTT also received an order from China Petroleum Engineering and Construction Corp. North China Company (CPECCNC), for the design of a membrane onshore LNG storage tank that will incorporate GTT's GST® technology. With a capacity of 29,000 m3, this tank is intended for the Heijan LNG Peak shaving project, located in the Chinese province of Hebei.

- New license agreement

At the end of June 2020, GTT signed a Technical Assistance and License Agreement (TALA) with the Russian yard Zvezda Shipbuilding Complex (Zvezda) for the construction of LNG carriers using GTT membrane tank systems. This contract represents another step forward in the deployment of GTT technologies in Russia. In July, five ARC7 icebreaking LNG carriers, equipped with GTT's membrane containment system, were ordered. These highly innovative and unique LNG carriers are intended for the transport of LNG produced in Russia.

- New service provision agreements

- In February 2020, GTT signed a service and support contract with the CMA CGM Group for the commissioning, operation and maintenance of its future giant LNG propelled container ships equipped with GTT membrane containment technologies. The GTT service provides training for the crews of the CMA CGM fleet through the provision of the G-Sim® training simulator, specially adapted to replicate the LNG operations of CMA CGM vessels. GTT will also provide technical assistance on board vessels during LNG tank commissioning and initial bunkering operations. If necessary, CMA CGM can call on the HEARS® service for 24/7 technical assistance.

- In March 2020, GTT announced the signing of a framework service provision agreement between its subsidiary GTT North America and the shipowner Excelerate Energy. GTT will assist Excelerate Technical Management – ETM with the maintenance and operation of 9 FSRUs equipped with NO96 technology. This agreement provides on-site technical assistance to GTT teams during inspections, maintenance, repairs, operations and engineering, as well as access to the HEARS® emergency hotline.

- In July 2020, GTT signed a framework service provision agreement with the Norwegian shipowner KNUTSEN OAS SHIPPING AS. This new contract covers a fleet of 17 vessels by 2022

(12 currently in service and 5 under construction), all equipped with Mark III Flex or NO96 technologies, developed by GTT. GTT will assist KNUTSEN with the maintenance and operation of the vessels. KNUTSEN will also have access to the HEARS® emergency hotline.

- At the end of July 2020, GTT announced the signing of a new framework service provision contract with Fleet Management, based in Hong Kong, for the construction monitoring, maintenance and operation of vessels under management. Fleet Management is currently overseeing the construction of the next generation of very large capacity ethane carriers in Korea.

- Continued targeted acquisitions

- In February 2020, GTT announced the acquisition of Marorka. This company, based in Iceland and specialised in Smart Shipping, designs operational reporting and energy performance improvement systems aimed at reducing the environmental footprint of vessels. More than 600 vessels are now equipped with a Marorka system.
- In addition, GTT today announced the acquisition of French company OSE Engineering, specialising in artificial intelligence applied to transport. This acquisition complements the Group's expertise in modelling complex systems, optimising engineering processes and reducing emissions. Its customers include leading names in the shipping, automotive and aerospace industries. Funded in cash, the transaction will have no significant impact on the Group’s financial structure.

3/ Combined Shareholders' Meeting

The GTT (Gaztransport & Technigaz) Combined Shareholders' Meeting took place on June 2, 2020, chaired by Philippe Berterottière, Chairman and Chief Executive Officer. In view of the declaration of health emergency, this meeting was exceptionally held in camera, without the presence of the shareholders.

All the resolutions submitted to the vote of the Shareholders' Meeting were adopted.

The shareholders notably approved the financial statements for the 2019 financial year and voted a dividend of 3.25 euros per share, it being stipulated that an interim dividend of 1.50 euro per share had already been paid on September 27, 2019.

The Shareholders' Meeting also ratified the co-optation of Mr Pierre Guiollot and Ms Isabelle Boccon-Gibod as directors and renewed the term of office of Mr Benoît Mignard as non-voting member.

The Meeting also approved the information mentioned in Article L. 225-37-3, I. of the French Commercial Code provided in the report on corporate governance. It also approved the elements of compensation paid or allocated to the Chairman and Chief Executive Officer for the year ended, as well as the compensation policy covering the Chairman and Chief Executive Officer and the members of the Board of Directors for the 2020 financial year.

Lastly, the Meeting authorised the Board of Directors to proceed with the allocation of free shares existing or to be issued to employees and corporate officers of the Company or certain of them.

SUBSIDIARIES' ACTIVITIES

Cryovision, a GTT subsidiary created in 2012, offers innovative services to ship-owners and vessel operators. Cryovision's offer consists in marketing Non-Destructive Testing of GTT's cryogenic membrane containment systems, in particular by thermal camera (TAMI) during the commercial operations of vessels, and by the Acoustic Emission method in repair yards. During the first half of 2020, as a consequence of the Covid-19 crisis, Cryovision recorded weak business activity with TAMI inspections performed on 24 tanks and acoustic emissions tests on 4 tanks (vs respectively 31 and 17 during the first half of 2019).

GTT North America, an American GTT subsidiary created in 2013, continued its business development on the American continent. In the first half of the year, it signed contracts for engineering studies, a 5 year framework service provision agreement with the shipowner Excelerate Energy for maintenance and operation of 9 FSRUs. GTT North America also commercialised several training contracts carried out by GTT Training.

GTT Training Ltd, a subsidiary created in 2014, took two new orders for its simulation software (G-Sim). All training services, including simulator based courses, were changed to be delivered in 'online' formats allowing the continued delivery of the training services despite the restrictions imposed by the pandemic. A further order was also received for the development of a new model for a LNG powered ferry.

Cryometrics, a subsidiary created in November 2015, markets services that help to improve the performance and operational flexibility of LNG carriers.

LNG Advisor ensures the transmission in real time, at sea and on land, of reliable data relating to the energy performance of the vessel. Sloshield, available since 2014, makes it possible to monitor the sloshing activity inside tanks on LNG carriers or FSRU.

GTT South East Asia (GTT SEA), a GTT subsidiary established in Singapore in 2015, performs commercial development activities on behalf of the Group in the Asia-Pacific region.

The presence of GTT in Singapore enables better collaboration with players across the region, particularly in key countries such as Singapore, Indonesia, Malaysia and Japan, due to the presence of major operators and the fact that LNG bunkering markets and small-scale LNG chains are showing great promise. GTT's training network was expanded in mid-2020 with the signing of a partnership with Wavelink Maritime Institute, which will provide training in LNG transport and bunkering operations in the region. Japanese ship-owner M.O.L. has a bunker vessel equipped with Mark III Flex technology under construction in Singapore, on behalf of Pavilion Gas. The collaboration with M.O.L. Continued in 2020 with the order from DSME for the 2 largest FSUs in the world and a new 263,000 m3 FSRU. Earlier this year, the owner "K" Line placed an order for two 79.960m3 vessels to be chartered by the Malaysian oil company Petronas.

Ascenz is a supplier of turnkey integrated digital solutions for the shipping sector. With 12 years' experience and undisputed recognition in Asia, Ascenz develops intuitive and modular systems plus customised services for service vessels, merchant vessels and bunkering vessels, both for conventional fuels and the LNG segment. Ascenz is clearly aiming for leadership in the digitalisation process now changing the maritime sector. With an active strategy of technological and strategic partnerships, Ascenz is bringing together an alternative global digital ecosystem around its own vision to support maritime operators in their digitalisation projects. Despite the situation created by the global health crisis, Ascenz maintains its activity thanks to a network deployed in Asia as well as in Africa. Thanks to the collaboration with Marorka, the products offered benefit from the best technologies.

ANALYSIS OF THE CONSOLIDATED RESULTS FOR THE FIRST HALF-YEAR 2020

Condensed income statement

(in thousands of euros)	**H1 2020**	**H1 2019**	**%**
Revenues from operating activities	**203,767**	**122,637**	**66.2%**
Costs of sales	(2,823)	(2,627)	7.5%
External expenses	(30,700)	(23,932)	28.3%
Personnel expenses	(33,107)	(24,859)	33.2%
Tax and duties	(3,438)	(2,575)	33.5%
Depreciation, amortisations and provisions	(3,019)	(2,054)	47.0%
Other operating income and expenses	3,190	2,281	39.9%
Operating income (EBIT)	**133,870**	**68,870**	**94.4%**
EBIT margin on revenues (%)	**65.7%**	**56.2%**	
Financial income	(87)	1	ns
Share in the income of associated entities	35	-	ns
Profit before tax	**133,818**	**68,871**	**94.3%**
Income tax	(18,292)	(12,267)	49.1%
Net income	**115,527**	**56,603**	**104.1%**
Net margin on revenues (%)	**56.7%**	**46.2%**	
Basic earnings per share (in euros)	3.12	1.53	104.1%
Calculated indicator			
EBITDA	**136,553**	**70,855**	**92.7%**
EBITDA margin on revenues (%)	**67.0%**	**57.8%**	

Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA) reached 136.6 million euros during the first half of 2020, up 92.7% compared to the first half of 2019. The EBITDA margin on revenues increased from 57.8% in the first half of 2019 to 67% in the first half of 2020.

Operating income totalled 133.9 million euros for the first half of 2020 versus 68.9 million euros for the first half of 2019, equivalent to a 94.4% increase.

Net income increased from 56.6 million euros for the first half of 2019 to 115.5 million euros for the first half of 2020 and the net margin rose from 46.2% to 56.7%.

The increase in net income is mainly due to a significant increase in revenues during the period (+66.2%). External expenses were up compared to the previous half year (+28.3%), mainly due to the increase in R&D and subcontracting costs linked to the increase in business. It should be noted, however, that travel expenses were down 20.1% due to traffic restrictions related to the Covid crisis. Personnel expenses also increased by 33.2 per cent, reflecting the growth in incentive plans and profit-sharing and, to a lesser extent, the growth in the headcount.

Breakdown and change in revenues ("Revenues from operating activities" in the income statement)

(in thousands of euros)	H1 2020	H1 2019	%
Revenues	**203,767**	**122,637**	**66.2%**
Of which vessels under construction	***197,739***	***115,715***	***70.9%***
LNG carriers/VLEC	*176,203*	*95,625*	*84.3%*
FSRU	*14,254*	*12,709*	*12.2%*
FLNG	*2,530*	*2,546*	*-0.6%*
Onshore storage		*1,355*	*-100.0%*
GBS	*1,020*	*-*	
Barges		*349*	*-100.0%*
Vessels fuelled by LNG	*3,733*	*3,131*	*ns*
From services	***6,027***	***6,922***	***-12.9%***
Vessels in operation	*4,169*	*5,752*	*-27.5%*
Accreditation	*1,317*	*708*	*86.0%*
Studies	*322*	*179*	*79.9%*
Training	*148*	*262*	*-43.4%*
Other	*71*	*21*	*239.1%*

Revenues went from 122,637 thousand euros for the first half of 2019 to 203,767 thousand euros for the first half of 2020, an increase of 66.2% over the period.

Revenues relating to vessels under construction came to 197,739 thousand euros:

- Revenues for LNG carriers (86% of the Group's total revenues) are up by 84.3% and increased to 176,203 thousand euros. Revenues for LNG carriers for the first half of 2020 benefit fully from the inflow of orders in 2018.

- Revenues from FSRUs (Floating Storage and Regasification Units) are up 12.2% in the first half of 2020.

- Revenues related to orders for FLNG (floating LNG*)* totalled 2,530 thousand euros in the first half of 2020.

- Revenues from new orders for 2019 for GBS (Gravity Based Structures*)* were 1,020 thousand euros in the first half of 2020.

- Revenues from new business with LNG as fuel stands at 3,733 thousand euros in the first half of 2020.

Revenues from Services business (3% of Group revenues) are down by 12.9%, from 6,922 thousand euros in the first half of 2019 to 6,027 thousand euros in the first half of 2020. This decrease is mainly due to the slowdown in maintenance and work on vessels in operation, in the context of the Covid-19 crisis, partially offset by the consolidation of the subsidiary Marorka.

Composition of GTT operating income

External expenses

(in thousands of euros)	H1 2020	H1 2019	%
Tests and studies	7,426	4,814	54.3%
Sub-contracting	10,131	6,538	54.9%
Fees	4,227	3,245	30.3%
Leasing, maintenance and insurance	2,786	2,390	16.6%
Transport, travel and reception expenses	3,497	4,375	-20.1%
Other	2,633	2,570	2.4%
EXTERNAL EXPENSES	**30,700**	**23,932**	28.3%
% of revenues from operating activities	**15.1%**	**19.5%**	-22.8%

The Group's external expenses rose compared to the previous year, from 23,932 thousand euros in the first half of 2019 to 30,700 thousand euros in the first half of 2020. This change is mainly due to the increase in sub-contracting (i) from the technical department related to the growth in the activity of the projects sold, (ii) and IT development projects. The increase in expenditure on tests and studies is linked to the increase in projects managed by the technical department and R&D. The decrease in transport and travel expenses is a consequence of the Covid crisis.

Personnel expenses

(in thousands of euros)	H1 2020	H1 2019	%
Wages and salaries	17,094	13,270	28.8%
Social security costs	9,035	7,527	20.0%
Share-based payments	1,419	822	72.6%
Profit-sharing and incentives scheme	5,558	3,240	71.5%
PERSONNEL EXPENSES	**33,107**	**24,859**	**33.2%**
% of revenues from operating activities	**16.2%**	**20.3%**	

Personnel expenses increased compared to last year due to (i) the increase in the Group's workforce, (ii) salary increases, (iii) the provision for profit-sharing for the current year related to results, and (iv) expenses related to the AFS plan 10 implemented in November 2019.

Depreciation, amortisation and provisions

(in thousands of euros)	H1 2020	H1 2019	%
Allocations for depreciation of fixed assets	2,648	1,874	41.3%
Provisions (reversals)	336	69	386.6%
Impairment following value tests	35	111	ns
AMORTISATION AND PROVISIONS (REVERSAL)	**3,019**	**2,054**	**47.0%**

Net depreciation, amortisation and provisions increased from 2,054 thousand euros in the first half of 2019 to 3,019 thousand euros in the first half of 2020. The increase in depreciation of fixed assets corresponds to the increase in real estate and equipment, and to the IFRS 16 restatement on leases.

Other operating income and expenses

(in thousands of euros)	H1 2020	H1 2019	%
Research tax credit	3,029	2,221	36.4%
Other operating income/expense	161	60	169.6%
OTHER OPERATING INCOME AND EXPENSES	**3,190**	**2,281**	**39.9%**

Other operating income and expenses essentially consist of the research tax credit, for which the recorded amount of 3,029 thousand euros is calculated as an estimate of the expense for the current year, plus adjustments from previous years. Estimates are based on projects considered eligible according to the criteria of the research tax credit.

Change in operating income (EBIT) and EBITDA

(in thousands of euros)	H1 2020	H1 2019	%
EBITDA	136,553	70,855	92.7%
EBITDA margin (%) – EBITDA as a ratio of revenues	67.0%	57.8%	
Operating income (EBIT)	133,870	68,870	94.4%
EBIT margin (%) – EBIT or operating income as a ratio of revenues	65.7%	56.2%	

Group EBIT increased from 68,870 thousand euros in the first half of 2019 to 133,870 thousand euros in the first half of 2020, a rise of 94.4%. The evolution of EBITDA (+92.7%) is in line with that of EBIT over the same period, increasing from 70,855 thousand euros in the first half of 2019 to 136,553 thousand euros in the first half of 2020.

The EBIT margin and EBITDA margin on revenues from operating activities were 65.7% and 67%, respectively, up compared to the previous period, mainly due to the increase in royalty revenues and a lower increase in external and personnel costs.

Breakdown of net income and earnings per share

	H1 2020	H1 2019
Net income in euros	115,526,637	56,603,246
Average number of shares outstanding (excluding treasury shares)	37,064,997	37,061,663
Number of diluted shares	37,235,018	37,142,163
BASIC EARNINGS PER SHARE (IN EUROS)	**3.12**	**1.53**
DILUTED EARNINGS PER SHARE (IN EUROS)	**3.10**	**1.52**

The Group's net income went from 56,603 thousand euros in the first half of 2019 to 115,527 thousand euros in the first half of 2020, taking into account the items presented above.

In the first half of 2020, basic earnings per share were calculated based on share capital made up of 37,064,997 shares, which corresponds to the weighted average number of ordinary shares outstanding during the period (excluding treasury shares).

On this basis, basic earnings per share increased from 1.53 euro to 3.12 euro during the period.

Diluted earnings per share are calculated by taking into account the allocations of free shares decided by the Group. Diluted earnings per share increased from 1.52 euros in the first half of 2019 to 3.10 euros in the first half of 2020.

GTT BALANCE SHEET ANALYSIS

Non-current assets

(in thousands of euros)	June 30, 2020	December 31, 2019	%
Intangible assets	4,960	2,757	79.9%
Goodwill	7,088	4,291	65.2%
Property, plant and equipment	25,386	20,198	25.7%
Non-current financial assets	4,187	5,084	-17.6%
Deferred tax assets	2,760	3,031	-8.9%
NON-CURRENT ASSETS	**44,381**	**35,360**	**25.5%**

The change in non-current assets between December 31, 2019 and June 30, 2020 of 9,021 thousand euros results mainly from (i) the increase in intangible assets of 2,204 thousand euros and goodwill of

2,797 thousand linked to the acquisition of Marorka, (ii) an increase in property, plant and equipment of 5,188 thousand euros, including 2,939 thousand in rights of use linked to the application of IFRS 16, (iii) a decrease in financial assets of 897 thousand euros linked to the changes in the liquidity contract of the GTT share price.

Current assets

(in thousands of euros)	June 30, 2020	December 31, 2019	%
Inventories	10,948	10,854	0.9%
Customers	146,596	139,432	5.1%
Current tax receivable	31,904	41,771	-23.6%
Other current assets	8,339	8,496	-1.8%
Current financial assets	11	16	-32.3%
Cash and cash equivalents	199,049	169,016	17.8%
CURRENT ASSETS	**396,847**	**369,585**	**7.4%**

Current assets were up between December 31, 2019 and June 30, 2020 by 27,262 thousand euros.

This change is mainly the result of the increase in cash of 30,033 thousand euros (See Cash flow statement) and trade receivables of 7,164 thousand euros, in connection with the evolution of the activity, offset by the decrease in tax receivables of 9,867 thousand euros.

Total equity

(in thousands of euros)	June 30, 2020	December 31, 2019	%
Share capital	371	371	0.0%
Share premium	2,932	2,932	0.0%
Treasury shares	(795)	(11)	ns
Reserves	134,124	55,614	141.2%
Revenues	115,536	143,377	-19.4%
Total equity - Group share	252,168	202,284	24.7%
Total equity - share attributable to non-controlling interests	(12)	(3)	ns
Total equity	**252,156**	**202,280**	**24.7%**

The change in equity between December 31, 2019 (202,280 thousand euros) and June 30, 2020 (252,156 thousand euros) is mainly explained by the result for the first half of 2020 offset by the payment of the balance of the 2019 dividend.

Non-current liabilities

(in thousands of euros)	June 30, 2020	December 31, 2019	%
Non-current provisions	5,282	5,001	5.6%
Financial liabilities - non-current part	5,822	2,089	178.6%
Deferred tax liabilities	106	120	-11.7%
NON-CURRENT LIABILITIES	**11,210**	**7,210**	**55.5%**

Provisions at June 30, 2020 mainly consist of:

- a provision corresponding to a risk on a construction project for 2,411 thousand euros;
- a provision for severance benefits for 2,696 thousand euros.

Financial liabilities - the non-current part consists primarily:

- of a 1,500 thousand euros debt recognised as part of the acquisition of Marorka corresponding to a price supplement conditional on the achievement of pre-defined objectives;
- of a 1,589 thousand euros debt recognised as part of the acquisition of the Ascenz Group for the purchase on maturity of 25% of the shares held by minority shareholders;
- of a 1,155 thousand euros debt (long term share) related to the treatment of IFRS 16 real estate contracts;
- of the borrowings of the subsidiaries Marorka and Ascenz for 1,467 thousand euros and a balance of the advances from the Hydrocarbon Support Fund not yet falling due for 111 thousand euros.

Current liabilities

(in thousands of euros)	June 30, 2020	December 31, 2019	Change
Current provisions	1,693	1,583	6.9%
Suppliers	19,552	16,791	16.4%
Current tax debts	5,328	6,192	-14.0%
Current financial liabilities	675	16	ns
Other current nonfinancial liabilities	150,613	170,872	-11.9%
CURRENT LIABILITIES	**177,862**	**195,454**	**-9.0%**

This balance sheet item decreased from 195,454 thousand euros at December 31, 2019 to 177,862 thousand euros at June 30, 2020.

Current provisions consist of provisions for litigation and for loss upon completion and they changed by 110 thousand euros. The Group recognises a provision for loss on completion when the estimated margin on a given project is judged to be negative.

Trade payables increased by 2,761 thousand euros and were offset by a decrease in tax debts of 864 thousand euros, linked to the increase in activity.

Current financial liabilities correspond to the classification at less than one year of a debt of 660 thousand euros related to the treatment of IFRS 16 real estate contracts.

Other current liabilities decreased by 20,259 thousand euros due to a decrease in deferred income related to an increase in revenues.

OUTLOOK FOR 2020

The Group has good visibility on its royalty revenues[1] from now to 2023 thanks in particular to a full order book for its core business as at end June 2020. This corresponds to revenues of 832 million euros over the 2020-2023[2] period (374 million euros in 2020, 266 million euros in 2021, 151 million euros in 2022 and 41 million euros in 2023).

Given the size of the backlog in our order book, and assuming there are no major delays or cancellations of orders, GTT confirms its targets for revenues and EBITDA for the 2020 financial year, i.e.:

- 2020 consolidated revenues of between €375 million and €405 million,
- 2020 consolidated EBITDA of between €235 million and €255 million

Additionally, the Group is confirming its dividend distribution policy, i.e. for the 2020 and 2021 financial years a minimum distribution rate of 80% of consolidated net income.

INTERIM DIVIDEND PAYMENT

The Board of Directors meeting of July 29, 2020 decided the distribution of an interim dividend of 2.50 euros per share for the 2020 financial year, to be paid in cash according to the following schedule:

- November 3, 2020: Ex-dividend date
- November 5, 2020: Payment date

THIRD PARTY TRANSACTIONS

During the first half of 2020, no third-party transactions likely to have a material impact on the Group's financial position or results took place. Similarly, no changes were made in third-party transactions likely to have a material impact on the Group's financial position or results during the period.

RISK FACTORS

The Group’s activities are exposed to certain macroeconomic and sector-specific, operational, market, industrial, environmental and legal risk factors. The main risk factors to which the Group could be exposed are given in detail in the section "Risk Factors" in the 2019 Universal Registration Document, filed with the AMF on April 27, 2020. There were no significant changes in these risk factors during the first half of 2020.

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[1] Royalties from core business, i.e. excluding LNG fuel and services. Of which 194 million euros recognised for the first half of 2020.

[2] Of which 194 million euros recognised for the first half of 2020.

SUMMARIES OF THE HALF-YEAR FINANCIAL STATEMENTS

BALANCE SHEET

In thousands of euros	June 30, 2020	December 31, 2019
Intangible assets	4,960	2,757
Goodwill	7,088	4,291
Property, plant and equipment (*)	25,386	20,198
Non-current financial assets	4,187	5,084
Deferred tax assets	2,760	3,031
Non-current assets	**44,381**	**35,360**
Inventories	10,948	10,854
Customers	146,596	139,432
Current tax receivable	31,904	41,771
Other current assets	8,339	8,496
Current financial assets	11	16
Cash and cash equivalents	199,049	169,016
Current assets	**396,847**	**369,585**
TOTAL ASSETS	**441,228**	**404,945**

(*) Including rights of use relating to the application of IFRS 16 "Leases" for 2,938 thousand euros.

In thousands of euros	June 30, 2020	December 31, 2019
Share capital	371	371
Share premium	2,932	2,932
Treasury shares	(795)	(11)
Reserves	134,124	55,614
Net income	115,536	143,377
Total equity - Group share	**252,168**	**202,284**
Total equity - share attributable to non-controlling interests	(12)	(3)
Total equity	**252,156**	**202,280**
Non-current provisions	5,282	5,001
Financial liabilities - non-current part	5,822	2,089
Deferred tax liabilities	106	120
Non-current liabilities	**11,210**	**7,210**
Current provisions	1,693	1,583
Suppliers	19,552	16,791
Current tax debts	5,328	6,192
Current financial liabilities	675	16
Other current liabilities	150,613	170,872
Current liabilities	**177,862**	**195,454**
TOTAL EQUITY AND LIABILITIES	**441,228**	**404,945**

COMPREHENSIVE INCOME

In thousands of euros	**H1 2020**	**H1 2019**
Revenues from operating activities	**203,767**	**122,637**
Costs of sales	(2,823)	(2,627)
External expenses	(30,700)	(23,932)
Personnel expenses	(33,107)	(24,859)
Tax and duties	(3,438)	(2,575)
Depreciations, amortisations and provisions	(2,984)	(1,943)
Other operating income and expenses	3,190	2,281
Impairment following value tests	(35)	(111)
Operating profit	**133,870**	**68,870**
Financial income	(87)	1
Share in the income of associated entities	35	-
Profit before tax	**133,818**	**68,871**
Income tax	(18,292)	(12,267)
Net income	**115,527**	**56,603**
Basic earnings per share (in euros)	3.12	1.53

In thousands of euros	**H1 2020**	**H1 2019**
Net income	**115,527**	**56,603**
Items that will not be reclassified to profit or loss		
Actuarial Gains and Losses		
Gross amount	139	(624)
Deferred tax	(14)	92
Total amount, net of tax	**125**	**(532)**
Items that may be reclassified subsequently to profit or loss		
Conversion differences	(57)	27
Other comprehensive income for the year, net of tax	**68**	**(505)**
COMPREHENSIVE INCOME	**115,595**	**56,098**

CASH FLOW STATEMENT

(in thousands of euros)	H1 2020	H1 2019
Company profit for the year	**115,527**	**56,603**
Removal of income and expenses with no cash impact:		
Allocation (Reversal) of amortisation, depreciation, provisions and impairment	2,763	(723)
Proceeds on disposal of assets	-	-
Financial expense (income)	87	(1)
Tax expense (income) for the financial year	18,292	12,267
Free shares	1,419	822
Cash-flow	**138,087**	**68,969**
Tax paid out in the financial year	(8,422)	(10,170)
Change in working capital requirement:		
- Inventories and works in progress	(23)	(1,770)
- Trade and other receivables	(6,371)	(1,585)
- Trade and other payables	1,517	1,719
- Other operating assets and liabilities	(21,131)	(3,911)
Net cash-flow generated by the business (Total I)	**103,657**	**53,252**
Investment operations		
Acquisition of non-current assets	(4,426)	(3,108)
Disposal of non-current assets		
Control acquired on subsidiaries net of cash and cash equivalents acquired	(2,568)	(0)
Financial investments	(5)	(1,839)
Disposal of financial assets	804	28
Treasury shares	(2,189)	582
Change in other fixed financial assets	47	-
Net cash-flow from investment operations (Total II)	**(8,338)**	**(4,338)**
Financing operations		
Dividends paid to shareholders	(64,873)	(66,275)
Repayment of financial liabilities	(375)	(46)
Increase of financial liabilities	(11)	3
Interest paid	(18)	(25)
Interest received	115	124
Change in bank lending	-	(172)
Net cash-flow from finance operations (Total III)	**(65,162)**	**(66,390)**
Effect of changes in currency prices (IV)	(125)	(88)
Change in cash (I+II+III+IV)	***30,033***	***(17,564)***
Opening cash	169,016	173,179
Closing cash	199,049	155,616
Cash change	**30,033**	**(17,564)**

STATEMENT OF CHANGES IN EQUITY

In thousands of euros	Share capital	Share premium	Treasury shares	Reserves	Revenues	Conversion differences	Equity Group Share	Minority interests	Total equity
As at 01.01.2019	**371**	**2,932**	**(1,529)**	**34,766**	**142,798**	**86**	**179,424**	**17**	**179,442**
Profit for the period	-	-	-	-	**143,377**	-	**143,377**	**(25)**	**143,353**
Other items of comprehensive income	-	-	-	**(1,528)**	-	**65**	**(1,463)**	-	**(1,463)**
Allocation of the profit from the previous financial period	-	-	-	142,798	(142,798)	-	-	-	-
(Purchases)/sales of treasury shares	-	-	518	68	-	-	586	-	586
Delivery of treasury shares to the beneficiaries	-	-	1,000	(1,000)	-	-	-	-	-
Share-based payments	-	-	-	2,255	-	-	2,255	-	2,255
Distribution of dividends	-	-	-	(121,896)	-	-	(121,896)	-	(121,896)
Other	-	-	-	-	-	-	-	**4**	4
Scope effects	-	-	-	-	-	-	-	-	-
As at December 31, 2019	**371**	**2,932**	**(11)**	**55,463**	**143,377**	**151**	**202,283**	**(3)**	**202,280**
Profit for the period	-	-	-	-	**115,536**		**115,536**	**(9)**	**115,527**
Other items of comprehensive income	-	-	-	**125**		**(57)**	**68**	-	**68**
Allocation of the profit from the previous financial period	-	-	-	143,377	(143,377)	-	-	-	-
(Purchases)/Sales of treasury shares	-	-	(684)	(198)	-	-	(882)	-	(882)
Delivery of treasury shares to the beneficiaries	-	-	(100)	(1,284)	-	-	(1,384)	-	(1,384)
Share-based payments	-	-	-	1,419	-	-	1,419	-	1,419
Distribution of dividends	-	-	-	(64,873)	-	-	(64,873)	-	**(64,873)**
Other	-	-	-	-	-	-	-	-	-
Scope effects	-	-	-	-	-	-	-	-	-
As at June 30, 2020	**371**	**2,932**	**(795)**	**134,030**	**115,536**	**94**	**252,168**	**(12)**	**252,156**

NOTES TO THE FINANCIAL STATEMENTS

Note 1. GENERAL INFORMATION

Gaztransport et Technigaz - GTT is a Group whose mother company, Gaztransport et Technigaz SA, is a société anonyme (joint stock limited liability company) under French law, whose registered office is domiciled in France, at 1 route de Versailles, 78470 Saint-Rémy-lès-Chevreuse.

GTT is an engineering Group expert in containment systems with cryogenic membranes used to transport and store liquefied gas, in particular Liquefied Natural Gas (LNG). It offers engineering services, technical assistance and patent licenses for the construction of LNG tanks installed mainly on LNG carriers. The Group operates mainly with shipyards in Asia.

The Group presents its consolidated financial statements since 31 December 2017. These include the financial statements of the parent company as well as those of its subsidiaries: Cryovision, offering maintenance services for vessels equipped with GTT membranes, Cryometrics, specialised in embedded systems, GTT Training, in charge of the training activities of the Group, GTT North America and GTT South East Asia, responsible for commercial development in their respective geographic areas, and Ascenz Group, specialised in designing operational reporting and optimisation systems for vessel performance.

These financial statements are presented for the period beginning on 1 January 2020 and ending on 30 June 2020.

Note 2. ACCOUNTING RULES AND METHODS

2.1. Basis of preparation of the financial statements

The summarised consolidated half-year financial statements, closed on June 30, 2020, are presented and have been prepared based on the provisions of IAS 34 “Interim Financial Information”.

These standards are available on the website of European Commission: http://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:32002R1606

These interim financial statements do not include all the information required by IFRS for the preparation of financial statements. These notes should therefore be read in conjunction with the GTT financial statements established for the year ended December 31, 2019.

The financial statements are presented in thousands of euros, rounded to the nearest thousand euros, unless otherwise indicated.

The summarised financial statements are prepared in accordance with the accounting principles and methods applied by the Group in the financial statements of the 2019 financial year (described in Note 2 to the IFRS financial statements at December 31, 2019) with the exception of the application of the following new standards, amendments to standards and interpretations adopted by the European Union and applicable from January 1, 2020:

Standard no.	Name
IAS 1 and IAS 8 modifications	Definition of the term “significant”
Conceptual framework reference modifications	
IFRS 9, IAS 39 et IFRS 7 modifications	"Reform of benchmark interest rates-Phase 1"
IFRS 3 modifications	"Definition of a “business”

The Group does not apply standards, amendments and interpretations published by the IASB but not yet adopted by the European Union.

2.2. Use of judgements and estimates

In preparing these interim financial statements in accordance with IFRS, management has made judgments, estimates and assumptions that affect the book value of assets and liabilities, income and expenses, and the information mentioned in the notes.

Certain financial accounting information has required significant estimations to be made: mainly deferred revenues from options, deferred tax assets, provisions for risks and retirement benefit plans.

Note 3. EVENTS AFTER THE REPORTING PERIOD

Acquisition of the French company OSE Engineering, specializing in artificial intelligence applied to transport.

Note 4. PRINCIPAL SUBSIDIARIES

			Interest %		Consolidation method	
Name	**Activity**	**Country**	**H1 2020**	**H1 2019**	**H1 2020**	**H1 2019**
Cryovision	Maintenance services	France	100.0	100.0	IG	IG
Cryometrics	On-board services	France	100.0	100.0	IG	IG
GTT Training	Training services	United Kingdom	100.0	100.0	IG	IG
GTT North America	Commercial office	United States of America	100.0	100.0	IG	IG
GTT SEA	Commercial office	Singapore	100.0	100.0	IG	IG
Ascenz	Holding	Singapore	100.0	100.0	IG	IG
Ascenz Solutions	On-board services	Singapore	100.0	100.0	IG	IG
Ascenz Solutions O&G	On-board services	Malaysia	100.0	100.0	IG	IG
Flowmet Pte Ltd	Distribution of equipment	Singapore	70.0	70.0	IG	IG
Shinsei Co, Ltd	Commercial office	Japan	51.0	51.0	IG	IG
Ascenz Solutions GmbH	Commercial office	Germany	100.0	100.0	IG	IG
Ascenz Taiwan Co. Ltd	On-board services	Taiwan	100.0	100.0	IG	IG
Ascenz Korea Co. Ltd	Commercial office	Korea	49.0	49.0	EM	EM
Ascenz Indonesia Pte Ltd	On-board services	Singapore	50.0	50.0	EM	EM
Ascenz Myanmar Co. Ltd	On-board services	Myanmar	99.99	100.0	IG	IG
Ascenz HK Co. Ltd	Commercial office	Hong Kong	60.00	60.0	IG	IG
Marorka	On-board services	Iceland	100.0		IG	

On 20 February 2020, GTT acquired Marorka for an amount of 2.7 million euros which could be adjusted by an additional amount of 1.5 million euros conditioned to the achievement of pre defined objectives. At 30 June 2020, this price complement has been accounted for as financial debt.

Note 5. OPERATING PROFIT

5.1. Personnel expenses

The amount of personnel expenses for the period is detailed below:

In thousands of euros	H1 2020	H1 2019
Wages and salaries	17,094	13,270
Social security costs	9,035	7,527
Share-based payments	1,419	822
Profit-sharing and incentives scheme	5,558	3,240
PERSONNEL EXPENSES	**33,107**	**24,859**

(1) The method used to calculate share-based payments is set out in note 10.3.

5.2. External expenses

In thousands of euros	H1 2020	H1 2019
Tests and studies	7,426	4,814
Sub-contracting	10,131	6,538
Fees	4,227	3,245
Leasing, maintenance and insurance	2,786	2,390
Transport, travel and reception expenses	3,497	4,375
Other	2,633	2,570
EXTERNAL EXPENSES	**30,700**	**23,932**

5.3. Depreciation, amortisation and provisions

In thousands of euros	H1 2020	H1 2019
Allocations (reversals) for depreciation of fixed assets	2,648	1,874
Provisions (reversals)	336	69
Impairments for loss of value	35	111
Amortisation and provisions (reversal)	**3,019**	**2,054**

The increase in depreciation of fixed assets is linked to the increase in real estate and equipment investments for 500 thousand euros, and to the IFRS 16 restatement on leases for 274 thousand euros.

Provisions essentially correspond to the movement of provisions for employee litigation and retirement provision.

5.4. Other operating income and expenses

In thousands of euros	H1 2020	H1 2019
Research tax credit	3,029	2,221
Other	161	60
Other operating income and expenses	**3,190**	**2,281**

"Other operating income and expenses" mainly comprises the Research Tax Credit (3,029 thousand euros).

INFORMATION RELATING TO THE BALANCE SHEET

Note 6. FIXED ASSETS

6.1. Intangible assets

In thousands of euros	Software	Assets in progress	Other	Net value
Values as at 31.12.2018	**448**	**1,269**	**740**	**2,457**
Acquisitions/allocations	85	214	(38)	261
Disposals, reversals	-	-	-	-
Reclassifications	186	(186)	-	-
Other variations	1	19	18	38
Values as at 31.12.2019	**721**	**1,316**	**720**	**2,757**
Acquisitions/allocations	10	113	(30)	93
Disposals, reversals	-	-	-	-
Reclassifications	-	(104)	66	(38)
Other variations	(2)	(23)	2,174	2,149
Values as at 30.06.2020	**729**	**1,302**	**2,929**	**4,960**

As at June 30, 2020, intangible assets are impacted by the consolidation of Marorka for €2,162 thousand and consist primarily of software.

6.2. Goodwill

The Group recognised goodwill of 2,797 thousand euros in its financial statements, corresponding to the acquisition of Marorka.

Given the recent acquisition of Marorka, no impairment test was performed as of 06/30/2020. The goodwil will be subject to an impairment test on 12/31/2020.

Regarding the goodwill related to the acquisition of the Ascenz group, it was subject to an impairment test on 12/31/2019. No indication of impairment was noted as of 06/30/2020. Goodwill will be subject to an impairment test on 12/31/2020.

6.3. Property, plant and equipment

In thousands of euros	Land and buildings	Technical installations	Assets in progress	Other	Total
Gross value as at 31.12.2018	**14,160**	**16,124**	**1,517**	**24,106**	**55,907**
Acquisitions	-	1,183	3,770	1,941	6,894
Disposals	-	-	-	(192)	(192)
Reclassifications	-	75	(299)	208	(16)
Other variations	18	0	-	15	33
Gross value as at 31.12.2019	**14,177**	**17,383**	**4,988**	**26,078**	**62,626**
Acquisitions	-	386	3,116	588	4,090
Disposals	-	-	-	-	-
Reclassifications	-	332	(989)	648	(9)
Other variations	(22)	(1)	-	3,200 (*)	3,177
Gross value as at 30.06.2020	**14,156**	**18,100**	**7,115**	**30,514**	**69,884**
Accumulated depreciation as at 31.12.2018	**(4,947)**	**(13,468)**	**-**	**(20,858)**	**(39,273)**
Allocation	(588)	(1,109)	-	(1,653)	(3,350)
Reversal	-	-	-	192	192
Reclassifications	-	-	-	16	16
Other variations	(2)	(0)	-	(11)	(13)
Accumulated depreciation as at 31.12.2019	**(5,538)**	**(14,577)**	**-**	**(22,313)**	**(42,428)**
Allocation	(292)	(562)	-	(960)	(1,814)
Reversal	-	-	-	-	-
Reclassifications	-	-	-	9	9
Other variations	3	1	-	(269) (**)	(266)
Accumulated depreciation as at 30.06.2020	**(5,826)**	**(15,138)**	**-**	**(23,534)**	**(44,498)**
Net value as at 31.12.2018	**9,212**	**2,656**	**1,517**	**3,248**	**16,634**
Net value as at 31.12.2019	**8,639**	**2,806**	**4,988**	**3,765**	**20,198**
NET VALUE AS AT 30.06.2020	**8,329**	**2,962**	**7,115**	**6,980**	**25,386**

(*) included user rights for 3,212 thousand euros relating to the application of IFRS 16 "Leases"

(**) included depreciation related to user rights for 274 thousand euros

In the absence of any external debt linked to the building of fixed assets, no interest costs are capitalised in compliance with IAS 23 - Borrowing costs.

Assets acquired under finance leases correspond to the building used since 2003 as the Group's headquarters.

For the first time application of IFRS, the historical cost of the building was determined using the price paid by GTT in January 2003 to the previous tenant in order to obtain the rights and obligations relative to the leasing contract of this building, increased by the outstanding capital element at the date of the lease transfer, to be amortised over the remaining term of the lease contract. GTT became the owner of this building at the end of contractual lease period in December 2005.

The change in property, plant and equipment for the first half of the year is mainly related to investments in goods and equipment for 4,090 thousand euros and the impact of IFRS16 leases for 3,212 thousand euros.

Note 7. CURRENT AND NON-CURRENT FINANCIAL ASSETS

7.1. Current financial assets

In thousands of euros	**Loans and receivables**	**Financial assets at fair value through profit or loss**	**Total**
2018 values at opening	**16**	**-**	**16**
Acquisitions	15	-	**15**
Disposals	(15)	-	**(15)**
Reclassification as current	-	-	**-**
Other variations	0	-	**0**
Values as at 31.12.2019	**16**	**-**	**16**
Acquisitions	3	-	**3**
Disposals	(8)	-	**(8)**
Reclassification as current	-	-	**-**
Other variations	(0)	-	**(0)**
Values as at 30.06.2020	**11**	**-**	**11**

7.2. Non-current financial assets

In thousands of euros	Loans and receivables	Available-for-sale financial assets	Financial assets at fair value through profit or loss	Total
Values at 31.12.2018	**144**	**-**	**-**	**144**
IFRS 9 Impact	(1)	-	-	**(1)**
2019 values at opening	**144**	**-**	**3,014**	**3,158**
Acquisitions	49	-	1,838	**1,887**
Disposals	(17)	-	-	**(17)**
Reclassification as current	-	-	-	**-**
Other variations	2	-	53	**56**
Values as at 31.12.2019	**177**	**-**	**4,906**	**5,084**
Acquisitions	5	-	-	**5**
Disposals	(28)	-	(804)	**(832)**
Reclassification as current	-	-	-	**-**
Other variations	(2)	-	(65)	**(66)**
Values as at 30.06.2020	**152**	**-**	**4,037**	**4,190**

The decrease in "financial assets at fair value by P&L" is due to the reduction in the amounts used under the liquidity contract

Note 8. WORKING CAPITAL REQUIREMENT

8.1 Trade receivables and other current assets

Gross value (in thousands of euros)	June 30, 2020	December 31, 2019	Change
Inventories	**10,948**	**10,978**	**(30)**
Trade and other receivables	**147,771**	**140,529**	**7,242**
Trade and other operating receivables	1,156	183	973
Tax and social security receivables	5,178	5,363	(186)
Prepaid expenses	2,043	2,989	(946)
Total other current assets	**8,377**	**8,535**	**(158)**
TOTAL	**167,096**	**160,042**	**7,054**

Depreciation (in thousands of euros)	June 30, 2020	December 31, 2019	Change
Inventories	**-**	**(124)**	**124**
Trade and other receivables	**(1,175)**	**(1,097)**	**(78)**
Trade and other operating receivables	(38)	(40)	2
Tax and social security receivables	-	-	-
Other receivables	-	-	-
Prepaid expenses	-	-	-
Total other current assets	**(38)**	**(40)**	**2**
TOTAL	**(1,213)**	**(1,261)**	**48**

Net book value (in thousands of euros)	June 30, 2020	December 31, 2019	Change
Inventories	**10,948**	**10,854**	**94**
Trade and other receivables	**146,596**	**139,432**	**7,164**
Trade and other operating receivables	1,118	144	975
Tax and social security receivables	5,178	5,363	(186)
Other receivables	-	-	-
Prepaid expenses	2,043	2,989	(946)
Total other current assets	**8,339**	**8,496**	**(157)**
TOTAL	**165,883**	**158,782**	**7,101**

The change in receivables and other current assets is mainly due to the increase in accounts receivable for 7,242 thousand euros.

The book value of trade receivables corresponds to a reasonable approximation of their fair value.

8.2. Trade payables and other current liabilities

In thousands of euros	June 30, 2020	December 31, 2019	Change
Trade and other payables	**19,552**	**16,791**	**2,761**
Prepayments received	(0)	15	(15)
Tax and social security payables	23,644	22,668	975
Other debts	581	266	315
Deferred income	126,389	147,922	(21,534)
Other current liabilities	**150,613**	**170,872**	**(20,258)**
TOTAL	**170,165**	**187,663**	**(17,498)**

Note 9. CASH AND CASH EQUIVALENTS

In thousands of euros	June 30, 2020	December 31, 2019
Marketable securities	25,885	25,794
Cash and cash equivalent	173,164	143,222
Cash in balance sheet	**199,049**	**169,016**
Bank overdrafts and equivalent	-	-
Net cash position	**199,049**	**169,016**

Marketable securities mainly comprise term accounts and medium-term notes (MTN), stated at fair value (Level 2) and meeting the criteria for classification as cash equivalents.

Note 10. TOTAL EQUITY

10.1. Share capital

As at June 30, 2020, the share capital comprised 37,078,357 shares with a nominal value of 0.01 euro.

10.2. Dividends

The Shareholders' Meeting held on June 2, 2020 approved the payment of an ordinary dividend of 3.25 euros per share for the year ended December 31, 2019 payable in cash.

As an interim dividend was paid on September 27, 2019 of 55,620,195 euros, the balance of 64,872,903 euros was paid on June 10, 2020.

10.3. Share-based payments

Allocation of Free Shares (AFS)

Date of allocation (*)	Plan no.	Vesting period	Minimum lock-up period	Shares originally allocated	Share price at the date of allocation	Fair value of the share under IFRS	Expired shares	Shares allocated at the end of the vesting period	Existing shares as at June 30, 2020
23 February 2017	AGA n° 7	3 years	1 an	14,200	39 €	32 €	2,500	11,700	-
12 April 2018	AGA n° 8	3 years	1 an	9,200	55 €	44 €	800	-	8,400
25 October 2018	AGA n° 9	3 years	variable (**)	59,000	64 €	58 €	5,000	5,000	49,000
29 November 2019	AGA n° 10	3 years	variable	53,621	80 €	66 €	-	-	53,621
02 June 2020	AGA n° 11	3 years	variable	59,000	74 €	56 €	-	-	59,000

(1) *The allocation date corresponds to the date on which the Board of Directors approved these allocation plans.*

For these plans, the Board of Directors set the following acquisition conditions:

- AFS plans no.7 and no. 8:
  - 20% of shares are subject to presence at the end of the vesting period
  - 80% of shares are allocated subject to the achievement of performance criteria measured at the end of the financial year preceding the end of the vesting period. These criteria concern:
    - Increases in revenues and the order book;
    - The performance of GTT shares on the Stoxx 600 Oil & Gas index (Price);
    - The ratio of net profit to revenues.

- AFS plan no. 9:
  - the employees being present at the end of the vesting period,
  - fulfilment of performance criteria during the financial year prior to the end of the vesting period. These criteria concern:
    - Increases in revenues and the order book;
    - The performance of GTT shares compared to market indices;

- AFS Plan no. 10
  - the employees being present at the end of the vesting period,
  - fulfilment of performance criteria during the financial year prior to the end of the vesting period. These criteria concern:
    - Increase in revenues and consolidated net income,
    - The performance of GTT shares compared to market indices

- AFS Plan no. 11
    - the employees being present at the end of the vesting period,
    - fulfilment of performance criteria during the financial year prior to the end of the vesting period. These criteria concern:
        - Increase in revenues and consolidated net income,
        - The performance of GTT shares compared to market indices

Calculating the charge for the period

Pursuant to IFRS 2, an expense representative of the benefit granted to beneficiaries of these plans is recorded under “Personnel expenses” (Operating income) (Note 5.1).

For free share plans open to all beneficiariess, the unit value is based on the share price on the allocation date and takes into account the change in the beneficiary headcount.

The unit value is based on the share price when the plan is allocated, weighted by the reasonable estimation of attaining the performance criterias.

The expense is calculated by multiplying these unit values by the estimated number of shares to be allocated. It is spread over the rights vesting period following the date of the decision by the Board of Directors on each plan, and according to the probability of performance criteria fulfilment.

For the period from January 1 to June 30, 2020, an expense of 1,419 thousand euros was recognised for the free share allocation plans. It amounted to 822 thousand euros at June 30, 2019.

10.4. Treasury shares

The Group took out a new liquidity contract in December 2018 to replace that of November 10, 2014.

In accordance with IAS 32, the buyback of treasury shares is deducted from equity. Treasury shares held by the entity are not taken into account when calculating earnings per share.

As at June 30, 2020, the Group holds 8,000 treasury shares acquired under the liquidity contract. It holds 1,127 shares excluding the liquidity contract.

Note 11. EARNINGS PER SHARE

	H1 2020	H1 2019
Net income in euros	115,526,637	56,603,246
Average number of shares outstanding (excluding treasury shares)	37,064,997	37,061,663
AFS Plan no. 7	-	13,100
AFS Plan no. 8	8,400	8,400
AFS Plan no. 9	49,000	59,000
AFS Plan no. 10	53,621	
AFS Plan no. 11	59,000	-
Number of diluted shares	37,235,018	37,142,163
Basic net earnings per share in euros	**3.12**	**1.53**

Net earnings per share as at June 30, 2020 was calculated on the basis of a share capital comprising 37,064,997 shares, excluding treasury shares.

To date, the Group has allocated 59,000 free shares in addition to the previous plans still in progress, for a total of 170,021 free shares taken into account in the calculation of diluted earnings per share.

Note 12. PROVISIONS

12.1. Prov. for risks and charges

In thousands of euros	Total	Provisions for litigation	Provision for retirement compensation	Current	Non-current
Values as at 31.12.2018	**7,447**	**6,783**	**664**	**3,372**	**4,075**
Provisions	1,363	1,168	195	1,168	195
Reversal	(3,957)	(3,957)	-	(2,957)	(1,000)
Reversal – unused	-	-	-	-	-
Other variations	1,731	-	1,731	-	1,731
Transfer current – non-current	-	-	-	-	-
Values as at 31.12.2019	**6,584**	**3,994**	**2,590**	**1,583**	**5,001**
Provisions	530	285	245	110	420
Reversal	-	-	-	-	-
Reversal – unused	-	-	-	-	-
Other variations		-	(139)	-	(139)
Transfer non-current - current	-	-	-	-	-
Values as at 30.06.2020	**6,975**	**4,279**	**2,696**	**1,693**	**5,282**

Provisions at June 30, 2020 consist of:

- a provision corresponding to a risk on a construction project in the amount of 2,411 thousand euros;
- a provision for loss on completion in the amount of 1,358 thousand euros;
- provisions intended in particular to cover any risks of litigation between GTT and employees of 335 thousand euros;
- a provision of 175 thousand euros to cover the costs of return services relating to a rental contract;
- a provision for retirement benefits in the amount of 2,696 thousand euros detailed in Note 12.2.

12.2. Commitments under defined benefit plans

Provisions for retirement benefit plans are calculated as follows:

In thousands of euros	**June 30, 2020**	**December 31, 2019**
Closing balance of the value of the commitments	(4,160)	(4,090)
Closing balance of the fair value of the assets	1,464	1,500
Financial plan assets	(2,696)	(2,590)
Cost of unrecognised past services		
PROVISIONS AND (PREPAID EXPENSES)	**2,696**	**2,590**

The change in value of the commitments and of the fair value of the retirement plan assets is as follows:

In thousands of euros	**June 30, 2020**	**December 31, 2019**
Opening balance of the commitment value	(2,591)	(664)
Normal cost	(233)	(234)
Interest expense	(12)	(11)
Cost of past services	-	48
Actuarial (gains) and losses	139	(1,730)
CLOSING BALANCE OF THE VALUE OF THE COMMITMENTS	**(2,696)**	**(2,590)**

Note 13. INCOME TAX

13.1. Analysis of income tax

In thousands of euros	H1 2020	H1 2019
Current tax	(18,054)	(11,043)
Deferred tax	(229)	(1,224)
Adjustment of tax due on prior period income	(9)	
Net provisions for income tax disputes	-	
Income tax on profit	**(18,292)**	**(12,267)**
Distribution tax	-	-
Total income tax	**(18,292)**	**(12,267)**
Research tax credit	3,029	2,221
Other tax credit	-	-
TOTAL TAX EXPENSE NET OF TAX CREDITS	**(15,263)**	**(10,046)**

As at June 30, 2020, the change in tax expenses is mainly due to the increase in earnings.

13.2. Reconciliation of income tax charge

In thousands of euros	H1 2020	H1 2019
Net income	115,527	56,603
Income tax	18,292	12,267
Notional taxable income (patent regime)	**133,818**	**68,871**
Ordinary tax rate	10.00%	10.00%
Notional tax charge	**13,382**	**6,887**
Difference between parent company's standard rate / other standard rates (%)	(20)	(38)
Permanent differences for the corporate financial statements	28	59
Permanent differences for the consolidated financial statements	-	-
Non taxation of goodwill impairments	-	-
Result subject to tax at a reduced rate or not subject to tax	48	-
Tax saving/supplement on income taxed abroad	608	873
Tax credits, other reductions	-	
Flat-rate taxes, other tax supplements	554	413
Savings due to tax consolidation	11	8
Effect of changes in tax rate (incl. rate corrections)	-	910
Capping of DTA	4,018	3,349
Tax adjustment on prior period income (excluding rate corrections)	(30)	29
Reversal or use of capping of DTA	-	-
Research tax credit	(307)	(222)
TOTAL INCOME TAX EXPENSE	**18,292**	**12,267**

13.3. Taxes and fees

In accordance with the application of IFRIC 21, property tax and the social solidarity contribution are recorded in full on 1 January of their year of payment.

13.4. Deferred tax assets and liabilities

In thousands of euros	June 30, 2020	December 31, 2019
Deferred tax assets	**2,760**	**3,031**
On differences between the tax/book values of (in)tangible assets	-	-
On provisions for non-deductible risks (excluding IAS 19)	136	132
On retirement obligation	248	259
On financial lease	-	-
On other temporary difference	1,819	2,137
On losses carried forward	557	503
On financial instruments	-	-
Deferred tax liabilities	**106**	**120**
On differences between the tax/book values of (in)tangible assets	46	60
On financial lease	58	58
On other temporary difference	-	-
On financial instruments	2	2

Note 14. SEGMENT REPORTING

The Group does business in a single operational sector: the provision of services relating to the construction of liquefied gas storage and transportation facilities.

Assets and liabilities are located in France. Fees and services rendered are invoiced to companies predominantly based in Asia.

(in thousands of euros)	H1 2020	H1 2019	%
Revenues	**203,767**	**122,637**	**66.2%**
Of which vessels under construction	***197,739***	***115,715***	***70.9%***
LNG carriers/VLEC	*176,203*	*95,625*	*84.3%*
FSRU	*14,254*	*12,709*	*12.2%*
FLNG	*2,530*	*2,546*	*-0.6%*
Onshore storage		*1,355*	*-100.0%*
GBS	*1,020*	*-*	
Barges		*349*	*-100.0%*
Vessels fuelled by LNG	*3,733*	*3,131*	*ns*
From services	***6,027***	***6,922***	***-12.9%***
Vessels in operation	*4,169*	*5,752*	*-27.5%*
Accreditation	*1,317*	*708*	*86.0%*
Studies	*322*	*179*	*79.9%*
Training	*148*	*262*	*-43.4%*
Other	*71*	*21*	*239.1%*

- Information on geographical areas

Almost all customers are located in Asia. It is currently not considered relevant to make a distinction between countries in the region.

Assets and liabilities are located in France.

Note 15. RELATED-PARTY TRANSACTIONS

15.1. Transactions with shareholders

The GTT financial statements are consolidated according to the full consolidation method in the consolidated financial statements prepared by ENGIE.

Transactions with shareholder companies are detailed below:

ENGIE

In thousands of euros	June 30, 2020	December 31, 2019
Suppliers	147	123
Customers	-	-

In thousands of euros	June 30, 2020	June 30, 2019
Studies (Income)	-	-
Personnel expenses (income)	-	-
Supplies and maintenance (expenses)	55	509
Seconded personnel (Expenses)	-	29
Outsourced tests and studies (Expenses)	59	92
Electricity supply (Expenses)	69	119
Equipment rental (Expenses)	15	-
Patents (expenses)	-	-
Training costs (expenses)	-	-

15.2. Compensation of executive Directors

In thousands of euros	H1 2020	H1 2019
Wages and bonuses	474	398
Expenses for payments in shares (IFRS 2)	512	276
Other long-term benefits	80	66
Total	**1,066**	**740**

Note 16. Off-balance sheet commitments

The Group has agreements for credit lines totalling 50 million euros contracted in 2016 with three banking institutions.

STATUTORY AUDITORS' REPORT ON THE HALF-YEAR FINANCIAL INFORMATION

To the Shareholders,

In compliance with the assignment entrusted to us by your Annual General Meetings and in accordance with the requirements of Article L. 451-1-2 III of the French Monetary and Financial Code (*Code monétaire et financier*), we hereby report to you on:

- the review of the accompanying condensed half-yearly consolidated financial statements of GTT, for the period from January 1 to June 30, 2020;
- the verification of the information presented in the half-yearly management report.

These condensed half-yearly consolidated financial statements were prepared under the responsibility of the Board of Directors on July 29, 2020 on the basis of the information available at that date in the evolving context of the crisis related to Covid-19 and of difficulties in assessing its impact and future prospects. Our role is to express a conclusion on these financial statements based on our review.

1. Conclusion on the financial statements

We conducted our review in accordance with professional standards applicable in France. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with professional standards applicable in France and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed half-yearly consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34 – standard of the IFRSs as adopted by the European Union applicable to interim financial information.

2. Specific verification

We have also verified the information presented in the half-yearly management report on the condensed half-yearly consolidated financial statements subject of our review prepared on July 29.

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

Paris and Paris-La Défense, July 29, 2020

The Statutory Auditors
French original signed by

CAILLIAU DEDOUIT ET ASSOCIES	ERNST & YOUNG Audit
Rémi Savournin	Aymeric de La Morandière