REGISTRATION DOCUMENT

2018

INCLUDING ANNUAL FINANCIAL REPORT

GTT
Expert in LNG

CONTENTS

Annual Financial Report items are clearly identifi ed in this summary with the aid of the AFR pictogram AFR

PROFILE

GTT is an engineering group specialised in membrane containment systems dedicated to the transport and storage of liquefied gas. For more than 50 years, GTT has been developing solutions for the liquefied gas industry, in particular for Liquefied Natural Gas (LNG), and builds trusting relationships and lasting partnerships with all its stakeholders: shipyards, ship-owners, gas companies, terminal operators and classification societies.

Thanks to the know-how of its experienced team of engineers and its continuing efforts in research and development, the Group designs and markets technologies which combine operational efficiency and safety to equip LNG carriers, LNG floating platforms and multi-gas transport vessels.

It also offers solutions for using LNG as fuel for vessel propulsion and for onshore storage tanks, as well as a wide range of services: engineering, support in emergency situations, consultancy, training, maintenance support and production of technical studies.

ASSETS

CORE BUSINESS

- UNIQUE POSITIONING IN ITS CORE BUSINESS
- SOLID ECONOMIC FUNDAMENTALS
- CAPACITY FOR INNOVATION AND UNIQUE KNOW-HOW
- POTENTIAL FOR GROWTH IN ADJACENT FIELDS
- SUSTAINABLE DEVELOPMENT

FINANCE

- HIGH PROFITABILITY
- A STRONG BALANCE SHEET
- HIGH DIVIDEND

246
MILLION EUROS REVENUES IN 2018

97
ORDERS IN PROGRESS [(1)] AS AT DECEMBER 31, 2018

349
EMPLOYEES AT THE END OF DECEMBER 2018

(1) Excluding LNG fuel.

AUTORITÉ DES MARCHÉS FINANCIERS
AMF

This Registration Document was registered with the *Autorité des Marchés Financiers* (AMF) on April 30, 2019, in accordance with Article 212-13 of its General Regulation. It can be used in connection with a financial transaction if supplemented by an information notice authorised by the AMF. This document was drawn up by the issuer and its signatories are liable for its contents.

Copies of this Registration Document are available, free of charge, from the registered office of GTT, 1 route de Versailles – 78470 Saint-Rémy-lès-Chevreuse, and on the website of the Company (www.gtt.fr) and that of the *Autorité des Marchés Financiers* (www. amf-france.org).

INTERVIEW
WITH THE CHAIRMAN
PHILIPPE BERTEROTTIÈRE

GTT HAD A VERY SUCCESSFUL YEAR IN 2018: WHAT ARE THE HIGHLIGHTS FOR YOU?

With 50 orders for LNG carriers and FSRUs, 2018 stands out as the best year of the decade for our core business, thus confirming our vision of market needs. The strong growth in LNG demand throughout the past two years, in particular in Asia, shows the current ongoing dynamics of the LNG market.

WHAT DOES THIS INTENSIVE COMMERCIAL ACTIVITY MEAN FOR GTT?

The inflow of orders, in 2018 and the beginning of 2019, is obliging us to adjust the way we are organised and to recruit engineers in order to prepare plans for vessels undergoing shipyard construction. It's an activity that we are very used to, having already done it before. In this context, I should note that one quarter of our recruits in 2018 were women. In a sector that has traditionally been dominated by men, gender parity is a particularly important topic for us and was the subject of a company agreement in 2018.

Let's not forget that for us, the LNG market goes beyond equipping LNG carriers or indeed LNG as a form of propulsion for merchant vessels. We also expect to expand in other areas, such as GBS (Gravity Based Systems) placed on the sea bed, onshore storage tanks and vessels transporting other liquid gases such as ethane. We will also continue to develop our service offering, particularly in the field of Smart Shipping. Our services business is particularly important as it forms the link with ship-owners — our final customers — and helps us to develop our new LNG fuel business.

"With 50 orders for LNG carriers and FSRUs, 2018 stands out as the best year of the decade for our core business, thus confirming our vision of market needs".

ARE YOU SATISFIED WITH THE DEVELOPMENT OF YOUR LNG AS FUEL BUSINESS?

In terms of the market of LNG as fuel, we have achieved further successes, which once again confirmed our ability to meet the needs of ship-owners in this area. With the recent announcement of an order to equip a Hapag Lloyd container vessel converted to LNG, we are now active in all the main segments of this promising market. Less than a year away from the Global Sulphur Cap, and in an increasingly stringent regulatory environment, especially in the main trading ports, the interest of ship-owners for our LNG propulsion solutions is becoming clear.

In conjunction with our partners, we are continuing our efforts to become a long-term player in this new ecosystem. I wish to reiterate that, beyond the benefits for GTT, the adoption of LNG as a fuel for merchant vessels is a major step forward for the planet in terms of reducing polluting emissions.

Innovation and intellectual property are core concerns for us in relation to both our principal activities and our new activities. We are continuing to prepare for the future by developing new variants of our flagship technologies, NO96 Flex, for example, or by creating new ones, such as LNG Brick®. The Group anticipates, for 2019, an increase of around 25% of its R&D expenses.

Our R&D efforts are essential for maintaining our commercial momentum. Our key focus is on remaining at the cutting edge of technology so that we can meet our customers' needs as precisely as possible.

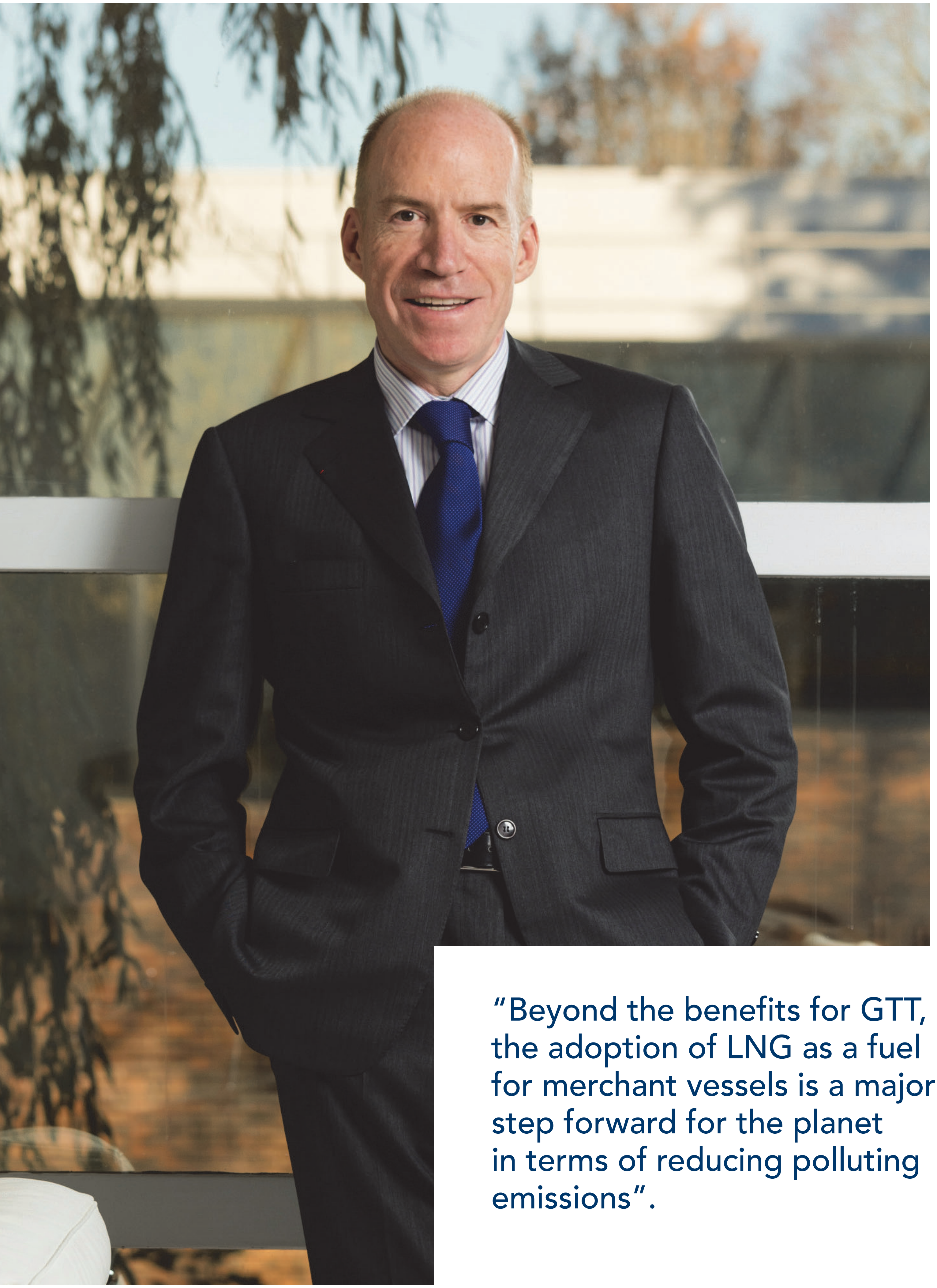
WHAT ARE YOUR FEELINGS ABOUT 2019?

The rate of orders at the beginning of 2019 remains high and the prospects for LNG demand are still very favourable. Decisions about investing in new liquefaction trains will have to be taken soon. Market dynamics are therefore very positive.

In terms of our prospects for the current year, given the current healthy order book and the Group's preparations for the future, we believe that the 2019 consolidated revenues should be within a range of €255-270 million euros, consolidated EBITDA within a range of €150-160 million, and we are maintaining our commitment, for the 2019 and 2020 financial years, to pay out dividends of at least 80% of our net income.

SO YOUR LONG-TERM STRATEGY IS UNCHANGED?

Of course. Our long-term vision is focussed above all on our customers and partners. We are guided by our desire to anticipate the market's requirements as far as possible. Our business is focussed on the long term. Developing a new technology takes us several years and is always carried out in partnership with our customers, the shipyards and other players in the industry.



"Beyond the benefits for GTT, the adoption of LNG as a fuel for merchant vessels is a major step forward for the planet in terms of reducing polluting emissions".

KEY FIGURES 2018

€246M

CONSOLIDATED REVENUES IN 2018

97

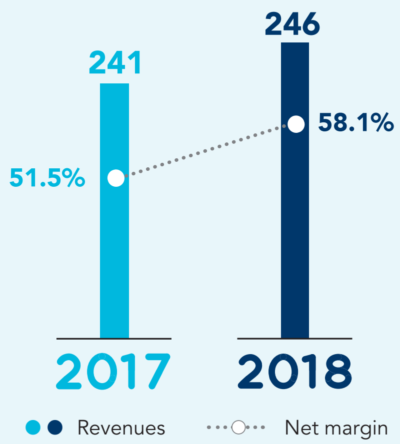
CURRENT ORDERS [1]
AS AT DECEMBER 31, 2018

349

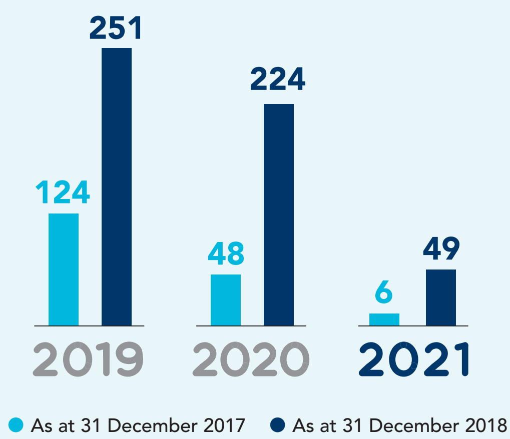
EMPLOYEES
AT END DECEMBER 2018

(1) Excluding LNG fuel.

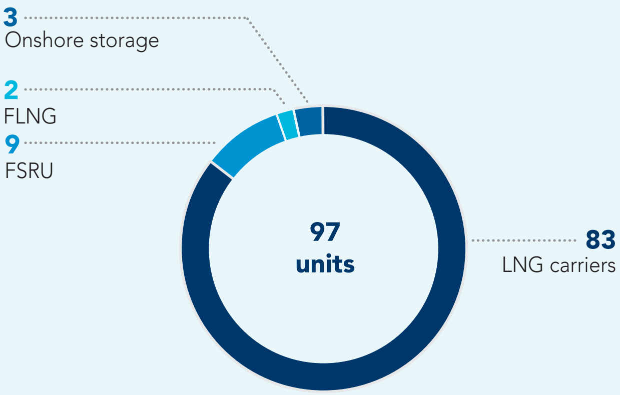
CONSOLIDATED REVENUES (in millions of euros)
AND NET MARGIN (in %)



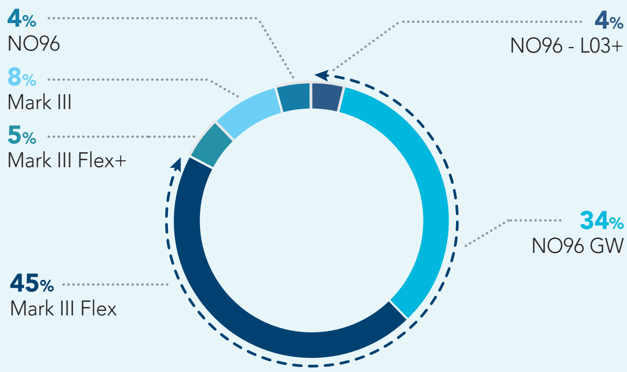
ORDER BOOK IN VALUE (in millions of euros)



ORDER BOOK AT DECEMBER 31, 2018 (in units)



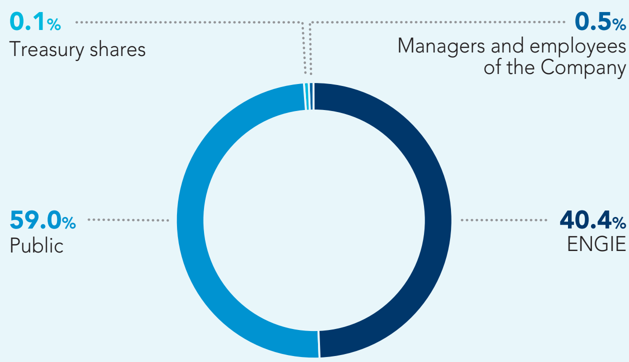
ORDER BOOK BY TECHNOLOGY AT DECEMBER 31, 2018 (in %)



Recently developed technologies represent 88% of the order book.

DELIVERY SCHEDULE BASED ON THE ORDER BOOK (in units)

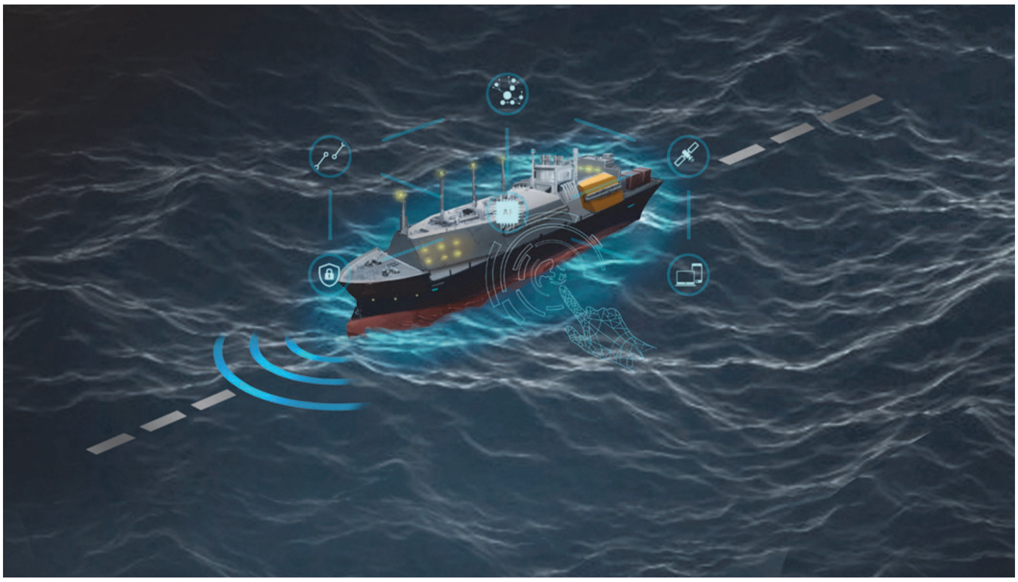
SHAREHOLDERS' STRUCTURE AS AT MARCH 31, 2019 (in %)

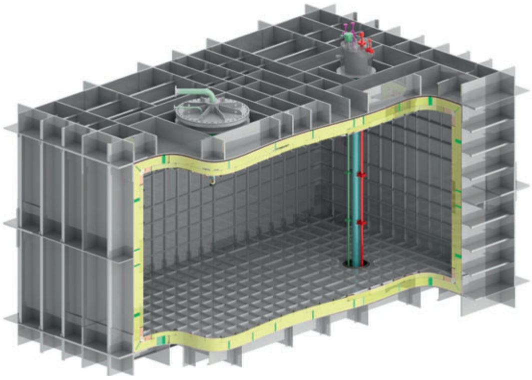


2018
HIGHLIGHTS

JANUARY 2018

Finalisation of acquisition of 75% of shares in ASCENZ (Singapore) specialised in Smart Shipping.





MARCH 2018

End of the test phase for LNG Brick®, a new technology destined for the LNG Fuel market for capacities between 1,000 and 3,000 m³.

APRIL 2018

Signature of a Technical Assistance and License Agreement (TALA) with the Sembcorp Marine company based in Singapore, for the design and construction of FSRUs, medium capacity LNG carriers and underwater platforms using GTT membrane containment systems.

JUNE 2018

Preliminary design engineering studies for two types of Gravity Based Structure (GBS) terminals. These structures are built around a concrete or steel chamber, and membrane containment tanks designed by GTT. They lie on the sea bed and can be installed in a harbour or in an isolated zone, without requiring any additional infrastructure.

JULY 2018

Order from the Vard shipyard to build LNG tanks for the Commandant Charcot, the first LNG powered cruiser icebreaker.

SEPTEMBER 2018

- Signature of a Technical Assistance and License Agreement (TALA) with the Keppel Offshore & Marine company to equip LNG carriers, bunker vessels, vessels fuelled by LNG as well as FSRUs (Floating Storage Regasification Units).
- Signature of a Technical Assistance and License Agreement (TALA) with the South Korean shipyard Hyundai Mipo Dockyard to equip gas vessels, especially small and medium capacities, as well as LNG tanks dedicated to powering vessels.
- Approval in principle by the Bureau Veritas classification society for development of NO96 Flex, a new containment system that reduces the boil off rate to 0.07% per day, i.e. an equivalent level to the most effective GTT technologies.

OCTOBER 2018

- Cooperation agreement between GTT and the Korean company Dongsung Finetec, specialised in thermal insulation, for commercialisation of the LNG Brick® solution developed by GTT.
- GTT was awarded a prize for its CSR performance by GAIA Rating, a body specialised in the non-financial rating of listed SMEs and Mid-Caps. Gaïa has also created an ESG index bringing together 70 of the companies with the highest ratings, one of which is GTT.
- GTT obtained certification of its anti-corruption management system by the Ethic Intelligence company, based on the requirements stipulated in the ISO 37001 standard.

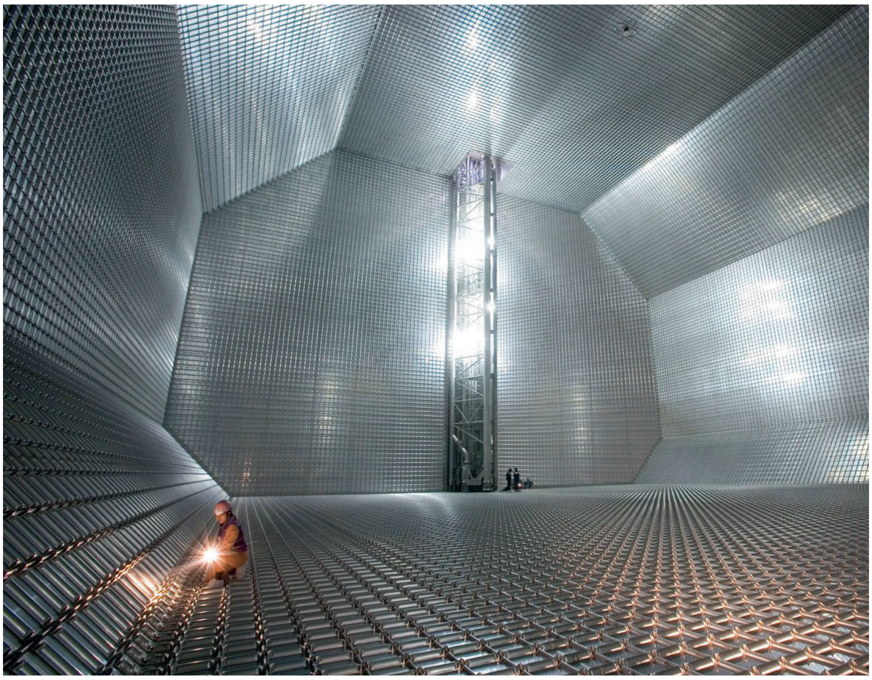
DECEMBER 2018

Notification for design of the tanks for new LNG carriers, bringing the number of vessels ordered in 2018 to 50.

APPLICATIONS & SERVICES

ADVANCED TECHNOLOGIES

The GTT Group is a key player in the field of liquefied gas and, in particular, Liquefied Natural Gas (LNG). It offers established, secure and efficient technologies for the containment of liquefied gas at low temperatures or in cryogenic conditions during shipping, onshore and offshore storage.



GTT originally created its "membrane" technologies to cut the cost of LNG maritime transportation by loading it, in bulk, into the vessel's holds.

These holds have to be equipped with cryogenic coatings known as membranes to contain the LNG at a temperature of -163°C and sealed with a totally impermeable layer between the liquid cargo and the vessel's hull, while also limiting loss through evaporation (boil-off).

With Mark and NO, GTT has two major cargo membrane containment systems that have many advantages over its main competitors:

- optimisation of the cargo volume carried, by fitting perfectly into the vessel's hull;
- reduced vessel construction and operating costs;
- better energy efficiency; and
- better vessel seaworthiness.

GTT's technologies are approved by international classification societies, and they are recognised and recommended by major gas production companies worldwide and enjoy unparalleled level of feedback from actual use at sea. These technologies are also continually being optimised to meet the requirements of ship-owners and shipyards, while also complying with regulatory changes affecting the sector.

The Group is recognised for its unique expertise, and builds trusting relationships with all of the players in the maritime and gas sector: shipyards, ship-owners, gas companies, terminal operators, installers of insulation systems, repair sub-contractors and classification societies. Shipyards and industrial companies access GTT technologies via license contracts. Teams of the licensed partners are then trained by GTT in the principles of membrane installation. This procedure has made it possible to equip more than 400 LNG vessels (LNG carriers, FSRUs and FLNGs) worldwide.

A WIDE RANGE OF APPLICATIONS

LNG TRANSPORT – GTT'S CORE BUSINESS

With more than 50 years expertise and feedback, GTT is a leading player when it comes to LNG transport and membrane technologies.

At the end of 2018, the Group had an order book of 83 LNG carriers, 48 of which were new orders received during the year.

SOLUTIONS FOR OFFSHORE STORAGE

GTT's sustained research and development efforts have led to it designing new solutions for the LNG offshore industry, especially for LNG Floating Storage & Regasification Units (FSRU) and Floating Liquefied Natural Gas vessels (FLNG).

30 FSRUs are currently in operation around the world. The new LNG importer countries continue to favour these regasification vessels as an economical alternative to onshore storage. It is also a rapid and flexible solution. All units currently under construction will be equipped with GTT technologies.

The GTT Group participated in the Prelude FLNG project, delivered in 2017. It is the largest floating LNG unit in the world, equipped with 10 Mark III tanks. At the end of 2018, the Group had an order book comprising 9 FSRUs and two FLNGs, of which 2 new orders received during the year (2 FSRUs and 2 FLNG).

SOLUTIONS FOR ONSHORE STORAGE

GTT is developing membrane solutions for onshore storage tanks using its GST™ technology which provides a high level of operating vefficiency. Nineteen EPC contractors are currently licensed to deploy this technology.

GTT has received an order from the European Organization for Nuclear Research (CERN) to design a 12,500 m3 onshore storage containment system to hold liquid argon for experimental purposes on behalf of the scientific consortium LBNO-DEMO [1].

MULTI-GAS TRANSPORT

GTT also meets the needs for the transport and storage of liquid gases other than LNG, such as ethane, ethylene, propane, butane and propylene, which have different characteristics in terms of density and temperature.

Six large-capacity LNG carriers in service are using technologies developed by GTT, thus demonstrating the viability of its containment systems for transporting different liquefied gases. The Group is also continuing to market its GTT MARS™ technology.

This is designed specifically for the transportation of LPG, which has a different temperature and density than LNG. It is based on the characteristics of the proven Mark III membrane technology, but has been adapted and simplified in order to meet the specific requirements of LPG.

(1) LBNO-DEMO: a consortium including CERN (European Organisation for Nuclear Research) and ETH Zurich (Swiss Federal Institute of Technology in Zurich).

A NEW FIELD OF APPLICATION: THE USE OF LNG AS SHIPPING FUEL

With the emergence of LNG as a fuel, GTT is adapting its technologies to meet the needs of ship-owners requiring LNG propulsion systems. To facilitate this energy transition, the Group is also developing solutions dedicated to the entire logistics chain and bunkering operations.

The applications for using LNG as fuel are varied. In addition to proposing its technologies to equip commercial vessel tanks (cargo and passenger), GTT offers solutions for each link in the logistic chain:

- small and medium-capacity LNG carriers used as refuelling vessels and suitable for inland waterways and coastal zones;
- bunker barges used to bunker vessels in proximity to ports and coasts, to reduce LNG transfer time from vessel to vessel;
- floating storage structures and bunkering stations placed on the seabed (Gravity Based Structure).

In February 2018, GTT received an order from Hudong-Zhonghua to equip a bunker vessel, with a capacity of 18,600 m^3, on behalf of the ship-owner Mitsui OSK Lines Ltd. and Total Marine Fuels Global Solutions. It will be positioned in Northern Europe, and will be used, in particular, to supply LNG to CMA CGM's future container vessels.

In July 2018, GTT recorded an order from Vard to build LNG tanks for the PONANT Icebreaker, the first LNG-powered cruiser icebreaker.

This vessel will be used for polar expeditions lasting between two weeks and one month. With its two Mark III technology fuel tanks that have a total capacity of 4,500 m^3, this vessel will be able to make all of its journeys powered by LNG. This order is an important milestone in the development of LNG as a shipping fuel.

A RANGE OF COMPLEMENTARY SERVICES

GTT and its subsidiaries assist their customers and partners, and more generally the LNG industry, throughout the life cycle of a project. The Group is present during the construction, operation and maintenance phases to guarantee safety, quality, performance and operational flexibility.

CONSULTANCY SERVICES

GTT offers consultancy services to help ship-owners make the best decisions in advance of their projects. To support the growth of LNG as a shipping fuel, in 2018 GTT advised several partners and customers on subjects such as gas system design, managing bunkering operations, optimising the positioning and design of tanks in order to limit the impact on cargo, etc. This advice could lead to engineering studies.

ENGINEERING STUDIES

GTT carries out studies into highly specific, technical issues both in the pre-project phase and for vessels or units in service.

They consist of making changes to the characteristics of a vessel in operation, e.g. to convert from an LNG carrier to an FSRU, to install a requalification unit on an LNG carrier, etc.

GTT also provides studies relating to operations at sea, aiming to deliver operational flexibility, for example to estimate the quantity of gas generated during a transfer between two vessels, or to assess the risk represented by sloshing of LNG in tanks in conditions not foreseen in the vessel's design.

OPERATIONS SUPPORT

Assistance with carrying out operations

To facilitate the development of LNG as a fuel, GTT offers assistance in carrying out initial LNG operations (gas trials, first bunkering operations, etc). For example, in 2018, GTT performed gas trials for the LNG bunker barge, Clean Jacksonville, and provided technical assistance for initial bunkering operations.

Training services

GTT Training, a Group subsidiary, capitalises on its extremely wide-ranging expertise in issues relating to LNG, to offer the LNG industry a catalogue of training courses adapted both to parties interested in LNG as a shipping fuel, and for companies involved in the maritime transportation of LNG. GTT Training also offers G-Sim, an LNG and liquefied gas operations simulator. It is used for training officers of both LNG-propelled vessels and LNG carriers.

On-board services

Ascenz became a GTT Group subsidiary following its acquisition at the beginning of 2018. Based in Singapore, Ascenz is GTT's digital subsidiary and offers the shipping industry solutions for monitoring and improving the energy efficiency of vessels. The company also offers solutions for improving the transparency and reliability of vessel bunkering operations.

Emergency response service

GTT provides a telephone hotline service for assistance in emergency situations called HEARS® (Hotline Emergency Assistance & Response Service). The service provides operators and their crews with advice and assistance from Group specialists 24/7.

MAINTENANCE SERVICES

The Group provides technical support for the inspection, maintenance and repair of membrane vessels. GTT has selected a network of approved shipyards to perform maintenance operations in optimum conditions. The Group also provides an on-site maintenance service for fixed units such as FLNGs and certain FSRUs.

Furthermore, Cryovision®, a subsidiary of the Group, provides the following membrane test services:

- TAMI™ (Thermal Assessment of Membrane Integrity) makes it possible to test the integrity of secondary membranes, while maintaining continuity of operations, since the tests can be performed during navigation while the tanks are full. Cryovision has tested more than 400 tanks using this method since 2012;
- MOON® (MOtorizedBalloON) is a drone-like tool allowing quick and easy deployment of standard inspection methods for the primary membrane of tanks;
- TIBIA (Tank Inspection By Integrated Arm) is a tool developed by GTT to carry out maintenance tasks on the primary membrane of GTT technologies on board FLNGs and FSRUs. TIBIA facilitates access to areas which are difficult to access, thereby generating a time-saving during maintenance.

GOVERNANCE

BOARD OF DIRECTORS

PHILIPPE BERTEROTTIÈRE
Chairman and Chief Executive Officer

BENOÎT MIGNARD
Non-voting Director

ANA BUSTO
Director

DIDIER HOLLEAUX
Director

CHRISTIAN GERMA
Independent Director

COMPOSITION
OF THE BOARD OF DIRECTORS

CÉCILE PRÉVIEU
Director

BRUNO CHABAS
Independent Director

ANDREW JAMIESON
Independent Director

MICHÈLE AZALBERT
Director

FRANÇOISE LEROY
Independent Director

PROFILE
OF THE BOARD OF DIRECTORS

44% WOMEN ON THE BOARD OF DIRECTORS

44% INDEPENDANT DIRECTORS

56 YEARS OLD AVERAGE AGE

9 DIRECTORS

7 MEETINGS IN 2018

The composition of the Board of Directors takes into account AFEP-MEDEF criteria (independence, gender balance).
The biographies of the directors are available in chapter 6 of this Registration Document.

EXECUTIVE TEAM AT MARCH 31, 2019

From left to right:
DAVID COLSON* Commercial Director, **KARIM CHAPOT*** Director,
FRÉDÉRIQUE COEUILLE* Innovation Director, **MARC HAESTIER*** Chief Financial Officer,
PHILIPPE BERTEROTTIÈRE* Chairman and Chief Executive Officer, **ISABELLE DELATTRE*** Human Resources Director,
LÉLIA GHILINI* General counsel, **JULIEN BEC** LNG FuelDirector.

* *Member of the Executive Committee.*

2 SPECIAL COMMITTEES

AUDIT AND RISK MANAGEMENT COMMITTEE

Since its creation at the time of the initial public offering in 2014, the members of this committee have been selected for their expertise in finance and accounting.

The three members of the Audit and Risk Management Committee, including the Chairman, have the task of reviewing the financial statements and monitoring issues related to risk management.

Committee Chairman: **CHRISTIAN GERMA**

Composition : **FRANÇOISE LEROY, CHRISTIAN GERMA** and **DIDIER HOLLEAUX**

COMPENSATION AND NOMINATIONS COMMITTEE

This committee was also created at the time of the initial public offering in 2014.

Consisting of five members, including its Chairman, the committee is responsible for assisting the Board of Directors in selecting the members of the Board, of the Board's committees and of General Management and for making recommendations on compensation issues to the Board of Directors.

Committee Chairman: **BRUNO CHABAS**

Composition : **FRANÇOISE LEROY, CHRISTIAN GERMA, BRUNO CHABAS, DIDIER HOLLEAUX** and **ANDREW JAMIESON**

1

THE GTT GROUP

Annual Financial Report items are clearly identifi ed in this summary with the aid of the AFR pictogram AFR

1.1 PRESENTATION OF GTT

1.1.1 GROUP OVERVIEW

Profile

The Group operates in the market for cryogenic or very low temperature containment systems, used for the transportation by ship and the storage at sea or onshore of liquefied gases, and in particular LNG. It was created in 1994 through the merger of Gaztransport and Technigaz, which together combined more than 50 years experience in cryogenic containment systems.

The containment systems designed by the Group draw on its membrane technologies: Mark, NO, GTT MARS™ and GST™. These systems offer safe and reliable transport and storage of bulk LNG. They use thinner, lighter materials than the main competing containment systems, optimising the LNG storage capacity and reducing construction and operational costs of vessels and tanks. GTT's membrane containment systems are mainly used by shipyards, ship-owners, gas companies, and terminal operators.

The Group has licensed its membrane technology to leading shipyards worldwide, including Samsung Heavy Industries, Hyundai Heavy Industries, Daewoo Shipbuilding & Marine Engineering and Hudong Zonghua. These shipyards use the Group's technologies for the construction of vessels for the transport or storage of LNG and other types of gas. The purchasers of vessels equipped with the Group's technology are major gas companies, such as Qatargas, Shell, BP, Total, ENGIE, Chevron, Eni and Petronas, and ship-owners, such as GasLog, Golar LNG and Maran Gas Maritime, which place orders for vessels based on the requirements of the major gas companies.

The Group also provides engineering services, consultancy, training, maintenance support and technical studies at all stages of the LNG chain. Furthermore, the Group has adapted its technologies to cover new LNG markets, in particular the use of LNG as fuel for vessel propulsion), and the development of small and medium-sized maritime and inland waterway LNG carriers.

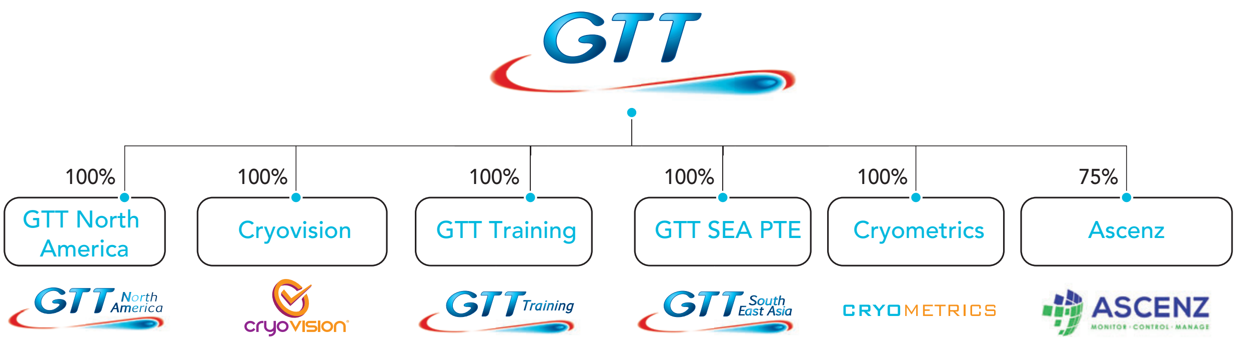
The Group created five subsidiaries between 2012 and 2015:

- Cryovision, based in Paris (France), which offers innovative services to ship-owners and terminal operators;
- GTT North America, based in Houston (United States of America), which enables it to access the rapidly-growing LNG sector in North America (particularly the bunkering market);
- GTT Training Ltd, based in London (United Kingdom), which develops the training business intended to train gas officers operating on LNG carriers, as well as simulation tools related to this activity;
- GTT SEA PTE Ltd, based in Singapore, responsible for commercial development in Asia; and
- Cryometrics, based in Paris (France), intended to market tools related to the operational performance of carriers of LNG and other liquefied gases, as well as ships fuelled by LNG.

Ascenz in Singapore is added to this, following acquisition of a 75% shareholding in this company in January 2018.

Group organisation chart

The simplified organisation chart presented below shows the Group's situation at the date of registration of this Registration Document.

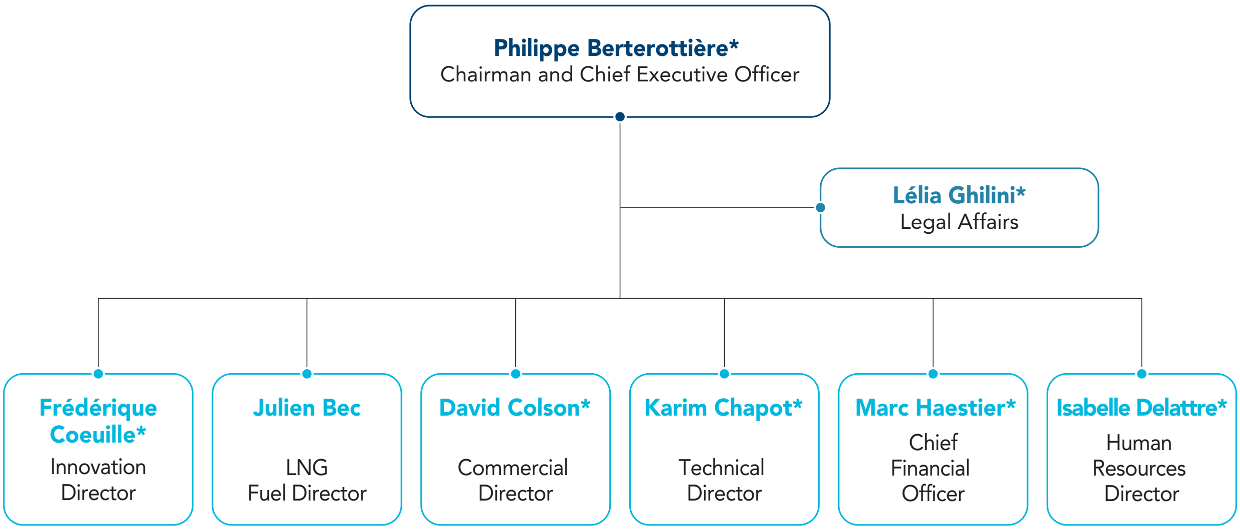


On the date of filing of this Registration Document, the Company held all of the share capital and voting rights of its subsidiaries, with the exception of Ascenz, for which it holds 75%.

Group organisation

GTT's senior management team is highly experienced in the containment system industry.

The Group's organisation chart at December 31, 2018 is shown below:



** Member of the Executive Committee.*

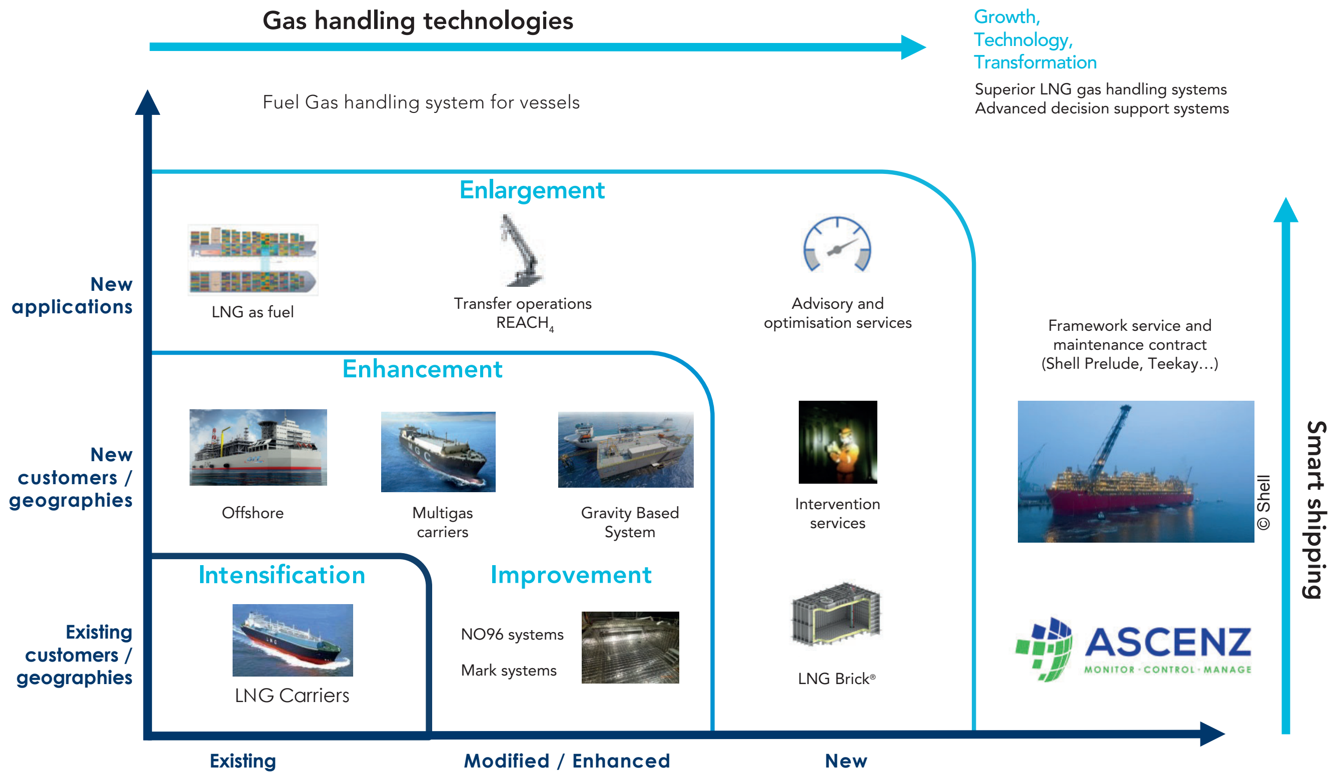
Biographies of the members of the Executive Committee

- Philippe Berterottière, Chairman and Chief Executive Officer, joined GTT in 2009. He has more than 35 years of experience in advanced technology sectors. He previously held a number of management positions within companies in the aerospace sector: with Airbus as a contract negotiator, then Business Development Director, with Matra as Sales Director within the defence division, and with Arianespace, where he held several sales positions before becoming Commercial Director and a member of the Executive Committee. He is a graduate of the HEC (Hautes Études Commerciales) business school and of the IEP (Institut d'Études Politiques).
- Isabelle Delattre, Human Resources Director, joined GTT in 2016. She has 28 years of experience, primarily in the engineering sector. She began her career with several HR positions at Groupe Promodès. She then created the HR Southern Europe position at ADP GSI before moving to Groupe AKKA Technologies. She holds a degree from the Institut Supérieur du Commerce.
- Lélia Ghilini, General counsel, joined GTT after two years of experience at the Ministry of Economy and Finance as a technical advisor (European Affairs). Admitted to the bars of Paris and New York, she had previously worked for nearly 10 years in mergers & acquisitions in several prominent law firms. Lélia holds a DESS in business law and a legal consultant's degree in business (DJCE) from the University Paris II (Panthéon-Assas). She also holds an LLM from New York University.
- Frédérique Coeuille, Innovation Director, joined GTT in early 2014 as the manager of the Materials, R&D and suppliers department within the innovation department. She has 22 years experience in engineering and construction in the Oil and Gas industry. She previously occupied several positions in research and development, then in project engineering before joining the SAIPEM group, where she carried out duties in project management, expert appraisal and as department manager until 2013. She holds a PhD in Physics from the École Nationale Supérieure des Mines de Paris.
- Marc Haestier, Chief Financial Officer, joined GTT in early 2017. He began his career holding several financial positions at the paper group Arjo Wiggins in Belgium and UK, from 1985 to 1997. He then joined the Alstom group in Paris in 1997 as Finance and Treasury Director. He moved to Gaz de France in 2004 as Deputy Chief Financial Officer. He became Chief Financial Officer and Support Functions Director of the ENGIE group's Infrastructure Business Line in 2010. He holds a degree in Applied Economic Sciences and an MBA from the University of Louvain.
- David Colson, Commercial Director, joined GTT in 2004 and has nearly 30 years of experience, gained primarily in the automotive industry and then with GTT. During his career with GTT, he was a shipyard project manager until 2008 and head of the business development department until 2010, when he was appointed Commercial Director. Previously, he held several positions at APV, ACOME and Valeo Filtration Systems. He graduated in mechanical engineering and business administration from the University of Birmingham (Bachelor of Engineering and Bachelor of Commerce).
- Karim Chapot, Technical Director, joined GTT as an engineer in 1999 and has worked in the maritime transportation industry for 22 years. In 2002, he became head of structural calculations and was then promoted to Development Director in 2007. Previously, he held various positions at the Cherbourg and Le Havre shipyards. He graduated in naval and offshore architecture from ENSTA Bretagne (École Nationale Supérieure de Techniques Avancées Bretagne) and completed the Executive MBA program at HEC (Hautes Études Commerciales).

History of the Group

- 1963: Gazocean (shipowner owned by Gaz de France and NYK Line) creates Technigaz.
- 1965: Gaztransport is founded by Worms (51%), Forges et Chantiers de la Méditerranée (24%), Ateliers et Chantiers de Dunkerque et Bordeaux (15%) and Gaz de France (10%).
- 1994:
  - GTT is created after the merger of Gaztransport and some Technigaz shipping businesses;
  - change in the shareholding structure: Gaz de France (40%), Total (30%), Bouygues Offshore (30%).
- 2011: Launch of the Mark III Flex technology, an improved version of existing Technigaz technology.
- 2012:
  - launch of NO96 Evolution, developed from the historical Gaztransport technology;
  - creation of Cryovision, a subsidiary specialising in innovative services to ship-owners and terminal operators.
- 2013:
  - creation of the GTT North America subsidiary (based in Houston) in order to be part of the rapid growth of the LNG sector in North America (particularly that of bunkering);
  - set up of the "HEARS" hotline (emergency intervention telephone service).
- 2014:
  - GTT initial public offering on Euronext Paris compartment A in February;
  - creation of GTT Training Ltd in the United Kingdom, a subsidiary specialising in training intended for gas officers operating on LNG carriers, as well as simulation tools related to this activity;
  - GTT receives ten orders for ice-breaking LNG carriers;
  - first order for the construction of six VLECs (Very Large Ethane Carriers), "multi-gas" vessels designed to transport ethane, but also several other types of gas in liquid form, such as propane, butane and propylene;
  - launch of SloShield™, a system for real-time monitoring of sloshing in tanks, which provides control of the effects of sloshing in LNG carriers' tanks.
- 2015:
  - Conrad Industries is the Group's first licensed shipyard in the United States since the 1970s;
  - an order for an LNG bunker barge, the first of its kind in the North American offshore market;
  - creation of GTT SEA PTE, a commercial development subsidiary based in Singapore.
- 2016:
  - delivery of the first Floating Liquefied Natural Gas vessel (FLNG) and the first multi-gas vessel for the transport of ethane.
- 2017:
  - delivery of the largest floating unit, the FLNG Prelude;
  - arrival on the LNG as fuel market with a first order by CMA CGM for nine giant container vessels;
  - opening of an office in Shanghai.
- 2018:
  - acquisition of 75% of Ascenz Singapore's shares;
  - Order of first LNG powered cruiser icebreaker.

1.1.2 THE GROUP'S STRATEGY



© GTT

Consolidating the Group's position in the LNG and other liquefied gases industry through innovation. The Group places tremendous emphasis on innovation in order to adapt to the needs of shipyards, shipowners and terminal operators at every key stage in the chain relating to liquefied gases and in particular LNG. In addition, GTT maintains close relations with the main classification societies and the main worldwide gas companies so that they support and recommend its membrane containment systems. This emphasis on innovation, which will result in a 25% increase in research and development expenditure in 2019, enables substantial renewal of its portfolio of patents, and helps it to maintain its position in the LNG shipbuilding industry.

Capitalising on the expected strong growth of LNG as fuel (bunkering), of small- and medium-size carriers and of storage. GTT believes that it is in an ideal position to strengthen its presence in LNG as fuel market, especially with the equipment of large vessels. In this respect, the first order from CMA CGM to equip nine giant container vessels represents a major step forward. GTT's membrane technology offers efficiency, safety and cost reductions which are significantly better than those of competing technologies.

Expanding the service offering. GTT assists its customers and partners, and more generally the LNG industry, throughout the life cycle of a project, during the construction, operation and maintenance phases.

During the preparation for a planned build, the Group assists shipyards and ship-owners with tank optimisation or tailored studies, as well as providing detailed engineering services, based on the main characteristics, hardware specifications and project approvals.

For the operations phase, GTT provides training for users of its products and technologies, as well as on-board services and monitoring software such as SloShield™ to manage sloshing and LNG Advisor™ to manage the boil-off rate, and a telephone hotline providing support for emergency operations (HEARS).

In the area of maintenance operations, the Group has focused in particular on developing innovative tools and services, such as leak tests (with the TAMI™ thermal camera, and MOON the motorised balloon).

Furthermore, the Group is also seeking to expand its range of services through targeted acquisitions. The acquisition of Ascenz, finalised in January 2018, enables GTT to expand its operations in complementary fields, such as Smart Shipping.

1.1.3 THE IMPORTANCE OF INNOVATION AND R&D

Objectives

GTT's research and innovation activities aim to strengthen the position of the Group as a leading technology provider for the LNG chain.

Accordingly, its innovation policy pursues three main objectives:

- to remain receptive to the expectations and needs of LNG chain participants and develop innovative technological solutions by enhancing the performance and value in use of the technologies provided by the Group;
- to put the Group in a position of excellence in terms of expertise on key themes such as mechanical characteristics and insulation properties of materials at cryogenic temperatures, modelling of thermal and thermodynamic systems or movements of liquid in the tanks; and
- to promote innovation by ensuring processes, organisation and skills of the highest level within the Group.

GTT's innovation policy is based:

- upstream, on a development strategy deriving from relationship with clients, ship-owners, gas companies and academic and private partners, ideas resulting from an in-house policy promoting creativity and internal or external specific expertise; and
- downstream, on a development projects management drawn up in accordance with methods and practices accepted by innovation management experts.

The Group has thus chosen to invest resolutely in developing its skills and motivating its employees as means of fostering innovation.

In particular, an incentive-based policy of rewarding inventions has been introduced to foster innovation within the Group. It has been promoted significantly towards employees and facilitates the emergence and maturing process for new ideas. This approach takes place as part of a cross-departmental program, set up to strengthen the culture of innovation within the Group, promote and sustain the ideation process, and train employees in exploration and brainstorming methods.

Resources dedicated to innovation and R&D

For its research and development activities, the Group spent 19.7 million euros during the financial year ended December 31, 2016, 18.2 million euros during the financial year ended December 31, 2017 and 18.2 million euros during the financial year ended December 31, 2018. The Group's research and development activities are mainly financed by the Group's free cash flow.

The amount of research and development expenditure represented 20% of the total amount of the Group's operational expenses [(1)] in 2018. The amount of the investments allocated to research and development represented more than 30% of the total combined amount of the Group's investments in the financial years 2016, 2017 and 2018 [(2)].

The Group received 3,926 thousand euros for the research tax credit (CIR) for 2017.

At the end of December 2018, in light of the research and development activity in the 2018 financial year and the amounts already declared, the Group estimated the research tax credit at 4,000 thousand euros for the financial year.

The Group has a division specifically dedicated to innovation, which had a headcount of 94 employees as at December 31, 2018, with external consultants brought in when required. In addition, other Group divisions are involved in performing R&D work.

Development focus and projects

The development of technologies to meet our customers' needs

The appearance and use of more efficient alternative types of fuels now justifies the need for insulation systems with improved thermal performance, in order to reduce the rate of liquefied gas boil-off from tanks. In addition, the requirements of the market are changing and more resistant insulation systems are necessary to enable operations offshore (FLNG, FSRU, etc.), in order to obtain more operational flexibility or even to transport gases which are heavier than LNG.

The NO and Mark have evolved over the last 50 years, on the basis of significant feedback from operational experience, in order to always meet the needs of the market more closely.

GTT is thereby introducing new systems in order to minimise the guaranteed boil-off rate and to optimise the insulation's dynamic resistance.

Recently, the Mark III Flex+ technology was developed to offer a significant improvement on the thermal performance of the Mark III Flex system. The thermal insulation and the membrane support are provided by prefabricated panels made of reinforced polyurethane foam. The total thickness of the insulation system was increased by 20% compared to the Mark III Flex system. In combination with this increased thickness, a solution to strengthen the system's composite and glued secondary barrier is used to guarantee reliable operation. The Mark III Flex+ system benefits from the considerable feedback about this product family, and constitutes a competitive, reliable solution to meet market needs in terms of a reduced boil-off rate. Several commercial references are today registered by the company as part of LNG carrier construction projects. The first vessel using this technology will be delivered by Samsung Heavy Industries in the first half of 2020. The initial feedback from our industrial partners regarding the industrialisation and construction of this system as part of this shipbuilding project is positive.

In November 2018, at the Gastech seminar, GTT introduced the latest enhancement to its NO96 technology range, the NO96 Flex system. NO96 Flex achieves thermal performance equivalent to the Mark III Flex+ system, by using prefabricated reinforced polyurethane foam panels, instead of the prefabricated plywood chambers filled with insulation materials in the current NO96 system, for supporting the two gas-tight membranes. The second gas-tight barrier remains in Invar, and the design of the first barrier relies on a known concept, similar to the Mark technologies. By activating these design levers it is possible to propose significant

(1) Operating expenses consist of personnel expenses, external expenses, consumed purchases and taxes and duties.

(2) Acquisitions of fixed financial assets were subtracted from total capital expenditure.

improvements in the performance of the NO96 system, while using proven materials and components. NO96 Flex obtained in principle approval at the end of 2018.

LNG as fuel projects

More and more ship-owners are currently considering LNG as fuel for their vessels. This new use for LNG will be accompanied by new technical and industrial challenges, which GTT, based on a solid experience in the gas and shipbuilding fields, is attacking via three vectors for development:

- **adaptation of the membrane technology and development of a high added value product offering dedicated to tanks for LNG as fuel.** Membrane technologies provide for an unequalled level of compactness for the LNG tanks, enabling more space to be used for the ship's trade cargo;
- **implementation of economic bunkering solutions.** Although LNG is relatively cheap, its price delivered on board increases substantially as a result of the cost of the bunkering infrastructures. GTT's aim is to significantly reduce the cost of bunkering through more competitive bunkering solutions; and
- **distribution of LNG as fuel.** The aim is to propose increasingly accessible offers, encouraging the use of LNG as fuel.

These three vectors for development will provide for innovative new responses to the problems of ship-owners or shipyards interested in the use of LNG as fuel. GTT's proximity to these industrial partners will allow it to rapidly propose these innovations to the market.

Within the framework of these partnerships, on October 16, 2018, GTT and the Dongsung Finetec company, specialised in thermal insulation, signed a *Memorandum of Understanding*, in order to commercialise the LNG Brick® solution developed by GTT. The LNG Brick® solution will be built by Dongsung Finetec and will make it possible to equip a wide range of commercial vessels such as container vessels, bulk carriers and RORO vessels. GTT developed the LNG Brick® technology by relying on its integrated tanks technology, and in particular its Mark III technology to offer this new market a competitive and economic tailored industrial solution for LNG tanks with a capacity of less than 3,000 m^3. Dongsung Finetec was closely associated with the process to industrialise this technology through construction of a prototype.

In January 2018, the Mark III Flex technology was selected to equip the tanks of a bunker vessel, with a capacity of 18,600 m^3, constituting the Group's first commercial reference for this type of unit. This vessel, positioned in Northern Europe, will supply LNG to the nine future CMA CGM container vessels, the tanks of which will also be fitted with Mark III Flex technology combined with high-density polyurethane foam. The bunker vessel and container vessels will be built in China by Hudong-Zhonghua.

On the cruise ship market, in July 2018 GTT concluded a contract with the Norwegian shipyard VARD for supply of the LNG tanks for the expedition vessel "Commandant Charcot". Delivery of this vessel is scheduled for 2021. It will be the first electric hybrid cruiser icebreaker to be LNG fuelled. It will be operated by PONANT, the world leader for luxury expeditions to polar zones. These tanks are specially designed for the specificities of LNG as fuel. They will be equipped with GTT's Mark III membrane technology, already fully proven in the field of LNG transport. The Group will lead construction of the tanks, and for this purpose it will select and coordinate its subcontractors, to provide its partners, VARD and PONANT, with a turnkey solution.

The proposed technologies for management of boil-off (*evaporation*)

GTT is devoting considerable efforts to develop innovative solutions for management of boil-off during operation. Current market needs demonstrate that the combination of active systems (such as reliquefaction) and high performance passive containment systems is now a reality.

GTT is an expert when it comes to designing containment tanks. In the medium-term it is seeking via these projects to broaden its technological offer in order to better meet operators' needs.

Boil-off and the services

In order to extend the Group's existing offer, since 2014 particular attention has been paid to the development of services dedicated to better management of cargo and of boil-off (evaporation). Better management of boil-off represents a significant operational challenge for players in the chain since, for any given vessel, the losses tied to boil-off are in the order of ten million dollars a year. This means that a 1% saving in boil-off gas represents a value of around 100,000 US dollars *per annum* [(1)]. The objective of these developments is to propose solutions to optimise boil-off based on models of the thermodynamic behaviour of cargo, validated by operational data.

In 2015 GTT developed and put on the market a tool dedicated to monitoring indicators of the boil-off phenomenon, under the name LNG Advisor™. This provides real-time transmission at sea and on land of reliable data relating to the vessel's energy performance. In addition, LNG Advisor™ and the sloshing management software, SloShield™, can be combined to obtain overall visibility concerning the behaviour of the cargo, both from the point of view of the energy efficiency of the ship and control of the sloshing effects in the tanks.

Sloshing

Sloshing, a phenomenon relating to the movement of LNG inside the ship's tanks, continues to be carefully studied by the Group. The Group has recognised expertise in this field, in both modelling and testing.

The Group is continuing its methodological work in this area to improve its understanding of these sloshing phenomena, particularly in the context of deploying its membrane technologies for LNG as a fuel which has different operator constraints to LNGCs.

Onshore and underwater tanks

The Group is also working on its containment technologies for onshore storage tanks to optimise its current technology and increase the cost differential between GTT's technologies and those implemented by its competitors.

This is an important matter, especially for the storage requirements of smaller quantities of LNG (< 50,000 m^3) such as infrastructures for the supply of LNG as shipping fuel which are undergoing

(1) GTT analysis based on operational data, and on the basis of an LNG price of 7 US dollars/Mbtu.

strong growth. In this field, the Group's ability to offer competitive technological solutions also contributes to increasing the appeal of LNG as fuel by reducing the cost of distribution and LNG bunkering for this usage.

In 2018, GTT invested significantly in development of Gravity Based Systems (GBS). GTT was appointed by two major companies to carry out Front End Engineering Design (FEED) studies on new projects. These structures are built around a concrete or steel chambers and membrane containment tanks designed by GTT. They lie on the sea bed and can be installed in a harbour or in an isolated zone, without requiring any additional infrastructure.

Intellectual property

The Group has filed patent applications covering its principal technologies in (i) countries in which shipbuilding and repair companies have their registered offices, (ii) emerging countries for LNG (such as India and Russia) and (iii) LNG exporting countries (such as Australia, Russia, the United States of America and Qatar) and LNG importing countries (such as South Korea, China and Japan). GTT's technologies are protected by an extensive portfolio of patents. As at December 31, 2018, GTT held 1,498 patents, of which 801 had been issued and another 697 patent applications were under review in close to 60 countries.

The Group has established an internal procedure that aims to identify and protect inventions and enables the Group to file new patents on a very regular basis.

The Group's objective is to maintain a high level of protection for its intellectual property rights, in particular by increasing the as ineffective, which no longer correspond to its customers' requirements.

Type and scope of patents held by the Group

The number of patents and patent applications reflects the efforts made by the Group to refine its existing technologies and innovate. Almost 248 different inventions are covered by the 1,498 patents and patent applications in force as at December 31, 2018, encompassing the technologies already commercialised by GTT and the additional technologies that may be used by the Group to market its future products.

Protected territory

The main technologies currently marketed by the Group give rise to patents or patent applications, where applicable based on the specificities of each patent, (i) in countries where the registered offices of construction and repair shipyards are located and/or (ii) in emerging LNG countries (such as India and Russia), and/or (iii) in LNG exporting countries (such as Australia, Russia and Qatar) and in LNG importing countries (such as South Korea, China and Japan).

Protection of Group employee inventions

The employment contracts of GTT employees assigned to the Group's research and development activities contain a standard clause concerning the ownership of inventions arising from their work. This clause states that their duties entail studies and research assignments and hence include permanent invention-based activities.

The ownership of the inventions arising from their work automatically lies with the Group pursuant to Article L. 611-7 of the French Intellectual Property Code. The specific clause related to inventions arising from their work incorporated in the employment contracts of GTT's employees restates the legal principles attributing to the employer ownership of the intellectual property rights arising from their work and the employee's undertaking to report any invention in line with the internal procedure implemented by GTT. It is being specified that, in accordance with the provisions of the French Intellectual Property Code, the employee has the right in return for additional compensation for any patentable invention, which takes the form of one or more flat-rate payments.

Protected know-how

(i) Securing of the Group's information system

The activities of the Group, which are predicated on its know-how and expertise, require protection of all the working documents and information created, classified and exchanged internally via its IT network.

The Group implements the appropriate human, physical and technical resources to ensure the safety and fair use of the information system and backing up of its IT data. All the applicable rules are shared in an internal memo entitled "Charter for the use of GTT's information system", which has been signed by all of the Group's employees and is annexed to its Internal Regulations. The information systems department is responsible for controlling and overseeing the smooth operation of the information system and ensures that the rules in the charter are applied.

The Group's employees are not allowed to connect equipment to both the internal IT network and the Internet at the same time to avoid any unlawful intrusions into GTT's internal network.

(ii) Contractual protection of the Group's know-how

Aside from the protection of new inventions, the Group monitors the protection of its know-how very carefully. It systematically adds a confidentiality clause to its contracts with third parties. In particular, a confidentiality clause is added to Technical Assistance and Licensing Agreements (TALAs) under which GTT grants its clients rights to its technologies and to a large portion of its know- how.

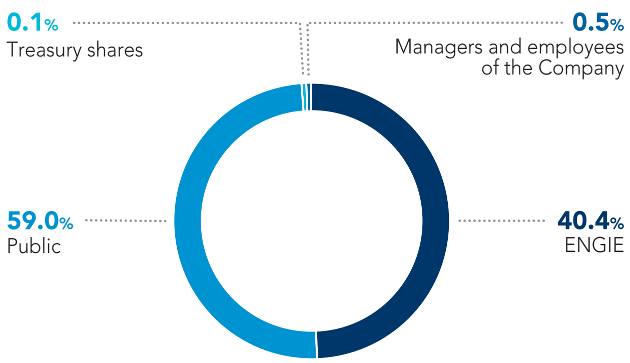
The confidentiality clause stipulated in most TALAs prohibits licensees benefiting from GTT's intellectual property rights and know-how from disclosing technical information communicated by the Group without the latter's prior consent. This obligation must be satisfied for the whole term of the TALAs and for a further period of ten years after it is terminated.

Furthermore, the Group's general policy is to add to engineering services or ad hoc services contracts, or cooperation, research or partnership agreements confidentiality clauses protecting the Group against the disclosure of information, technical documents, designs or other written or oral information communicated by GTT in connection with its services and research work.

1.2 GTT AND ITS SHAREHOLDERS

1.2.1 SHAREHOLDING

Shareholders' structure as at March 31, 2019 (in %)



1.2.2 SHAREHOLDER AND INVESTOR CONTACTS

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78470 Saint-Rémy-lès-Chevreuse
Phone: +33 1 30 23 20 87
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information-financiere@gtt.fr
www.gtt.fr

Indicative dates for GTT's financial reporting are as follows:

Shareholders' Meeting	May 23, 2019
H1 2019 results	July 25, 2019
Activity in the third quarter of 2019	October 17, 2019

1.2.3 KEY FIGURES FOR INVESTOR RELATIONS IN 2018

- **Two publications of results:** GTT General Management presented the half-year and annual results during meetings transmitted as webcasts on its website.
- **Two publications of information relating to the 1st quarter and the first nine months of the year:** the Chief Financial Officer presented the period's activity via telephone conferences.
- More than **400 investor meetings** were held with members of the Executive Committee or the Investor Relations team.
- **10 days of road** shows in 5 countries.
- Participation in **12 industry specific** or generalist conferences.
- Coverage of the share by **8 stock market companies**.

1.2.4 THE GTT.FR WEBSITE

The **gtt.fr website** is an essential tool for communication with shareholders, analysts and investors.

In particular, it contains:

- the published financial documents;
- the regulated information.

1.2.5 GTT SHARES

The GTT share (ISIN code FR0011726835 – mnemonic: GTT) has been listed in compartment A of the Euronext Paris market since February 27, 2014.

Since June 23, 2014, the GTT share is part of the SBF 120, CAC Mid 60, CAC Mid & Small and CAC All-tradable indices.

Dividends paid in the last five financial years

The Group paid the following dividends over the past five financial years:

	Financial year ended December 31				
In euros	2017	2016	2015	2014	2013
Total dividend payout	98,572,329	98,559,807	98,550,583	98,617,273	127,008,784
Net dividend per share	2.66	2.66	2.66	2.66	3.43

In accordance with GTT's dividend distribution policy, on the basis of a decision by the Board of Directors on July 26, 2018, an interim dividend of an amount of 49,278,285 euros, or 1.33 euros per share was paid entirely in cash. This ex-dividend date for this interim dividend was September 27, 2018 and it was paid on September 28, 2018.

1.3 KEY FIGURES - FIRST QUARTER 2019

In thousands of euros	Q1 2018	Q1 2019	Change
Revenues	64,169	58,909	-8.2%
Of which newbuilds	61,530	55,354	-10.0%
LNG carriers/VLEC	*54,567*	*46,215*	*-15.3%*
FSRU	*6,244*	*5,234*	*-16.2%*
FLNG	*496*	*1,257*	*+153.5%*
Onshore storage	*-*	*858*	*ns*
Barges	*223*	*172*	*-22.9%*
LNG Fuel	*-*	*1,618*	*ns*
From services	2,639	3,555	+34.7%

Consolidated revenues for the first quarter of 2019 were €58.9 million, down 8.2% compared to the first quarter of 2018.

- Revenues from new construction were €55.4 million, down by 10.0%.
  - Royalties from LNG carriers declined by 15.3% to €46.2 million, and royalties from FSRU by 16.2% to €5.2 million. First quarter 2019 revenues do not benefit fully from the inflow of orders in 2018 (14 LNG carriers under construction out of 48 orders), whereas revenues for the first quarter of 2018 were essentially based on orders prior to 2016.
  - Other royalties are increasing. They are primarily from FLNGs for €1.3 million (+153.3%) and from LNG as fuel for €1.6 million.

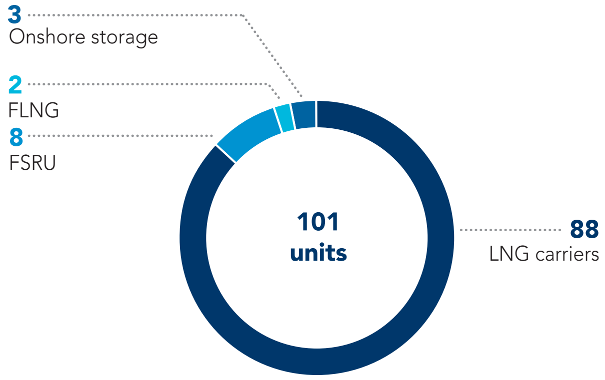
Revenues from services stood at €3.6 million, up sharply (+34.7%) compared with the first quarter of 2018, in particular because of increased maintenance services and, to a lesser extent, the contribution from Ascenz.

CHANGES IN THE ORDER BOOK

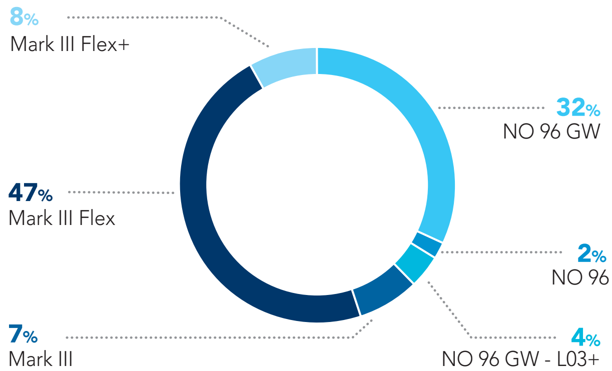
GTT's order book, which contained 97 units [1] at January 1, 2019, has added the following orders since that date:

- 9 deliveries of LNG carriers;
- 14 orders of LNG carriers;
- 1 FSRU delivery.

Order book [1] as at March 31, 2019 (in units)



Order book by technology [1] vas at March 31, 2019 (in %



Recently developed technologies represent 90% of the order book.

In addition, in Q1 2019, the Group received an order to equip a bunker vessel, which brings the number of vessels ordered in the LNG as fuel domain to 12.

(1) *Excluding LNG as fuel.*

2

ACTIVITY REPORT

Annual Financial Report items are clearly identifi ed in this summary with the aid of the AFR pictogram AFR

2.1 THE LIQUEFIED GAS SECTOR

The Group operates in the market of cryogenic or very low-temperature containment technologies used for the transport, transfer or storage at sea of liquefied gas, in particular, liquefied natural gas. This market includes several types of vessels: LNG carriers, FSRUs (Floating Storage Regasification Unit) and FLNGs (Floating Liquefied Natural Gas) as well as multi-gas carrier vessels (in particular ethane, LPG, propylene and ethylene).

2.1.1 LIQUEFIED NATURAL GAS

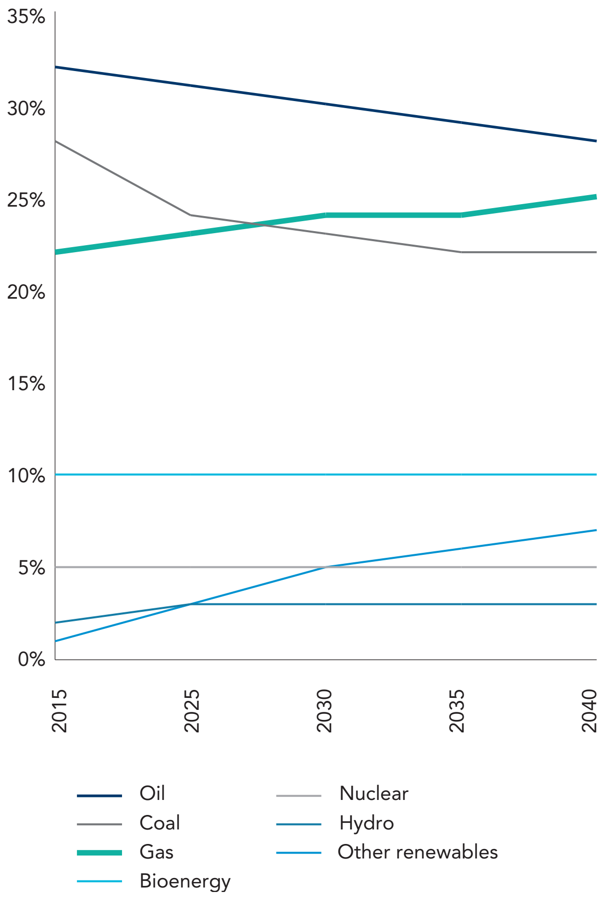
Liquefied natural gas is natural gas (methane) which has been liquefied through cooling to a temperature of -163°C. It is odourless, colourless, non-toxic, non-corrosive and represents approximately 1/600th of the volume of natural gas in gaseous form. Natural gas is liquefied in LNG liquefaction plants, which allow it to be contained and shipped between regions in liquid form within LNG carriers. After shipping, LNG is returned to a gaseous state in regasification terminals in which the liquid is vaporised then gradually warmed until its temperature rises above 0°C, with the natural gas then typically transferred into distribution networks or consumed.

In gaseous form, natural gas can only be transported by pipeline. Geopolitical, geographic and economic factors can deter investment in and operation of this infrastructure. Hence, LNG is an attractive alternative to natural gas (in gaseous form) in countries that want to avoid pipeline dependence given the associated geopolitical risks, as well as in regions where gas pipelines would be uneconomical (this is particularly the case in deep water, Arctic regions and remote field locations). LNG also allows producers operating in saturated energy markets to export natural gas to more commercially attractive locations.

In 2018, the main LNG producing countries were Qatar, Malaysia, Australia, Malaysia, the United States, Nigeria and Indonesia.

The main LNG import region in 2017 was Asia, concentrating over 75% of demand with, in particular, Japan, South Korea and China which accounted for over 55% of global demand in 2018. The second LNG import region was Europe with 15% of global demand (mainly Spain, the United Kingdom, France and Italy).

Changes in the global energy mix according to the *IEA (New Policies Scenario)*



2.1.1.1 The LNG market

Overview and trends in natural gas

According to the International Energy Agency (IEA), natural gas consumption is, and is expected to remain, the fastest growing of fossil fuels, with global consumption set to increase at an estimated average annual rate of 1.6% from 2017 to 2040 against 0.6% for oil and 0.1% for coal [1]. The share of gas in the global energy mix should thus rise from 22% in 2017 to 25% in 2040, with production going from 3,100 Mtoe to 4,400 Mtoe. Gas is currently the third contributor to world energy needs and should overtake coal around 2030 and hold second place behind oil, whose share is tending to decline.

The high growth of natural gas consumption relative to other fossil fuels is driven by a number of factors:

- abundant reserves, driven by the boom in unconventional gas;
- competitive prices: natural gas is also an attractive fuel for new power generation plants due to its higher average thermal efficiency compared with coal;
- a reduced carbon footprint compared to other fossil fuels (coal and oil). This makes it an attractive source of fuel in countries where governments are implementing policies to reduce emissions of greenhouse gases;

(1) *World Energy Outlook, IEA 2018 – New Policies Scenario.*

- progressive phasing-out of nuclear power: many countries, such as Germany, Switzerland, Belgium and Italy have accelerated the phasing-out of nuclear power since the Fukushima disaster, or have attempted to reduce the share of nuclear power in their domestic energy mix.

According to the IEA, over 60% of gas exports will be in LNG form by 2040 (compared to 42% in 2017); LNG exports should surpass exports by pipeline by 2025.

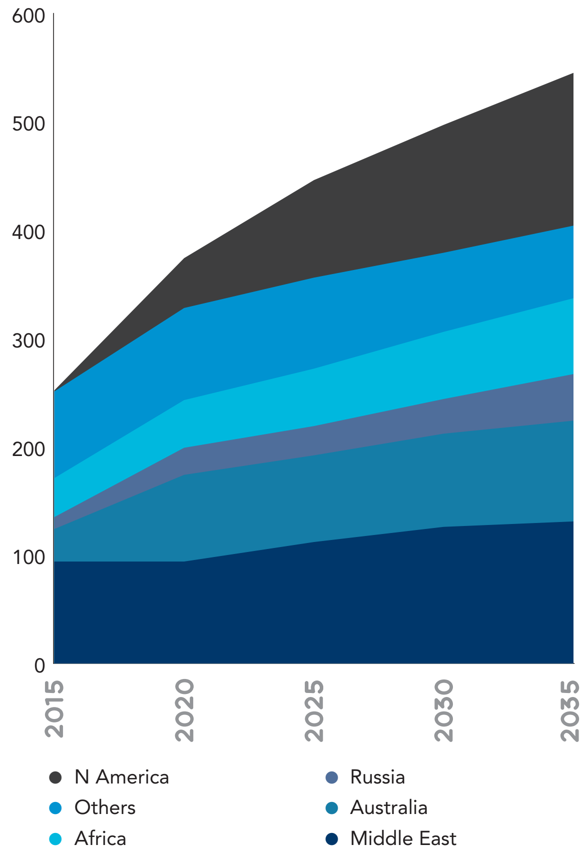
LNG supply

The LNG supply includes existing liquefaction projects, with growth driven by new liquefaction projects commencing operations as well as the expansion of existing installations. Between 2008 and 2018, the global LNG supply grew by around 6.3% per year on average, increasing from 175Mtpy to 325 Mtpa; in 2018, LNG production increased sharply by 9%, or an additional 25 Mtpy.

This growth reflects an increase in supply in the main production regions, particularly in Australia, and increased production in new areas of growth, notably in the United States and Russia.

LNG supply growth forecasts confirm this trend with an expected average annual growth of 4.7% between 2015 and 2030, according to BP.

Global LNG supply scenario according to BP (in Mtpy)



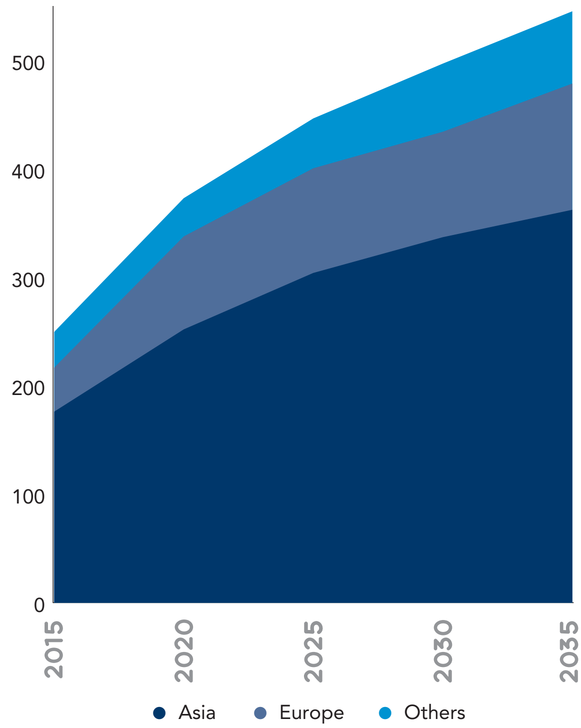
Source: BP Energy Outlook 2018

LNG demand

Global LNG demand increased at an average annual growth rate of around 6.3% in the period from 2008 to 2018, from 175 Mtpy to 325 Mtpy. According to BP, this growth should be an average of 4.7% per annum during the 2015-2030 period.

Most of this consumption increase will come from Asia, and more particularly from China, which became the second largest LNG importer globally in 2017, behind Japan, but overtaking South Korea, and it is expected to become the leading importer before 2025.

Global LNG demand scenario, according to BP (in Mtpy)

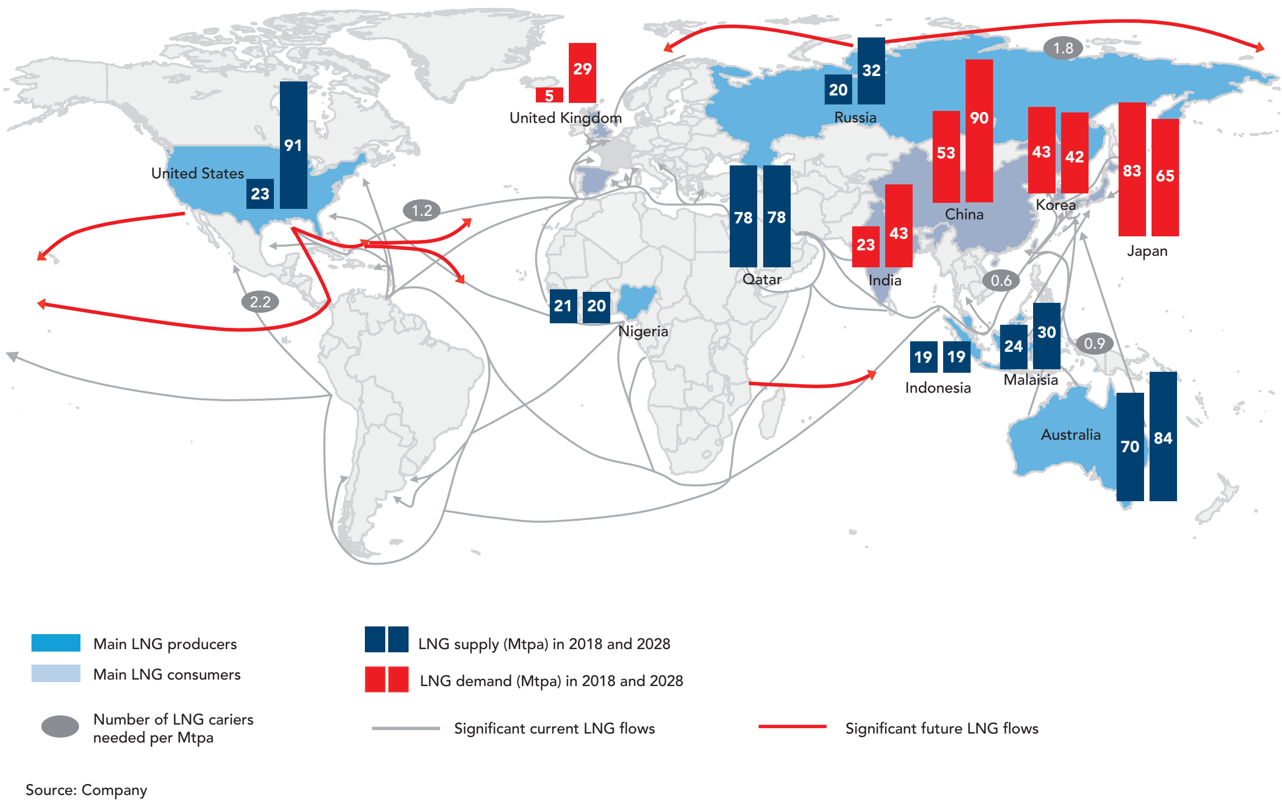


Source: BP.

LNG transport and flows

LNG trade routes in 2018 are illustrated in the map below.

Map of LNG flows



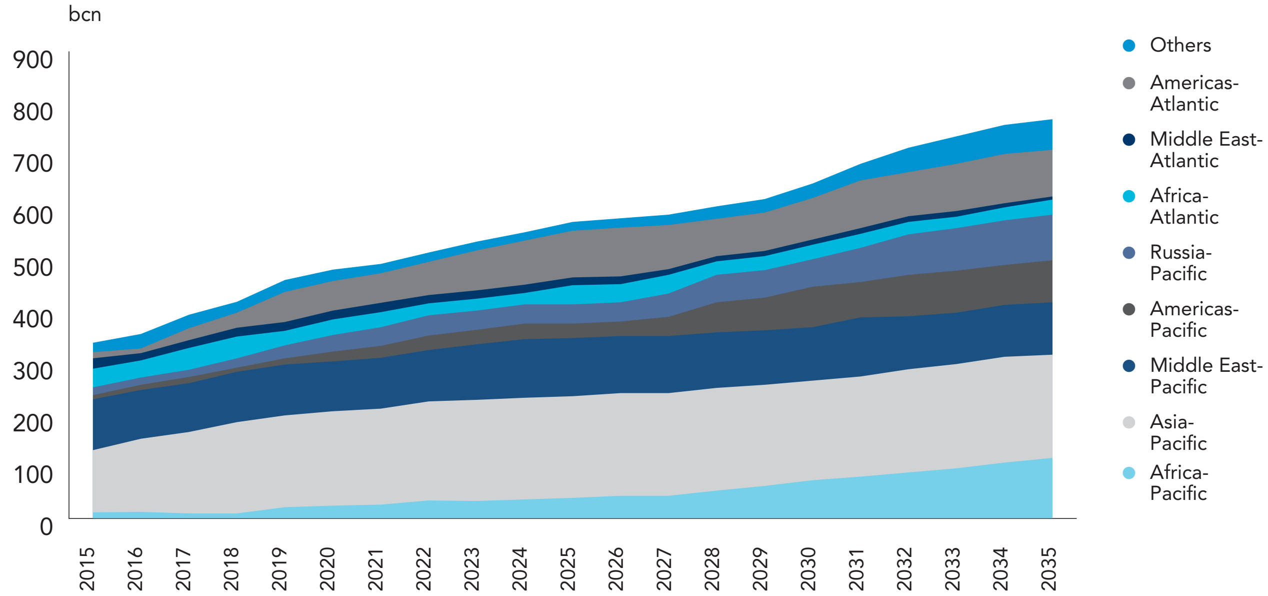
Sources: Wood Mackenzie Q4 2018 (the data on supply only include existing projects and projects under construction) and Poten & Partners for the number of LNG carriers necessary by Mtpy, October 2016/GTT.

The strong forecast growth in both LNG production and consumption creates a structural need for increased LNG maritime transportation capacities.

Current liquefaction projects typically have a fleet of vessels dedicated to the project, which may be supplemented by other vessels to respond to supply and demand.

New liquefaction projects also use dedicated vessels which are ordered in advance of liquefaction installation start-up. The number of vessels required for the project will depend upon the expected supply from the project and the likely targeted export area for the LNG (i.e. the maritime transportation distance and time required to transport the LNG).

Transport of LNG



Source: Wood Mackenzie, November 2017.

In addition to the underlying growth of LNG, other factors should increase the need for transport capacity. Medium-term forecast growth of LNG exports from the USA is a significant driver of increased shipping activity. The increase in US exports to Asia will naturally lead to increased distances and transport times. Therefore, an increased number of LNG carriers will be needed for these new liquefaction projects.

Furthermore, trade routes are becoming more numerous and complex within LNG shipping, particularly with the development of inter-region trade. LNG contracts now also often include diversion clauses, which provide flexibility over the end destination of the LNG, but are also liable to increase LNG distances and shipping times, and consequently, the number of vessels required for LNG shipping.

Operational costs remain a key driver within LNG shipping, and ship-owners are seeking to overhaul their fleets by investing in highly efficient vessels. Vessels which offer a low boil-off rate have more competitive operating costs. New international regulations and technological advances have also impacted LNG carrier design and construction, with recent developments including improved ballast water management and propulsion system efficiency.

The most modern vessels have a strong economic advantage over older vessels, thanks to their more efficient engines – their fuel consumption has been almost halved in comparison with that of vessels from the beginning of the 2000s – thanks to a better boil-off rate, particularly following technological improvements by GTT and, lastly, because of a greater payload capacity. Accordingly, several vessels in service could be replaced by more modern new-build vessels in order to improve economic performance, as was the case in 2018 for seven vessels operated by Shell for the North West Shelf project in Australia, which led to additional growth opportunities for GTT.

Principal players in LNG

The prescription of containment technologies takes place as follows:

1. the classification societies validate the reliability and robustness of the Group's containment technologies, which can then offer them to the shipyards, the direct customers of the Group;
2. the gas companies, which purchase the gas from the liquefaction terminals, decide to charter an existing or new LNG carrier;
3. the ship-owner of the future LNG carrier issues a call for tender to the shipyards, usually with a precise technical specification for the type of technologies under consideration, and taking account any recommendations by the gas company;
4. the shipyards then provide proposals including the technologies appearing on the ship-owner's technical specification. The ship-owner chooses the most attractive offer.

(A) SHIPYARDS

As at December 31, 2018, South Korean shipyards, chiefly Samsung Heavy Industries, Daewoo Shipbuilding & Marine Engineering and Hyundai Heavy Industries had built 65% of the existing LNG carrier fleet [(1)].

As at December 31, 2018, Japanese shipyards (such as KHI, Imabari/Koyo, MHI, and MES) had built around 20% of the existing LNG carrier fleet, after seeing their orders decline heavily due to their lack of competitiveness (cost of the containment technology used, high labour costs, strong currency and limited capacity).

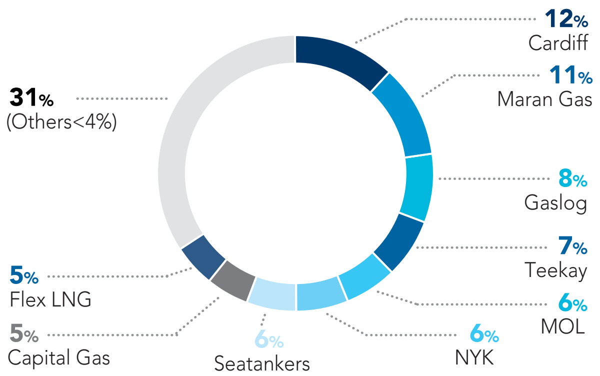
China is now actively focusing on building LNG carriers. Incentive policies have been introduced to promote LNG carrier construction in China, in order to import LNG into the country. Currently, only one shipyard, Hudong Zhonghua, has secured orders, but a number of others have ambitions in the Chinese LNG sector.

(B) SHIPOWNERS

The LNG carrier fleet is mainly controlled by independent owners (ship-owners) and governments. Independent owners typically have long-term charter contracts with public utilities companies or related to LNG production projects.

(1) Source: Company.

Order book by shipowner as at December 31, 2018 (1) (as %)



Over the last 15 years, over 60 shipowners have ordered vessels equipped with GTT technology (2).

(C) GAS COMPANIES

With respect to the construction of LNG carriers, gas production companies have the most significant influence in prescription, together with buyers of gas, to the extent that they have an ongoing need to transport the LNG continuously produced by liquefaction plants. They rely on ship-owners that commission large LNG carriers using highly reliable technologies enabling them to reduce the risk of disruption to their gas production and the risk of reputational damage from an LNG transportation accident.

As a result, the gas companies often carry out referencing of the various technologies used in LNG carrier construction, a process by which they select technologies which they believe to be effective and reliable. This process enables ship-owners using approved technology to do business with gas companies.

(D) CLASSIFICATION SOCIETIES

Classification societies are non-governmental organisations that form an integral part of the shipping industry, and are often referred to as "Class". They play two roles:

- they establish safety rules for vessels and make sure that they are implemented through periodic visits and inspections on behalf of ship-owners during the construction and then during the service life of vessels;
- they may also be mandated with a public service mission by the government of the registration country to issue certificates of compliance with rules for vessels, that they have sometimes established themselves.

In the course of performing their duties, each classification society establishes and maintains standards for the construction and classification of vessels, confirms that construction designs and calculations meet these rules, checks the quality of a vessel's key components on shipyards' sites (in particular steel, engines and generators) and takes part in trials at sea before issuing a classification certificate, which is required by the insurers. Classification societies also periodically inspect vessels in service to ensure that they continue to comply with the rules and required codes.

Classification societies are grouped in the International Association of Classification Societies (IACS) which comprises 12 members.

Members of the International Association of Classification Societies

American Bureau of Shipping	Croatian Register of Shipping
Korean Register of Shipping	Polish Register of Shipping
Bureau Veritas	DNV-GL
Lloyd's Register	RINA
China Classification Society	Russian Maritime Register of Shipping
Nippon Kaiji Kyokai (ClassNK)	Indian Register of Shipping

Among these classification societies, the Group uses the services of the American Bureau of Shipping, Bureau Veritas, Lloyd's Register and DNV-GL, which have a particularly strong reputation in the LNG carrier field.

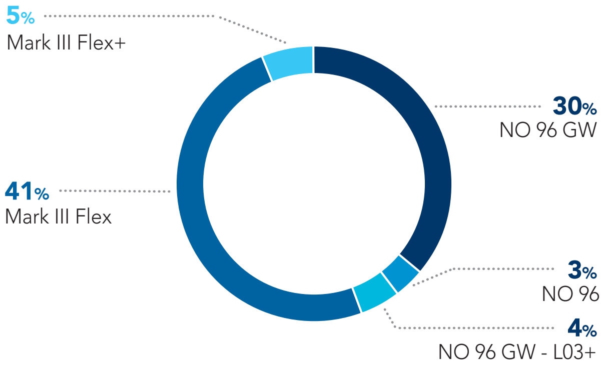
(1) This breakdown does not take into account the order for nine vessels fuelled by LNG for CMA CGM presented in Section 2.3.1 "LNG-fuelled vessels".

(2) Source: Company.

2.1.1.2 LNG carriers

GTT is a key player in the market for LNG carrier containment systems.

The 83 LNG carriers on order as at December 31, 2018 will be built with GTT systems, broken down as follows [(1)]:

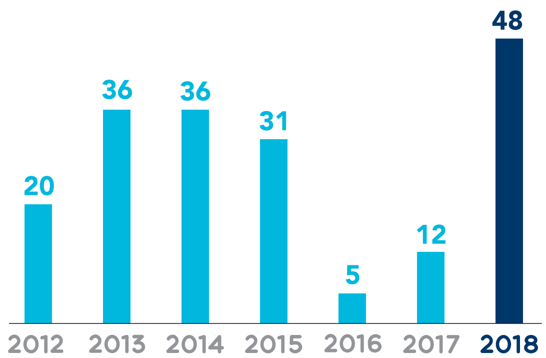


Historical trend and order books

The first LNG carriers were built and delivered in the early 1960s. After relatively sluggish growth in LNG carrier construction during the 1960s and 1970s (average of just two orders per year) and a modest number of orders in the 1980s, the pace of construction sped up during the 1990s (five orders per year on average).

Throughout the 2000s, orders increased significantly (an average of 23 orders per year) on the back of strong growth in global demand for natural gas and LNG. However, the number of orders declined between 2008 and 2010, due to the financial crisis and the temporary decline in exports linked to shale gas production in the USA, before picking up again in mid-2011.

GTT LNG carrier orders from 2012 to 2018 (in units)



Between 2012 and 2018, out of the 222 LNG carriers ordered worldwide, 188 use or will use GTT containment systems.

At the end of 2018, 497 LNG carriers of over 30,000 m^3 were in operation, of which 370 were equipped with GTT technology [(1)].

On average, it takes two to three years from the time an order is placed to deliver the LNG carrier, which accounts for the difference in any given year between the number of orders and the number of LNG carriers delivered. It should be noted that the orders issued to GTT have very rarely been the subject of cancellation (see section 5.2.2 – *Economic environment* of this Registration Document).

All orders for LNG carriers larger than 30,000 m3 made since the end of 2015 have used GTT technology.

GTT's technologies faced with competing LNG carrier technologies

The Group faces competition in LNG carriers from certain rival technologies, already developed or under development.

MOSS MARITIME TECHNOLOGY

Based in Oslo (Norway), Moss Maritime is a subsidiary of the Eni-Saipem group. Moss Maritime developed its technology in the late 1960s and patented an LNG containment system in 1971 using spherical tanks supported by a single cylinder. The technology is a type B independent containment system (based on the IMO's international classification) consisting of externally insulated welded aluminium spheres.

The first vessels using this technology were built by Norwegian shipyards in 1969 and 1973. Although Moss Maritime was a major player in the 1980s and 1990s, its presence has diminished today. High labour costs and the strong yen have severely reduced the competitiveness of Japanese shipyards in all vessel types. Historically, Japanese shipyards were the main users of the Moss Maritime technology. Only one South Korean shipyard (Hyundai Heavy Industries) has used or is using this technology at the date of filing of this Registration Document.

The Group believes that Moss Maritime technology has several drawbacks compared with its own membrane technology:

- LNG carriers using Moss Maritime technology are more difficult to navigate due to their higher centre of gravity;
- LNG carriers using Moss Maritime technology are more costly to build as they need more steel and thick aluminium panels. According to the Group, the price of an LNG carrier with a capacity of 170,000 m^3, built by a South Korean shipyard, is around 10% to 15% more expensive when it uses Moss technology rather than GTT technology;
- LNG carriers using Moss Maritime Technology have more limited capacity due to their shape: the largest LNG carrier using Moss Maritime Technology currently in use has a capacity of 177,000 m^3 (compared with 266,000 m^3 for vessels equipped with GTT technology). In addition, carriers using Moss Maritime technology are also larger and heavier for the same LNG capacity. Consequently, vessels using Moss Maritime do not have the same degree of access to certain ports, which represents a major handicap for them when using the Panama Canal, and they incur higher port charges, Suez Canal fees and fuel costs;
- the LNG spherical tank is heavy and this is detrimental to the vessel's energy efficiency.

(1) Source: Company.

SPB TECHNOLOGY

The SPB system (type B) was developed by Ishikawajima Harima Heavy Industries, a Japanese engineering and shipbuilding group, at the end of the 1970s. It was first tested on LPG carriers, and then adapted to LNG carriers.

Each tank is subdivided into four spaces by a watertight longitudinal bulkhead and a perforated bulkhead. The aluminium tanks are insulated externally with polyurethane foam panels.

Two small LNG carriers of 87,500 m^3 delivered in 1993 are fitted with SPB's technology.

Three other LNG carriers with a capacity of 165,000 m^3 were ordered in 2014 from a Japanese shipyard, Japan Marine United (JMU), but construction problems associated with tank insulation led to considerable delays and a significant increase in the initially forecast costs. This setback could lead to this technology being abandoned.

The Group believes that SPB technology has several drawbacks compared with its own membrane technology:

- less efficient use of space as an inspection space has to be provided all around the tanks;
- higher costs due to the thickness of the tanks' aluminium walls and the difficulty in designing tank supports;
- and little experience in implementing and operating this technology, which is a drawback for the gas companies influencing decisions in this market.

SPB technology is now in the public domain and some copies are under development under various names, especially by the Korean shipyards.

Since 2007, Mitsubishi Heavy Industries has been developing a specific SPB-like system, SPB type B, and has obtained approval in principle from classification societies.

In addition, in 2010, Daewoo Shipbuilding & Marine Engineering developed ACT-IB (Aluminium Cargo Tank-Independent Type B System), which is also similar to SPB's technology. This system has obtained approval in principle from the classification societies.

These systems are also available for LNG as fuel.

See also section 5.2.2.1 – *Competitive environment* in this Registration Document.

KC-1 TECHNOLOGY

In South Korea, Kogas has been developing KC-1 technology since 2008. Initially designed as *an onshore* application (onshore tank) – two tanks are currently in use at the Incheon plant in South Korea – this technology was redirected toward marine structures (ship tanks).

Since March 2014, Kogas has developed its technology to meet the needs of marine structures. The technology has been approved (GASA – General Approval for Ship Application) by various classification societies.

In January 2015, Kogas announced that it had ordered two 170,000 m^3 vessels equipped with KC-1 technology from Samsung Heavy Industries [(1)]. These two vessels were delivered during Q1 2018 with several months' delay.

Because of problems encountered with the containment system during operation, these two vessels are currently being repaired in the Samsung Heavy Industries shipyard. The first vessel has only transported two cargos and the other none at all.

The Group considers, on the basis of published information, that its technologies offer major advantages over KC-1. Specifically, KC-1 shows a BOR of 0.12%, which has an impact on the operating costs of the ship. On the basis of the publicly available information about KC-1 technology, GTT estimates, using its own calculation methods, that the BOR for this technology is 0.16%.

The Group believes that the containment system promoted by Kogas has little chance of convincing the main gas companies and ship-owners, which are the key parties influencing the choice of containment technologies. The latter would, without a doubt, have reservations about using a confinement system that is not supported by independent technical expertise or proven over several years, unlike the ones provided by the Group. Furthermore, since the cost of GTT technology for the containment system is minimal compared with the overall cost of building a vessel (around 4% of the total price of a 160,000 m^3 LNG carrier), the saving derived from using a less expensive technology, such as the KC-1 technology, compared to the Group's technology can be counterbalanced by the risks mentioned above.

See also section 5.2.2.1 – *Competitive environment* in this Registration Document.

OTHER COMPETING TECHNOLOGIES

At the date of this Registration Document, other LNG containment technologies have been developed, such as the membrane containment technologies of Samsung Heavy Industries (KC-S), Hyundai Heavy Industries (HMCCS) and of Daewoo Shipbuilding & Marine Engineering (SOLIDUS) but none of them has secured any orders as far as the Group is aware.

Lastly, the Group also has to contend with competition from new technologies that are regularly marketed by maritime engineering companies, shipyards and independent businesses (the General Dynamics system, or FSP LNG system, a partnership between the Breamar LNG engineering company and the General Dynamics-NASSCO shipyard). The Group believes that these systems, generally based on type A or B self-supporting technologies, have drawbacks, including a lower LNG transport capacity and a higher cost owing to the large amount of metal required for their construction. Irrespective of the interest they have attracted, these new technologies do not represent a viable alternative in the Company's opinion.

Risks related to competing technologies are presented in section 5.2.2.1 – *The Group's competitive environment* in this Registration Document.

(1) Source: Company.

Long-term outlook

The Group estimates that it should receive between 280 and 310 orders for LNG carriers between 2019 and 2028, associated with forecasts of strong demand growth and a growing fleet renewal activity.

2.1.1.3 FSRUs and regasification vessels

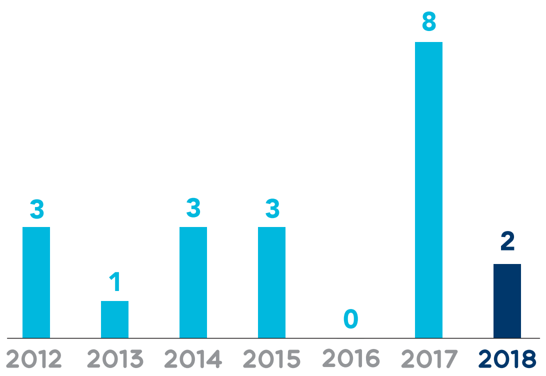
FSRUs are stationary vessels able to receive, store and regasify LNG from LNG carriers. They send the regasified natural gas to land through gas pipelines. Regasification vessels (FRU) have the same regasification function but they directly distribute the gas in the network rather than storing it.

Compared with onshore reception terminals, the advantages of a FSRU are lower costs, shorter construction times and a smaller environmental footprint.

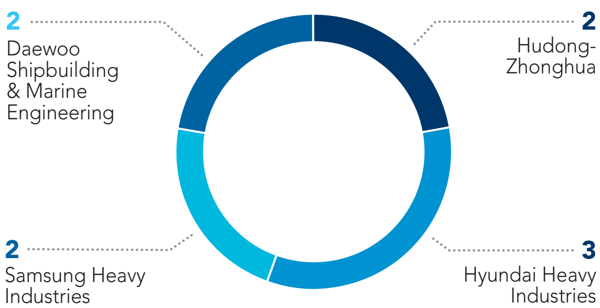
Historical trend and order books

The development of FSRUs has emerged only recently, with the first unit entering service in 2005; 30 FSRUs are currently in operation. The nine FSRUs on order at December 31, 2018 are all new units that will be equipped with GTT technology; 2 of these orders were made in 2018, demonstrating a logical stabilising of the market for FSRU orders following 2017 which saw a particularly high level of activity (eight orders).

GTT FSRU orders from 2012 to 2018 (in units)



GTT FSRU and regasification vessel order book by shipyard as at December 31, 2018 (in units)



Source: Company. Nine ships in total.

Growth in FSRUs is driven by strong demand for LNG, greater acceptability levels among local populations, shorter construction times and flexibility:

- FSRUs take less time to build than onshore regasification terminals (less than three years compared to three and a half years);
- FSRUs can be used as an alternative to onshore storage terminals and onshore regasification terminals;
- due to their offshore location, FSRUs are less likely to meet resistance from local communities than their onshore counterparts, making it easier to obtain the requisite permits;
- FSRUs can be used on a seasonal basis. They can be chartered during peak demand periods and for a specific location, then used as trading vessels or at another terminal location for the rest of the year;
- FSRUs can be used as interim solutions in order to delay the need for onshore investment. Numerous players are interested in regasification units. Seven of the 14 new importers of LNG since 2013 used FSRU: Egypt, Jordan, Pakistan, Bangladesh, Lithuania, Israel and Colombia. Other countries, such as Panama, are deciding to use this technology as a rapid start-up solution pending the completion of an onshore installation.

The conversion of former LNG carriers was preferred to new-builds in the past for cost reasons, but this trend has changed in the last few years. Thus, 20 new-builds were ordered in the 2012-2018 period [(1)].

The following factors explain the shipowners' preference for new-builds rather than conversions of existing units: (i) the desire to increase storage capacity, combined with a lack of charter availability and the high price of large vessels and (ii) high prices encouraging the return to service of smaller and older LNG carriers, which are therefore no longer available for reconversion.

GTT's FSRU technologies faced with competing technologies

The Group believes that GTT's membrane technology has a strong advantage when used in the construction of FSRUs, as it is less expensive than either SPB or Moss Maritime technology.

Long-term outlook

GTT Technologies were used in all FSRUs newly built with a large capacity.

GTT expects 30 to 40 FSRU orders over the 2019-2028 period. Enabling a more flexible installation and at a controlled price, FSRUs respond to the needs of emerging markets, islands and seasonal needs.

(1) Source: Company.

2.1.1.4 FLNG

FLNGs are floating units that liquefy gas and store it until it is loaded into an LNG carrier.

Demand for FLNGs is driven by the need to monetise "remote" offshore gas reserves or monetise smaller gas fields. FLNGS can be used to tap into deep water oil and gas resources that would not be cost effective with classic seabed pipelines.

Historical trend and order books

At the end of 2017, two FLNGs were in operation, both equipped with GTT Technology.

In 2016, one FLNG with a storage capacity of 177,000 m^3 and a liquefaction capacity of 1.2 Mtpy equipped with a GTT NO96 system built by Daewoo Shipbuilding & Marine Engineering was delivered to Petronas.

During 2017, the "Prelude" FLNG, equipped with a GTT Mark III system and built by Samsung Heavy Industries, was delivered to Shell for its activities in the Prelude field in Australia. The "Prelude" FLNG is a double-hulled steel barge, 480 metres long and with a breadth of 80 metres, equipped with ten LNG/LPG membrane storage tanks with a total LNG/LPG storage capacity of 326,000 m^3 and 3.6 Mtpy liquefaction capacity. Shell's choice of GTT's containment system for the "Prelude" project reflects its satisfaction with membrane containment technology and preference for this system over others less sea-proven or less cost-effective.

Two other FLNG orders are ongoing, both equipped with the GTT Mark III containment system and built by Samsung Heavy Industries.

Petronas' FLNG 2 was ordered in 2014 for an expected delivery in 2020 (two-year postponement requested by Petronas compared to the initial date). The FLNG will include eight tanks for a total storage volume of 177,000 m^3 and a liquefaction capacity of 1.5 Mtpy.

ENI's Coral FLNG was ordered in 2017 to operate off the Mozambique coast. This 3.4 Mtpy capacity project with 238,700 m^3 in storage volume should be delivered at the end of 2021.

GTT's FLNG technologies

The Group believes that GTT's membrane technologies offer significant competitive advantages compared with Moss Maritime technologies due to the large flat deck that can accommodate the liquefaction unit and other related equipment.

According to the Group, the technologies competing with GTT are not necessarily well-suited to floating platforms.

The Moss Maritime containment system leaves no room on the platform and therefore makes it hard to install the liquefaction equipment.

Ishikawajima Harima Heavy Industries' SPB system also has a flat deck, but costs from 100 to 250 million US dollars more than GTT's membrane system as it requires a much larger quantity of expensive metal.

Long-term outlook

All FLNGs currently under construction [(1)] use GTT technologies.

GTT expects up to five FLNG orders over the 2019-2028 period. The choice of FLNGs is an alternative to on-shore facilities, notably in cases where the volume to be produced is smaller, the costs of the installation must be managed, or it is advisable to limit the political risks associated with obtaining the required authorisations.

2.1.2 MULTI-GAS

Multi-gas vessels are designed to transport various types of gas, depending on their liquefaction temperature and their density. The two most used types of vessels are ethane and LPG carriers. These vessels can transport other gases in a liquid state, of which the characteristics – liquefaction temperature and density – resemble ethane or LPG, such as in particular ethylene and propylene.

2.1.2.1 Multi-gas ethane carriers

Multi-gas ethane carriers are vessels designed to transport liquid ethane at around -92°C. Furthermore, this characteristic enables them to transport other gases (e.g. propane, butane, propylene and ethylene), whose liquefaction temperature is close to or greater than that of ethane and of which the density is similar. As for LNG carriers with natural gas, ethane carriers are an economically relevant alternative to transport by pipeline; they allow supply and demand for ethane to be met in a more flexible manner.

Historical trend and order books

The first multi-gas vessels were built in the '70s in Japan, primarily for the transport of ethylene, with a capacity of about 1,000 m^3. This business expanded in the '80s, in terms of both fleet and vessel size, reaching capacities greater than 10,000 m^3 and up to more than 20,000 m^3 in the 2000s. At the end of 2018, according to Clarksons Research, the fleet of multi-gas carriers stood at 185 vessels, with a further 11 vessels on order.

This business is seeing a significant increase in the capacity of the vessels, with the delivery in 2016 and 2017 of the largest ethane carriers in the world (6 ships of 87,500 m^3) for the Indian petrochemicals group Reliance. These six vessels, built by the South Korean shipyard Samsung Heavy Industries, are equipped with GTT membrane containment systems, which represents the first order for the Group in this field. These new "multi-gas" vessels, equipped with the Mark III Flex technology, are designed to transport ethane, as well as several other types of gas in liquid form. The Group has also received five agreements in principle from classification societies (ABS, BV, CCS, DNV-GL and LR) for the transport of liquefied gases other than LNG. These orders place the Group favourably amongst the competition worldwide for the emerging business of large capacity ethane carriers.

(1) Does not take conversions into acount.

GTT's ethane carrier technologies faced with competing technologies

Historically, type B and type C technologies were dominant on multi-gas vessels.

As in other maritime segments in which the Group is positioned (LNG carriers, offshore, etc.), the GTT membrane has the advantage of optimising the cargo volume transported for vessels of the same size. The fact that it matches the shape of the ship's hull allows it to take full advantage of the available space, while using the shell as a supporting structure, which reduces both the capital investment and the operating costs.

Nevertheless, the Group will have to face stiff competition from type A, B and C technologies in this market segment.

2.1.2.2 LPG

Liquefied Petroleum Gases, known as LPG, are present in natural gas and oil fields. They result from the extraction of oil or gas (60% of global production), or from the refining of crude oil (40% of global production). In addition, LPG combustion does not produce particulate matter and significantly limits NO_x and CO_2 emissions.

The LPG market

The LPG market is driven by the production of oil and natural gas as well as refining activities and not by demand for PNG.

The Middle East is historically the primary LPG exporting region. According to Poten & Partners (August 2016), the United States should equal the exports of the Middle East by 2025 thanks to its development of shale gas, with over 40 Mtpy exported (around one third of global exports).

On the demand side, Asia Pacific should maintain its top consumer position, with over 70 Mtpy in imports expected in 2025 (around 2/3 of global imports), with demand sustained by Chinese petrochemical companies and individual consumption in India.

Thus, the panorama of LPG trade over the coming years should see strong development in the North America – Asia-Pacific route (18% of trade by 2025 compared with 12% today), increasing the average distance of maritime routes and consequently leading to growing demand for large capacity vessels.

GTT's LPG carrier technologies faced with competing technologies

LPGs can be transported in three types of vessels (pressurised, semi-refrigerated and refrigerated), which depend primarily on the size of the vessel. Pressurised vessels are equipped with type C confinement technology. Refrigerated vessels are primarily equipped with type A technology. Pressurised and semi-refrigerated vessels generally transport up to 12 different kinds of gases.

MGCs (Multigas Carriers) chiefly transport LPG and ammonia and VLGCs (Very Large Gas Carriers) carry LPG only. In addition, larger capacity vessels are often used on the longest routes.

Mark technologies are adapted to LPG transportation and storage. Various LNG vessels, including the Descartes and the Ben Franklin, transported LPG in the past. Currently, four out of the 10 Prelude FLNG tanks for Shell are designed to store LPG. However, these Mark and NO technologies are optimised for LNG, and not for LPG. The Group has, therefore, decided to develop a new GTT MARS™ technology to specifically meet this market's needs. It is intended for the transport of all liquefied gases whose boiling point is greater than -55°C and whose density is less than 700 kg/m^3, at atmospheric pressure. It is intended to reduce construction costs for the shipyards and operating costs for ship-owners while maintaining the same level of performance and the same reliability as Mark III and NO96 technologies.

However, in promoting this technology, the Group must deal with a strong level of conservatism by operators.

2.2 ONSHORE AND SEABED STORAGE

Onshore storage tanks are installed next to LNG loading and unloading terminals in order to transport, regasify and distribute the LNG. The installed tanks have a volume of approximately 150,000 m^3 (larger capacities are available, particularly with membrane type tanks) and there are usually several tanks per terminal.

Tanks are designed to withstand cryogenic temperatures, maintain the liquid at a low temperature and minimise evaporation.

GTT's current commercial strategy is to license the onshore storage technology to EPC contractors enabling project sponsors to benefit from competition and lower project costs. GTT aims to strengthen its operations in onshore storage significantly over the next ten years. As at the date of this Registration Document, GTT has 19 licensees.

GTT has also developed an LNG storage solution known as GBS (Gravity Based System). The storage station consists of a concrete or steel chamber and a membrane containment tank designed by GTT. It sits on the seabed and can be installed in a port or isolated area and requires no additional infrastructure. This reduces installation costs while limiting the environmental impact.

Historical trend and order books

Technigaz developed a technology for onshore gas storage in the late 1960s, which was used for 33 tanks between 1970 and 2006 (29 for LNG storage, 2 for ethylene storage and 2 for LPG storage).

Since 2006, GTT has won 2 orders for onshore storage tanks in 2009 and 2012 from Energy World Corporation, in Indonesia and the Philippines. GTT was rewarded in 2014 by an order from CERN for a small storage tank of 17 m^3 intended for liquid argon (-187°C), followed by two orders for 600 m^3 for the same purpose in 2016, then a further order in 2018 for a 12,500 m^3 tank.

The 38 onshore storage tanks built or on order employing the GST™ technology developed by Technigaz then GTT are mainly located in Asia (Japan, Taiwan and South Korea), France, Switzerland and the United States [(1)]. Three of the largest LNG onshore storage tanks in service around the world are equipped with GTT's membrane technology. These are three 200,000 m^3 in-ground tanks in Japan belonging to Tokyo Gas, the first of which was delivered in 1996.

The Group wants to increase its presence in the segment over the next ten years.

Demand for LNG onshore storage should continue to increase, supported by the following sector drivers:

- the need for additional storage capacity in connection with the development of new regasification and liquefaction projects (for example in Russia);
- the increase in the average size of LNG carriers requires larger storage tanks and the construction of new onshore storage capacity;
- growth in trading volumes is supporting the construction of numerous projects with lower utilisation rates to take advantage of sector opportunities;
- the liberalisation of certain energy markets is encouraging new players to invest in their own infrastructure;
- the emergence of bunkering and the retail distribution of LNG, which may also justify the construction of new onshore storage facilities to offer re-export services;
- substantial demand for peak-shaving facilities, especially in China and India, where consumption is expected to grow very rapidly with significant additional storage needed by 2020.

GTT's onshore storage technologies faced with competing technologies

Where membrane containment tanks are concerned, GTT has three main competitors: Ishikawajima Harima Heavy Industries and Kawasaki Heavy Industries, which developed their technologies in the 1970s, and Kogas, which developed its technology in the 2000s.

There are currently different types of onshore storage tanks, with the most common types being full integrity containment with thick sheet metal and full integrity membrane containment (GTT and others).

Although GTT has unparalleled experience in maritime LNG containment systems, it has been involved in less than 10% of installed onshore storage tanks.

The change in regulations since 2006 which now classifies above-ground membrane tanks as full integrity (against single integrity previously), thus avoiding the requirement for a retention basin, has made membrane technology more attractive for this type of above-ground storage.

GTT is confident that it can strengthen its presence given its extensive know-how, the major competitive cost advantage of its onshore storage technology and its revamped marketing efforts since 2009.

Overall, GTT's membrane tanks lead to cost-savings of 10% to 35% of total storage cost compared to full integrity systems [(1)].

GTT's membrane tanks comply with the European EN 14620 standard. In 2015, the membrane technology was included in the Canadian CSA Z276 standard and, since December 28, 2015, the US NFPA standard accepted membrane technology. This American standard is applied and considered to be the reference standard in many regions, such as North America, Latin America, Asia-Pacific, the Middle East and Africa. This success will facilitate GTT's marketing actions and enable it to access new markets.

Long-term outlook

Over the 2018-2027 period, GTT expects between 10 and 15 orders for large onshore storage tanks, principally driven by the expected growth of GBS.

(1) Source: Company.

2.3 DEVELOPMENT OF NEW ACTIVITIES BY THE GROUP

The Group is devoting special attention to adapting its membrane technology to LNG as fuel for the propulsion of vessels ("bunkering") and the development of small- and medium-sized maritime and river carriers.

Bunkering involves developing storage solutions for the entire logistics chain supplying LNG to merchant vessels other than LNG carriers (which mostly use LNG as fuel). Bunkering allows for the development of LNG as fuel storage solutions and related systems for these merchant vessels, to replace conventional fuel oils.

The logistics chain comprises onshore storage tanks (bunkering redistribution terminals located in or close to ports), which are supplied by small LNG carriers from existing terminals and bunkering vessels, used in some cases to supply merchant vessels. Small LNG carriers can also be used to supply merchant vessels.

2.3.1 VESSELS FUELLED BY LNG

Of the LNG sector segments to which GTT has devoted particular attention in its research program, "bunkering" has significant potential due to a legal and regulatory environment conducive to its development as well as to the attractive cost of LNG compared with the sulphur-free fuels currently used by vessels. The intensification and globalisation of marine environmental regulations seen in 2016, and to come in 2020, will significantly stimulate the development of the market for LNG as shipping fuel.

Competitive environment

At the end [1] of 2018, 133 vessels powered by LNG were in service and 159 vessels had been ordered, which is only 0.15% of the worldwide fleet but 4.5% of vessels ordered. The fleet has increased at the rate of about thirty orders a year since 2013. Europe is in advance in this area, with 70% of the fleet in service operated by European ship-owners. The market in North America is benefiting from the region's entry into the ECA in 2012 and Asia is also tending to see strong growth, due in particular to the riverboat market in China and the development of local regulations.

All of the vessels in service are equipped with type C tanks, for which average capacity is constantly increasing (around 1,000 m^3 in 2015 compared to 200 m^3 in 2005). They can reach almost 4,000 m^3 on cruise ships, a market which is growing strongly.

The main suppliers of type C tanks for these vessels are Wartsila, TGE, Dalian LGM and Chart Industrie. Chart and Dalian LGM are positioned on small and medium capacities (a few hundred m^3 on average). Wartsila and TGE offer the full range of volumes. TGE provides the largest capacity tanks (almost 1,000 m^3 on average).

Regulations

In order to comply with the introduction of regulations to reduce sulphur dioxide emissions, vessels will be required to switch to propulsion methods that use low-sulphur fuels or process sulphur oxide (SO_x) and nitrogen oxide (NO_x) emissions.

From a cost point of view, LNG propulsion is one of the most competitive propulsion solutions, enabling compliance with the reduced emission levels resulting from the new regulations.

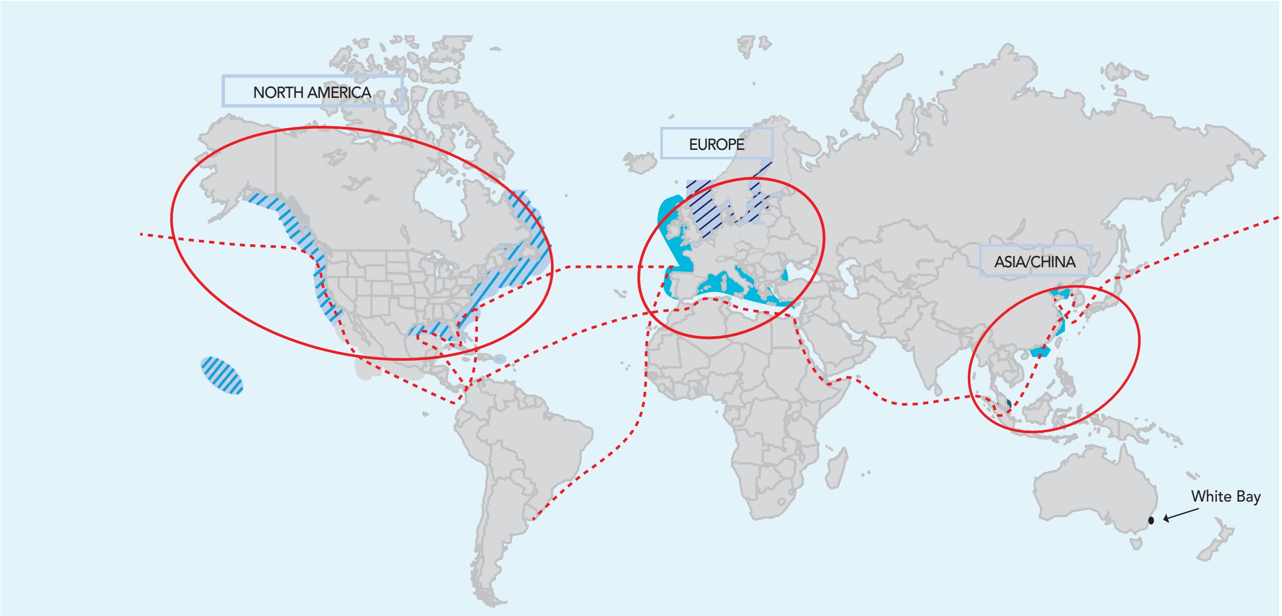
(a) New regulations encouraging the use of LNG

SO_x

Vessel emissions of sulphur dioxide (SO_2) are covered by regulations based on EU directives and agreements adopted by the International Maritime Organisation (IMO). Directive 1999/32/EC as amended by Directive 2012/33/EU regulates the sulphur content of exhausts emissions produced by maritime transportation and has enacted certain rules adopted by the IMO into European Union law.

(1) Source: DNV-GL, Clarksons, (excluding LNG carriers, FSRUs, etc.).

As part of global efforts to reduce emissions, the IMO introduced measures in 2008 to reduce vessel emissions of SO_2 that will gradually enter into force around the world. The gradual entering into effect of these measures is summarised in the mapping below:



Legend

Main maritime routes

SOx
- Current SOx emissions control zones (≤0.1% SOx)
- Future SOx emissions control zones (≤0.5% SOx)
- Future SOx emissions control zones – IMO Global Sulphur Cap (≤0.5% SOx)

NOx
- Current NOx emissions control zones
- Future NOx emissions control zones

Source: Sia Partners

	Sulphur oxide limit (% mass/total mass)	
Effective date	**ECA ***	**Outside the ECA**
2010	1.5%	4.5%
2010 (July)	1.0%	
2012		3.5%
January 1, 2015	0.1%	
2020		0.5%

* *Emission Control Areas comprising the Baltic Sea, North Sea, English Channel, North American coasts and the coasts of certain Caribbean islands as at January 1, 2014.*

At the end of 2016, the IMO confirmed the implementation in 2020 of the Global Sulfur Cap which will limit sulphur emissions in the world's oceans to 0.5% (excluding ECA). This announcement was made two years ahead of the initial schedule to allow enough time for market players, in particular ship-owners, to comply with the rule. The industry believes that the decision will accelerate the adoption of new propulsion solutions, including LNG as fuel.

On a regional level, the European Union had already announced the implementation of a zone limiting sulphur to 0.5% along its coasts in 2020, and China a plan to limit the emissions of vessels in many ports and high traffic areas.

New ECA (0.1% sulphur) which were mentioned in the past (Norway, the Mediterranean, Japan, etc.) do not appear to be coming into effect.

In order to comply with the new measures, vessels have the option of using one of the following three solutions: (i) be equipped with smoke scrubbers, (ii) be converted to LNG propulsion or (iii) switch to a low-sulphur fuel, such as marine diesel oil, low-sulphur heavy fuel oil (LS-HFO for = 0.5% S zones only), ultra-low sulphur heavy fuel oil (ULS-HFO, conforming to 0.1% S) or methanol/ethanol.

LNG propulsion has been used successfully on LNG carriers since 1964. Using LNG as fuel almost totally eliminates sulphur oxide emissions (SO_x) compared to fuel oil propulsion. Using LNG is also expected to ensure compliance with the regulations regarding NO_x, CO_2 and particle emissions and, in particular, with the Marpol international convention.

NO_X AND CO_2

The regulations applicable to certain new vessels in relation to NO_x emissions are due to be tightened up in ECAs. The applicable rules (called "Tier" rules) on the limitation of emissions of NO_x, summarised in the table below, are set based on the engine speed of the vessel.

		Limitations to nitrogen oxide emissions *(in g/kWh)*		
Applicable Tier Rules	**Date**	**n (1) < 130**	**130 ≤ n < 2,000**	**n ≥2,000**
Tier I	2000	17.0	45 x n -0.2	9.8
Tier II	2011	14.4	44 x n -0.23	7.7
Tier III	2016 (2)	3.4	9 x n -0.2	1.96

(1) "n" corresponding to the engine speed of the vessels (revolutions per minute).

(2) In ECAs (Tier II rules will remain applicable outside ECAs).

At the end of 2016, the IMO also extended NO_x controls from the "North America" ECA to the "Northern Europe – Baltic" ECA.

In 2011, the IMO adopted strict measures to reduce the emission of greenhouse gases from international maritime transportation. LNG combustion reduces CO_2 emissions by approximately 20% compared with fuel oil combustion.

Regulations on particle emissions are likely to be extended to other areas, and LNG propulsion has the advantage of totally eliminating particle emissions by comparison with fuel oil.

(b) LNG and competing technologies

The Group believes that both smoke scrubbers and low-sulphur fuel oil (MDO/MGO and LS/ULS-HFO) have major drawbacks.

MDO/MGO AND LS/ULS-HFO

These fuels meet regulatory requirements. Their prices remains high in comparison with the alternatives and their availability therefore creates a significant problem. In addition, a scrubber will be necessary in order to comply with the Tier III NO_x limits.

SMOKE SCRUBBERS

Sulphur oxide smoke scrubbers make it possible to continue using heavy fuel oils (known as HFO or IFO) as a fuel. This technology is proven in power plant situations, but has a limited track record in vessels. Catalytic converters have many disadvantages. They are expensive, consume a significant amount of energy, take up vessel space, require maintenance as well as chemical injection and chemical waste disposal processes (acid sludge) and are considered to have a low level of reliability. There are two types of smoke scrubbers:

- so-called "open loop" technologies use seawater to clean the smoke and discharge part of the atmospheric pollution into the sea; because of the environmental risk posed, several ports and countries have recently banned the use of open loop smoke scrubbers in their territorial waters, in particular China and two of the three major bunkering ports in the world, Singapore and Fujaïrah in the United Arab Emirates. These successive bans should limit the growth of these open loop smoke scrubbers;
- "Closed loop" technologies uses a chemical process to clean the smoke; for their part, they are expensive and pose the problem of how to manage waste water and sludges generated by the smoke scrubbing.

However, the technology exists and the bunkering infrastructures for HFO are already in place. At the end of 2018, according to Clarksons Research, 1,700 sulphur oxide smoke scrubbers had been installed on vessels of more than 100 GT and 500 vessels are on order. The majority of these smoke scrubbers are for converting existing vessels and these orders are mainly for open loop systems.

SUMMARY

The regulatory compliance of the main fuels and propulsion solutions is summarised in the table below.

Pollutant	Level	Heavy fuel oil (HFO)	Low sulphur heavy fuel oil (LS-HFO)	Ultra low sulphur heavy fuel oil (ULS-HFO)	Diesel oil/ Diesel (MGO/MDO)	Smoke scrubber (+HFO)	LNG
SOx	3.5%	Yes	Yes	Yes	Yes	Yes	Yes
	0.5%	No	Yes	Yes	Yes	Yes	Yes
	0.1%	No	No	Yes	Yes	Yes	Yes
NOx[2]	Tier I & II	Yes	Yes	Yes	Yes	Yes	Yes
	Tier III	+EGR/SCR[3]					*Except with the MAN ME-GI engine*

1) Only DMA and DMB fuel categories
2) Depends primarily on the engine/turbine propulsion technology
3) EGR: Exhaust Gas Recirculation; SCR: Selective Catalytic Reduction

Compliant: Yes | With conditions | No

Source: Company.

(c) An economic incentive for using LNG

Due to the implementation of stricter limitations for SOx emissions on a global level (0.5% instead of the current rate of 3.5% (2020)) in 2020, the [(1)] availability of heavy fuel with a low sulphur content (Low Sulfur Heavy Fuel Oil – LS-HFO) might become a problem, which would result in an automatic increase in prices which would potentially become similar to those of MDO and MGO. Its use would become unprofitable for long routes and push ship-owners towards a choice between smoke scrubbers, selective catalytic reductions and LNG.

Historical trend and order books

2017 was marked by GTT's first order for LNG-fuelled vessels equipped with a membrane. It is for 9 CMA CGM container vessels equipped with 18,600 m3 tanks. These vessels will have a total consumption of 0.3 Mtpy. This historical order from a leading player marks the beginning of use of LNG as marine fuel over long distances on the high seas.

In 2018, GTT won an order to equip two LNG tanks for the Ponant expedition vessel, "Le Commandant Charcot", using the Mark III technology and with a volume of 4,500 m^3 GTT will be responsible for building the tanks under this contract.

Moreover, the development of the marine fuel's use has a favourable impact on GTT's business: It is a business on its own, it increases activity for LNG carriers transporting LNG to vessel loading locations, and it develops the use of bunker vessels (for which GTT won its first order at the beginning of 2018, see section 2.3.2 in this Registration Document).

Outlook

The LNG as fuel solution, subject to past and present considerable rapid expansion in the North European countries, is now seriously considered by major industrial countries such as the USA and China. LNG as fuel for short sea and deep sea transport is from now on a considered economical solution for the coming years.

The adoption of LNG as shipping fuel is subject to numerous factors: the financial feasibility of construction, the price of LNG relative to traditional marine fuels, the timing of the implementation of regulations (for example, implementation of the global sulphur cap), the credibility of control methods and associated sanctions, the development of a wider LNG supply chain and bunkering network at major ports, and the relative effectiveness of alternative solutions in meeting environmental regulations.

The Group believes that the economic and environmental benefits of LNG coupled with those of membrane technologies, including optimum use of vessel volumes, will pave the way for the sector to embrace its technologies rapidly. The Group will thus be in a position to satisfy a higher number of tank design requests for different vessel types.

New builds

According to estimates by Poten & Partners in November 2018, cumulative orders for vessels powered by LNG (bulk carriers, tankers, container ships, i.e. over 80% of global tonnage) between 2019 and 2028 will amount to almost 1,750 in their base-case scenario and more than 2,350 in their high-case scenario.

(1) % of the mass as a percentage of the total mass.

Conversions and "LNG ready" vessels

According to a Clarksons Research estimate, around 45% of the merchant fleet of over 2,000 GT spends part of its time at sea in active ECA. The level of exposure varies greatly depending on ship type. For example, the bulk carrier fleet spends relatively small amounts of its time in ECA, while vessels in sectors such as multi-purpose vessels, "Ro-Ro", cruise ships, ferries and offshore support vessels have a relatively higher level of exposure to ECA. Given the current location of ECAs, another important that trade principally in the Atlantic basin are likely to have a higher level of exposure to ECAs than those that operate in the Middle East and the Asia-Pacific.

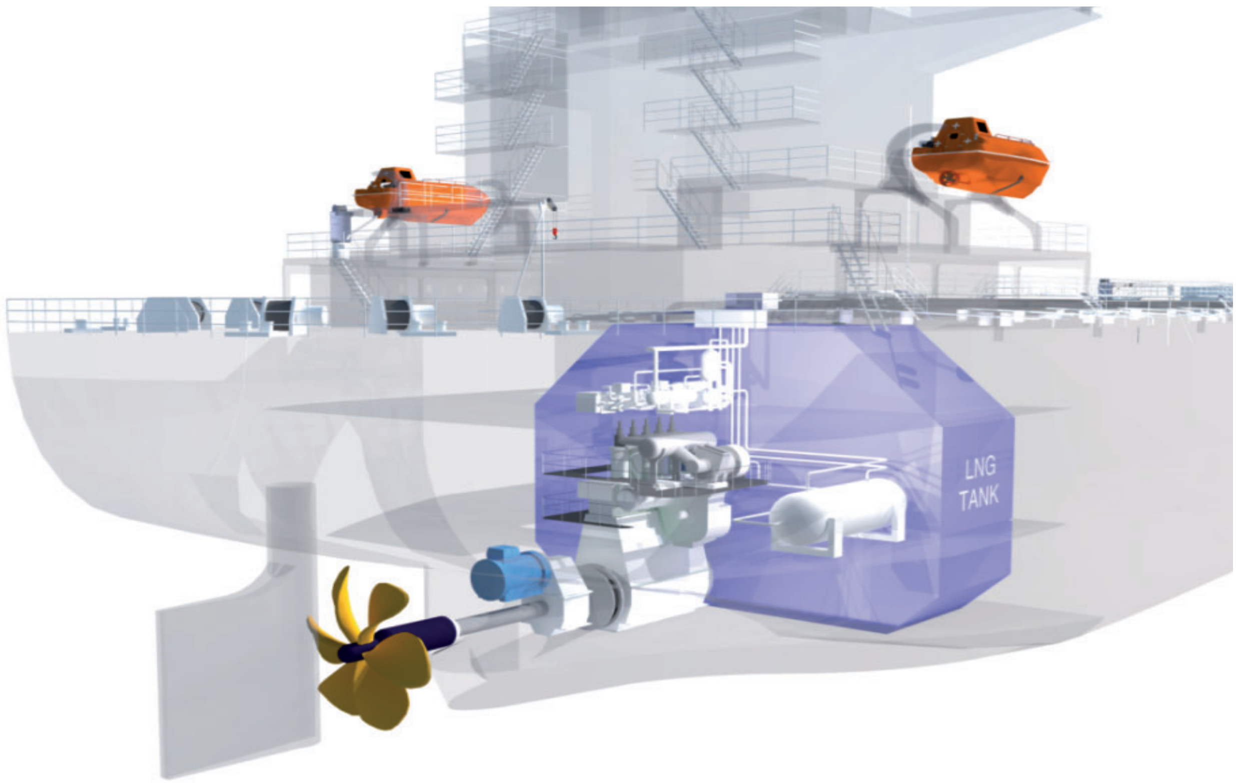
According to the Group, while there has been increasing interest in converting vessels to use LNG as fuel for power, there has been relatively limited conversion activity to date. According to DNV-GL, at the end of 2017, seven vessels of over 100 GT had been converted and six were awaiting conversion.

Ship-owners interested in the LNG solution but with no immediate intention of investing are taking an interest in the construction of vessels qualified as "LNG Ready", which will use traditional marine fuels on delivery but which are designed to be easily converted to LNG if necessary. According to Clarksons, at the end of December 2018, there were 133 "LNG Ready" vessels in service and 94 on order.

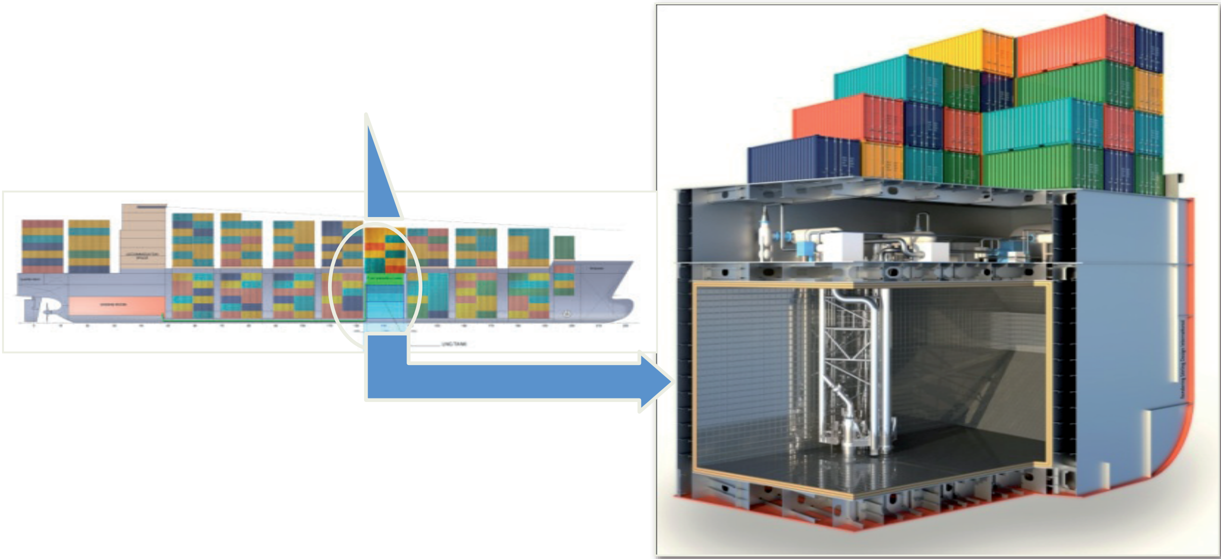
GTT offer

Accordingly, GTT is developing various innovations to adapt its membrane containment technology for use in bunker tanks within merchant vessels. The following charts provide some examples of membrane tanks being installed to store LNG as fuel for this type of propulsion system.

1. Example of an LNG tank integrated on a merchant vessel (typically a bulk carrier or oil tanker or a refined/chemical products carrier). Volume varying between 2,000 and 5,000 m^3



2. Example of a large coastal container ship converted through "jumboisation" and insertion of a vessel section containing the LNG fuel tank and the gas preparation unit. Tank volume typically of between 2,000 and 7,000 m³



GTT believes that, starting at a certain volume, GTT's membrane technology offers superior efficiency, reliability and cost savings compared with competing technologies.

In particular, the Group believes that GTT's membrane containment tanks can also fit into unused parts of the ship and optimise cargo volumes with a low level of reduction in the vessel capacity unlike type C tanks which, given their long cylindrical shape, are generally not as efficient in their use of space as membrane tanks.

To comply with the new sulphur emission regulations, ship-owners can choose between refitting the propulsion system of their existing vessels and purchasing a new-build vessel. GTT is already looking to position itself in these two segments, both conversions and new builds.

2.3.2 SMALL LNG CARRIERS AND LNG VESSELS AND BUNKER BARGES

The sector's high potential has prompted GTT to devote some of its research efforts to developing a version of its containment technologies specially geared to LNG transportation in small LNG carriers. The latter are crucial for supplying merchant vessels with LNG, but also to ensure onshore transport and gas power stations in isolated regions.

These small LNG carriers are either part of a small-scale logistical chain (liquefaction terminals with capacity of less than 1 Mtpy, regasification terminals with a capacity of less than 0.5 Mtpy and LNG carriers of less than 30,000 m³), or the standard chain. In the second case, small LNG carriers are supplied by liquefaction terminals known as "semi-bulk", which allow for fractioning the LNG received by the large-scale liquefaction terminals, into smaller volumes.

Currently, Scandinavia, Japan and China dominate this market.

Competitive environment

According to Clarksons, the fleet of small LNG carriers went from 6 vessels in 2000 to 14 in 2010, and 33 at the end of 2018. The order book includes eight vessels.

Type C is the most commonly used technology. It equips 26 of the vessels in service and 6 out of the 8 vessels on order. The majority of the vessels are built in Asian, and particularly, Chinese shipyards. TGE Marine is also a supplier of type C technology. However, it does not build vessels, rather it assists shipyards with construction. Moss and SPB are also present in the small LNG carrier market, with 3 vessels in service. The Group is also already positioned in this market, with six vessels built since 1964 [(1)].

GTT's technologies can be used for small tanks and make it possible to build smaller carriers to meet this need. Even so, the use of GTT's technologies in smaller LNG carriers is less cost-efficient and thus less competitive than in larger LNG carriers. Accordingly, GTT aims to develop its technologies and its partnerships with shipyards and engineering companies to improve their competitiveness.

The bunker barge/vessel activity is beginning to develop. At the end of 2018, there were four LNG bunker vessels in operation with capacities of between 5,000 and 7,500 m³, all operating in northern Europe, and one barge equipped with Mark III Flex technology which is for the American market. There are also six bunker vessels on order: five are equipped with type C technology and one vessel is equipped with GTT's Mark III technology.

(1) Two have a capacity of 35,500 m³, slightly exceeding the category of "small LNG carriers" as defined.

This MOL bunker vessel chartered by Total will supply CMA CGM's LNG powered vessels. This vessel, with a capacity of 18,600 m^3, will be the first capable of supplying significant quantities of LNG in one single bunkering operation.

Note that the LNG bunkering market is also growing in Asia, with three orders made in 2018 to supply Chinese, Japanese and Singaporean markets.

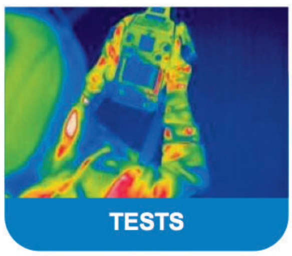
Outlook for the global market and for GTT

The construction of small LNG carriers and LNG bunker vessels/barges will continue to increase, as will LNG fuelled vessels. There are currently two major drivers of this growth:

- the use of LNG for maritime, river and onshore transportation, against a background of stricter environmental standards (MARPOL, etc.). The numerous infrastructure and bunkering projects (existing and in the course of discussion or approval) will contribute logistical support to small LNG carriers/methane carriers. Singapore, China, Europe and North America are the regions which are actively seeking to develop logistics for the LNG chain, and therefore in which the emergence of small LNG carriers will be facilitated;
- the use of LNG for the production of secondary energy (electricity, heat), with the development of satellite stations for the storage of LNG in order to smooth out peaks in demand ("peak shaving"), and the supply of LNG to isolated regions (most often on islands) for which a connection by pipeline is not economically viable. Southeast Asia, with Indonesia, as well as the Caribbean, are particularly concerned.

According to Poten & Partners, demand for retail LNG could almost triple in the next ten years, from nearly 15 Mtpy in 2017 to over 40 Mtpy in 2017, primarily as a result of LNG for transportation (onshore, maritime, river, and even rail).

2.4 SERVICES



Through their services offering, GTT and its subsidiaries assist their customers and partners, and more generally the LNG industry, throughout the life cycle of a project.

The Group is present during the construction, operation and maintenance phases to guarantee safety, quality, performance and operational flexibility.

These services, which were historically developed for LNG maritime transportation, are being adapted and supplemented in order to respond to the specific needs of LNG as a shipping fuel. The objective is to make LNG simpler and more accessible for the shipping industry.

CONSULTANCY SERVICES

GTT offers consultancy services to help shipowners make the best decisions in advance of their projects. To support the growth of LNG as a shipping fuel, in 2018 GTT advised several partners and customers on subjects such as gas system design, managing bunkering operations, optimising the positioning and design of tanks in order to limit the impact on cargo, etc.

This advice could lead to engineering studies.

ENGINEERING STUDIES

As a recognised expert in the design of LNG storage and handling systems, GTT is also regularly called on for engineering studies. The performance of these services for the leading players in LNG enables GTT to forge stable, long-term relationships with all these players and thus build trust in its technologies, its know-how and its teams. The Group regularly supports shipyards and EPC contractors in their pre-project phase, to ensure the feasibility and optimisation of the solutions selected.

In 2018, GTT invested significantly in innovative GBS projects. GTT was commissioned by two large companies to conduct front end engineering design (FEED) studies on new GBS (Gravity Based System) terminal projects. The first project, signed with a European EPC, concerns a large liquefaction project including several concrete chambers with liquefied gas membrane confinement tanks. The second project, carried out by an Asian partner to supply energy to an island, concerns a smaller metallic GBS chamber. These two types of GBS terminals are built around a concrete or steel chamber, and membrane containment tanks designed by GTT. They lie on the sea bed and can be installed in a harbour or in an isolated zone, without requiring any additional infrastructure.

It is also approached to provide its expertise directly to ship-owners and vessel operators, charterers, oil and gas companies, engineering companies and classification societies. They seek engineering support for projects such as:

- making changes to vessels in service: for example, converting an LNG carrier into an FSRU, installing a reliquefaction unit on an LNG carrier, modifying the propulsion system for an LNG propelled vessel, increasing the maximum pressure of an LNG tank, etc.;
- particularly complex operations at sea. These studies provided by GTT are designed to deliver operational flexibility, e.g. in order to predict the quantity of gas generated during a transfer between two vessels and simulate management of the gas, or to assess the risk represented by sloshing of LNG in tanks in conditions not foreseen in the vessel's design;

In 2018, GTT conducted several studies aiming to increases the maximum pressure of the LNG tanks of several FSRUs in service, in order to improve the flexibility of operations.

TRAINING SERVICES

Training programs

GTT Training, a Group subsidiary, capitalises on its extremely wide-ranging expertise in issues relating to LNG, to offer the LNG industry a catalogue of training courses suitable both for parties interested in LNG as a shipping fuel, and for companies involved in the maritime transportation of LNG.

For LNG transportation, GTT offers training courses, such as the G-Sim simulator-based "LNG Cargo Operations" program for officers operating LNG carriers, in accordance with the SIGTTO skills standards [(1)] (management level).

For LNG as a shipping fuel, GTT Training offers G-Sim simulator-based training in LNG bunkering operations, as well as courses introducing LNG as a shipping fuel.

GTT Training also offers more specialised training aimed at, for example, FSRU operations, vessel to vessel LNG transfers and LNG terminal operators.

Lastly, GTT Training offers training on GTT technologies for the representatives of shipowners, operators, charterers, classification societies and repair shipyards.

In 2018, GTT Training entered into a partnership with a training centre based in Athens in order to deliver Athens based training more easily and, therefore, reach the major Greek shipping market. GTT Training also has a partnership with a training centre in Shanghai, enabling it to reach the Chinese shipping market which is also very important.

(1) Society of International Gas Tanker and Terminal Operators.

Training simulator

GTT Training develops and markets G-Sim, an LNG operations simulator used for training purposes. G-Sim, which was historically developed for LNG vessels, is increasingly used to train vessel crews using LNG as a fuel.

In 2018, GTT Training worked in particular on adapting vessel models to be able to simulate operations related to using LNG as a shipping fuel. G-Sim now enables the simulation of operations on LNG bunkering vessels and on vessels using LNG as a fuel, as well as vessel to vessel bunkering operations.

OPERATIONS SUPPORT

Assistance with carrying out LNG operations

LNG is something new for many players who have chosen LNG as a shipping fuel. Unlike LNG carrier operators, the transportation and handling of LNG is not a core activity for these players. There is, therefore, a greater need for support in carrying out LNG operations.

To facilitate the development of LNG as a fuel, GTT offers assistance in carrying out initial LNG operations. This principally involves gas tests before vessel delivery, initial LNG bunkering operations and specific LNG tank emptying and return to service operations before and after a breakdown.

For example, in 2018 GTT performed gas trials for the LNG bunker barge, Clean Jacksonville, and provided technical assistance for initial bunkering operations.

Emergency response service

GTT provides a telephone hotline service for assistance in emergency situations called HEARS® (Hotline Emergency Assistance & Response Service). The service provides operators and their crews with advice and assistance from Group specialists 24/7.

DIGITAL SERVICES

Based in Singapore, Ascenz is GTT's digital entity following its acquisition at the beginning of 2018. Ascenz offers vessel monitoring and energy efficiency improvement solutions to the shipping industry. The company also provides solutions to improve the transparency and reliability of vessel bunkering operations.

Since its launch in 2008, Ascenz has equipped 450 vessels, principally service vessels and container vessels. Since merging the traditional digital activities of GTT and Ascenz, the proportion of LNG carriers being equipped with on-board systems has grown sharply. In addition to the default sensors available on a vessel, Ascenz has installed more than 1,450 specific sensors on board these vessels in order to improve monitoring quality. These are principally mass flow meters. Ascenz also offers the "Shipulse" platform which allows data to be collected, stored and analysed and enables collaboration based on the data. With regards to services, Ascenz offers development services that are specific to the shipping business, as well as training and technical support.

For the LNG market, Ascenz offers specific solutions for managing risks related to sloshing (movement of LNG in the tanks) and managing boil-off gas.

MAINTENANCE SERVICES

Assistance with inspections and repairs

GTT provides assistance as part of vessel tank maintenance by shipyards. The Group is contractually linked to a number of shipyards worldwide for repairs, as well as to ship-owners and vessel operators, test companies and repair sub-contractors. GTT provides them with technical expertise, access to training and qualifications as well as maintenance and repair procedures.

GTT has selected a network of approved shipyards to perform maintenance operations in optimum conditions. The Group also provides an on-site maintenance service for fixed units such as FLNGs and certain FSRUs.

TAMI™ leak test

Cryovision, a subsidiary of GTT which was formed in January 2012, has developed a method for checking the integrity of secondary barriers using thermal cameras on vessels with Mark, NO and CS1™ type membranes. This method known as "TAMI™" (Thermal Assessment of Membrane Integrity) is an integrity test classifying secondary barriers for the Mark III technology, as with standard pneumatic tests. Shipowners must carry out these integrity tests every five years pursuant to the international code for the construction and equipment of vessels carrying liquefied gases in bulk (IGC).

TAMI™ offers significant advantages, in particular with regards to implementation. Indeed, TAMI™ can be carried out at sea with full tanks in advance of a vessel entering dry dock. TAMI™ therefore reduces time spent in dry dock. The cost savings which result are significant for shipowners.

Cryovision also carries out local acoustic emissions tests (AE Test) on the tanks of LNG carriers, mainly on special zones such as the domes. The AE test is used in addition to the SBTT or TAMI™ tests, in accordance with the recommendations of the classification societies and/or GTT.

Since being formed, Cryovision has become a major player in its sector. Since 2016, Cryovision has been recognised as a specialist in gas-tightness testing for LNG carriers (thermal and acoustic) under IACS Unified Recommendations Z17. The Company was certified OHSAS 18001 in 2016, in addition to the ISO 9001 certification obtained in 2013. Cryovision has carried out TAMI™ tests on more than 400 tanks, on all membrane technologies and on vessels of all sizes.

MOON motorised balloon

Cryovision, in collaboration with GTT, has developed "MOON" (MOtorized balloON), a drone-like tool. MOON allows quick and easy deployment of standard inspection methods for the primary membrane of tanks, and monitoring systems to be positioned as close as possible to the membrane for inspections and to locate faults on the primary membrane. MOON can transport up to 10 kg of material to within a few centimetres of the membrane in complete safety. In addition, this system does not require the use of equipment in direct contact with the membrane, such as scaffolding, thereby reducing any risks of damaging the insulation system.

TIBIA tool for inspection of floating units

TIBIA (Tank Inspection By Integrated Arm) is a tool developed by GTT to carry out maintenance tasks on the primary membrane of the NO96 or Mark technologies on board FLNGs and FSRUs. TIBIA facilitates access to areas which are difficult to access, thereby generating a time-saving during maintenance. TIBIA can be installed in just eight hours by five operators, without the ship being in dry dock or in port. TIBIA is also equipped with an anchoring tool which immobilises the nacelle in relation to the membrane, thus allowing delicate repairs to be carried out, even when sea conditions are not calm. TIBIA provides numerous advantages in comparison with scaffolding: reduced maintenance time, lower operating costs and reduction in handling operations inside the tank.

ACCREDITATION OF SUPPLIERS

Suppliers of certain materials used by the shipyards or EPC contractors to build the membrane systems must be approved by GTT and comply with a demanding approval process. Approval is given for a limited period of time and is subject to renewal. During the approval process, GTT's teams perform tests by random sampling and on-site inspections.

2.5 SUMMARY OF ORDERS RECEIVED IN 2018 AND 2019

The "vessel" orders received by the Group during 2018 are set out in the table below:

Type	Technology	Shipyard/ Manufacturer	Ship-owner	Delivery
LNG carrier	Mark III Flex	SHI	Confidential	2020
LNG carrier	Mark III Flex	SHI	Confidential	2020
LNG carrier	Mark III Flex	HSHI	Confidential	2020
LNG carrier	NO96 GW	Confidential	Confidential	2020
FSRU	NO96	Confidential	Confidential	2020
LNG carrier	Mark III Flex	HSHI	Confidential	2020
LNG carrier	Mark III Flex	HSHI	Confidential	2020
LNG carrier	Mark III Flex+	SHI	Confidential	2020
LNG carrier	NO96 GW	DSME	Confidential	2019
LNG carrier	NO96 GW	DSME	Confidential	2020
LNG carrier	Mark III Flex	HHI	Confidential	2020
LNG carrier	NO96 GW	Confidential	Confidential	2020
LNG carrier	NO96 GW	Confidential	Confidential	2020
FSRU	Mark III	HHI	Confidential	2020
LNG carrier	Mark III Flex	HHI	Thenamaris	2020
LNG carrier	Mark III Flex	SHI	GasLog	2020
LNG carrier	NO96 GW	DSME	Confidential	2020
LNG carrier	NO96 GW	DSME	Confidential	2021
LNG carrier	NO96 GW	DSME	Confidential	2020
LNG carrier	NO96 GW	DSME	Confidential	2020
LNG carrier	Mark III Flex	SHI	Confidential	2020
LNG carrier	Mark III Flex	HSHI	Confidential	2021
LNG carrier	Mark III Flex	HSHI	Confidential	2021
LNG carrier	Mark III Flex	HSHI	Confidential	2020
LNG carrier	Mark III Flex	SHI	Confidential	2020
LNG carrier	Mark III Flex	Confidential	Confidential	2020
LNG carrier	Mark III Flex	HHI	Capital Gas	2020
LNG carrier	Mark III Flex	HHI	Capital Gas	2020
LNG carrier	Mark III Flex	HHI	Capital Gas	2020
LNG carrier	Mark III Flex	HHI	Capital Gas	2021
LNG carrier	Mark III Flex+	SHI	Confidential	2020
LNG carrier	Mark III Flex+	SHI	Confidential	2020
LNG carrier	Mark III Flex	SHI	Celsius	2020
LNG carrier	Mark III Flex	SHI	Celsius	2020
LNG carrier	NO96 GW	DSME	Confidential	2021
LNG carrier	Mark III Flex	SHI	NYK	2021
LNG carrier	NO96 GW	DSME	Confidential	2020
LNG carrier	Mark III Flex	HHI	Thenamaris	2021
LNG carrier	Mark III Flex	HHI	Cardiff	2020
LNG carrier	Mark III Flex	HHI	Cardiff	2021
LNG carrier	NO96 GW	DSME	Confidential	2020

Type	Technology	Shipyard/ Manufacturer	Ship-owner	Delivery
LNG carrier	NO96 GW	DSME	Confidential	2020
LNG carrier	Mark III Flex	Confidential	Confidential	2021
LNG carrier	Mark III Flex +	SHI	Minerva	2021
LNG carrier	Mark III Flex	Confidential	Confidential	2021
LNG carrier	Mark III Flex	Confidential	Confidential	2021
LNG carrier	Mark III Flex	HSHI	CMM	2021
LNG carrier	Mark III Flex	HSHI	CMM	2021
LNG carrier	Mark III Flex	Confidential	Confidential	2021
LNG carrier	Mark III Flex	Confidential	Confidential	2021
NEW MARKETS				
Bunker vessel	Mark III Flex	HZ	Mitsui OSK Lines	2020
Expedition cruise vessel	Mark III	Vard	Ponant	2021

Orders received by the Group from January 1, 2019 to the date of filing of this Registration Document:

Type	Technology	Shipyard/ Manufacturer	Ship-owner	Delivery
LNG carrier	Mark III Flex	SHI	NYK	2021
LNG carrier	Mark III Flex	SHI	NYK	2021
LNG carrier	Mark III Flex+	SHI	Gaslog	2021
LNG carrier	Mark III Flex+	SHI	Gaslog	2021
LNG carrier	NO96 GW	DSME	Confidential	2021
LNG carrier	NO96 GW	DSME	Confidential	2021
LNG carrier	NO96 GW	Confidential	Confidential	2020
LNG carrier	NO96 GW	Confidential	Confidential	2021
LNG carrier	Mark III Flex	SHI	Confidential	2021
LNG carrier	Mark III Flex+	SHI	Minerva	2021
LNG carrier	Mark III Flex	SHI	Navigare	2021
LNG carrier	Mark III Flex	HHI	Capital Gas	2021
LNG carrier	Mark III Flex	SHI	Celcius Tankers	2021
LNG carrier	Mark III Flex	SHI	Celcius Tankers	2021
LNG carrier	NO96 GW	DSME	Confidential	2021
LNG carrier	Mark III Flex	HSHI	NYK	2022
NEW MARKETS				
Container vessel	Mark III	Hudong-Zhonghua	Hapag Lloyd	2020
Bunker vessel	Mark III Flex	Sembcorp Marine	Inda Singa Maritime / MOL	2021

An overview of current orders received by the Company as at March 31, 2019 is presented in Section 1.3 – "*Q1 2019 Highlights of this Registration Document*".

3 THE FINANCIAL STATEMENTS

Annual Financial Report items are clearly identifi ed in this summary with the aid of the AFR pictogram AFR

3.1 REVIEW OF THE FINANCIAL SITUATION

3.1.1 ANALYSIS OF 2018 ANNUAL CONSOLIDATED INCOME

Condensed income statement

In thousands of euros	2018	Proforma 2017	Change	%
Revenues from operating activities	**245,987**	**240,801**	**5,186**	**2.2%**
Costs of sales	(2,998)	(1,830)	(1,168)	63.8%
External expenses	(40,951)	(36,806)	(4,145)	11.3%
Personnel expenses	(45,817)	(41,191)	(4,626)	11.2%
Taxes	(4,325)	(4,183)	(141)	3.4%
Depreciation, amortisations and provisions	3,372	(17,201)	20,573	-119.6%
Other operating income and expenses	4,632	7,927	(3,295)	-41.6%
Operating income (EBIT)	**159,901**	**147,516**	**12,384**	**8.4%**
EBIT margin on revenue (%)	**65.0%**	**61.3%**	**3.7%**	
Financial income	55	423	(368)	-87.0%
Profit before tax	**159,956**	**147,939**	**12,017**	**8.1%**
Income tax	(17,156)	(23,906)	6,750	-28.2%
Net income	**142,800**	**124,034**	**18,766**	**15.1%**
Net margin on revenue (%)	**58.1%**	**51.5%**	**6.5%**	
Basic earnings per share (in euros)	3.85	3.35	0.51	15.2%
Calculated indicator				
EBITDA	**168,699**	**151,259**	**17,440**	**11.5%**
EBITDA margin on revenue (%)	**68.6%**	**62.8%**	**5.8%**	

Net profit stands at 142,800 thousand euros for the 2018 financial year, up 18,766 thousand euros compared to the previous year. The net margin rate is up 6.5 points compared to 2017.

The change in profit compared to 2017 is mainly explained by non recurring items, in particular

- a reversal of a tax risk provision for 15,208 thousand euros;
- a tax profit of 5,725 thousand euros associated with a claim in respect of the tax on dividends for 2015 and 2016;
- a goodwill impairment expense for 5,336 thousand euros;
- risk provision allocations for 2,976 thousand euros;
- a drop in research tax credit (French CIR) subsequent to a claim profit for 3,826 thousand euros in 2017

Apart from these items, activity grew with revenues up by 2.2% or 5,186 thousand euros in 2018. Operating expenses were up by 9,938 thousand euros, including 3,700 thousand euros due to the scope effect caused by acquisition of the Ascenz Group, 2,142 thousand euros due to the increase in sub-contracting expenses on a like-for-like basis, and 953 thousand euros due to the increase in fees for filing patents.

Evolution and distribution of revenues (see "operating activities" in the income statement)

In thousands of euros	2018	Proforma 2017	Change	%
Revenue	245,987	240,801	5,186	2.2%
Annual growth (%)	2.2%			
Of which vessels under construction	*231,505*	*227,590*	*3,915*	*1.7%*
LNG carriers/VLEC	*198,778*	*203,060*	*(4,282)*	*-2.1%*
FSRU	*25,087*	*19,212*	*5,875*	*30.6%*
FLNG	*3,605*	*3,397*	*208*	*6.1%*
Onshore storage	*1,433*	*1,535*	*(102)*	*-6.6%*
barges	*962*	*386*	*576*	*149.1%*
vessels fuelled by LNG	*1,640*	*0*	*1,640*	*ns*
From services	*14,481*	*13,211*	*1,271*	*9.6%*
Vessels in operation	*10,041*	*8,577*	*1,465*	*17.1%*
Accreditation	*1,562*	*1,964*	*(402)*	*-20.5%*
Studies	*2,219*	*2,051*	*168*	*8.2%*
Training	*392*	*516*	*(124)*	*-24.0%*
Other	*267*	*103*	*164*	*158.9%*

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Revenue increased from 240,801 thousand euros in 2017 to 245,987 thousand euros in 2018, a rise of 2.2% during the period. The change is explained by the 1.7% increase in revenues relating to vessels under construction and the 9.6% increase in services revenues.

2018 was marked by an upturn in activity with 50 orders recorded, comprising 48 LNG carriers and two FSRUs.

In 2018 the Group's revenues for LNG Carriers/VLEC was 198,778 thousand euros, corresponding to 80.8% of total revenues (compared to 84.3% in 2017). In 2017, 64.2% of the revenue from LNG carriers was generated by vessels ordered in 2011 and 2014 and 32.7* was generated by vessels ordered in 2015. In 2018, 72.7% of revenues came from orders prior to 2016, 9.1% from vessels ordered in 2016, 16% from vessels ordered in 2017 and 2.2% from vessels ordered in 2018.

Revenues from FSRUs (Floating Storage and Regasification Units) *rose by* 30.6% between 2017 and 2018. This is explained by the large number of units ordered in 2017. Accordingly in 2018, 31.8% of revenue originated from orders received in 2015, 65.3% of revenue originated from orders received in 2017 and 2.9% originated from an order received in 2018. The Group received 2 FSRU orders during 2018.

Revenues generated by FLNG orders (Floating Liquefied Natural Gas) were up 6.1% between 2017 and 2018. In 2018, 67.6% of this revenue originated from an order placed in 2014 and 32.4% of this revenue originated from an order placed in 2017.

The bunker barge in the United States ordered in 2015 was delivered in the second half of 2018, and generated revenues of 962 thousand euros over the financial year.

In 2018, the Group generated revenue of 1,640 thousand euros thanks to orders for vessels fuelled by LNG. 94% of this revenue originated from orders received in 2017. Additionally, in 2018 the Group received the first order for a bunker vessel and the first order for construction of the tanks for a cruise liner.

Revenues from services were up 9.6% during the financial year, increasing from 13,211 thousand euros to 14,481 thousand euros. This growth originated mainly from the activity providing services to vessels in operation following the acquisition of Ascenz, and to a lesser extent from the growth in design revenues.

Composition of operating income

External expenses

In thousands of euros	2018	Proforma 2017	Change	%
Tests and studies	14,893	12,599	2,294	18.2%
Leasing, maintenance & insurance	5,991	5,788	203	3.5%
External staff	347	295	52	17.6%
Fees	6,509	5,557	953	17.1%
Transport, travel and reception expenses	7,966	8,565	(600)	-7.0%
Postal & telecommunication charges	237	220	16	7.5%
Other	5,007	3,782	1,226	32.4%
EXTERNAL EXPENSES	**40,951**	**36,806**	**4,145**	**11.3%**
% of revenues from operating activities	16.6%	15.3%		

The Group's external expenses rose from 36,806 thousand euros in 2017 to 40,951 thousand euros in 2018.

The 11.3% increase of external expenses during the period is mainly explained by the increase in test and design expenses for 2,294 thousand euros, the fees line item for 952 thousand euros, and other external expenses for 1,226 thousand euros. The rise in test and design expenses is explained by the increase in sub-contracting due to (i) the growth in new build revenue, (ii) the intensification of research and development projects. The increase in other external expenses is due to the integration of the Ascenz subsidiary into the Group's accounts.

External expenses accounted for 16.6% of 2018 revenues, as opposed to 15.3% in 2017.

Personnel expenses

In thousands of euros	2018	Proforma 2017	Change	%
Wages and salaries	26,222	23,332	2,890	12.4%
Social security costs	11,970	10,953	1,016	9.3%
Share-based payments	642	830	(188)	-22.7%
Profit-sharing and incentives scheme	6,983	6,076	907	14.9%
PERSONNEL EXPENSES	**45,817**	**41,191**	**4,626**	**11.2%**
% of revenues from operating activities	18.6%	17.1%		

Personnel expenses rose from 41,191 thousand euros in 2017 to 45,817 thousand euros in 2018, an 11.2% increase over the period.

This increase is mainly explained by (i) the increase in workforce due to the integration of Ascenz into the Group - the full-time equivalent workforce increased from 345 in 2017 to 380 in 2018, and by (ii) the increase in profit-sharing due to the growth in net income.

Depreciation, amortisation and provisions

In thousands of euros	2018	Proforma 2017	Change	%
Allocations for depreciation of fixed assets	3,296	3,349	(53)	-1.6%
Provisions (reversals)	(12,170)	13,458	(25,628)	-190.4%
Impairments for loss of value	5,502	394	5,108	ns
AMORTISATION AND PROVISIONS (REVERSAL)	**(3,372)**	**17,201**	**(20,573)**	**-119.6%**

Amortisation and provisions correspond to income over the period. They increased from a net amount of 17,201 thousand euros in 2017 to a net amount of 3,372 thousand euros in 2018. The observed change was essentially due to (i) the reversal of the provision for risk of tax adjustment for 15,208 thousand euros, provisioned in 2017, (ii) the provisions for litigation for 2, 803 thousand euros, (iii) the impairment of Ascenz goodwill for 5,336 thousand euros.

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Other operating income and expenses

In thousands of euros	2018	Proforma 2017	change	%
Research tax credit	4,327	7,687	(3,360)	-43.7%
Other operating income/expense	305	240	65	27.1%
OTHER OPERATING INCOME AND EXPENSES	**4,632**	**7,927**	**(3,295)**	**-41.6%**

Other operating income and expenses essentially consist of the research tax credit. The amount for the ongoing year is estimated according to the projects considered to be eligible in accordance with the research tax credit criteria, and amounts recorded in past years. The change in the research tax credit between 2017 and 2018 is explained by (i) the reimbursements obtained in 2017 for financial years prior to 2016 following claims for 3,826 thousand euros and (ii) the rise in the estimate for the period, due to the increase in sub-contracting expenses on research projects.

Change in operating profit (EBIT) and EBITDA

In thousands of euros	2018	Proforma 2017	change	%
EBITDA	168,699	151,259	17,440	11.5%
EBITDA margin (%) – EBITDA as a ratio of revenue	68.6%	62.8%	+5.8 points	
Operating income (EBIT)	159,901	147,516	12,384	8.4%
EBIT margin (%) – EBIT as a ratio of revenue	65.0%	61.3%	+3.7 points	

The Group's EBIT was up 12,385 thousand euros from 147,516 thousand euros in 2017 to 159,901 thousand euros in 2018.

This change is mainly explained by (i) the positive change in allocations for amortisation and provisions for 20,573 thousand euros, (ii) the increase in revenue standing at 5,186 thousand euros, offset by (i) the increase in operating expenses for 9,938 thousand euros and also by (ii) the drop in the research tax credit for 3,360 thousand euros.

The EBIT margin on the revenue was up from 61.3% in 2017 to 65.0% in 2018.

The difference between EBIT and EBITDA is mainly explained by a goodwill impairment for 5,336 thousand euros, not affecting the EBITDA

Composition of financial income

In thousands of euros	2018	Proforma 2017	change	%
Exchange gains and losses	35	(6)	41	ns
Other financial charges	(29)	(51)	22	-43%
Financial income on short term investments	176	381	(205)	-54%
Proceeds on disposal of securities	(4)	-	(4)	ns
Effects of discounting/undiscounting	(13)	-	(13)	ns
Changes in the fair value of financial assets	(104)	110	(214)	ns
Changes in the fair value of retirement plan assets (see Note 15.2)	(5)	(10)	5	ns
FINANCIAL INCOME	**55**	**423**	**(368)**	**-87%**

The drop in financial income is essentially due to the (i) the drop in financial revenue from short-term investments, the value of which fell from 381 thousand euros in 2017 to 176 thousand euros in 2018 due to less favourable investment conditions in the 2018 financial year and (ii) the drop in the change in fair value of short-term investments in 2018.

Income tax

Analysis of income tax

In thousands of euros	2018	Proforma 2017	change	%
Current tax	(23,575)	(22,430)	(1,146)	5%
Deferred tax	695	(1,476)	2,171	ns
Income tax on profit	(22,881)	(23,906)	1,025	-4%
Distribution tax	5,725	-	5,725	ns
TOTAL INCOME TAX	**(17,156)**	**(23,906)**	**6,750**	**-28%**

GTT operations taxed at the ordinary rate generate deficits every year as, essentially, it is a taxation on services and charges for the financial year. Given its activity, the Group is mostly taxed at the reduced rate applicable to long-term capital gains applied to its net revenue from license royalties. The tax losses generated at the normal rate are offset against profits taxed at the reduced tax rate in accordance with French tax rules.

Current income tax: the increase in current income tax between 2017 and 2018 (22,430 thousand euros versus 23,575 thousand euros) is essentially due to the increase in the Group's taxable income in 2018.

Deferred tax: the amount of deferred tax recorded in profit or loss for the period consists primarily of temporary differences in allocations to provisions which cannot be deducted for tax purposes.

Distribution tax: the income recorded in 2018 is due to the favourable outcome of the claim submitted in 2017, and also relates to the reimbursement of tax on dividends in respect of the years 2015 and 2016.

Composition of net income and earnings per share

	2018	Proforma 2017
Net income in euros	142,799,987	124,033,578
Average number of shares outstanding (excluding treasury shares)	37,043,099	37,052,681
Number of diluted shares	37,142,054	37,135,224
BASIC EARNINGS PER SHARE *(IN EUROS)*	**3.85**	**3.35**
DILUTED EARNINGS PER SHARE *(IN EUROS)*	**3.84**	**3.34**

The Group's net income fell from 124,034 thousand euros in 2017 to 142,800 thousand euros in 2018.

Basic earnings per share were calculated based on 37,043,099 shares, which corresponds to the average weighted number of ordinary shares outstanding (excluding treasury shares) during the period.

Therefore, basic earnings per share rose from 3.35 euros to 3.85 euros over the period.

Diluted earnings per share are calculated by taking into account the allocations of free shares decided by the Group. At December 31, 2018, the Group had allocated 98,955 free shares, taken into account in the calculation of net diluted earnings per share. Net diluted earnings per share rose from 3.34 euros to 3.84 euros.

3.1.2 ANALYSIS OF THE CONSOLIDATED BALANCE SHEET

Non-current assets

In thousands of euros	December 31, 2018	Proforma December 31, 2017	change
Intangible assets	2,457	1,097	1,360
Goodwill	4,291	-	4,291
Property, plant and equipment	16,634	17,483	(849)
Non-current financial assets	3,158	3,240	(82)
Deferred tax assets	3,049	1,784	1,265
NON-CURRENT ASSETS	**29,590**	**23,605**	**5,985**

The change in non-current assets between December 31, 2017 and December 31, 2018 results mainly from the increase in intangible assets following the consolidation of the assets of the new subsidiaries and from the recognition of goodwill linked to the acquisition of Ascenz for an amount of 4,291 thousand euros.

Current assets

In thousands of euros	December 31, 2018	Proforma December 31, 2017	change
Inventories	7,394	6,682	712
Customers	96,006	110,461	(14,455)
Current tax receivable	34,079	18,975	15,104
Other current assets	6,556	5,098	1,458
Financial current assets	16	-	16
Total cash and cash equivalent	173,179	99,890	73,290
CURRENT ASSETS	**317,229**	**241,105**	**76,124**

Current assets were up between December 31, 2017 and December 31, 2018, from 241,105 thousand euros to 317,229 thousand euros.

This change is mainly the result of the increase in cash as well as the increase in tax receivables due to the tax claim on dividends and the increase in foreign withholding taxes.

Total equity

In thousands of euros	December 31, 2018	Proforma December 31, 2017	change
Share capital	371	371	-
Share premium	2,932	2,932	-
Treasury shares	(1,529)	(3,728)	2,199
Reserves	34,852	11,301	23,551
Revenue	142,798	124,034	18,765
Total equity - Group share	**179,424**	**134,910**	**44,515**
Total equity - share attributable to non-controlling interests	17	-	17
TOTAL EQUITY	**179,441**	**134,910**	**44,532**

The increase in equity between December 31, 2017 (134,910 thousand euros) and December 31, 2018 (179,424 thousand euros) is mainly explained by the increase in revenue and reserves over the financial year net of distribution of dividends.

The rebuilding of the reserves item over the financial year was the result of the allocation of 2017 comprehensive income in the amount of 124,034 thousand euros, offset by the distribution of dividends in the amount of 98,548 thousand euros.

Changes in equity

In thousands of euros	Number of shares	Share capital	Share premium	Treasury shares	Reserves	Revenue	Conversion differences	Equity Group Share	Minority interests	Total equity
As at December 31, 2016	37,036,945	371	2,932	(1,765)	(649)	119,868	6	120,762	-	120,762
IFRS 15 impact at opening	-	-	-	-	(9,284)	-	-	(9,284)	-	(9,284)
As at 1 January - proforma	37,036,945	371	2,932	(1,765)	(9,933)	119,868	6	111,478	-	111,478
Profit for the period	-	-	-	-	-	124,034	-	124,034	-	124,034
Other items of comprehensive income	-	-	-	-	255	-	(59)	196	-	196
Allocation of the profit from the previous financial period	-	-	-	-	119,868	(119,868)	-	-	-	-
(Purchases)/ Sales of treasury shares	-	-	-	(3,212)	176	-	-	(3,036)	-	(3,036)
Delivery of treasury shares to the beneficiaries	-	-	-	1,249	(1,249)	-	-	-	-	-
Share-based payments	-	-	-	-	830	-	-	830	-	830
Distribution of dividends	-	-	-	-	(98,592)	-	-	(98,592)	-	(98,592)
As at December 31, 2017 - proforma	37,052,681	371	2,932	(3,728)	11,354	124,034	(53)	134,910	-	134,910
Profit for the period	-	-	-	-	-	142,798	-	142,798	2	142,800
Other items of comprehensive income	-	-	-	-	107	-	139	246	-	246
Allocation of the profit from the previous financial period	-	-	-	-	124,034	(124,034)	-	-	-	-
(Purchases)/ Sales of treasury shares	-	-	-	(196)	161	-	-	(35)	-	(35)
Delivery of treasury shares to the beneficiaries	-	-	-	2,395	(2,395)	-	-	-	-	-
Share-based payments	-	-	-	-	266	-	-	266	-	266
Distribution of dividends	-	-	-	-	(212)	-	-	(212)	16	(196)
AS AT DECEMBER 31, 2018	**37,043,099**	**371**	**2,932**	**(1,529)**	**34,766**	**142,798**	**86**	**179,424**	**17**	**179,442**

Non-current liabilities

In thousands of euros	December 31, 2018	Proforma December 31, 2017	change
Non-current provisions	4,075	3,967	108
Financial liabilities - non-current part	2,100	244	1,856
Deferred tax liabilities	210	222	(12)
NON-CURRENT LIABILITIES	**6,385**	**4,433**	**1,952**

Provisions at end 2018 consist mainly of:

- provisions for litigation standing at 1 million euros;
- a provision corresponding to a risk on a construction project of 2.4 million euros; and
- a provision for retirement benefits for 664 thousand euros.

Financial liabilities - non-current part consist:

- of a 1,589 thousand euros debt recognised as part of the acquisition of the Ascenz Group for the maturity redemption of 25% of the shares held by minority shareholders;
- of the balance of the advances from the Hydrocarbon Support Fund not yet falling due. They have reduced due to being reclassified under current financial liabilities in advance of falling due in 2018.

Current liabilities

In thousands of euros	December 31, 2018	Proforma December 31, 2017	change
Trade and other payables	11,483	10,574	909
Tax and social security payables	20,858	19,070	1,787
Deposits & advance payments received on orders	30	(0)	30
Other debts	331	293	38
Deferred income	117,594	73,253	44,341
Other current non-financial liabilities	138,813	92,617	46,196
Current provisions	3,372	15,604	(12,232)
Current tax debts	6,988	6,194	794
Current financial liabilities	337	379	(42)
TOTAL	**160,993**	**125,367**	**35,625**

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This balance sheet item rose from 125,367 thousand euros at end 2017 to 160, 993 thousand euros at end 2018. This change originates partly from the increase in trade payables, tax and social security payables and essentially from an increase in deferred income due to the delay between billing and recognition of the revenue, depending on the progress of vessel construction.

Provisions - current part consists of provisions for litigation and for loss upon completion. The Group recognises this type of provision in a situation where the estimated margin on a given project is judged to be negative.

Current financial liabilities correspond to repayment of advances from the Hydrocarbon Support Fund being classified as payable in under one year, and also to credit facilities.

3.1.3 DEBT AND EQUITY

The Group's equity was 179,441 thousand euros at December 31, 2018, compared with 134,910 thousand euros at December 31, 2017. The changes in equity during this period are presented in section 3.1.2 – *Analysis of the consolidated balance sheet* of this Registration Document.

The Group has no medium- or long-term financial debt.

Activities of the Group generate significant cash-flow from operating activities, which enable it to finance its investments.

In thousands of euros	December 31, 2018	Proforma December 31, 2017
Marketable Securities	30,651	9,014
Cash and cash equivalent	142,529	90,876
Cash in balance sheet	173,179	99,890
Bank overdrafts and equivalent	-	-
TOTAL CASH AND CASH EQUIVALENTS	**173,179**	**99,890**

Financing by capital

No capital increase or issuance of securities giving or capable of giving access to capital is expected in the short and medium term, to finance the development of the Group.

Other Financing

In thousands of euros	December 31, 2018	Proforma December 31, 2017
Advances repayable to the HSF	266	639
Financial liabilities evaluated at fair value through P&L	1,589	0
Bank borrowings	309	(16)
Bank overdrafts	273	-
FINANCIAL LIABILITIES	**2,437**	**623**

Between 1987 and 2001, the Group received repayable subsidies from the Hydrocarbon Support Fund (HSF). These subsidies were intended to finance investment projects in the framework of research programs approved by the French Government.

The repayment of these advances is based on the sales generated by the relevant projects which have been funded. They are recognised as "other non-current liabilities" and "other current liabilities" for the portion at less than one year. The advances due were gradually recorded as income, and there was an accounting discount of 2% per year. This should lead to a gradual settlement of the liability.

The financial liabilities assessed at their fair value through profit or loss correspond to a debt recognised as part of the acquisition of the Ascenz Group for the maturity redemption of 25% of the shares still held by minority shareholders.

Financing by research tax credits

In thousands of euros	December 31, 2018	Proforma December 31, 2017
Research tax credit	4,327	7,687
Employment and competitiveness tax credit (CICE)	138	158

The amounts booked as research tax credits are provisional amounts which differ from the amounts actually declared to the tax authorities after year-end.

In respect of the 2017 research tax credit (CIR), the Group received 3,927 thousand euros, whereas 3,600 thousand euros had been provisioned.

As at end of December 2018, in view of the research and development activity conducted during the 2018 financial year, the Group estimated the amount of research tax credit for the financial year to be 4,000 thousand euros, to which is added the balance of the 2017 CIR (mentioned above) for 327 thousand euros.

Off-balance sheet commitments

The Group signed contracts with three banks for lines of credit for a total of 50 million euros during the 2016 financial year.

- On June 30, 2016, GTT SA agreed to a line of credit with BNP Paribas in the amount of 25 million euros for a period of five years renewable for two years, with a *pari passu* clause, *with* no guarantees, sureties or financial covenants, without restrictions on the allocation of dividends and with limited reasons for default. During 2017, the end of this line of credit was extended by one year, until 2022.
- On July 6, 2016, GTT SA agreed to a line of credit with Crédit du Nord in the amount of 15 million euros for a period of seven years, without guarantees, sureties or financial covenants, without restrictions on the allocation of dividends and with limited reasons for default.
- On July 12, 2016, GTT SA agreed to a line of credit with Société Générale in the amount of 10 million euros for a period of five years renewable for two years with a *pari passu* clause, *with* no guarantees, sureties or financial covenants, without restrictions on the allocation of dividends and with limited reasons for default. During 2017, the end of this line of credit was extended by one year, until 2022.

These lines of credit were not used during 2018.

During 2018, an international bank guarantee in the amount of 1,485 thousand euros was granted as part of a construction contract.

3.1.4 CASH FLOW

The Group's business model is characterised by its strong ability to generate cash flow mainly due to:

- high operating margin levels;
- capital expenditure requirements related mainly to research and development; and
- a negative working capital requirement for a large part of the construction of the vessel because the amounts are billed and collected prior to recognition in the accounts as revenue. This is particularly the case when the Group has recorded stable and significant orders for several consecutive years.

3_

Cash flow from operating activities

The following table presents the reconciliation of the net income of the Group to cash flow from operations.

In thousands of euros	2018	Proforma 2017	Change
Company profit for the year	142,800	124,034	18,766
Removal of income and expenses with no cash impact:			
• Depreciation, amortisation and provisions	(3,180)	17,368	(20,548)
• Proceeds on disposal of assets	191	0	191
Free shares	266	830	(564)
Financial expense (income)	(55)	(423)	367
Tax expense (income) for the financial year	17,156	23,906	(6,750)
Internally generated funds from operations	157,177	165,714	(8,537)
Tax paid out in the financial year	(33,199)	(18,274)	(14,925)
Change in working capital requirement:			
• Inventories and works in progress	(466)	47	(513)
• Trade and other receivables	15,122	(23,357)	38,479
• Trade and other payables	545	1,997	(1,451)
• Other operating assets and liabilities	45,076	(9,601)	54,677
NET CASH FLOW GENERATED BY THE BUSINESS (TOTAL I)	**184,255**	**116,526**	**67,729**

Between the 2017 and 2018 financial years, operating cash flow was up 67.7 million euros, mainly due to an improvement in the change in working capital requirement for 91.2 million euros, offset by an increase in taxes paid for 14.9 million euros.

Cash flow from investing activities

In thousands of euros	2018	Proforma 2017	Change
Investment operations			
Acquisition of non-current assets	(2,890)	(3,434)	544
Disposal of non-current assets	0	0	0
Control acquired on subsidiaries net of cash and cash equivalents acquired	(8,929)	0	(8,929)
Financial investments	(6,637)	(2,861)	(3,776)
Disposal of financial assets	6,645	13,257	(6,612)
Treasury shares	(6)	(3,005)	2,999
Change in other fixed financial assets	15	0	15
NET CASH FLOW FROM INVESTMENT OPERATIONS (TOTAL II)	**(11,802)**	**3,957**	**(15,758)**

During the 2018 financial year, the cash flow generated by investment activities was down by 15,758 thousand euros.

This is mainly explained by:

- the cost of acquiring Ascenz Group securities standing at 9 million euros;
- investments reaching maturity in 2017 and which had generated a cash inflow of 10.7 million euros;
- the purchase of treasury shares in 2017 for 3 million euros

Cash flow from financing activities

In thousands of euros	2018	Proforma 2017	Change
Financing operations			
Dividends paid to shareholders	(98,549)	(98,592)	43
Repayment of financial liabilities	(919)	(488)	(431)
Increase of financial liabilities	40	13	27
Interest paid	(31)	(34)	3
Interest received	178	366	(188)
Change in bank lending	(57)	0	(57)
NET CASH FLOW FROM FINANCE OPERATIONS (TOTAL III)	**(99,338)**	**(98,736)**	**(602)**

Cash flows from finance operations principally consist of payment of the dividend. It was comparable to the dividend distributed in 2017.

3.2 CONSOLIDATED ACCOUNTS

The consolidated financial statements prepared in accordance with IFRS for the financial year ended December 31, 2018 are included for reference in this Registration Document. They are available on the Group's website (www.gtt.fr) and on the website of the *Autorité des Marchés Financiers* (www.amf-france.org).

3.2.1 CONSOLIDATED FINANCIAL STATEMENTS PREPARED ACCORDING TO IFRS FOR THE FINANCIAL YEAR ENDED DECEMBER 31, 2018

Balance sheet

In thousands of euros	Notes	December 31, 2018	Proforma December 31, 2017
Intangible assets	6.1	2,457	1,097
Goodwill	6.2	4,291	-
Property, plant and equipment	7	16,634	17,483
Non-current financial assets	8.2	3,158	3,240
Deferred tax assets	17.6	3,049	1,784
Non-current assets		**29,590**	**23,605**
Inventories	9.1	7,394	6,682
Customers	9.1	96,006	110,461
Current tax receivable		34,079	18,975
Other current assets	9.1	6,556	5,098
Financial current assets	8.1	16	-
Total cash and cash equivalent	10	173,179	99,890
Current assets		**317,229**	**241,105**
TOTAL ASSETS		**346,819**	**264,710**

In thousands of euros	Notes	December 31, 2018	Proforma December 31, 2017
Share capital	11.1	371	371
Share premium		2,932	2,932
Treasury shares		(1,529)	(3,728)
Reserves		34,852	11,301
Net income		142,798	124,034
Total equity - Group share		**179,424**	**134,910**
Total equity - share attributable to non-controlling interests		17	-
Total equity		**179,441**	**134,910**
Non-current provisions	16	4,075	3,967
Financial liabilities - non-current part		2,100	244
Deferred tax liabilities	17.6	210	222
Non-current liabilities		**6,385**	**4,433**
Current provisions	16	3,372	15,604
Suppliers	9.2	11,483	10,574
Current tax debts		6,988	6,194
Current financial liabilities		337	379
Other current liabilities	9.2	138,813	92,617
Current liabilities		**160,993**	**125,367**
TOTAL EQUITY AND LIABILITIES		**346,819**	**264,710**

Income statement

In thousands of euros	Notes	2018	Proforma 2017
Revenue from operating activities		**245,987**	**240,801**
Costs of sales		(2,998)	(1,830)
External expenses	4.2	(40,951)	(36,806)
Personnel expenses	4.1	(45,817)	(41,191)
Taxes		(4,325)	(4,183)
Depreciations, amortisations and provisions	4.3	8,874	(16,807)
Other operating income and expenses	4.4	4,632	7,927
Impairments for loss of value		(5,502)	(394.0)
Operating profit		159,901	147,516
Financial income	5	55	423
Profit before tax		**159,956**	**147,939**
Income tax	17.5	(17,156)	(23,906)
Net income		142,800	124,034
Net income Group share		142,798	124,034
Net earnings of non-controlling interests		2	-
Basic earnings per share (in euros)	12	3.85	3.35
Diluted earnings per share (in euros)	12	3.84	3.34
Average number of shares		37,043,099	37,052,681
Number of diluted shares		37,142,054	37,135,224

In thousands of euros	Notes	2018	Proforma 2017
Net income		142,800	124,034
Items that will not be reclassified to profit or loss			
Actuarial Gains and Losses			
Gross amount	15.1	126	300
Deferred tax		(19)	(45)
Total amount, net of tax		**107**	**255**
Items that may be reclassified subsequently to profit or loss			
Conversion differences		139	(59)
Other comprehensive income for the year, net of tax		246	196
INCOME STATEMENT		**143,046**	**124,230**

Cash flow statement

In thousands of euros	Notes	2018	Proforma 2017
Company profit for the year		142,800	124,034
Removal of income and expenses with no cash impact:			
Allocation (Reversal) of amortisation, depreciation, provisions and impairment		(3,180)	17,368
Proceeds on disposal of assets		191	
Financial expense (income)		(55)	(423)
Tax expense (income) for the financial year	17.5	17,156	23,906
Free shares		266	830
Cash-flow		**157,177**	**165,714**
Tax paid out in the financial year	17.1	(33,199)	(18,274)
Change in working capital requirement:			
• Inventories and work in progress		(466)	47
• Trade and other receivables		15,122	(23,357)
• Trade and other payables		545	1,997
• Other operating assets and liabilities		45,076	(9,601)
Net cash-flow generated by the business (Total I)		184,255	116,526
Investment operations			
Acquisition of non-current assets		(2,890)	(3,434)
Disposal of non-current assets			
Control acquired on subsidiaries net of cash and cash equivalents acquired		(8,929)	-
Financial investments	8	(6,637)	(2,861)
Disposal of financial assets	8	6,645	13,257
Treasury shares		(6)	(3,005)
Change in other fixed financial assets		15	-
Net cash-flow from investment operations (Total II)		(11,802)	3,957
Financing operations			
Dividends paid to shareholders	11.2	(98,549)	(98,592)
Repayment of financial liabilities		(919)	(488)
Increase of financial liabilities		40	13
Interest paid		(31)	(34)
Interest received		178	366
Change in bank lending		(57)	-
Net cash-flow from finance operations (Total III)		(99,338)	(98,736)
Effect of changes in currency prices (IV)		174	(65)
Change in cash (I+II+III+IV)		*73,290*	*21,681*
Opening cash	10	99,890	78,209
Closing cash	10	173,179	99,890
Cash change		**73,290**	**21,681**

Statement of changes in equity

In thousands of euros	Share capital	Share premium	Treasury shares	Reserves	Revenue	Conversion differences	Equity Group Share	Minority interests	Total equity
As at December 31, 2016	371	2,932	(1,765)	(649)	119,868	6	120,762	-	120,762
IFRS 15 impact at opening				(9,284)			(9,284)		(9,284)
As at January 1, 2017	371	2,932	(1,765)	(9,933)	119,868	6	111,478	-	111,478
Profit for the period					124,034		124,034		124,034
Other items of comprehensive income				255		(59)	196		196
Allocation of the profit from the previous financial period				119,868	(119,868)		-		-
(Purchases)/ Sales of treasury shares			(3,212)	176			(3,036)		(3,036)
Delivery of treasury shares to the beneficiaries			1,249	(1,249)					
Share-based payments				830			830		830
Distribution of dividends				(98,592)			(98,592)		(98,592)
As at December 31, 2017	371	2,932	(3,728)	11,354	124,034	(53)	134,910	-	134,910
Profit for the period					142,798		142,798	2	142,800
Other items of comprehensive income				107		139	246		246
Allocation of the profit from the previous financial period				124,034	(124,034)		-		-
(Purchases)/ Sales of treasury shares			(196)	161			(35)		(35)
Delivery of treasury shares to the beneficiaries			2,395	(2,395)					-
Share-based payments				266			266		266
Distribution of dividends				(98,549)			(98,549)		(98,549)
Scope effects				(212)			(212)	16	(196)
AS AT DECEMBER 31, 2018	**371**	**2,932**	**(1,529)**	**34,766**	**142,798**	**86**	**179,424**	**17**	**179,442**

3.2.2 NOTES TO THE FINANCIAL STATEMENTS

DETAILED SUMMARY

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.

The Group is specialised in services related to the construction of storage and transport facilities for liquefied gas, in particular Liquefied Natural Gas (LNG). It offers engineering services, technical assistance and patent licenses for the construction of LNG carrier tanks installed mainly on LNG carriers. The Group operates mainly with shipyards in Asia.

The Group presents its consolidated financial statements since December 31, 2017. These include the financial statements of the parent company as well as those of its 16 subsidiaries: Cryovision offering maintenance services for vessels equipped with GTT membranes, Cryometrics specialised in embedded systems, GTT Training in charge of Group training activities, GTT North America and GTT South East Asia responsible for commercial development over their respective geographic areas and Ascenz Group comprising 11 entities specialised in designing operational reporting and optimisation systems for vessel performance.

These financial statements are presented for the period beginning on January 1, 2018, ended December 31, 2018.

NOTE 2 ACCOUNTING RULES AND METHODS

2.1 Basis of preparation of the financial statements

The accounts were prepared in compliance with IFRS as adopted by the European Union applicable on December 31, 2018, and this applies for all the presented periods.

These periods are available on the European Commission website: http://ec.europa.eu/internal_market/accounting/ias/index_fr.htm

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

Since January 1, 2018, the Group has been applying IFRS 15 and IFRS 9. The accounting rules and methods associated with application of these standards are detailed in Notes 2.5 and 2.13.

The Group has elected not to apply standards by anticipation, nor interpretations and amendments that are not yet mandatory.

Standard no.	Name
IFRS 16	Leases
Amendments to IFRS 9	Characteristics of early repayment with negative compensation
IFRIC 23	Uncertainty related to tax treatment

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

Standard no.	Name
IFRS 17	Insurance contracts
Amendments to IAS 28	Long-term interests in associates and joint ventures.
Annual improvement cycle 2015-2017	IAS 12, IAS 23, IFRS 11, IFRS 3
Amendments to IAS 19	Modification, reduction or liquidation of a plan
Conceptual framework (version 2) - Phase 1	Conceptual framework (version 2) - Phase 1 (qualitative objectives and characteristics of the financial information)
Amendments to IFRS 3	Amendments limited to IFRS 3 entitled "Definition of a business"
Amendments to IAS 1 and IAS 8	Modification of the definition of the term "significant"

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 tax assets, provisions for risks and retirement benefit plans.

2.3 Significant events during the period

The 50 orders for vessels and one order for onshore storage in 2018 constituted a record level for GTT's commercial activities over the last 10 years.

- 48 LNG carrier orders. Most of these orders are intended for natural gas liquefaction units under construction, in particular in the United States. All of the vessels will be equipped with GTT's recent technologies (NO96 GW, NO96- L03+ and Mark III Flex).
- 2 FSRU orders. These orders reflect the huge interest for these regasification vessels which represent a highly flexible and very economical solution, in particular for new LNG importing countries.

In addition the Group registered orders in the new market of vessels fuelled by LNG.

- 1 order for a bunker vessel with a capacity of 18,600 m3 was registered at the start of the year. This vessel operated by the Mitsui OSK Lines Ltd. shipowner and chartered by Total Marine Fuels Global Solutions (TMFGS) will be used in particular to supply LNG to the future CMA CGM container vessels.
- In July 2018, GTT also registered an order from the Vard shipyard for construction of LNG tanks for the Commandant Charcot, the first LNG-powered cruiser ice-breaker.

  The Group made several breakthroughs in its service activities during the financial year.
- In January 2018, GTT finalised the acquisition of Ascenz, a Singapore company specialised in 'smart' shipping. This is an emerging field, especially in the context of management of fuel consumption by commercial vessels.
- Among the different service activities, GTT was appointed during the first half of 2018 to carry out several preliminary design engineering studies on new underwater tank or Gravity Based System (GBS) projects.

In addition, during the financial year the Group signed several license contracts with new shipyards.

- In April 2018, with the Sembcorp Marine company based in Singapore, for design and construction of FSRUs, medium capacity LNG carriers and Sembcorp Marine Gravifloat platforms using GTT membrane containment systems.
- In September 2018, with the Keppel Offshore & Marine company for equipping LNG carriers, bunker vessels, LNG fuelled vessels, as well as FSRUs, with special focus on ships offering a capacity of between 30,000 and 80,000 m3.
- In September 2018, with the South Korean shipyard Hyundai Mipo Dockyard for equipping gas vessels, in particular small and medium capacity vessels (up to approximately 50,000 m3), as well as LNG tanks dedicated to vessel propulsion.

Concerning research and development activities, GTT gained approval in principle from the Bureau Veritas classification body for the development of a new NO96 family cargo containment system. This new system, called NO96 Flex, benefits from both the attributes of the proven NO96 technology and the benefits obtained by using foam panels, making it possible to reduce the boil-off rate to 0.07% per day, i.e. a level equivalent to the most high performance GTT technologies.

2.4 Foreign currencies

The financial statements are presented in euros, which is the Group's functional currency. Almost all of the Group's transactions are denominated in euros.

2.5 Revenue recognition – IFRS 15

Contracts between GTT and shipyards are based on royalties, whereby the shipyards pay royalties for the use of the Group's technology. GTT also provides experts (engineers and technicians) to accompany shipyards (GTT's customers) that apply its technology.

A general contract/TALA (Technical Assistance and License Agreement) defines the general relationship between the parties. The contract sets out the basis for calculating the royalties (based on the number of vessels built by the shipyard) and also indicates the terms of payment of royalties.

Subsequently, for each order, a special contract/MoU (*Memorandum of Understanding*) is signed which defines the specific conditions of application of the general contract.

Under licensing agreements for the construction of tanks with shipyards, GTT:

- carries out engineering analyses for the implementation of its patents, and delivers to the shipyard detailed specifications (including plans and nomenclature necessary to build the tanks using GTT's patented technology) at the moment of steel cutting;
- grants a non-exclusive license to use patents with the support of its engineers and technicians for the construction of tanks (from the steel-cutting phase); and
- performs technical assistance services by providing skilled engineers and technicians for a contractually defined number of man-days from the launch phase until receipt of the *final* order equipped with tanks which comply with the GTT technology as ordered by the ship-owner, being the shipyard's customer.

All of these services are billed in the form of recurring royalties the amount of which is in proportion to the m^2 of tanks under construction for studies, technical assistance and the license and functions with the application of adjustments in the event of construction of a series of identical LNG carriers. The billing is payable following a contractual schedule based on the key phases of the construction of the LNG carrier:

- effective date of the contract;
- steel-cutting;
- keel laying;
- launching;
- delivery.

Until December 31, 2017, billing was recognised as income from ordinary activities according to the effective completion of the relevant services:

- the part corresponding to design services, which is only applicable to the first LNG carrier in a series, is recognised prorata temporis from the date of signature of the license agreement (which marks the beginning of activity with the shipyard for the construction of the tanks), to delivery of the final specifications at the moment of steel cutting;
- the part corresponding to the non-exclusive license for use of patents with the support of GTT technicians and engineers was recognised prorata temporis as from steel cutting until final delivery and acceptance of the LNG carrier by the customer;
- finally, the part corresponding to the technical assistance provided during the project was recognised as such assistance is performed, generally on-site, by GTT's engineers and technicians from the launch of the LNG carrier until final delivery and acceptance by the customer.

As part of the implementation of IFRS 15 in its consolidated financial statements, GTT has been required to carry out a new analysis of the recognition of its royalties.

Application of IFRS 15 became mandatory as from January 1, 2018. The Group has chosen to apply IFRS 15 according to the full retrospective application method. Consequently, the comparative 2017 financial year presented in the 2018 financial statements was restated in accordance with IFRS 15, and the impact of the transition was reflected in the opening equity on January 1, 2017. This restatement will make it possible to compare the financial data from the 2018 financial year (established in accordance with IFRS 15) with the data from the 2017 comparative financial year.

GTT provides a unique overall service corresponding to technology transfer under license to ship-yards in the context of construction of the tanks for a single vessel or a series of vessels;

- the royalties invoiced with respect to a series of vessels in the context of a firm order placed by a shipyard for the construction of tanks will be recorded prorata temporis as revenue from operating activities for the duration of the construction of each vessel (between the steel cutting date and the delivery date of each vessel). The amount of revenue from operating activities allocated to each vessel in the series will be identical;
- costs incurred by GTT during the studies phase prior to the steel cutting date for the first vessel in the series will be recorded on the asset side as work in progress. This work in progress will be recorded prorata temporis as an expense for the duration of construction of each vessel (between the steel cutting date and the delivery date of each vessel). The amount of work in progress allocated to each vessel will be identical;
- the costs incurred by GTT after the steel cutting date of the first vessel in the series (including technical assistance costs associated with making engineers and technicians available) shall be recorded as expenses when they are incurred.

Finally, beyond the volume of contractual technical assistance, GTT can offer further technical assistance, upon request, which is recognised as the revenues when such assistance is effectively performed by the engineers and technicians on-site.

2.6 Other revenue

Other revenues include the amounts for the Research Tax Credit (CIR) granted to companies by the French Tax Authorities in order to encourage technical and scientific research activities.

Companies that justify eligible expenses receive a tax credit that can be credited against the income tax due for the period in which the expenditure was incurred. Any unutilised amount may be carried forward for offset in the following three years, with any excess beyond this date, being reimbursed. Only research expenditure is taken into account for the basis of calculating the research tax credit.

2.7 Business combination

The transferred consideration (acquisition cost) is valued at the fair value of the assets delivered, equity issued and liabilities incurred at the transaction date. The identifiable assets and liabilities of the acquired company are valued at their fair at the acquisition date. The expenses directly attributable to the taking of control are recognised in "other operating expenses".

Any surplus in the transferred consideration on the group's share of the net fair value of identifiable assets and liabilities of the acquired company leads to a recognition of goodwill.

For each controlling interest acquired involving a stake of less than 100%, the non-acquired fraction of interest (investments not giving control) is valued:

- either at its fair value: in this case, goodwill is recognised for the share of investments not giving control (full goodwill method);
- or at its share of the identifiable net asset of the acquired entity: in this case, only goodwill for the share acquired is recognised (partial goodwill method).

The option chosen for one transaction does not pre-define the choice that can be made for subsequent transactions

In the case of an acquisition in stages, the previously held investment is subject to revaluation at fair value at the date control is taken. The difference between the fair value and the net book value of that investment is directly entered in income.

The amounts recognised at the acquisition date lead to an adjustment, on condition that it originates in the facts and circumstances prior to the acquisition date and newly brought to the knowledge of the acquirer. Beyond the valuation period (of a maximum duration of 12 months after the date of taking control of the acquired entity), the goodwill cannot be subject to any adjustment; the subsequent acquisition of non-controlling interests does not lead to the recognition of additional goodwill.

In addition, earn-outs are included in the consideration transferred at fair value at the acquisition date and regardless of their probability of occurrence. During the valuation period, later adjustments are reflected in goodwill when they are related to facts and circumstances existing at the time of the acquisition; when absent, and beyond that period, earn-out adjustments are recognised directly in income, unless the earn-outs had an equity instrument as consideration. In this last case, the earn-out is not revalued at a later time.

2.8 Intangible assets

Intangible assets are recorded at their acquisition cost less any accumulated amortisation and any accumulated impairment losses. Intangible assets with finite lives are amortised over their useful economic life, using the straight-line method.

Research and development costs

The Group regularly incurs research and development costs. Research costs are expensed as incurred. Development expenditures are recognised as an intangible asset when the Group can demonstrate:

- the technical feasibility required for completion of the development project;
- its intention to complete and its ability to use or sell the asset;
- the capacity to use the intangible asset;
- the probability of future economic benefits being generated;
- the availability of technical, financial and other resources to complete the project; and
- the ability to reliably measure the development expenditure.

At the date these financial statements were prepared, the Group considered that these criteria had not been met before the costs were incurred.

As a result, development costs have been recognised as an expense in the period in which they were incurred.

The Group spent 18 million euros on research and development during the financial year ended December 31, 2018, compared with 18 million euros in the financial year ended December 31, 2017.

Software

Software acquired from third parties is capitalised and amortised over a period of three years.

At the year-end, intangible assets recorded in the balance sheet mainly comprise software.

2.9 Goodwill

Goodwill is evaluated as being the amount in excess of the total of:

(i) the transferred counter-party, and

(ii) the amount of any non-controlling interest in the acquired business

compared to the net balance of the fair values of the identifiable acquired assets and assumed liabilities.

The goodwill amount recognised when the business is taken over cannot be adjusted after the assessment period.

Goodwill amounts relating to shareholdings in associates are included in the values of the shareholdings in businesses accounted for under the equity method.

Goodwill amounts are not amortised, but value loss tests are carried out on them once a year or more frequently if indications of value loss are identified.

The arrangements for performing these value loss tests are shown in section 2.12. "Impairment of non-financial assets".

Losses of value pertaining to goodwill are not reversible and are shown on the "loss of value" line of the income statement.

2.10 Property, plant and equipment

Property, plant and equipment are initially accounted for at their acquisition cost.

With regard to the building used since 2003 as the registered office of the Group, its historical cost under the first time application of IFRS, has been determined using the transfer 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 of the lease 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 the contractual lease period in December 2005.

Amortisation, calculated from the date of commissioning of the building, is recognised as an expense to reduce the book value of assets over their estimated useful lives, on a straight-line basis over the following period:

● Buildings	20 years
● Assets acquired via financial lease	15 years
● Technical installations	6 years/10 years
● Other assets	
– Transport vehicles	3 years
– IT and office equipment	3 years/5 years
– Office furniture	6 years

Amortisation expense is recognised within the Income Statement as "Amortisations".

2.11 Leases

Assets financed through finance lease contracts which transfer substantially all the risks and rewards due to ownership of the leased item to the Group, are recognised in the balance sheet at the lower of (i) the fair value of the assets or (ii) the present value of the minimum lease payments. The corresponding debt is recognised as a financial liability. At the date of closing the financial statements, there were no contracts of this nature.

Leases where the lessor retains substantially all the risks and rewards of ownership of the asset are operating leases. The operating lease payments are recognised as an expense in the income statement over the lease term on a straight-line basis, corresponding to the useful life of the asset. The expense recognised in the financial statements as of December 31, 2018 relating to leases is not significant.

The expected impacts of application of IFRS 16 are not significant.

2.12 Impairment of non-financial assets

When events or changes to the market environment or internal factors indicate there is a risk of an asset losing value, principally relating to intangible or tangible assets, they undergo a value loss test. In the case of non-amortised intangible assets, the value loss tests are performed annually. These tests are performed at the level of the Cash Generating Units (CGUs) to which these goodwill amounts and intangible assets belong. A CGU is defined as being the smallest group of assets, the use of which generates cash inflows independently from the Group's other assets or groups of assets.

The main indicators of value loss adopted by the Group are:

- major changes occurring in the economic, technological, regulatory or political environment or the market in which the asset is operating;
- obsolescence or deterioration of equipment not foreseen in the amortisation plan;
- performance worse than predicted.

In a case where the recoverable value is less than the net book value, a loss of value is recognised for the difference between these two amounts. The loss of value is applied first and foremost to goodwill amounts, then non-current assets in the CGU (tangible and intangible assets) prorata to their book value.

The book value is the highest:

- of its fair value minus selling costs, which corresponds to its net realisable value, assessed on the basis of observable data if they exist (recent transactions, offers received from potential buyers, multiples of stock exchange values of comparable businesses), or an analysis performed by experts inside or outside the Group; and
- its useful value, equal to its value updated with the forecast cash flows it generates, plus its "terminal value" corresponding to its value infinitely updated with the "normative" year's cash flows estimated at the end of the period covered by the forecast cash flows.

2.13 Financial assets and liabilities – IFRS 9

Application of IFRS 9 "Financial instruments" is mandatory starting from January 1, 2018: IFRS 9 includes the following three main parts:

- classification and evaluation of financial assets and financial liabilities: the standard requires financial assets to be classified according to their type, the characteristics of their contractual cash flows and the business model followed in managing them;
- impairment: IFRS 9 determines the principles and methodology to apply to evaluate and account for the credit losses expected on the financial assets, the commitments on loans and the financial guarantees;
- hedge accounting: the new text aims for better alignment between hedge accounting and risk management by establishing an approach that is founded more upon the principles of risk management.

The Group applied IFRS 9 starting January 1, 2018 by restating the comparative financial periods. Application of IFRS 9 provisions has no significant impact on the financial statements as at December 31, 2018

As the Group does not have a hedging instrument, it was not impacted by the last part of the standard. The second part of the standard, relating to depreciation, also did not have an impact on the Group's financial statements.

The available-for-sale assets were themselves reclassified in "Assets at fair value through profit or loss".

Financial assets at fair value in the income statement

These represent the assets held for transaction purposes that are assets destined for short-term uses. They are valued at fair value and the changes in fair value are recognised in the income statement.

Financial liabilities at fair value in the income statement

These represent the liabilities held for transaction purposes that are liabilities that are destined for short-term uses. They are valued at fair value and the changes in fair value are recognised in the income statement.

Loans and receivables

Loans and receivables are measured at amortised cost less any necessary impairment charge.

Trade payables and financial liabilities

Financial liabilities and trade payables are measured at amortised cost. Interest is calculated using the effective interest rate and is recognised as financial expense in the income statement.

2.14 Inventories

Inventories consist of the costs incurred b GTT during the studies phase prior to the steel cutting date for the first vessel in the series. This ongoing work is recognised prorata temporis as an expense for the duration of the construction of each vessel (between the steel cutting date and the delivery date for each vessel). The amount of ongoing work allocated to each vessel in a series is identical.

2.15 Trade and other receivables

A provision for depreciation is recognised when there are objective indicators which indicate that the amounts due cannot be recovered fully or partially. In particular, the process of assessing the recoverable amount of receivables balances due at the balance sheet date is subject to individual consideration and the necessary provisions are recognised if there is a risk of non- recovery. Their accounting amount corresponds to a reasonable approximation of their fair value.

2.16 Cash and cash equivalents

The item "Cash and cash equivalents" includes cash and readily available money market investments, subject to a negligible risk of change in fair value, which can be readily used to meet existing cash outflow requirements.

Monetary investments are valued at their market value at the balance sheet date. Changes in value are recorded in "Other financial income" or "Other financial expenses".

2.17 Share capital

Ordinary shares are classified as equity instruments.

2.18 Personnel benefits

Retirement indemnities

The Group applies the relevant legal obligations or provides customary supplementary pension schemes or other long-term benefits to employees. The Group offers these benefits through defined contribution plans.

Contributions relating to defined contribution plans are expensed as and when they become due for services rendered by employees.

Indemnities within the collective agreement which apply to the Group relate to retirement benefits or benefits due in the case of voluntary departure or their forced retirement. Such indemnities are considered to be defined benefit plans.

Liabilities arising from defined benefit plans and their costs are determined using the projected unit actuarial valuation method. Valuations are carried out annually. Actuarial calculations are provided by external consultants.

These plans are funded, and the residual obligation may be recognised as a pension asset in the balance sheet.

The main plan concerns retirement benefits paid upon retirement. The change in the liability and the plan assets includes:

- the cost of the services rendered and the amortisation of the cost of past services recognised as operating expenses;
- the reduced financial cost of the return on plan assets, recognised as financial income; and
- actuarial gains and losses directly recognised in "Other comprehensive income".

The actuarial differences come from changes in the assumptions and from the difference between the estimations according to the actuarial assumptions and the actual results of the revaluations.

2.19 Comparison of individual IFRS financial statements presented in 2017 and proforma IFRS consolidated financial statements

To make the 2018 consolidated financial statements easier to read, the Group decided to present the 2017 comparisons in a consolidated format and to integrate the impacts of the new IFRS 15 and IFRS 9.

In thousands of euros	31/12/2017 Proforma statements	31/12/2017 Published statements	Differences
Intangible assets	1,097	1,097	-
Property, plant and equipment	17,483	17,483	-
Non-current financial assets	3,240	3,240	-
Deferred tax assets	1,784	1,520	264
Non-current assets	**23,605**	**23,341**	**264**
Inventories	6,682	-	6,682
Customers	110,461	101,056	9,405
Current tax receivable	18,975	18,975	-
Other current assets	5,098	5,098	-
Financial current assets	-	-	-
Total cash and cash equivalent	99,890	99,890	-
Current assets	**241,105**	**225,018**	**16,087**
TOTAL ASSETS	**264,710**	**248,359**	**16,351**

In thousands of euros	31/12/2017 Proforma statements	31/12/2017 Published statements	Differences
Share capital	371	371	-
Share premium	2,932	2,932	-
Treasury shares	(3,728)	(3,728)	-
Reserves	11,301	20,585	(9,284)
Net income	124,034	116,245	7,789
Total equity	**134,910**	**136,405**	**(1,495)**
Non-current provisions	3,967	3,967	-
Financial liabilities - non-current part	244	244	-
Deferred tax liabilities	222	222	-
Non-current liabilities	**4,433**	**4,433**	**-**
Current provisions	15,604	15,604	-
Suppliers	10,574	10,574	-
Current tax debts	6,194	6,194	-
Current financial liabilities	379	379	-
Other current liabilities	92,617	74,771	17,846
Current liabilities	**125,367**	**107,521**	**17,846**
TOTAL EQUITY AND LIABILITIES	**264,710**	**248,359**	**16,351**

Differences in the balance sheet are explained by adjustments linked to the application of IFRS 15 standard.

These impacts, which were evaluated in the December 31, 2017 financial statements, now also integrate the fiscal impact of the change in accounting method.

2.20 Other provisions

A provision is recognised when, at the end of the period, the Group has a present obligation (legal or implied) arising from past events and it is probable that an outflow of future economic benefits will be required to settle the obligation.

Litigation is provided for when an obligation of the Group to a third party exists at the balance sheet date. The measurement of provision is based on the best estimate of projected expenditure.

Contingent liabilities represent potential obligations arising from past events whose existence will be confirmed only by the occurrence of uncertain future events which are not under the control of the entity or existing obligations where an outflow of resources is not probable. With the exception of those recognised as a result of a business combination, contingent liabilities are not recognised in the accounts but are described in a note to the financial statements.

2.21 Government grants and conditional advances

Between 1987 and 2001, the Group received advances subject to reimbursement conditions from the Hydrocarbons Support Fund (HSF). These advances were intended to finance investment projects in the framework of research programs approved by the French State.

The repayment of these advances is based on the sales generated by the relevant projects which have been funded. They are recorded in "Other non-current liabilities" and "Other current liabilities" at their present value discounted at a rate of 2%, being amortised as reimbursements are made.

No repayments will be required at the end of the 20th year following the year of approval of the funding, the amount of non-repayable advances being recognised as other income on that date.

2.22 Income tax

"Income tax expense" includes current income taxes payable and deferred tax.

Deferred tax is recognised, using the liability method, for temporary differences existing at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts; and tax losses.

A deferred tax asset is recognised for tax losses and unused tax credits when it is probable that the Group will have future taxable profits against which these tax losses and unused tax credits can be utilised.

Deferred tax assets & liabilities are measured at the tax rates expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been adopted or substantively adopted at the balance sheet date.

Deferred taxes are recognised as income or expense in the income statement except where it relates to a transaction or event that is recognised directly in equity.

Deferred tax assets and liabilities are presented in specific balance sheet items included in non-current assets and liabilities.

Given its activity, GTT is taxed at the reduced rate applicable to long-term capital gains applied on its net revenue from license royalties. The tax losses available at the normal rate are offset against profits taxed at the reduced tax rate in accordance with French tax rules. The valuation of deferred taxes generated by temporary differences takes into account this allocation mechanism to reflect the charge or tax savings that will actually be supported or obtained (at the normal rate or at the reduced rate) when the liability is settled or the asset is realised.

2.23 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.

2.24 Other comprehensive income

Income and expenses in the period which are not recognised in the income statement are presented as "Other comprehensive income" in total comprehensive income.

2.25 Earnings per share

Earnings per share are calculated by dividing net income by the weighted average number of parent Company shares outstanding after restatement for treasury shares.

Diluted earnings per share is calculated by dividing net income by the weighted average number of shares outstanding after restatement for treasury shares, taking into account the maximum number of shares that could be outstanding given the probability of current or future dilutive instruments being converted.

2.26 Free shares

The agreed plans result in the recognition of an expense relating to the projected benefit granted to beneficiaries of the plans. The expense is offset by an increase in reserves.

For free share plans, the valuation is based on the share price on the date of allocation, weighted or not by the reasonable estimate of share allocation criteria being met. The benefit is distributed over the vesting period (two to four years).

NOTE 3 PRINCIPAL SUBSIDIARIES AT DECEMBER 31, 2018

The list of subsidiaries included in the consolidated financial statements is shown below. The acronym IG denotes the full consolidation method.

			Interest %		Consolidation method	
Name	Activity	Country	December 31, 2018	December 31, 2017	December 31, 2018	December 31, 2017
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	-	IG	-
Ascenz Solutions	On-board services	Singapore	100.0	-	IG	-
Ascenz Solutions O&G	On-board services	Malaysia	100.0	-	IG	-
Flowmet Pte Ltd	Distribution of equipment	Singapore	70.0	-	IG	-
Shinsei Co, Ltd	Commercial office	Japan	51.0	-	IG	-
Ascenz Solutions GMBH	Commercial office	Germany	100.0	-	IG	-
Ascenz Taiwan Co. Ltd	On-board services	Taiwan	100.0	-	IG	-
Ascenz Korea Co. Ltd	Commercial office	Korea	49.0	-	EM	-
Ascenz Indonesia Pte Ltd	On-board services	Singapore	50.0	-	EM	-
Ascenz Myanmar Co. Ltd	On-board services	Myanmar	99.99	-	IG	-
Ascenz HK Co. Ltd	Commercial office	Hong Kong	60.0	-	IG	-

Acquisition of Ascenz

GTT has acquired 75% of the shares of Ascenz on January 31, 2018.

The remaining 25%, owned by the founders, are covered by purchase options by GTT and sale options by the founders over 2021-2024. Part of the exercise price of these options is subject to the future presence of founders.

GTT has in substance acquired 100% of the shares for an acquisition price including the payment made at the acquisition date, the fair value of the earn-out agreement and the part of the acquisition price of the remaining 25% that is not subject to founders presence. These two latter elements are accounted as financial debt.

The part of the price subject to founders presence was analysed as a compensation in counterpart of services performed in accordance with IFRS 3 appendix 52 (b). The resulting personnel expense is recognized over the required presence period. This part of the price and the price complement may vary subject the evolution of profits and indebtedness of the company.

The Purchase Price Allocation (PPA) exercise has not shown any asset or liability as being not recognised in the Group's financial statements on the date of acquisition. Accordingly, the estimated difference between the amount paid and the value of the net assets acquired has been recognised as goodwill.

Information relating to the income statement

NOTE 4 OPERATING PROFIT

3

4.1 Personnel expenses

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

In thousands of euros	2018	Proforma 2017
Wages and salaries	26,222	23,332
Social security costs	11,970	10,953
Share-based payments	642	830
Profit-sharing and incentives scheme	6,983	6,076
PERSONNEL EXPENSES	**45,817**	**41,191**

4.2 External expenses

In thousands of euros	2018	Proforma 2017
Tests and studies	14,893	12,599
Leasing, maintenance & insurance	5,991	5,788
External staff	347	295
Fees	6,509	5,557
Transport, travel and reception expenses	7,966	8,565
Postal & telecommunication charges	237	220
Other	5,007	3,782
EXTERNAL EXPENSES	**40,951**	**36,806**

4.3 Depreciation, amortisation and provisions

In thousands of euros	2018	Proforma 2017
Allocations (reversals) for depreciation of fixed assets	3,296	3,349
Provisions (reversals)	(12,170)	13,458
AMORTISATION AND PROVISIONS (REVERSAL)	**(8,874)**	**16,807**

The observed change is essentially due to (i) the reversal of the provision for risk of tax adjustment for 15,208 thousand euros, allocated in 2017, (ii) the allocations for customer risk for 2,803 thousand euros, and (iii) the additional reversal of the provision of 385 thousand euros of the provision for loss upon completion, partially reversed to the extent of 1,479 thousand euros in 2017.

4.4 Other operating income and expenses

In thousands of euros	2018	Proforma 2017
Research tax credit	4,327	7,687
Other	305	240
OTHER OPERATING INCOME AND EXPENSES	**4,632**	**7,927**

NOTE 5 FINANCIAL INCOME

In thousands of euros	2018	Proforma 2017
Exchange gains and losses	35	(6)
Other financial products and charges	(29)	(51)
Financial income on short term investments	176	381
Proceeds on disposal of securities	(4)	-
Effects of discounting/undiscounting	(13)	-
Changes in the fair value of financial assets	(104)	110
Changes in the fair value of retirement plan assets (see Note 15)	(5)	(10)
FINANCIAL INCOME	**55**	**423**

Information relating to the balance sheet

NOTE 6 INTANGIBLE ASSETS

6.1 Intangible assets

In thousands of euros	Software	Assets in progress	Other	Net value
Values as at 31/12/2016	509	126	373	1,008
Acquisitions/allocations	15	134	(14)	135
Disposals/reversals	-	(46)	-	(46)
Reclassifications	(347)	347	-	-
Other variations	-	-	-	-
Values as at 31/12/2017	177	561	359	1,097
Acquisitions/allocations	201	487	(163)	526
Disposals/reversals	-	-	-	-
Reclassifications	70	(70)	-	-
Other variations	-	291	544	835
VALUES AS AT DECEMBER 31, 2018	**448**	**1,269**	**740**	**2,457**

Intangible assets are mainly comprised of software.

6.2 Goodwill

The Group recognised, in its financial statements at December 31, 2018, goodwill of 9,627 thousand euros corresponding to the acquisition of the Ascenz Group.

On December 31, 2018, the Group carried out a loss of value test on this asset and recognised an impairment to the extent of 5,336 thousand euros.

The main assumptions adopted to determine the recoverable value were as follows:

- growth of the shipbuilding market;
- growth of the level of penetration of energy management systems in the fleet of vessels in operation;
- cash flows updated with the GTT Group WACC;
- calculation of the terminal value based on a normative cash flow and an infinite growth rate of 1%.

Sensitivity calculations were performed to assess the impact on the company's value of a change in the main assumptions adopted in the evaluation exercise (growth in the number of installations, discount rates, infinite growth rate) and are presented below:

- 1 point growth in the WACC rate: impact of -1.5 million euros on the asset value;
- 0.5 point growth in the infinite growth rate: impact of 0.7 million euros;
- 5 percent drop in the number of installations ordered: impact of -1.3 million euros.

NOTE 7 PROPERTY, PLANT AND EQUIPMENT

In thousands of euros	Land and buildings	Technical installations	Assets in progress	Other	Total
Gross value as at December 31, 2016	13,620	16,319	1,500	22,146	53,585
Acquisitions	-	448	1,474	746	2,668
Disposals	-	(970)	-	(61)	(1,031)
Reclassifications	-	61	(1,005)	944	-
Other variations	-	-	-	(19)	(19)
Gross value as at 31/12/2017	13,620	15,858	1,969	23,756	55,203
Acquisitions	-	581	643	545	1,769
Disposals	-	(1,373)	-	(447)	(1,820)
Reclassifications	-	1,058	(1,095)	54	17
Other variations	540	0	-	198	738
Gross value as at December 31, 2018	14,160	16,124	1,517	24,106	55,907
Accumulated depreciation as at 31/12/2016	(3,729)	(13,029)	-	(18,690)	(35,448)
Allocation	(577)	(1,276)	-	(1,236)	(3,089)
Reversal	-	743	-	61	804
Reclassifications	-	-	-	-	-
Other variations	-	-	-	14	14
Accumulated depreciation as at December 31, 2017	(4,306)	(13,562)	-	(19,851)	(37,719)
Allocation	(586)	(1,110)	-	(1,260)	(2,956)
Reversal	-	1,204	-	425	1,629
Reclassifications	-	-	-	(17)	(17)
Other variations	(55)	(0)	-	(154)	(209)
Accumulated depreciation as at December 31, 2018	(4,947)	(13,468)	-	(20,858)	(39,273)
Net value as at December 31, 2016	9,891	3,290	1,500	3,456	18,137
Net value as at 31/12/2017	9,314	2,296	1,969	3,904	17,483
NET VALUE AS AT 30/06/2018	**9,212**	**2,656**	**1,517**	**3,248**	**16,634**

In the absence of external debt related to the construction of property, no interest expense was capitalised in accordance with IAS 23 – Borrowing Costs.

Assets acquired under finance leases correspond to the building complex used since 2003 as the registered and head operations office of the Group, described in note 2.8 – *Property, plant and equipment* in section 3.2.2 – *Notes to the financial statements* in this Registration Document.

For the first time application of IFRS, the historical cost of the building was determined using the transfer 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 the contractual lease period in December 2005.

NOTE 8 FINANCIAL ASSETS

8.1 Non-current assets

In thousands of euros	Loans and receivables	Financial assets at fair value through profit or loss	Total
Values as at 31/12/2016	-	7,669	7,669
Acquisitions	-	-	-
Disposals	-	(7,669)	(7,669)
Reclassification as current	-	-	-
Other variations	-	-	-
Values as at 31/12/2017	-	-	-
Acquisitions	-	-	-
Disposals	(9)	-	(9)
Reclassification as current	(1)	-	(1)
Other variations	26	-	26
VALUES AS AT DECEMBER 31, 2018	**16**	**-**	**16**

The reduction in "Loans and receivables" in 2018 corresponds to repayments of the loans granted to employees and the repayment of a security deposit.

8.2 Current assets

In thousands of euros	Loans and receivables	Available-for-sale financial assets	Financial assets at fair value through profit or loss	Total
Values as at 31/12/2016	139	856	4,868	5,863
IFRS 9 impact	-	(856)	856	-
2017 values at opening	139	-	5,724	5,863
Acquisitions	-	-	2,864	2,864
Disposals	(23)	-	(5,571)	(5,594)
Reclassification as current	-	-	-	-
Other variations	(2)	-	109	107
Values as at 31/12/2017	114	-	3,126	3,240
Acquisitions	31	-	6,637	6,668
Disposals	(19)	-	(6,645)	(6,664)
Reclassification as current	1	-	-	1
Other variations	17	-	(104)	(87)
VALUES AS AT DECEMBER 31, 2018	**144**	**-**	**3,014**	**3,158**

Increases and decreases of "financial assets at fair value through profit or loss" corresponds to purchases and sales of UCITS as part of the liquidity contract (Note 11.4).

NOTE 9 WORKING CAPITAL REQUIREMENT

9.1 Trade receivables and other current assets

Gross value *In thousands of euros*	December 31, 2018	Proforma December 31, 2017	Change
Inventories	7,394	6,682	712
Trade and other receivables	97,102	111,744	(14,642)
Trade and other operating receivables	393	180	213
Tax and social security receivables	5,195	3,818	1,377
Other receivables	-	-	-
Prepaid expenses	1,006	1,100	(94)
Total other current assets	6,594	5,098	1,496
TOTAL	**111,090**	**123,523**	**(12,434)**

Depreciation *In thousands of euros*	December 31, 2018	Proforma December 31, 2017	Change
Inventories	-	-	-
Trade and other receivables	(1,096)	(1,283)	187
Trade and other operating receivables	(39)	-	(39)
Tax and social security receivables	-	-	-
Other receivables	-	-	-
Prepaid expenses	-	-	-
Total other current assets	(39)	-	(39)
TOTAL	**(1,135)**	**(1,283)**	**148**

Net book value *In thousands of euros*	December 31, 2018	Proforma December 31, 2017	Change
Inventories	7,394	6,682	712
Trade and other receivables	96,006	110,461	(14,455)
Trade and other operating receivables	355	180	175
Tax and social security receivables	5,195	3,818	1,377
Other receivables	-	-	-
Prepaid expenses	1,006	1,100	(94)
Total other current assets	6,556	5,098	1,458
TOTAL	**109,955**	**122,240**	**(12,285)**

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

An additional provision for depreciation was recognised for 39 million euros as at December 31, 2018

The breakdown of trade receivables by maturity as at December 31, 2018 is presented below:

In thousands of euros	December 31, 2018	Proforma December 31, 2017	Change
Not yet falling due	82,994	88,798	(5,804)
Due for 3 months or more	6,875	17,571	(10,696)
Due for 3 months but less than 6 months	3,251	2,591	660
Due for 6 months but less than 1 year	2,668	880	1,788
Due for 1 year	218	621	(403)
Total amount falling due	13,012	21,663	(8,651)
TOTAL	**96,006**	**110,461**	**(14,455)**

9.2 Trade payables and other current liabilities

In thousands of euros	December 31, 2018	Proforma December 31, 2017	Change
Trade and other payables	11,483	10,574	909
Prepayments received	30	(0)	30
Tax and social security payables	20,858	19,070	1,787
Other debts	331	293	38
Deferred income	117,594	73,253	44,341
Other current liabilities	138,813	92,617	46,196
TOTAL	**150,296**	**103,190**	**47,106**

9.3 Other operating assets and liabilities

In thousands of euros	December 31, 2018	Proforma December 31, 2017	Change
Tax and social security receivables	5,195	3,818	1,377
Other receivables	355	180	175
Prepaid expenses	1,006	1,100	(94)
Other current liabilities	6,556	5,098	1,458
Deferred income	(117,594)	(73,253)	(44,341)
Tax and social security payables	(20,858)	(19,070)	(1,787)
Deposits & advance payments received on orders	(30)	0	(30)
Other debts	(331)	(293)	(38)
Other current liabilities	(138,813)	(92,617)	(46,196)
TOTAL	**(132,257)**	**(87,519)**	**(44,739)**

NOTE 10 CASH AND CASH EQUIVALENTS

In thousands of euros	December 31, 2018	Proforma December 31, 2017
Marketable Securities	30,651	9,014
Cash and cash equivalent	142,529	90,876
Cash in balance sheet	173,179	99,890
Bank overdrafts and equivalent	-	-
NET CASH POSITION	**173,179**	**99,890**

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 11 TOTAL EQUITY

11.1 Share capital

As at December 31, 2018, the share capital was composed of 37,078,357 shares with a nominal unit value of 0.01 euro.

11.2 Dividends

The Shareholders' Meeting of May 17, 2018 approved the payment of an ordinary dividend of 2.66 euros per share for the year ended December 31, 2017, payable in cash. As an interim dividend payment was paid on September 29, 2017, the balance was paid on May 31, 2018 in the total amount of 49,269,596 euros.

The Board of Directors, meeting on July 26, 2018, decided to make an interim dividend payment of 1.33 euro for the shares outstanding. The interim dividend was paid on September 28, 2018 for an amount of 49,278,467 euros.

Dividends paid in 2018 thus correspond to the sum of the amounts described above (balance paid for the 2017 financial year and the interim payment for the 2018 financial year), i.e. 98,548,063 euros.

11.3 Share-based payments

Allocation of Free Shares (AFS)

Date of allocation*	Plan no.	Vesting period	Minimum lock-up period	Shares originally allocated	Fair value of the share under IFRS	Share price at the date of allocation	Expired shares	Shares allocated at the end of the vesting period	Existing shares at December 31, 2018
10 February 2014	AFS no. 2	2 to 4 years	2 years	250,000	€24	€46	96,114	153,886	-
18 May 2016	AFS no. 3	2 years	2 years	16,000	€10	€31	4,362	11,638	-
18 May 2016	AFS no. 4	3 years	1 year	15,150	€21	€31	2,900	-	12,250
18 May 2016	AFS no. 5	3 years	-	5,625	€23	€31	1,320	-	4,305
23 February 2017	AFS no. 6	1 year	2 years	7,800	€28	€39	2,126	5,674	-
23 February 2017	AFS no. 7	3 years	1 year	14,200	€28	€39	-	-	14,200
12 April 2018	AFS no. 8	3 years	1 year	9,200	€44	€55	-	-	9,200
25 October 2018	AFS no. 9	3 years	variable	59,000	€51	€64	-	-	59,000

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

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

- AFS Plan no. 5: 100% of the share allocation is contingent on the employees present at the end of the vesting period;
- AFS Plan no. 2- no. 3 - no. 6: 100% of the share allocation is contingent upon:
  - 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:
    - GTT stock performance,
    - the net margin ratio (net income/revenues),
    - the performance of GTT shares on the Stoxx 600 Oil & Gas index (Price);
- AFS Plans no. 4, no. 7 and no. 8: 100% of the share allocation is contingent on:
  - 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 revenue 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
  - 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 revenue and the order book,
    - the performance of GTT shares on the Stoxx 600 Oil & Gas index (Price) and the SBF 120 index.

CALCULATING THE CHARGE FOR THE PERIOD

In application of IFRS 2, an expense representative of the benefit granted to beneficiaries of these plans is recorded in "Personnel expenses" (operating income).

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

For the other free share plans, the unit value is based on the share price on the allocation date weighted by the reasonable estimation of attaining the share allocation criteria.

The expense is calculated by multiplying these unit values by the estimated number of free shares to be allocated. It is distributed over the vesting period from the date of the Board meeting which decided on each plan, in accordance with the likelihood of the performance criteria being met.

For the period from 1 January to December 31, 2018, the expense recognised for the free share allocation plans was 642 thousand euros. At December 31, 2017, an expense was recorded in the amount of 830 thousand euros.

11.4 Treasury shares

The Group entered into a liquidity contract on 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 December 31, 2018, the company held 7,745 shares by virtue of the liquidity contract and 21,690 shares by virtue of the AFS plans, i.e. a total of 29,435 treasury shares representing a total amount of 1,529 thousand euros A new liquidity contract was signed on December 21, 2018 with effect from January 2, 2019.

NOTE 12 EARNINGS PER SHARE

	December 31, 2018	Proforma 2017
Net income in euros	142,799,987	124,033,578
Average number of shares outstanding (excluding treasury shares)	37,043,099	37,052,681
● AFS Plan no. 1	-	-
● AFS Plan no. 2	-	34,100
● AFS Plan no. 3	-	11,639
● AFS Plan no. 4	12,250	12,250
● AFS Plan no. 5	4,305	4,680
● AFS Plan no. 6	-	5,674
● AFS Plan no. 7	14,200	14,200
● AFS Plan no. 1	9,200	-
● AFS Plan no. 1	59,000	-
Number of diluted shares	37,142,054	37,135,224
Basic net earnings per share *(in euros)*	3.85	3.35
Diluted net earnings per share *(in euros)*	3.84	3.34

At December 31, 2018, earnings per share were calculated based on share capital made up of 37,043,099 shares, which corresponds to the average weighted number of ordinary shares outstanding excluding treasury shares during the period.

At December 31, 2018, the Group allocated 98,955 free shares that were taken into account when calculating the diluted earnings per share.

NOTE 13 INFORMATION ON FINANCIAL INSTRUMENTS MEASURED AT FAIR VALUE

Information relative to the fair value of financial instruments concerns only cash and short-term investments that are measured at fair value (level 2).

NOTE 14 MANAGEMENT OF FINANCIAL RISKS

14.1 Credit risk

The direct customers of the GTT Group are essentially shipyards. As at December 31, 2018, 24 shipyards were licensed, essentially located in China, Japan and South Korea. Of these 24 sites, 7 sites are active and have notified GTT of orders for vessels.

Due to the small number of customers, and since most of them are long-standing customers with whom the Group has developed strong partnerships, and since there have not been any payment incidents for ten years, the Group assesses its credit risk in a non-statistical manner. The Group confirms that it has never had significant payment problems with its customers.

Furthermore, in the case of late payment from the shipyard, the TALA (license agreement) may be cancelled, which prevents the shipyard to commercialise the Group's technologies.

In case of order cancellation, the amount corresponding to the services performed are due and payable by the client. From this point of view, the fact of billing in accordance with five milestones helps to spread the risk. Billing is aligned with construction milestones of the vessel; any delay in the construction automatically causes a postponement of billing.

14.2 Interest rate risk

The Group has no debt and consider therefore not to be exposed to a risk of change in interest rates. Cash consists primarily of short-term deposit accounts with maturities of between one and 60 months and remunerated at variable rates (the majority of which are 100% capital guaranteed).

14.3 Exchange rate risk

Purchases and sales are carried out almost entirely in euros, which is also the functional currency of the Group. Most contracts are denominated in euros.

The Group therefore considers that it is not exposed to significant exchange rate risk.

14.4 Liquidity risk

The Group's cash position enables it to meet its commitments as at the closing date of the financial statements. The Group considers that it is not exposed to any significant liquidity risk.

NOTE 15 PROVISIONS FOR EMPLOYEE BENEFITS

15.1 Commitments under defined-benefit plans

Provisions for retirement benefit plans are as follows:

In thousands of euros	December 31, 2018	Proforma December 31, 2017
Closing balance of the value of the commitments	(2,157)	(2,035)
Closing balance of the fair value of the assets	1,494	1,479
Financial plan assets	(664)	(556)
Cost of unrecognised past services		-
Other		-
PROVISIONS AND PREPAID EXPENSES	**664**	**556**

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

In thousands of euros	December 31, 2018	Proforma December 31, 2017
Opening balance of the commitment value	(556)	(582)
Normal cost	(228)	(262)
Interest expense	(5)	(10)
Cost of past services		
Actuarial (gains) and losses	126	299
Services paid	-	
CLOSING BALANCE OF THE VALUE OF THE COMMITMENTS	**(664)**	**(556)**

In thousands of euros	December 31, 2018	Proforma December 31, 2017
Value of the commitments of fully non-financed plans		
Value of the commitments of fully or partially financed plans	(2,157)	(2,035)

In thousands of euros	December 31, 2018	Proforma December 31, 2017
Opening balance of the fair value of the assets	1,479	1,464
Expected yield	24	21
Actuarial (losses) and gains	(10)	(6)
Employer contribution		-
Participant contribution		-
Services provided		-
Acquisitions/disposals		-
CLOSING BALANCE OF THE FAIR VALUE OF THE ASSETS	**1,494**	**1,479**

15.2 Cost for the period

In thousands of euros	December 31, 2018	Proforma December 31, 2017
Normal cost	(228)	(262)
Interest expense	(5)	(10)
Expected yield of assets		-
Cost of past services		-
Transfers		-
Acquisitions/disposals		-
Other		-
CHARGE FOR THE PERIOD	**(234)**	**(273)**

The actuarial assumptions used are as follows:

Assumptions	December 31, 2018	Proforma December 31, 2017
Discount rate*	1.63%	1.45%
Salary increase rate	1.20%	1.32%

* *Discount rates are determined using the yield rate of bonds issued by companies rated AA++, with the same maturity as the commitments.*

15.3 Monitoring of actuarial gains and losses

Actuarial differences have been recognised under "Other comprehensive income" since the 2013 financial year. They accumulate as follows:

In thousands of euros	December 31, 2018	Proforma December 31, 2017
Cumulative actuarial differences at the start of the financial year	497	187
Actuarial differences generated on the commitment	136	305
Actuarial differences generated on the assets	(10)	(6)
CUMULATIVE ACTUARIAL DIFFERENCES AT FINANCIAL YEAR-END	**642**	**497**

The actuarial differences are analysed as follows:

In thousands of euros	December 31, 2018	Proforma December 31, 2017
Actuarial (losses) and gains	642	497
Experience variances	(18)	(65)
Differences due to changes in assumptions	661	562

15.4 Analysis of dedicated assets

At December 31, 2018, plan assets were placed in a euro fund of the Group governed by the QUATREM Insurance Code and belonging to the Malakoff Médéric Group. The breakdown of the fund is as follows:

Asset categories	December 31, 2018	Proforma December 31, 2017
Shares	items not available at closing of the financial statements	7.5%
Bonds		74.0%
Funds		2.0%
Property		10.0%
Other		6.5%

15.5 Sensitivities

The following table shows a sensitivity study to the discount rate on the actuarial debt and on the expense:

	December 31, 2018	Proforma December 31, 2017
Effect of a half-percentage-point increase in discount rates on:		
The normal cost and financial cost	15	51
The value of the commitment	(54)	(173)

	December 31, 2018	Proforma December 31, 2017
Effect of a half-percentage-point decrease in discount rates on:		
The normal cost and financial cost	15	51
The value of the commitment	320	195

	December 31, 2018	Proforma December 31, 2017
Effect of a percentage-point increase in discount rates on:		
The normal cost and financial cost	15	51
The value of the commitment	(211)	(327)

	December 31, 2018	Proforma December 31, 2017
Effect of a percentage-point decrease in discount rates on:		
The normal cost and financial cost	15	51
The value of the commitment	542	415

15.6 Other information

	December 31, 2018	Proforma December 31, 2017
Contribution expected in 2018 for plan assets	24	21

NOTE 16 OTHER PROVISIONS

In thousands of euros	Total	Provisions for litigation	Provision for retirement compensation	Current	Non-current
Values as at 31/12/2016	6,490	5,908	582	1,864	4,626
Allocation	15,470	15,208	262	15,208	262
Reversal	(1,853)	(1,853)	-	(1,853)	-
Reversal – unused	(248)	(248)	-	-	(248)
Other variations		-	(288)	-	(288)
Transfer current – non-current	0	-	-	385	(385)
Values as at 31/12/2017	19,571	19,015	556	15,604	3,967
Allocation	3,590	3,361	229	3,361	229
Reversal	(385)	(385)	-	(385)	-
Reversal – unused	(15,208)	(15,208)	-	(15,208)	-
Other variations		-	(121)	-	(121)
Transfer current – non-current	0	-	-	-	-
VALUES AS AT DECEMBER 31, 2018	**7,447**	**6,783**	**664**	**3,372**	**4,075**

The main litigation is described in note 20 of the appendix to the financial statements.

The provisions at December 31, 2018 consist of:

- provisions intended in particular to cover any risks in litigation between GTT and customers or employees. These provisions amounted to 3,930 thousand euros at December 31, 2018;
- a provision corresponding to a risk on a construction project of 2,411 thousand euros;
- a provision for loss of contract for 442 thousand euros;
- a provision for retirement benefits for 664 thousand euros.

The main transaction in the financial year was the reversal of the 15,208 thousand euros provision for fiscal risk constituted in 2017.

NOTE 17 INCOME TAX

17.1 Income tax analysis

In thousands of euros	December 31, 2018	Proforma December 31, 2017
Current tax	(23,575)	(22,430)
Deferred tax	695	(1,476)
Income tax on profit	(22,881)	(23,906)
Distribution tax	5,725	-
Total income tax	(17,156)	(23,906)
Research tax credit	4,327	7,687
Other tax credit	138	158
TOTAL INCOME TAX CHARGE NET OF TAX CREDITS	**(12,690)**	**(16,060)**

The distribution tax is a tax on the dividends paid.

The French Tax authorities have accepted GTT's claim in relation to the refund of 3% tax on dividends in relation to 2015 and 2016. A tax profit of 5,725 thousand euros has therefore been recorded in the first half of 2018.

Tax paid out with respect to the financial year of 33,199 thousand euros in the cash flow statement corresponds to the total of the complete tax burden presented above (17,156 thousand euros), taxes directly recognised in equity (48 thousand euros) and the change in current or deferred tax receivables and debts in the balance sheet (15,995 thousand euros).

17.2 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.

17.3 Current taxes payable and deferred taxes

The current tax expense is equal to the income tax due to the tax authorities for the financial year, based on the rules and tax rates present in the various countries.

The applicable tax rates are:

- royalties are taxed at a reduced rate of 15%;
- other operations are taxed at the ordinary tax rate of 33.33%.

At the end of the period, any eventual tax loss at the rate of 33.33% is offset against income taxable at 15%.

The current tax liability is obtained by reducing the tax expense by the amount of withholding tax levied on payments received for activities performed in China and South Korea, in accordance with agreements concluded between France and these countries.

Deferred taxes identified in the balance sheet and income statement are calculated at the reduced rate of 15%, which corresponds to the tax rate of GTT's principal activity.

17.4 Tax on added value

The tax on the added value generated by the Company (CVAE) is recognised as an operating expense under "Taxes".

17.5 Reconciliation of the income tax expense

In thousands of euros	December 31, 2018	Proforma December 31, 2017
Net income	142,800	124,034
Income tax	17,156	23,906
Notional taxable income	**159,956**	**147,939**
Ordinary tax rate	15.00%	15.00%
Notional tax charge	**23,993**	**22,191**
Difference between parent company's standard rate/other standard rates (%)	(28)	226
Permanent differences for the corporate financial statements	(1,249)	2,379
Permanent differences for the consolidated financial statements	(177)	(257)
Non taxation of goodwill impairments	-	-
Result subject to tax at a reduced rate or not subject to tax	126	(17)
Tax saving/supplement on income taxed abroad	-	-
Tax credits, other reductions	(6,595)	(1,144)
Flat-rate taxes, other tax supplem.	752	686
Savings due to tax consolidation	(16)	(127)
Effect of changes in tax rate (incl. rate corrections)	281	-
Capping of DTA	84	-
Tax adjustment on previous income (excluding rate corrections)	(16)	(31)
Reversal or use of capping of DTA	-	-
TOTAL INCOME TAX CHARGE	**17,156**	**23,906**

The valuation of deferred tax assets and liabilities is based on the way that the Group expects to recover or settle the carrying amount of assets and liabilities, using tax rates expected to apply to the year in which the asset is realised or the liability settled.

A deferred tax asset is recognised only if it is probable that the Group will have future taxable profits against which the asset can be utilised.

17.6 Origin of deferred tax assets and liabilities

The following table presents the deferred tax assets and liabilities in the balance sheet:

In thousands of euros	December 31, 2018	Proforma December 31, 2017
Deferred tax assets	3,049	1,784
On difference between tax/book values of an (in) tangible asset.	-	511
On provisions for non-deductible risks (excluding IAS 19)	718	1,186
On financial lease	-	87
On other temporary difference	2,001	
On losses carried forward	230	
On financial instruments	-	-
Deferred tax liabilities	210	222
On difference between tax/book values of an (in) tangible asset	100	83
On financial lease	108	135
On other temporary difference	-	-
On financial instruments	2	4

The other timing differences relate mainly to non-deductible provisions (provision for risks, company profit-sharing scheme).

NOTE 18 ____ SEGMENT REPORTING

The Group has only one operating segment as defined in IFRS 8 – "Operating Segments".

18.1 Information on products and services

The Group's activities are closely linked and relate to services for construction of installations for the storage and transport of liquefied gas. To date, there is no "Main operational decision-maker" to whom specific *reports* would be submitted, presenting several types of products and services.

In thousands of euros	December 31, 2018	Proforma 2017
Revenue	245,987	240,801
of which vessels under construction	231,505	227,590
LNG carriers/VLEC	*198,778*	*203,060*
FSRU	*25,087*	*19,212*
FLNG	*3,605*	*3,397*
Onshore storage	*1,433*	*1,535*
Barges	*962*	*386*
of which vessels fuelled by LNG	*1,640*	*0*
Services	14,481	13,211

18.2 Information relating to geographical areas

Almost all customers are located in Asia. Total revenue is broken down geographically as follows:

	December 31, 2018	Proforma 2017
South Korea	91%	83%
China	8%	10%
Japan	1%	1%
Other	0%	5%

Assets and liabilities are located almost exclusively in France.

18.3 Information relating to major customers

Concentration within the shipbuilding sector reduces the number of customers.

In 2018, one customer contributed 56% of total Group sales, and five customers contributed 99%.

	December 31, 2018	Proforma 2017
One customer	56%	50%
The next 4 customers	43%	42%
TOTAL	**99%**	**92%**

NOTE 19 RELATED-PARTY TRANSACTIONS

19.1 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*	December 31, 2018	Proforma December 31, 2017
Suppliers	50	192
Customers	1	1

In thousands of euros	2018	Proforma 2017
Studies (Income)	-	9
Personnel expenses (income)	-	28
Supplies and maintenance (expenses)	919	1,163
Seconded personnel (Expenses)	16	313
Outsourced tests and studies (Expenses)	274	109
Electricity supply (Expenses)	239	280
Equipment rental (expenses)	13	-
Training costs (expenses)	-	2

19.2 Compensation of executives

In thousands of euros	December 31, 2018	Proforma December 31, 2017
Wages and bonuses	693	1,195
Expenses for payments in shares (IFRS 2)	102	129
Other long-term benefits	91	157
TOTAL	**886**	**1,481**

The compensation shown above corresponds to the compensation for Philippe Berterottière, Chairman and Chief Executive Officer. It also included the compensation for the Chief Executive Officer in 2017.

The total compensation allocated to members of the Board of Directors in directors' fees was 422 thousand euros in 2018.

NOTE 20 ____ DISPUTES AND COMPETITION

As part of the normal execution of its activities, the Group is involved in a certain number of litigation cases and proceedings with respect to competition with third parties or to judicial and/or administrative authorities (including tax authorities).

The amount of provisions for litigation as at December 31, 2018 stands at 6,784 thousand euros compared to 19,015 thousand euros as at December 31, 2017.

The main litigation cases and arbitrations presented below are recorded as liabilities, or depending on the case, constitute contingent liabilities or contingent assets.

As part of its activities, the Group is involved in a certain number of investigations and cases of litigation before government jurisdictions, courts of arbitration and regulatory authorities. The investigations and litigation that may have a significant impact on the Group are presented below.

20.1 Investigation by the Korean Fair Trade Commission

On January 29, 2016, the Group received notification from the Korean competition authority (Korea Fair Trade Commission) informing it of the opening of an investigation into a possible abuse of its dominant position because of its commercial practices in Korea. GTT clarifies that such an investigation is without prejudice to its conclusions. At this stage, it is not possible to estimate either the length of the enquiry or its potential outcome. GTT believes that its commercial practices comply with Korean competition law.

20.2 Tax dispute

In 2017, a provision for 15.2 million euros was constituted for a fiscal risk giving rise to an adjustment proposal received on December 20, 2017. In 2018, the totality of this provision was reversed following receipt of a letter from the fiscal administration dated 31/07/2018 informing us of the complete withdrawal of the proposed adjustments.

NOTE 21 ____ OFF-BALANCE SHEET COMMITMENTS

21.1 Commitments related to operating leases

Operating lease payments are not significant.

21.2 Commitments for lines of credit

The Group signed contracts for lines of credit for a total amount of 50 million euros with three banks during the 2016 financial year.

- On June 30, 2016, the Group agreed to a line of credit with BNP Paribas in the amount of 25 million euros for a period of five years renewable for two years, with a *pari passu* clause, with no guarantees, sureties or financial covenants, without restrictions on the allocation of dividends and with limited reasons for default. During 2017, expiration of the contract was postponed for one additional year, i.e. until 2022.
- On July 6, 2016, the Group agreed to a line of credit with Crédit du Nord in the amount of 15 million euros for a period of seven years, without guarantees, sureties or financial covenants, without restrictions on the allocation of dividends and with limited reasons for default.
- On July 12, 2016, the Group agreed to a line of credit with Société Générale in the amount of 10 million euros for a period of five years renewable for two years with a *pari passu* clause, with no guarantees, sureties or financial covenants, without restrictions on the allocation of dividends and with limited reasons for default. During 2017, expiration of the contract was postponed for one additional year, i.e. until 2022.

21.3 Other commitments

During 2018, an international bank guarantee was granted as part of a construction contract for the amount of 1,485 thousand euros.

NOTE 22 ____ EVENTS AFTER THE REPORTING PERIOD

None.

3.3 STATUTORY AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended December 31, 2018

This is a translation into English of the statutory auditors' report on the consolidated financial statements of the Company issued in French and it is provided solely for the convenience of English speaking users.

This statutory auditors' report includes information required by European regulation and French law, such as information about the appointment of the statutory auditors or verification of the information concerning the Group presented in the management report.

This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the Annual General Meeting of Gaztransport & Technigaz – GTT,

In compliance with the engagement entrusted to us by your Annual General Meetings, we have audited the accompanying consolidated financial statements of Gaztransport & Technigaz – GTT for the year ended December 31, 2018.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group as at December 31, 2018 and of the results of its operations for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

The audit opinion expressed above is consistent with our report to the Audit Committee.

Basis for Opinion

Audit Framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the Statutory Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report.

Independence

We conducted our audit engagement in compliance with independence rules applicable to us, for the period from January 1, 2018 to the date of our report and specifically we did not provide any prohibited non-audit services referred to in Article 5(1) of Regulation (EU) No 537/2014 or in the French Code of Ethics (*Code de déontologie*) for statutory auditors.

Emphasis of matter

We draw attention to Note 2.5 "Revenue recognition – IFRS 15" to the consolidated financial statements which describes the impacts relating to the first-time application of IFRS 15 "Revenue from contracts with customers" as at January 1, 2018. Our opinion is not modified in respect of this matter.

Justification of Assessments - Key Audit Matters

In accordance with the requirements of Articles L. 823-9 and R. 823-7 of the French Commercial Code (*Code de commerce*) relating to the justification of our assessments, we inform you of the key audit matters relating to risks of material misstatement that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period, as well as how we addressed those risks.

These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on specific items of the consolidated financial statements.

Recognition of recurring royalties as operating revenues

Key Audit Matter	Our response
As at December 31, 2018, recurring royalties recognized under license agreements for the construction of tanks with shipyards, represent M€ 231 of the Group's operating revenues. As stated in note 2.5 "Revenue recognition – IFRS 15" to the consolidated financial statements, recurring royalties represent a single global service corresponding to the transfer of license technologies to shipyard as part of the construction of the tanks of a ship or series of ships. The recurring royalties invoiced for a series of ships, as part of a binding order placed by a shipyard for the construction of tanks, are now recognized pro rata temporis in operating revenue over the construction period of each ship (between the date of "Steelcutting" and the date of delivery of the ship), the amount of the revenue allocated to each ship in the series being identical. We considered the recognition of recurring royalties as operating revenue as a key audit matter due to their significant importance in your Group's accounts and their sensitivity to shipbuilding milestones.	Our work consisted mainly in • reviewing the procedures implemented by the Group on the royalty recognition process; • reconciling the accounting data with those from the royalty calculation table; • obtaining direct confirmation from shipyards regarding the reality of portfolio transactions and updating milestones in relation to shipbuilding progress; • Testing, on a sample of shipbuilding projects, the prorata temporis calculation of the recurring royalties, between the date of "steel cutting" and the delivery date of each ship. Finally, we assessed the appropriateness of the information provided in the Notes to the consolidated financial statements.

Specific verifications

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by laws and regulations of the Group's information in the Board of Directors' management report.

We have no matters to report as to their fair presentation and their consistency with the consolidated financial statements.

We attest that the consolidated non-financial statement required by Article L. 225-102-1 of the French Commercial Code (*Code de commerce*) is included in the Group's information given in the management report, it being specified that, in accordance with Article L. 823-10 of this Code, we have verified neither the fair presentation nor the consistency with the consolidated financial statements of the information contained therein.

Report on Other Legal and Regulatory Requirements

Appointment of the Statutory Auditors

We were appointed as statutory auditors of Gaztransport & Technigaz - GTT by your annual general meeting held on May 18, 2017 for CAILLIAU DEDOUT ET ASSOCIES and on June 30, 1998 for ERSNT & YOUNG Audit.

As at December 31, 2018, CAILLIAU DEDOUIT ET ASSOCIES was in the 2nd year of total uninterrupted engagement and ERNST & YOUNG was in the twenty-first year of total uninterrupted engagement which is the fifth year since securities of the Company were admitted to trading on a regulated market.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the European Union and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is expected to liquidate the Company or to cease operations.

The Audit Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risks management systems and where applicable, its internal audit, regarding the accounting and financial reporting procedures.

The consolidated financial statements were approved by the Board of Directors.

Statutory Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Objectives and audit approach

Our role is to issue a report on the consolidated financial statements. Our objective is to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As specified in Article L. 823-10-1 of the French Commercial Code (*Code de commerce*), our statutory audit does not include assurance on the viability of the Company or the quality of management of the affairs of the Company.

As part of an audit conducted in accordance with professional standards applicable in France, the statutory auditor exercises professional judgment throughout the audit and furthermore:

- Identifies and assesses the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for his opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management in the consolidated financial statements.
- Assesses the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of his audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the statutory auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the consolidated financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein.
- Evaluates the overall presentation of the consolidated financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtains sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. The statutory auditor is responsible for the direction, supervision and performance of the audit of the consolidated financial statements and for the opinion expressed on these consolidated financial statements.

Report to the Audit Committee

We submit to the Audit Committee a report which includes in particular a description of the scope of the audit and the audit program implemented, as well as the results of our audit. We also report, if any, significant deficiencies in internal control regarding the accounting and financial reporting procedures that we have identified.

Our report to the Audit Committee includes the risks of material misstatement that, in our professional judgment, were of most significance in the audit of the consolidated financial statements of the current period and which are therefore the key audit matters that we are required to describe in this report.

We also provide the Audit Committee with the declaration provided for in Article 6 of Regulation (EU) N° 537/2014, confirming our independence within the meaning of the rules applicable in France such as they are set in particular by Articles L. 822-10 to L. 822-14 of the French Commercial Code (*Code de commerce*) and in the French Code of Ethics (*code de déontologie*) for statutory auditors. Where appropriate, we discuss with the Audit Committee the risks that may reasonably be thought to bear on our independence, and the related safeguards.

Paris and Paris-La Défense, April 29, 2019

The Statutory Auditors

French original signed by

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

3.4 UPDATE OF CONSOLIDATED FORECASTS

3.4.1 ASSUMPTIONS

The Group has prepared the forecasts presented below on the basis of:

(i) the situation of its order book as at December 31, 2018;

(ii) the revenue recognition method defined in note 23 of this appendix to the consolidated financial statements, and in application of the new IFRS 15 standard; and

(iii) the consolidated financial statements for the 2018 financial year prepared according to IFRS.

In addition, the Group included assumptions about the evolution of the business such as:

- the growth of LNG Fuel markets;
- the progress made by research and development programs.

The costs, mainly the personnel and sub-contracting resources, were calculated on the basis of the business assumptions adopted.

3.4.2 FORECAST FOR THE 2019 FINANCIAL YEAR

Based on the items described above and in the absence of significant order postponements or cancellations, the Group expects, for the 2019 financial year, to achieve:

- consolidated revenues of between 255 million euros and 270 million euros, including:
  - 251 million euros corresponding to its order book (calculated according to IFRS 15) as at December 31, 2018,
  - revenues generated in respect of services proposed by the Group in 2019,
  - revenues generated by the LNG as fuel activity; and
- consolidated EBITDA [1] for 2018 within a range of 150 to 160 million euros.

(1) *EBTIDA defined as EBIT – amortisations – impairments following value tests, excluding the effect of any acquisitions.*

3.5 STATUTORY AUDITORS' REPORT ON THE PROFIT FORECASTS

Statutory Auditors' report on the profit forecasts for the year ended December 31, 2018

This is a translation into English of a report issued in French and it is provided solely for the convenience of English-speaking users.

This report should be read in conjunction with, and construed in accordance with, French law and professional standards applicable in France.

To the Chief Executive Officer,

In our capacity as statutory auditors and in compliance with in accordance with Commission Regulation no. 809/2004, we hereby report to you on the profit forecasts of consolidated revenue and consolidated EBITDA of GTT set out in chapter 3.4 of its registration document for the year ended December 31, 2018.

It is your responsibility to compile the profit forecasts, together with the material assumptions upon which they are based, in accordance with the requirements of Commission Regulation (EC) no. 809/2004 and ESMA's recommendations on profit forecasts.

It is our responsibility to express our conclusion, based on our work, in accordance with Appendix 1, item 13.2 of the Commission Regulation (EC) no. 809/2004, as to the proper compilation of the profit forecast.

We performed the work that we deemed necessary according to the professional guidance issued by the French institute of statutory auditors (Compagnie nationale des commissaires aux comptes – CNCC) for this type of engagements. Our work included an assessment of the procedures undertaken by management to compile the profit forecasts as well as the implementation of procedures to ensure that the accounting policies used are consistent with the policies applied by GTT for the preparation of the historical financial information. Our work also included gathering information and explanations that we deemed necessary in order to obtain reasonable assurance that the profit forecasts have been properly compiled on the basis stated.

Since profit forecasts, by nature, are uncertain and may differ significantly from actual results, we do not express an opinion as to whether the actual results reported will correspond to those shown in the profit forecasts.

In our opinion:

- the forecasts have been properly compiled on the basis stated;
- the basis of the accounting methods applied in the preparation of these forecasts are consistent with the accounting principles adopted by GTT.

This report is issued for the sole purposes of:

- registering the registration document with the French financial markets authority (Autorité des marchés financiers – AMF)
- the admission to trading of on a regulated market, of shares or debt securities with a denomination per unit of less than € 100,000 of GTT in France and in other EU member states in which the prospectus approved by the AMF is notified;

and cannot be used for any other purpose.

Paris and Paris-La Défense, April 29, 2019

The Statutory Auditors

French original signed by

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

3.6 CORPORATE FINANCIAL STATEMENTS

BALANCE SHEET ASSETS

Items *(In euros)*	Gross value	Amortisation/ depreciation	31/12/2018	31/12/2017
Subscribed capital, uncalled				
Intangible assets				
Start-up costs				
Development costs				
Concessions, patents and similar rights	602,950	364,802	238,148	358,737.49
Goodwill	914,694	914,694		
Other intangible assets	5,169,902	4,429,046	740,856	337,787
Deposits & advance payments made on intangible assets				
Total intangible assets:	**6,687,546**	**5,708,543**	**979,003**	**696,524**
Property, plant and equipment				
Land	2,066,152		2,066,152	2,066,152
Buildings	7,961,165	2,009,267	5,951,898	6,349,527
Technical installations, equipment and industrial tooling	15,480,910	12,910,956	2,569,954	2,121,883
Other property, plant and equipment	23,579,839	20,464,043	3,115,796	3,783,624
Assets in progress	1,259,599		1,259,599	1,711,667
Deposits & advance payments				
Total property, plant and equipment:	**50,347,665**	**35,384,266**	**14,963,399**	**16,032,853**
Fixed financial assets				
Investments in associates				
Other shareholdings	10,093,475	6,388,000	3,705,475	53,754
Receivables from equity interests	1,453,391		1,453,391	1,485,210
Other investment securities			0	1,140,092
Loans	7,040		7,040	25,628
Other fixed financial assets	1,732,373		1,732,373	392,151
Total fixed financial assets:	**13,286,279**	**6,388,000**	**6,898,279**	**3,096,835**
FIXED ASSETS	**70,321,489**	**47,480,808**	**22,840,681**	**19,826,212**

Items *(In euros)*	Gross value	Amortisation/ depreciation	31/12/2018	31/12/2017
Inventories and work in progress				
Raw materials and supply				
Inventory work in progress - goods				
Inventory work in progress - services	7,188,891		7,188,891	
Inventory of intermediate and finished goods				
Inventory of goods bought for resale				
Total inventories and work in progress:	**7,188,891**	**0**	**7,188,891**	**0**
Receivables				
Advance payments made on orders	258,218		258,218	286,922
Trade and other receivables	99,148,863	3,869,078	95,279,784	102,920,899
Other receivables	39,341,426		39,341,426	23,094,257
Subscribed capital, called and unpaid				
Total receivables	**138,748,506**	**3,869,078**	**134,879,428**	**126,302,078**
Cash and cash equivalents				
Marketable Securities	33,257,623	132,633	33,124,990	13,494,991
Cash	138,882,608		138,882,608	88,022,233
Prepaid expenses	817,846		817,846	1,058,589
Total cash and cash equivalents	**172,958,077**	**132,633**	**172,825,444**	**102,575,814**
CURRENT ASSETS	**318,895,474**	**4,001,711**	**314,893,763**	**228,877,892**
Debt issuance costs to be amortised				
Bond redemption premiums				
Foreign exchange gains				
OVERALL TOTAL	**389,216,963**	**51,482,520**	**337,734,444**	**248,704,105**

BALANCE SHEET LIABILITIES

Items *(In euros)*	31/12/2018	31/12/2017
Net position		
Share capital or individual capital of which paid up 370,784	370,784	370,784
Issue, merger or contribution premiums, etc.	2,932,122	2,932,122
Revaluation differences of which equity method evaluation difference		
Legal reserve	37,078	37,078
Statutory or contractual reserves		
Regulated reserves		
Other reserves	79,646,740	64,100,199
Retained earnings	(49,278,467)	(49,302,733)
Profit for the year	144,438,991	114,118,870
Total net position:	**178,147,249**	**132,256,320**
Investment subsidies		
Regulated provisions	666,713	555,158
Total equity	**178,813,962**	**132,811,479**
Income from issues of equity securities		
Conditional advances/Refundable cash subsidies	277,023	663,115
Other equity	**277,023**	**663,115**
Provisions for risks	6,783,500	3,807,794
Provisions for charges	1,153,495	17,703,939
Provisions for liabilities and charges	**7,936,995**	**21,511,733**
Financial liabilities		
Convertible bonds		
Other bonds		
Loans and debts with credit institutions		
Other loans and financial liabilities		9
Total financial liabilities:		**9**
Deposits & advance payments received on orders in progress		
Other liabilities	9,171,714	11,227,915
Trade and other payables	27,492,499	24,917,630
Tax and social security payables		
Amounts payable on fixed assets and related accounts		
Other debts	2,413,992	2,168,363
Total other liabilities:	**39,078,205**	**38,313,908**
Deferred income	111,628,259	55,403,861
Debt	**150,706,464**	**93,717,778**
Unrealised foreign exchange gains		
OVERALL TOTAL	**337,734,444**	**248,704,105**

INCOME STATEMENT (FIRST PART)

Items *(In euros)*	**France**	**Export**	**31/12/2018**	**31/12/2017**
Sales of merchandise				
Goods produced and sold				
Services produced and sold	1,531,067	40,719,572	42,250,639	35,431,107
Net revenue	**1,531,067**	**40,719,572**	**42,250,639**	**35,431,107**
Production taken into inventory			7,188,891	
Capitalised production				
Operating subsidies			396,592	512,501
Reversals of depreciation and provisions, transfers of expenses			3,223,036	3,537,351
Other revenue			196,404,716	193,547,780
Operating revenue			**249,463,876**	**233,028,738**
External expenses				
Purchases of goods and customs duties			13,285	379,899
Changes in inventory of goods purchased for resale				
Purchases of raw materials and other supplies			442,438	433,627
Inventory change raw materials and supply				
Other purchases and external expenses			40,273,184	36,175,754
Total external expenses			**40,728,907**	**36,989,280**
Taxes, duties and other levies			4,453,090	4,171,138
Personnel expenses				
Wages and salaries			22,954,168	23,522,743
Social security costs			12,905,240	12,011,064
Total personnel expenses			**35,859,408**	**35,533,807**
Allocations to depreciation & provisions				
Allocations for depreciation of fixed assets			2,851,623	3,015,283
Allocations for provisions for fixed assets				
Allocations for provisions for current assets			678,586	655,070
Allocations for provisions for risks & charges			3,361,113	
Total allocations to depreciation & provisions			**6,891,322**	**3,670,353**
Other operating expenses			2,659,656	2,765,653
Operating expenses			**90,592,383**	**83,130,231**
OPERATING INCOME			**158,871,493**	**149,898,507**

INCOME STATEMENT (SECOND PART)

Items *(In euros)*	**31/12/2018**	**31/12/2017**
Operating income	158,871,493	149,898,507
Profits allocated or losses transferred		
Losses incurred or profits transferred		
Financial revenue		
Financial products from equity interests		
Products from other securities and fixed asset receivables		
Other interest received and similar proceeds	185,215	362,476
Reversals of provisions and transfers of expenses		109,690
Foreign exchange gains	55,073	136,462
Net income on disposals of marketable securities		
Total financial revenue:	**240,288**	**608,627**
Financial expenses		
Financial allocations for depreciation and provisions	6,486,696	
Interest and similar expenses		9,898
Foreign exchange losses	94,010	37,685
Net charges on disposal of marketable securities		
Total financial expenses:	**6,580,706**	**47,584**
Financial income	(6,340,418)	561,044
Current income before taxes	152,531,075	150,459,551
Non-recurring income		
Non-recurring income on management operations		3,035
Non-recurring income on equity transactions	191,221	348,895
Reversals of provisions and transfers of expenses	15,319,217	483,105
	15,510,437	**835,035**
Non-recurring expenses		
Non-recurring expenses on management transactions	280,556	42,278
Non-recurring expenses on equity transactions	2,567,357	1,644,443
Exceptional allocations for depreciation, amortisation and provisions	223,270	15,378,737
	3,071,183	**17,065,458**
Non-recurring income	12,439,254	(16,230,423)
Employee profit sharing	6,751,667	5,969,835
Income tax	13,779,671	14,140,423
Total revenues	265,214,601	234,472,401
Total expenses	120,775,610	120,353,531
PROFIT (LOSS)	**144,438,991**	**114,118,870**

ACCOUNTING RULES AND METHODS

The financial statements as at December 31, 2018 were prepared in accordance with the provisions of the French Commercial Code (Articles L123-12 to L123-28), **of the ANC regulation no. 2014-03 dated 5/6/2014 amended by ANC regulation no. 2018-02 dated 6/7/2018**, and regulations of the accounting regulation committee (CRC).

General accounting conventions were applied in line with the principle of prudence, according to the following basic assumptions:

- going concern;
- permanence of accounting methods from one financial year to the next;
- independence of financial years;

and in accordance with general guidelines for the preparation and presentation of annual financial statements.

The basic method used when stating the value of items in the financial statements is the historical cost method.

The main methods used are as follows:

Intangible assets

Intangible assets are valued at their acquisition cost (purchase price plus related expenses, excluding fixed asset acquisition expenses) or at their production cost.

Depreciation is calculated on a straight-line basis over estimated useful economic life.

Normal depreciation periods applied:

Software	3 years
Patents	5 years

Intangible assets in progress

Intangible assets in progress correspond to advance payments made on software ordered that is in the process of being developed, and for which delivery was not completed by the end of the financial year.

Property, plant and equipment

Property, plant and equipment are valued at their acquisition cost (purchase price plus related expenses, excluding fixed asset acquisition expenses) or at their production cost.

Depreciation is calculated on a straight-line basis over estimated useful economic life.

Normal depreciation periods applied:

Buildings	20 years
Equipment and tools	3-5 years
Office furniture	Upgrades 6 years & 8 months -10 years
Transport vehicles	3 years
IT and office equipment	3-5 years
Office furniture	6 years & 8 months

Since the French tax authorities accept depreciation based on useful life, exceptional depreciation is recorded in non-recurring expenses for equipment and tooling used for scientific and technical research.

Property, plant and equipment in progress

Property, plant and equipment in progress corresponds to advance payments made on works or equipment ordered that is in the process of being carried out/built, and for which delivery was not completed by the end of the financial year.

Fixed financial assets

Fixed financial assets consist of equity investments.

The category of equity investments comprises securities, the long-term holding of which is judged to be useful for GTT's business, in particular because it makes it possible to exert influence over the company issuing the securities or to secure control of it.

The inventory value of the equity investments is assessed on the basis of the proportion of the company's net position adjusted according to latent capital gains, its profitability and its future outlook.

Assumptions and estimates are made to determine the recoverable value of the equity investments. These relate to the market outlook necessary to evaluate the cash flows, and which are more sensitive in certain activities, and also to the discounting rate to be applied. Any modification of these assumptions could have a significant impact on the amount of the recoverable value and could lead to changing the losses of value to be recognised.

Depreciation of equity investments is recognised when the inventory value of the securities becomes lower than their gross book value.

Fixed financial assets also consist of security deposits, loans to employees, subsidiaries' equity investments, to cash advances granted as per the loan agreements signed with our subisidiaries, and to money market (SICAV) and treasury share subscriptions as part of a liquidity contract signed on November 10, 2014. A new liquidity contract was signed on December 21, 2018 with effect from January 2, 2019.

Marketable securities

These are recorded at their acquisition cost excluding acquisition expenses and valued at their inventory value at the end of each financial year. If necessary, a provision for impairment is recorded for the difference between the book value and the inventory value.

In 2018, they consisted primarily of short-term remunerated deposit accounts with maturities of between 1 and 60 months.

Inventories

The ongoing inventories consist of the costs incurred by GTT during the studies phase prior to the steel cutting date for the first vessel in the series. This ongoing work was then recognised *prorata temporis* as an expense for the duration of construction of each vessel (between the steel cutting date and the delivery date for each vessel). See "Royalties recorded in operating revenue":

Royalties recorded in operating revenue

The contracts agreed between GTT and shipyards enable the latter to use the company's technology, in return for recurring royalties. GTT also provides experts (engineers and technicians) in order to accompany shipyards (GTT's customers) that apply its technology.

A general contract/TALA (Technical Assistance and License Agreement) defines the general relationship between the parties. The contract sets out the basis for calculating the royalties (based on the number of vessels built by the shipyard) and also indicates the terms of payment of royalties.

Subsequently, for each order, a special contract/MoU (*Memorandum of Understanding*) is signed which defines the specific conditions of application of the general contract.

Under licensing agreements for the construction of tanks with shipyards, GTT:

- carries out engineering studies for the implementation of its patents, and delivers to the shipyard detailed specifications (including plans and nomenclature necessary to build the tanks using GTT's patented technology) at the moment of steel cutting;
- grants a non-exclusive license to use patents with the support of its engineers and technicians for the construction of tanks (from the steel cutting phase); and
- performs technical assistance services by providing skilled engineers and technicians for a contractually defined number of man-days from the launch phase until receipt of the final order equipped with tanks which comply with the GTT technology as ordered by the shipowner, being the shipyard's customer.

All of these services are invoiced on a "recurring royalties" basis. The invoice amounts are proportional to the number of square metres of tanks under licensed construction and based on a man-day rate for technical assistance, which may be adjusted for example, if a series of identical LNG carriers is to be constructed. The billing is payable following a contractual schedule based on the key phases of the construction of the LNG carrier:

- effective date of the contract;
- steel cutting;
- keel laying;
- launching;
- delivery.

Change of estimate

Up until December 31, 2017, billing was recognised as operating income according to the effective completion of the relevant services:

- the part corresponding to the conducting of studies, which is only applicable to the first LNG carrier in a series, is recognised *prorata temporis* from the date of signature of the license agreement (which marks the beginning of activity with the shipyard for the production of the tanks), to delivery of the final specifications at the moment of steel cutting; This billing is recognised in other revenue;
- the part corresponding to the non-exclusive license to use the patents with the support of GTT engineers and technicians is recognised *prorata temporis* from the moment of steel cutting until the final delivery of the LNG carrier. This billing is recognised in other revenue; and
- finally, the part corresponding to the technical assistance provided during the project is recognised as such assistance is performed, generally on-site, by GTT's engineers and technicians from the launch of the LNG carrier until final delivery and acceptance by the customer. This billing is recognised in revenue.

During the financial year, GTT was required to carry out a new analysis of the recognition of its royalties in order to justify a change in estimates in its individual financial statements.

As from January 1, 2018, the accounting process is henceforth as follows:

- GTT provides a unique overall service corresponding to technology transfer under license to ship-yards in the context of construction of the tanks for a single vessel or a series of vessels;
- the royalties invoiced with respect to a series of vessels in the context of a firm order placed by a shipyard for the construction of tanks will be recorded *prorata temporis* as revenue from operating activities for the duration of the construction of each vessel (between the steel cutting date and the delivery date of each vessel). The amount of revenue from operating activities allocated to each vessel in the series will be identical;
- costs incurred by GTT during the studies phase prior to the steel cutting date for the first vessel in the series will be recorded on the asset side as work in progress. This work in progress will be recorded *prorata temporis* as an expense for the duration of construction of each vessel (between the steel cutting date and the delivery date of each vessel). The amount of work in progress allocated to each vessel will be identical;
- the costs incurred by GTT after the steel cutting date of the first vessel in the series (including technical assistance costs associated with making engineers and technicians available) shall be recorded as expenses when they are incurred.

Finally, beyond the volume of contractual technical assistance, GTT can offer further technical assistance, upon request, which is recognised as operating revenue when such assistance is effectively performed by the GTT engineers and technicians on-site.

Long-term contracts

In 2018, GTT concluded an EPC contract (engineering, procurement, construction) with a shipyard. This contract was processed in accounting terms as a long-term contract.

The revenue was determined by applying the progress percentage method. This rate of progress is determined based on the progress of costs.

As at December 31, 2018, a loss of contract for 442 thousand euros was recognised (see "Provisions for contingencies and losses").

Receivables

Receivables are valued at their nominal value. An impairment provision is made on client accounts when it appears that payment is unlikely. The amount of this provision is determined according to the circumstances and exercising prudence.

Paid leave

The provision for paid leave was calculated based on the days due at December 31, 2018.

Retirement benefits

The company's commitment to payment of retirement benefits is not recognised in the financial statements as at 12.31.2018. The gross amount of this commitment was estimated at 2,157 thousand euros. This calculation is based on the projected unit credit actuarial method. This method consists of determining the probable value of future services provided and discounted for each employee when he/she retires (retirement benefits – voluntary departure scheme). The main actuarial assumptions used to determine this commitment are the following:

- Discount rate: 1.63%;
- Salary increase rate: 1.20%;
- Retirement age: 63 for managers and 62 for non-managers.

It should be noted that the amount of the commitment thereby evaluated at closing is today covered by external funds and on December 31, 2018 stood at 1,494 thousand euros.

Share-based payments

Allocation of Free Shares (AFS)

Date of allocation*	Plan no.	Vesting period	Minimum lock-up period	Shares originally allocated	Fair value of the share under IFRS	Share price at the date of allocation	Expired shares	Shares allocated at the end of the vesting period	Existing shares at December 31, 2018
10 February 2014	AFS no. 2	2 to 4 years	2 years	250,000	€24	€46	96,114	153,886	-
18 May 2016	AFS no. 3	2 years	2 years	16,000	€10	€31	4,362	11,638	-
18 May 2016	AFS no. 4	3 years	1 year	15,150	€21	€31	2,900	-	12,250
18 May 2016	AFS no. 5	3 years	-	5,625	€23	€31	1,320	-	4,305
23 February 2017	AFS no. 6	1 year	2 years	7,800	€28	€39	2,126	5,674	-
23 February 2017	AFS no. 7	3 years	1 year	14,200	€28	€39	-	-	14,200
12 April 2018	AFS no. 8	3 years	1 year	9,200	€44	€55	-	-	9,200
25 October 2018	AFS no. 9	3 years	variable (**)	59,000	€51	€64	-	-	59,000

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

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

- AFS Plan no. 5: 100% of the share allocation is contingent on the employees being present at the end of the vesting period;
- AFS Plans no. 2- no. 3 - no. 6: 100% of the share allocation is contingent upon:
  - 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:
    - GTT stock performance,
    - the net margin ratio (net income/revenue),
    - the performance of GTT shares on the Stoxx 600 Oil & Gas index (Price);
- AFS Plans no. 4, no. 7 and no. 8: 100% of the share allocation is contingent on:
  - 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 revenue 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: 100% of the share allocation is contingent upon:
  - 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 revenue and the order book,
    - the performance of GTT shares compared to market indices.

Change of estimate

GTT believes it is likely shares allocated to beneficiaries as part of free shares plans will be purchased on the market (and not issued).

GTT therefore recognises a provision which is:

- estimated taking into account the probability of beneficiaries receiving shares;
- constituted gradually over the period of acquisition of rights by beneficiaries.

In previous financial years, this provision was constituted on the date when the decision was made to buy shares because GTT was not in a position to estimate the most probable option upon share allocation (between purchase and issuing of shares).

Treasury shares

The company entered into a liquidity contract on November 10, 2014. As at December 31, 2018, the company held 7,745 shares by virtue of the liquidity contract and 21,690 shares by virtue of the AFS plans, i.e. a total of 29,435 treasury shares representing a total amount of 1,529 thousand euros A new liquidity contract was signed on December 21, 2018 with effect from January 2, 2019.

Treasury shares destined for employees

	31/12/2017	Acquisitions/ allocations	Disposals/ reversals	Cancellation of shares	31/12/2018
Number of shares	73,103		51,413		21,690
Depreciation In thousands of euros	-	-	-	-	-
NET IN THOUSANDS OF EUROS	**73,103**		**51,413**		**21,690**

Provisions for liabilities and charges

A provision is recognised when for GTT there exists a current legal or implicit obligation, resulting from a past event and when it is likely that it will lead to an outflow of resources that can be reliably estimated. The provisioned amount corresponds to the best possible estimate of the obligation valued at the date of closing of the financial statements.

Taxes

The following table gives a summary of the deferred taxes and the temporary differences between the accounting and tax treatments used.

Increases and decreases in the future tax debt

In thousands of euros	Amount	Tax
Increases: regulated provisions		
Subsidies to be added back to income		
Decreases: provisions which cannot be deducted in the year of their recording	(11,547)	(1,732)
Total operating deficits carried forward		
Total deferred depreciation		
Total long-term losses		

Fees paid to the Statutory Auditors

The amount of Statutory Auditors' fees shown in the income statement stands at:

2018 financial year *In thousands of euros*	**E.Y. Fees**	**Cailliau Dedouit et Associés fees**
Statutory audit, certification of financial statements	136.9	90.5
Other related assignments and other auditing assignments	-	-
Sub-total	136.9	90.5
Services other than the certification of financial statements (SACC)	3	8
AUDIT TOTAL	**139.9**	**98.5**

Accounting for the competitiveness and employment tax credit (CICE)

The company chose the following accounting procedure for the CICE.

The CICE is recorded in account 6459 in accordance with the ANC opinion. It had an impact of 138 thousand euros on the 2018 financial year.

In compliance with the provisions of Article 76 of the Finance law for 2015, we note that the CICE is intended to finance improvements in the competitiveness of companies and that our company uses it for a range of training and recruiting purposes.

Events after the reporting period:

None.

FIXED ASSETS

Items *(In euros)*	Gross book value start of financial year	Acquisitions by revaluation	Acquisitions contributions, creation bank transfers
Intangible assets			
Start-up and development fees	6,189,251		657,920
Other intangible assets			
Total intangible assets:	**6,189,251**		**657,920**
Property, plant and equipment			
Land	2,066,152		
Buildings on own land	7,961,165		
Buildings on third party land			
Buildings – general installations			
Technical installations, equipment and industrial tools	15,230,860		1,622,561
General installations, fittings and fixtures and other	18,759,437		282,349
Transport vehicles	157,158		
Office equip., computer equip., and furnishings	4,569,423		212,789
Recoverable packaging and others			
Property, plant and equipment in progress	1,711,667		642,687
Deposits & advance payments			
Total property, plant and equipment	**50,455,861**		**2,760,386**
Fixed financial assets			
Investments accounted for under the equity method			
Other shareholdings	1,543,964		11,324,326
Other investment securities	1,140,092		5,504,423
Loans and other fixed financial assets	417,779		1,340,222
Total fixed financial assets	**3,101,835**		**18,168,971**
OVERALL TOTAL	**59,746,947**		**21,587,277**

Items *(In euros)*	Disposals by bank transfer	Decreases by disposals and decommissioning	Gross book value end of financial year	Legal revaluations
Intangible assets				
Start-up and development fees				
Other intangible assets	90,061	69,565	6,687,546	
Total intangible assets	**90,061**	**69,565**	**6,687,546**	
Property, plant and equipment				
Land			2,066,152	
Buildings on own land			7,961,165	
Buildings on third party land				
Technical installations, industrial equipment and tools		1,372,511	15,480,910	
Transport vehicles		308,104	18,733,682	
Office equip., computer equip., and furnishings		3,296	153,862	
Recoverable packaging and others		89,916	4,692,296	
Property, plant and equipment in progress				
Deposits & advance payments		1,094,755	1,259,599	
Total property, plant and equipment		**2,868,582**	**50,347,665**	
Fixed financial assets				
Investments accounted for under the equity method				
Other shareholdings		1,321,424	11,546,866	
Other investment securities		6,644,515		
Loans and other fixed financial assets		18,588	1,739,413	
Total fixed financial assets		**7,984,527**	**13,286,279**	
OVERALL TOTAL		**10,922,674**	**70,321,489**	

DEPRECIATION

Financial position and movements during the financial year

Depreciable assets	Amount start of financial year	Acquisitions Allocation	Disposals Reversal	Amount end of financial year
Intangible assets				
Start-up and development fees.				
Other intangible assets	4,578,033	285,381	69,565	4,793,848
Total intangible assets:	**4,578,033**	**285,381**	**69,565**	**4,793,848**
Property, plant and equipment				
Land				
Buildings on own land	1,611,638	397,629		2,009,267
Buildings on third party land				
Buildings – general installations	13,108,976	1,005,648	1,203,668	12,910,956
Technical installations and industrial tools	15,525,929	854,783	308,104	16,072,608
Transport vehicles	157,158		3,296	153,862
Office equip., computer equip., and furnishings	4,019,307	308,183	89,916	4,237,574
Recoverable packaging and others				
Total property, plant and equipment:	**34,423,008**	**2,566,242**	**1,604,984**	**35,384,266**
OVERALL TOTAL	**39,001,040**	**2,851,623**	**1,674,549**	**40,178,114**

Breakdown of allocations to depreciation and amortisation for the financial year

Depreciable assets	Depreciation (straight-line)	Depreciation (accelerated)	Depreciation (exceptional)
Intangible assets			
Start-up and development fees			
Other intangible assets	285,381		
Total intangible assets:	285,381		
Property, plant and equipment			
Land			
Buildings on own land	397,629		
Buildings on third party land			
Buildings – general installations			
Technical installations, equipment and industrial tools	1,005,648		
General installations, fittings and fixtures and other	854,783		
Transport vehicles			
Office equip., computer equip., and furnishings	308,183		
Recoverable packaging and others			
Total property, plant and equipment:	2,566,242		
Equity investment acquisition fees			
	2,851,623		

PROVISIONS REPORTED ON THE BALANCE SHEET

Items *(In euros)*	Amount start of financial year	Acquisitions allocations	Disposals reversals	Amount end of financial year
Provisions for extraction site rehabilitation				
Provisions for investment				
Provisions for price increases				
Exceptional depreciation	555,158	223,270	111,715	666,713
Of which exceptional 30% premiums				
Provisions for start-up loans				
Other regulated provisions				
Regulated provisions	**555,158**	**223,270**	**111,715**	**666,713**
Provisions for litigation	3,422,387	2,919,400	-	6,341,787
Provisions for guarantees given to clients				
Provisions for losses on futures markets	385,407	441,713	385,407	441,713
Provisions for fines and penalties				
Provisions for foreign exchange losses				
Prov. for pensions and similar obligations				
Provisions for taxes	15,207,502	-	15,207,502	-
Provisions for fixed asset replacement				
Provisions for large-scale maintenance and major overhauls				
Provisions for social security and tax costs on paid vacations				
Other provisions for risk and charges	2,496,437	1,294,338	2,637,280	1,153,495
Provision for contingencies and losses	**21,511,733**	**4,655,451**	**18,230,189**	**7,936,995**
Provision on intangible assets	914,694			914,694
Provision on tangible assets				
Provisions for equity-method investment assets				
Provisions for equity investment assets	5,000	6,383,000		6,388,000
Provisions on other fixed financial assets				
Provisions for inventory and works in progress				
Provisions for client accounts	3,377,442	678,586	186,949	3,869,078
Other provisions for impairment	28,937	103,696	-	132,633
Provisions for impairment	**4,326,073**	**7,165,282**	**186,949**	**11,304,405**
OVERALL TOTAL	**26,392,964**	**12,044,002**	**18,528,853**	**19,908,114**

STATEMENT OF RECEIVABLES AND PAYABLES BY MATURITY

Statement of receivables *(In euros)*	Gross amount	1 year at most	At more than 1 year
Fixed assets receivables			
Receivables from equity interests	1,453,391		1,453,391
Loans	7,040	4,846	2,193
Other fixed financial assets	1,732,373	1,732,373	
Total fixed assets:	**3,192,803**	**1,737,220**	**1,455,584**
Current assets			
Doubtful and disputed trade receivables	4,934,558		4,934,558
Other trade receivables	94,214,304	94,214,304	
Receivables represented by shares that are loaned or held as collateral			
Personnel and related accounts	16,440	16,440	
Social security and other welfare agencies	54	54	
State – Income tax	34,075,191	34,075,191	
State – Value Added Tax	4,479,155	4,479,155	
State – Other taxes, duties and levies	1,524	1,524	
State – Miscellaneous			
Group and associates	507,570	507,570	
Sundry accounts receivable	261,492	261,492	
Total current assets:	**138,490,288**	**133,555,730**	**4,934,558**
Prepaid expenses	817,846	817,846	
OVERALL TOTAL	**142,500,938**	**136,110,796**	**6,390,142**

Statement of debts *(In euros)*	Gross amount	1 year at most	Above 1 year and 5 years at most	At more than 5 years
Convertible bonds				
Other bonds				
With credit institutions:				
• at 1 year maximum at inception				
• at more than 1 year at inception				
Other loans and financial liabilities				
Trade and other payables	9,171,714	9,171,714		
Personnel and related accounts	12,962,501	12,962,501		
Social security and other welfare agencies	5,538,091	5,538,091		
Income tax	6,863,573	6,863,573		
Value-added tax	894,611	894,611		
Guaranteed bonds				
Other taxes, duties and other levies	1,233,722	1,233,722		
Amounts payable on fixed assets and related accounts				
Group and associates				
Other debts	2,413,992	2,413,992		
Securities borrowed				
Deferred income	111,628,259	111,628,259		
OVERALL TOTAL	**150,706,464**	**150,706,464**		

GOODWILL

	Amount of components				
Type	Purchased	Revalued	Received as contribution	Global	Amount of Depreciation
Goodwill			914,694	914,694	914,964
TOTAL			**914,694**	**914,694**	**914,964**
Reminder: Goodwill				914,694	(914,694)

ACCRUALS

Amount of accruals included in the following balance sheet items

In euros	Amount
Convertible bonds	
Other bonds	
Loans and debts with credit institutions	
Other loans and financial liabilities	
Trade and other payables	5,560,382
Tax and social security payables	16,382,345
Amounts payable on fixed assets and related accounts	
Cash, accruals	
Other debts	2,413,992
TOTAL	**24,356,719**

ACCRUED INCOME

Amount of accrued income included in the following balance sheet items

In euros	Amount
Fixed financial assets	
Receivables from equity interests	
Other fixed financial assets	
Receivables	
Trade and other receivables	66,547,594
Personnel	5,890
Welfare agencies	
State	1,524
Other, accrued income	114,542
Other receivables	
Marketable securities	213,363
Cash	
TOTAL	**66,882,913**

DEFERRED INCOME AND PRE-PAID EXPENSES

Items *In euros*	**Expenses**	**Income**
Operating income or expenses	817,846	111,628,259
Financial income or expenses		
Non-recurring income or expenses		
TOTAL	**817,846**	**111,628,259**

DETAIL OF NON-RECURRING INCOME AND NON-RECURRING EXPENSES

Non-recurring income *In euros*	**Amount**	**Allocated to the account**
Income from disposal of assets	250	775,200
Gains realised on treasury share buybacks	190,971	778300
TOTAL	**191,221**	

Non-recurring expenses *In euros*	**Amount**	**Allocated to the account**
Receivables become irrecoverable	186,949	671,400
Adjustment for shareholdings in previous financial years	91,957	672,000
Adjustment for customer invoice on previous financial year	1,650	672,000
Net book value of assets disposed of	172,059	675,200-675,600
Losses realised on treasury share buybacks	2,395,299	678,300
TOTAL	**2,847,914**	

AVERAGE HEADCOUNT

Workforce	**Personnel employees**	**Personnel made available to the company**
Executive	249	
Technicians and supervisors	82	1
Employees	12	
Workers		
TOTAL	**343**	**1**

Detail of expenses reallocated

Type	**Amount**
Treasury share buybacks	2,395,299
Reimbursement CPAM-Prévoyance (national insurance agency)	86,362
Insurance reimbursement	58,324
Air France- reimbursement of transport costs	93,717
Rebilling of miscellaneous costs	16,977
TOTAL	**2,650,680**

STRUCTURE OF SHARE CAPITAL

Type of securities	Number	Nominal value
1 - Shares that make up the share capital at the beginning of the financial year	37,078,357	0.01
2 - Shares issued during the financial year		
3 - Shares redeemed during the financial year		
4 - Shares that make up the share capital at the end of the financial year	37,078,357	0.01

CHANGES IN EQUITY

In euros	Share capital	Premiums	Reserves	Regulated provisions	Revenue	Total equity
As at December 31, 2017	370,784	2,932,122	14,834,544	555,158	114,118,870	132,811,479
Profit for the year					144,438,991	144,438,991
Allocation of the profit from the previous financial period			114,118,870		(114,118,870)	-
Capital increase						
Distribution of dividends			(49,269,596)			(49,269,596)
Prov. for investment			-			-
Exceptional depreciation				111,555		111,555
Interim dividend payment			(49,278,467)			(49,278,467)
Changes in scope						-
AS AT DECEMBER 31, 2018	**370,784**	**2,932,122**	**30,405,351**	**666,713**	**144,438,991**	**178,813,962**

Subsidiaries and shareholdings	Book value of assets held		Loans and advances granted by the company and not yet repaid	Amount of guarantees and sureties granted by the company	Dividends cashed in by the company during the financial year	Observations
	Gross	Net				
A. Detailed information regarding subsidiaries and shareholdings						
1. Subsidiaries (over 50% of capital held by the company)						
a) French subsidiaries						
CRYOVISION	50,000	50,000	261,083		1,300,000	
CRYOMETRICS	5,000	-	22,963		-	
b) Foreign companies						
GTT Training	1	1	168,371		-	
GTT NA	3,743	3,743	23,194		-	
GTT SEA	1	1	200,000			
ASCENZ	10,034,722	3,651,722	1,285,020		-	
2. Shareholdings (10 to 50% of capital held by the company)						
B. General information about the other subsidiaries or equity interests						
1. Subsidiaries not included in § A.						
a) French subsidiaries (together)						
b) Foreign subsidiaries (together)						
2. Equity interests not included in § A.						
a) In French companies (together)						
b) In foreign companies (together)						

OTHER INFORMATION

Other information for a clearer understanding of the annual financial statements

Of operating revenues (excluding reversals of provisions and operating subsidies) amounting to 238,655,320 euros, intellectual property income amounted to 196,404,680 euros. The total taxable income was taxed at 15%.

Withholding tax of 20,036,230 euros was applied mainly on our activities in South Korea and China.

The agreements between France and these countries allowed us to charge all of this amount against taxes in France.

Provisions for liabilities and charges

As part of the management of its current activities, the company is involved in, or has initiated, various legal proceedings regarding the protection of intellectual property rights, technical disputes, labour disputes with employees, and other issues that are linked to its business activities. The company believes that the provisions it has made to cover these risks, litigations or disputes that are known or in progress as of the end of the financial year are sufficient, and that its financial situation would not be materially affected if the outcome were not in its favour.

Supplier and customer payment terms

Ageing schedule Account number financial statements 4010-4012-4017	Suppliers Account balance financial statements	Balance not yet falling due	from 1 to 30 days	from 01/01/2018 from 31 to 60 days	to 31/12/2018 from 61 to 90 days	Over 91 days
Trade and other payables	3,276,018	1,615,674	1,092,961	75,369	17,904	474,110
	100%	49.32 %	33.36 %	2.30%	0.55%	14.47%

Ageing schedule Account number financial statements 4010-4012-4017	Customers Account balance financial statements	Balance not yet falling due	from 1 to 30 days	from 01/01/2018 from 31 to 60 days	to 31/12/2018 from 61 to 90 days	Over 91 days
Trade and other receivables	32,601,268	16,479,540	1,536,259	2,592,759	1,566,376	10,426,334
	100%	50.55%	4.71%	7.96%	4.80%	31.98%

The amount of provisions made for risks and charges changed as follows over 2018:

Items	Amount at the beginning of the financial year	Allocation	Prov. Rev. Used	Rev. not used	Amount at the end of the financial year
Provisions for litigation	3,422,387	2,919,400	-	-	6,341,787
Prov. Loss upon completion	385,407	441,713	385,407	-	441,713
AFS provision	2,496,437	1,294,338	2,637,280		1,153,495
Other prov's. for C&L	15,207,502	-	-	15,207,502	-
TOTAL	**21,511,733**	**4,655,451**	**3,022,687**	**15,207,502**	**7,936,995**

In 2017, a provision for 15.2 million euros was constituted for a fiscal risk giving rise to an adjustment proposal received on December 20, 2017. In 2018, the totality of this provision was reversed following receipt of a letter from the fiscal administration dated 7/31/2018 informing us of the complete withdrawal of the proposed adjustments.

Receivables depreciation

In thousands of euros	Amount at start of financial year	Increases, provisions	Disposals/reversals	Amount at the end of the financial year
Doubtful receivables	3,377	679	187	3,869
TOTAL DEPRECIATION	**3,377**	**679**	**187**	**3,869**

Fixed financial assets

As at December 31, 2018, securities relating to the ASCENZ subsidiary were depreciated to the extent of 6,383 thousand euros.

Research & Development expenditure

The amount of eligible R&D expenditure provisioned with respect to the 2018 CIR (Research Tax Credit) stands at roughly 13.3 million euros, giving entitlement to a tax credit in the amount of 4 million euros for 2018. In addition, the amount of the research tax credits not allocated to company tax as at December 31 stands at roughly 23 million euros, of which 3.9 million euros with respect to the 2014 declarations awaiting reimbursement.

Information on affiliates

GTT carries out transactions that are not material, or that are carried out under normal terms and conditions, or that are excluded from the scope of application as described in the regulations of the ANC 2010-02 concerning related parties.

Intra-group operations with ENGIE

In thousands of euros	
Suppliers	50
Customers	1
Supplies and maintenance (Expenses)	919
Seconded personnel (Expenses)	16
Outsourced tests and studies (Expenses)	274
Electricity supply (Expenses)	239
Equipment rental (Expenses)	13

Income tax

The breakdown of income tax between current and non-recurring elements is as follows:

In thousands of euros	Accounting income	Net fiscal income	15% Tax	Net income
Current income	158,867	157,056	(24,311)	134,556
Non-recurring income	12,439			12,439
Company profit-sharing scheme	(6,991)			(6,991)
Allocation of tax credits				10,255
Allocation of deficits carried forward				284
Tax consolidation income				
TOTAL NET VALUE				**150,543**

Consolidated financial statements

GTT financial statements are consolidated using the full consolidation method in the consolidated financial statements prepared by ENGIE, Tour T1 1 Place Samuel de Champlain-Faubourg de l'Arche-92930 Paris La Défense Cedex- SIREN 54210765113030

Tax consolidation

GTT opted for the tax consolidation system for the CRYOVISION and CRYOMETRICS subsidiaries in 2018.

A tax consolidation agreement was signed for each entity in order to determine the distribution of tax expenses within the consolidated group formed by the parent company in accordance with Article 223 A of the French General Tax Code, which allowed each subsidiary to have the tax burden they would have borne if the tax consolidation agreement were not in place.

The Group's tax expenses under the tax consolidation agreement amounted to 24,310,651 euros.

Cryovision will pay GTT an amount equal to the tax that it would be subject to alone, i.e. 283,580 euros, as its contribution to the payment of income taxes.

Cryometrics recorded a loss of 0.7 million euros that can be offset against the Group's profit within the limits and conditions stipulated in the third paragraph of I in Article 209 of the French General Tax Code (CGI).

Information on the income statement

Breakdown of revenue

In thousands of euros	Royalties	Technical support	Other services	Total
France			1,531	1,531
South Korea	179,327	26,203	1,905	207,435
China	16,324	1,604	1,051	18,979
Japan	610	725		1,335
Spain			288	288
United States of America	144	20	1,264	1,428
Switzerland			1,433	1,433
Norway			1,644	1,644
Belgium			184	184
United Kingdom			771	771
Malaysia			359	359
Qatar			171	171
Finland			115	115
Greece			528	528
Singapore			832	832
Various exports			1,622	1,622
TOTAL	**196,405**	**28,552**	**13,698**	**238,655**

Compensation of the management and control bodies

Compensation of all types paid in 2018 to the executive officers:

Compensation of executive directors
In euros

Compensation allocated to the members of the management bodies	692
Amount of advance payments and credits allocated to the members of the management bodies	0
Amount of commitments contracted for retirement pensions benefiting the members of the management bodies.	91

The members of the Board of Directors elected by the Shareholders' Meeting receive directors' fees, which amounted to 378 thousand euros in 2018.

Significant events during the period

The 50 orders for vessels in 2018 constituted a record level for GTT's commercial activities over the last 10 years.

- 48 LNG carrier orders. Most of these orders are intended for natural gas liquefaction units under construction, in particular in the United States. All of the vessels will be equipped with GTT's recent technologies (NO96 GW, NO96- L03+ and Mark III Flex);
- 2 FSRU orders These orders reflect the huge interest for these regasification vessels which represent a highly flexible and very economical solution, in particular for new LNG importing countries,

In addition, the Group registered orders in the new markets of onshore storage and vessels fuelled by LNG.

- 1 order for a bunker vessel with a capacity of 18,600 m3 was registered at the start of the year. This vessel operated by the Mitsui OSK Lines Ltd. shipowner and chartered by Total Marine Fuels Global Solutions (TMFGS) will be used to supply LNG to the future CMA CGM container vessels;
- In July 2018, GTT also registered an order from the Vard shipyard for construction of LNG tanks for the Commandant Charcot, the first LNG-powered cruiser ice-breaker;
- In September 2018, GTT received an order from the European Organisation for Nuclear Research (CERN) for design of the containment system for a 12,500 m3 onshore storage facility designed to contain liquid argon for experimental purposes.

The Group made several breakthroughs in its service activities during the financial year.

In January 2018 GTT finalised acquisition of Ascenz, a Singapore company specialised in 'smart' shipping. This is an emerging field, especially in the context of management of fuel consumption by commercial vessels.

Among the different service activities, GTT was appointed during the first half of 2018 to carry out several preliminary design engineering studies on new underwater tank Gravity Based System (GBS) projects.

In addition, during the financial year the Group signed several license contracts with new shipyards.

In April 2018, with the Sembcorp Marine company based in Singapore, for design and construction of FSRUs, medium capacity LNG carriers and Sembcorp Marine Gravifloat platforms using GTT membrane containment systems.

In September 2018, with the Keppel Offshore & Marine company for equipping LNG carriers, bunker vessels, LNG fuelled vessels, as well as FSRUs, with special focus on ships offering a capacity of between 30,000 and 80,000 m3.

In September 2018, with the South Korean shipyard Hyundai Mipo Dockyard for equipping gas vessels, in particular small and medium capacity vessels (up to approximately 50,000 m3), as well as LNG tanks dedicated to vessel propulsion.

Concerning research and development activities, in the third quarter GTT gained approval in principle from the Bureau Veritas classification body for development of a new NO96 family cargo containment system. This new system called NO96 Flex benefits from both the attributes of the proven NO96 technology and the advantages obtained by using foam panels, making it possible to reduce the boil-off rate to 0.07%V per day, i.e. a level equivalent to the most high performance GTT technologies.

Off-balance sheet commitments

The Group signed contracts for lines of credit for a total amount of 50 million euros with three banks during the 2016 financial year.

- On June 30, 2016, GTT SA agreed to a line of credit with BNP Paribas in the amount of 25 million euros for a period of five years renewable for two years, with a *pari passu* clause, with no guarantees, sureties or financial covenants, without restrictions on the allocation of dividends and with limited reasons for default. During 2017, the end of this line of credit was extended by one year, until 2022.
- On July 6, 2016, GTT SA agreed to a line of credit with Crédit du Nord in the amount of 15 million euros for a period of seven years, without guarantees, sureties or financial covenants, without restrictions on the allocation of dividends and with limited reasons for default.
- On July 12, 2016, the GTT SA Company took out a credit line contract with the Société Générale bank for the amount of 10 million euros, for a duration of five years with possible renewal over two years, with a *pari passu* clause, without guarantee or surety, without financial covenant, without restriction on distribution of dividends and with limited default cases. During 2017, the end of this line of credit was extended by one year, until 2022.

These lines of credit were not used during 2018.

During 2018, an international bank guarantee was granted as part of a construction contract for the amount of 1,485 thousand euros.

3.7 STATUTORY AUDITORS' REPORT ON THE FINANCIAL STATEMENTS

Year ended December 31, 2018

This is a translation into English of the statutory auditors' report on the financial statements of the Company issued in French and it is provided solely for the convenience of English-speaking users.

This statutory auditors' report includes information required by European regulation and French law, such as information about the appointment of the statutory auditors or verification of the management report and other documents provided to the shareholders.

This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the Annual General Meeting of Gaztransport & Technigaz – GTT,

Opinion

In compliance with the engagement entrusted to us by your Annual General Meetings, we have audited the accompanying financial statements of Gaztransport & Technigaz – GTT for the year ended December 31, 2018.

In our opinion, the financial statements give a true and fair view of the assets and liabilities and of the financial position of the Company as at December 31, 2018 and of the results of its operations for the year then ended in accordance with French accounting principles.

The audit opinion expressed above is consistent with our report to the Audit.

Basis for Opinion

Audit Framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the Statutory Auditors' Responsibilities for the Audit of the Financial Statements section of our report.

Independence

We conducted our audit engagement in compliance with independence rules applicable to us, for the period from January 1, 2018 to the date of our report and specifically we did not provide any prohibited non-audit services referred to in Article 5(1) of Regulation (EU) No 537/2014 or in the French Code of Ethics (Code de déontologie) for statutory auditors.

Justification of Assessments - Key Audit Matters

In accordance with the requirements of Articles L. 823-9 and R. 823-7 of the French Commercial Code (*Code de commerce*) relating to the justification of our assessments, we inform you of the key audit matters relating to risks of material misstatement that, in our professional judgment, were of most significance in our audit of the financial statements of the current period, as well as how we addressed those risks.

These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on specific items of the financial statements.

Recognition of recurring royalties as operating revenues

Key Audit Matter	Our response
As at December 31, 2018, recurring royalties recognized under license agreements for the construction of tanks with shipyards, represent M€ 225 of the company's operating revenues. As stated in paragraph "Royalties recorded in operating revenue" of Note "Accounting rules and methods" to the consolidated financial statements, recurring royalties represent a single global service corresponding to the transfer of license technologies to shipyard as part of the construction of the tanks of a ship or series of ships. The recurring royalties invoiced for a series of ships, as part of a binding order placed by a shipyard for the construction of tanks, are now recognized pro rata temporis in operating revenue over the construction period of each ship (between the date of "Steelcutting" and the date of delivery of the ship), the amount of the revenue allocated to each ship in the series being identical. We considered the recognition of recurring royalties as operating revenue as a key audit matter due to their significant importance in your company's accounts and their sensitivity to shipbuilding milestones.	Our work consisted mainly in ▶ reviewing the procedures implemented by the Company on the royalty recognition process; ▶ reconciling the accounting data with those from the royalty calculation table; ▶ obtaining direct confirmation from shipyards regarding the reality of portfolio transactions and updating milestones in relation to shipbuilding progress; ▶ Testing, on a sample of shipbuilding projects, the prorata temporis calculation of the recurring royalties, between the date of "steel cutting" and the delivery date of each ship. Finally, we assessed the appropriateness of the information provided in Notes to financial statements.

Specific verifications

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by laws and regulations.

Information given in the management report and in the other documents with respect to the financial position and the financial statements provided to the shareholders

We have no matters to report as to the fair presentation and the consistency with the financial statements of the information given in the Board of Directors' management report and in the other documents with respect to the financial position and the financial statements provided to the shareholders.

We attest the fair presentation and the consistency with the financial statements of the information relating to payment deadlines mentioned in Article D. 441-4 of the French Commercial Code (*Code de commerce*).

Report on Corporate Governance

We attest that the Board of Directors' Report on Corporate Governance sets out the information required by Articles L. 225-37-3 and L. 225-37-4 of the French Commercial Code (*Code de commerce*).

Concerning the information given in accordance with the requirements of Article L. 225-37-3 of the French Commercial Code (*Code de commerce*) relating to remunerations and benefits received by the directors and any other commitments made in their favor, we have verified its consistency with the financial statements, or with the underlying information used to prepare these financial statements and, where applicable, with the information obtained by your Company from controlling and controlled companies. Based on these procedures, we attest the accuracy and fair presentation of this information.

With respect to the information relating to items that your Company considered likely to have an impact in the event of a takeover bid or exchange offer, provided pursuant to Article L. 225-37-5 of the French Commercial Code (*Code de commerce*), we have agreed this information to the source documents communicated to us. Based on these procedures, we have no observations to make on this information.

Other information

In accordance with French law, we have verified that the required information concerning the purchase of investments and controlling interests and the identity of the shareholders and holders of the voting rights has been properly disclosed in the management report.

Report on Other Legal and Regulatory Requirements

Appointment of the Statutory Auditors

We were appointed as statutory auditors of Gaztransport & Technigaz - GTT by your annual general meeting held on May 18, 2017 for CAILLIAU DEDOUT ET ASSOCIES and on June 30, 1998 for ERSNT & YOUNG Audit.

As at December 31, 2018, CAILLIAU DEDOUIT ET ASSOCIES was in the second year of total uninterrupted engagement and ERNST & YOUNG Audit was in the twenty-first year of total uninterrupted engagement, which is the fifth year since securities of the Company were admitted to trading on a regulated market.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with French accounting principles and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is expected to liquidate the Company or to cease operations.

The Audit Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risks management systems and where applicable, its internal audit, regarding the accounting and financial reporting procedures.

The financial statements were approved by the Board of Directors.

Statutory Auditors' Responsibilities for the Audit of the Financial Statements

Objectives and audit approach

Our role is to issue a report on the financial statements. Our objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As specified in Article L.823-10-1 of the French Commercial Code (*Code de commerce*), our statutory audit does not include assurance on the viability of the Company or the quality of management of the affairs of the Company.

As part of an audit conducted in accordance with professional standards applicable in France, the statutory auditor exercises professional judgment throughout the audit and furthermore:

- Identifies and assesses the risks of material misstatement of the financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for his opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the

circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.

- Evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management in the financial statements.
- Assesses the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of his audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the statutory auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein.
- Evaluates the overall presentation of the financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation.

Report to the Audit Committee

We submit to the Audit Committee a report which includes in particular a description of the scope of the audit and the audit program implemented, as well as the results of our audit. We also report, if any, significant deficiencies in internal control regarding the accounting and financial reporting procedures that we have identified.

Our report to the Audit Committee includes the risks of material misstatement that, in our professional judgment, were of most significance in the audit of the financial statements of the current period and which are therefore the key audit matters that we are required to describe in this report.

We also provide the Audit Committee with the declaration provided for in Article 6 of Regulation (EU) N° 537/2014, confirming our independence within the meaning of the rules applicable in France such as they are set in particular by Articles L. 822-10 to L. 822-14 of the French Commercial Code (*Code de commerce*) and in the French Code of Ethics (*code de déontologie*) for statutory auditors. Where appropriate, we discuss with the Audit Committee the risks that may reasonably be thought to bear on our independence, and the related safeguards.

Paris and Paris-La Défense, April 29, 2019

The Statutory Auditors

French original signed by

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

4

STATEMENT OF NON-FINANCIAL PERFORMANCE

Annual Financial Report items are clearly identifi ed in this summary with the aid of the AFR pictogram AFR

4.1 OVERALL APPROACH AND METHODOLOGY

4.1.1 GOVERNANCE OF THE SUSTAINABLE DEVELOPMENT APPROACH

Corporate Social and Environmental Responsibility (CSR) is the subject of a sustainable development policy and communication on non-financial information overseen by the Company's General Management.

4.1.2 PARTICULAR CONTEXT OF THE STATEMENT OF NON-FINANCIAL PERFORMANCE

With the entry into effect of Order no. 2017-1180 of July 19, 2017, regarding the publication of non-financial information, and setting the thresholds for listed companies, GTT is no longer subject to Article L. 225-102-1 of the French Commercial Code.

GTT is still required to present non-financial information, particularly information regarding environmental and employee issues (CSR), in its management report (Article L. 225-100-1 I paragraph 2 of the French Commercial Code), but the presentation of this information is no longer subject to verification by an independent third party.

In order to comply with the highest standards of non-financial information, GTT has decided to prepare a Statement of Non-Financial Performance on a voluntary basis. This approach has therefore been adopted in accordance with Article R. 225-105 of the French Commercial Code and its Decree no. 2017-1265 of August 9, 2017, issued pursuant to Order no. 2017-1180 of July 19, 2017.

Reporting scope

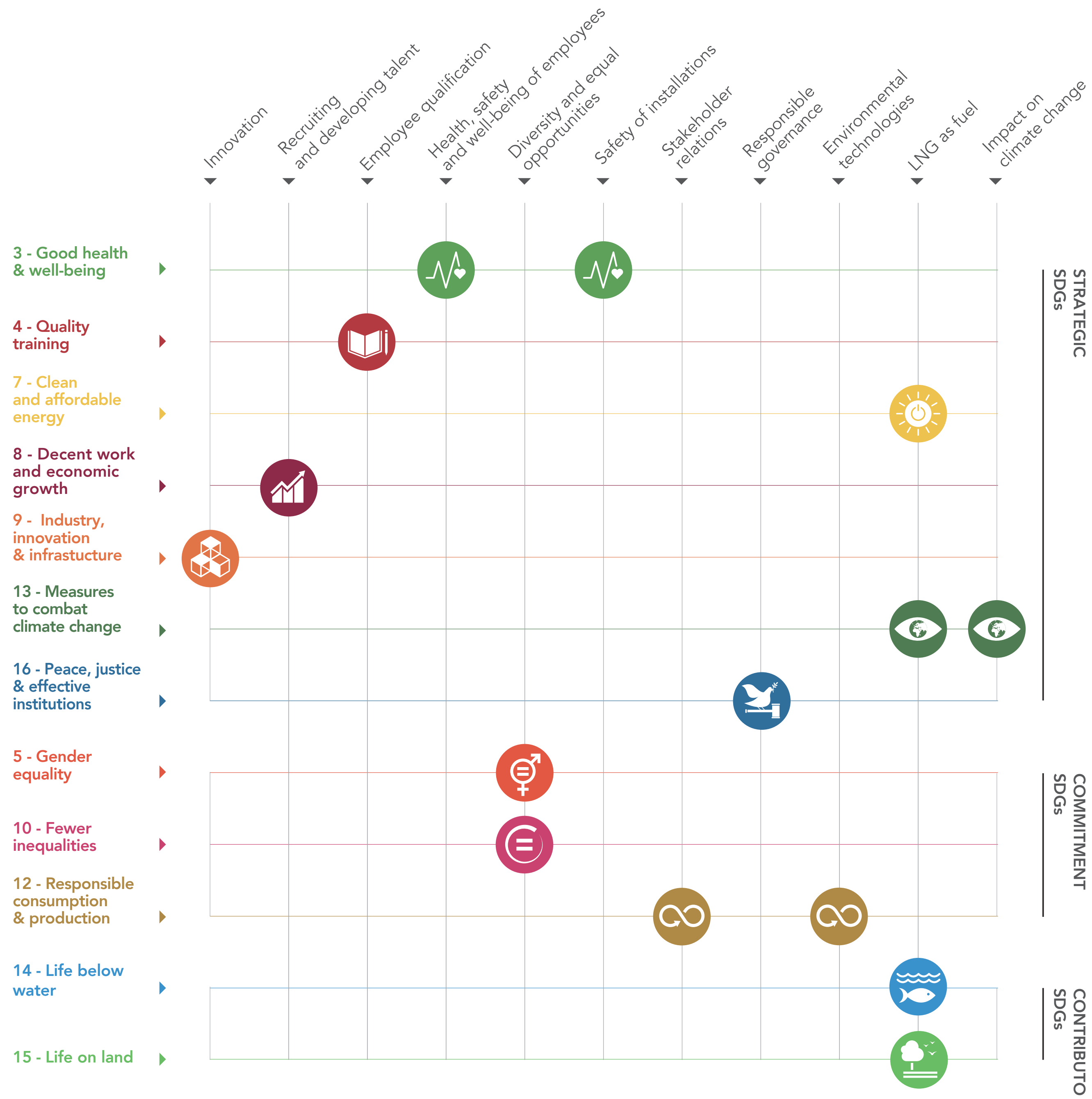
The scope of social reporting covers the GTT Company only. The workforces of the Cryovision, GTT North America, GTT Training Ltd., GTT SEA PTE Ltd., Cryometrics and Ascenz subsidiaries are detailed separately. The workforce does not take into account temporary workers.

The scope of Health and Safety reporting includes the GTT Group (the Company and its subsidiaries excluding Ascenz). Temporary workers are included in the Health and Safety reporting. The scope of environmental reporting only includes the registered office of GTT in Saint-Rémy-lès-Chevreuse.

4.1.3 GTT'S SUSTAINABLE DEVELOPMENT COMMITMENTS

In 2015, the United Nations adopted a new program comprising 17 Sustainable Development Goals (SDGs). The SDGs have been confirmed as the new global framework for priority areas and these are translated for companies by means of the Global Compact [(1)], the WBCSD [(2)] and the GRI [(3)] which form a new and comprehensive CSR framework. GTT has used this framework in order to identify its principal CSR issues.

COMPARISON OF SUSTAINABLE DEVELOPMENT GOALS AND ISSUES



(1) *The Global Compact is an initiative of the United Nations launched in 2000 to encourage companies throughout the world to adopt a socially responsible approach by undertaking to incorporate and promote several principles in relation to human rights, international employment standards, the environment and combating corruption.*

(2) *World Business Council For Sustainable Development*

(3) *Global Reporting Initiative.*

The assessment of CSR issues was carried out through a consultation exercise involving individual interviews with the technical, innovation, and human resources departments, the Head of Quality, the Head of Health & Safety and the Environment (HSE), as well as several operational managers. In addition to this assessment, the following stages allowed the materiality for the Group to be assessed:

- performing industry benchmarking;
- comparison with the financial risks assessment;
- internal assessment of the principal expectations of internal and external stakeholders.

4.1.4 REPORTING METHODOLOGY

Method for reporting social, societal and environmental indicators

The social indicators are subject to a precise, uniform definition. The human resources department is responsible for collecting this information. Health and safety indicators are monitored by the operating divisions and by the relevant departments (General Services, Human Resources and Accounting) under the overall responsibility of the HSE department.

Environmental indicators are mainly obtained from supplier data and are consolidated within the internal reporting system. The reporting of environmental indicators is carried out under the responsibility of the general services department.

GTT's CSR commitment is part of a continuous improvement approach.

4.2 BUSINESS MODEL

The detailed business model is presented in the Activity section of this Registration Document. It is summarised in this chapter by way of a reminder of the Group's values and mission.

MAJOR LIQUEFIED GAS AND MARITIME TRANSPORTATION TRENDS

- Modification of the global energy mix in favour of natural gas
- Growing LNG demand, particularly in Asia
- Increase in production capacities, particularly in the United States
- New Global Sulfur Cap environmental regulations in 2020
- Development of LNG as merchant vessel fuel

RESOURCES

HUMAN CAPITAL
349 employees
—
80% engineers
—
10,000 hours of training in 2018

INTELLECTUAL CAPITAL
R&D budget of €18m in 2018
—
90 employees in the Innovation Division

FINANCIAL CAPITAL
Order book of €524m
—
Potential operational growth
—
External growth strategy

SOCIETAL CAPITAL
Accreditation of suppliers
—
Code of ethics
GTT Training, GTT HEARS

ENVIRONMENTAL CAPITAL
Small footprint
—
Limited energy and raw materials consumption

DESIGN | TECHNICAL SUPPORT | SERVICES | MAINTENANCE ASSISTANCE | ENHANCEMENT

ECOSYSTEM

GAS COMPANIES
End clients and prescribers

SHIP-OWNERS
End clients and prescribers

GTT

CLASSIFICATION SOCIETIES
Certification and approval

SHIPYARDS
Direct clients

VALUE CREATION

HUMAN CAPITAL
Employee loyalty
—
Equal opportunities
—
Attractive compensation system

INTELLECTUAL CAPITAL
1,498 active patents
—
248 patented inventions

FINANCIAL CAPITAL
High profitability
Cash-flow generation
—
High dividend
Solid balance sheet

SOCIETAL CAPITAL
Safety of installations and crew
—
Assistance and training for ship-owners

ENVIRONMENTAL CAPITAL
Effectiveness and strength of containment systems
—
Use of LNG as shipping fuel

GTT'S GTT

GTT's vision is to provide as many people as possible with access to clean energy, namely liquefied natural gas, safely and economically. Thanks to its innovative technologies, GTT is today a leading player in the design of membrane containment systems for the maritime transportation and storage of liquefied natural gas.

On the strength of this expertise, GTT is continuing its economic growth, predicated on two strong levers: the priority placed on its human capital, a key asset for GTT, and responsible management of its direct and indirect environmental impacts. The Company's organisation and values are based on this commitment: to anticipate major technological and environmental breakthroughs by supporting transformation of the world's energy landscape and new customer requirements.

GTT's values

Safety

We operate in liquefied gas transportation and storage technologies and, as a result, we attach great importance to safety. We have a duty to ensure the safety of our employees, our technologies, our services and our customers.

Excellence

We need to constantly strive for excellence in all our processes, in order to remain present in our markets and maintain our market advantage by satisfying our customers.

Innovation

GTT was born from innovation. We need to continue our innovation approach at all levels (technologies, organisation) to create a company of opportunities.

Teamwork

GTT can only succeed through constant teamwork internally, and also with our customers, our customers' customers and our suppliers.

Transparency

By strengthening the transparency in our relations, we have established long-term trust-based relationships with our direct customers, final customers and within our workforce.

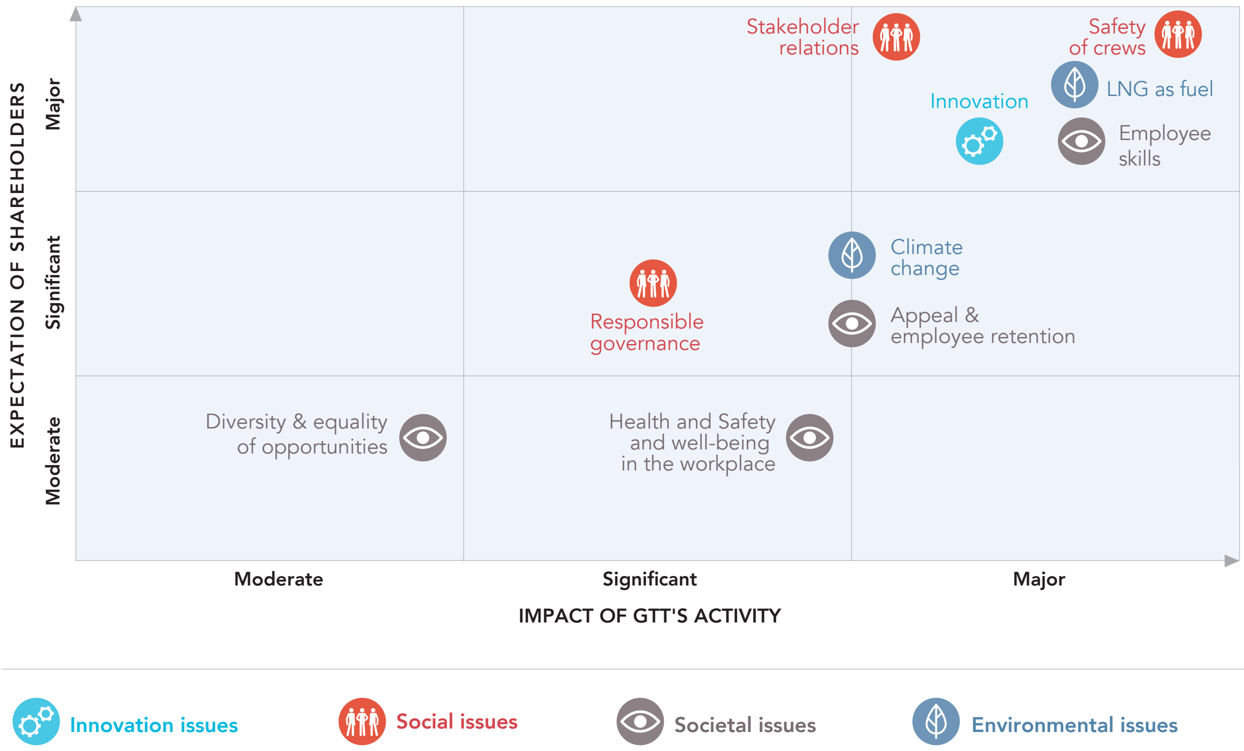
4.3 GTT GROUP'S RISKS AND CHALLENGES

The business related risks presented in this chapter are essentially of a technological and human nature. They are described in economic terms in chapter 5, risk factors. They have been allocated to the different Sustainable Development Goals in order to monitor the Group's contribution in the area of CSR and to assess the associated policies and performance.

Strategic issues	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE; 3 GOOD HEALTH AND WELL-BEING; 8 DECENT WORK AND ECONOMIC GROWTH; 4 QUALITY EDUCATION; 7 AFFORDABLE AND CLEAN ENERGY; 13 CLIMATE ACTION; 16 PEACE, JUSTICE AND STRONG INSTITUTIONS
Commitments	5 GENDER EQUALITY; 10 REDUCED INEQUALITIES; 12 RESPONSIBLE CONSUMPTION AND PRODUCTION
Contributions	15 LIFE ON LAND; 14 LIFE BELOW WATER

GTT GROUP MATERIALITY MATRIX

GTT Group's materiality matrix represents the CSR issues identified as a priority for the Group.



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LNG fuel is a major environmental opportunity and source of growth for GTT

In 2017, GTT successfully entered the particularly promising LNG as fuel market and accordingly diversified its activity in in the LNG market. The innovations developed by GTT enable it to adapt its membrane containment technology for use in LNG fuel tanks within merchant vessels.

The use of LNG as a fuel for merchant vessels is genuinely an opportunity to reduce polluting emissions and to comply with the new environmental regulations imposed by the International Maritime Organisation.

4.4 INNOVATION AT THE HEART OF THE GROUP'S STRATEGY

4.4.1 THE CHALLENGES OF INNOVATION

Innovation is the focal point for developing all of the Group's businesses and products. GTT's research and development activities aim to strengthen the Group's position as a leading technology player in the LNG supply chain.

GTT's innovation policy pursues **three main objectives**:

- to remain receptive to the expectations and needs of LNG chain participants and develop innovative technological solutions by enhancing the performance and value in use of the technologies provided by the Group;
- to establish the excellence of the Group's expertise in key areas such as how materials behave at cryogenic temperatures, thermodynamic system modelling and liquid motion in tanks; and
- to promote innovation by ensuring processes, organisation and skills of the highest level within the Group.

Thanks to the know-how of its experienced team of engineers and its ongoing efforts in research and development, the Group designs and markets technologies which combine operational efficiency and safety to equip LNG carriers, LNG floating platforms and multi-gas transport vessels. It also offers solutions for using LNG as fuel for vessel propulsion and for onshore storage tanks, as well as a wide range of services: engineering, support in emergency situations, consultancy, training, maintenance support and production of technical studies.

The Group is constantly pursuing its innovation activities at all levels in order to create a "company of opportunities". Investing in innovation has enabled GTT to renew its portfolio of patents and helped it to preserve its position in the LNG shipping industry.

In 2018, GTT allocated a budget of 18.2 million euros to R&D.

For further information please refer to section 1.1.3 *"The importance of innovation and R&D"* and section 5.1.3 *"Innovation policy risks"* of this Registration Document.

4.4.2 INTERNAL ORGANISATION FOCUSED ON INNOVATION

Innovation Division

Engineers make up a significant proportion of the teams, whose expertise and experience constitutes the Group's added value. 90 people, or 26% of the workforce work within the Innovation Division. In 2018, research and development expenditure represented 18.2% of GTT's operating expenditure.

The approach to innovation

A cross-departmental process called "Innovation Dynamic", driven by the Innovation Division, promotes the proliferation of ideas and their transformation into new products and services or patents. Employees are invited to submit their ideas via a dedicated platform. Each idea is reviewed by the Arbitration Committee which proposes an initial evaluation of its relevance and which methodologically oversees its further examination so as to refine this evaluation and quantify the value of the idea or concept for the business. As a result, in 2018, 155 ideas were presented to the Committee and 79 were chosen.

As part of this cross functional approach, several initiatives were organised to maintain and improve the culture of innovation within the Group. The main examples of this are brain storming sessions, training courses, conferences and internal challenges.

The basis of this upstream innovation activity is primarily internal creativity. In addition, directed creativity processes, which target requirements and issues identified by customers, are organised to take advantage of the expertise of GTT's engineer-researchers and provide customers with appropriate responses.

As at 31 December 2018, GTT owned 1,498 patents that were active or in the process of being filed in almost 60 countries, corresponding to 248 inventions. The average term of validity of patents in the portfolio is 16 years.

An incentive policy to reward inventions has also been introduced. It has been promoted significantly towards employees and facilitates the emergence and maturing process for new ideas.

For further information please refer to section 1.1.3 *"The importance of innovation and R&D* of this Registration Document.

4.4.3 NEW TECHNOLOGY DEVELOPMENT PROCESS

The development strategy is accordingly prepared on the basis of high quality and attentive external relationships with customers, shipowners, gas companies and academic partners. The ideas identified and selected are therefore worked on internally, through encouraging creativity and with the support of specific internal or external expertise.

The development of new solutions is carried out in accordance with methods and practices accepted by innovation management experts.

For further information please refer to section 1.1.3 *"The importance of innovation and R&D"* of this Registration Document.

4.4.4 SHARING INNOVATION WITH PARTNERS

GTT supports innovation and works on research projects in partnership with engineering companies, research centres, universities and engineering schools

4.4.5 QUALITY SUPPORTING INNOVATION

GTT has accumulated considerable experience in the liquefied natural gas field and has become one of the leading players in the gas supply chain. The Group is committed to providing high quality technologies and services in accordance with its commitments to satisfying its customers. The Group's ISO 9001 certification testifies to its preoccupation with excellence and the high standards of everyone within the Company.

In 2019, the quality strategy will be reviewed in order to highlight GTT's culture of excellence in providing a motivating and inspiring environment for its employees.

4.4.6 INTELLECTUAL PROPERTY AND SECURITY OF INFORMATION

Knowing how to protect the Company against any form of malicious attack is a major issue for GTT. The activities of the Group, which are predicated on its know-how and expertise, require protection of its inventions and of all the working documents and information created, classified and exchanged internally via its IT network.

The Group's policy is to file new patents on a very regular basis to protect its inventions. Accordingly, in 2018 63 new inventions were protected.

A confidentiality clause is added to Technical Assistance and Licensing Agreements (TALAs) under which GTT grants its customers rights to its technologies and to a large portion of its know-how.

With regards to information security, the main measures implemented in the last two years were as follows:

- a full site audit with an associated proposal for an action plan;
- the dissemination of the Information System Security Policy;
- the introduction of an app for smartphones accessing GTT's messaging system in order to make access secure; and
- prevention by reminders regarding badge-wearing, IT passwords, locking computer workstations, mobility, data storage, mail management and hacking.

For further information please refer to section 1.1.3 *"The importance of innovation and R&D"* and section 5.1.2 *"Risks related to intellectual property"* of this Registration Document.

4.5 PEOPLE-DRIVEN INNOVATION AND GROWTH

Innovation is a key driver in the development of all of GTT's business activities and products. This development could not take place without its highly qualified teams which are suited to the specific nature of its activities.

GTT's success is based on strong, shared human values. This major human asset allows the Group to build long-term relationships with its customers.

The Group pays particular attention to development of its employees, to the transmission of know-how, and to the implementation of a comprehensive, competitive and equitable compensation policy.

4.5.1 GTT GROUP'S APPEAL

Employees

As at December 31, 2018, the Company had 349 employees, representing an increase of 4.2% in the workforce compared to 2017.

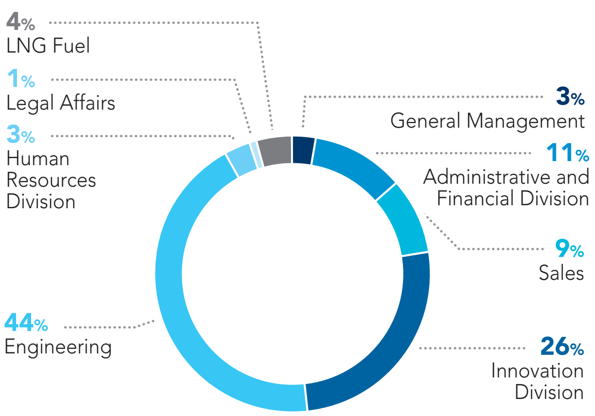
Headcount	2017	2018
Total employees at December 31	335	349
Permanent	297	304
Non-permanent*	38	45

* *Permanent, fixed-term, interns, apprentices.*

Type of contracts	2017	2018	Change
Permanent (CDI)	297	304	+2.4%
Fixed-term (CDD)	7	11	+57.1%
Project duration (CDC)	22	27	+22.7%
Internship	2	1	-50.0%
Work experience contracts	7	6	-14.3%
TOTAL	**335**	**349**	**+4.2%**

It is important to point out that GTT has "project duration contracts" whose purpose is to support vessel-building projects.

Breakdown of employees by division



Subsidiaries' workforces

At 31 December 2018, the employees of the six subsidiaries were broken down as follows:

- Cryovision, created in 2012: 7 employees (based in France) on permanent contracts;
- GTT North America, created in 2013: 1 GTT expatriate, 2 employees (based in the United States in Houston). The expatriate is included in the GTT workforce;
- GTT Training Ltd. was created in June 2014: 5 employees (based in the United Kingdom);
- GTT SEA PTE Ltd, created in 2015: 1 expatriate included in the GTT headcount;
- Cryometrics, created in 2015, had no employees at December 31, 2018;
- Ascenz, shareholding acquired in January 2018: 32 employees at December 31, 2018.

Geographical breakdown of employees

To support the activity of GTT, some employees of the Company are seconded to the sites of customers (shipyards) in South Korea and China.

At December 31, 2018, in addition to the 3 expatriates of GTT North America, GTT SEA PTE and the China office, 41 employees of the Company were seconded outside France.

Breakdown of employees by status

	Number	%
Employees	12	3%
Supervisors	76	22%
Executive	260	74%
Interns	1	0%
TOTAL	**349**	**100%**

It should be noted that 75% of the total workforce are executives and are covered by the collective agreement for metallurgy engineers and executives.

This has been merged into one sentence in the French version, however I would recommend keeping it as 2 sentences in English to avoid the overuse of «and non-executive employees are covered by the collective agreement for metallurgy industries (workers, technicians and supervisors) applicable to the Paris region.

4.5.2 TALENT MANAGEMENT

GTT's people are a major asset for it and retaining them is an issue for the Group.

GTT's HR policy aims anticipate changes in the market, to recruit potential staff and to implement training plans to develop and ensure the employability of all of its employees. The Group also has an internal mobility program to encourage employee development.

It seeks both people with technical experts (engineers and technicians in areas of instrumentation process, fluids mechanics, calculation etc.) and people with a general background. Engineers are mainly graduates from the top engineering schools or scientific universities. Technicians contribute expertise in computer-assisted design, drawing or laboratory work.

External recruitment policy

The Group recruits externally to support its business development and in this way fulfils the requirement to provide the Group with the skills necessary for the technological developments being considered.

Recruitment activities are carried out by dedicated HR teams and/or by using recruitment firms for certain specific skills.

GTT is faced with increased competition to recruit engineers in its specific areas of expertise. Accordingly, a specific talent management policy is needed to retain these key skills. In addition, young engineers are entrusted very quickly with specific operating problems in order to bring them face-to-face with real life issues.

The Group's expertise in its area of activity and its multi-cultural dimension also contribute to building its reputation and attractiveness.

Internal mobility policy

The Group oversees its employees' career management. They are offered development paths within the Group in order to retain their talent, develop key skills and promote their employability.

As part of this, a number of tools are used and, in particular, individual annual appraisals, vocational interviews, HR reviews and career path committees. The career development focus is also being extended to support technical staff moving into supervisory positions. Development reviews of this type are organised every year.

In 2018, 12% of employees were involved in intra-Group career development activities.

Recruitment and departures

Recruitment	2017	2018
Permanent	11	27
Non-permanent*	16	35
TOTAL RECRUITMENT	**27**	**62**

* *Excluding interns (as opposed to the other indicators in this report).*

Departures	2017	2018
Permanent	23	15
Non-permanent*	29	28
TOTAL DEPARTURES	**52**	**43**

* *Non-permanent contracts: including summer jobs and fixed term/project duration contracts, excluding interns (as opposed to the other indicators in this report).*

The number of departures is explained by the natural attrition inherent to the Group's activities, and the expiry of non-permanent contracts (CDD/CDC). The recruitment and skills retention program helps to retain permanent employees as shown by the relatively low turnover rate of 4.3% [(1)] in 2018 (6.9% in 2017). This performance is notable in comparison with the average of 15% [(2)] in the engineering sector.

To attract and retain its talents, GTT has implemented an attractive compensation policy.

The overall compensation policy for employees comprises a fixed portion (basic salary) and an individual variable portion (performance bonus).

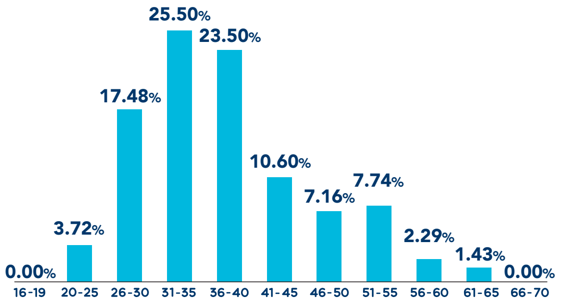
The situation of each employee is reviewed every year following the individual appraisal interviews.

In addition, agreements on profit-sharing and incentives are used to involve employees in the Company's results and strengthen their involvement in the Company's project. Employees can also subscribe to the group saving scheme.

Employment of young people and seniors

The intergenerational management of human resources is part of GTT's social responsibility. 88% of the Group's workforce are employees aged under 50. Whilst this youth constitutes a vital force of GTT, it is also necessary to capitalise on the knowledge of seniors.

As at December 31, 2018, GTT had 42 employees aged 50 or more, *i.e.* more than 12% of the workforce.



The 2018 recruitment policy follows the approach of the policy implemented in 2017, focusing recruitment on expert candidates in order to meet GTT's new business challenges. Young people hired under 30 years of age accounted for 40% of total hires, including several apprentices.

(1) *The leavers taken into account include resignations, contractual terminations and dismissals. (Number of leavers/average monthly headcount x100).*

(2) *Source Syntec Ingénierie: Socio-demographic study of the digital, engineering and consulting branch. Summary report on the engineering sector, September 2014.*

4.5.3 COMPENSATION AND BENEFITS POLICY

CET ("time savings plan") system associated with a collective retirement savings plan

The introduction of a CET from 2011 allows the Group's employees to transfer days which may then be topped up.

In line with the CET, GTT introduced a collective retirement savings plan at Group level (PERCOG) as of March 26, 2012.

Company benefits

As part of its overall compensation policy, GTT supports its employees through improved social welfare measures that are advantageous and based on:

- additional health insurance offering the freedom to choose from several levels of cover; and
- a benefit agreement covering risks of illness, disability and death. GTT offers a contributions split that is very advantageous for employees.

At December 31, 2018, 483 employees still in employment or who had left the workforce held rights in the corporate mutual fund (FCPE) of the Group Savings Plan.

For further information, please refer to section 7.2.2 – "*Employee savings*" and section 7.2.3 – "*Group Savings Plan*" of this Registration Document.

4.5.4 SOCIAL RELATIONS

Social dialogue

To promote dialogue and the exchange of information, GTT has three representative dialogue bodies:

- a works council (CE);
- a Health, Safety and Working Conditions Committee (CHSCT); and
- employee representatives.

Their meetings were in accordance with the legal requirements

In addition to these three bodies, a CFDT trade union representative was designated in 2017 and negotiations were conducted with him. The negotiations focussed in particular on gender equality in the workplace and the right to disconnect and led to two agreements being signed.

The incentive agreement was renegotiated and the agreement was ratified by a two thirds' majority of employees.

Following the elections in April 2019, the employee representative bodies will be brought together into an Economic and Social Council. built up a constructive, open dialogue with the works council representatives. There are no employee representative bodies within GTT subsidiaries, but the employees of Cryovision benefit from the GTT works council social initiatives.

Workplace integration

Under the PAQTE [(1)] program, GTT is involved in a project to promote the workplace integration of young people "from priority areas identified in municipal policies" (QPV). By way of example, in 2019 Philippe Berterottière, GTT's Chairman and Chief Executive Officer, met 12 pupils of the Lycée Henri Matisse de Trappes to discuss the world of business.

PAQTE is a firm commitment made by businesses and is based on four pillars:

- raising awareness: encouraging dialogue between business and young people from poor neighbourhoods, in particular through in-classroom meetings as described above;
- recruitment: continually improving HR practices in order to avoid discrimination during recruitment and throughout an individual's career;
- training: promoting the workplace integration of young people from poor neighbourhoods through work-study programs;
- procurement: facilitating customer-supplier relationships in all neighbourhoods through a responsible procurement policy.

Work organisation

Employees located in France, except for executive directors, had the benefit of "RTT days" involving reductions in working time.

In 2018, 97% of the Group's total workforce worked full-time. Employees who work part-time do so at their own request.

Organisation of working time	2018	%
Number of full-time contracts Women	62	18%
Number of full-time contracts Men	276	79%
Number of part-time contracts Women	8	2%
Number of part-time contracts Men	3	1%

(1) Pacte avec les Quartiers pour Toutes les Entreprises (corporate agreement for neighbourhoods)

4.5.5 HIGHLY QUALIFIED EMPLOYEES AND SKILLS DEVELOPMENT

Training, as a lever for individual development and professionalisation of employees, is a priority for GTT. Training is an integral part of GTT's strategy and the Group allocated almost 6% of its payroll to training its employees in 2018.

GTT's intention is to develop everyone's employability and it has an annual training plan designed to support the Group's strategic development. The quality policy and the Executive Committee have a strong influence on the training plan.

The training budget is increasing. It was €463,000 in 2018 and should reach €500,000 in 2019.

In 2018, the training programme played a major part in increasing employees' skills with more than 10,000 training hours. This year, the Group again focussed on organising collective bespoke training courses, led by expert training bodies, and on individual training courses tailored to employees' specific needs.

GTT ensures that all of its employees have access to training activities. As a result, 77% of employees received training in 2018 (in addition to mandatory training) and this increases to 96% of employees over the last three years.

Employees on fixed-term contracts also benefit from the training policy. Almost 65% of them received training in 2018.

Training indicators	2017	2018
Amount of training costs	€321,219	€463,448
Salary costs for the trained employees	€474,187	€474,735
Training costs/MS	5.3%	6.0%
Compulsory FPC contribution paid to the OPCA	€247,973	€293,904
Number of training hours*	12,006	10,297
Number of employees trained*	327	349
executive	*240*	*246*
non-executive	*87*	*103*

* *Mandatory training included.*

In 2018, GTT focused on the following training sessions:

- technical training, software and the oil and gas environment, which represent more than half of the relevant budget: high level bespoke training programs were discussed and designed with qualified organisations to enable the Company's technicians and engineers to develop and improve their discipline-specific skills;
- anti-corruption training in order to raise the awareness of all of the Company's employees and to reinforce the current ethical policy;
- training initiatives for engineers in contact with customers and partners focussed on developing active technical and commercial relationship skills:
  - educational programs to develop employees' language skills;
  - as safety is a core concern for us, training for registered office employees (training in chemical risks, electrical certifications, etc.) and for employees working at shipyards or at sites (survival at sea, work in confined spaces, first aid training etc.);
  - a management development program focussing on leadership abilities, teamwork, etc.;
- General Data Protection Regulation (GDPR) awareness-raising and training for all employees in the context of the new regulation;
- personal development activities on issues such as self-confidence, public speaking, etc.

4.5.6 HEALTH, SAFETY AND WELL-BEING IN THE WORKPLACE

Health and Safety

Whilst the risk of serious accidents is limited and the frequency rate low due to the type of activity at GTT (engineering studies carried out in offices using IT tools), as in all activities, the Group is responsible for identifying the potential dangers and risks present on each of its sites, and evaluating their impact on the health of employees.

The Group's HSE management system – hygiene, safety and environment – includes all aspects necessary to prevent work-related accidents and protect its employees and those of subcontractors. A particular focus is given to the management of near misses, following a policy of prevention rather than cure.

Only the Group subsidiary Cryovision is OHSAS 18001 certified. Cryovision employees carry out checks inside tanks, work with high temperatures and come into contact with ballast water and other sludges that may be contaminated. There are more risks associated with their activities and a recommendation was made to secure this certification. On the other hand, the Group has based part of its HSE policy on the ISO 45001 standard introduced in March 2018 and future replacement (by 2021) of OHSAS 18001.

The CHSCT and HSE department work to identify and assess high-risk activities, in particular. These checks include:

- procedures;
- work instructions;
- specific risk awareness-raising activities;
- and regular HSE meetings.

The single general risk assessment document is updated on an annual basis. The Group has identified the nature of the risk for each work unit, process or machine. Preventive measures associated with action plans are implemented for each work unit.

In the same way, an evaluation of chemical risks is carried out annually, in particular by means of an inventory and the location of chemical products on the GTT site. Part of this specific evaluation is added to the fire service file, forwarded to the fire stations liable to intervene on the GTT site. The fire-fighters from the fire station responsible for the GTT site made a reconnaissance visit in 2017 to reinforce their response procedure and improve their knowledge of the GTT site. This visit was particularly important given the frequent turnover of volunteer personnel working as fire-fighters.

Specific safety procedures have been developed, reinforced and multiplied within the departments and activities which are most exposed to risk, taking account of changes in the regulations and technical changes, including:

- the research and testing laboratories designed to carry out fluid dynamics tests in real conditions using wave simulators (hexapods), grouped into a single building developed and constructed with safety issues in mind;
- the test laboratory dedicated to characterising the thermal and mechanical properties of materials and sub-assemblies, in particular in cryogenic conditions, and thermo-mechanical tests of materials and assembly in cryogenic conditions. There is a high risk of gas leaks and anoxia in some laboratories and employees are well-trained and have specific PPEs such as portable oxygen detectors;
- the joinery and metallurgy workshops;
- the industrialisation tooling development laboratory;
- and foreign shipyards.

In order to prevent risks of accident or injury, in 2018, as it does every year, following a risk assessment the Group put in place action plans including:

- dissemination of the HSE policy and associated golden rules in the first quarter of 2018;
- appointment of HSE coordinators on each construction shipyard;
- the preparation of a leaflet for travellers;
- organisation of a seminar in South Korea in October (participation of GTT representatives at shipyards and of relevant managers), where best practices and areas for improvement were highlighted in the fields of Health/Safety/RPS;
- implementation of awareness-raising about confined spaces, dedicated to shipyard issues, for seconded employees. The road safety training course that began in 2016 was also continued;
- improvement in monitoring chemical risks using dedicated software;
- movement and posture training, awareness-raising communication program.

In 2018, 165 man-days HSE training were provided, *i.e.* 237 people trained in workplace health and safety. Training focused on the following topics:

- workplace health and safety and recycling;
- first-aid for GTT employers in South Korea;
- evacuation personnel;
- first response teams on extinguisher handling;
- raising awareness of chemical risks;
- movement and posture;
- use of safety equipment and alarms;
- offshore safety (safety induction, emergency training);
- working at heights and in confined spaces;
- pressurised equipment;
- electrical accreditation (initial training and renewal);
- gantry crane hands;
- using pallet trucks;
- risky behaviours, provided to GTT employees based in South Korea.

This year, a real effort was made to raise awareness of the significance of declaring near misses. This awareness raising activity was a success since in 2018, 24 near misses were declared compared with only three in 2017. These declarations generated 15 action plans.

Health and safety of employees seconded abroad

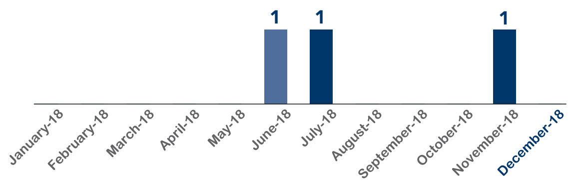
At December 31, 2018, 41 employees were seconded outside France, mainly to South Korean and Chinese shipyards, and are therefore subject to local health and safety regulations. The Health and Safety risks related to working conditions in naval shipyards are identified and examined each year by the CHSCT and the HSE department.

Health and safety policies are different at the various shipyards and are verified locally by the shipowners. In order to ensure the best possible working conditions for its employees and to support local policies, GTT has deployed a network of health and safety managers at each shipyard whom GTT employers can ask for advice.

GTT's Health and Safety policy performance

GTT measures the performances in terms of safety by the frequency of work-related accidents with lost time.

These indicators include employees (permanent, fixed-term, project duration contracts), temporary workers and interns of the Company and its subsidiaries; in 2018, GTT recorded two commuting accidents and five workplace accidents (including 3 with lost time). The very satisfactory results demonstrate the quality of safety management within the Group and the quality of the associated training.



HSE indicators	Definition	2017	2018
Number of hours worked	hours	609,700	635,180
Number of accidents with lost time	Scope including temporary workers, unlike the social indicators	0	3
Number of commuting accidents		2	3
Number of occupational illnesses		0	0
Frequency rate of accidents with lost time	number of accidents with lost time/hours worked x 1,000,000	0	4.72
Severity rate of accidents with lost time	number of days lost/hours worked x 1,000	0	0.064
Number of employees seconded outside France	as at December 31	41	41
Number of hours of safety training			165
Number of near miss declarations		3	24
Number of action plan generated following near miss declarations		3	15

Well-being at work

The well-being of employees is a major priority for GTT. Well-being at work is a motivating factor for any employee and benefits the competitiveness and performance of the business.

The HSE department and the CHSCT regularly work with the occupational health service to improve quality of life and prevent psycho-social risks and occupational diseases.

In 2016, a working group on the quality of life in the workplace was created. An audit of the Company's representative population was carried out with satisfactory results which were disseminated in 2017. It did not lead to a specific action plan.

Demonstrating that employees' quality of life in the workplace is essential for GTT, the quality strategy will be reviewed in 2019 and will pay special attention to the development of each employee within a motivating and inspiring environment.

Absenteeism rate

The rate of absenteeism at GTT in 2018 was 2.6%. This rate is the result of measures taken internally regarding working conditions.

The absences taken into account are: sickness, exceptional leave, workplace and commuting accidents, paternity leave, maternity leave, sick children leave, parental education leave and leave without pay.

4.5.7 DIVERSITY AND EQUAL OPPORTUNITIES

GTT is faithful to its fundamental values which include diversity and respect for others. GTT is committed to promoting diversity within the business.

This commitment is led by its General Management and the Executive Committee.

The Group's multicultural dimension contributes to its wealth of diversity. In 2018, the Group employed more than ten different nationalities.

GTT wishes to be a responsible employer and is committed to actions to support:

- workplace equality;
- people with disabilities;
- access to employment for everybody.

Representation of women at GTT

Traditionally, the engineering professions have had a relatively low proportion of female employees. This low representation can be explained by the low number of women graduating from engineering schools, from which the majority of employees come.

Breakdown of employees by gender	Number	%
Men	279	79.9%
Women	70	20.1%
TOTAL EMPLOYEES	**349**	**100.0%**

The 2017 negotiations with trade union representative accompanied by two employees led to the signature of a company agreement on gender equality in the workplace in 2018.

The purpose of the agreement is to ensure that men and women are treated on an equal basis within GTT, and to develop actions to maintain this equality. A certain number of monitoring indicators have been defined, and will make it possible to verify the effectiveness of the actions undertaken.

The agreement on equal opportunities for men and women identified the following objectives:

- equal compensation;
- access to employment/diversity.

In 2018, 62 employees were recruited, 26% of whom were women.

Access to identical training for men and women

Access to vocational training is, in effect, a decisive factor in ensuring genuine equal opportunity in people's career paths and the professional development of men and women. The Company ensures that men and women take part in the same types of training both for the development of individual and vocational skills and for adapting to corporate developments.

In 2018, the rate of access to training for men and women was 79% and 98% respectively.

Workplace promotion

In 2018, three women were directors and represented 43% of the Executive Committee.

In 2018, 12% of employees saw their career progress, of whom one quarter were women.

Breakdown of GTT employees by gender and status	2017	2018
Men	268	279
Executive	201	212
Non-executive	67	66
Women	65	70
Executive	44	48
Non-executive	21	22

Workplace and employment conditions

GTT's role in integrating disabled workers

GTT rejects all types of discrimination during the recruitment process and is committed to allowing access for disabled workers to all positions open to recruitment. The Company had one disabled employees at the end of 2018.

For several years, GTT has worked in partnership with a sheltered workshop, ESAT *Communauté de l'Arche*, located in Saint-Rémy-lès-Chevreuse. This association employs disabled workers. Hence, in 2018 15 people were responsible for various services at the Company's registered office, particularly the maintenance of the gardens.

In 2019, the Group is planning new initiatives, in particular in order to raise employees' awareness of disability.

4.6 RESPONSIBLE BEHAVIOUR AND ONGOING STAKEHOLDER RELATIONS

4.6.1 SAFETY OF INSTALLATIONS AND CREW

There are a number of guidelines and recommendations intended to ensure the safe operation of LNG facilities and personnel in the maritime sector.

Transport safety represents a priority in the liquefied gas industry, due to the high cost of the cargo and the very high level of safety required by maritime authorities. This involves extremely rigorous temperature and pressure checks, continuous monitoring to ensure that there is no oxygen in cargo areas, and strict procedures for inspecting the tanks, etc. Piloting, operating and maintaining LNG carriers requires professionalism and constant vigilance by specially trained crews. The safety of people and technologies is at the heart of the concerns of the Group, which invests heavily in R&D to prevent any risks associated with its technologies. As an important player in the LNG sector, GTT is responsible for supplying carriers with optimal transportation conditions, associated with an extremely safe technology.

Since the first LNG carriers were delivered by Technigaz in 1964, over 45,000 LNG shipments have been made without a single incident of an LNG cargo being lost. This is the result of a rigorous risk prevention system, continuous improvement in procedures, and a regular awareness-raising and training program for customers in transporting and handling the LNG cargo.

4.6.1.1 LNG Training: GTT Training Ltd.

GTT Training Ltd., a subsidiary of GTT, was created in 2014 in order to supervise the Group's external training activities. Piloted by an English-speaking team, this entity is intended to strengthen customers' skills and expertise. It has the task of providing LNG training at the Group's registered office and also at customers' premises internationally. There are two types of training provided by GTT and GTT training:

- License holders – GTT technologies
  - GTT offers a training program for new license holders to enable them to understand and master the technologies, as well as their construction methodologies;
  - GTT has provided training for engineer representatives of ship-owners, gas companies, classification societies and repair shipyards four times a year for over fifteen years. The training programs are directly related to the Group's business. They cover membrane containment systems and GTT services and are provided by a quorum of experienced speakers and engineers specially trained for this purpose. Training on the solutions available for LNG as fuel and the benefits provided by the Group's technologies were also offered to potential license holders in 2018.
- LNG in operation
  - since 2014, training programs covering different aspects of LNG operations and GTT technologies have been provided for gas officers operating on LNG carriers and operators of LNG vessels. The programs include an "LNG Cargo Operations" training course in compliance with the training standards recommended by SIGTTO (2) and other training courses on activities specific to LNG management, in particular operation of LNG Floating Storage and Regasification Units (FSRUs). Training in LNG operations is carried out on a simulator designed by GTT, audited and validated by a Norwegian qualification society. It enables officers and participants to experience numerous LNG operational situations in an extremely realistic environment;
  - LNG as fuel and bunkering: LNG as fuel and bunkering: introductory modules for operators who are considering using LNG as fuel, mainly covering the operation of the vessels and the related bunkering operations. These training courses are completed by means of an LNG as fuel simulation model, which participants can use to understand how LNG as fuel is used in practical situations.

In 2018, 419 customers and partners were trained in the specific characteristics of LNG. GTT is one of the few companies in the liquefied gas industry to offer this type of service.

4.6.1.2 HEARS Hotline

A hotline for shipowners, in 2014, the Group opened a hotline called "HEARS" which enables shipowners and operators to contact a dedicated team of GTT specialists 24/7 to deal with emergency situations concerning the systems developed by the Company to carry LNG.

These experts have undergone intensive training for two years to prepare for the six incident scenarios identified by GTT, validated by a qualification exam. In-service training, including exercises based on real situations, is then obligatory in order to maintain their qualification. As at December 31, 2018, 82 vessels had registered for the GTT HEARS service.

The experts involved are on standby duty at home with two on each shift. The standby period is paid with a supplement in the event they are required to intervene.

4.6.1.3 Supplier certification

GTT provide each manufacturer (particularly shipyards) with a list of certified suppliers of materials. A specific GTT department is responsible for supplier qualification. Its mission consists in making a rigorous selection of suppliers who provide the materials used in GTT technologies.

The latter must meet the requirements provided in the materials specifications. A Selection Committee approves the launch of the approval process for a new material following a thorough analysis of the file sent by the materials supplier. The decision is based on the quality of the supplier, the means of production, the characteristics of the material, the state of the market, and the effort made to provide materials which are increasingly environmentally friendly. After analysing the material safety data sheets, the Selection Committee will not propose materials if they are less environmentally friendly than those already available on the market.

For example, the regulation of blowing agents used in polyurethane foams is very closely monitored by GTT. A range of products using the latest generation of blowing agents is already available for GTT technologies.

Number of certified suppliers and materials

	2017	2018
Number of materials suppliers and subcontractors	72	72
Number of component suppliers and subcontractors	9 (1)	11 (2)
Number of approved materials	360	389
Number of approved components	22	38
Number of new materials approved by GTT	nc	41
Number of new components approved by GTT	9	16

(1) including five also materials suppliers.

(2) including seven also materials suppliers.

To date, 389 materials have been approved based on GTT requirements to meet the needs of membrane technologies, including 41 approved in 2018. They involve 83 suppliers: 40 in South Korea, 17 in China, 6 in France, 7 in Japan and 13 in the rest of the world.

Geographical breakdown of suppliers

	2017	2018
Materials suppliers China	13	15
Components suppliers China	0	2
Materials suppliers Korea	29	31
Components suppliers Korea	8	9
Materials suppliers Japan	8	7
Components suppliers Japan	1	0
Materials suppliers France	8	6
Components suppliers France	0	0
Materials suppliers rest of world	14	13
Components suppliers rest of world	0	0

Supplier accreditation is subject to an audit to ensure performance of materials and compliance with social and environmental criteria. According to the results, some audits are repeated and, if the results are not satisfactory, suppliers may be excluded from the list of accredited suppliers.

The accreditation process is carried out well in advance of projects and GTT does not play a part in financial negotiations between suppliers and shipyards. This approach to listing materials has a real leverage effect on shipyards' purchases.

The majority of suppliers are located in Korea and China. For logistical reasons and in order to reduce the transportation of high-volume parts, GTT prefers to accredit local suppliers.

4.6.2. RESPONSIBLE STAKEHOLDER DIALOGUE PROMOTING A CULTURE OF INTEGRITY

For the Group, responsible behaviour and continuous relations with all stakeholders are the basis for durable, sustainable growth. It is for this reason that GTT is particularly attentive to the following commitments:

- the transparency of information with respect to key stakeholders;
- customer satisfaction and listening to customers;
- support for local development by promoting local recruitment and partnerships and;
- support for innovation by working on research projects in partnership with engineering companies, research centres, universities and engineering schools.

4.6.2.1 Conditions for dialogue with stakeholders

To ensure its long-term development, GTT develops a continuous, constructive dialogue with its professional and economic environment. GTT forms close relationships with a large number of stakeholders including:

- the main new builds and repair shipyards;
- ship-owners;
- terminal operators;
- classification societies;
- gas companies;
- suppliers of the materials used by the Group's technologies;
- the Group's suppliers (service providers, suppliers of products and materials);
- the maritime regulatory authorities such as the IMO, the United Nations agency responsible for defining the regulatory framework for maritime transportation, both for safety and environmental protection;
- employees, candidates;
- higher education establishments, research institutes;
- the media; and
- shareholders, financial institutions, analysts.

For each of these families of stakeholders, GTT implements specific modes of dialogue.

The Internet site, formal and informal meetings – individual interviews, conferences, round tables, workshops – surveys and satisfaction questionnaires are some of the tools for dialogue and consultation implemented by the Group. GTT has been ISO 9001 certified since 2010. In 2016, GTT took the opportunity during its re-certification audit to validate the transition from ISO 9001:2008 to ISO 9001:2015, which puts a premium on agility, risk management and performance. The 2017 follow up audit confirmed that the transition had been successful. This certification attests to the Group's commitment in terms of quality, and enables the continuous improvement of its performance to be measured.

The benefits of ISO 9001 certification concern both internal and external stakeholders.

As part of its Quality Management System, GTT regularly carries out satisfaction surveys with its internal and external customers. GTT carried out an external survey in 2018 to analyse customer satisfaction levels.

This survey looked at the quality of service provided by the Company, from upstream (order) to downstream (delivery) with active shipyards. Customers were asked about the entire "production process" including the pertinence and quality of deliverables – system plans, calculation notes, reports from deliverables. The challenge is to respect lead-times and remain attentive to quality and the reactivity of responses provided by the GTT teams. A customer satisfaction level of 80% was achieved, a very high level and higher than the results achieved in previous years.

4.6.2.2 Sharing best practices

One of GTT's main areas of focus in terms of dialogue with stakeholders is to share best practices in efficiency, and human and LNG installation safety. Every six months, the Group brings together managers of maritime companies and classification societies to work constructively together with the aim of continuous improvement.

These meetings are the opportunity to exchange on possible dysfunctions and create working groups to deal with them and resolve them. This feedback is collected in a database accessible by all stakeholders. Information transparency is a key element for GTT. This transparency provides the confidence and search for excellence carried out by the Group.

4.6.2.3 Fair practices, promoting a culture of integrity

The Group's management, in particular the Chairman and Chief Executive Office, the Secretary General and all members of the Executive Committee, support and supervise GTT's ethics and compliance policy, and ensure its proper enforcement.

A strong message of "zero tolerance" for all forms of fraud and corruption is consistently supported by the Chairman and Chief Executive Officer. The same message is supported by all managers at all levels.

GTT's principles of action are based on major international reference texts, particularly in terms of the fight against corruption and fraud, respect for human rights and protection of personal data.

Ethics and compliance within the Group are overseen by the Board of Directors and managed by the General Secretariat, which also deals with compliance in terms of ethical matters, protection of personal data, export and embargo controls, representation of company interests and business secrecy.

Assessing ethical risks is the subject of an annual mapping, which includes corruption, violations of human rights, failure to observe the rules of competition and/or embargoes, processing of personal data and the risk of non-compliance with GDPR (General Data Protection Regulations). This assessment is subject to an annual action plan, submitted to the Board of Directors, which leads to improving the effectiveness of GTT's ethics programme.

GTT's ethics and compliance programme is aimed at developing an ethics culture and practice based on:

- the Ethics Charter, which establishes the general framework for the professional behaviour of each employee. Furthermore, it outlines the Group's ethics and compliance organisation;
- policies and procedures dedicated to the prevention of fraud, corruption and influence peddling (business consultants, gifts and invitations, ethical due diligences on stakeholders, conflicts of interest, etc.).

In 2018, the primary policies were updated, or new ones were issued in order to meet new national and international requirements: embargo/export controls; due diligences for investment projects, subcontracting suppliers.

The Group's new policy pertaining to whistle-blowers was defined in 2017, incorporating the legal requirements of the Sapin 2 law, which allows any employee to report suspicions or breaches of ethical rules. There were no reports leading to an investigation being initiated in 2018.

The Group is conducting a series of awareness and training measures, including a mandatory seminar to raise awareness of the risk of fraud or corruption for employees considered the most at risk.

Monitoring the implementation of policy in terms of ethics and compliance relies upon an annual compliance process and a scoreboard to monitor primary indicators (dissemination of ethics documents, training, implementation of ethics policies, etc.).

Internal audits are conducted in order to assess the effective implementation of policies and of the compliance program, and to define, where appropriate, measures for improvement.

In 2018, the Group obtained ISO 37001 certification with regard to its anti-corruption management systems. This certification was issued by ETHIC Intelligence, a certification agency specialised in certification of corruption prevention programmes, which comply with the requirements of ISO 17021-1 & 9 standards. The audit certification was conducted at the level of GTT SA.

The Group's adherence to international standards pertaining to human rights, including personal health and safety, and to the environment are the basic foundation of GTT's commitment, which it intends to apply wherever it operates.

4.7 PRINCIPAL ENVIRONMENTAL CHALLENGES

GTT is an engineering company specialising in liquefied gas containment systems. Natural gas benefits from a reduced carbon footprint compared with other hydrocarbon fuels, in particular coal and oil. This makes it an attractive source of fuel in countries where governments are implementing policies to reduce emissions of greenhouse gases. Transported in liquid form in LNG carriers, it is odourless, colourless, non-toxic and non-corrosive.

As an essential link in the LNG chain, GTT's ambition is to contribute to the development of this fuel that is cleaner than other fossil energies, in order to provide energy to the greatest number of people.

However, managing the environmental impact of LNG throughout its value chain goes beyond GTT's sphere of influence.

For further information, please refer to section 2.1 *"The liquefied gas sector"* of this Registration Document.

In this context, the main environmental challenges of the Group are:

- **direct impacts**: to limit its impacts in terms of resource and energy consumption, greenhouse gas emissions and waste production on the Saint-Rémy-lès-Chevreuse site. In addition, no sites are ICPE – Installations Classified for the Protection of the Environment – or SEVESO classified;
- **indirect impacts**: to help its final customers – shipowners, gas companies – to transport or store liquid methane safely, whilst managing their environmental footprint; and
- **to promote LNG as fuel for the propulsion of merchant vessels**, in order to respect the current international marine regulations.

4.7.1 TECHNOLOGIES DEVELOPED BY GTT STAND OUT FOR THEIR ENVIRONMENTAL CRITERIA

The technologies developed by GTT allow shipowners to optimise the thermal performance and safety of the membrane tanks that transport or store LNG. Continuous improvements in these technologies have reduced the boil-off rate of cryogenic membrane systems by more than 50% since 1992. The decrease in the boil-off rate represents a real added value for gas companies and ship-owners to the extent that such a decrease reduces the operating costs of vessels. The boil-off rate of LNG on a vessel is one of the parameters for assessing the operating performance of the LNG containment system that it carries.

By providing a high performance and robust technology, GTT is reducing its customers' energy losses, and this improvement was made possible by being innovative in terms of the products in the technologies on offer.

The Group gives access to its membrane technologies to the main naval shipyards around the world under license agreements. Nevertheless, in order to limit the risks arising from the installation and use of the technologies developed by GTT, the GTT teams present in the shipyards have developed strong skills in engineering, innovation and R&D to support the implementation of its solutions and products in these shipyards. GTT's engineers also assist customers during the construction of vessel tanks and onshore storage tanks, provide technical advice and ensure the compatibility of the implementation of GTT's technologies by the license holder.

The specialised qualification service for suppliers' products allows GTT to offer a range of quality products with a lower environmental impact.

The principal materials used in GTT membranes

The membranes developed by GTT are composed of different materials selected by GTT's teams for their technical and environmental performance. The membranes have a lifespan equivalent to that of an LNG carrier, namely 40 years.

Polyurethane foams (R-PUF)

These foams allow the thermal conductivity in the tanks and therefore LNG losses to be reduced. They contain blowing agents and GTT is monitoring technical and regulatory developments related to them, in order to offer better solutions in terms of performance and environmental impact.

For example, R-PUFs with latest generation HFO blowing agents are already approved and offered in GTT technologies while R-PUFs expanded with HCFC-141b have been removed from the range.

In 2018, work was carried out to reduce the foam loss rate during production. The rate loss has decreased from 25% to 5% at the end of 2018. This improved process has been offered for sale to the principal shipyard suppliers.

The foams are top of the range materials whose performance will not change over a 40-year period (the lifespan of an LNG carrier). There is no recycling stream for them and they cannot be reused. However, fibre reinforced foams can be incinerated, with the smoke being treated, and can therefore be used as fuel in some cases. Suppliers have adjustable furnaces intended for this purpose.

Plywood

GTT uses suppliers from northern Europe and ensures that deforestation is offset by responsible and sustainable operations, by buying wood from environmentally accredited forestry concerns that are PEFC [(1)] and FSC [(2)] certified.

Metallic membranes

The metallic membranes in GTT tanks are made from Invar (Fe-36%Ni) and stainless steel (Fe-Ni-Cr). APERAM, GTT's supplier, is ISO 14001 certified and produces 100% recyclable Invar and stainless steel in accordance with European standards. Metal materials are recycled by the suppliers whose policy is to buy back metal sheets at raw material cost.

Other products used

Chemical products, such as adhesives, mastics, paints, etc., are also used. These products are subject to:

- a complete assessment that is recorded on material safety data sheets (MSDS);
- a central record of the risks recorded on MSDS;
- easy access to MSDS for all employees through the internal documentation system;
- the automatic inclusion of complete MSDS in an appendix to materials accreditation reports;
- a reminder in pictogram form at the beginning of reports;
- a follow-up with suppliers in order to reduce the risk level;
- the replacement of products containing materials identified as carcinogenic (CMR);
- alternative solutions being proposed to the extent this is possible.

In addition, within the chemical testing laboratory, a collection tank with a sufficient depth has been installed to avoid all leaks into the soil.

4.7.2 GTT'S DIRECT ENVIRONMENTAL IMPACT

Consumption of raw materials and water

GTT's laboratories do not consume a significant amount of raw materials and water.

The Group uses nitrogen to test the resistance of materials in cryogenic conditions. Nitrogen consumption has decreased by 6% year-on-year.

In litres	2017	2018	Change
Consumption of nitrogen	1,146,294	1,077,870	-6.0%

Water consumed by GTT's activity includes consumption required to carry out materials testing, but is mainly related to internal use in the Company restaurant, water fountains, drinks machines and sanitary facilities.

In 2018, the site recorded a 2.8% increase in consumption.

GTT has also implemented a policy aiming to reduce water consumption, by the installation of water consumption detectors installed in the sanitary facilities, and the progressive installation of sub-metering for water to better detect possible leaks.

In m^3	2017	2018	Change
Water consumption	3,788	3,681	-2.8%

End of life of products and waste

As described above, the end of life management of products is the responsibility of the shipowner who has a "greenbook" listing all of the materials and products on a vessel.

Internally, the Group has installed systems for the selective sorting, collection and recycling of its waste, such as electrical and electronic equipment, batteries and accumulators, chemical waste, paper and organic waste.

This system encourages employees to adopt responsible processes and acts in terms of traceability and waste management.

- **Chemical waste** – glues, aerosols, anti-freeze, resins, soiled products, hydraulic oils – are recovered by a specialist partner. This partner created its own materials recycling channel to recycle all types of waste, including hazardous and complex waste.

  In 2018, GTT generated 3.5 tonnes of chemical waste, compared with 3.2 tonnes in 2017. This was related to an increase in business activity.
- **Organic waste** is collected by a regional organisation, specialising in the collection and treatment of waste.

(1) Program for the Endorsement of Forest Certification

(2) Forest Stewardship Council

GTT generated 120,040 litres of organic waste in 2018, a 9% drop compared to 2017. In addition, the Company generated 12,559 kilos of food waste, *i.e.* an average of 60 kilos per working day.

- For security and confidentiality reasons, **paper** is recovered by a specialist partner that destroys and recycles the paper fragments after destruction. Twenty bins are installed on the Saint-Rémy-lès-Chevreuse site for employees to place their documents.

  In 2018, approximately 6.43 tonnes of paper was recovered and recycled by the business, compared with 7.7 tonnes in 2017. This change is due, in particular, to the decrease in staff movements within the Company, and incentives to achieve zero paper use.

  Each year, the partner provides an environmental certificate indicating the number of trees saved – 103 in 2018 – with this service.

  Electrical and electronic equipment waste are collected and recycled by a specialist partner. This waste concerns essentially fixed and portable computers, servers, printers and copiers and video projectors. In 2018, 195 pieces of equipment were recycled. GTT has also donated 23 pieces of computer hardware in working condition to various organisations (schools and associations).
- **Printer and toner cartridges** are also collected by a specialist service provider.

Waste	2017	2018	Change
Chemicals (in tonnes)	3.2	3.5	+9.3%
Organic (in litres)	132,020	120,440	-8.8%
Paper (in tonnes)	7.7	6.4	-16.5%
Electrical and electronic equipment (in units)	0	195	ns

GTT Group's direct impact on climate change

GTT does not consider that it is directly exposed to the impacts of climate change in the short and medium term. However, risks such as extreme weather events (risks of tsunami, rise in water levels, etc.) could impact certain key partners (shipyards in particular).

Energy consumption on-site includes heating, lighting and air-conditioning of offices.

In 2018, GTT recorded a 6% decrease in its electricity consumption compared to 2017. Gas consumption decreased due to the optimisation of heating networks and fuel oil consumption increased due to greater use of the building in question.

GTT aims to implement more efficient management of its consumption via the following measures:

- raising awareness of employees to eco-gestures;
- installing presence detectors for lighting in the sanitary facilities;
- improving office layouts to limit energy consumption and;
- using low energy-consumption light bulbs.

Consumption of heating and electricity in permanent installations	2017	2018	Change
Electricity *(kWh)*	2,919,122	2,735,969	-6.3%
Gas *(kWh)*	3,053,318	2,245,324	-26.5%
Fuel *(in litres)**	4,233	4,500	+6.3%

* *Volume estimated based on invoicing. Does not take account of emergency diesel generator consumption.*

The Company's activities that generate significant greenhouse gases, are classified in three families of emissions (called "scopes"):

- Scope 1 – direct emissions;
- Scope 2 – energy-related indirect emissions;
- Scope 3 – other indirect emissions.

Scope 1

The Company's vehicle fleet consists of ten vehicles. In addition, five vehicles have been provided for employees on the Saint-Rémy-lès-Chevreuse site for professional travel essentially in the Paris region.

Furthermore, in order to encourage employees to limit the use of their personal vehicles for journeys to work, a carpooling system is offered via the Group's Intranet site. In addition, since 2015, an electric shuttle bus service has been in place for employees between the regional express metro station (RER) and the site. A second shuttle bus was recently introduced between the Versailles Chantier station and the site.

	kWh	Total $tCO_2eq.$
Gas	2,245,324	453.5
	Litres	**Total $tCO_2eq.$**
Fuel	4,500	9.1
	Litres	**Total $tCO_2eq.$**
Company cars and vehicles provided	11,109	29.9
		Total $tCO_2eq.$
TOTAL SCOPE 1		**489.5**

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Scope 2

	Total $tCO_2eq.$
Electricity	213.4

Scope 3

The significant sources of greenhouse gas emissions resulting from GTT activities include uses linked to the GTT licenses awarded and employee travel by aeroplane to visit naval shipyards, notably in Asia, and to manage on-going projects abroad.

GTT has been monitoring emissions from employee travel by train and aeroplane for several years now. In 2018 emissions totalled 2,984 tonnes of CO2 compared to 3,038 tonnes in 2017, *i.e.* a drop of 1.8%.

In tonnes of CO_2	2017	2018	Change
Emissions related to employee travel (train, aeroplane)	3,038	2,984	-1.8%

To limit business travel, GTT encourages employees to use video-conference equipment as much as possible.

Concerning uses associated with the granting of licenses (vessel construction, commissioning by ship-owners and charterers), GTT does not have the information required to enable more detailed reporting about climate issues at its disposal. The Group is working actively to improve the performance of its systems and reduce polluting emissions, originating particularly from the manufacture of the materials that make up its systems.

4.7.3. LNG FUEL: A MAJOR ENVIRONMENTAL OPPORTUNITY

The Group estimates that its development efforts in the burgeoning LNG as fuel market will significantly contribute to reducing the greenhouse gas emissions generated by merchant vessels, thanks to the replacement of oil by LNG.

For example, CMA CGM estimates the improvement in the energy efficiency index of a vessel fuelled with LNG compared to a vessel using fuel at 20%.

Energy transition plan instigated by the shipping sector

These development efforts are in line with the energy transition plan instigated within the shipping sector. Since 2008, the International Maritime Organisation (IMO) has been introducing pollution reduction initiatives that are gradually entering into force worldwide, particularly on the coasts of North America and Europe (Baltic Sea, North Sea and the English Channel.

In addition, in October 2016, IMO announced its decision to lower SO_x emissions limits to 0.5% by 2020 for all of the world's oceans.

The advantages of LNG as fuel

Amongst the solutions proposed, the conversion of merchant vessels to LNG propulsion is an alternative way of complying with current regulatory and environmental provisions.

Using LNG as fuel almost totally eliminates sulphur oxide emissions (SOx) compared to fuel oil propulsion. Furthermore it makes it possible to comply with regulations concerning emissions of nitrogen oxide, sulphur oxide, CO2, as well as particulate emissions and, in particular, the international MARPOL convention [(1)].

GTT has developed several innovations to adapt its membrane containment technology for use in vessel fuel tanks. The Group estimates that around 95,000 merchant vessels are affected by this transition.

For further information, please refer to section 2.3 – *"Development of new activities by the Group"* of this Registration Document.

4.7.4 NON-SIGNIFICANT ITEMS FOR GTT

Combating food waste is not particularly an issue for GTT. Not all of the Group's companies have a company restaurant. Where they do, they are operated by an external service provider. With regards to the GTT restaurant at Saint Rémy-lès Chevreuse, which affects the majority of the workforce, a system for selectively sorting food waste was introduced in 2018.

The following issues do not generally apply to GTT:

- combating food poverty;
- responsible, fair and sustainable food;
- respect for animal welfare.

4.8 GOVERNANCE

Information concerning GTT's Governance appear in Section 6.1 The Board of Directors' Report on Corporate Governance of this Registration Document.

(1) International Convention for the Prevention of Pollution from Ships (known as the MARPOL convention)

5 RISK FACTORS

Annual Financial Report items are clearly identifi ed in this summary with the aid of the AFR pictogram AFR

The significant risks to which the Group considers that it can be exposed are set out below. Other risks which are not set out or not currently known may also affect it. The occurrence of such risks could have a significant negative impact on the business, the financial situation and the earnings of the Group, on its image, its prospects and/or on the Group's share price.

5.1 INDUSTRIAL RISKS

5.1.1 RISKS RELATED TO A POSSIBLE DEFECT IN THE GROUP'S TECHNOLOGIES

Although the Group has used its membrane and other technologies for many years, it cannot guarantee a total lack of defects when implementing these technologies or in the use of these technologies over time.

LNG, or any other liquefied gas, contained in the tanks of vessels equipped with the Company's technologies can, because of certain sea conditions, cause deformation in the containment membrane due to collision between the LNG cargo and the walls of the carriers' tanks (a phenomenon known as "sloshing"). Although the Group has taken the measures necessary in order to limit the impact of sloshing on its membrane containment systems, incidents causing damage in the tanks using the Group's technologies have occurred in the past as a result of the sloshing phenomenon and may occur again in the future. The occurrence or repetition of such events could damage the Group's image and reputation among ship-owners, shipyards and gas companies.

Emergence of faults in the Group's technology or its implementation in tank construction could expose the Group to claims and litigation from ship-owners, shipyards, and owners and operators of storage tanks, FSRUs, FLNGs, LNGCs, ethane carriers or their beneficiaries and other users of the Group's technology. At the date of filing this Registration Document, the Group had received one claim for compensation relating to defects in certain ship tanks. This is the only claim the Group has received to date, and the Group believes that the conditions for its liability have not been met.

As a result, the Group may book provisions in its financial statements. Such provisions may have a material impact on the Group's financial statements and its results, even if the claims or the underlying litigation are unsuccessful.

In order to guarantee the Company and its subsidiaries in the event of personal accident or material or intangible losses caused to third parties, the Group is covered by a third party liability insurance policy. The policy for the management of risks and insurance is described in point 5.4.2 of this chapter – *Risk coverage and insurance policies*.

The Group believes that the probability of such risks materialising is low (harmonisation) and that the negative impact on the Group should they occur would be high.

5.1.2 RISKS RELATED TO INTELLECTUAL PROPERTY

5.1.2.1 The Group's portfolio of patents

A substantial proportion of the Group's technology relies on its portfolio of patents, for which the average period of validity is 16 years. For the purpose of its activities, the Group must obtain, maintain and enforce its patents in all countries in which it operates; its general policy is to file patent applications in all these countries to ensure maximum protection. The main technologies currently marketed by the Group give rise to patents or patent applications, where applicable based on the specificities of each patent, (i) in countries where the registered office of construction and repair shipyards are located and/or (ii) in emerging LNG countries (such as India and Russia), and/or (iii) in LNG exporting countries (such as Australia and Russia) and in LNG importing countries (such as South Korea, China and Japan).

Although the Group takes substantial steps to ensure the validity of its patents, the Company is not and cannot be aware of all patent applications or filings that have been or will be made by third parties.

Procedures to secure compliance with the Group's patents may be lengthy, time-consuming and expensive, regardless of their merit, and there is no guarantee that the Group will benefit from a favourable outcome.

As a result, the Group cannot guarantee that:

- the Group's patent applications currently being examined in all the countries in which it operates its business will result in a patent being granted;
- patents granted to the Group, along with its other intellectual property rights, will not be challenged, invalidated or circumvented;
- the protection provided by patents is sufficient to protect the Group against competition and against the patents of third parties covering technologies with a similar purpose;
- its technologies and products do not infringe on patents belonging to third parties;
- third parties will not claim ownership of patent rights or other intellectual property rights that the Group owns alone or jointly;

- third parties that have entered into license or partnership contracts with the Group and having sufficient experience of technologies that are based on the patents owned by the Group are not developing and will not develop strategies to file applications for patents related to the Group's business and that may be an obstacle to the Group's patent filing strategy; and
- court proceedings or proceedings before competent offices or jurisdictions will not be necessary to ensure compliance with the Group's patents or to determine the validity or extent of its rights in this regard.

The trademarks registered by the Group are important elements for the identification of its technologies. Despite registering the brands GTT®, Mark III®, no. 96®, Mark Fit®, GST™, LNG Brick®, GTT MarsTM and REACH4™, third parties could use or try to use these brands or other brands of the Group. Efforts to enforce the Group's trademarks may be unsuccessful in certain of the jurisdictions in which the Group operates. Such infringement may damage the Group commercially and damage its image.

The Group believes that the probability of such risks materialising is low and that the negative impact for the Group, should this occur, would be moderate.

5.1.2.2 The Group's know-how

The Group cannot guarantee that its technologies or their implementation, each of which is based in part on the Company's proprietary know-how, are sufficiently protected and cannot be misappropriated by third parties. When performing license contracts with clients or as part of its partnership contracts, the Group informs its contracting partners of certain elements of its know-how, particularly information relating to the implementation of membrane containment technologies.

Although the Group seeks to limit this communication to the information strictly necessary for its clients to implement its technologies or for the Group to perform its obligations under the aforementioned contracts, it cannot be guaranteed that additional information, including its proprietary know-how, will not be shared in the course of such activities. While the Group takes steps to ensure, through confidentiality agreements and other measures, that third parties who receive such information undertake not to disclose, use or misappropriate it, the Company cannot guarantee that such steps will be successful or respected by its clients or partners.

In particular, the Group cannot guarantee that (i) its contracting partners will fulfil their commitments and not develop technologies inspired by those developed by the Group (see section 5.2.2.1 – Competitive environment in *this* Registration Document) or (ii) in the event that these commitments are not fulfilled, the Group will be informed and be able to take appropriate measures or steps allowing it to gain full compensation for the damage suffered.

The Group believes that the probability of such risks materialising is low and that the negative impact for the Group, should this occur, would be moderate.

5.1.3 INNOVATION POLICY RISKS

The constantly changing economic environment in which the Group operates requires that anticipating the changes and new technologies required to maintain its position as a major player in its industry. To respond to these changes, the Group invests very heavily in innovation to be able to propose appropriate solutions to its customers and ensure its future growth.

Research and development are essential to the Group, which wants to provide its clients with the most effective and innovative tailored solutions. Any delays, errors or failures of its innovation policy, any failure to anticipate the consequences for the Group of a new technology implemented by others in the Group's area of expertise or in a technology field with the potential to have applications in the Group's markets could render the Group's products or technologies less competitive or result in the Group having less success than anticipated with its clients, leading the Group to lose its competitive advantage and potentially resulting in impairments or reducing the Group's revenues.

Although the Group's innovation policy, which is indispensable to ensure its growth, requires particularly high levels of investment, which are an expense for GTT, notably in terms of research and development, it cannot be assumed to be a certain source of positive results for the Group.

In addition, the emergence of faults in the Group's technology or its implementation in tank construction could expose the Group to claims and litigation from shipowners, shipyards, and owners and operators of storage tanks, FSRUs, FLNGs, LNG carriers, ethane carriers or their beneficiaries and other users of the Group's technology.

The Group believes that the probability of such risks materialising is relatively low and that the negative impact for the Group, should this occur, would be moderate.

5.2 OPERATIONAL RISKS

5.2.1 BUSINESS DEVELOPMENT RISKS

5.2.1.1 The business development of the Group

Growth in the Group's business will depend on its ability to maintain its position in containment systems used in LNG carriers, ethane carriers, FLNGs and FSRUs, increase its presence in onshore storage tank containment systems and expand in the new activities that it has identified (see chapter 2 – Activity report of this Registration Document).

This development will depend on various factors, including the Group's ability to retain the confidence of shipyards, ship-owners and charterers (gas companies), along with the Group's ability to meet demand for its technologies and membrane containment systems if demand increases significantly.

Although the Group attaches great importance to relations with shipyards, ship-owners and charterers (gas companies), it cannot guarantee that these relations will not deteriorate, in particular in the event of problems experienced by the Company or its subsidiaries in fulfilling their obligations towards shipyards, in particular if customers' demand is significantly higher than forecasted, which could have adverse consequences on the entities that own or use the vessels built or scheduled to be built using GTT's technologies. Any difficulties in meeting demand for the Group's technologies may harm the Group's image and may encourage current and potential customers of the Company to seek alternatives to the Company's technology.

In contractual terms, GTT gives shipyards access to its technologies within the framework of a TALA (Technical Assistance and License Agreement) which defines the general relationship between the parties and in particular, sets out the method for calculating royalties in accordance with the number of vessels built by the shipyard, as well as the royalty payment methods.

Each TALA is entered into for a specific period of time and may be terminated early, in certain cases, by either party. The Company therefore negotiates, in the normal course of business, conditions for the renewal and/or extension of TALAs nearing their expiry date, and in the event that a TALA is terminated early. Should the parties fail to come to an agreement in these circumstances, the Company could lose one ore more clients, given that the rights and obligations of each party survive the expiry of the TALA for the purposes of and until the final completion of projects of which the Company was aware prior to its termination. As at the date of filing of this Registration Document, one TALA is under renegotiation, with a Korean shipyard.

Moreover, while in the past the Group has demonstrated its ability to meet a strong and rapid rise in demand by using subcontractors and by hiring additional staff on fixed-term employment contracts or temporary employment contracts for "production" work, it cannot guarantee that it will always be able to meet all increases in activity. Additional measures taken by the Group to meet increases in demand or other spikes in activity may involve additional costs to those typically experienced by the Group and may have a material impact on its financial results and position.

The Group believes that the probability of such risks materialising is low and that the negative impact for the Group, should this occur, would be moderate.

5.2.1.2 The Group's dependence on the maritime LNG transport business and the uncertainties relating to the development of other more diversified activities

As of the date of filing of this Registration Document, almost all of the Group's revenues were derived from activities related to the maritime transportation of LNG, which itself depends on global demand for LNG.

Although the Group is taking steps to diversify its business in the medium term through technologies that are already developed or under development, there is no guarantee that the Group will be able to successfully commercialise any new technologies or continue to be successful in commercialising its current technologies.

The Group considers that a significant part of its diversification efforts will depend on its ability to adapt its containment technologies in order to implement the use of LNG as maritime fuel, also known as bunkering (see section 2.3 – Development of new activities by the Group in this Registration Document). There is no guarantee, however, that bunkering will develop in the timeframe or at the rate anticipated by the Group, and any deviation from the projections set forth in this Registration Document may have a material impact on the Group's growth and diversification prospects and financial results. Low oil prices could furthermore weaken the competitiveness of LNG in comparison with oil-based fuels.

Given the cost associated with adapting its technologies, their complexity and the cost of building the logistics infrastructure enabling the refuelling of vessels with LNG from smaller LNG carriers, the Group cannot guarantee the success of its technologies in the bunkering sector, or their adoption by players that may prefer alternative, less complex technologies that require a lower level of operational control, or other fuels (MDO).

In addition, the Group's strategy of diversification into new activities may lead to a change in its business model, exposing it to new risks, for example, execution risks likely to have a significant impact on its financial situation and its earnings.

The Group believes that the probability of such risks materialising is medium and that the negative impact for the Group, should this occur, would be small.

5.2.2 ECONOMIC ENVIRONMENT

5.2.2.1 Competitive environment

GTT is exposed to risks related to its competitive position in membrane containment systems.

Risk of the development of containment systems competing with the Group's technologies

Although the Group's technologies have a significant share in the LNG maritime transportation industry, competing technologies and containment systems may appear or be further developed, to the detriment of the Group.

In addition, competing technologies currently being developed, being approved by classification societies, such as those developed by Samsung Heavy Industries, Hyundai Heavy Industries, Daewoo Shipbuilding and Marine Engineering and Kogas (see section 2.1.1.2 – LNG carriers of this Registration Document), or being referenced by gas companies, or which are currently unknown to the Group, could in the future be used by shipyards and reduce the Company's presence in LNG maritime transportation and its ability to sell its own technologies successfully.

However, the Group considers that due to the still relatively low level of development of the membrane containment technology developed by Samsung Heavy Industries (technology known as KCS "Korean Containment System"), Hyundai Heavy Industries and Daewoo Shipbuilding and Marine Engineering (systems known as SOLIDUS and DCS16) or their still insufficient credibility (technology known as KC-1 developed by Kogas), it is unlikely that these technologies will have a significant impact on the Group's presence in LNG maritime transportation in the medium term.

There has been renewed interest in traditional systems, known as "type B" (spherical Moss and prismatic SPB), since 2013, but this has been primarily restricted to Japanese projects (charterers, ship-owners and Japanese shipyards), which limits their scope. Note also that none of these "type B" technologies were ordered in 2018.

The risks related to the different technologies are presented in section 2.1.1.2 – LNG carriers of this Registration Document.

Despite the large amount of resources it dedicates to R&D activities and active monitoring of the development of competing technologies, the Group cannot guarantee that new LNG containment technologies will not be successfully developed and marketed or that the Group's technologies will remain the leading technologies. The Group does not and cannot know all of the plans of its current and future competitors, and there is no guarantee that the Group will be able to successfully compete with these technological developments in the future. In particular, the Group could be exposed to breaches related to developments involving not only cryogenic containment systems, but all components or sub-components interacting directly or indirectly with these containment systems such as, for example, the propulsion systems of LNG carriers, energy and cargo management and optimisation systems on the vessels or the materials used in cryogenic applications.

The Group believes that the probability of such risks materialising is low and that the negative impact for the Group, should this occur, would be moderate.

Specific risks related to technological developments concerning the gas chain for LNG carriers

In addition to the development of containment systems which compete directly with the Group's technologies, it is exposed to the risks which may be represented by technological developments in the system for management of cargo on LNG carriers.

Indeed, the improvement of the cargo management system ("gas chain") for LNG carriers, for example via active management of the boil-off whose technical-economic performances may be optimised, could lead to the emergence of new competition for the containment systems developed by the Group, in as much as such improvements could be coupled to containment systems with lower thermic performances. This combination of a passive containment system (providing lower thermic performance) with active management of the boil-off represents a technological solution that is in competition with the new high performance containment systems developed and offered by the Group. The most recent "new build" orders confirm that this combined offering is being selected by ship-owners (partial or total reliquefaction systems combined with a membrane containment system).

The companies involved, whether equipment manufacturers or assemblers, in the design and construction of LNG carriers, and more generally systems for the storage, transport, liquefaction or regasification of LNG, are developing or are likely to develop such improvements.

The Group believes that the probability of such risks materialising is low and that the negative impact for the Group, should this occur, would be moderate.

5.2.2.2 Structure of supply and demand

The Group is exposed to risks related to a reduction or an increase in the demand for LNG carriers, ethane carriers, FSRUs, FLNGs and onshore tanks.

Principal risks affecting the Group's business

The Group's revenues and operating results are historically subject to significant variations, which could recur in the future and have an unfavourable impact on the financial situation and prospects for the Group.

Risks related to the LNG shipping market

- Ship-owners may, even on a temporary basis, optimise the use of their vessel fleet, rather than order new builds (increase in the average speed of vessels, delay fleet upgrades, extend the life of vessels, etc.).
- Industrial and commercial agreements between operators can have an impact on the use of the vessel fleet (pooling of vessel fleets, alliances, etc.).

- Decreases in the leasing prices of vessels on the spot market may result in a sense of over-capacity and lead ship-owners to delay part of their investment.
- The uncertainty resulting from the lack of a destination clause in LNG purchase contracts and the decrease in the length of contracts can be a brake on investment decisions.
- Variations in LNG prices between geographical areas can result in significant variations in LNG trades on the spot market.

As of the filing date of this Registration Document, factors related to the shipping market do not negatively affect the Group's medium- and long-term outlook, but they could delay when orders are placed and lead to differences in orders from one year to the next and, accordingly, the realisation of the associated revenues.

The Group believes that the probability of such risks materialising is low and that the negative impact for the Group, should this occur, would be moderate.

Risks related to the Group's dependence on a limited number of suppliers

The Group has approved some suppliers as qualified suppliers for its shipyard clients.

These qualified suppliers provide the materials required to implement the Group's technologies, and sell these materials to shipyards that seek to implement GTT's technologies. They are located primarily in Asia and particularly in South Korea, where the Group's main shipyard clients are located.

Currently, only a limited number of industrial actors are capable of supplying the materials used in implementing the Group's technologies.

In order to reduce this dependency, the Group is working on the diversification of its supplier panel, both in terms of materials and geographical regions.

As a result, the use of Group technologies by shipyards (i) depends on the capacity of the Group's approved industrial companies to supply some of the materials needed, and (ii) may be affected by any event in the countries or affecting the industrial sites where the approved industrial suppliers are located, events likely to restrict access to the materials required (political, military, weather events, etc.). In the event that the Group's qualified suppliers cannot supply the materials needed to implement these technologies, there is no guarantee that alternative suppliers can be found or found quickly enough, which could affect the Group's reputation, financial position and order book.

The Group believes that the probability of such risks materialising is low and that the negative impact for the Group, should this occur, would be small.

5.2.2.3 Risks related to economic or political factors

The Group's direct clients are primarily shipyards in South Korea, China and Japan, and its end-clients are ship-owners and international gas companies.

In 2018, 91% of the Company's sales revenues came from South Korean customers (see Note 18.2 of section 3.2.2 – "Information relating to geographical areas of the Registration Document"). At that date, four South Korean shipyards (Samsung Heavy Industries, Daewoo Shipbuilding & Marine Engineering, Hyundai Heavy Industries and Hyundai Samho Heavy Industries) that are customers of the Company (in numbers of orders [1]) represented 94% of the "LNG vessels" order books. The Group considers that this distribution of its customer base and its sales revenues is unlikely to change significantly in the next few years.

As a result, any event – particularly political or military – affecting South Korea or other Asian countries may have an impact on the Group's financial situation, its liquidity, results and growth prospects.

The Group believes that the probability of such risks materialising is low and that the negative impact for the Group, should this occur, would be moderate.

5.2.3 RISKS RELATED TO HUMAN RESOURCES

The Group's performance over time is based, in particular, on the quality of its employees, their expertise, their know-how and their motivation.

The Group's business requires a high level of technological expertise and advanced skills and know-how, which are constantly changing to meet a range of needs.

The need to constantly find new employees, train the engineers in new expertise and retain them creates a risk for the Group if it is unable to mobilise the resources needed within the time-frames required. At this stage, it is not possible to estimate either the length of the enquiry or its potential outcome. GTT believes, however, that its commercial practices comply with Korean competition law.

The Group believes that the probability of such risks materialising is low and that the negative impact for the Group, should this occur, would be small.

(1) The five largest customers over this period in terms of revenue are not the same entities as the five largest customers in terms of number of orders as a result of the revenue recognition method

5.3 LEGAL RISKS

5.3.1 RISKS RELATED TO THE TAX ENVIRONMENT

The Company benefits from some specific tax arrangements. In France, the Company pays tax at a specific rate on royalties from some industrial property rights, and receives tax credits in relation to some R&D spending and deductions on withholding taxes paid on royalties from foreign sources. These specific tax regimes could be called into question or modified, which would be likely to have an impact on the Group's tax charge, financial situation and earnings. The Group regularly keeps itself abreast of changes in tax regulations.

However, the Group cannot rule out the possibility that the tax regimes promoting innovation may be modified, which could have a negative impact on its earnings, financial situation or outlook.

The Group believes that the probability of such risks materialising is low and that the negative impact for the Group, should this occur, would be small.

5.3.2 IMPACT OF THE REGULATIONS ON ANTI-COMPETITIVE PRACTICES

In the jurisdictions where it conducts its activities, the Group is subject to legal and regulatory provisions applicable in matters concerning anti-competitive practises.

On January 29, 2016, the Company received notification from the Korea Fair Trade Commission (KFTC) informing it of the opening of an investigation into a possible abuse of its dominant position, due to its commercial practices in South Korea. To the best of the Company's knowledge, there were no significant developments in the case in 2018 and, as of the filing date of this Registration Document, the Company had not been informed of any changes in the procedure of which it should inform the market. At this stage, it is not possible to estimate how long this process will take or when it will reach a conclusion. Although GTT believes that its commercial practices comply with the South Korean competition law, this investigation could result in a decision to apply sanctions, which could have an impact on the Group's business, its financial position and its earnings. Furthermore, the Company cannot exclude the possibility that similar investigations may be initiated in other jurisdictions where the Group operates.

5.3.3 RISKS RELATED TO POSSIBLE NON-COMPLIANCE WITH STATUTORY AND REGULATORY PROVISIONS

The supply of oil-related goods and services to some countries, including LNG and LNG-related materials, is currently subject to several sanction regimes, particularly from the United States of America and the European Union.

To date, US and EU sanctions on Russia and/or some Russian gas companies have had no material negative impact on the Group's activities in Russia and/or for Russian clients.

In 2014 and 2015, the Group received notification from Daewoo Shipbuilding & Marine Engineering, one of its licensed customers, of an order for 15 ice-breaking LNG carriers as part of the YAMAL LNG project. This project consists of the construction of a natural gas liquefaction plant in Sabetta (north-east of the Yamal peninsula) with annual capacity of 16.5 million tonnes of LNG drawn from the Yuzhny Tambei gas field. The project's operators (including the Russian company Novatek, which is subject to US sanctions) are also building an offshore LNG terminal, an airport, as well as an Arctic-class fleet of LNG carriers via a number of ship-owners. To date, six of the 15 vessels have been delivered. The others are still under construction. The first deliveries of LNG began at the end of 2017.

At the date of filing this document, the Group was not aware of any issues likely to affect the orders it has booked in respect of the YAMAL LNG project. It cannot, however, be excluded that the current sanctions applied to Russia and/or Russian companies involved in the project are made more severe (both in their nature and in their scope), resulting in delays to, or the suspension of the YAMAL LNG project, affecting the launch of new projects in this zone, or more generally threatening its prospects for commercial development in Russia.

The Group believes that the probability of such risks materialising is low and that the negative impact for the Group, should this occur, would be small.

5.4 RISK MANAGEMENT PROCESS

5.4.1 OVERALL RISK MANAGEMENT POLICY

Following the analysis conducted in 2011, and updated in 2014, as part of the planned implementation of a business continuity plan and an IT system disaster recovery plan, in which the Group identified the main risks it faces, the Group conducted another risk-mapping exercise at the end of 2015. It included risks related to access (physical and virtual) to the Company's data. The review, carried out via interviews at the Management level, enabled the identification of the priority risks the Group is faced with, their validation by the Board of Directors, and the definition of the required priority action plans. Actions were implemented based on the potential impacts of the assessed risks (human, financial, organisational and reputational) and the probability of their occurrence. Implementation of the plans began in 2016. They are monitored on a regular basis by the Audit and Risk Management Committee and the Board of Directors. The risk mapping is revised annually and the action plans are adapted accordingly.

There is no guarantee that the Group has correctly identified all the risks to which it may be exposed or correctly evaluated its exposure to the risks of which it is aware. Nor is there any guarantee that any actions taken now or in future by the Group have mitigated or will mitigate the potential occurrence of the risks or the damage the Group might suffer should these risks materialise. The occurrence of any of the risks identified by the Group or the occurrence of a claim may have a significant material impact on the Group's financial results, cash flow, activities, prospects and reputation.

5.4.2 RISK COVERAGE AND INSURANCE POLICIES

The Group has subscribed insurance policies covering the general and specific risks to which it believes it is exposed.

Given the specific nature of its activity and the insurance policies subscribed by the Group and described below, the Group takes the view that it has a level of coverage that is appropriate for the risks inherent in its business.

However, there is no guarantee that the insurance policies taken out by the Group will suffice to cover all the risks to which the Group is currently exposed or may be exposed or that it will be capable, in the future, of maintaining adequate insurance policies at reasonable rates and on acceptable terms.

In addition, the ability of these insurance policies to effectively mitigate the risks they cover depends on the financial capacity of the counterparty insurers, and the Group cannot guarantee that such counterparty insurers will be able to perform adequately or at all their obligations under such insurance policies.

The Group's main insurance policies cover risks related to the Group's civil liability, executive's liability and damage to the Group's movable property and real estate.

In 2018, one civil liability claim was made in relation to a claim received from a shipyard regarding the implementation of a new technology. This claim gave rise to compensation by the Group's insurers. The Group also has insurance policies covering other, more specific, risks, such as policies covering its automobile fleet and its expatriate and seconded staff.

5.4.2.1 Civil liability insurance

The Group has a civil liability insurance policy intended to cover it against the financial consequences of any liability for personal injuries, material or immaterial property damages caused to third parties during the course of its business activities. The Group's civil liability insurance policy was renegotiated in 2016 to ensure the best match with the Group's needs. Some risks are expressly excluded from the insurance policies described and so are not covered.

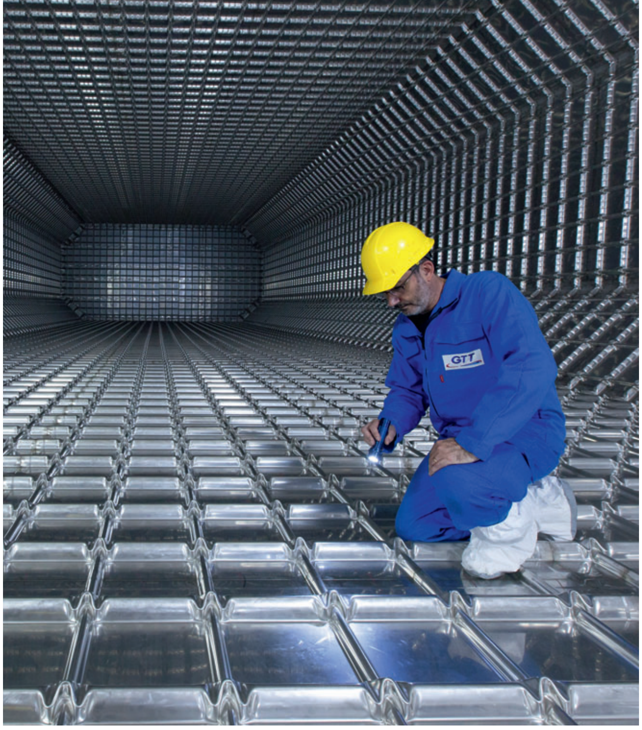
In addition to the Group's civil liability program, each subsidiary also has a local civil liability insurance policy as required by law and practice in their markets.

5.4.2.2 Executive liability insurance

The Group's executives are covered by liability insurance to protect them against the pecuniary consequences of breaches of statutory or regulatory provisions or provisions of the by-laws of the Company, mismanagement, errors, omissions or negligence by them with respect to third parties (excluding intentional and wilful misconduct, criminal offences and breaches of tax or customs law). This insurance policy covers the cost of defence, prevention, psychological assistance, communication and efforts to restore the image of the Group's executives.

5.4.2.3 Multi-risk insurance

The Group has a 'multi-risk' insurance policy covering damage to its immovable property and real estate, subject to exclusions stated expressly in the policy.



6 CORPORATE GOVERNANCE, INTERNAL AUDIT AND RISK MANAGEMENT

Annual Financial Report items are clearly identifi ed in this summary with the aid of the AFR pictogram AFR

6.1 REPORT BY THE BOARD OF DIRECTORS ON CORPORATE GOVERNANCE

Since its listing on Euronext Paris, the Company has put in place compliance with corporate governance principles pursuant to the statutory and regulatory provisions applicable to listed companies. In particular, the Board of Directors of the Company has compiled this report on corporate governance, in accordance with Article L. 225-37 of the French Commercial Code.

This report is intended to reflect the composition of the Board of Directors, the application of the principle of equal representation of women and men within it, the conditions of preparation and organisation of the Board's work, any limitations that the Board of Directors has made to the powers of the CEO, specific modalities for the participation of shareholders in Shareholders' Meetings, the compensation of corporate officers as well as to present the draft resolutions on the principles and criteria for the calculation of compensation awarded to the Chairman. It covers the period between 1 January and December 31, 2018.

This report was presented to the Compensation and Nominations Committee regarding the elements relating to the composition of the Board of Directors, application of the principle of equal representation of women and men, the conditions for the preparation and organisation of the Board's work, the limitations that the Board of Directors placed on the powers of the CEO and other information related to corporate governance.

6.1.1 CORPORATE GOVERNANCE CODE

In accordance with Article L. 225-37-4 8° of the French Commercial Code, the Company has the obligation to publish a statement of corporate governance mentioning the Corporate Governance Code to which it refers voluntarily and states, where appropriate, the provisions of that Code from which it diverges and the reasons for doing so.

6.1.1.1 Application of the AFEP-MEDEF Code

The Company continues its commitment to the application of corporate governance rules by referring to the Corporate Governance Code for listed companies published by AFEP and MEDEF (the AFEP-MEDEF Code), which may be viewed on the AFEP (www.afep.com) and MEDEF (www.medef.com) websites.

6.1.1.2 Divergences from the AFEP-MEDEF Code

In accordance with the "apply or explain" principle described in Article L. 225-37-4 paragraph 8 of the French Commercial Code, the table below presents the Company's explanations for not applying some of the AFEP-MEDEF Code's recommendations.

AFEP-MEDEF Code article	Explanation
Article 10.3 (Board meetings and Committee meetings)	For 2018, the Board of Directors decided not to organise meetings in the absence of the executive officers and corporate officers. The Company specifies that the conditions for the compensation of officers and executive directors are subject to discussions in the Compensation and Nominations Committee without the presence of the officers and executive directors.

6.1.2 BOARD OF DIRECTORS: COMPOSITION, TERMS OF OFFICE, INDEPENDENCE, INFORMATION

Unless otherwise stated, references to the by-laws and Board of Directors' Internal Regulations in this and the following sections refer to the Company's by-laws and the Internal Regulations of the Board of Directors, setting out the composition, organisation and practices of the Board of Directors and its committees and the rights and duties of the directors, as amended for the last time by, respectively, the Shareholders' Meeting of May 19, 2015 and the Company's Board of Directors on March 30, 2017.

6.1.2.1 Composition of the Board of Directors

(i) Directors in office

The Company is a *société anonyme à Conseil d'administration* (joint stock limited liability company with a Board of Directors) governed by the applicable laws and regulations and by its by-laws.

The composition of the Board of Directors has not changed since the Shareholders' Meeting of May 17, 2018.

The Board of Directors of the Company now has, at the date of filing of this Registration Document, nine members, four of whom are independent, and an observer.

For purposes of their terms of office, the members of the Board of Directors are domiciled at the Company's registered office.

(ii) Independence of the directors in office – conflicts of interest

The Board of Directors, meeting on April 16, 2019, evaluated the independence of directors in light of all the criteria set by the AFEP-MEDEF Code and the Internal Regulations of the Board of Directors.

On the basis of the evaluation of the independence of directors in light of the criteria set out by the AFEP-MEDEF Code, the Board of Directors concluded that, on April 16, 2019, four directors out of the nine (*i.e.* 44%) fulfil all the independence criteria and are therefore considered to be independent directors, namely Bruno Chabas, Andrew Jamieson, Christian Germa and Françoise Leroy.

To the Company's knowledge, there are no family ties between the members of the Board of Directors of the Company identified above.

The independence criteria adopted are presented in section 6.1.3 – *Board and management practices* of this Registration Document.

APPLICATION OF THE AFEP-MEDEF CORPORATE GOVERNANCE CODE CRITERIA

The independence criteria defined by the AFEP-MEDEF Code are given in section 6.1.3.1 (i) – *Composition of the Board of Directors*, in this Registration Document.

Following the proposal by the Compensation and Nominations Committee, the Board of Directors carried out the annual evaluation of the directors' position in the light of all the independence criteria defined by the AFEP-MEDEF Corporate Governance Code for listed companies, to which the Company refers.

	Employee or executive officer of the Company during the previous five years	Existence or non-existence of overlapping terms of office	Existence or non-existence of significant business relations	Existence of family ties with a corporate officer	Has not been an auditor of the Company during the previous five years	Has not been a director of the Company for more than 12 years	Status of major shareholder (10% share capital/ voting rights)
Andrew Jamieson	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant
Christian Germa	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant
Françoise Leroy	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant
Bruno Chabas	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant

In accordance with the AFEP-MEDEF Code, non-executive officers do not receive variable compensation in cash or securities or any compensation linked to performance of the Company or group.

ASSESSMENT ON A CASE-BY-CASE BASIS OF THE SIGNIFICANCE OF BUSINESS RELATIONS

The Board of Directors examined, with particular vigilance and in the same way as the other criteria, the business relations that may exist between the Group and the entity or group from which each independent director originates (regarding application of the other independence criteria). This showed that, with the exception of Bruno Chabas, whose situation is explained below, none of the independent directors or the entity or group to which they belong and within which they hold office as executive officer has any business relations with the Company, its Group or its Management.

The Board of Directors carried out a quantitative and qualitative assessment and examined the position of each one of the directors with regard to the recommendations of the AFEP-MEDEF Code, and concluded as follows with respect to their independence:

- concerning Andrew Jamieson, the Board of Directors confirmed that Andrew Jamieson fulfils all the independence criteria in the AFEP-MEDEF Code, in particular relating to the absence of business relations between Andrew Jamieson and GTT in application of the criteria presented in section 6.1.3.1 (i) – *Composition of the Board of Directors* of this Registration Document;
- concerning Christian Germa, the Board of Directors confirmed that Christian Germa fulfils all the independence criteria in the AFEP-MEDEF Code, in particular relating to the absence of business relations between Christian Germa and GTT in application of the criteria presented in section 6.1.3.1 (i) – *Composition of the Board of Directors* of this Registration Document;
- concerning Françoise Leroy, the Board of Directors confirmed that Françoise Leroy fulfils all the independence criteria in the AFEP-MEDEF Code, in particular relating to the absence of business relations between Françoise Leroy and GTT in application of the criteria presented in section 6.1.3.1 (i) – *Composition of the Board of Directors* of this Registration Document; and
- With regard to Bruno Chabas, the Board of Directors made a qualitative and quantitative review of Mr. Chabas' situation as Chief Executive Officer of SBM Offshore and of the business relationship between SBM Offshore and GTT under a services contract, for the purposes of an offshore project. The business conducted between these two companies, taking all of it into account, represents less than 0.2% of their respective revenues and so fall considerably below the 1% threshold of materiality adopted by the Board of Directors. The Board of Directors underscored that the contract had been suspended as of November 2018 due to the suspension of the offshore project concerned and that partial payments made pursuant to the contract were not material. Moreover, the Board of Directors stated that considering the way GTT is organised, its size and that diversity of its operations, the Board does not intend to intervene in the relationship between SBM Offshore and GTT. Furthermore, as a member of the GTT Board of Directors, Mr. Chabas has no direct or indirect decision-making authority to establish or maintain these business transactions. If, however, by some unlikely chance such a question were to be debated at a meeting of the Board of Directors, the internal regulations of the Board provides rules for handling conflicts of interest, according to which the Director with a conflict must refrain from participating in the discussions and deliberations on the matter at hand. In light of the foregoing, the Board of Directors believes that Mr. Chabas does not hold a significant business relationship, directly or indirectly, with GTT that might influence his disinterested judgement or his independence.

Over the past five years, none of the members of the Company's Board of Directors identified above:

- have been convicted of fraud, of a criminal offence or had an official public sanction issued against them by the statutory or regulatory authorities;
- have been involved in a bankruptcy, receivership or liquidation as an executive or executive officer; or
- have been prevented by a court from acting in his or her capacity as a member of an administrative, management or supervisory body or from being involved in the management or conduct of an issuer's business affairs.

As at the filing date of this Registration Document and to the Company's knowledge, there is no current or potential conflict of interest between the duties in respect of the Company of the persons referred to in section 6.1.2.2 – *Information regarding directors in office* of this Registration Document and their private interests and other duties.

Nevertheless, it should be noted that:

- in accordance with the provisions of Article 7 of the Internal Regulations of the Board of Directors and Proposal 22bis of AMF Recommendation no. 2012-05, directors are required to declare all conflicts of interest, potential or otherwise, and shall, in such circumstances, refrain from taking part in deliberations and voting. For further details, please refer to section 6.1.3.1 (ii) – Directors' duties of this Registration Document;
- five directors were appointed on the proposal of ENGIE, GDF International and GDF Armateur 2 (including Philippe Berterottière, Chairman and Chief Executive Officer of the Company since 2009, who may cast the deciding vote in the event of a tie).

There are no restrictions accepted by the members of the Board of Directors as regards the sale of their shareholding in the Company, except for the rules laid down in section 6.1.3.1 (ii) – Directors' duties of this Registration Document relating to the prevention of insider trading and section 6.1.7.3 – Allocation of free shares and performance shares with respect to commitments to retain shares acquired by General Management.

(iii) Directors whose term of office expires at the close of the Shareholders' Meeting held to approve the financial statements for the year ended December 31, 2018

Christian Germa's term of office as director will end at the close of the Shareholders' Meeting held to approve the financial statements for the financial year ended December 31, 2018. Christian Germa made it known to the Company that he would like to have her term of office renewed and, therefore, the Shareholders' Meeting of May 23, 2019 will be asked to renew it.

Michèle Azalbert's term of office as director will end at the close of the Shareholders' Meeting held to approve the financial statements for the financial year ended December 31, 2018. Michèle Azalbert made it known to the Company that she would like to have her term of office renewed and, therefore, the Shareholders' Meeting of May 23, 2019 will be asked to renew it.

Cécile Prévieu's term of office as director will end at the close of the Shareholders' Meeting held to approve the financial statements for the financial year ended December 31, 2018. Cécile Prévieu made it known to the Company that she would like to have her term of office renewed and, therefore, the Shareholders' Meeting of May 23, 2019 will be asked to renew it.

(iv) Requirement for directors to be shareholders

Pursuant to Article 11 of the Company's Internal Regulations, each director is required to hold at least 100 shares of the Company in pure registered form.

The table below shows the holding of each director in the share capital of the Company on the date of filing this Registration Document:

Director	Number of shares	Percentage of the share capital	Percentage of voting rights
Philippe Berterottière – Chairman and CEO (1)	95,232	0.20	0.20
Michèle Azalbert	100	0.00	0.00
Ana Busto	100	0.00	0.00
Christian Germa	100	0.00	0.00
Didier Holleaux	100	0.00	0.00
Andrew Jamieson	250	0.00	0.00
Françoise Leroy	100	0.00	0.00
Cécile Prévieu	100	0.00	0.00
Bruno Chabas	100	0.00	0.00
Benoît Mignard (2)	100	0.00	0.00
TOTAL	**96,282**	**0.25**	**0.25**

(1) Of which 10,000 shares acquired at the time of the Company's initial public offering and 85,232 free shares granted in respect of the Performance Share Plans.
(2) Benoît Mignard was appointed as observer during the Shareholders' Meeting of May 18, 2017.

A description of the main provisions of the by-laws and Internal Regulations of the Board of Directors, its committees and General Management of the Company, in particular their operation and their powers, are provided in section 6.1.3 – *Board and management practices* of this Registration Document.

6.1.2.2 Information regarding directors in office

6.1.2.2.1 Overview of the composition of the Board of Directors at the date of filing this document

Director	Attendance rate at meetings of the Board of Directors	Audit and Risk Management Committee (attendance rate at Committee meetings)	Compensation and Nominations Committee (attendance rate at Committee meetings)	Number of other terms of office in listed companies	Experience and expertise contributed to the Company
Philippe Berterottière Chairman and Chief Executive Officer	100%			-	Chairman and Chief Executive Officer of the Group
Michèle Azalbert	100%			-	Experience in the energy sector and detailed knowledge of financial markets
Ana Busto	71%			-	Communications experience within major international groups
Bruno Chabas Independent director	100% (1)		Chairman (100%) (2)	1	Leader of major listed groups
Christian Germa Independent director	86%	Chairman (100%)	Member (86%)	-	Experience in finance and business management Experience in the energy sector and gas and oil in particular
Didier Holleaux	71%	Member (0%)	Member (71%)	-	International experience in the energy sector
Andrew Jamieson Independent director	71%		Member (86%)	3	International experience in the energy sector and, in particular, of LNG
Françoise Leroy Independent director	100%	Member (100%)	Member (100%)	1	Corporate finance and financial communication
Cécile Prévieu	86%			-	General Management and finance in the energy sector
Philippe Salle Independent director	100%	(3)	Chairman (100%) (4)	2	Leader of major listed groups
Benoît Mignard observer	100%	Guest (100%)	(5)	-	Financial Division and experience in the energy sector

(1) Attendance calculated for Bruno Chabas compared to the number of Board of Directors' meetings held since his appointment as director by theShareholders' Meeting of May 17, 2018.

(2) Attendance calculated for Bruno Chabas compared to the number of Compensation Committee meetings held since his appointment as director by the Shareholders' Meeting of May 17, 2018.

(3) Philippe Salle attended 100% of the meetings of the Board of Directors held up to May 17, 2018 as director.

(4) Philippe Salle attended 100% of the Audit and Risk Management Committee meetings as director up to May 17, 2018.

(5) Benoît Mignard was regularly invited to Audit and Risk Management Committee meetings as an observer.

6.1.2.2.2 Information regarding directors in office

PHILIPPE BERTEROTTIÈRE

Chairman and Chief Executive Officer*

Age: 62 years

Sex: M

Nationality: French

Date of initial appointment: Appointed by the Shareholders' Meeting of December 11, 2013

Term of office: Expiry of term of office following the Annual Ordinary Shareholders' Meeting convened to approve the annual financial statements for financial year ending December 31, 2021.

Number of Company shares held:
95,232 shares, of which 10,000 shares acquired at the time of the Company's initial public offering on the Stock Market. It should be noted that he benefits from 85,232 shares allocated by virtue of the free Performance Share Allocation Plan (AFS plan no. 2).

Adress
GTT
1, route de Versailles
78470 Saint-Rémy-lès-Chevreuse

Mandates and offices held within the Group over the past five years
Chairman and Chief Executive Officer of GTT

Biography
Philippe Berterottière, Chairman and Chief Executive Officer, joined GTT in 2009. He has more than 35 years of experience in advanced technology sectors. He previously held a number of management positions within companies in the aerospace sector: with Airbus as a contract negotiator, then Business Development Director, with Matra as Sales Director within the defence division, and with Arianespace, where he held several sales positions before becoming Commercial Director and a member of the Executive Committee. He is a graduate of the Hautes Études Commerciales business school and of the Institut d'Études Politiques.

CURRENT TERMS OF OFFICE

Companies	Mandates and offices held outside the Group
SARL SOFIBER	Manager
SCI MATHIAS DENFERT	Manager
SCI MATHIAS LABROUSTE	Manager
SARL SOFISTE	Manager
SCI LA GERMANOPRATINE	Manager
SARL LA PHILIPPINE	Manager

PAST TERMS OF OFFICE OVER THE PAST FIVE YEARS

Companies	Mandates and offices held outside the Group
SOFREMI	Director
STARSEM	Director
ARIANESPACE Inc.	Director
SCI FIVE PARTICIPATION	Director
SARL SOFIKI	Manager

6

* *Director appointed on the recommendation of ENGIE.*

MICHÈLE AZALBERT

Director*

Age: 52 years

Sex: F

Nationality: French

Date of initial appointment:
Appointed by the Shareholders' Meeting of May 19, 2015.

Term of office:
Expiry of Term of office: following the Annual Ordinary Shareholders' Meeting convened to approve the annual financial statements for financial year ended December 31, 2018.

Number of Company shares held:
100 shares.

Adress
ENGIE
1, place Samuel de Champlain
92400 Courbevoie

Mandates and offices held within the Group over the past five years
Director of GTT

Biography
An IT engineer and HEC graduate, Michèle Azalbert occupied a number of treasury, finance and market risk management positions at Elf Aquitaine from 1992 to 1996, Sanofi from 1996 to 1999, then at Suez from 1999 to 2005. She served as Treasurer for the Suez group from 2005 to 2008. In 2008, she was appointed Chief Operating Officer of Gaselys. From 2011 to 2013, she was Chief Operating Officer of ENGIE Global Market (formerly GDF SUEZ Trading), responsible for Support Functions. From 2013 to 2017, she occupied the position of Chief Operating Officer of the Global LNG business unit of ENGIE, responsible for contract management & trading in Liquefied Natural Gas. On January 1, 2018, Michèle Azalbert took over the General Management of a new ENGIE business unit dedicated to renewable hydrogen.

CURRENT TERMS OF OFFICE

Companies	Mandates and offices held outside the Group
ENGIE HYDROGEN INTERNATIONAL SAS	Chairman
GAZTRANSPORT & TECHNIGAZ SA	Director
GDF SUEZ LNG SUPPLY S.A. 30484	Director

PAST TERMS OF OFFICE OVER THE PAST FIVE YEARS

Companies	Mandates and offices held outside the Group
COLON LNG MARKETING	Alternate Director
ENGIE GLOBAL LNG D0WNSTREAM	Chairman
ENGIE GLOBAL LNG HOLDING S.A.R.L.	Director
GDF SUEZ LNG (LUXEMBOURG) S.A.R.L.	Director
GAZOCEAN SA	Director

ANA BUSTO

Director*

Age: 42 years

Sex: F

Nationality: Spanish

Date of initial appointment:
Appointed by the Shareholders' Meeting of May 18, 2017.

Term of office:
Expiry of Term of office: following the Annual Ordinary Shareholders' Meeting convened to approve the annual financial statements for financial year ending December 2020.

Number of Compavny shares held:
100 shares.

Adress
ENGIE
1, place Samuel de Champlain
92400 Courbevoie

Mandates and offices held within the Group over the past five years
Director of GTT

Biography
Ana Busto is a Spanish national. She received a Master's degree from the Institut Supérieur de Traducteurs et Interprètes de Belgique (Belgian Institute for Translators and Interpreters, ISTI) and a Master's in Communication from the Rotterdam School of Management in the Netherlands.

She began her career in Prague in 1994 as cultural attaché for the Belgian civil service, then worked as a consultant for the European Commission from 1998 to 2000, based in Latvia. She joined the international corporate law firm Clifford Chance in the Netherlands in 2000 as Communications Manager. She then joined Steria group in 2005 as Internal Communications Manager. She moved to Sodexo as Vice-President, Internal Communications in 2008. She became Chief Brand and Communications Officer of the Group in 2012 and became a member of the Executive Committee in 2014.

On October 1, 2016, she was appointed Senior Vice-President Brand and Communications at ENGIe Group.

CURRENT TERMS OF OFFICE

Companies	Mandates and offices held outside the Group
None	

PAST TERMS OF OFFICE OVER THE PAST FIVE YEARS

Companies	Mandates and offices held outside the Group
None	

* *Director appointed on the recommendation of ENGIE.*

CHRISTIAN GERMA

Independent director

Age: 49 years

Sex: M

Nationality: French

Date of initial appointment:
Appointed by the Shareholders' Meeting of May 19, 2015.

Term of office:
Expiry of Term of office: following the Annual Ordinary Shareholders' Meeting convened to approve the annual financial statements for financial year ended December 31, 2018.

Number of Company shares held:
100 shares.

Adress
GTT
1, route de Versailles
78470 Saint-Rémy-lès-Chevreuse

Mandates and offices held within the Group over the past five years
Director of GTT

Biography

Christian Germa is an engineering graduate of the École Polytechnique (1992) and the École Nationale des Ponts et Chaussées (1995).

He began his career at the French Ministry for the Economy and Finance, within the treasury department, where he worked for several years on the CIRI (Comité Interministériel de Restructuration Industrielle), the Interministerial Committee on Industrial Restructuring, where he served as Deputy Secretary-General.

In 2000, he joined the FD5 investment company as head of investment. From 2002 to 2014, Christian Germa gained experience within the Vinci group, where he successively held positions as director of construction projects, then director of public-private partnerships for Vinci Construction France.

During this time, he served as an independent director on the Board of Directors of Vodaphone SA from 2010 to 2012 and from 2004 to 2016 on the Supervisory Board of Faiveley Transport, where he was also Chairman of the Audit Committee.

CURRENT TERMS OF OFFICE

Companies	Mandates and offices held outside the Group
ONET et Holding Reinier	Member of the Supervisory Boards
ONET SA	Member of the Audit, Compensation and Strategy Committees

PAST TERMS OF OFFICE OVER THE PAST FIVE YEARS

Companies	Mandates and offices held outside the Group
FAIVELEY Transport	ber of the Supervisory Board and Chairman of the Audit Committee
VODAFONE SA	Director
VINCI Construction France	Director of construction projects
VINCI Construction France	Director of public-private partnerships

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DIDIER HOLLEAUX

Director*

Age: 58 years

Sex: M

Nationality: French

Date of initial appointment:
Appointed by the Shareholders' Meeting of May 18, 2017.

Term of office:
Expiry of Term of office: following the Annual Ordinary Shareholders' Meeting convened to approve the annual financial statements for financial year ended December 31, 2020.

Number of Company shares held:
100 shares.

Adress
ENGIE
1, place Samuel de Champlain
92400 Courbevoie

Mandates and offices held within the Group over the past five years
Director of GTT

Biography

After a career in the French government, ending as Cabinet Director for the Minister of Energy in 1992-1993, Didier Holleaux joined Gaz de France Group in 1993, which became GDF SUEZ in 2008 then ENGIE in 2015.

He occupied several managerial positions in the Group in the areas of transport, exploration-production, LNG and distribution. He created and managed GDF Britain (now ENGIE E&P UK Ltd), Gaz de France's exploration-production subsidiary in the United Kingdom, was Deputy Director of EDF and Gaz de France's shared distribution division (EDF GDF SERVICES) and managed the Exploration-Production division of ENGIe Group from 2007 to 2015.

He has been Executive Vice-President of ENGIE since July 1, 2015.

He is currently responsible for the Asia Pacific region, Infrastructure in France, procurement and projects.

CURRENT TERMS OF OFFICE	
Companies	Mandates and offices held outside the Group
ENGIE CHINA INVESTMENT COMPANY SAS	Chairman
ENGIE E&P INTERNATIONAL SA	Director
General Energy Recovery Inc. (GERI)	Director
STORENGY	Director
ENGIE au Conseil de GRDF	Permanent representative
ENGIE au Conseil de GRTgaz	Permanent representative

PAST TERMS OF OFFICE OVER THE PAST FIVE YEARS	
Companies	Mandates and offices held outside the Group
ELENGY (formerly GDF Investissements 31)	Director
ENGIE E&P HOLDING NEDERLAND BV	Member of the Supervisory Board
ENGIE E&P NORGE AS	Director
ENGIE E&P UK LTD	Director
ENGIE NEW BUSINESS SAS	Director
ENGIE NEW VENTURES SA	Director
Fondation d'Entreprise ENGIE	Director
TRACTEBEL ENGINEERING SA (BE)	Director
NOORDGASTRANSPORT BV (N.G.T.)	Member of the Supervisory Board

* *Director appointed on the recommendation of ENGIE.*

ANDREW JAMIESON

Independent director

Age: 72 years

Sex: M

Nationality: British

Date of initial appointment:
Co-opted at the Board of Directors' meeting on October 14, 2016, to replace Laurent Maurel who resigned. Co-option approved by the Shareholders' Meeting of May 18, 2017.

Term of office:
Expiry of Term of office: following the Annual Ordinary Shareholders' Meeting convened to approve the annual financial statements for financial year ended December 31, 2020.

Number of Company shares held:
500 shares.

Adress
GTT
1, route de Versailles
78470 Saint-Rémy-lès-Chevreuse

Mandates and offices held within the Group over the past five years
Director of GTT

Biography

Andrew Jamieson is an engineer by training and holds a PhD in philosophy from the University of Glasgow.

Andrew Jamieson has extensive experience in the energy sector, particularly in Liquefied Natural Gas (LNG). After occupying various positions within the Shell group in Europe, Australia and Africa, Andrew Jamieson was appointed, in 2005, as its Executive Vice-President of "Gas and Projects" operations and a member of the "Gas and Energy" Executive Committee, positions he held until his retirement in 2009. Andrew Jamieson currently holds several terms of office as a director of companies in the energy sector. Andrew Jamieson is an officer of the British Empire and member of the Royal Academy of Engineering. Andrew Jamieson chaired the Royal Institute of Chemical Engineers from 2015 to 2016.

CURRENT TERMS OF OFFICE

Companies	Mandates and offices held outside the Group
HOEGH LNG PARTNERS (USA) (since 2015)	Director
HOEGH LNG HOLDINGS (Norway) (since 2009)	Director
Chrysaor Holdings (UK) (since 2017)	Director
Kerogen Capital (Hong Kong) (since 2018)	Director

PAST TERMS OF OFFICE OVER THE PAST FIVE YEARS

Companies	Mandates and offices held outside the Group
SEVEN ENERGY INTERNATIONAL 5 (UK/ Nigeria) (2012-2016)	Chairman of the Board of Directors
WOODSIDE PETROLEUM Ltd (Australia) (2005-2016)	Director
Institution of Chemical Engineers (2015-2016)	President of the Institution
LEIF HOEGH SHIPPING COY. Ltd (2009-2012)	Director
OXFORD CATALYST Group (UK) (2010-2015)	Director
VELOCYS Plc (USA/UK) (2010-2015)	Director

FRANÇOISE LEROY

Independent director

Age: 67 years

Sex: F

Nationality: French

Date of initial appointment:
Co-opted at the Board of Directors' meeting to replace Marie-Pierre de Bailliencourt, who resigned. Co-option approved by the Shareholders' Meeting of May 18, 2016.

Term of office:
Expiry of Term of office: following the Annual Ordinary Shareholders' Meeting convened to approve the annual financial statements for financial year ended December 31, 2019.

Number of Company shares held:
100 shares.

Adress
GTT
1, route de Versailles
78470 Saint-Rémy-lès-Chevreuse

Mandates and offices held within the Group over the past five years
Director of GTT

Biography
Françoise Leroy holds a degree from the École Supérieure de Commerce et d'Administration des Entreprises de Reims.

She began her career in 1975 as Secretary General of Union Industrielle d'Entreprise. She joined Elf Aquitaine Group in 1982 where she held various Financing and Capital Markets positions in the financial management department. In 1998, she became Director of Financial Communications, then in 2001, Director of Chemical Subsidiaries Operations in Total's Financial Division following its merger with Elf Aquitaine.

She has been the Secretary General of Total's Chemicals Division since 2004 and a member of Total's Steering Committee since 2006. She was also Director of Mergers and Acquisitions-Disposals from January 2012 to July 2013.

CURRENT TERMS OF OFFICE

Companies	Mandates and offices held outside the Group
Tarkett *	Independent member of the Supervisory Board
Tarkett	Member of the Audit Committee
Tarkett	Chairperson of the Compensation and Nominations Committee
Argan	Independent member of the Supervisory Board

PAST TERMS OF OFFICE OVER THE PAST FIVE YEARS

Companies	Mandates and offices held outside the Group
HIME Audit Committee (Saur group)	Member of the Supervisory Board and Chairman

* *Listed French company.*

CÉCILE PRÉVIEU

Director*

Age: 43 years

Sex: F

Nationality: French

Date of initial appointment:
Co-opted at the Board of Directors' meeting on October 13, 2016, to replace Jacques Blanchard who resigned. Co-option approved by the Shareholders' Meeting of May 18, 2017.

Term of office:
Expiry of Term of office: following the Annual Ordinary Shareholders' Meeting convened to approve the annual financial statements for financial year ended December 31, 2018.

Number of Company shares held:
100 shares.

Adress
Storengy
12, rue Raoul-Nordling
92270 Bois-Colombes

Mandates and offices held within the Group over the past five years
Director of GTT

Biography

Cécile Prévieu was appointed Chief Executive Officer of Storengy in July 2015.

Cécile Prévieu was previously responsible for Storengy Asset Management activities, comprising finance, legal affairs, strategy, business development and management/optimisation of underground storage asset management. She joined the ENGIE group in 2010, first reporting to the Chief Operating Officer heading the Infrastructures Branch. She then moved to Storengy in 2011 as Chief Financial and Legal Officer.

Cécile Prévieu began her career in 2002, within the French Public Administration. She held various positions at the Ministry of the Economy, Finance and Industry, then in the Prime Minister's Office, in the energy and transport sectors.

Cécile Prévieu is a graduate of the École Polytechnique, the École Nationale des Ponts et Chaussées and the Institut d'Études Politiques in Paris.

CURRENT TERMS OF OFFICE

Companies	Mandates and offices held outside the Group
Storengy BU	Chief Executive Officer
Storengy SAS	Executive Chairwoman
Storengy France	Director on the Board
Storengy Deutschland and Storengy UK	Chairwoman
Gas Storage Europe (GSE) and of Gas Infrastructure Europe (GIE)	Member of the Board
Compagnie Parisienne de Chauffage Urbain (CPCU)	Member of the Board of Directors
TechnicAtome Offer Committee	Director appointed to the Board of Directors on proposal of the State and as Chairman

PAST TERMS OF OFFICE OVER THE PAST FIVE YEARS

Companies	Mandates and offices held outside the Group
Storengy Northern Europe	Director
Storengy International	Director
Storengy China	Director

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* *Director appointed on the recommendation of ENGIE.*

BRUNO CHABAS

Independent director

Age: 54 years

Sex: M

Nationality: French

Date of initial appointment:
Appointed by the Shareholders' Meeting of May 17, 2018.

Term of office:
Expiry of Term of office: following the Annual Ordinary Shareholders' Meeting convened to approve the annual financial statements for financial year ending December 31, 2021.

Number of Company shares held:
100 shares.

Adress
GTT
1, route de Versailles
78470 Saint-Rémy-lès-Chevreuse

Mandates and offices held within the Group over the past five years
Director of GTT

Biography

Bruno Chabas was the Chief Operating Officer of SBM Offshore and a member of the Management Board from May 2011 until January 2012 when he became the Chief Executive Officer.

Before joining SBM Offshore, Bruno Chabas worked 18 years at Acergy SA (now Subsea 7). From November 2002 until January 2011, he was Chief Operating Officer of Acergy, where he was responsible for all commercial and operations activities worldwide. He also held the position of Financial Director from June 1999 to October 2002. From 1992 to 2002, he held a number of different management positions in companies in the United Kingdom, France and the United States. Bruno Chabas has also been an independent director of Foraco International S.A. since August 2007. He received his MBA from Babson College in Massachusetts.

CURRENT TERMS OF OFFICE

Companies	Mandates and offices held outside the Group
SBM Offshore	Chief Executive Officer
Foraco International SA	Independent director
SBM Holding Inc. SA	Chairman
SINGLE BUOY MOORINGS Inc.	Chairman
SNV Offshore Limited	President and Director

PAST TERMS OF OFFICE OVER THE PAST FIVE YEARS

Companies	Mandates and offices held outside the Group
None	

BENOÎT MIGNARD

Non-voting director

Age: 59 years

Sex: M

Nationality: French

Date of initial appointment:
Appointed by the Shareholders' Meeting of May 18, 2017.

Term of office:
Expiry of Term of office: following the Annual Ordinary Shareholders' Meeting convened to approve the annual financial statements for financial year ended December 31, 2019.

Number of Company shares held:
100 shares.

Adress
GRTgaz
Immeuble Bora, 6, rue Raoul Nordling
92277 BOIS COLOMBES cedex

Mandates and offices held within the Group over the past five years
Director of GTT

Biography

Benoît Mignard is a graduate of the École des Mines de Paris.

Benoît Mignard has held various positions in the research and development department of EDF, and he joined Gaz de France in 1992 and took over the management of the Trading Room and the Budget Office. In 1999, Benoît Mignard was put in charge of negotiating gas supply agreements, then given oversight of economic studies. In 2002, Benoît Mignard began to develop the "structured gas and LNG transactions" activity that occurred simultaneously with the opening of the energy markets in Europe. In 2006, Benoît Mignard joined the Financial Division as Director of Acquisition Investment, and he remained there after the merger with GDF SUEZ in 2008. In 2012, Benoît Mignard became Deputy Director and Chief Financial Officer and Strategy Director of the Global Gas and LNG Business Line of ENGIE. In 2014, Benoît Mignard joined GDF SUEZ E&P International as Deputy CEO. In 2016, he was appointed Operational Finance Director.

Since the beginning of 2019, Benoit Mignard has been Deputy Chief Executive Officer of GRTgaz.

Benoît Mignard had already served as a director of GTT from 2012 to 2014, then from 2016 to 2017.

CURRENT TERMS OF OFFICE

Companies	Mandates and offices held outside the Group
None.	

PAST TERMS OF OFFICE OVER THE PAST FIVE YEARS

Companies	Mandates and offices held outside the Group
GRDF	Director and Chairman
ENGIE E&P Netherlands (ProNed)	Member of the Supervisory Board
ENGIE E&P International (EPI)	Director
ENGIE E&P Norge (EPN)	Director
ENGIE E&P UK (Gas UK)	Director
ENGIE E&P Deutschland GmbH (DExPro)	Member of the Supervisory Board
Elegny	Director and Chairman of the Audit Committee
ENGIE GLOBAL MARKETS SAS	Director and Chairman of the Audit Committee
REGAZ Bordeaux SAEML	Director and Vice-President
Glow Co Ltd	Director

6.1.3 BOARD AND MANAGEMENT PRACTICES OF THE COMPANY

The main legal provisions, the by-laws and the Internal Regulations of the Board of Directors are set out in substance below. It is stipulated that all of these documents are available at the registered offices of the Company and on the Company's website (www.gtt.com).

6.1.3.1 Board of Directors

(i) Composition of the Board of Directors

NUMBER OF DIRECTORS AND NUMBER OF INDEPENDENT DIRECTORS (ARTICLE 14 OF THE BY-LAWS, ARTICLE 2 OF THE INTERNAL REGULATIONS)

The Company is governed by a Board of Directors comprising no less than three and no more than eighteen members. The maximum number of eighteen members may be increased, where applicable, by the number of directors representing the employee shareholders, appointed in accordance with Article 14.8 of the Company's by-laws.

The composition of the Board of Directors seeks to achieve a balanced representation of men and women as required in particularly by the provisions of Article L. 225-17 of the French Commercial Code.

In accordance with the AFEP-MEDEF Code, the Internal Regulations of the Board of Directors state that a director is independent when he or she has no relationship of any kind whatsoever with the Company, any company or entity directly or indirectly controlled by the Company within the meaning of Article L. 233-3 of the French Commercial Code (a **Group company**) or their management that could compromise the exercise of his or her freedom of judgement. The Internal Regulations of the Board of Directors also requires the Compensation and Nominations Committee to discuss each year the independent status of each individual director and the Board of Directors to review this on a case-by-case basis in light of the independence criteria set out below. In addition, the qualification as independent director is also discussed when an independent director is appointed and re-appointed. The Board of Directors' conclusions on the qualification as independent director are reported to the shareholders in the Chairman's report to the Annual Ordinary Shareholders' Meeting of the Company.

The criteria to be reviewed by the Compensation and Nominations Committee and the Board of Directors and that shall be cumulatively fulfilled to qualify a director as independent, are as follows:

- is not and has not been in the past five years an employee or executive officer (*dirigeant mandataire social*) of the Company or an employee or director of its parent company or one of its consolidated companies over the past five years;
- is not a corporate officer (*mandataire social*) of a company in which an employee appointed as such or a corporate officer of the Company (current or over the past five years) is a director or a member of the Supervisory Board;
- is not a material customer, supplier, investment banker or commercial banker for the Company or the Group, or for which the Company or the Group accounts for a significant part of the business;
- in respect of directors holding terms of office in one or more banks, has not participated in (i) preparing or soliciting an offer of services by one of those banks to the Company or a Group company, (ii) in the work done by one of those banks pursuant to a mandate given to the bank by the Company or a Group company or (iii) in voting on any resolution involving a project in which the relevant bank has or could have an interest as adviser;
- is not related by close family ties to a corporate officer of the Company or a Group company;
- has not been a Statutory Auditor of the Company over the past five years; and
- has not been a director of the Company for more than 12 years, although the loss of independent status will only occur at the end of the term of office during which the 12-year limit is reached.

For directors holding 10% or more of the Company's share capital or voting rights, or representing a legal entity that holds 10% or more of the Company's share capital or voting rights, the Board of Directors shall, based on a report prepared by the Compensation and Nominations Committee, decide whether or not the director is independent in the light of the Company's ownership structure and the existence of any potential conflicts of interest.

The Board of Directors may, however, consider that a particular director, although meeting all the above criteria, cannot be considered as independent due to his or her specific situation.

DIRECTORS' TERM OF OFFICE (ARTICLE 16 OF THE BY-LAWS)

Subject to the provisions of the applicable laws and regulations in case of temporary appointment by the Board of Directors, the directors are appointed for a term of four years.

Certain directors may exceptionally be appointed by the Shareholders' Meeting for a term of less than four years for the purpose of organising the gradual renewal of the terms of directors.

A director's term of office ends at the close of the Ordinary Shareholders' Meeting called to approve the financial statements for the previous financial year and held during the year in which his or her term expires.

Directors may be re-appointed.

AGE LIMIT (ARTICLE 16 OF THE BY-LAWS)

The number of directors (whether individuals or representatives of legal entities) over the age of 70 may not be more than one quarter of the total number of directors in office, rounded up where necessary to the next whole number.

No person over the age of 70 may be appointed as director if it would cause the number of directors over the age of 70 to be more than one quarter of the total number of directors in office, rounded up where necessary to the next whole number.

If the proportion of one quarter is exceeded and none of the directors over the age of 70 resigns, the oldest director shall automatically be deemed to have resigned.

NUMBER OF SHARES OF THE COMPANY OWNED BY THE DIRECTORS (ARTICLE 11 OF THE INTERNAL REGULATIONS)

Each director, other than the representatives of employee shareholders is required to hold at least 100 shares of the Company in pure registered form.

(ii) Directors' duties

The Internal Regulations of the Board of Directors supplements the provisions of the law and the by-laws on the rights and duties of directors and takes into account the recommendations made in the AFEP-MEDEF Code. Directors are bound by the duties summarised below.

The Internal Regulations published on the GTT website define the directors' duties in more detail.

GENERAL DUTIES (ARTICLE 6 OF THE INTERNAL REGULATIONS)

Before accepting the office, each member of the Board of Directors shall ensure that he or she is acquainted with the general and specific duties incumbent to him or her. In particular, he or she shall be acquainted with the legal and regulatory provisions governing the office of director, the Company's by-laws and the Internal Regulations of the Board of Directors' Internal Regulations of the Board of Directors in all its provisions which are applicable to him or her.

DUTY OF LOYALTY AND CONFLICTS OF INTEREST (ARTICLE 7 OF THE INTERNAL REGULATIONS)

The members of the Board of Directors shall act in an honest, diligent, active and involved way and shall under no circumstances seek their own personal benefit instead of that of the Company. The Chairman of the Board of Directors ensures the implementation of the procedures to identify and analyse potential conflict of interest situations. Chairman of the Board of Directors of any current or potential conflict of interest situation, even if it is indirect, between him or herself and the Company or any company in which the Company has an equity interest or any company in which the Company plans to enter into an agreement of any kind. The Chairman of the Board determines the provisions to be implemented to avoid such a conflict and decides whether the Board of Directors should be informed. The relevant director shall not attend or take part in the Board of Directors discussions or vote on the resolutions involving the conflict of interest, except where it involves an ordinary business agreement entered into on arm's length basis.

DUTY OF NON-COMPETITION (ARTICLE 8 OF THE INTERNAL REGULATIONS)

Throughout their term of office, each director shall not occupy any position in a competing entity with the Company or a Group company without the prior consent of the Chairman of the Board of Directors.

GENERAL DUTY OF DISCLOSURE (ARTICLE 9 OF THE INTERNAL REGULATIONS)

In accordance with the French and European Union statutory and regulatory provisions, each member of the Board of Directors is required to provide the Board of Directors with full information about any compensation and any benefits received from the Company or a Group company, their directorships or offices in other companies or legal entities, and any previous convictions.

DUTY OF CONFIDENTIALITY (ARTICLE 10 OF THE INTERNAL REGULATIONS)

As a general rule, all documents and matters discussed at Board of Directors' meetings and all information obtained during or outside Board of Directors' meetings about the Group, its business and prospects are, without exception, strictly confidential even if they have not been expressly presented as such. Beyond the simple duty of discretion laid down by the applicable statutory and regulatory provisions, each member of the Board of Directors shall consider himself or herself to be bound by a genuine duty of professional secrecy.

DUTY REGARDING THE DISCLOSURE OF HOLDINGS OF FINANCIAL INSTRUMENTS ISSUED BY THE COMPANY (ARTICLE 11 OF THE INTERNAL REGULATIONS)

In accordance with the applicable statutory and regulatory provisions, each director shall abide by the rules on disclosures to be made to the AMF.

DUTY OF DUE DILIGENCE (ARTICLE 12 OF THE INTERNAL REGULATIONS)

Directors shall devote the time and attention necessary to fulfil their duties. Save in case of unavoidable unavailability, each director undertakes to attend all Board meetings, Shareholders' Meetings and relevant Board committee meetings of which he or she is a member, either in person or, if permitted, by videoconferencing or other means of electronic communication.

DUTY TO OBTAIN INFORMATION (ARTICLE 13 OF THE INTERNAL REGULATIONS)

Directors have a duty to inform themselves. The Board of Directors and all directors may request or otherwise obtain all information or documents they believe useful or necessary to fulfil their duties. They should address their requests for information to the Chairman of the Board of Directors, who is responsible for ensuring that their requests have been satisfied.

(iii) Powers of the Board of Directors (Article 19 of the by-laws, title II of the Internal Regulations)

The Board of Directors is responsible for defining the Company's business strategy and monitoring their implementation. Subject to those powers expressly vested in the Shareholders' Meetings and within the limits of the Company's corporate purpose, the Board of Directors considers and settles all matters involving the proper functioning of the Company through the adoption of resolutions. It performs all controls and verifications it considers appropriate within the limit of its duties.

In addition to the Board of Directors' duties under the applicable laws, regulations and by-laws, the Internal Regulations of the Board of Directors provide that, as part of the Group's internal organisation, the following transactions and decisions require the Board of Directors' express prior approval before being implemented by the Company's Chief Executive Officer or, if applicable, a Chief Operating Officer:

- decisions to set up a significant operation in France or abroad either directly, by creating an establishment, a business, branch, direct or indirect subsidiary or indirectly by acquiring an equity interest;
- decisions to close down such operations in France or abroad;

- any merger, demerger, partial contribution of assets or any similar transaction;
- entering into, amending or terminating any commercial or industrial cooperation agreement, joint venture, consortium or alliance with a third party (except for agreements entered into in the ordinary course of business) with the potential to have a significant impact on the Group's business or a significant impact in the event of a future restructuring of the Company's capital (in particular with regard to change of control clause(s) or otherwise);
- significant transactions likely to affect the Group's strategy and alter its financial structure or the scope of its business;
- sales of patents used for the Company's key technologies, grants of licenses related to those key technologies outside the ordinary course of business;
- acquisitions or disposals of equity interests in any existing or future Company, participation in the creation of any company, consortium or organisation, subscriptions to issues of stock, shares or bonds, excluding treasury transactions; and
- granting of security interests over the Company's assets.

The assessment of the significant impact of the transactions referred to above is made, under his responsibility, by the Chief Executive Officer or any other person duly authorised to implement such transactions:

- each of the following transactions and decisions resulting in an investment or divestment by the [1] company or a Group company equal to or more than 1 million euros:
  - acquiring or selling properties,
  - exchanges, with or without a cash balance, of any goods, securities or financial instruments, excluding treasury transactions,
  - in case of a dispute, signature of any agreements and settlements, arbitrations and arrangements;
- each of the following transactions and decisions resulting in an investment, divestment, expense or guarantee commitment by the Company or a Group company equal to or more than 1 million euros:
  - entering into loans, borrowings, credits or advances,
  - acquiring or selling receivables by any means;
- any industrial or commercial project considered to be material by the Company's Chief Executive Officer.

(iv) Deliberations of the Board of Directors (Article 18 of the by-laws, title IV of the Internal Regulations)

The Board of Directors' meeting is held as often as the interests of the Company require and at least once a quarter upon convening notice of its Chairman or, in the event of his death or temporary unavailability, of at least one third of the directors, by any written means, ten calendar days before the date of the meeting, this period may be shortened in case of duly justified emergency.

The Board of Directors may nevertheless validly deliberate even in the absence of notice of meeting if all members are present or represented.

At least one third of the directors may request the Chairman to convene the Board of Directors, or directly convene the Board of Directors on a specific agenda, if the meeting of the Board of Directors has not been held for more than one month. The Chief Executive Officer or, if appropriate, the Chief Operating Officer may also request the Chairman to convene the Board of Directors on a specific agenda. In both cases, the Chairman is bound by the requests he receives and shall convene the Board of Directors within the seven following days of the request, this period being shortened in the case of duly justified emergency.

The Board of Directors meetings are held at the registered office or at any other place specified in the notice of meeting.

The Board of Directors meetings are chaired by the Chairman of the Board of Directors. In his absence, the Board of Directors appoints, among its directors, a Chairman of the meeting.

At least half of the directors shall be present in order for the Board of Directors to validly deliberate. Decisions of the Board of Directors are adopted by simple majority voting of the directors present or represented, each director may represent only one director. In the event of a tied vote, only the current Chairman of the Board of Directors shall have a casting vote. If the Chairman of the Board of Directors does not attend the meeting of the Board of Directors, the ad hoc Chairman of the meeting shall not have a casting vote.

Directors attending the meeting by videoconferencing or other electronic means that satisfy legal and regulatory provisions shall be deemed to be present for the purposes of calculating the quorum and majority, in accordance with the terms and conditions set out in the Internal Regulations of the Board of Directors.

(v) Directors' fees (Article 17 of the by-laws, Article 23 of the Internal Regulations)

The Board of Directors, following a proposal from the Compensation and Nominations Committee, proceeds with the breakdown of the annual overall amount of directors' fees allocated by the Shareholders' Meeting. The allocation rules specified in the Internal Regulations of the Board of Directors are as follows:

- one budget for the Board of Directors and one budget for each of the Board of Directors' committees;
- a fixed portion and a variable portion according to effective participation in the Board of Directors' meetings and the meetings of the Board's committees;
- a predominantly variable portion, in accordance with the rules set out by the AFEP-MEDEF Corporate Governance Code, according to objective criteria defined by the Board of Directors, based on a proposal from the Compensation and Nominations Committee;
- a fixed portion and a larger variable portion for the Chairman of the Board of Directors and the Chairmen of the Board of Directors' committees.

Furthermore, under the Internal Regulations of the Board of Directors, each member of the Board of Directors is entitled to be reimbursed for all travel expenses he or she incurs in the course of his or her duties, subject to presentation of supporting documents.

(1) However, this prior approval procedure does not apply to transactions and decisions that will lead to the conclusion of agreements exclusively involving entities controlled by the Company and the Company itself.

(vi) Activities of the Board during the financial year ended December 31, 2018

The Company's Board of Directors met seven times during the 2018 financial year: 16 February, 12 April, 24 April, 17 May, 26 July, 20 September and 25 October. The average attendance in person or by proxy of the members of the Board of Directors during the year was 87%. During these meetings, the Board of Directors reviewed the Company's strategy, budget and 2019-2024 Business Plan and carried out periodic activity reviews. It examined the planned transactions and significant contracts envisaged by the Company It also discussed the following financial subjects: review of the annual financial statements for 2017 and the first half of 2018, information on the sales figures for the first quarter and third quarters of 2018 and the corresponding drafts for financial communications. Furthermore, the Board of Directors convened the 2018 Combined Shareholders' Meeting and adopted the reports and draft resolutions to be submitted to it. It also reviewed the 2017 Registration Document. The Board of Directors took note of the reports on the work of the Audit and Risk Management Committee and of the Compensation and Nominations Committee.

(vii) Self-evaluation by the Board of Directors

In accordance with Article 9.3 of the AFEP-MEDEF Code, at the beginning of the 2019 financial year, the Board of Directors conducted an assessment of its ability to meet shareholders' expectations based on a questionnaire covering the following topics: a general assessment of the governance, composition, organisation and functioning of the Board of Directors and committees, the areas of competence of the Board, the communication and quality of information, the quality of the discussions within the Board, the personal contributions of the directors, and the Board's relations with the committees and General Management.

The Board reviewed its operating procedures, checking that important issues are properly prepared and discussed and measured the actual contribution of each director to the Board's work resulting from his/her competence and involvement in discussions.

It is clear from this evaluation that GTT's governance practices are among the best, both in terms of the Board's operation and the organisation of discussions during its meetings. The frequency and duration of Board meetings, as well as the composition of its committees are considered very satisfactory by its members. Similarly, the information supplied and presentations made by general management are points with which the directors are satisfied. Some other areas for improvement, including the discussions relating to the work of the committees, were identified and the Board made proposals in this respect.

Furthermore, in accordance with the recommendations of the AFEP-MEDEF Code, in addition to the annual assessment carried out internally, the Board of Directors has a formal assessment of its operations carried out every three years by an external consultant under the supervision of the Compensation and Nominations Committee. As the last assessment by an external consultant was carried out at the end of 2016 for the 2016 financial year, a further assessment will be carried out at the end of 2019 for the 2019 financial year.

6.1.3.2 Committees established by the Board of Directors

The Board of Directors has set up an Audit and Risk Management Committee and a Compensation and Nominations Committee. The duties of the committees are to prepare the decisions of the Board of Directors, make recommendations and issue opinions in their areas of competence. The composition, procedures and powers of the committees are set out in the Internal Regulations of the Board of Directors.

It may also decide to create any other Board of Directors' committee it deems appropriate to examine issues referred to it by the Board of Directors or its Chairman for examination.

The duties of the committees are to prepare the decisions of the Board of Directors, make recommendations and issue opinions in their areas of competence.

The composition, procedures and powers of the committees are set out in the Internal Regulations of the Board of Directors.

(i) Audit and Risk Management Committee

COMPOSITION OF THE AUDIT AND RISK MANAGEMENT COMMITTEE (ARTICLES 25 AND 28 OF THE INTERNAL REGULATIONS)

The Audit and Risk Management Committee is composed of at least three members, including its Chairman. They are selected from among the non-executive officers other than the Chairman of the Board of Directors.

Two-thirds of the Audit and Risk Management Committee's members, including its Chairman, shall be independent directors on the basis of the criteria described in section 6.1.2.1 (ii) – *Independence of directors in office – conflicts of interest* of this Registration Document.

Members of the Audit and Risk Management Committee shall have specific expertise in finance or accounting.

All Audit and Risk Management Committee members shall, upon their appointment, be given information about the Company's specific accounting, financial and operational features.

The Audit and Risk Management Committee comprises the following members: Christian Germa (independent director), Didier Holleaux and Françoise Leroy (independent director). Christian Germa, as an independent director, is Chairman of the Audit and Risk Management Committee. 66% of this committee's members are independent directors.

Benoît Mignard was regularly invited to Audit and Risks Committee meetings as an observer.

RESPONSIBILITIES OF THE AUDIT AND RISK MANAGEMENT COMMITTEE (ARTICLES 25 AND 26 OF THE INTERNAL REGULATIONS)

The main duties of the Audit and Risk Management Committee are to review the financial statements and monitor issues relating to the preparation and control of accounting and financial information.

This includes:

- reviewing the draft annual and half-yearly corporate and IFRS financial statements prior to their presentation to the Board of Directors, and in particular:

  - ensuring the relevance and consistency of accounting methods used to prepare the corporate and consolidated financial statements,
  - examining any difficulties encountered in applying the accounting methods, and
  - examining in particular significant transactions in connection with which a conflict of interest could have arisen;
- reviewing the financial documents disclosed by the Company for the annual and half-yearly financial statements;
- reviewing the draft financial statements prepared for specific transactions such as contributions, mergers, demergers or interim dividend payments;
- reviewing, on a financial level, certain of the operations proposed by the Chief Executive Officer, such as capital increases, acquisitions of equity interests and acquisitions or disposals, and referred to the Board of Directors, some for prior approval;
- assessing the reliability of systems and procedures used to prepare the financial statements and forecasts, and the validity of positions taken for the treatment of significant transactions;
- ensuring the external audit of the annual and consolidated financial statements by the Statutory Auditors;
- reviewing methods and procedures for reporting and restating accounting information originating from the Group's foreign subsidiaries; and
- in the context of the task of monitoring the preparation process for the financial information, formulating recommendations, where appropriate, to guarantee the integrity of this process.

The Audit and Risk Management Committee is also responsible for verifying the effectiveness of the Company's internal control, risk management and internal audit systems.

This includes:

- assessing the Group's internal control systems in conjunction with the persons responsible for these activities;
- reviewing the following, in conjunction with the persons responsible for these activities at Group level:
  - internal control objectives, audit and action plans,
  - the outcome of audits and actions taken by the relevant responsible persons in the Group, and
  - recommendations and follow-up to these audits and actions by the relevant responsible persons;
- reviewing internal audit methods and results;
- verifying whether internal audit procedures contribute to ensuring that the Company's financial statements:
  - give a true and fair view of the Company's position, and
  - comply with accounting rules;
- reviewing the relevance of analysis procedures and risk monitoring, and ensuring the implementation of a process for identifying, quantifying and preventing the main risks inherent to the Group's business;
- reviewing and controlling the rules and procedures applicable to conflicts of interest; and
- reviewing the draft report of the Chairman of the Board of Directors on internal control and risk management.

The Audit and Risk Management Committee is also responsible for verifying the effectiveness of the Company's external audit and the independence of the Statutory Auditors.

This includes:

- managing the Statutory Auditor selection procedure, and having recourse where necessary to a call for tenders, supervising the call for tenders and conducting it in accordance with legal provisions;
- issuing a recommendation on the Statutory Auditors proposed for appointment or renewal by the Company's Shareholders' Meeting, drawn up in accordance with the relevant legislation, justified and comprising at least two possible choices for such appointment, and indicating among these possibilities, the duly justified preference of the committee for one of the two;
- reviewing the following with the Statutory Auditors on an annual basis:
  - their audit plan and conclusions, and
  - their recommendations and follow-up;
- monitoring of the Statutory Auditors' performance of their mission;
- verifying the independence of the Statutory Auditors of the Company;
- reviewing the Statutory Auditors' fees, which shall not be of a nature to jeopardise their independence and objectivity; and
- ensuring that rotation rules are respected and evaluating the need for rotation of the Statutory Auditors.

In order to enable the committee to monitor, throughout the term of the Statutory Auditors, the independence and objectivity of the latter, the Audit and Risk Management Committee shall in particular be provided each year with:

- a statement of independence from the Statutory Auditors;
- the amount of fees paid to the Statutory Auditors' network by companies controlled by the Company and its parent company for services not directly related to the duties of the Statutory Auditors' assignment; and
- information on all directly audit-related services provided by the Statutory Auditors.

The Audit and Risk Management Committee shall also review with the Statutory Auditors any risks to their independence and the measures taken to mitigate them. This involves making sure that the amount of fees paid by the Company and the Group, or the proportion of the firm's and network's revenue they represent, is not of a nature to jeopardise the Statutory Auditors' independence.

The statutory audit engagement shall be exclusive of any other work that is not directly audit-related. The selected Statutory Auditors shall renounce for themselves and the network to which they belong any provision of consultancy services (legal, tax, IT, etc.) either directly or indirectly to the Company that appoints them or the companies controlled by it. However, following prior approval by the Audit and Risk Management Committee, services other than legal verification of the financial statements can be performed, such as acquisition or post-acquisition audits, but only provided that these services are not prohibited and to the exclusion of assessment and consultancy services.

The Audit and Risk Management Committee regularly reports to the Board of Directors;

- on the performance of its missions;
- on the results of the financial statement certification assignment;
- on the manner in which this assignment contributed to the integrity of the financial information, and on the role that it played in this process; and
- informs it without delay of any difficulties encountered.

Its reports are either inserted in or attached to the minutes of the relevant meetings of the Board of Directors.

COMPENSATION AND NOMINATIONS COMMITTEE PRACTICES AND PROCEDURES (ARTICLES 25, 27 AND 29 OF THE INTERNAL REGULATIONS)

The Audit and Risk Management Committee meets as often as required and in any event at least four times a year at the request of its Chairman, a majority of its members, the Chairman of the Board of Directors or one third of the directors.

The Audit and Risk Management Committee can only hold a meeting if more than half its members are present, either by telephone or video-conference, or by any means permitted by the legislative or regulatory provisions that are applicable, through the provisions of the by-laws or those of these Internal Regulations for the participation of members of the Board of Directors in meetings of the Board of Directors. Its opinions, proposals or recommendations are adopted by simple majority vote of the members of this committee. In the event of a tie vote, the committee Chairman does not have a casting vote.

In accordance with the applicable legal and regulatory provisions and the provisions of the by-laws and this Internal Regulations, in order to fulfil its duties, the Audit and Risk Management Committee, in general, and each of its members in particular, may request to be provided with any information they consider relevant, useful or necessary to fulfil their duties.

The Audit and Risk Management Committee can ask to interview the Statutory Auditors or Company personnel, including members of the Company's General Management, financial management, internal audit or any other management personnel. Any interviews with the Statutory Auditors may take place, if required, without the presence of general management members.

The committee may also initiate any independent investigation it considers appropriate, with the assistance of outside experts, for example.

The Audit and Risk Management Committee reports regularly to the Board of Directors on its work and informs the Board of Directors promptly of any difficulties it encounters. Its reports are either inserted in or attached to the minutes of the relevant meetings of the Board of Directors.

Each member of the Audit and Risk Management Committee has recognised financial or accounting expertise, given their training or their careers described in section 6.1.2.2 – *Information regarding directors in office* of this Registration Document.

ACTIVITIES OF THE AUDIT AND RISK MANAGEMENT COMMITTEE DURING THE FINANCIAL YEAR ENDED DECEMBER 31, 2018

The Audit and Risk Management Committee met five times during the 2018 financial year: 14 February, 10 April, 24 July, 24 October and 13 December. The attendance of the committee members was 67%.

During these 5 meetings, the Audit and Risk Management Committee addressed customary matters relating to consolidated financial statements and parent company financial statements prepared in accordance with IFRS and French standards, the interim financial statements and report, third-quarter revenues, and within this framework, audit issues noted by the Statutory Auditor and related press releases.

The Audit and Risk Management Committee also discussed other topics related to (i) accounting and cash (including the Company's forward-looking management accounts), (ii) monitoring of the effectiveness of internal control and risk management systems and (iii) review of acquisition projects.

Finally, the Audit and Risk Management Committee defined its working agenda for 2019.

(ii) Compensation and Nominations Committee

COMPOSITION OF THE COMPENSATION AND NOMINATIONS COMMITTEE (ARTICLES 25 AND 32 OF THE INTERNAL REGULATIONS)

The Compensation and Nominations Committee is composed of at least three members, including its Chairman.

The Chairman of the Board of Directors and the Chief Executive Officer, in the event that the duties of the Chief Executive Officer are performed by a director other than the Chairman of the Board of Directors, may not be members of the Compensation and Nominations Committee.

The majority of the Compensation and Nominations Committee's members, including its Chairman, shall be independent directors on the basis of the criteria described in section 6.1.2.1 (ii) – *Independence of directors in office – conflicts of interest* of this Registration Document.

The Compensation and Nominations Committee is composed of the following members, at the date of this Registration Document: Christian Germa (independent director), Bruno Chabas (independent director), Andrew Jamieson (independent director), Didier Holleaux and Françoise Leroy (independent director). Bruno Chabas, as an independent director, is Chairman of the Compensation and Nominations Committee. The Compensation and Nominations Committee is 80% comprised of independent directors.

THE RESPONSIBILITIES OF THE COMPENSATION AND NOMINATIONS COMMITTEE (ARTICLES 25 AND 30 OF THE INTERNAL REGULATIONS)

As regards nominations, the Compensation and Nominations Committee's duties are as follows:

- assist the Board of Directors in its choice of:
  - members of the Board of Directors,
  - members of the Board of Directors' committees, and
  - the Chief Executive Officer and, if applicable, the Chief Operating Officer(s);
- select potential members of the Board of Directors who meet the independence criteria and submit the list to the Board of Directors;
- consider each year, prior to publication of the Company's annual report, the independence of each director and submit its opinion to the Board of Directors for the Board's own independence review; and
- succession planning for:
  - the members of the Company's General Management, and
  - the Chairman of the Board of Directors, the Chief Executive Officer and, if applicable, the Chief Operating Officer(s).

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As regards compensation, the Compensation and Nomination Committee's role is to make recommendations and proposals to the Board of Directors on the components of compensation received by the directors that would benefit from it, including:

- allocation of directors' fees;
- all other components of compensation, including any termination benefits;
- fees allocated to the non-voting Board members, if any;
- changes to or potential developments in the pension, health and protection schemes;
- benefits in kind and other miscellaneous pecuniary benefits; and
- if applicable:
  - granting subscription or share purchase options, and
  - allocation of free shares.

The Compensation and Nominations Committee also makes recommendations and proposals to the Board of Directors on:

- the executive compensation policy, including the criteria for determining their variable compensation, which must be consistent with the Group's strategy; and
- incentive mechanisms, by any means, for employees of the Company and, more broadly, Group companies, including:
  - employee savings schemes,
  - supplementary pension schemes,
  - reserved issues of transferable securities giving access to the capital,
  - granting subscription or share purchase options, and
  - allocation of free shares.

The Compensation and Nominations Committee will also make recommendations to the Board of Directors on the performance conditions used, if applicable, to determine the variable component of the compensation of executives, for the grant or exercise of any subscription or share purchase options and any potential allocation of free shares.

These performance conditions shall be simple to establish and explain, satisfactorily reflect the Group's performance and business development targets at least in the medium-term, be clear and transparent for shareholders in the annual report and at the Shareholders' Meeting and meet the Company's corporate objectives and customary practices with regard to executive compensation.

The Compensation and Nominations Committee considers each year, prior to publication of the Company's annual report, the independence of each director and submit its opinion to the Board of Directors for the Board of Directors' own independence review.

Lastly, the Internal Regulations of the Board of Directors require the Compensation and Nominations Committee to ensure periodically that its practices and procedures assist the Board of Directors effectively in adopting decisions in its area of competence.

COMPENSATION AND NOMINATIONS COMMITTEE PRACTICES AND PROCEDURES (ARTICLES 25, 31 AND 33 OF THE INTERNAL REGULATIONS)

The meeting of Compensation and Nominations Committee is held as often as necessary and in any event at least three times a year at the request of its Chairman, the majority of its members, the Chairman of the Board of Directors or one third of the directors.

The meeting of Compensation and Nominations Committee is validly held if more than half of its members are present. Its opinions, proposals or recommendations are adopted by simple majority vote of the committee members present. In the event of a tie vote, the committee Chairman does not have a casting vote.

In exercising its duties, the Compensation and Nominations Committee may propose to the Board of Directors to undertake, at the Company's expense, any external or internal studies which are likely to inform the deliberations of the Board of Directors.

It may interview one or more members of general management of the Company, including the Chief Executive Officer and, if applicable, the Chief Operating Officer(s).

The Compensation and Nominations Committee reports to the Board of Directors on its work at each meeting of the Board of Directors.

ACTIVITIES OF THE COMPENSATION AND NOMINATIONS COMMITTEE DURING THE FINANCIAL YEAR ENDED DECEMBER 31, 2018

The Compensation and Nominations Committee met seven times during the 2018 financial year: 9 January, 14 February, 10 April, 24 April, 26 July, 20 September and 25 October. The attendance of the committee members was 89%.

During these meetings, the Compensation and Nominations Committee proceeded to summarise the responses to the questionnaire used for self-evaluation by the Board, identified pathways for improvement and made recommendations for the attention of the Board of Directors. The committee analysed the situation of each director with regard to the independence criteria. It also made recommendations concerning the variable compensation of the Chairman and CEO in respect of the 2017 financial year, as well as the fixed and variable remuneration for the Chairman and CEO in respect of the 2018 financial year. The Chairman and CEO did not attend sessions during which his own compensation was discussed. The committee made decisions on the allocation amongst the directors of the directors' fees in respect of the 2017 financial year.

The Compensation and Nominations Committee also continued its discussions concerning a succession plan to ensure the Group has at its disposal the competences it requires, especially in the event of an unforeseen absence of the corporate officers.

6.1.3.3 General Management

Under the by-laws and the Internal Regulations of the Board of Directors, the person responsible for the General Management of the Company is either the Chairman of the Board of Directors who shall bear the title of Chairman and Chief Executive Officer, or another person appointed by the Board of Directors among its members or outside, who shall bear, in this case, the title of Chief Executive Officer.

The Board of Directors decides which of the two options it wishes to adopt by a majority vote of the directors present or represented.

If the Board of Directors decides to separate the offices of Chairman of the Board of Directors and Chief Executive Officer, it appoints a Chief Executive Officer.

When the Chairman of the Board of Directors is responsible for the Company's General Management, all of the provisions applying to the Chief Executive Officer also apply to the Chairman.

At the proposal of the Chief Executive Officer, the Board of Directors may appoint, among its members or outside of the Board, one or two persons to assist the Chief Executive Officer, who bear the title of Chief Operating Officer.

(i) Chairman of the Board of Directors (Article 15 of the by-laws, Article 14 of the Internal Regulations)

The Chairman of the Board of Directors is appointed for a period that cannot exceed the duration of his/her term of office as director. The Chairman can be re-elected. The Board of Directors can dismiss the Chief Executive Officer at any time.

The age limit for serving as Chairman of the Board of Directors is 70.

The Chairman of the Board of Directors organises and manages the work of the Board of Directors and reports thereon at the Shareholders' Meetings. He is responsible for ensuring that the Company's corporate governance structures, including the Board of Directors committees, function correctly and, more particularly, that the directors are capable of fulfilling their duties, in particularly within the Board of Directors committees.

The Chairman of the Board of Directors is available at all times for Board members who may ask him any question regarding their duties and he ensures that Board members devote the necessary time to issues affecting the Company and the Group's companies.

(ii) Non-voting Board members (Article 20 of the by-laws and Articles 21.5 to 21.8 of the Internal Regulations)

APPOINTMENT OF THE NON-VOTING BOARD MEMBERS

The Ordinary Shareholders' Meeting may appoint, among shareholders or outside, non-voting Board members to the Board of Directors.

The number of non-voting Board members may not exceed three members.

Non-voting Board members are appointed for a term of three years, but they may be removed at any time by the Ordinary Shareholders' Meeting. Their term ends at the close of the Ordinary Shareholders' Meeting called to approve the financial statements for the previous financial year and held during the year in which their term expires.

The non-voting Board members may be re-appointed.

Any non-voting Board member who reaches the age of 70 while in office is deemed to have resigned.

The non-voting Board members duties and, if applicable, compensation, fall within the competence of the Board of Directors and are described in the Internal Regulations of the Board of Directors.

NON-VOTING BOARD MEMBERS POWERS AND DUTIES

The non-voting Board members are notified to attend all the meetings of the Board of Directors. They attend the meetings of the Board of Directors as scrutiniser and may be consulted by the Board of Directors. The Board of Directors may ask the non-voting Board members to carry out specific assignments.

They participate in the deliberations of the Board of Directors in a consultative capacity only.

The non-voting Board members are required to abide by the duty of confidentiality referred to in Article 10 of the Internal Regulations of the Board of Directors.

(iii) Chief Executive Officer (Articles 21, 22, 24, 25 and 26 of the by-laws and Article 5 of the Internal Regulations)

The Chief Executive Officer is appointed by the Board of Directors for a term determined by the Board of Directors but which may not exceed his term of office as director, where applicable, as well as his compensation. The Board of Directors can dismiss the Chief Executive Officer at any time.

The age limit for serving as Chief Executive Officer is 70.

The Chief Executive Officer has the broadest powers to act in the name of the Company at all times and in all circumstances. He exercises these powers within the limits of the Company's corporate purpose and subject to those powers expressly vested by the applicable legal and regulatory provisions in the Shareholders' Meeting and the Board of Directors, and subject to any prior authorisations of the Board of Directors required pursuant to the provisions of the Internal Regulations of the Board of Directors.

The Board of Directors may also set restrictions on the Chief Executive Officer's powers upon his appointment and specific restrictions to his powers for a given transaction, which are recorded, if applicable, in the minutes of the meeting of the Board of Directors authorising the transaction.

The Chief Executive Officer represents the Company vis-à-vis third parties.

(iv) Chief Operating Officers (Articles 23 to 26 of the by-laws and Article 5 of the Internal Regulations of the Board of Directors)

At the proposal of the Chief Executive Officer, the Board of Directors may appoint, among its members or outside of the Board, one or two Chief Operating Officers. He may be removed at any time by the Board of Directors, at the proposal of the Chief Executive Officer.

The age limit for serving as Chief Operating Officer is 70.

In agreement with the Chief Executive Officer, the Board of Directors sets the term of office and scope of powers of each Chief Operating Officer. The Board of Directors may also set specific restrictions on their powers for a given transaction, which are recorded, if applicable, in the minutes of the meetings of the Board of Directors authorising the transaction.

The Chief Operating Officers have the same powers as the Chief Executive Officer vis-à-vis third parties.

(v) General management practices and limitations of authority

By a decision made on December 11, 2013, the Board of Directors decided not to separate the functions of Chairman of the Board of Directors and of Chief Executive Officer and to entrust the management of the Company to the Chairman of the Board of Directors, who thus carries the title of Chairman of the Board and Chief Executive Officer.

As at the date of filing this Registration Document, Philippe Berterottière performs the duties of Chairman and Chief Executive Officer of the Company.

The Board of Directors considered that the unified accounting mode was best for the organisation, operation and activity of the Company and allowed it to create a direct link between management and the shareholders. Furthermore, the current composition of the Board of Directors and its committees, ensures a balance of power within the Company's bodies, given the high proportion of independent directors on the Board and the committees, of the full involvement of the directors in the work of the Board and its committees and of the diversity of their profiles, skills and expertise.

6.1.4 PRINCIPLES AND RULES FOR DETERMINING THE COMPENSATION OF CORPORATE OFFICERS FOR THE FINANCIAL YEAR ENDED DECEMBER 31, 2018

The principles and rules for determining the compensation of corporate officers for the year ended December 31, 2018 are described in section 6.1.7 – Compensation of corporate officers of this Registration Document.

6.1.5 PROVISIONS OF THE COMPANY'S BY-LAWS APPLICABLE TO THE PARTICIPATION OF SHAREHOLDERS IN SHAREHOLDERS' MEETINGS

The Company's by-laws state that all shareholders have the right to attend Shareholders' Meetings provided that no payments are due on their shares. Each share grants the right to one vote and representation at Shareholders' Meetings, under the legal and statutory requirements. Ownership of shares automatically entails full acceptance of the by-laws and the decisions of the Company's Shareholders' Meeting. Except as otherwise provided by law, all shareholders have as many voting rights and can cast as many votes at Shareholders' Meetings as the number of shares in their possession for which no payments are due.

The arrangements for participation by shareholders in the Company's Shareholders' Meeting are described in Articles 30 and 31 of the Company's by-laws, available on the website (www.gtt.fr).

6.1.6 ITEMS LIKELY TO HAVE AN IMPACT IN THE EVENT OF A PUBLIC OFFER

None of the elements referred to in Article L. 225-37-5 of the French Commercial Code comprises information likely to have an impact in the event of a public offer, and will not be listed in this Registration Document.

6.1.7 COMPENSATION OF CORPORATE OFFICERS

To recap, the Company is guided by the AFEP-MEDEF Code.

6.1.7.1 Compensation and benefits of any kind allotted to executive officers

6.1.7.1.1 Corporate officer compensation policy

6.1.7.1.1.1 PRINCIPLES APPLICABLE TO ESTABLISHING THE COMPENSATION POLICY FOR EXECUTIVE OFFICERS

In accordance with Article L. 225-37-2 of the French Commercial Code, the purpose of this section is to present the principles and criteria for determining, breaking down and allocating the fixed, variable and exceptional elements of total compensation, and the benefits of any kind, that may be allocated to the Chairman and Chief Executive Officer, adopted by the Company.

The elements of executive officers' compensation include:

- the fixed portion of annual compensation;
- the variable portion of annual compensation with the performance criteria that determine its amount, and, where appropriate, the multi-year variable portion with the objectives contributing to determining this variable portion;
- non-recurring compensation;
- directors' fees;
- allocations of share options and of free shares subject to performance criteria;
- bonuses and indemnities related to taking or departing from office;
- supplementary pension schemes; and
- benefits of any kind.

The Compensation and Nominations Committee proposes to the Board of Directors the compensation elements for the executive officers, while ensuring the rules for determining these compensation elements are consistent with the annual individual performance assessment of the Company's executive officers, which it compares with the Company's performance. It also takes into account the alignment of these objectives with the medium-term strategy and shareholders' interests.

The Compensation and Nominations Committee examined the regulatory changes and best practice relating to good governance and the level of transparency of the executive officers' compensation elements.

The Compensation and Nominations Committee is particularly careful to comply with the recommendations of the AFEP-MEDEF Code to which the Company refers, and ensures in particular that the following fundamental principles are respected:

- comparability: the compensation elements are assessed in the context of the Company's specific activity and benchmark market;
- comprehensiveness and balance: all of the component elements of remuneration as listed above are reviewed each year, and their respective weights are analysed;
- simplicity and coherence: on the basis of the recommendation of the Compensation and Nominations Committee, the Board of Directors takes care to implement a simple, understandable and consistent executive officer compensation policy from one financial year to the next; and
- motivation and performance: on the basis of the recommendation of the Compensation and Nominations Committee, the Board of Directors takes care to (i) propose a compensation policy appropriate for each individual's responsibilities, and corresponding to the practices of companies operating in the same field as the Company and (ii) preserve this balance between motivation and performance.

6.1.7.1.1.2 COMPONENTS OF THE TOTAL COMPENSATION OF EXECUTIVE OFFICERS

The purpose of this section is to give a detailed presentation of each of the compensation elements of the Company's executive corporate officers.

With regard to the compensation elements of Philippe Berterottière, Chairman and Chief Executive Officer, with respect to the 2018 financial year, these are presented in section 6.1.7.1.2 of this Registration Document – *Table of the compensation elements and benefits of any kind granted to the Chairman and Chief Executive Officer of the Company in respect of the financial year ended December 31, 2018.*

(i) Fixed portion of annual compensation

The fixed compensation of executive officers is determined by taking into account the level and difficulty of responsibilities, experience in the office, seniority in the Company, and practices observed in groups or companies of a similar size, and is only reviewed after a relatively long interval.

Every year, the Compensation and Nominations Committee conducts an appraisal of the positioning of the compensation of the executive officers in relation to the practices of other listed companies that are comparable by the size, sector of activity and/or financial situation, for similar positions. The Company places priority on the compensation linked to the Company's performance.

On the basis of the recommendation from the Compensation and Nominations Committee, the Board of Directors decided to set the fixed compensation of Philippe Berterottière for the 2019 financial year at 400 thousand euros.

(ii) Variable portion of annual compensation

Executive directors receive an annual variable compensation determined according to quantitative and qualitative, diversified and demanding, precise and pre-defined performance criteria, enabling a complete analysis of performance.

The criteria are set by the Board of Directors, based on a proposal from the Compensation and Nominations Committee.

The Company bases its approach on quantitative and qualitative performance criteria.

Based on a recommendation from the Compensation and Nominations Committee, the Board of Directors set the variable compensation criteria for Philippe Berterottière for the 2019 financial year as presented below.

The variable compensation for 2019 for Philippe Berterottière paid in 2020, will be determined based on whether or not the objectives set by the Board of Directors are achieved, as follows:

(i) a maximum of 30% of the variable compensation is paid depending on attainment of a consolidated EBITDA objective determined under IFRS;

(ii) a maximum of 25% of the variable compensation is paid depending on sales targets in the LNGC, FSRU and FLNG segments;

(iii) a maximum of 10% of the variable compensation is paid depending on a sales target for the LNG as fuel segment;

(iv) a maximum of 10% of the variable compensation is paid depending on the progress made by the Company in the implementation of new technologies;

(v) a maximum of 5% of the variable compensation is paid depending on the frequency of accidents at work;

(vi) a maximum of 10% of the variable compensation is paid depending on the revenue generated by Ascenz.

Achievement of 100% of the targets above would give rise to a gross annual amount of 333 thousand euros, or approximately 83% of the fixed compensation proposed in respect of 2019. In the event of over-performance, this amount may increase to a maximum of 400 thousand euros. In addition, the payment to executive directors of the elements of variable compensation due for the 2019 financial year will be subject to approval by the Annual Ordinary Shareholders' Meeting called to approve the 2019 annual financial statements.

(iii) Non-recurring compensation

Highly unusual circumstances (e.g. due to their significance for the Company, the involvement they demand and the difficulties they represent) may give rise to non-recurring compensation allocated to executive officers.

Allocation of non-recurring compensation must be justified and explained by the Board of Directors. Its payment would be conditional upon approval by the Annual Ordinary Shareholders' Meeting.

(iv) Directors' attendance fees

The breakdown and payment of the total budget amount for directors' fees to be distributed by the Board of Directors to its members are set by the Annual Ordinary Shareholders' Meeting.

The Board of Directors sets the breakdown of this amount, according to the allocation rules defined in the Board of Directors' Internal Regulations described in section 6.1.3.1 (v) – Compensation of directors (*Article 17 of the by-laws, Article 23 of the Internal Regulations*) of this Registration Document).

(v) Benefits of any kind in favour of the executive officers (subscription or share purchase options, free shares subject to performance conditions, multi-year variable compensation plans and other long-term compensation elements)

Long-term compensation in securities

The Company's long-term compensation policy is part of a competitive overall strategy to secure the loyalty and motivation of its executive officers, with respect to market practices. Each long-term compensation plan is submitted to the vote of the Annual Ordinary Shareholders' Meeting.

As regards the allocating of performance shares to the Chairman and Chief Executive Officer, such an allocation, when granted by the Board of Directors upon authorisation by the annual Ordinary Shareholders' Meeting, is subject to performance conditions calculates over several years.

As such, Philippe Berterottière, Chairman and Chief Executive Officer, benefits from a Performance Share Plan and free share plans the characteristics of which are specified in in section 6.1.7.3 – *Allocation of free shares and performance shares* of this Registration Document.

Commitments made in favour of the executive officers

All commitments made in favour of the executive officers are authorised by the Board of Directors and submitted for the approval of the Annual Ordinary Shareholders' Meeting in accordance with the provisions of Article L. 225-42-1 of the French Commercial Code.

In accordance with the recommendations of the AFEP-MEDEF Code, all severance pay and non-compete indemnities cannot exceed two years of effective compensation (fixed and variable).

Compensation due or likely to become payable as a result of the termination or change in duties

Payment of severance pay to an executive officer is subject to confirmation by the Board of Directors that the performance conditions defined by the Board of Directors have been fulfilled, and can only occur in the event of forced departure.

Compensation under a non-compete clause

Information concerning commitments made in favour of the executive officers listed above is shown in section 6.1.7.7 – *Employment contracts, pension benefits and compensation in the event of termination of duties of executive officers* in this Registration Document.

In accordance with the provisions of Article 23.3 of the AFEP-MEDEF Code, the Board of Directors will give a ruling in the event of departure of the executive officer as to whether or not the non-compete agreement applies, and may undertake to waive it (in which case the non-compete compensation shall not be payable).

Defined-benefit supplementary pension scheme

The Board of Directors authorised inclusion of the executive officers in a defined-benefit supplementary pension scheme the details of which are specified in section 6.1.7.7 – *Employment contracts, pension benefits and compensation in the event of termination of duties of executive officers* in this Registration Document.

Other benefits of any kind

The Company grants Philippe Berterottière, Chairman and Chief Executive Officer, two types of benefit in kind:

- GSC loss of employment insurance (social guarantee for business managers and executives) defined according to the declared compensation and options chosen; and
- a company car.

6.1.7.1.2 Table on the compensation elements and benefits of any kind granted to the Chairman and Chief Executive Officer of the Company in respect of the financial year ended December 31, 2018

The tables below show the compensation and benefits in kind granted to the Chairman and CEO of the Company by (i) the Company, (ii) its subsidiaries, (iii) controlled companies within the meaning of Article L. 233-16 of the French Commercial Code, by the Company or companies that control(s) the Company and (iv) the Company or companies that control(s) the Company within the meaning of the same article.

Table 1 – Overview of the compensation and options and shares allocated to each executive officer

Overview table of compensation and options and shares allocated to the executive officers

In euros	Year ended December 31, 2017	Year ended December 31, 2018
Philippe Berterottière, Chairman and CEO		
Compensation payable for the financial year (broken down in Table 2)	687,120	635,492
Valuation of the multi-year variable compensation allocated during the financial year (1)	0	0
Valuation of the subscription or share purchase options(2)	0	0
Valuation of the performance shares allotted for the financial year(3)	0	102,204
TOTAL	**687,120**	**737,696**

(1) Philippe Berterottière does not benefit from any multi-year variable compensation mechanism

(2) Philippe Berterottière does not benefit from subscription or share purchase options.

(3) For more details on the shares previously allocated to the Chairman and Chief Executive Officer, see tables 6 and 7 in section 6.1.7.3 – Allocation of free shares and performance shares and table 10 in section 6.1.7.5 – History of allocations of performance shares in this Registration Document.

Table 2 – Breakdown of the compensation allocated to the Chairman and Chief Executive Officer

Table summarising the compensation allocated to the executive officers

	Year ended December 31, 2017		Year ended December 31, 2017	
In euros	Amount due	Amounwt paid	Amount due	Amount paid
Philippe Berterottière (Chairman and Chief Executive Officer)				
Fixed compensation (1)	340,000	340,000	340,000	340,000
Variable compensation (2)	260,000	257,181	208,000	260,000
Non-recurring compensation (3)	4,656			4,656
Other compensation (4)		9,899		
Directors' attendance fees (5)	42,300	42,300	46,900	46,900
Benefits in kind (6)	40,164	40,164	40,592	40,592
TOTAL	**687,120**	**689,544**	**635,492**	**692,148**

(1) The gross fixed compensation before tax includes the fixed compensation received by the Chairman and CEO under his term of office.

(2) See paragraph on 2018 objectives and their level of attainment below.

(3) See paragraph on the allocation of non-recurring compensation below.

(4) Monetisation of the employment time account (CET).

(5) Philippe Berterottière receives directors' fees for his terms of office as director and Chairman of the Board of Directors.

(6) Benefits in kind are of two types:

- *GSC loss of employment insurance (social guarantee for business managers and executives) defined according to the declared compensation and options chosen; and*
- *a company car.*

OBJECTIVES FOR THE FINANCIAL YEAR ENDED DECEMBER 31, 2018 AND LEVEL OF ATTAINMENT SET BY THE BOARD OF DIRECTORS FOR THE CHAIRMAN AND CHIEF EXECUTIVE OFFICER

The variable portion for the elapsed financial year was defined by the Board of Directors on April 16, 2019, according to the degree of attainment of the objectives described below.

The variable portion of the compensation of Philippe Berterottière, Chairman and CEO, in respect of the 2018 financial year, was fixed at a maximum gross annual amount of 260 thousand euros, or approximately 76.5% of the fixed compensation proposed in respect of 2018.

Payment of this compensation in 2019 is conditional upon approval by the Shareholders' Meeting and achievement of the following performance conditions, set by the Board of Directors on April 12, 2018, according to the details described below:

(i) a maximum of 30% of the variable compensation is paid depending on attainment of a net margin on revenue objective determined under IFRS;

(ii) a maximum of 20% of the variable compensation is paid depending on sales targets in the LNGC, FSRU and FLNG segments;

(iii) a maximum of 10% of the variable compensation is paid depending on a sales target for the LNG as fuel segment;

(iv) a maximum of 10% of the variable compensation is paid depending on the development of GTT in the services activities; this achievement is assessed by considering the revenue generated by the Company and its subsidiaries in these business lines in 2018;

(v) a maximum of 10% of the variable compensation is paid depending on the progress made by the Company in implementing strategic initiatives;

(vi) a maximum of 20% of the variable compensation is paid depending on the improvement in the Company's organisation.

	Objective attainment percentage	Amount of the variable portion allocated	Variable compensation attained (as percentage of fixed compensation)	Maximum compensation (as percentage of fixed compensation)
Philippe Berterottière, Chairman and Chief Executive Officer	80%	€208,000	61.2%	76.5%

6.1.7.2 Compensation and benefits of any kind allotted to non-executive officers

The following information shows the compensation and benefits granted to the non-executive officers (*i.e.* the other members of the Board of Directors) who are members of the Company's Board of Directors on the date of this Registration Document (in respect of their office held within the Company during the financial year ended December 31, 2018).

On the basis of the proposal from the Board of Directors, the Shareholder's Meeting sets the total amount for the annual overall budget for directors' fees, to be distributed by the Board of Directors to its members. The Combined Shareholders' Meeting of May 17, 2018 decided to cap at 441 thousand euros the annual global maximum amount of directors' fees allotted to the Board of Directors for the year beginning January 1, 2018.

The Board of Directors' meeting on February 26, 2019 defined the breakdown of this amount, according to the allocation rules defined in the Board of Directors' Internal Regulations described in section 6.1.3.1 (v) – Compensation of directors (Article 17 of the by-laws, Article 23 of the Internal Regulations) of this Registration Document. In addition, a new computation method has been implemented reflecting the actual presence (physical, by telephone or by video conferencing) of members of the Board of Directors.

Table 3 – Summary of compensation of each member of the Board of Directors

Members of the Board of Directors *In euros*	Gross amounts due and paid during the 2017 financial year	Gross amounts due and paid during the 2018 financial year
Philippe Berterottière Directors' attendance fees Other compensation	46,900	49,245
Michèle Azalbert Directors' attendance fees Other compensation	30,300	35,280
Ana Busto Directors' attendance fees Other compensation	15,900	28,350
Bruno Chabas Directors' attendance fees Other compensation	0	30,510
Christian Germa Directors' attendance fees Other compensation	68,350	65,937
Didier Holleaux Directors' attendance fees Other compensation	20,983	45,935
Andrew Jamieson Directors' attendance fees Other compensation	42,850	43,572
Françoise Leroy Directors' attendance fees Other compensation	59,100	62,259
Cécile Prévieu Directors' attendance fees Other compensation	27,000	31,815
Philippe Salle Directors' attendance fees Other compensation	43,300	28,920
Benoît Mignard Directors' attendance fees Other compensation	23,400 *	0
TOTAL	**378,083**	**421,823**

* *Upon leaving his position as director, Benoît Mignard was appointed observer during the Shareholders' Meeting of May 18, 2017. Benoît Mignard does not receive any compensation in respect of his functions as observer. The compensation indicated concerns the compensation paid in respect of his term of office as director up to May 18, 2017.*

Unless indicated otherwise, and concerning non-executive corporate officers shown in the table above, no other compensation has been paid to them by the Company in respect of the 2018 financial year.

Stock options and purchase options during the 2018 financial year

No subscription or share purchase options were granted to the Chairman and CEO or the members of the Board of Directors during the 2018 financial year.

Table 4 – Subscription or share purchase options granted during the year to each corporate officer by the issuer and any Group company

No subscription or share purchase options were granted to the executive officers or the members of the Board of Directors by the Company or any Group company during the 2018 financial year.

Tableau 5 – Subscription or share purchase options exercised during the year by each corporate officer

Not applicable.

6.1.7.3 Allocation of free shares and performance shares

Allocation dated February 10, 2014

The Combined Shareholders' Meeting held on February 10, 2014, under the terms of the eighth resolution, authorised the Board of Directors, which may delegate under legal conditions, to proceed, according to Articles L. 225-197-1 -et seq. of the French Commercial Code, on one or more occasions, with a free issue of shares in the Company (existing or to be issued) to salaried employees of the Company or related companies within the meaning of Article L. 225-197-2-I, paragraph 1 of the French Commercial Code and certain of the Company's corporate officers, capped at 0.69% of the share capital existing at the time of the decision to allocate by the Board of Directors, provided that the free shares allotted to the Chairman and CEO may not represent more than 50% of all allotted shares.

The Board of Directors' meeting held on February 10, 2014, on the basis of the authorisation of the Combined Shareholders' Meeting of February 10, 2014, decided, under the terms of the Seventh Resolution, to:

(i) allocate free shares of the Company to salaried employees of the Company or related companies within the meaning of Article L. 225-197-2-I paragraph 1 of the French Commercial Code, excluding corporate officers.

The Board of Directors established the terms of the AFS Plan no. 1 free share allocation plan, and in particular, the terms and conditions of the free share allocation, the list of beneficiaries and the number of shares allocated to each of them (the ***AFS Plan no. 1***).

At the date of filing of this Registration Document and since February 10, 2018, in accordance with the AFS Plan no. 1, following the expiry of the two-year lockup period from the final vesting of the shares, *i.e.* February 10, 2016, the free shares allocated in respect of the AFS Plan no. 1 may be freely sold.

(ii) allocation of free performance shares (*the performance shares*).

The Board of Directors established the terms of the GTT 2014 free Performance Share Allocation Plan, and in particular the terms and conditions of the free Performance Share allocation, the list of beneficiaries and the number of performance shares allocated to each of them (the ***AFS Plan no. 2***).

Under the AFS Plan no. 2, five people, including the Chairman and CEO, were granted a total of 250,000 performance shares, subject to (i) a condition of presence, and (ii) performance criteria (as defined below in Table 10).

The Board of Directors decided that the Chairman and CEO must keep in his own name at least 25% (after taxes and costs) of performance shares that are assigned to him until the date of termination of his term of office as Chairman and CEO in GTT. The Chairman and CEO has undertaken not to use hedging on performance shares until the end of the lockup period of the shares.

The performance shares awarded to Philippe Berterottière, Chairman and CEO, may be sold only after the expiry of a lockup period of two years starting from the final allocation of the shares.

In accordance with the AFS Plan no. 2 and after recognition of the fulfilment of the condition of presence and the performance criteria evaluated after the years ended December 31, 2014 (***Series 1***) and December 31, 2015 (***Series 2***), the Board of Directors, at its meeting of February 18, 2016, noted the vesting on February 10, 2016, of the Series 1 and 2 performance shares, as described below.

In accordance with the AFS Plan no. 2 and after recognition of the fulfilment of the presence condition and the performance criteria evaluated after the year ended December 31, 2016 (***Series 3***), the Board of Directors, at its meeting on February 23, 2017, noted the vesting, on February 10, 2017, of the Series 3 performance shares as described below.

In accordance with the AFS Plan no. 2 and after recognition of the fulfilment of the presence condition and the performance criteria evaluated after the year ended December 31, 2017 (***Series 4***), the Board of Directors, at its meeting on February 16, 2018, noted the vesting, on February 10, 2018, of the Series 4 performance shares as described below.

As of the filing of this Registration Document and since February 10, 2019, in accordance with AFS Plan no. 2 and following the expiry of the lock-up periods stipulated by AFS Plan no. 2 as to Series 1, 2 and 3, the free shares granted under AFS Plan no. 2 (Series 1, 2 and 3) may be sold without restriction provided the preceding has been fulfilled.

In addition, the Chairman and CEO, as well as the four other participants in the AFS Plan no. 2 have acquired from H&F Luxembourg 1 SARL and Total Gas & Power Actifs Industriels, as part of the IPO of the Company, a total of 20,000 shares in the Company at the IPO price. These shares cannot be sold by each of the participants for a period of four years following their acquisition, except early departure or in the event of a public offer for the Company's capital.

Allocation dated May 18, 2016

The Combined Shareholders' Meeting held on May 18, 2016, in its fourteenth resolution authorised the Board of Directors, with the option of sub-delegation within legal conditions, to carry out, in accordance with Articles L. 225-197-1 et seq. of the French Commercial Code, in one or more operations, free allocations of existing or new shares in the Company, in favour of salaried employees of the Company or associated companies within the meaning of Article L. 225-197-2-I paragraph 1 of the French Commercial Code and certain corporate officers of the Company.

The Board of Directors' meeting held on May 18, 2016, decided, on the basis of the fourth decision, and by delegation granted by the Combined Shareholders' Meeting of May 18, 2016 to:

(i) carry out the allocation of free performance shares destined for new members of the Executive Committee

The Board of Directors established the terms of the free share allocation plan, and in particular the terms and conditions of the free share allocation, the list of beneficiaries and the number of shares allocated to each of them (***the AFS Plan no. 3***).

The AFS Plan no. 3 provides for allocation of 16,000 performance shares in favour of two new members of the Executive Committee, subject to equivalent performance conditions to those applicable to Series 3 and 4 of AFS Plan no. 2, adopted by the Board of Directors on February 10, 2014. The Board of Directors, at its meeting of February 16, 2018, noted the vesting on February 10, 2018, of the shares that may be allocated in respect of the AFS Plan no. 3.

Except in cases of disability or death of the beneficiary, the free shares may be sold on the expiry of a lockup period of two years from the final vesting of the shares on February 10, 2018. Accordingly, the free shares may be sold on or after February 10, 2020.

(ii) free allocation of performance shares of the Company destined for managers

The Board of Directors established the terms of the AFS Plan no. 4 free share allocation plan, and in particular the terms and conditions of the free share allocation, the list of beneficiaries and the number of shares allocated to each of them (the ***AFS Plan no. 4***).

The AFS Plan no. 4 provides for allocation of 15,150 shares in favour of ten managers, subject to attainment of conditions of presence and performance conditions.

Except in cases of disability or death of the beneficiary, the free shares may be sold on the expiry of a lockup period of two years from the final vesting of the shares on May 18, 2019. Accordingly, the free shares may be sold on or after May 18, 2020.

(iii) the free allocation of performance shares of the Company destined for certain Group employees

The Board of Directors established the terms of the AFS 5 free share allocation plan, and in particular, the terms and conditions of the free share allocation, the list of beneficiaries and the number of shares allocated to each of them (the ***AFS Plan no. 5***).

The AFS Plan no. 5 provides for the allocation of 15 shares for the benefit of employees subject to a presence condition on April 1, 2019. It is not planned that there will be a lock-up period following the vesting of the shares *i.e.* May 18, 2019.

Allocation dated February 23, 2017

The Board of Directors' meeting held on February 23, 2017, on the basis of the authorisation of the Combined Shareholders' Meeting of May 18, 2016, decided, under the terms of the Twelfth Resolution:

(i) the free allocation of performance shares of the Company destined for certain Group employees

The Board of Directors established the terms of the free share allocation plan, and in particular, the terms and conditions of the free share allocation, the list of beneficiaries and the number of shares allocated to each of them (the ***AFS Plan no. 6***).

The AFS Plan no. 6 provides for the allocation of 7,800 shares in favour of Group employees, subject to the attainment of a presence condition of and performance conditions.

Except in cases of disability or death of the beneficiary, the free shares may be sold on the expiry of a lockup period of two years from the final vesting of the shares on February 23, 2018. Accordingly, the free shares may be sold on or after February 23, 2020.

(ii) the free allocation of performance shares of the Company destined for certain Group employees

The Board of Directors established the terms of the free share allocation plan, and in particular, the terms and conditions of the free share allocation, the list of beneficiaries and the number of shares allocated to each of them (the ***AFS Plan no. 7***).

The AFS Plan no. 7 provides for allocation of 14,200 shares in favour of Group employees, subject to the attainment of a presence condition of and performance conditions.

Except in cases of disability or death of the beneficiary, the free shares may be sold on the expiry of a lockup period of one year from the final vesting of the shares on February 23, 2020. Accordingly, the free shares may be sold on or after February 23, 2021.

Allocation dated April 12, 2018

The Board of Directors' meeting held on April 12, 2018, decided, on the basis of the tenth resolution, and by delegation granted by the Combined Shareholders' Meeting of May 18, 2016 to award free performance shares of the Company to certain of the Group's employees.

The Board of Directors established the terms of the AFS free share allocation plan, and in particular, the terms and conditions of the free share allocation, the list of beneficiaries and the number of shares allocated to each of them (the ***AFS Plan no. 8***).

The AFS Plan no. 8 provides for allocation of 9,200 shares in favour of Group employees, subject to the attainment of a presence condition of and performance conditions.

Except in cases of disability or death of the beneficiary, the free shares may be sold on the expiry of a lockup period of one year from the final vesting of the shares on April 12, 2021. Accordingly, the free shares may be sold on or after April 12, 2022.

Allocation dated October 25, 2018

The Board of Directors' meeting held on October 25, 2018, decided, on the basis of the ninth resolution, and by delegation granted by the Combined Shareholders' Meeting of May 17, 2018 to award free performance shares of the Company to certain of the Group's employees.

The Board of Directors established the terms of the AFS free share allocation plan, and in particular, the terms and conditions of the free share allocation, the list of beneficiaries and the number of shares allocated to each of them (the ***AFS Plan no. 9***).

Under the AFS Plan no. 9, eight people, including the Chairman and CEO, were granted a total of 59, 000 performance shares, subject to (i) continued employment and (ii) performance criteria (as defined below - Table 10).

Except in cases of disability or death of the beneficiary, the free shares may be sold as of February 1, 2021. However, (i) from the vesting date forward until he or she leaves his or her position, every beneficiary must retain in his or her name up to three thousand (3,000) ordinary shares that have fully vested to him or her under AFS Plan no. 9 and (ii) from the vesting date forward until he ceases to serve as a corporate officer, the Chairman and Chief Executive Officer must retain in his name 25% of the number of ordinary shares that will have been allocated to him under AFS Plan no. 9.

Allocation dated April 16, 2019

At its meeting of April 16, 2019 the Board of Directors voted, as it 8th decision,and as delegated by the Combined Shareholders' Meeting of May 11, 2018, to allocate performance shares in the Company free of cost to one or more employees or corporate officers.

The Board of Directors established the terms of the AFS 10 free share allocation plan, and in particular, the terms and conditions of the free share allocation, the list of beneficiaries and the number of shares allocated to each of them (the *AFS Plan no. 5*).

The AFS Plan no. 10 provides for the allocation of 61,500 shares in favour of one or more Group employees and/or corporate officers, subject to the fulfilment of continued employment and performance conditions. The portion that will be allocated to the Chairman and Chief Executive Officer is 22,000 shares, subject to approval of the fourteenth resolution at the Shareholders' Meeting of May 23, 2019.

Except in cases of disability or death of the beneficiary, the free shares may be sold as of February 28, 2022.

Table 6 – Performance shares granted during the year to each corporate officer by the issuer and any Group company

Corporate officer	No. and date of the Plan	Number of shares granted during the year	Valuation of shares under the method used for the consolidated financial statements	Date of acquisition	Date of availability	Performance conditions
Philippe Berterottière	AFS 9 – October 25, 2018	25,000	€51	February 1, 2021	February 1, 2021 (1)	Positive order book growth compared with the previous three financial years; Increases in revenues from the "GTT Services" and LNG sectors; Positive change in the GTT share price performance compared with the Stoxx 600 Oil & Gas and SBF 120 indices.

(1) *The Chairman and CEO must retain in pure registered form, from the vesting date until he ceases to serve as a corporate officer, 25% of the number of ordinary shares that will have been allocated to him under AFS Plan no. 9.*

Table 7 – Performance shares that became available during 2018 for each corporate officer

Free allocated shares that became available for each corporate officer	No. and date of the plan	Number of shares that became available during the financial year	Acquisition conditions
Philippe Berterottière	Plan no. 2 (series 1 and 2)	41,667	No other vesting conditions than those stipulated above have been set by the Board of Directors when awarding the free shares under Plan no. 2
TOTAL		**41,667**	

6.1.7.4 History of allocations of subscription or share purchase options

There was no allocation of subscription or share purchase options during the years ended December 31, 2016, 2017 and 2018.

No plan to award subscription or share purchase options was in progress at the date of filing of this Registration Document.

Table 8 – History of allocations of subscription or share purchase options – Information on stock and share purchase options

Not applicable.

Table 9 – Subscription and share purchase options granted to the ten employees who are not company officers who received the largest awards, and their exercise of options

Not applicable.

6.1.7.5 History of performance share allocations

Table 10 – Information about performance shares allocated to executive officers at the date of filing of this Registration Document.

	Plan no. 2 (series 1 and 2)	Plan no. 2 (series 3)	Plan no. 2 (series 4)	Plan no. 9
Date of Shareholders' Meeting	February 10, 2014	February 10, 2014	February 10, 2014	May 17, 2018
Date of allocation by the Board of Directors	February 10, 2014	February 10, 2014	February 10, 2014	October 25, 2018
Total number of allocated shares under the relevant Plan,	125,000	62,500	62,500	59,000
including the number allocated to Philippe Berterottière (Chairman and Chief Executive Officer)	62,500	31,250	31,250	25,000
Rights acquisition date	February 10, 2016	February 10, 2017	February 10, 2018	February 1, 2021
End date of the lockup period	February 10, 2018	February 10, 2019	February 10, 2020	February 1, 2021
Performance conditions	Presence condition assessed for the 2015 financial year. Performance conditions related to: ● the growth of GTT shares; ● the Company's net margin; and ● the relative performance of GTT's share price against the Stoxx 600 Oil & Gas index *(in euros)*	Presence condition assessed for the 2016 financial year. Performance conditions related to: ● the growth of GTT shares; ● the Company's net margin; and ● the relative performance of GTT's share price against the Stoxx 600 Oil & Gas index *(in euros)*	Presence condition assessed for the 2017 financial year. Performance conditions related to: ● the growth of GTT shares; ● the Company's net margin; and ● the relative performance of GTT's share price against the Stoxx 600 Oil & Gas index (in euros)	Presence condition assessed at February 1, 2021 Performance criteria related to: ● positive order book growth compared with the previous three financial years; ● increases in revenues from the "GTT Services" and LNG sectors; positive change in the GTT share price performance compared with the Stoxx 600 Oil& Gas and SBF 120 indices.
Number of shares acquired at the date of filing of this Registration Document under the relevant Plan	83,330	31,249	34,099	0
including the number finally allocated to Philippe Berterottière (Chairman and Chief Executive Officer)	41,666	20,833	22,733	0
Cumulative number of shares cancelled or expired in respect of the Plan in question	41,670	31,251	28,401	0
Performance shares remaining at the end of the financial year	None	None	None	59,000

6.1.7.6 Shares allocated during the 2018 financial year by the Company, and by any other company included in the allocation scope of GTT shares, to the ten employees who are not company officers who received the largest awards from the issuer and its companies

Total number of allocated shares	Value of the share * *(in euros)*	Issuing company	
9,200	€44	GTT	GTT AFS Plan no. 8
59,000	€51	GTT	GTT AFS Plan no. 9

* *Average weighted value, according to the method selected for the consolidated financial statements.*

6.1.7.7 Employment contracts, pension benefits and compensation in the event of termination of executive management functions

Table 11 – Employment contracts, pension benefits and compensation in the event of termination of executive management functions at the date of filing of this Registration Document

	Employment contract		Supplementary pension scheme		Indemnities or benefits due or likely to become payable as a result of the cessation or change in duties		Compensation under a non-compete clause	
Executive officers	**Yes**	**No**	**Yes**	**No**	**Yes**	**No**	**Yes**	**No**
Philippe Berterottière (Chairman and Chief Executive Officer)		X (1)	X (2)		X (3)		X (4)	

(1) In accordance with the AFEP-MEDEF Code, the Chairman and CEO no longer has an employment contract with the Company since the IPO of the Company.

(2) On February 10, 2014, the Company's Board of Directors also authorised Philippe Berterottière's membership in the supplementary pension scheme. At the time of the proposal to renew Philippe Berterottière's term of office as Chairman and Chief Executive Officer during the Shareholders' Meeting of May 17, 2018, this authorisation was renewed by the Board of Directors on April 12, 2018. This supplementary pension scheme, the main characteristics of which are defined in section 6.1.7.7 (i) gave rise to the recording of an expense of 91,338.21 euros for the 2018 financial year.

(3) On February 10, 2014, the Board of Directors of the Company authorised the granting of compensation to Philippe Berterottière in the event of his departure. This commitment is subject to performance conditions and are described in more detail below in point 6.1.7.7 (ii). At the time of the proposal to renew Philippe Berterottière's term of office as Chairman and Chief Executive Officer during the Shareholders' Meeting of May 17, 2018, this authorisation was renewed by the Board of Directors on April 12, 2018.

(4) On February 10, 2014, in return for the non-compete commitment made by Philippe Berterottière, the Board of Directors of the Company authorised the principle of a payment as from the termination of his corporate office, of a monthly non-compete indemnity the main characteristics of which are defined in section 6.1.7.7 (iii). At the time of the proposal to renew Philippe Berterottière's term of office as Chairman and Chief Executive Officer during the Shareholders' Meeting of May 17, 2018, this authorisation was renewed by the Board of Directors on April 12, 2018.

Commitments made by the Company in favour of the Chairman and Chief Executive Officer (Article L. 225-37-3 of the French Commercial Code)

(I) SUPPLEMENTARY PENSION SCHEME

The main characteristics of the supplementary pension scheme are as follows:

The Board of Directors of February 10, 2014 recalled that Philippe Berterottière, as a Company employee, benefited from social benefits including a supplementary top-up pension scheme, known as "Article 83" (defined contribution pension scheme) in addition to rights to the mandatory pension schemes.

The Board of Directors of February 10, 2014 unanimously authorised the membership of Philippe Berterottière, as Chairman and Chief Executive Officer, to the mutual collective health and protection and supplementary top-up pension schemes known as "Article 83" (defined contribution pension scheme) to maintain the social benefits granted to Philippe Berterottière.

The Board of Directors renewed this authorisation at its meeting of April 12, 2018, following the proposal for the renewal of Philippe Berterottière's term of office as Chairman and Chief Executive Officer during the Shareholders' Meeting of May 17, 2018 The General Meeting of May 17, 2018, approved the continuation of these commitments in favour of Philippe Berterottière.

The Chairman and Chief Executive Officer benefits from the defined contribution pension scheme (Article 83), for which the contribution base is gross annual compensation and the contribution rates are: 5% Tranche A (1x the Social Security ceiling), 8% Tranche B (3x the Social Security ceiling), 8% Tranche C (4x the Social Security ceiling).

This scheme applies, more generally, to Company employees whose compensation is greater than or equal to four times the annual Social Security ceiling, and the contributions allocated to the scheme are equal to a percentage of the compensation of the employees concerned.

In this scheme, the Company's obligation is limited solely to the payment of a contribution, and does not include a commitment by the Company in respect of the level of services supplied. The contributions paid are expenses for the year.

(II) SEVERANCE PAY

On February 10, 2014, the Board approved the award to Philippe Berterottière of compensation in the event of a forced departure subject to compliance with three performance conditions assessed over several years, each condition tied to one-third of the total amount of compensation and related to (i) a target for the Company's order share, (ii) a net margin target on sales, and (iii) the level of Philippe Berterottière's variable compensation in the 12 months preceding the date of his departure. The maximum amount of this compensation is equal to twice the total gross compensation (fixed and variable) received by Philippe Berterottière in the 12 months preceding the date of his departure.

The Board of Directors renewed this authorisation at its meeting of April 12, 2018, following the proposal for the renewal of Philippe Berterottière's term of office as Chairman and Chief Executive Officer during the Shareholders' Meeting of May 17, 2018. At this time, the second performance condition was replaced by the EBITDA target. The General Meeting of May 17, 2018, approved the continuation of these commitments in favour of Philippe Berterottière.

(III) NON-COMPETE COMPENSATION

On February 10, 2014, the Board of Directors approved, as consideration for a non-competition undertaking given by Philippe Berterottière, the principle of paying, from that date of his ceasing to be a corporate officer, monthly compensation equal to 5/10 (increased to 6/10 in case of dismissal, except in case of gross misconduct) of the monthly average of salaries and benefits and contractual payments received during his last 12 months with the Company (the non-competition undertaking is for two years from the effective termination date of Philippe Berterottière's If his severance pay and non-competition compensation described above are both applicable, the combination of these two indemnities shall not exceed two years of compensation (fixed and variable received over the last 12 months preceding the date of his departure) by Philippe Berterottière.

The Board of Directors renewed this authorisation at its meeting of April 12, 2018, following the proposal for the renewal of Philippe Berterottière's term of office as Chairman and Chief Executive Officer during the Shareholders' Meeting of May 17, 2018 The General Meeting of May 17, 2018, approved the continuation of these commitments in favour of Philippe Berterottière.

6.1.8 DRAFT RESOLUTIONS ON THE APPROVAL OF THE COMPENSATION FOR EXECUTIVE OFFICERS BY THE SHAREHOLDERS' MEETING (ARTICLE L. 225-37-2 PARAGRAPH 2 OF THE FRENCH COMMERCIAL CODE)

The draft resolutions prepared by the Board of Directors pursuant to the first paragraph of Article L. 225-37-2 of the French Commercial Code can be found in section 8.4 - Proposed resolutions of the Company's Registration Document.

The Board of Directors clarifies that the payment of the elements of variable and non-recurring compensation to Company executive officers will be subject to approval by the Ordinary Shareholders' Meeting of the elements of compensation for the person concerned under the conditions stipulated in Article L. 225-100 of the French Commercial Code.

6.2 STATUTORY AUDITORS' REPORT ON THE FINANCIAL STATEMENTS PREPARED IN ACCORDANCE WITH ARTICLE L. 225-235 OF THE FRENCH COMMERCIAL CODE

Article L. 225-235 of the French Commercial Code amended by the ruling no. 2017-1162 of July 12, 2017 indicates the specific checks to be carried out by the Statutory Auditors on the Board of Directors' report on corporate governance in their report on the annual financial statements presented in section 3.7 of the Company's Registration Document.

6.3 INTERNAL AUDIT AND RISK MANAGEMENT PROCEDURES

6.3.1 ORGANISATION OF INTERNAL AUDIT

Within the Company, there is an internal audit system which aims in particular to clarify the roles and responsibilities for different functions of the employees. This device (i) deploys goals through control indicators, (ii) establishes the delegation of powers and (iii) develops a baseline with regard to the description of the process and the drafting of procedures applicable to the Group.

In addition, a procurement procedure was put in place. It provides the framework and operational tools for procurement of goods and services by specifying the responsibilities of stakeholders. Regular monitoring, conducted by the Company's purchasing manager, ensures compliance with this procedure.

Finally, critical operations, including payment of bills and employees are subject to appropriate controls. There is also an internal document which specifies, for each accounting control termed "priority", the person responsible, the person who controls, and how often.

6.3.2 DEFINITION, OBJECTIVES AND FRAME OF REFERENCE

GTT, because of its consulting business with global players in the liquefied gas industry, is exposed to various types of risks.

These risks are either purely exogeneous (changes in LNG, geopolitical risks, maritime transportation activity, etc.) or endogeneous (organisation, information systems, failure of technologies, protection of know-how, etc.) (See the description of these risks in chapter 5 – Risk factors in this Registration Document).

To address these potential risks inherent in its business, GTT has established an internal control system tailored to its activity and its size. This device is also a management tool for its strategy and its business model that contributes to the reliability of the data and deliverables provided to its customers as well as to team effectiveness.

The internal audit system is specifically intended to ensure that:

- activities are performed in accordance with the law, regulations and internal procedures;
- management acts correspond to the guidelines set by the governing bodies;
- property, plant and equipment, and intangible assets have adequate protection;
- risks arising from business activities are properly assessed and adequately controlled; and
- that internal procedures, which contribute to the preparation of financial information, are reliable.

This internal audit system provides effective protection against major risks identified, even if it does not ensure comprehensive coverage of all risks to which the Group may be exposed.

6.3.3 INTERNAL AUDIT AND RISK MANAGEMENT PROCEDURES

The internal audit and risk management plan applies to GTT SA as well as to its Cryovision, GTT North America, GTT Training Ltd, GTT SEA PTE Ltd and Cryometrics subsidiaries created between 2013 and 2015. The activity of the subsidiaries is still limited compared to the Group. The first three have a simple internal audit and risk management plan specific to them, notably for the segregation of duties.

The Group relies primarily on a set of internal procedures intended to cover all of its activities, which was implemented during the ISO 9001 certification process in 2010. GTT SA has been ISO 9001 certified since 2010. In September 2016, the second re-certification audit took place (triennial cycle), and GTT took this opportunity to validate the transition from ISO 9001:2008 to ISO 9001:2015. It should be noted that the next re-certification audit will take place in October 2019. The 2015 update emphasises agility, risk management and performance. This certification attests to the Group's commitment in terms of quality, and enables the continuous improvement of its performance to be measured. The benefits of ISO 9001 certification concern both internal and external stakeholders.

This is complemented by a business continuity plan and disaster recovery plan updated in 2015 to allow the Company to continue to access its critical IT infrastructures within a specified timeframe in the event of a major incident. Crisis management procedures, activation of the disaster recovery plan for dealing with incidents and the emergency plan are therefore in place.

The internal audit plan is based on different components.

Delegations of powers and responsibility

Delegations of powers are in place and are updated as the organisation evolves.

This delegation system allows better organisation of the Company and a greater balance between "field" and legal responsibilities in criminal matters. It also establishes a separation of powers inherent in ensuring segregation of duties and therefore an internal quality audit. The system of delegation of powers concerns in particular:

- banking signature authority (to make bank transfers and payments to third parties);
- commitment delegations (purchases, orders, contracts); and
- signature of accident prevention plans when subcontractors work on site, and of fire permits.

Effective and secure information systems

The general and cost accounting software implemented in 2013 provides teams with features tailored to the Company's activity and organisation, which in particular includes the ability to meet strict management and reporting requirements.

In addition, the security of financial transactions is ensured by:

- separation of the scheduling and launching of disbursements;
- individual payment ceilings (limited to members of the Company's Executive Committee) and a double signature requirement above the ceilings; and
- validation of disbursements from the Company's main bank by digital signature only with authentication using personal electronic certificates.

The IT security plan addresses major incidents on the computer system (network failure, malicious act, cyber attack, etc.). IT engineers can, depending on the nature of the incident, resolve incidents related to the central systems (if need be, with support from the supplier concerned), treat a virus if necessary by contacting a computer security expert and/or decontaminating infected systems, and in the event of destruction or corruption of data, perform data restorations. Periodic backups are performed specifically for this purpose.

A business continuity plan can also be activated in the event of fire or water damage in the Company's computer rooms, or on the occurrence of any other event resulting in evacuation of the premises (pollution, alarm, sabotage, etc.).

For example, the main risks identified in terms of potential severity are related to incidents in the computer rooms or vandalism or hacking to the Company's facilities, as well as technical failures, or prolonged unavailability of IT resources, and environmental events or natural disasters.

An electronic document management system is used to make the document validation process more reliable via workflows defined in advance and secure access by employees or contractors to the Company's documents.

Finally, a CRM (Customer Relationship Management) tool has been in use since 2015 and continues to be improved to optimise the monitoring of our customers and our outlook, from both a contractual and commercial point of view.

Updated, disseminated and accessible procedures

The procedures in place are the responsibility of their writers and the quality team.

Anyone in the Group may, through the Quality team, request the creation of a procedure. The Quality team decides the relevance and validity of the request and also creates or modifies, if necessary, the procedure. It may be assisted or delegate the task by agreement with the writer's line manager and/or the applicant. The writer of the document is responsible for its content, application of the model and the application of this procedure. The workflow actors are determined by the quality team and the line manager. The writer and validating person cannot be one and the same. Any procedure is signed by a writer, a validating person, guarantor of compliance with business rules, and a member of the Quality team, who ensures that the document complies with ISO 9001 V2015.

When a procedure is approved, it becomes accessible to all Group employees. The Quality team usually distribute procedures and forms by email, but also via the Company's Intranet.

Procedures common to the Group are available for viewing in a common quality directory in the Company's Electronic Document Management System. Procedures associated with a given process are also available in the Company's Document Management System. All these procedures are accessible to all people working in the Group. However, changes are limited to duly appointed persons (including one person from the Quality team).

The procedures are reviewed periodically by the same functions as when they were created.

They are also updated due to:

- recommendations from audit tasks or newly identified risks;
- the transposition of new processes, or new rules in existing processes.

Processes and procedures in place are generally presented in an awareness session dealing with the Quality Management System for new employees during the New Employee Orientation organised by Human Resources.

Within each Division, a Quality officer is also responsible for presenting in detail the procedures that apply in particular in the entity in question.

The Intranet portal enables all staff to access approved procedures. A link is made with the Electronic Document Management System.

Best practices

In addition to the procedures outlined above, and to define the behaviour and best practices to be adopted, the Company has various charters:

- the Internal Regulations of the Board of Directors, specifying the rights and duties of the directors, and the operating procedures of the Board of Directors, were adopted by the Board of Directors of December 6, 2013. It is described in detail below and is also published on the GTT website.

  The Board of Directors' Internal Regulations are regularly reviewed and were modified in particular following changes in legislation and self-evaluations by the Board of Directors, and also as part of the annual status report by the Board of Directors on its operation. The Internal Regulations were last modified on February 23, 2017.

  The Board of Directors' Internal Regulations also include provisions on the prevention of insider trading;
- an ethics charter was adopted in 2015 and disseminated to all of the Group's employees. It defines the principles according to which GTT conducts its business, and must be, for each, a standard for behaviour and action, whether collective or individual. This charter applies to all GTT's employees (whether permanent or temporary), as well as to any person seconded to GTT by a third party provider. It reflects GTT's vision and values for the behaviour of its employees, officers and directors. The charter was supplemented by the appointment of an Ethics Officer and the creation of signalling procedure to enable employees to contact the Ethics Officer in complete confidentiality in the event of any doubt about the actions they should take. No signal was given leading to an investigation in 2018. This system was strengthened in 2017 as part of the the implementation of the Sapin II law. GTT accordingly used the services of a specialised counsel to assist with the mapping of the ethics risks induced by its organisation and its activities. The report resulted in the definition of a detailed action plan which was presented to the Company's Executive Committee and the Board of Directors' Audit and Risks Committee, in order to improve the effectiveness of the GTT ethics program. In 2018 GTT obtained ISO 37001 certification for its system of managing corruption risk;
- an IT charter defining access conditions and rules for the use of IT resources and GTT communication systems. This charter also aims to make users aware of risks related to the use of these resources in terms of integrity and confidentiality of the data processed. It appears in an appendix to the Company's Internal Regulations that each employee receives on his or her arrival in the Group and was updated in September 2015 to incorporate changes made to the Group's IT environment;
- information sessions are organised internally with the Group's employees covering their obligations relating to the holding, communication and use of information that may have an appreciable impact on the Company's share price. presentation on the Intranet regarding the obligations in a listed company and more specifically covering insider trading and;
- a charter relating to the possession and use of inside information is available on the Intranet to raise awareness of all employees concerning the concept of inside information, the associated consequences of holding such information and legal obligations and sanctions. In addition, a procedure to manage insider information was drawn up in 2016.

Dissemination of information

Employees who have access to inside information have at their disposal a Dissemination of information Various meetings are held in the functional and operational entities in order to allow the flow of information necessary for the smooth running of the Group: team meetings, monthly meetings of the Company's Executive Committee, bimonthly meetings with key managers of the Company, regular meetings with the Chairman and Chief Executive Officer open to all employees in order to present the Group's situation, key developments and results, meetings with management to present strategy, action plans, and human resources' achievements and updates.

As the case may be, presentations are made available to managers for relaying the information provided.

Risk management

In accordance with the governance rules, the most important decisions, exceeding certain amounts, fall within the jurisdiction of the Board of Directors:

- acquisitions and disposals;
- significant cooperation agreements;
- patent title assignments;
- conclusion of loans;
- approval of business plans and budget targets; and
- major strategic decisions.

Other decisions fall to the Chairman and CEO.

Following the analysis conducted in 2011, and updated in 2014, as part of the planned implementation of a business continuity plan and an IT system disaster recovery plan, in which the Company identified the main risks it faces, the Company conducted another risk-mapping exercise at the end of 2015. It included risks related to access (physical and virtual) to the Company's data. The review, carried out via interviews at the Management level, enabled the identification of the priority risks the Company is faced with, their validation with the Board of Directors, and the definition of the required priority action plans. Implementation of the plans began in 2016. They are monitored on a regular basis by the Audit and Risk Management Committee and the Board of Directors.

Actions were implemented based on the potential impacts of the assessed risks (human, financial, organisational and reputation) and the probability of their occurrence.

Audit activities

The operational (Sales Management, Engineering, Innovation, and LNG Fuel) and functional (Administration and finance, Human Resources, and legal affairs) divisions are subject to regular reviews via suitable indicators aimed at monitoring:

- the quality of services provided to customers both in terms of the quality of the deliverables provided and in terms of time;
- the correct allocation of human and financial resources based on the projects;

- monitoring of the research and development project portfolio;
- monitoring of sales prospecting and the order book;
- monitoring of key risks and ongoing and potential litigation; and
- control of expenditure and compliance with their budget.

Control of differences between the "actual" budget and estimates, as well as indicators and the dashboard are reviewed, at the very least, at quarterly business meetings at which members of the Executive Committee are present.

6.3.4 INTERNAL AUDIT PLAYERS

The Board of Directors: the Chairman of the Board of Directors of GTT is, in accordance with the provisions of Article L. 225-37 of the French Commercial Code, the person who must report on the internal audit and risk management procedures put in place by the Company.

The Audit and Risk Management Committee: the duties of this specialised Board of Directors' committee include monitoring issues relating to the preparation and control of accounting and financial information. The Audit and Risk Management Committee is also responsible for verifying the effectiveness of the Company's internal control and risk management systems. Its duties are described in section 6.1.3.2 (i) – Audit and Risk Management Committee of this Registration Document.

The Chairman and Chief Executive Officer: he or she sets up the organisation they believe to be the most effective to adapt the internal audit system to the missions entrusted to it.

The Executive Committee: consisting of the Company's Chairman and CEO and its Managers, it provides coordination and consultation among its members for each decision or operation that is important for the general running of the Group.

The Quality team: composed of the Company's Organisation and Quality Officer and four Quality Managers, it ensures that the requirements of ISO 9001 V2015 are met through the following tasks:

- management of the GTT Quality Management System and ensuring improvements to it;
- description of the interactions between processes and ensuring their cross-departmental operation;
- organisation of the control, process reviews and the annual management review; and
- planning of internal audits (all members of the team are internal auditors).

The employees: employees have a monitoring and proposal role for updating the internal audit system and processes applicable to their activities.

The Data Protection Officer: GTT has a Data Protection Officer. His or her role is to spread a culture of protection of personal data based on compliance with the specific regulations for data processing and storage and respect for the individual freedoms of individuals: customers, partners, visitors and staff.

Ethics Officer: he or she monitors the implementation of ethics provisions and policies within the Group. He or she is responsible for ensuring compliance, by raising the awareness of Group employees on compliance issues and by coordinating the follow-up actions, including, if applicable, legal actions, for all ethics violations of which he or she is informed.

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6.3.5 AUDIT PROCEDURES RELATING TO THE PREPARATION AND PROCESSING OF FINANCIAL AND ACCOUNTING INFORMATION

Internal audit of accounting and financial reporting by GTT and its subsidiaries is one of the major elements of the internal audit system. It aims to ensure:

- compliance with applicable regulations for the financial statements and the accounting and financial information;
- the reliability of the published financial statements and the information provided to the market;
- implementation of the instructions given by General Management; and
- prevention and detection of fraud and accounting irregularities.

Scope

GTT has been presenting consolidated financial statements since the 2017 financial year. The subsidiaries included are: Cryovision, Cryometrics, GTT Training, GTT North America, GTT SEA and the Ascenz group. At the date of filing this Registration Document, the Company owns all of the share capital and voting rights of its subsidiaries, except for Ascenz in which it holds a 75% interest. The scope of the Group's accounting and financial internal control includes GTT and its subsidiaries, whether the latter form part of the consolidation scope or not.

Audit players

As parent company, GTT defines and oversees the processes to prepare the accounting and financial information for the Group entities. The direction of this process is the responsibility of the Chief Financial Officer, and is provided by the finance department.

Two actors in particular are involved:

- **the Chairman and CEO** is responsible for the organisation and implementation of internal and financial auditing, as well as for the preparation of the financial statements. He presents the financial statements (interim and annual) to the Audit and Risk Management Committee and the Board of Directors, which approves them. He ensures that the process of preparing accounting and financial information produces reliable information and gives a fair picture of the results and the financial position of the Company;

- **the Audit and Risk Management Committee** performs the checks and audits it deems appropriate.

Furthermore, the **Administrative and Financial Division has, among other tasks:**

- to perform all accounting operations: bookkeeping, receivables and payables, fixed assets, and payments;
- to draw up the annual and quarterly financial statements and deal with tax matters;
- to supervise the financial statements of subsidiaries;
- to implement accounting and tax standards and procedures, and monitor cash management;
- to implement and monitor budget control and cost accounting;
- to assist the operational divisions in defining the financial, human and technical resources to be provided, including setting up the management information system (budgeting and monitoring reports);
- to participate in the implementation of various economic studies; and
- to contribute actively to strengthening the Group's internal audit by providing and updating the internal audit procedures within the Administrative and Financial Division.

Risks concerning the production of accounting and financial information

The quality of the financial statements production process comes from:

- formalisation of the accounting procedures adapted to recurring jobs and to closing the accounts. The documentary references consist of:
  - a business chart identifying each accounting activity, which players are involved and what documents are used,
  - a list of priority accounting checks made, validated periodically by the duly appointed persons, and
  - procedures and methods for the players involved in the finance department or elsewhere in the Group (closure instructions, in particular);
- the accounting software for managing records and producing financial statements;
- the validation and updating of accounting procedures;
- the justification of balances and the usual reconciliations for validation and controls, in conjunction with management audit;
- cost accounting reviews that validate, with the operational divisions, changes to the main line items in the balance sheet and income statement;
- the separation of tasks requiring commitment authority (bank authorities or spending commitment authority) from those related to bookkeeping activities; if need be, compensating controls are put in place;
- periodic audit of each subsidiary to ensure that the accounting policies implemented are correct; and
- review of tax impacts and litigation.

Reviews and audit of financial and accounting information

Within the finance department, bookkeeping by employees is reviewed by the head of department. The accounting treatment of IFRS restatements, complex operations and the accounts closing work are submitted to an independent public accountant (who is not the Statutory Auditor) and approved by the Chief Financial Officer at meetings to prepare the financial statements. Some specific adjustments are proposed by the public accountant and verified by the Company.

The CFO coordinates the financial statements and forwards them to the Board of Directors, which notes the report by the Chairman of the Audit and Risk Management Committee.

The CFO defines the financial communication strategy. Press releases relating to the financial and accounting information in the interim and annual financial statements are subject to approval by the Board.

The financial and accounting information is shaped by the investor relations department of the Administrative and Financial Division, which ensures compliance with AMF recommendations on the matter.

6.3.6 DESCRIPTION OF IMPROVEMENTS TO PROCESSES

In 2019, the Company will ensure that:

- it continues to update and simplify these procedures where possible;
- it continues to implement IT tools enabling the processes to be made more reliable;
- it follows any recommendations made by the Statutory Auditors following the review of the internal control procedures in place in a subsidiary and formalises the procedures and circulates them within the Group; and
- it ensures that action plans resulting from recommendations made following internal or external audits are implemented.

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ADDITIONAL INFORMATION

Annual Financial Report items are clearly identifi ed in this summary with the aid of the AFR pictogram AFR

7.1 LEGAL INFORMATION

7.1.1 GENERAL INFORMATION

The Company's corporate name is Gaztransport & Technigaz. It operates under the commercial name of GTT.

The Company is registered at the Trade and Companies Register of Versailles under the number 662 001 403.

The Company was incorporated on November 3, 1965 for a duration, after extension, until January 10, 2065.

The Company's registered office is located at: 1, route de Versailles, 78470 Saint-Rémy-lès-Chevreuse. The phone number of the registered office is +33 (0) 1 30 23 47 89.

From September 19, 1994, the Company was incorporated as a *société par actions simplifiées* (simplified joint stock limited liability company). It was converted into a *société anonyme* (joint stock limited liability company) with a Board of Directors governed by the provisions of the French Commercial Code on December 11, 2013.

The principal provisions in the Company's by-laws which are applicable to it are referred to and described in chapter 6 – *Corporate governance, internal audit and risk management,* and in this chapter of the Registration Document.

7.1.2 PROVISIONS OF THE COMPANY'S BY-LAWS

7.1.2.1 Company purpose (Article 3 of the by-laws)

The Company's purpose, directly or indirectly, in France and abroad, is:

- to conduct research and development on all processes, patentable or not, in the field of liquefied gases;
- to commercialise such processes in all fields;
- to provide services associated with such processes and sell services derived from the technologies developed by the Company in all sectors;
- to participate directly or indirectly in any transactions or activities of any kind associated with one of the foregoing objects or which might contribute to developing the Company's assets, including research and engineering activities, by means of creation of new companies or entities, contributions, subscription or purchase of shares or other corporate rights, acquisition of equity interests of any kind in any entities or companies whether existing or to be created, mergers, partnerships or any other means;
- to create, acquire, rent and management lease any movable, immovable assets, or businesses, lease, equip and operate all premises, businesses, plants or workshops associated with one of the foregoing objects;
- to take, acquire, exploit, license or sell any processes, patents and patent licenses relating to activities associated with one of the foregoing purposes; and
- more generally, to conduct all industrial, commercial, financial, real or personal property or research transactions and activities of any kind associated directly or indirectly, wholly or partly with one of the foregoing objects, any similar, complementary or related objects and any objects that might foster the development of the Company's business.

7.1.2.2 Administrative, management and supervisory bodies

The principal provisions of the Company's by-laws and of the Internal Regulations governing the Board of Directors and the General Management are described in chapter 6 – *Corporate governance, internal control and risk management* in this Registration Document.

7.1.2.3 Rights, preferences, restrictions and obligations attached

To the shares Ownership rights and obligations attached to shares (Article 12 of the by-laws)

Each share confers a right of ownership in the assets, sharing the profits and the liquidation premium, in proportion to the amount of the share capital it represents.

Shareholders are only liable for the Company's liabilities up to the amount of their capital contribution.

Ownership of share automatically entails full acceptance of the by-laws and the decisions of the Shareholders' Meeting.

Whenever it is necessary to hold several shares in order to exercise any right, particularly in the event of a share exchange, consolidation, split or allotment or as a result of a capital increase or reduction, merger, partial asset transfer, distribution or any other transaction, shares held in a number below the requisite number of shares do not entitle their holder to any right against the Company. The shareholders are personally responsible for pooling together the required number of shares or rights, and, if necessary, for purchasing or selling the required number of shares or rights.

Voting rights and information rights attached to shares (Articles 12 and 31.1 of the by-laws)

Each share entitles the holder to attend the Shareholders' Meetings and vote on resolutions, under the terms and conditions provided for in the applicable laws and regulations and in the Company's by-laws.

Each share also entitles the holder to receive information relating to the Company's operation and obtain the disclosure of certain corporate documents at the times and under the terms and conditions provided for in the applicable laws and regulations.

The rights and obligations attached to a share are transferred with title to the shares.

The total number of voting rights attached to Company shares taken into account to determine a *quorum* on the date of the Shareholders' Meeting is communicated to the shareholders at the beginning of said Shareholders' Meeting.

Exercise of voting rights in cases of dismemberment of ownership and joint-ownership of shares (Article 10 of the by-laws)

Where a usufruct is attached to the shares, the voting right shall belong to the beneficial owner at the Ordinary Shareholders' Meetings and to the bare owner at the Extraordinary Shareholders' Meetings.

However, the bare owner and the beneficial owner may agree among themselves to any other distribution for exercising the voting right at Shareholders' Meetings. In this case, they shall notify their agreement by registered letter with acknowledgment of receipt to the Company which shall apply the terms of this agreement to all Shareholders' Meetings held as of one month after receipt of notice.

Shares shall be indivisible with respect to the Company. Joint owners of undivided shares shall be represented at Shareholders' Meetings by one of them or by a joint representative. In the event of disagreement, the representative is appointed by court order at the request of the most diligent joint owners.

The right to information or consultation may be exercised by each of the joint owners of undivided shares by the beneficial owner and bare owner.

Statutory appropriation of profits (Article 38 of the by-laws)

Distributable profits, as defined in the by-laws and the applicable laws and regulations, are available for allocation by the Shareholders' Meeting.

Save for any exceptions provided by applicable legal and regulatory provisions, the Shareholders' Meeting shall decide on the appropriation of profits at its own discretion.

The Shareholders' Meeting may also resolve to grant each shareholder the option of receiving all or part of the dividend (including any distribution of reserves) or interim dividend in cash or in shares in accordance with the applicable laws and regulations.

Upon the proposal of the Board of Directors, the Shareholders' Meeting may also decide to distribute profits or reserves, in the form of assets, including negotiable securities, in which case the shareholders shall group their shares together to obtain a whole number of the assets or securities distributed. Trading on a regulated market or on an organised multilateral trading system or whose admission to trading on such a market or multilateral trading system would not be carried out for this distribution, the choice of payment in dividend or in cash and the delivery of the securities will be offered to shareholders.

No distribution may be made if it would cause the Company's equity to fall below one half of the share capital plus any statutory or legal reserves.

Form of the marketable securities issued by the Company (Articles 9 and 11 of the by-laws)

Fully paid up shares may be held in registered or bearer form at the holder's option, subject, however, to any legal or regulatory provisions and Internal Regulations of the Board of Directors, governing the form of shares held by certain persons.

The shares, in registered or bearer form, shall be freely transferable, subject to any legal or regulatory provisions to the contrary.

They are registered in an account and transferred from one account to another in accordance with the applicable legal and regulatory provisions.

Double voting rights (Article 31.2 of the by-laws)

In accordance with the provisions of Article L. 225-123 paragraph 3 of the French Commercial Code, the Combined Shareholders' Meeting of May 19, 2015 decided not to grant double voting rights to shares that have been held in registered form for a period of at least two years in the name of the same shareholder.

Limitations on voting rights

The Company's by-laws do not contain any provisions limiting voting rights.

7.1.2.4 Changes in shareholders' rights

The rights of the shareholders may be modified under the terms and conditions in accordance with the applicable legal and regulatory provisions. There are no specific provisions governing the changes in the shareholders' rights which are more stringent than the law requirements.

7.1.2.5 Shareholders' Meetings (Title IV of the by-laws)

Ordinary Shareholders' Meetings (Article 33 of the by-laws)

The Ordinary Shareholders' Meeting deliberates on any issues which do not fall within the exclusive authority of the Extraordinary Shareholders Meeting.

The Ordinary Shareholders' Meeting shall:

- hear reports of the Board of Directors and the Statutory Auditors presented at the Annual Shareholders' Meeting;
- discuss, approve, amend or reject the annual financial statements and consolidated financial statements for the financial year, and set the dividends to be distributed as well as the amounts to allocate to retained earnings;
- decide upon the constitution of any reserve funds, set the amounts to be deducted from such funds and determine their distribution;
- determine the total amount of directors' fees for the Board of Directors, which it shall allocate in accordance with the provisions of the Internal Regulations of the Board of Directors;
- appoint, re-elect or dismiss the directors;
- ratify the temporary appointments of directors made by the Board of Directors;
- appoint the Statutory Auditors and vote, if applicable, on the special reports issued by them in accordance with the law.

Extraordinary Shareholders' Meetings (Article 35 of the by-laws)

The Extraordinary Shareholders' Meeting deliberates on any proposals relating to the amendment of any provisions of the by-laws, and the conversion of the Company into a company of any other form.

However, the Extraordinary Shareholders' Meeting may not, under any circumstances, increase the shareholders' commitments or alter the equality of their rights, unless the shareholders unanimously approve such decision.

Meeting notice, meeting and holding of the Shareholders' Meetings (Articles 28 and 31 of the by-laws)

The Shareholders' Meetings are convened under the terms and conditions provided for in the applicable legal and regulatory provisions.

The Shareholders' Meetings shall be held at the registered office or at any other place in mainland France indicated in the notice of meeting.

Meetings are chaired by the Chairman of the Board of Directors or, in his absence, by a director specially empowered to that effect by the Board. Failing that, the Shareholders' Meeting shall elect its own Chairman.

The duties of scrutineers are fulfilled by the two members of the Shareholders' Meeting, present and accepting such duties, who hold the largest number of shares. The officers of the Shareholders' Meeting appoint a secretary, who may be chosen from outside the shareholders.

An attendance sheet duly initialled by the shareholders is certified as correct by the officers of the Shareholders' Meeting.

The resolutions of the Shareholders' Meetings are recorded in accordance with the legal provisions. The minutes are signed by the officers of the Shareholders' Meeting. Copies or extracts of the minutes may be validly certified by the Chairman of the Board of Directors or the secretary of the Shareholders' Meeting.

Attendance at Shareholders' Meetings (Article 30 of the by-laws)

Any shareholder is entitled to attend Shareholders' Meetings and vote under the terms and conditions provided for in the by-laws and in accordance with applicable legal and regulatory provisions.

A shareholder may also under the terms set by applicable regulations, send a proxy form and a mail voting form for any Shareholders' Meeting either in paper form or, if agreed by the Board of Directors and published in the notices of meeting, by electronic form. In the case of an electronic form, the shareholder's signature must either be in secured digital form or in the form of a reliable means of identification of the relevant shareholder such as a user ID and password.

The holders of shares for which amounts due have not been paid within thirty days of notification to this effect made by the Company, may not attend the Shareholders' Meeting or exercise their voting rights attached to the shares held. Their shares are deducted from the total number of existing shares for the purpose of calculating whether or not a *quorum* is present.

Quorum and majority

The general or special meetings deliberate pursuant to the *quorum* and majority requirements provided by law.

Ordinary Shareholders' Meetings (Article 32 of the by-laws)

On first notice, the Ordinary Shareholders' Meeting of the shareholders validly deliberates if the shareholders present or represented hold at least one fifth of the shares with voting rights. On second notice, the deliberation is valid regardless of the number of shares held by the shareholders present or represented.

Resolutions shall be adopted by a simple majority vote of the shareholders present or represented.

Extraordinary Shareholders' Meetings (Article 34 of the by-laws)

On first notice, the Extraordinary Shareholders' Meeting validly deliberates if the shareholders present or represented hold at least one fourth of the shares with voting right, or on second notice, one fifth of the shares with voting rights.

Resolutions are passed by a two-third majority vote of shareholders present or represented.

If the Extraordinary Shareholders Meeting deliberates on the approval of a contribution in kind or the grant of a specific benefit, the contributor or beneficiary, who is a shareholder of the Company, may not vote either personally or as proxy for another shareholder. The relevant shares are not counted for calculating either the *quorum* or the majority.

7.1.2.6 Provisions of the Company's by-laws which may have an impact on the occurrence of a change of control

The by-laws do not contain any provisions that would have the effect of delaying, deferring or preventing a change of control of the Company.

7.1.2.7 Crossing of thresholds (Article 13 of the by-laws)

With the exception of declarations of crossing of thresholds explicitly stipulated by the applicable legal and regulatory provisions, any physical or legal person that directly or indirectly through the intermediary of companies that it controls within the meaning of Article L. 233-3 of the French Commercial Code, acting alone or in concert with others, comes into possession of a fraction of the share capital or voting rights equal to or more than 1% of the share capital or voting rights, or any multiple thereof, is required to inform the Company, by recorded delivery with acknowledgement of receipt, of the total number of shares and voting rights held and the number of securities giving future access to the Company's share capital held directly or indirectly, alone or in concert, and any associated voting rights, no later than four trading days from the occurrence of the threshold crossing.

The Company's obligation to inform also applies in the same times and in the same conditions, when the shareholder's participation in capital or in voting rights calculated in accordance with Articles L. 233-7 and L. 233-9 of the French Commercial Code, becomes lower than one of the thresholds mentioned in the previous paragraph.

In the event of non-compliance with the above-mentioned provisions, the sanctions provided by law in the event of non-compliance with the requirement to notify the legal thresholds crossing shall only apply to thresholds defined by the by-laws upon request of one or more shareholders holding at least 1% of the Company's share capital or voting rights, duly recorded in the minutes of the Shareholders' Meeting.

Subject to the above-mentioned provisions, the same provisions applicable to the legal requirement apply to the statutory requirement, including the cases of assimilation to shares held as provided by applicable laws and regulations.

7.1.2.8 Identification of the holders of securities (Article 9 of the by-laws)

The Company may ask for identification of holders of securities conferring the right to vote at Shareholders' Meetings either immediately or in the future, as well as the number of securities held, in accordance with the applicable legal and regulatory provisions.

If the person who is asked to provide this information fails to do so within the time period prescribed by the applicable laws and regulations, or provides incomplete or false information about its capacity, the holders of the securities or the number of securities held by each of them, the shares or securities giving immediate or deferred access to the share capital and for which this person is registered will be deprived from voting rights for all Shareholders' Meetings held until the correct information has been provided, and any dividend payments will be suspended until that date.

7.1.2.9 Special provisions governing changes to the share capital (Article 7 of the by-laws)

The share capital may be increased, reduced or redeemed under the terms and conditions provided by law. The Company's by-laws do not contain any special provisions in that respect.

7.1.2.10 Company financial year (Article 36 of the by-laws)

The financial year begins on January 1 and ends on December 31 each calendar year.

7.1.3 PUBLICLY AVAILABLE DOCUMENTS

The documents required to be made available to shareholders, in accordance with the regulations in effect, may be consulted at the registered office of the Company and/or by electronic means on the Company's website, www.gtt.fr, "Finance" page, and this during the validity period of this Registration Document.

Copies of this Registration Document are available, free of charge, from the registered office of GTT (1, route de Versailles – 78470 Saint-Rémy-lès-Chevreuse – Tel.: +33 1 30 23 47 89), or on the website of the Company (www.gtt.fr) and the *Autorité des Marchés Financiers* (www.amf-france.org).

7.2 SHARE CAPITAL

7.2.1 GENERAL INFORMATION

Amount of the share capital

At the date of registration of this Registration Document, the Company's share capital is 370,783.57 euros, divided into 37,078,357 shares with a par value of 0.01 euro each, fully subscribed and paid up, and all of the same class.

Non-equity securities

At the date of registration of this Registration Document, the Company has not issued any securities not representing the share capital.

Pledges of shares

To the best of the Company's knowledge, no shares of the Company are pledged at December 31, 2018.

Potential capital

None

Authorisations relating to the capital

The table below presents the financial resolutions and authorisations in effect which have been approved by the Shareholders' Meeting.

Resolution of the relevant Shareholders' Meeting	Purpose of the resolution	Maximum nominal amount	Term of the autorisation	Utilisation of the autorisation	Nullity of the autorisation andexpiry date
9th	Authorisation to be granted to the Board of Directors to carry out transactions on the Company's shares. (Minutes of the Combined Shareholders' Meeting of May 17, 2018)	10% of the share capital	18 months as of the date of the Combined Shareholders' Meeting of May 17, 2018	27,015 shares held by GTT As at December 31, 2018	November 17, 2019
14th	Authorisation to allow the Board of Directors to proceed to the allocation of existing free shares or shares to be issued to employees and executive officers of the Company (Minutes of the Combined Shareholders' Meeting of May 17, 2018)	1% of the share capital	38 months as of the date of the Combined Shareholders' Meeting of May 17, 2018	68,200 shares allocated as at May 23, 2019	July 17, 2021
13th	Authorisation to give to the Board of Directors to reduce the share capital through cancellation of the Company's treasury shares (Minutes of the Combined Shareholders' Meeting of May 17, 2018)	10% of the share capital per period of 24 months	24 months as of the date of the Combined Shareholders' Meeting of May 17, 2018	Not used	May 17, 2020

Information concerning the Company's or its subsidiaries' share capital subject to an option or a conditional or unconditional agreement to be subject to an option and details of such options (including the identity of the related beneficiaries)

None

Changes in the share capital

The modifications made to the share capital of the Company during the last five years appear in section 7.5 – *GTT's results over the past five financial years* in this Registration Document.

Declarations of crossing legal and by-law thresholds received during the financial year

Date	Crossing	Company	% of the capital	% of voting rights
23/02/2018	Decrease	Sommerville Investments BV	0.00%	0.00%
06/07/2018	Increase	CACEIS/CREDIT AGRICOLE	1.45%	1.45%
19/09/2018	Increase	Neon Liberty Capital Management LLC	1.92%	1.92%
25/09/2018	Decrease	CACEIS/CREDIT AGRICOLE	0.22%	0.22%
23/10/2018	Increase	Universities Superannuation Scheme Ltd	1.01%	1.01%
04/12/2018	Increase	Mondrian Investment Partners Ltd	1.20%	1.20%

The Company has no knowledge of any other shareholders holding at least 1% of GTT's share capital and which have sent to it a declaration of crossing legal or by-law thresholds for the 2018 financial year.

7.2.2 EMPLOYEE SAVINGS

7.2.2.1 Employee incentive agreement

2018 is covered by an employee incentive agreement within GTT and Cryovision.

7.2.2.1.1 Within GTT

GTT concluded an employee incentive agreement dated June 26, 2018, effective on January 1, 2018 for a term of three years and ending on December 31, 2020. It was the subject of a conformity amendment on December 10, 2018. All employees with at least three months' service are entitled to benefit from this agreement. The aggregate incentive entitlement is allocated on the basis of salary corresponding to an effective length of service.

The incentive entitlement is allocated to beneficiaries subject to a certain level of net margin and provided that at least one objective is achieved from among four objectives relating to (i) ethics within the Company (ISO 37001 certification), (ii) the number of patents filed, (iii) customer satisfaction and (iv) penetration of the LNG Fuel market.

In application of the agreement of June 26, 2018, the gross amount of the incentive which must be paid for the financial year ended December 31, 2018 amounts to 1,112,267 euros.

7.2.2.1.2 Within Cryovision

Cryovision concluded a new employee incentive agreement on June 15, 2018, effective on January 1, 2018 for a term of three years ending on December 31, 2020. The gross amount of the incentive which must be paid in respect of the year ended December 31, 2018 amounts to 23,212 euros.

All employees with at least three months' service are entitled to benefit from this agreement. The aggregate incentive entitlement is allocated on the basis of salary corresponding to an effective length of service.

It is allocated to the beneficiaries provided that Cryovision's net income for the year is positive, after deduction of the incentive bonus.

Any beneficiary employee may allocate all or part of their incentive bonus to the Group employee savings scheme (PEG) or the Group retirement savings plan (PERCOG).

The implementation of the agreement is monitored by a special committee whose members include employee representatives appointed for that purpose, who have access to the documents required to calculate the incentive bonus and ensure that it is correctly allocated.

The annual incentive results are determined by Cryovision after review by the special committee and are subject to a joint report on the mechanism, which is made available to be displayed for information for all the staff.

7.2.2.2 Company profit-sharing agreement

GTT entered into a voluntary profit-sharing agreement on March 6, 2000. An alternative formula to the legal benchmark formula is used to calculate the amount of the special profit-sharing reserve.

The agreement was amended on March 26, 2012 to transform the Company agreement into a group agreement to include Cryovision. On April 13, 2012, after a referendum, Cryovision became a party to the profit-sharing agreement as established pursuant to the amendment dated March 26, 2012, it being effective for the first time as of 2012.

This agreement was concluded for a term of one year with effect from January 1, 2012, renewal by tacit agreement and by financial year.

In respect of the year ended December 31, 2018, the gross amount which must be paid for the constitution of a company profit-sharing reserve amounted to 5,802,362 euros, of which 5,678,999 euros for GTT and 123,363 euros for Cryovision.

As is the case for the incentive agreement, the employees concerned must have been present in the Company in 2018 and benefit from a minimum of three months of seniority. Beneficiaries represent 375 employees at GTT and 7 employees at Cryovision.

The breakdown of the amount of the Special Profit-sharing Reserve between the beneficiaries was made in proportion to the gross salaries reported to the administration by the two entities (GTT and Cryovision).

The breakdown thus made corresponds to slightly more than 28.7% of the amount of salaries thus recorded for each beneficiary.

Salary is subject to the limit of four times the annual Social Security ceiling and the amount thus allocated cannot exceed 75% of the annual Social Security ceiling.

Undistributed excess amounts are divided among all beneficiaries who have not reached the limit.

BNP Paribas sent employees option sheets on April 1, 2019, inviting them to enter their choices for allocation prior to April 30, 2019.

7.2.2.3 Group employee savings scheme

A group savings scheme was set up on March 26, 2012, for an indeterminate period, pursuant to the provisions of Articles L. 3331-1 *et seq.* of the French Labour Code. It cancelled and replaced the previous scheme dated May 26, 2000. The scheme covers GTT and all Group companies in which GTT directly or indirectly holds or will hold 50% of the share capital.

All employees with at least three months' service with the Company and any retirees or early retirees who still hold shares may participate in the scheme.

Employees who have left the Company (other than retirees or early retirees) may no longer make voluntary contributions to the scheme but may still contribute their incentive bonus or profit-sharing entitlement. In this case, neither the incentive bonus nor the profit-sharing entitlement will be eligible for the employer's top-up.

The Group savings scheme may be used to invest the following sums:

(i) voluntary payments by beneficiaries;

(ii) amounts contributed by the Company, *i.e.* expenses related to custody accounts and the participants' individual accounts and a complementary contribution payment equal to less than 8% of the annual Social Security ceiling per year and per employee, and less than three times the amount of the beneficiary's voluntary contributions. The employee savings scheme dated March 26, 2012 includes an annual employer's contribution equal to 300% of voluntary payments made by the beneficiary (including the incentive bonus and profit-sharing entitlement). However, the companies of the Group may decide on different contribution rules; and

(iii) the transfer of sums held in another employee savings plan or time savings plan.

Sums deposited in the Group employee savings scheme are invested in shares of a corporate mutual fund (FCPE). Employees may choose between five FCPEs, including one socially responsible fund as required by the provisions of Article L. 3332-17 of the French Labour Code.

The shares of FCPE are locked up for a period of five years although early release is possible in certain specific circumstances set out in the applicable laws and regulations.

The Group employee savings scheme was amended in order to allow the implementation of the capital increase reserved for employees, the procedures of which are described in the prospectus accompanying the Company's initial public offering.

In particular, Article 6 of the Group savings scheme on the use of amounts paid to the Group savings scheme was completed to include a Company-dedicated FCPE entitled "GTT ACTIONNARIAT". A new article relating to the capital increase proposed to employees at the Company's market introduction was created. Article 7 on the capitalisation of revenues was modified to specify the consequences of the employee's choice for the payment of dividends or their capitalisation in the FCPE in Company securities.

7.2.3 TOTAL NUMBER OF SHARES THAT CAN BE CREATED

The delegations for capital increases are indicated in section 7.2.1 – *General information* in this Registration Document.

7.2.4 SHARE BUYBACKS

The Combined General Meeting of May 17, 2018 authorised the Board of Directors, for a period of 18 months, with the option to delegate, to undertake or arrange to undertake the buyback of company shares, pursuant to the conditions and obligations set by Articles L. 225-209 *et seq.* of the French Commercial Code, European regulation 2273/2003 of December 22, 2003 in application of Directive 2003/6/EC of January 28, 2003, the General Regulation of the *Autorité des Marchés Financiers* (the AMF), the market practices allowed by the AMF, as well as any other applicable legal and regulatory provisions that might apply.

This authorisation is envisaged to allow:

- the cancellation of the acquired shares;
- the allocation or sale of shares to employees or corporate officers of the Company or of Group companies under the conditions and in accordance with the procedures allowed by law, notably with respect to company profit-sharing, or the allocation of free shares, or in the case of the exercise of share purchase options, or as part of a group savings scheme or any other company savings scheme existing in the Group;
- the delivery of shares upon the exercise of rights attached to securities giving right to repayment, conversion, exchange, presentation of a warrant, or any other means of allocating shares of the Company;
- more generally, to honour the obligations linked to share option programs or other plans for allocation of shares to employees or corporate officers of the Company or those of an associated company;
- the delivery of shares as part of the exercise of rights attached to securities giving access to the capital by redemption, conversion, exchange, presentation of a warrant or in any other manner;
- the retaining and later delivery, either in payment as part of an acquisition transaction or in exchange as part of a merger or demerger or contribution transaction, limited to 5% of the capital; and
- the stimulation of the secondary market or the liquidity of the shares by an investment services provider acting under a liquidity contract in compliance with the code of ethics recognised by the *Autorité des Marchés Financiers*.

The number of shares that are liable to be acquired under this authorisation may not exceed 10% of the number of shares composing the share capital, or, for indicative purposes 3,707,835 shares on the basis of the capital at December 31, 2018, with the specification that when the shares are bought back to stimulate trading as part of a liquidity contract, the number of shares taken into account for the calculation of the 10% limit corresponds to the number of shares purchased, less the number of shares sold over the period of the authorisation.

The Company cannot directly or indirectly own more than 10% of its share capital.

On November 10, 2014, GTT entered into a liquidity contract with Exane BNP PARIBAS to promote the liquidity of its securities and the regularity of their listings on the NYSE Euronext Paris market. A liquidity account in the amount of 1.8 million euros was thus opened to allow Exane BNP Paribas to carry out the interventions specified in the liquidity contract. This contract was renewed by GTT in January 2016. It was terminated on December 31, 2018. On December 21, 2018, GTT concluded a new liquidity contract with Rothschild Martin Maurel. A liquidity account in the amount of 2.9 million euros (allocated in 5,325 shares and 2,552,810 euros) was thereby opened to allow Rothschild Martin Maurel to perform the actions stipulated by the liquidity contract as from January 2, 2019.

At December 31, 2018, the Company held 5,325 GTT shares under the terms of its liquidity contract and 21,690 GTT shares outside the liquidity contract.

7.3 SHAREHOLDING

7.3.1 CHANGES IN THE SHAREHOLDING STRUCTURE

To the best of the Company's knowledge, the breakdown of capital and voting rights of the Company is as follows, at March 31, 2019:

Shareholding	Number of shares	% of the capital	% of voting rights
ENGIE	14,858,380	40.07	40.10
GDF International	121,600	0.33	0.33
GDF Armateur 2	1,600	0.00	0.00
Managers and employees of the Company	186,293	0.50	0.50
Public	21,888,294	59.03	59.07
Treasury shares	22,190	0.06	0.00
Total	37,078,357	100.00	100.00

At March 31, 2019, the Company's share capital comprised 37,078,357 shares, representing as many theoretical voting rights (1) and 37,056,167 net voting rights (2).

At the end of financial years 2018, 2017 and 2016, the share capital and voting rights were broken down as follows:

	Situation as at 31/12/2018			Situation as at 31/12/2017			Situation as at 31/12/2016		
Shareholding	Number of shares	% of the capital	% of voting rights	Number of shares	% of the capital	% of voting rights	Number of shares	% of the capital	% of voting rights
ENGIE	14,858,380	40.07	40.10	14,858,380	40.07	40.16	14,858,380	40.07	40.13
GDF International	121,600	0.33	0.33	121,600	0.33	0.33	121,600	0.33	0.33
GDF Armateur 2	1,600	0.00	0.00	1,600	0.00	0.00	1,600	0.00	0.00
Sommerville Investments BV*	-	-	-	3,849,968	10.38	10.41	3,849,968	10.38	10.40
Managers and employees of the Company	191,682	0.52	0.52	181,075	0.49	0.49	144,618	0.39	0.39
Public	21,878,080	59.00	59.05	17,986,060	48.51	48.61	18,050,697	48.68	48.75
Treasury shares	27,015	0.07	0.00	79,674	0.21	0.00	51,494	0.14	0.00
TOTAL	**37,078,357**	**100.00**	**100.00**	**37,078,357**	**100.00**	**100.00**	**37,078,357**	**100.00**	**100.00**

* *Fomerly Sheares Investments BV/Shareholding sold on February 20, 2018.*

(1) The total number of voting rights is calculated based on all the shares with attached voting rights, including shares stripped of voting rights.
(2) After deducting treasury shares.

7.3.2 VOTING RIGHTS

The provisions relating to the voting rights attached to the Company's shares are specified in section 7.1.2.3 – *Rights, preferences, restrictions and obligations attached to the shares* in this Registration Document.

7.3.3 CONTROL

At the time of the Company's initial public offering, ENGIE acquired, in equal shares from H&F Luxembourg 1 SARL and Total Gas & Power Actifs Industriels, 170,380 shares in the Company, in such a way that ENGIE, GDF International and GDF Armateur 2 together hold 40.1% of the Company's shares on a fully-diluted basis after taking into account the new shares issued as part of the offer reserved for employees and the shares awarded free of charge in application of the two plans approved by the Board of Directors on February 10, 2014 (see section 6.1.7.3 – *Free shares and performance shares* in this Registration Document).

GTT believes that ENGIE is able to exercise de facto control. However, it considers that there is no risk that such control may be exercised in an abusive way. In this respect, it is reminded that GTT complies with the recommendations of the AFEP-MEDEF Code, as applicable to controlled companies. Therefore, pursuant to such recommendations, at least one-third of GTT's members on the Board of Directors are independent directors. AFEP-MEDEF recommendations relating to corporate governance and in particular to the composition of the Board of Directors' committees protects minority shareholders' interests.

ENGIE indicated, at the time of the Company's initial public offering that, as part of its LNG strategy, it would continue to support and promote the development of the Company and more generally its strategy, under the direction of its managers, who have proven in past years their skill and their ability to make the Company grow.

Arrangements that could result in a change of control of the Company

To the Company's knowledge, at the date registration of this Registration Document, there are no arrangements, whose implementation could subsequently result in a change of control.

7.3.4 SHAREHOLDERS' AGREEMENTS, LOCK-UP COMMITMENTS AND CONCERT PARTIES

To the knowledge of the Company, there is no currently valid shareholder's agreement.

7.3.5 ITEMS LIKELY TO HAVE AN IMPACT IN THE EVENT OF A PUBLIC OFFER

None

7.4 STOCK MARKET

7.4.1 CHANGES IN THE STOCK MARKET PRICE AND VOLUME OF TRANSACTIONS

Main market data	2018
Number of shares at December 31	37,078,357
Share price at December 31 *(in euros)*	**67.15**
High *(in euros)*	70.15
Low *(in euros)*	47.06
Market capitalisation at December 31 *(in millions of euros)*	2,490

Change in the stock market price between March 2018 and February 2019	Average price [1] *(in euros)*	High *(in euros)*	Low *(in euros)*	Average daily transaction *(in number of securities)*	Average market capitalisation[2] *(in millions of euros)*
March 2018	52.10	53.95	50.90	59,948	1,932
April	51.70	55.20	48.36	75,167	1,917
May	53.07	54.60	50.25	49,360	1,968
June	52.07	53.65	50.40	59,425	1,931
July	50.68	58.40	47.06	72,504	1,879
August	58.87	60.15	58.00	38,753	2,183
September	62.03	68.20	56.55	61,347	2,300
October	65.83	68.10	63.65	66,098	2,441
November	65.08	67.45	62.90	44,395	2,413
December	66.97	70.15	64.80	55,862	2,483
January 2019	69.83	73.75	66.15	59,643	2,589
February	77.36	80.15	72.60	65,911	2,868

(1) Arithmetical average of closing prices.
(2) On 37,078,357 shares comprising the share capital over the period under consideration.

7.4.2 DIRECTORS' SECURITIES TRANSACTIONS

The transactions carried out in the 2018 financial year on GTT securities and related financial instruments, by corporate officers, executive directors and other persons in charge and those related to them, as mentioned in paragraphs a) to c) of Article L. 621-18-2 of the French Monetary and Financial Code and of which the Company has knowledge, are the following:

Declarer	Type of transaction	Value date	Number of securities	Average unit price per share *(in euros)*
Karim Chapot	Sale	19/02/2018	10,431	57.01
David Colson	Sale	20/02/2018	2,416	59.70
Karim Chapot	Sale	23/08/2018	2,500	59.45
David Colson	Sale	01/10/2018	2,210	65.45

7.5 GTT RESULTS OVER THE PAST FIVE FINANCIAL YEARS

In euros	2014 financial year	2015 financial year	2016 financial year	2017 financial year	2018 financial year
Share capital at the end of the financial year					
Share capital	370,784	370,784	370,784	370,784	370,784
Number of existing ordinary shares	37,078,357	37,078,357	37,078,357	37,078,357	37,078,357
Operations and results for the financial year					
Revenue before tax, amortisations and provisions	142,763,217	137,747,317	136,273,592	144,863,123	155,642,032
Income tax	18,567,087	17,852,121	17,750,856	14,140,423	13,772,492
Employee profit-sharing due in respect of the financial year	6,759,275	6,200,695	5,932,509	4,530,134	5,914,942
Net income after taxes and charges to amortisation and provisions	123,302,385	118,894,704	117,463,841	114,118,870	150,542,826
Profit distributed	98,617,273	98,550,583	98,559,807	98,510,981	98,548,063(1)
Earnings per share					
Net income after taxes, but before depreciation and provisions					
• based on number of existing shares	3	3	3	4	4
Net income after taxes and charges to amortisation and provisions					
• based on number of existing shares	3	3	3	3	4
Net dividend allocated: ordinary shares					
• based on number of existing shares	3	3	3	3	3
Personnel					
Average number of employees during the financial year	380	381	376	345	345
Payroll amount during the financial year	20,830,852	20,829,701	21,379,239	22,594,640	22,352,591
Amount paid in respect of social benefits during the financial year (social security costs, welfare schemes, etc.)	15,178,450	12,485,318	12,518,399	12,011,064	12,953,008

(1) Amount estimated at the date of filing this Registration Document.

7.6 RELATED-PARTY TRANSACTIONS

Information about transactions with related parties during the 2018 financial year appears in the special report of the Statutory Auditors on related-party agreements referred to hereafter in section 7.6.1 – *Special report of the Statutory Auditors on related-party agreements for the financial year ended December 31, 2018* of this Registration Document, as well as in note 19 of section 3.2.1 – *Consolidated financial statements prepared according to IFRS for the financial year ended on December 31, 2018* in this Registration Document.

7.6.1 STATUTORY AUDITORS' REPORT ON RELATED PARTY AGREEMENTS AND COMMITMENTS FOR THE FINANCIAL YEAR ENDED DECEMBER 31, 2018

This is a translation into English of a report issued in French and it is provided solely for the convenience of English-speaking users.

This report should be read in conjunction with, and construed in accordance with, French law and professional standards applicable in France.

General meeting of shareholders held to approve the financial statements for the year ended December 31, 2018

In our capacity as Statutory Auditors of your Company, we hereby report on certain related party agreements and commitments.

We are required to inform you, on the basis of the information provided to us, of the terms and conditions of those agreements and commitments indicated to us, or that we may have identified in the performance of our engagement as well as the reasons justifying why they benefit the Company. We are not required to comment as to whether they are beneficial or appropriate or to ascertain the existence of any such agreements and commitments. It is your responsibility, in accordance with Article R. 225-31 of the French Commercial Code (*Code de commerce*), to evaluate the benefits resulting from these agreements and commitments prior to their approval.

In addition, we are required, where applicable, to inform you in accordance with Article R. 225-31 of the French Commercial Code (*Code de commerce*) concerning the continuation of the implementation, during the year, of the agreements and commitments already approved by the General Meeting of Shareholders.

We performed those procedures which we considered necessary to comply with professional guidance issued by French Institute of Statutory Auditors (Compagnie nationale des commissaires aux comptes) relating to this type of engagement. These procedures consisted in verifying that the information provided to us is consistent with the documentation from which it has been extracted.

1/ AGREEMENTS AND COMMITMENTS SUBMITTED FOR APPROVAL TO THE GENERAL MEETING OF SHAREHOLDERS

1.1/ AGREEMENTS AND COMMITMENTS AUTHORIZED AND CONCLUDED IN THE COURSE OF THE YEAR

We hereby inform you that we have not been advised of any agreements or commitments authorized and concluded in the course of the year to be submitted to the General Meeting of Shareholders for approval in accordance with Article L. 225-38 of the French Commercial Code (*Code de commerce*).

2/ AGREEMENTS AND COMMITMENTS ALREADY APPROVED BY THE GENERAL MEETING OF SHAREHOLDERS

2.1/ CONTINUING AGREEMENTS AND COMMITMENTS WHICH WERE ENTERED IN PRIOR YEARS

a) whose implementation continued during the year

In accordance with article R. 225-30 of the French Commercial Code (*Code de commerce*), we have been advised that the implementation of the following agreements and commitments which were approved by the General Meeting of Shareholders in prior years continued during the year.

With Engie Cofely, controlled by Engie, shareholder owning 40.41% of your company

a) Framework agreement for the study and evaluation of products and solutions for the LNG chain

Nature, purpose and conditions

On April 11, 2014, the Board of Directors authorized the signing of a cooperation agreement between your company and CRIGEN, the center for research and operating expertise of the ENGIE group dedicated to gas, new energies and emerging energies businesses, covering the design and development of products and solutions intended for the LNG chain.

This agreement, entered into on April 28, 2014, for a five-year period, defines the principles for evaluation and marketing of patents, software and other expertise developed by CRIGEN, as well as products, software and technology that the parties develop jointly.

As at December 31, 2018, this agreement did not result in any financial expenses.

b) Service provision agreement on the performance of studies

Nature, purpose and conditions

On November 18, 2014, your company and CRIGEN signed a service provision agreement amounting to €320,000 excluding tax, for CRIGEN to perform several studies on the development and marketing of products and services based on nano-technologies. This agreement stipulates that your company will be assigned certain intellectual property rights for the development and marketing of systems for the transportation, transfer or storage of liquefied gases, specifically fixed and mobile cryogenic storage tanks, pipelines and bunkering masts.

as at December 31, 2018, an amount of € 274,420 excluding tax, was accounted for in your company's accounts.

c) Framework agreement on the management of the Company's headquarters

Nature, purpose and conditions

The Board of Directors' meeting of October 13, 2016 authorized the execution of a draft framework service agreement with Engie Cofely for the management of the Company's headquarters. This agreement states that Engie Cofely will subcontract the catering activities to Elior, whose Chairman and Chief Executive Officer is also a Director of your Company. The agreement was signed on November 4, 2016, for a 3-year term, and provides for an initial global annual price of 1,589,664 €.

As at December 31, 2018, a charge of € 958,361 excluding taxes was registered in your company's accounts.

With Mr. Philippe Berterottière, Chairman and Chief Executive Officer since December 11, 2013

a) Indemnities potentially owed to Mr. Berterottière in the event of forced departure leading to the cessation of his functions as a company officer

The Board of Directors' meeting of February 10, 2014 authorized your Chairman and Chief Executive Officer to receive an indemnity in the event of forced departure leading to the cessation of his functions as a Company officer.

The departure can be linked to (i) a change in shareholding either when the ENGIE group ceases to hold a combined fraction of voting rights higher than 40% and when a shareholder holds directly or indirectly a fraction that is higher than the fraction held by the ENGIE group, or (ii) when there is a disagreement over strategy.

The amount of this remuneration is set at twice the amount of the overall gross remuneration (fixed and variable parts) received by Mr. Philippe Berterottière for his duties within your Company during the last twelve months preceding the date of his departure.

In addition, the payment of this indemnity will be subject to the following performance conditions:

- one third of the indemnity will be paid if the Company achieves over 90% of its market shares in LNG carriers, FSRUs and FLNGs during the last twenty-four months, it being specified that if this rate is between 85% and 90%, the percentage of the indemnity will be determined in a straight-line manner between 0% and one third,
- one third of the indemnity will be paid in the event that a net margin rate on revenue (IFRS) higher than 50% is reached during the last eight quarters available preceding the departure,
- one third of the indemnity will be paid if the variable portion of Mr. Philippe Berterottière's remuneration during the two years preceding the departure is at least equal to two thirds of its maximum amount.

b) Non-competition commitment made by Mr. Philippe Berterottière in the event of the cessation of his mandate as a Chairman and Chief Executive Officer

The Board of Directors of February 10, 2014 took notice of the non-competition undertaking given by Mr. Philippe Berterottière under which he commits, in the case of the cessation of his mandate as a Chairman and Chief Executive Officer, regardless of the circumstances of the cessation and for a period of two years starting from the effective date of cessation of duties, not to provide his assistance, directly or indirectly, to any French or foreign company that develops or is likely to develop business activities in competition with those of your Company and its subsidiaries.

In return for this commitment, the Board of Directors authorized, on the non-retroactive condition precedent of the settlement-delivery of shares of your company allocated as part of the initial public offering on the Euronext Paris regulated market, the principal of the payment of a monthly indemnity of 5/10 (brought to 6/10 in the case of revocation, except for serious misconduct) of the monthly average of salaries and benefits and contractual payments received during the last twelve months.

If his severance pay and non-competition compensation are both applicable, on February 10, 2014 the Board of Directors decided that the total amount received by Mr. Philippe Berterottière in this regard will be limited to two years of gross fixed and variable remuneration received during the twelve months preceding his departure for the duties carried out within your Company.

c) Membership of supplementary pension scheme

Furthermore, on February 10, 2014, the Board of Directors of your Company authorized the membership of Mr. Philippe Berterottière to the mutual collective, health and protection and supplementary top-up pension schemes known as "Article 83".

As a result, your Company recognized an expense of € 91,338 for this supplementary pension scheme for the 2018 financial year.

2.2/ AGREEMENTS AND COMMITMENTS AUTHORIZED IN THE COURSE OF THE YEAR

We have also been informed of the performance of the following agreements and commitments, already approved by the General Meeting of Shareholders of May 17, 2018, based on the statutory auditor's report of April 24, 2018.

With Mr. Philippe Berterottière, Chairman and Chief Executive Officer since December 11, 2013

On April 12, 2018, the Board of Directors decided to renew, without modification, the commitments made by your company for the benefit of Mr. Philippe Berterottière, as described in the above paragraph "2.1 Agreements and commitments already approved by the General Meeting of Shareholders". These commitments deal with:

- the indemnities potentially due to Mr. Philippe Berterottière in the event of forced departure leading to the cessation of his functions as a company officer;
- the non-compete commitment made by Mr. Philippe Berterottière in the event of the cessation of his term as a Chairman and Chief Executive Officer;
- Mr Philippe Berterottière's membership of the supplementary pension scheme.

This decision applied from the renewal of the mandate of Mr. Philippe Berterottière as a Chairman and Chief Executive Officer of the company, by decision of the Board of Directors of May 17, 2018.

Paris-La Défense and Paris, April 29, 2019

The statutory auditors

French original signed by

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

7.7 INFORMATION ABOUT THE STATUTORY AUDITORS

7.7.1 PRINCIPAL STATUTORY AUDITORS

Ernst&Young Audit
Represented by Aymeric de La Morandière
Member of the Compagnie Régionale des Commissaires aux Comptes of Versailles
1-2, place des Saisons
Paris La Défense
92400 Courbevoie
Nanterre Trade and Companies Register: 344,366,315
Appointment renewed at the Shareholders' Meeting of May 18, 2016 for a term of six financial years and dues to expire at the end of the Shareholders' Meeting to be called to vote on the financial statements for the financial year ending on December 31, 2021.

Cailliau Dedouit et Associés
Represented by Mr Rémi Savournin
Member of the Compagnie Régionale des Commissaires aux Comptes of Paris
19 rue Clément Marot
75008 Paris
Paris Trade and Companies Register: 722,012,051
Appointed at the General Shareholders' Meeting of May 18, 2017 for a term of six financial years dues to expire at the end of the General Shareholders' Meeting to be called to vote on the financial statements for the financial year ending on December 31, 2022.

7.7.2 DEPUTY STATUTORY AUDITOR

Auditex
Member of the Compagnie Régionale des Commissaires aux Comptes of Versailles
1-2, place des Saisons
Paris La Défense
92400 Courbevoie
Nanterre Trade and Companies Register: 377,652,938
Term renewed at the Shareholders' Meeting of May 18, 2016 for a period of 6 corporate financial years, and expiring at the end of the Shareholders' Meeting which will vote on the financial statements for the corporate financial year ending December 31, 2021.

7.7.3 FEES PAID TO THE STATUTORY AUDITORS AND MEMBERS OF THEIR NETWORKS PAID BY THE GROUP

	Ernst & Young				Cailliau Dedouit et Associés			
	Amount (excluding taxes) *(in euros)*		%		Amount (excluding taxes) *(in euros)*		%	
	2017	2018	2017	2018	2017	2018	2017	2018
Audit								
Statutory audit, certification, examination of individual financial statements and prepared in IFRS								
• Issuer	156,000	90,500	64.69	64.69	82,000	90,500	100	91.88
• Subsidiaries	10,710	46,400	33.17	33.17	-	-		-
Other work (Initial Public Offering) and services directly relating to the assignment of the Statutory Auditor								
• Issuer	10,500	-	5.93	-	-	-		-
• Subsidiaries	-		-					
Sub-total	177,210	136.900	100	97.86	82,000	90,500	100	91.88
Other services provided by the networks								
• Legal, tax, employee-related	-	-	-	-	-	-	-	-
• Other	-	3,000	-	2.14	-	8,000	-	8.12
Sub-total	-	3,000	-	2.14	-	8,000	-	8.12
TOTAL	**177,210**	**139,900**	**100**	**100**	**82,000**	**98,500**	**100**	**100**

8

COMBINED SHAREHOLDERS' MEETING OF MAY 23, 2019

Annual Financial Report items are clearly identifi ed in this summary with the aid of the AFR pictogram AFR

8.1 AGENDA OF THE COMBINED SHAREHOLDERS' MEETING

RESOLUTIONS THAT FALL WITHIN THE AUTHORITY OF THE ORDINARY SHAREHOLDERS' MEETING

- Approval of the corporate financial statements for the financial year ended December 31, 2018.
- Approval of the consolidated financial statements for the financial year ended December 31, 2018.
- Allocation of profit and setting the dividend amount.
- Approval of the related party agreements and commitments covered in Article L. 225-38 of the French Commercial Code.
- Renewal of the term of office of Christian Germa as a director.
- Renewal of the term of office of Michèle Azalbert as a director.
- Renewal of the term of office of Cécile Prévieu as a director.
- Appointment of Judith Hartmann as a director.
- Setting of the amount of directors' fees allocated to the Board of Directors.
- Authorisation to be granted to the Board of Directors to carry out transactions on the Company's shares.
- Approval of the elements of compensation paid or attributed to Philippe Berterottière, Chairman and Chief Executive Officer, for the 2018 financial year.
- Approval of the report on the principles and criteria for determining, breaking down and allocating the fixed, variable and non-recurring portions of total compensation, and benefits of any kind, allocatable to the executive officers.

RESOLUTIONS THAT FALL WITHIN THE AUTHORITY OF THE EXTRAORDINARY SHAREHOLDERS' MEETING

- Authorisation to be granted to the Board of Directors to reduce the share capital through the cancellation of the Company's treasury shares.
- Authorisation to allow the Board of Directors to proceed with the allocation of existing free shares or shares to be issued to employees and executive officers of the Company or certain of them.

RESOLUTION CONCERNING POWERS

- Powers for carrying out formalities.

8.2 BOARD OF DIRECTORS' REPORT ON THE DRAFT RESOLUTIONS

Dear Shareholders,

We have called you to this Annual Shareholders' Meeting according to the conditions stipulated by law and our by-laws in order to submit for your approval the resolutions covering the financial statements for the financial year ended December 31, 2018.

Your Board of Directors submits the following 15 resolutions for your approval.

RESOLUTIONS THAT FALL WITHIN THE AUTHORITY OF THE ORDINARY SHAREHOLDERS' MEETING

Approval of the corporate financial statements for the 2018 financial year (1st resolution)

You are asked to approve the Company's corporate financial statements for the financial year ended December 31, 2018, as well as the non-tax-deductible expenses and charges.

The Company's corporate financial statements show a profit of 144.4 million euros.

Approval of the consolidated financial statements for the 2018 financial year (2nd resolution)

You are asked to approve the Group's consolidated financial statements for the financial year ended December 31, 2018, which show a profit of 142.8 million euros.

Allocation of profit and setting of the dividend amount (3rd resolution)

After noting that the corporate accounts for the financial year ended December 31, 2018 show a profit of 144,438,991 euros, your Board of Directors proposes the following allocation of this profit:

Profit for the financial year	€144,438,991
Other reserves	-
Retained earnings	(€49,278,467)
Distributable profits	**€95,160,524**
Allocation	-
Dividend	€66,321,902
Retained earnings	€28,838,622

Accordingly, the dividend to be distributed would be 3.12 euros per share.

An interim dividend payment of 1.33 euros per share was paid on September 28, 2018. The balance due, 1.79 euros per share, should be paid on May 29, 2019, it being stipulated that the ex-dividend date will be May 27, 2019.

In accordance with the requirements of Article 243bis of the French General Tax Code, shareholders are informed that, under the conditions defined by current law and regulations, this gross dividend will be subject to a single fixed-rate withholding tax paid at an overall rate of 30% (*i.e.* 12.8% for income tax and 17.2% for social contributions), unless they opt for the progressive income tax scale, which would, in this case, apply to all revenue from capital received in 2019. If the option for the progressive scale is taken, it will entitle the beneficiary to the 40% proportional rebate stipulated in point 2 of 3 of Article 158 of the French General Tax Code, *i.e.* 1.25 euros per share. This regime is applicable to natural persons that are resident in France for tax purposes.

Your Board of Directors suggests that the unpaid amount of the dividend attributable to treasury shares as of the payment date be allocated to retained earnings.

Related party agreements and commitments (4th resolution)

In respect of the 4th resolution, your Board of Directors invites you to take note of the related party agreements and commitments already approved in previous financial years, and for which execution continued, as indicated in the Statutory Auditors' special report on related party agreements and commitments covered in Article L. 225-38 of the French Commercial Code, and to take note of the fact that the Statutory Auditors' special report does not record any new agreements signed during the financial year ended December 31, 2018.

Renewal of the term of office of Christian Germa as a director (5th resolution)

Christian Germa's term will expire at the end of this Shareholders' Meeting.

Under the terms of the 5th resolution, your Board of Directors asks you to renew Christian Germa's term of office as a director for a term of four (4) years, i.e., until the end of the Shareholders' Meeting held in 2023 to approve the financial statements for the financial year ending December 31, 2022.

Renewal of the term of office of Michèle Azalbert as a director (6th resolution)

Michèle Azalbert's term will expire at the end of this Shareholders' Meeting.

Under the terms of the 6th resolution, your Board of Directors asks you to renew Michèle Azalbert's term of office as a director for a term of four (4) years, i.e., until the end of the Shareholders' Meeting held in 2023 to approve the financial statements for the financial year ending December 31, 2022.

Renewal of the term of office of Cécile Prévieu as a director (7th resolution)

Cécile Prévieu's term will expire at the end of this Shareholders' Meeting.

Under the terms of the 7th resolution, your Board of Directors asks you to renew Cécile Prévieu's term of office as a director for a term of four (4) years, i.e., until the end of the Shareholders' Meeting held in 2023 to approve the financial statements for the financial year ending December 31, 2022.

Appointment of Mrs. Judith Hartmann as director to replace a resigning director, Mr. Didier Holleaux (8th resolution)

Under the 8th resolution, on the recommendation of the Compensation and Nominations Committee, your Board of Directors proposes to accept the resignation of Mr. Didier Holleaux on the date of this Shareholders' Meeting and to appoint Mrs. Judith Hartmann as director, as replacement for Mr. Didier Holleaux, for a term of four (4) years, or until the end of the Shareholders' Meeting deliberating in 2023 on the annual financial statements for the 2022 financial year.

Mrs. Judith Hartman is Deputy Chief Executive Officer of ENGIE in charge of Finance and supervision of BUs in North America and the United Kingdom.

Of Austrian nationality, she is a graduate with a Master's in International Business Administration and a Doctorate in Economics from WU Vienna University of Business Administration & Economics.

She began her career in 1993 at the Department of Transportation for the Canadian government in Ottawa. In 1997, she joined the Finance Department of the Walt Disney Europe Company in France. In 2000, she joined GE where she held various functions over 12 years: first in financial management for GE Healthcare Europe in France, then at GE Healthcare's headquarters in the United States of America, before becoming in 2004, Chief Financial Officer of a subsidiary of GE Healthcare, then in 2007 of GE Water Europe, Middle East & Africa (GE Energy) in Belgium. Named in 2009 as Chief Financial Officer in Brazil, she then became Chief Executive Officer of GE Healthcare Latin America. Finally, in 2011, she became Chief Financial Officer of GE Germany.

Since 2012, she has been Chief Financial Officer of the Management Committee for the German Group Bertelsmann and non-executive Director of the RTL Group, Member of the Board of Directors of Penguin Random House LLC and of Gruner & Jahr AG & Co KG until the end of 2014.

In 2015, she joined ENGIE as Deputy CEO in charge of Finance. She is also a non-executive director of UNILEVER.

Setting of the amount of directors' fees allocated to the Board of Directors (9th resolution)

Under the 9th resolution, your Board of Directors asks you to set the total annual amount of 454,230 euros as directors' fees allocated to the Board of Directors for the financial year starting January 1, 2019, *i.e.* a 3% increase compared to the previous financial year.

This increase is proposed to take into account the growing workload of directors as part of the preparation of both Board of Directors' and Committee meetings. The proposed amount is in line with the results of a compensation study of Boards of Directors of comparable companies (size, financial profile and presence of foreign directors).

This decision and this total annual amount of directors' attendance fees allocated to the Board of Directors would be maintained for future financial years until a new decision is adopted by the Shareholders' Meeting.

Authorisation to be granted to the Board of Directors to carry out transactions on the Company's shares (10th resolution)

The Company requires adequate flexibility to allow it to respond to financial market fluctuations by purchasing shares.

To that end, we ask that you renew the authorisation granted to the Board of Directors so that they may implement a share buyback program, as follows.

The number of shares that are liable to be acquired under this authorisation could not exceed 10% of the number of shares composing the share capital, or, for indicative purposes 3,707,835 shares on the basis of the capital at December 31, 2018, with the stipulation that, when the shares are bought back to stimulate trading as part of a liquidity contract, the number of shares taken into account for the calculation of the 10% limit corresponds to the number of shares purchased, less the number of shares sold back over the period of the authorisation.

The Company may not directly or indirectly own more than 10% of its capital.

The acquisition, transfer or disposal of shares could be carried out, on one or more occasions, by any means authorised by applicable laws or regulations, including over-the-counter transactions, the trading of blocks of securities for all or part of the program and the use of any derivative financial instrument. We propose that you fix the maximum purchase price per share at 120 euros. The overall amount of funds that can be allocated to this share buyback program cannot exceed 444,940,200 euros.

This authorisation would allow:

- the allocation or sale of shares to employees or corporate officers of the Company or of Group companies under the conditions and in accordance with the procedures allowed by law, notably with respect to company profit-sharing, or the allocation of free shares, or in the case of the exercise of share purchase options, or as part of a group savings scheme or any other company savings scheme existing in the Group;
- the delivery of shares upon the exercise of rights attached to securities giving right to repayment, conversion, exchange, presentation of a warrant, or any other means of allocating shares of the Company;
- more generally, to honour the obligations linked to share option programs or other plans for allocation of shares to employees or corporate officers of the Company or those of an associated company;
- the retaining and later delivery of shares (in exchange, payment or other) as part of an acquisition transaction, limited to 5% of the number of shares comprising the share capital;
- the cancellation of all or a part of the shares bought back, subject to authorisation from this Shareholders' Meeting in its 13th extraordinary resolution; and
- the stimulation of the secondary market or the liquidity of the shares by an investment services provider acting under a liquidity contract in compliance with the code of ethics recognised by the *Autorité des Marchés Financiers*.

This authorisation would be granted for a period of 18 months as from the date of this Shareholders' Meeting. It would replace the authorisation previously granted by the Shareholders' Meeting of May 17, 2018 (9th resolution).

2018 Review of the previous share buyback program approved by the Shareholders' Meeting

During the 2018 financial year, the cumulative repurchase of shares as part of the liquidity contract entered into with Exane BNP Paribas amounted to 269,166 shares at an average price of 57,559 euros.

Cumulative sales in relation to the liquidity contracts referred to above related to 271,912 GTT shares at an average price of 57,820 euros.

During this financial year, no shares previously purchased by the Company were cancelled.

At December 31, 2018, GTT held 5,325 treasury shares under the liquidity contract.

Detailed information relating to this share repurchase program authorised by the Shareholders' Meeting is set out in section 7.2.4 *Share buybacks* of this Registration Document.

Approval of the elements of compensation paid or attributed to Philippe Berterottière, Chairman and Chief Executive Officer, for the 2018 financial year (11th resolution)

In accordance with the provisions of Article L. 225-100, II of the French Commercial Code, you are asked to approve the fixed, variable and non-recurring portions comprising the total compensation and benefits of any kind paid or allocated in respect of the financial year ended December 31, 2018 to Philippe Berterottière resulting from his term of office as Chairman and Chief Executive Officer.

These elements are provided in section 6.1.7.1.2 of chapter 6 – *Board of Directors' report on Corporate Governance*, in the Company's Registration Document.

The Board of Directors clarifies that these variable or non-recurring portions of compensation, payment of which was made conditional to your approval by the Shareholders' Meeting of May 17 2018, may only be paid to Philippe Berterottière after your approval during the Shareholders' Meeting of May 23 2019.

Approval of the report on the principles and criteria for determining, breaking down and allocating the fixed, variable and non-recurring portions of total compensation, and benefits of any kind, allocatable to the executive corporate officers (12th resolution)

In accordance with Article L. 225-37-2 of the French Commercial Code, your Board of Directors must present to the Annual Ordinary Shareholders' Meeting for approval, a report describing the principles and criteria for determining, breaking down and allocating the fixed, variable and non-recurring portions of total compensation, and the benefits of any kind, allocatable to the Chairman and Chief Executive Officer resulting from his term of office.

These elements are covered in paragraph 6.1.7.1.1 – *Executive Officer Compensation Policy* of the Registration Document. This paragraph takes the place of the report required under Article L. 225-37-2 of the French Commercial Code.

You are asked to approve the report on the principles and criteria for determining, breaking down and allocating the fixed, variable and non-recurring portions of total compensation, and the benefits of any kind allocatable to the executive officers, as they appear in paragraph 6.1.7.1.1 – *Executive Officer Compensation Policy* of the Registration Document.

In accordance with Article L. 225-37-2 of the French Commercial Code, payment of the variable and non-recurring compensation must be approved by the Shareholders' Meeting held in 2020 to approve the annual financial statements for 2019.

In accordance with Article L. 225-37-2 of the French Commercial Code, in the event that the Shareholders' Meeting returns a negative opinion on the compensation policy, it will be determined in accordance with the compensation allocated for the previous financial year. In this case, at the recommendation of the Compensation and Nominations Committee, the Board of Directors will decide on the changes to be made to the compensation due or attributed for the period closed or to the future compensation policy. It will immediately publish a notice on the Company's website describing the action it plans to take following the vote of the Ordinary Shareholders' Meeting and will deliver a report on the follow-up action at the next Shareholders' Meeting.

RESOLUTIONS THAT FALL WITHIN THE AUTHORITY OF THE EXTRAORDINARY SHAREHOLDERS' MEETING

Authorisation to be granted to the Board of Directors to reduce the share capital through the cancellation of the Company's treasury shares (13th resolution)

You are asked to grant the Board of Directors the authorisation to cancel, through a reduction of share capital, all or part of the treasury shares held by the Company, both following the execution of the share buyback programs that were authorised by the Shareholders' Meeting in the past, and as part of the buyback program that you are asked to approve in the 10th resolution.

In accordance with legal provisions, the amount of shares cancelled cannot exceed 10% of the share capital within a period of 24 months.

This authorisation would be granted for a period of 24 months. It would replace the authorisation previously granted by the Shareholders' Meeting of May 17 2018 (13th resolution).

Authorisation to allow the Board of Directors to proceed with the allocation of existing free shares or shares to be issued to employees and corporate officers of the Company or certain of them (14th resolution)

You are asked to authorise the Board of Directors to proceed with allocations of existing free shares or shares to be issued to salaried employees of the Company or associated companies, within the meaning of Article L. 225-197-2-I paragraph 1 of the French Commercial Code, and to certain eligible corporate officers of the Company.

The shares would be existing shares previously bought back by the Company from its shareholders or issued as part of a capital increase reserved for the named employees. The total number of free shares may not exceed 370,783 shares or 1% of the share capital at the date of this Shareholders' Meeting.

This authorisation would be granted for a maximum duration of 38 months from the date of the Shareholders' Meeting. It would replace the authorisation previously granted by the Shareholders' Meeting of May 17 2018 (14th resolution).

The allocation of free shares that would be carried out based on this resolution is part of a long-term compensation policy and of an overall strategy to secure the loyalty and motivation of employees, competitive with market practices.

These allocations of free shares are designed to involve their beneficiaries in the Company's development and results.

The beneficiaries of these allocations of free shares would be selected by the Board of Directors, excluding the Company's corporate officers.

The shares allocated to beneficiaries would not be available before the completion of a minimum vesting period, it being noted that the combined vesting and lock-up period cannot be less than two years.

In addition to a potential presence condition, the Board of Directors may set qualitative (individual) and/or quantitative (collective) performance conditions for the definitive allocation of the shares. Fulfilment of the conditions would be assessed throughout the entire vesting period set by the Board of Directors.

RESOLUTION CONCERNING POWERS

Powers for carrying out formalities (15th resolution)

The 15th resolution covers the powers necessary for completion of the publication and legal formalities relating to this Shareholders' Meeting.

We ask that you adopt the resolutions submitted for your approval.

On behalf of the Board of Directors

Philippe Berterottière, Chairman and Chief Executive Officer

APPENDIX 1

Mandates and offices held outside the GTT Group by Judith Hartmann over the past five years

Current terms of office

- Director of Suez
- Non-executive director of Unilever (United Kingdom)

Past terms of office

- Director of Penguin Random House LLC (USA) and of Gruner & Jahr AG & Co KG (Germany)
- Non-executive director of RTL Group

8.3 STATUTORY AUDITORS' REPORTS

8.3.1 STATUTORY AUDITORS' REPORT ON RELATED-PARTY AGREEMENTS AND COMMITMENTS FOR THE FINANCIAL YEAR ENDED DECEMBER 31, 2018

The special report of the Statutory Auditors on related party agreements for the year ended December 31, 2018 is presented in section 7.6.1 of the Company's Registration Document.

8.3.2 STATUTORY AUDITORS' REPORT ON THE EARNINGS FORECASTS

The Statutory Auditors' report on the earnings forecasts is presented in section 3.5 of the Company's Registration Document.

8.3.3 STATUTORY AUDITORS' REPORT ON THE FINANCIAL STATEMENTS PREPARED IN ACCORDANCE WITH ARTICLE L. 225-235 OF THE FRENCH COMMERCIAL CODE

Article L. 225-235 of the French Commercial Code amended by the ruling no. 2017-1162 of July 12 2017 indicates the specific checks to be carried out by the Statutory Auditors on the Board of Directors' report on corporate governance in their report on the annual financial statements presented in section 3.7 of the Company's Registration Document.

8.3.4 STATUTORY AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

The Statutory Auditors' report on the consolidated financial statements for the financial year ended December 31, 2018 is presented in section 3.3 of the Company's Registration Document.

8.3.5 STATUTORY AUDITORS' REPORT ON THE FINANCIAL STATEMENTS PREPARED IN ACCORDANCE WITH FRENCH STANDARDS

The Statutory Auditors' report on the financial statements prepared in accordance with French standards is presented in section 3.7 of the Company's Registration Document.

8.3.6 STATUTORY AUDITORS' REPORT ON THE REDUCTION IN CAPITAL

This is a translation into English of a report issued in French and it is provided solely for the convenience of English-speaking users.

This report should be read in conjunction with, and construed in accordance with, French law and professional standards applicable in France.

To the Shareholders,

In our capacity as statutory auditors of your Company and in compliance with Article L. 225-209 of the French Commercial Code (*Code de commerce*) in respect of the reduction in capital by the cancellation of repurchased shares, we hereby report on our assessment of the terms and conditions for the proposed reduction in capital.

Your Board of Directors requests that it be authorized, for a period of twenty-four months starting on the date of the present meeting, to proceed with the cancellation of shares the Company was authorized to repurchase, representing an amount not exceeding 10% of its total share capital, by periods of twenty-four months, in compliance with the Article mentioned above.

We have performed those procedures which we considered necessary in accordance with professional guidance issued by the French Institute of Statutory Auditors (*Compagnie nationale des commissaires aux comptes*) for this type of engagement. These procedures consisted in verifying that the terms and conditions for the proposed reduction in capital, which should not compromise equality among the shareholders, are fair.

We have no matters to report as to the terms and conditions of the proposed reduction in capital.

Paris and Paris-La Défense, April 29, 2019

The Statutory Auditors

French original signed by

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

8.3.7 STATUTORY AUDITORS' REPORT ON THE FREE ALLOCATION OF EXISTING SHARES OR SHARES TO BE ISSUED

This is a translation into English of a report issued in French and it is provided solely for the convenience of English-speaking users.

This report should be read in conjunction with, and construed in accordance with, French law and professional standards applicable in France.

To the Shareholders,

In our capacity as statutory auditors of your Company and in compliance with Article L. 225-197-1 of the French Commercial Code (*Code de commerce*), we hereby report on the proposed free allocation of existing shares or shares to be issued, reserved for the employees and executive corporate officers of the Company or some of them, an operation upon which you are called to vote.

The total number of shares that may be allocated under this authorization cannot represent more than 1% of the Company's share capital as at the day of this meeting.

Your Board of Directors proposes that on the basis of its report it be authorized for a period of thirty-eight months to allocate, for free, existing shares or shares to be issued.

It is the responsibility of the Board of Directors to prepare a report on the proposed operation. Our role is to report on any matters relating to the information regarding the proposed operation.

We have performed those procedures which we considered necessary to comply with the professional guidance issued by the French Institute of Statutory Auditors (*Compagnie Nationale des Commissaires aux Comptes*) for this type of engagement. These procedures consisted mainly in verifying that the proposed methods described in the Board of Directors' report comply with the legal provisions governing such operations.

We have no matters to report as to the information provided in the Board of Directors' report relating to the proposed free allocation of shares.

Paris and Paris-La Défense, April 29, 2019

The Statutory Auditors

French original signed by

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

8.4 PROPOSED RESOLUTIONS

RESOLUTIONS THAT FALL WITHIN THE AUTHORITY OF THE ORDINARY SHAREHOLDERS' MEETING

1st resolution (*Approval of the corporate financial statements for the 2018 financial year*)

The Shareholders' Meeting, deliberating pursuant to the *quorum* and majority requirements for Ordinary Shareholders' Meetings, and having reviewed the Board of Directors' management report, as well as the report of the Statutory Auditors on the annual financial statements, approves the statement of assets and liabilities and the financial statements, *i.e.*, the balance sheet, the income statement and the notes thereto, at December 31, 2018, as they are presented, together with the transactions reflected in these financial statements or described in these reports, showing a profit of €144,438,991.

In application of Article 223 quater of the French General Tax Code, the Shareholders' Meeting notes that no expense or charge was incurred relating to Article 39-4 of said Code.

2nd resolution (*Approval of the consolidated financial statements for the 2018 financial year*)

The Shareholders' Meeting, deliberating pursuant to *the quorum* and majority requirements for Ordinary Shareholders' Meetings, and having reviewed the Board of Directors' management report, as well as the report of the Statutory Auditors on the consolidated financial statements, approves the consolidated financial statements of the Company for the financial year ended December 31, 2018, as they are presented, together with the transactions reflected or summarised in these reports.

3rd *resolution (Allocation of profit and setting of the dividend amount)*

The Shareholders' Meeting, deliberating pursuant to the *quorum* and majority requirements for Ordinary Shareholders' Meetings, approves, in accordance with the Board of Directors' proposed allocation of profit for the year, and after having noted that the financial statements for the year ended December 31, 2018 show a profit of €144,438,991, the allocation of the profits for the 2018 financial year as follows:

Profit for the financial year	€144,438,991
Other reserves	-
Retained earnings	(€49,278,467)
Distributable profits	**€95,160,524**
Allocation	-
Dividend	**€66,321,902**
Retained earnings	€28,838,622

Accordingly, the dividend to be distributed would be 3.12 euros per share.

An interim dividend payment of 1.33 euros per share was paid on September 28, 2018. The balance due, 1.79 euros per share, should be paid on May 29, 2019, it being stipulated that the ex-dividend date will be May 27, 2019.

In accordance with the requirements of Article 243bis of the French General Tax Code, shareholders are informed that, under the conditions defined by current law and regulations, this gross dividend will be subject to a single fixed-rate withholding tax paid at an overall rate of 30% (*i.e.* 12.8% for income tax and 17.2% for social contributions), unless they opt for the progressive income tax scale, which would, in this case, apply to all revenue from capital received in 2019. If the option for the progressive scale is taken, it will entitle the beneficiary to the 40% proportional rebate stipulated in point 2 of 3 of Article 158 of the French General Tax Code, *i.e.* 1.25 euros per share. This regime is applicable to natural persons that are resident in France for tax purposes.

The Shareholders' Meeting decides that the unpaid amount of the dividend attributable to treasury shares as of the payment date will be allocated to Retained earnings.

It notes that the Company, in respect of the past three financial years, carried out the following dividend distributions:

	Financial year ended December 31		
In euros	**2017**	**2016**	**2015**
Total dividend payout	98,572,329	98,559,807	98,550,583
Net dividend per share	2.66	2.66	2.66

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4th resolution (*Agreements described in Article L. 225-38 of the French Commercial Code*)

The Shareholders' Meeting, deliberating pursuant to the quorum and majority requirements for Ordinary Shareholders' Meetings, having reviewed the special report of the Statutory Auditors on related party agreements and commitments covered in Article L. 225-38 of the French Commercial Code, records the related party agreements and commitments signed and previously approved by the Shareholders' Meeting and which continued over the past financial year.

The Shareholders' Meeting also notes that the Statutory Auditors' report on the related party agreements and commitments covered in Article L. 225-38 of the French Commercial Code does not record any new agreements signed during the financial year ended December 31, 2018.

5th resolution *(Renewal of the term of office of Christian Germa as a director)*

The Shareholders' Meeting, noting that Christian Germa's term of office has ended, and deliberating pursuant to the quorum and majority requirements for Ordinary Shareholders' Meetings, after reviewing the management report of the Board of Directors, renews the term of office of Christian Germa for a term of four years, *i.e.*, until the end of the Shareholders' Meeting held in 2023 to approve the financial statements for 2022.

6th resolution *(Renewal of the term of office of Michèle Azalbert as a director)*

The Shareholders' Meeting, noting that Michèle Azalbert's term of office has ended, and deliberating pursuant to the quorum and majority requirements for Ordinary Shareholders' Meetings, after reviewing the management report of the Board of Directors, renews the term of office of Michèle Azalbert for a term of four years, *i.e.*, until the end of the Shareholders' Meeting held in 2023 to approve the financial statements for 2022.

7th resolution *(Renewal of the term of office of Cécile Prévieu as a director)*

The Shareholders' Meeting, noting that Cécile Prévieu's term of office has ended, and deliberating pursuant to the quorum and majority requirements for Ordinary Shareholders' Meetings, after reviewing the management report of the Board of Directors, renews the term of office of Cécile Prévieu for a term of four years, *i.e.*, until the end of the Shareholders' Meeting held in 2023 to approve the financial statements for 2022.

8th Resolution *(Appointment of Mrs. Judith Hartmann as director to replace resigning director, Mr. Didier Holleaux)*

The Shareholders' Meeting, under the rules of a quorum and a majority as required by an Ordinary Shareholders' Meeting, after having examined the report of the Board of Directors, takes note of the resignation of Mr. Didier Holleaux from his duties as director on the date of this Shareholders' Meeting and appoints Mrs. Judith Hartmann as director, as replacement for Mr. Didier Holleaux, for a term of four years, that is until the end of the Shareholders' Meeting that shall be called to deliberate in 2023 on the annual financial statements for the 2022 financial year.

9th resolution (*Setting of the amount of directors' fees allocated to the Board of Directors*)

The Shareholders' Meeting, deliberating pursuant to the quorum and majority requirements for Ordinary Shareholders' Meetings, having reviewed the report of the Board of Directors, sets the annual overall amount of directors' fees allocated to the Board of Directors for the financial year starting on January 1 2019 at 454,230 euros.

The breakdown of this amount will be carried out according to the procedures defined in the Internal Regulations of the Board of Directors.

This decision and the overall annual amount of the directors' attendance fees allocated to the Board of Directors will be maintained for subsequent financial years until a new decision is made by the Shareholders' Meeting.

10th resolution (*Authorisation to be granted to the Board of Directors to carry out transactions on the Company's shares*)

The Shareholders' Meeting, deliberating pursuant to the quorum and majority requirements for Ordinary Shareholders' Meetings, having reviewed the report of the Board of Directors, authorises the Board of Directors, with the option to sub-delegate as provided for by law, to carry out or have carried out purchases of shares in the Company according to the conditions and requirements established by Articles L. 225-209 et seq. of the French Commercial Code, European regulation 596/2014 of April 16 2014, the General Regulation of the *Autorité des Marchés Financiers* (AMF), the market practices allowed by the AMF, as well as any other applicable laws which might apply.

This authorisation is intended in particular to enable:

- the allocation or sale of shares to employees or corporate officers of the Company or of Group companies under the conditions and in accordance with the procedures allowed by law, notably with respect to company profit-sharing, or the allocation of free shares, or in the case of the exercise of share purchase options, or as part of a group savings scheme or any other company savings scheme existing in the Group;
- the delivery of shares upon the exercise of rights attached to securities giving right to repayment, conversion, exchange, presentation of a warrant, or any other means of allocating shares of the Company;

- more generally, to honour the obligations linked to share option programs or other plans for allocation of shares to employees or corporate officers of the Company or those of an associated company;
- the retaining and later delivery of shares (in exchange, payment or other) as part of an acquisition transaction, limited to 5% of the number of shares comprising the share capital;
- the cancellation of all or a part of the shares bought back, subject to authorisation from this Shareholders' Meeting in its 13th extraordinary resolution; and
- the stimulation of the secondary market or the liquidity of the shares by an investment services provider acting under a liquidity contract in compliance with the code of ethics recognised by the *Autorité des Marchés Financiers*.

This share buyback program would also be intended to allow the Company to operate for any other authorised purpose or purpose that would be authorised by any applicable laws or regulations in force and to implement any practice that would be allowed by the *Autorité des Marchés Financiers*. In such event, the Company would inform its shareholders through a press release.

The acquisition, transfer or disposal of shares could be carried out, on one or more occasions, by any means authorised by applicable laws or regulations, including over-the-counter transactions, the trading of blocks of securities for all or part of the program and the use of any derivative financial instrument.

The Board of Directors may use this authorisation at any time, within the limits authorised by legal and regulatory provisions and carry out the share buyback program in the case of a public offering in strict compliance with the provisions of Article 231-41 of the General Regulation of the AMF and of Article L. 225-209 of the French Commercial Code.

The number of shares that are liable to be acquired under this authorisation cannot exceed 10% of the number of shares composing the share capital, or, for indicative purposes 3,707,835 shares on the basis of the capital at December 31, 2018, with the stipulation that when the shares are bought back to stimulate trading as part of a liquidity contract, the number of shares taken into account for the calculation of the 10% limit corresponds to the number of shares purchased, minus the number of shares sold back over the period of the authorisation.

The Company cannot directly or indirectly own more than 10% of its share capital.

The maximum purchase price per share may not exceed €120.

In accordance with the provisions of Article R. 225-151 of the French Commercial Code, the maximum overall amount of funds which can be allocated to the share buyback program cannot exceed €449,940,200, corresponding to a maximum number of 3,707,835 shares acquired on the basis of the maximum unit price of 120 euros authorised above.

The Shareholders' Meeting gives full powers to the Board of Directors, with the option to sub-delegate under the conditions set by law, to decide upon and carry out the implementation of this share buyback program to determine its terms if necessary, to decide upon the procedures, carry out any adjustments necessary related to capital transactions, to issue trading orders, enter into all agreements, especially for keeping records of purchases and sales of shares, to make any statements to the *Autorité des Marchés Financiers* or any other body, to carry out any formalities, and generally, to do everything necessary.

This authorisation would be granted for a period of 18 months as from the date of this Shareholders' Meeting.

As of this date, it ends for the unused portion, the authorisation for the same purpose granted to the Board of Directors by the Shareholders' Meeting of May 17 2018 (9th resolution).

11th resolution (*Approval of elements of compensation paid or attributed to Philippe Berterottière, Chairman and Chief Executive Officer, for the 2018 financial year*)

The Shareholders' Meeting, deliberating pursuant to the *quorum* and majority requirements for Ordinary Shareholders' Meetings, having reviewed the Board of Directors' report and having noted that the Shareholders' Meeting of May 17 2018, in its twelfth resolution, deliberated, under the conditions stipulated in Article L. 225-37-2 of the French Commercial Code, on the principles and criteria for determining, breaking down and allocating the fixed, variable and non-recurring portions of total compensation and benefits of any kind allocatable to Philippe Berterottière, in respect of the financial year ended December 31, 2018, resulting from his term of office as Chairman and Chief Executive Officer, approves, in accordance with the provisions of Article L. 225-100 II of the French Commercial Code, the fixed, variable and non-recurring portions of total compensation and benefits of any kind paid or allocated to Philippe Berterottière in respect of the financial year ended December 31, 2018, resulting from his term of office as Chairman and Chief Executive Officer, as presented in the Board of Directors' report. Consequently, the variable or non-recurring compensation elements for which payment is subject to approval by an Ordinary Shareholders' Meeting, under the conditions stipulated in Article L. 225-37-2 of the French Commercial Code, allocated in respect of the year just ended to the Chairman and Chief Executive Officer, may be paid to the latter.

12th resolution (*Approval of the report on the principles and criteria for determining, breaking down and allocating the fixed, variable and non-recurring portions of total compensation, and benefits of any kind, allocatable to the executive corporate officers*)

The Shareholders' Meeting, deliberating pursuant to *the quorum* and majority requirements for Ordinary Shareholders' Meetings, after reviewing the report of the Board of Directors on the compensation policy for the Chairman and Chief Executive Officer, prepared in application of Article L. 225-37-2 of the French Commercial Code (section 6.1.7.1.*1 Executive Corporate Officer Compensation Policy* of the Registration Document) approves the compensation policy for the executive corporate officers as presented in this report.

RESOLUTIONS THAT FALL WITHIN THE AUTHORITY OF THE EXTRAORDINARY SHAREHOLDERS' MEETING

13th resolution (*Authorisation to be granted to the Board of Directors to reduce the share capital through the cancellation of the Company's treasury shares*)

The Shareholders' Meeting, deliberating pursuant to the *quorum* and majority requirements for Extraordinary Shareholders' meeting,

(i) having read the report of the Board of Directors and the special report of the Statutory Auditor;

(ii) subject to the adoption of the tenth resolution by this Shareholders' Meeting;

1. authorises, in accordance with the provisions of Article L. 225-209 of the French Commercial Code, the Board of Directors to reduce the share capital, on one or several occasions, in the proportions and at the times that it shall deem appropriate, by cancellation of all or part of the shares acquired by the Company, within the limit of 10% of the share capital (as recorded at the end of this Shareholders' Meeting) per 24-month period,
2. grants all powers to the Board of Directors, with the option to delegate as provided for by law, to:
   - carry out these cancellations and reductions of the share capital,
   - decide the final amount, determine the terms and conditions and acknowledge their fulfilment,
   - apply the difference between the book and nominal amounts of the cancelled shares against any reserve or premium account,
   - carry out the related modifications to the by-laws, and in general do anything else necessary, and all, in accordance with applicable law when this authorisation is used;
3. decides that the present authorisation is granted for a period of 24 months beginning on the date of this Shareholders' Meeting.

As of the date of this Shareholders' Meeting, it ends the authorisation for the same purpose granted to the Board of Directors by the Shareholders' Meeting of May 17, 2018 (13th resolution).

14th resolution (*Authorisation to allow the Board of Directors to proceed with the allocation of existing free shares or shares to be issued to employees and corporate officers of the Company or certain of them*)

The Shareholders' Meeting, deliberating pursuant to the quorum and majority requirements for Extraordinary Shareholders' Meetings, having reviewed the Board of Directors' report and the Statutory Auditors' special report:

1. authorises the Board of Directors, within the framework of the provisions of Articles L. 225-197-1 et seq. of the French Commercial Code, with the option of sub-delegation within legal conditions, to carry out, in one or more operations, free allocations of existing or new shares (with the exclusion of preference shares), in favour of beneficiaries or categories of beneficiaries that it will determine among the salaried employees of the Company or associated companies or groups within the conditions stipulated in Article L. 225-197-2 of the said Code, under the conditions defined below;
2. decides that the number of shares that may be allocated based on this resolution may not exceed 370,783 shares, *i.e.* 1% of the share capital at the date of this Shareholders' Meeting, it being stated that the maximum number of new or existing shares may be increased to take into account the additional number of shares that may be allocated through an adjustment in the number of shares initially allocated following an operation on the Company's share capital;
3. decides that the total number of free shares to be granted to the corporate officers of the Company pursuant to this authorisation must not represent more than 50% of the limit of 1% of the share capital set out in the previous paragraph;
4. decides that the allocation of the said shares to their beneficiaries will be definitive after a vesting period for which the duration shall be set by the Board of Directors, with the understanding that this duration may not be shorter than that stipulated by the French Commercial Code, and that the beneficiaries must retain the vested shares for a period set by the Board of Directors, with the understanding that the shares will only be available after a minimum period of two years.

   The Board of Directors may decide not to set a lock-up period if the vesting period is for a minimum of two years. The shares shall be definitively vested before the expiry of the applicable vesting period in the event of invalidity of the beneficiary corresponding to the second or third category stipulated in Article L. 341-4 of the French Social Security Code, or the equivalent abroad. In this case the shares shall be freely transferable;
5. grants all powers to the Board of Directors, with the option of sub-delegation within legal conditions, to implement this authorisation for the purpose, notably, of:
   - determining whether the free shares are existing or new shares, and if applicable, to modify its choice before the final allocation of the shares,
   - determining the identity of the beneficiaries or categories of beneficiaries, of the share allocations, among the employees of the Company or associated companies or groups indicated above and the number of shares allocated to each one,
   - setting the conditions, and if applicable, the share allocation criteria, notably the minimum vesting period, and if applicable, the lock-up period required for each beneficiary, under the conditions stipulated above,
   - providing for the option of temporarily suspending the allocation rights,

- recording the definitive allocation dates and dates from which the shares may be freely transferable, given the legal restrictions,
- in the event of the issue of new shares, deducting, if applicable, the amounts required for the release of the shares from the reserves, profits or issue premiums; recording the completion of the capital increases carried out in application of this authorisation, amending the Articles of Incorporation accordingly, and, generally, taking any necessary steps to carry out the required formalities;

6. decides that the Company may, if applicable, carry out adjustments to the number of free shares initially allocated in order to preserve the rights of the beneficiaries, according to any operations on the Company's capital, notably in the event of a change in the par value of the share, capital increase by incorporation of reserves, free allocation of shares to all shareholders, issue of new capital securities or securities giving access to the share capital with preferential subscription rights reserved for shareholders, division or grouping of securities, distribution of reserves or issue premiums, capital impairment, modification of the allocation of profits through the creation of preference shares or any other operation on equity. It should be noted that the shares allocated in application of these adjustments are considered to have been allocated on the same date as the initially allocated shares;
7. notes that in the case of the free allocation of new shares, this authorisation will entail, as and when such shares are irrevocably allotted, a capital increase by incorporation of reserves, profits or issue premiums for the benefit of the beneficiaries of the said shares, and the correlative waiver by the shareholders of their preferential rights in respect of said shares in favour of the beneficiaries of the said shares;
8. takes note of the fact that if the Board of Directors uses this authorisation, it will inform the Ordinary Shareholders' Meeting each year of the operations carried out pursuant to this authorisation, under the conditions stipulated by Article L. 225-197-4 of the French Commercial Code;
9. decides that this authorisation is granted for a period of 38 months beginning on the date of this Shareholders' Meeting.

As of this date, it ends for the unused portion, the authorisation for the same purpose granted to the Board of Directors by the Shareholders' Meeting of May 17, 2018 (14th resolution).

RESOLUTION CONCERNING POWERS

15th resolution (*Powers for carrying out formalities*)

The Shareholders' Meeting gives all powers to the bearer of an original, a portion or a copy of the minutes of this Shareholders' Meeting to carry out any legal formalities including the filing, publications and declarations required under applicable laws or regulations that concern the above mentioned resolutions.

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APPENDIX

Annual Financial Report items are clearly identifi ed in this summary with the aid of the AFR pictogram AFR

1. CONCORDANCE TABLES

1.1 TABLE OF CONCORDANCE WITH REGULATION (EC) NO. 809/2004

This Registration Document contains all of the items required by Appendix I of regulation (EC) no. 809/2004, as presented in the table below:

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1.2 TABLE OF CONCORDANCE WITH THE ANNUAL FINANCIAL REPORT

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8.	Report by the Board of Directors on corporate governance	6.1/ Board of Directors' report on corporate governance	160-193
9.	Report by the Statutory Auditors on the report by the Board of Directors on corporate governance	6.2/ Statutory Auditors' reports on the Board of Directors' report on corporate governance	193

1.3 TABLE OF CONCORDANCE WITH THE BOARD OF DIRECTORS' MANAGEMENT REPORT

This Registration Document includes the items from the Board of Directors' management report and consolidated management report stipulated, in particular, in Article L. 225-100 of the French Commercial Code.

The table below shows the references to extracts from the Registration Document corresponding to the different sections of the management report, as approved by the Board of Directors.

Items from the management report and consolidated management report		Registration Document chapter	Pages
1	Situation of the Company and of its subsidiaries during the course of the past financial year	1.1.1/ Group overview	16
		3.1.1/ Analysis of 2017 annual consolidated income	54-58
		3.1.2/ Analysis of the consolidated balance sheet	59-61
		3.2/ Consolidated accounts	65-94
2	Analysis of developments in the business, results, and the financial situation of the Company and Group (particularly with respect to debt)	1.1.1/ Group overview	16
		3.1.3/ Debt and equity	61-62
3	Key performance indicators of a financial and non-financial nature (particularly environmental and employee-related issues)	Introduction	4-5
		Chapter 4/ Statement of non-financial performance	125-150
4	Foreseeable developments and future outlook	2/ Activity report	27-51
5	Significant events which took place between the date of closure for the financial year and the date upon which the management report was drawn up	3.2/ Consolidated financial information (note 22)	94
		3.6/ Corporate financial statements	109
6	Research and development activities	1.1.3/ The importance of innovation and R&D	20-22

Items from the management report and consolidated management report		Registration Document chapter	Pages
7	Current branches	NA	
8	Disposal of shares undertaken to regularise cross shareholdings	NA	
9	Significant investments or taking of control in companies having their registered office in France	NA	
10	Amount of inter-company loans granted under Article L. 511-6 3 bis of the French Monetary and Financial Code	NA	
11	Amount of dividends distributed for the last three financial years	1.2.5/ GTT shares	25
		7.5/ GTT results over the past five financial years	211
		8.4/ Proposed resolutions	225
12	Injunctions or sanctions for anti-competitive practices	5.1.1.2/ Competitive environment	155
13	Information on payment terms of the Company's suppliers or customers	3.6/ Corporate financial statements	118
14	Non-tax-deductible expenses and expenses reintegrated follow a tax adjustment	8.4/ Proposed resolutions	225
15	Description of the principal risks or uncertainties with which the Company is confronted	5/ Risk factors	151-158
16	Main characteristics of the internal control and risk management procedures implemented by the Company relating to the preparation and processing of the accounting and financial information	6.3/ Internal control and risk management procedures	194-198
17	Information related to the exercise of a dangerous activity	NA	
18	Indication of the use of financial instruments by the Company	3.2/ Consolidated financial statements (note 13)	86
19	Allocation of free shares	3.2/ Consolidated financial statements (note 2.22)	77
		3.2/ Consolidated financial statements (note 11)	85-86
		3.6/ Corporate financial statements	107-108
20	Allocations of stock options	NA	
21	Social and environmental consequences of the activity	4/ Social, environmental and societal information	125-150
22	Indications on the financial risks associated with the impacts of climate change and presentation of measures taken to reduce them by implementing a low-carbon strategy	NA	
23	Information relating to the distribution of capital	7.3.1/ Changes in the shareholding structure	208
24	Treasury shares	7.2.4/ Share buybacks	207
25	Share buyback transactions	7.2.4/ Share buybacks	207
26	Statement of employee ownership in the share capital as of the last day of the financial year	7.2.2/ Employee savings	205-206
27	Adjustments to the bases of conversion and the conditions for the subscription or exercise of negotiable securities giving access to the capital or for subscription or share purchase options	NA	

	Items from the management report and consolidated management report	Registration Document chapter	Pages
28	Table of revenue during the last five financial years	7.5/ GTT results over the past five financial years	211
29	Terms of offices and positions held by corporate officers during the past financial year	6.1.2.2.2/ Information regarding directors in office	165-173
30	Conventions other than those for current operations and signed under normal conditions, occurring directly or via a third person between, on the one hand, one of the corporate officers or one of the shareholders holding a fraction of voting rights exceeding 10% of a company, and on the other, another company in which the former owns directly or indirectly over half of the share capital	3.2/ Consolidated financial statements (note 19)	93
		7.6/ Related-party transactions	212-214
31	Table of outstanding delegations and concerning share capital increases	7.2.1/ General information	204
32	Composition and conditions for the preparation and organisation of the Board of Directors' work	6.1.2/ Board of Directors: composition, terms of office, independence, information	161-173
		6.1.3/ Board and management practices of the Company	174-182
33	Application of the principle of balanced gender representation within the Board of Directors	Introduction - Governance 6.1.3.1/ Board of Directors	12-13 174
34	Restrictions that the Board of Directors sets on the powers of the Chief Executive Officer	NA	
35	Application of the AFEP-MEDEF Code and divergences from it	6.1.1/ Corporate Governance Code	160
	Specific modalities for the participation of shareholders at the Shareholders' Meeting, or the provisions in the bylaws that provide for these modalities	6.1.5/ Applicable provisions of the Company's by-laws to participation of shareholders in Shareholders' Meetings	182
36	Compensation and benefits of any kind for each of the corporate officers	6.1.7/ Compensation of corporate officers	182-193
37	Information likely to have an impact in the event of a public offer	6.1.6 Items likely to have an impact in the event of a public offer	182
38	Presentation of draft resolutions relating to the principles and criteria for determining, breaking down and allocating the fixed, variable and non-recurring portions of total compensation, and the benefits of any kind that may be granted to the Chairman, Chief Executive Officers and Chief Operating Officers, resulting from their terms of office	8.2/ Board of Directors' report on the proposed resolutions	221
39	Obligations to hold shares imposed upon executive directors and corporate officers	6.1.7/ Compensation of corporate officers	182
40	Summary of transactions performed by directors in company securities	7.4.2/ Directors' securities transactions	210

2. GLOSSARY

The terms below have the following meaning in this Registration Document:

IEA (International Energy Agency) refers to the autonomous body created in November 1974 as part of the Organisation for Economic Cooperation and Development (OECD) to implement an international energy program and having its registered office at 9, rue de la Fédération 75739 Paris Cedex 15, France;

AMF refers to the *Autorité des Marchés Financiers* (the French Financial Markets Authority);

BOR (boil-off rate) means the daily evaporation rate;

BTU means British Thermal Unit;

Bunkering means, concerning LNG, the use of LNG as fuel for the propulsion of vessels;

Clarksons Research refers to the Company Clarksons Research Services Limited, having its registered office at Commodity Quay, St Katharine Docks, London E1W 1BF, United Kingdom, a well-known consultant in the maritime transportation and offshore and energy sectors. Clarksons Research is a Clarksons group company, a world leader in services to the shipping industry;

IGC Code means the International Code for the construction and equipment of vessels carrying liquefied gases in bulk published by the IMO in 1983;

EPC License Agreement designates a License Agreement entered into between GTT and an EPC contractor in connection with the commercialisation of GTT's technologies for onshore storage tanks;

ECA means Emission Control Areas comprised of the Baltic Sea, North Sea, the English Chanel, North-American coasts and coasts of certain Caribbean Islands;

FLNG (Floating Liquefied Natural Gas vessel) refers to offshore platforms that receive the gas produced on remote sites, remove impurities from natural gas coming from offshore gas fields, process the gas, liquefy it and store it until it is offloaded on an LNG carrier;

FSRU (Floating Storage and Regasification Unit) means a stationary vessel capable of loading LNG from LNG carriers, storing and degasifying it;

GIIGNL is the International Group of LNG Importers;

LNG means Liquefied Natural Gas;

LPG means Liquefied Petroleum Gas;

g/kWh means grams per kilowatt hour;

Group refers together to (i) the Company, (ii) Cryovision, a French *société par actions simplifiée*, having its registered office at 114bis, rue Michel-Ange, 75016 Paris, France, registered with the Trade and Companies Register of Paris under number 539,592,717, (iii) GTT North America, a company incorporated under the laws of the State of Delaware, having its registered office at Corporation Trust Center, 1209 Orange Street, Wilmington, New Castle 19801, United States of America, (iv) GTT Training Ltd, a UK company having its registered office at 105 St.Peter's Street, St-Albans, Herts, AL1 3EJ, United Kingdom, (v) GTT SEA PTE Ltd, a company governed by the laws of Singapore, having its registered office located at 8 Marina View, #34-01 Asia Square Tower 1, Singapore 018960, and (vi) Cryometrics, a French *société par actions simplifiée*, having its registered office at 14, avenue d'Eylau, 75116 Paris, France, registered with the Trade and Companies Register of Paris under number 814,454,625;

GTT or the *Company* refers to Gaztransport & Technigaz, a French *société anonyme* having its registered office at 1, route de Versailles, 78470 Saint-Rémy-lès-Chevreuse, registered with the Trade and Companies Register of Versailles under number 662,001,403;

LNGC (LNG Carrier) is a vessel for transporting methane;

m3 means cubic metre;

Mbtu means Million British Thermal Unit;

MoU stands for Memorandum of Understanding, which is, notwithstanding its name, the final technical agreement laying down the detailed arrangements for either a TALA or an EPC License Agreement for a specific project;

Bcm means billion cubic metres;

Mtoe means million tonnes of oil equivalent;

Mtpy means million metric tonnes per year;

Vessels refers to all LNG carriers, FSRUs (Floating Storage and Regasification Units) and *FLNGs* (Floating Liquefied Natural Gas vessels), as well as multi-gas transport vessels (in particular for ethane, LPG, propane, butane, propylene and ethylene);

IMO means the International Maritime Organisation;

PERCOG refers to the Group-wide collective pension savings scheme;

Innovation Plan refers to the plan presenting the Group's intellectual property and development innovation strategy;

Poten & Partners refers to Poten & Partners, a company having its registered office at 101 Wigmore Street, London W1U 1QU in the United Kingdom, a well-known shipping consulting specialist;

EPC contractor means engineering, procurement and construction contractor;

Sloshing refers to the motion of LNG inside LNG carriers' tanks caused by sea conditions, potentially damaging the tank walls, *chamfers and ceilings;*

Company means GTT;

Group Company means the Company or any company or entity controlled directly or indirectly by the Company within the meaning of Article L. 233-3 of the French Commercial Code;

TALA means a Technical Assistance and License Agreement, which is a framework agreement entered into between GTT and a shipyard to provide its technologies;

GT means Gross Tonnage;

TIP means preliminary engineering work;

TSA means a Technical Services Agreement, which is a framework agreement entered into between GTT and a ship-owner to provide operating, repair or maintenance services for its LNG carrier fleet.

3. DECLARATION BY PERSON RESPONSIBLE FOR THE REGISTRATION DOCUMENT

I declare that, having taken all reasonable steps to verify this, the information in this Registration Document, to the best of my knowledge, is accurate and free of any material omission.

I declare that, to the best of my knowledge, the financial statements have been prepared in accordance with applicable accounting standards and give a true and fair view of the Company's assets and liabilities, financial position and earnings, and that of the companies included in the consolidation scope, and that the management report made up of the various sections of this Registration Document, as listed in the table of concordance appearing in Appendix 1, gives a true and fair view of the Company's business, profits or losses and financial position and that of the companies included in the consolidation scope, as well as describing the principal risks and uncertainties affecting the Company.

I have obtained from the Statutory Auditors a letter confirming that they have completed their assignment, in the course of which they verified the information relating to the financial position and financial statements presented in this Registration Document and read the document in its entirety.

Philippe Berterottière,

Chairman and Chief Executive Officer

4. GENERAL REMARKS

Unless stated otherwise, the term "Company" or "GTT" refers in the present Registration Document to Gaztransport & Technigaz, a *société anonyme* (joint stock limited liability company) having its registered office at 1, route de Versailles, 78470 Saint-Rémy-lès-Chevreuse, registered with the Versailles Trade and Companies Register under no. 662,001,403, and the term "Group" refers to the Company and its subsidiaries.

This Registration Document contains guidance about the Company's objectives and forecasts, particularly in chapters 2 – Activity report and 3 – The financial statements. The guidance is sometimes identified by the use of the future or conditional tenses as well as terms of a forward-looking nature such as "think", "aim to", "expect", "intend to", "should", "seek to", "predict", "believe", "hope that", "could", etc. This information is based on data, assumptions and estimates which the Company believes to be reasonable. It may change or be modified as a result of uncertainties arising from the hazard attached to any business and from the economic, financial, competitive, regulatory and climate-related environments. The Company does not undertake to publish any updates of the objectives, forecasts and prospective information contained in this Registration Document, except where it has an obligation to do so in accordance with statutory and regulatory provisions. In addition, the occurrence of certain risk factors described in chapter 5 – *Risk factors* of this Registration Document may have a material adverse effect on the Group's activities and on its ability to meet its objectives. In addition, for the Company to meet its objectives, it entails success of its strategy presented in section 1.1.2 – *The Group's strategy of this Registration Document*. The Company does not give any undertakings or make any warranties that the objectives presented in this Registration Document will be achieved.

Investors should carefully consider the risk factors described in chapter 5 – *Risk factors of* this Registration Document before making their investment decision. The occurrence of all or some of these risk factors may have a material adverse effect on the Group's business, situation, financial position or on its ability to achieve its objectives. In addition, other risk factors, not yet currently identified or not regarded as material by the Company may have the same adverse effect, and investors may lose part or all of their investment.

This Registration Document contains, particularly in chapter 2 – *Activity report,* information pertaining to the Group's activities. In addition to estimates made by the Group, the information and data contained in this Registration Document comes from databases or other information sources provided by Poten & Partners, Wood Mackenzie and Clarksons Research, each of which are recognised consultants in the areas of maritime transport or energy, as appropriate. With respect to the information and data pertaining to the LNG transport industry from databases or from other sources furnished by Clarksons Research, Clarksons Research has indicated that: (i) certain information originating from its databases is based on subjective estimates or judgements, (ii) the information contained in the databases of other maritime data collection bodies may differ from the information contained in the Clarksons Research database and (iii) although Clarksons Research has been diligent in the compilation of the statistical and graphical data, and considers that they are precise and accurate, the compilation of data is subject to limited validation and audit procedures. The information provided by Poten & Partners, Wood Mackenzie and Clarksons Research were carried out or supplied independently. Certain information contained in this Registration Document is taken from publicly available sources that the Company considers to be reliable, but has not been verified by an independent expert. The Company cannot provide any guarantee that a third party using different methods to combine, analyse or calculate data for the business segments would obtain the same results. The Company and its shareholders do not give any undertakings or make any warranties as regards the accuracy of this information. Given the very rapid changes which mark the Group's activities in France and around the world, this information may contain errors or may no longer be up-to-date. Consequently, the Group's activities may evolve differently from those described in this Registration Document. The Group does not give any undertaking to publish updates of this information, except where it has an obligation to do so in accordance with statutory and regulatory provisions.

Information incorporated by reference

In accordance with Article 28 of regulation (EC) no. 809/2004, this Registration Document incorporates the following information by reference:

- relating to the Company's financial year ended December 31, 2016: activity report, annual financial statements and related reports by the Statutory Auditors, presented in chapter 3 – Financial statements, on pages 55 to 96 of the Registration Document approved by the AMF on April 27, 2017 under number R. 17-030.
- relating to the Company's financial year ended December 31, 2017: activity report, annual financial statements and related reports by the Statutory Auditors, presented in chapter 3 – Financial statements, on pages 53 to 125 of the Registration Document registered with the AMF on April 25, 2018.

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Designed & published by LABRADOR INFORMATION DESIGN +33 (0)1 53 06 30 80

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