

UNIVERSAL REGISTRATION DOCUMENT

2019

INCLUDING ANNUAL FINANCIAL REPORT



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PROFILE

GTT is a technology and 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 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.

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

€ **288** M

IN CONSOLIDATED
REVENUE IN 2019

133

ORDERS IN PROGRESS⁽¹⁾
AS AT DECEMBER 31, 2019

456

EMPLOYEES
AT END-DECEMBER 2019

(1) Excluding LNG as fuel.

AUTORITÉ
DES MARCHÉS FINANCIERS
AMF

The Universal Registration Document was registered on April 27, 2020 with the Autorité des marchés financiers (AMF), in its capacity as competent authority pursuant to Regulation (EU) 2017/1129, without prior approval in accordance with Article 9 of said Regulation.

The Universal Registration Document may be used for the purposes of a public offer of financial securities or their admission for trading on a regulated market if it is supplemented by an securities note and, where applicable, a summary and all amendments made to the Universal Registration Document. The entire file made up by all these documents is approved by the AMF in accordance with Regulation (EU) 2017/1129.

INTERVIEW

WITH THE CHAIRMAN

PHILIPPE BERTEROTTIÈRE

AFTER 2018, 2019 WAS MARKED BY A NEW RECORD IN TERMS OF ORDER NUMBERS. WHAT DO WE NEED TO KNOW?

In addition to the 57 orders for LNG carriers which was a new annual record for our core business, in 2019 we demonstrated, with orders of GBS and VLEC, our ability to cover the entire value chain of the transportation and storage of liquefied gas.

The year was also marked by numerous investment decisions in gas liquefaction projects. Another record was achieved with the use of over 70 million tonnes in construction last year. These decisions will generate orders for LNG carriers over the next three years.

IS THE GROWTH OF YOUR LNG AS FUEL BUSINESS MEETING YOUR EXPECTATIONS?

In the field of LNG as fuel, we received eight orders in 2019, one of which pertained to the conversion of a Hapag Lloyd container vessel which should open up new opportunities for GTT. The entry into force, in January 2020, of the regulation from the International Maritime Organisation which limits sulphur emissions of vessels across the world's oceans was an important milestone. It will nevertheless take time, several months or several years, for LNG as fuel to establish itself in this field. We are doing everything possible to promote this development and we are convinced of the potential of this new market for GTT. Let me remind you that the adoption of LNG as fuel by merchant vessels is particularly significant from an environmental point of view.

HAS THE STRONG COMMERCIAL ACTIVITY OVER THE PAST TWO YEARS CHANGED THE PHYSIOGNOMY OF THE GROUP?

Our results for 2019 exceeded our expectations, notably due to the high

number of orders received over the past two years. The growth in our business has resulted in the Group recruiting talented new staff, particularly in the field of R&D, increasing the number of subcontractors used to design the vessels ordered and investing in new premises to accommodate the new arrivals. This work began in 2019 and will continue in 2020.

IN LIGHT OF THE COVID-19 CRISIS, HOW DO YOU SEE 2020 PLAYING OUT?

It is a terrible health crisis. My initial thoughts are for all the victims. On our side, we have taken the required measures to protect the health of our employees and their families. From the beginning of the crisis, the Group made recommendations to its employees, firstly abroad, then at the head office, in line with those from the foreign affairs ministry and the health ministry, including working from home for a large part of the workforce.

With regard to our objectives for the current year, given the high level of our order book and in the absence of shifts in the timetable for the construction of the vessels, we have decided to confirm them while remaining highly attentive to developments in the markets in which the Group operates.

IS YOUR LONG-TERM OUTLOOK STILL STRONG?

The long-term momentum of the LNG market seems to be well established. It is based on solid fundamentals. Resources are abundant in numerous regions of the world. This gas is the cleanest of all fossil fuels. It is also complementary to the development of renewable energies due to its availability and the flexibility of power stations that use this fuel. Demand for gas is strong, particularly since 2017, and the long-term outlook remains favourable. This is notably explained by the decarbonation policies of the largest urban areas, particularly in Asia. Lastly, the distance between production sources and the main consumer countries

is favourable to LNG and therefore to the LNG carriers market. In the current environment, these background trends are a protective element for GTT, even though the long-term consequences of the Covid-19 crisis on the world economy are currently difficult to assess.

Also, our development in new activities, such as LNG as fuel and Smart Shipping, is following its course and will support the long-term growth of GTT. In this respect, a few days ago, we announced the acquisition of Marorka, an Icelandic company that specialises in Smart Shipping. This is a further milestone in the implementation of our digital strategy which also seeks to make the maritime world cleaner.

FROM A STOCK MARKET POINT OF VIEW, DOES GTT HAVE A GREEN VALUE?

With regard to GTT's assets from a social and environmental point of view, it is quite simple. We are a technology company; so, our direct emissions are very limited. At the social and societal level, we have made rigorous and evolving arrangements to ensure the health and safety of our employees and stakeholders and to apply a motivating and fair compensation policy, with particular attention to the development and transmission of know-how within the company. In addition, our activities are supported by environmental factors, in particular the reduction in greenhouse gas emissions and pollutants. The LNG fuel market alone represents a potential reduction in emissions that is quite significant at the planetary level.

Lastly, I would like to say that GTT knows how to look after its shareholders. Our dividend policy allows them to obtain significant returns which, in the current climate, is particularly valuable as it serves as a shock absorber and supports the stock market price.



“Our activities are supported by environmental factors, in particular the reduction in greenhouse gas emissions and pollutants.”

KEY FIGURES 2019

€ **288** M

CONSOLIDATED REVENUE IN 2019

133

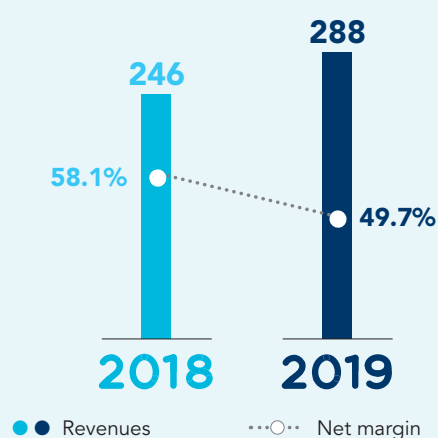
CURRENT ORDERS⁽¹⁾
AS AT DECEMBER 31, 2019

456

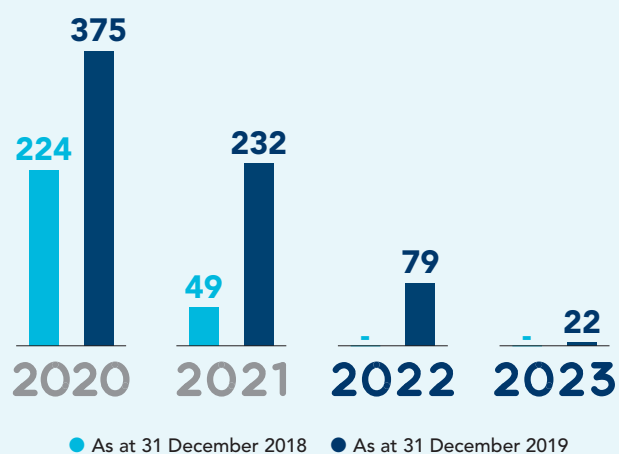
EMPLOYEES
AT END DECEMBER 2019

(1) Excluding LNG fuel.

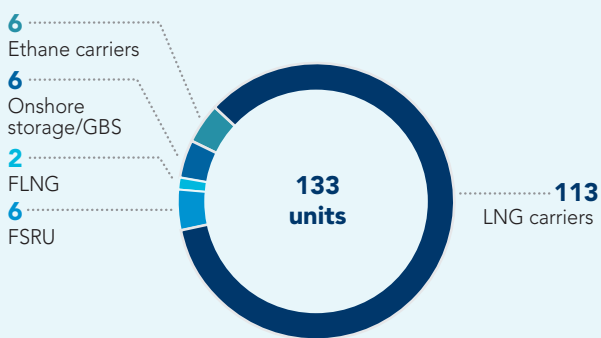
CONSOLIDATED REVENUE (in millions of euros)
AND NET MARGIN (in %)



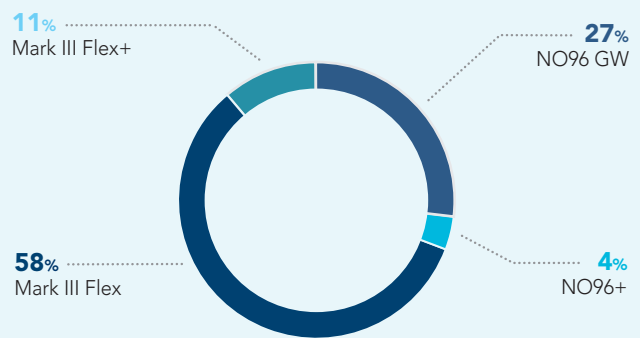
ORDER BOOK IN VALUE (in millions of euros, excl. LNG as fuel)



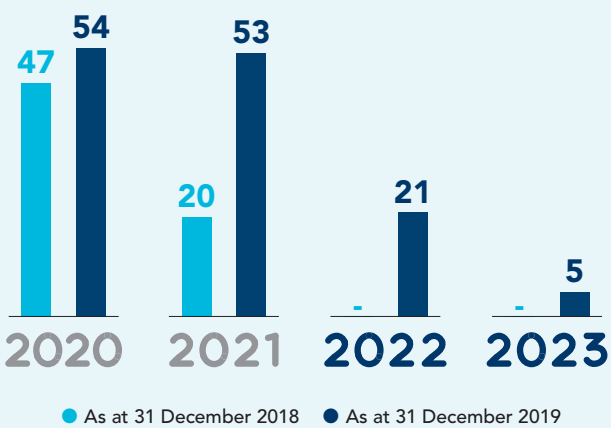
ORDER BOOK
AT DECEMBER 31, 2019 (in units, excl. LNG as fuel)



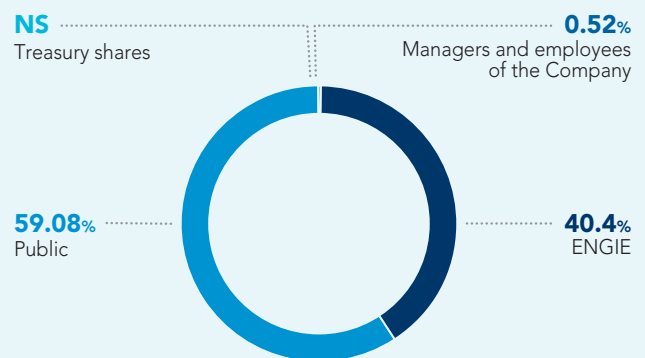
ORDER BOOK BY TECHNOLOGY
AT DECEMBER 31, 2019 (in %)



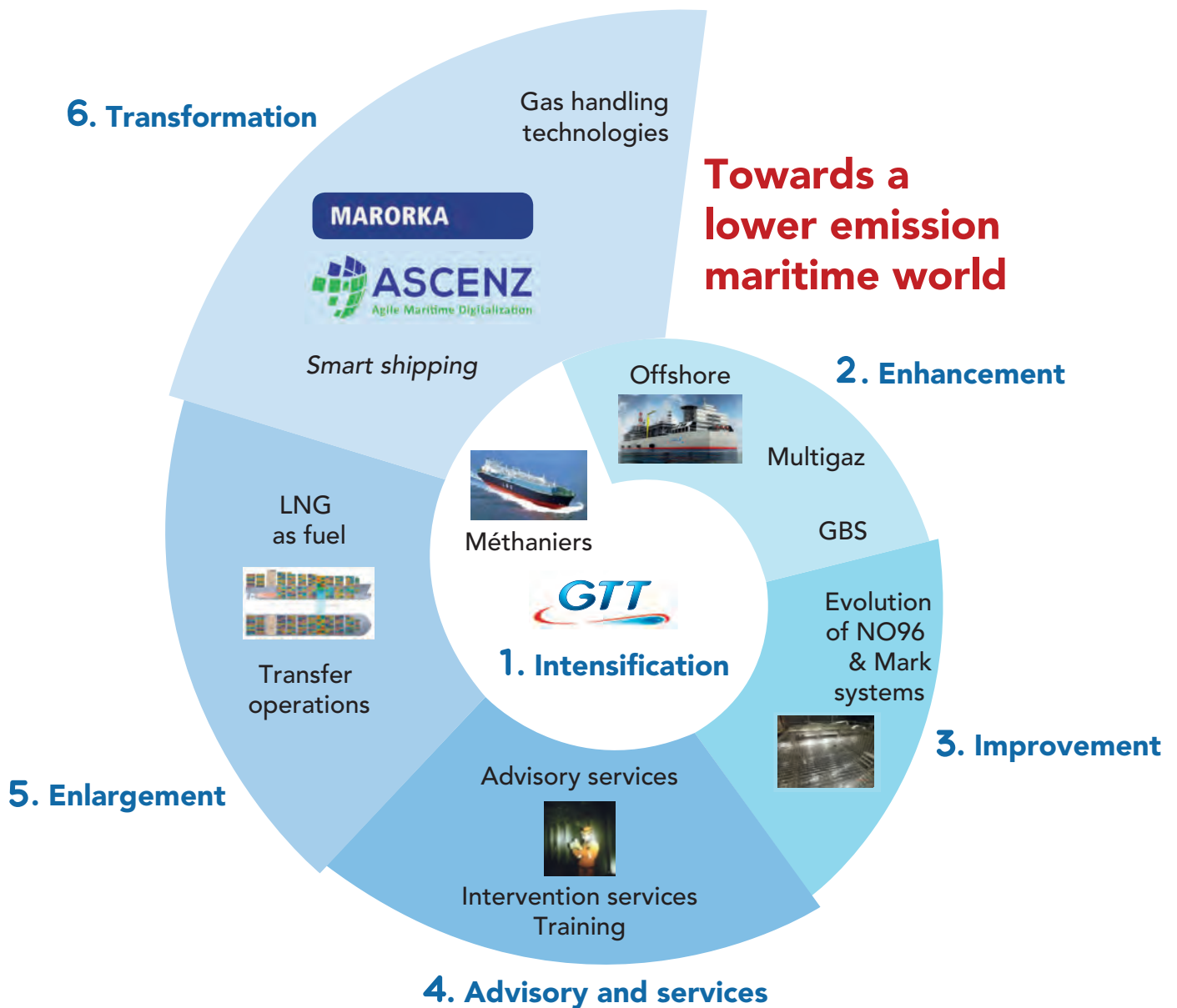
DELIVERY SCHEDULE BASED
ON THE ORDER BOOK (in units, excl. LNG as fuel)



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



CHALLENGES & STRATEGY



MISSION STATEMENT

The outcome of many months of collaborative working, the GTT mission statement was approved by the Board of Directors on April 17, 2020.

“Our mission is to conceive cutting edge technological solutions for an improved energy efficiency. We bring our passion for innovation and our technical excellence to our customers, in order to meet their transformation challenges both for today and tomorrow.

The GTT teams are the cornerstone of this mission.

Committed and united, we are determined to contribute to building a sustainable world.”

VISION & CHALLENGES

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.

STRATEGY

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, ship-owners 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, reflected in a 24% increase in research and development expenditure in 2019, allows the substantial renewal of GTT’s portfolio of patents, and helps it to maintain its position in the LNG shipbuilding industry.

CAPITALISING ON THE EXPECTED GROWTH OF LNG AS FUEL, 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 at the end of 2018 to equip nine giant container vessels represented a major step forward. GTT’s membrane technology offers efficiency, safety and cost reductions which are significantly better than those of competing technologies. At the end of 2019, the Group’s order book totalled 19 units: 15 container vessels, one cruise liner and three bunker vessels.

EXPANDING THE SERVICE OFFERING

GTT and its subsidiaries support their customers and partners, and more generally the LNG industry as a whole, through all project phases. The Group is present during the construction, operation and maintenance stages to guarantee safety, quality, performance and operational flexibility.

Furthermore, the Group is also seeking to expand its range of services through targeted acquisitions. With the acquisition of Ascenz in January 2018 and Marorka in February 2020, GTT is able to expand its operations in complementary fields, such as Smart Shipping.

OUR BUSINESS MODEL

GTT (Gaztransport & Technigaz) is a technology and engineering company that specialises in cryogenic membrane containment systems used to transport and store liquefied gas, and LNG (Liquefied Natural Gas) in particular.

GROWING SHARE OF GAS AND LNG IN THE ENERGY MIX

The share of gas in the global energy mix is growing. This dynamic is set to continue over the long term. Resources are abundant, particularly since the discovery in 2008 of American shale gas. This gas is the cleanest of all fossil fuels. It also complements the development of renewable energies (availability, flexibility, price). Demand for gas remains strong, particularly since 2017, and the long-term outlook is favourable. This is notably explained by the decarbonisation policies of the largest urban areas, particularly in Asia. The distance between production sources and the main consumer countries is favourable to LNG and therefore to the LNG carriers market.

As of the date of this document, the risks associated with the impact of the Covid-19 epidemic on the global economy, and more specifically on the demand for LNG are still difficult to assess. For more information, refer to section 2.2.2.2 – *Economic Environment*, of this Universal Registration Document.

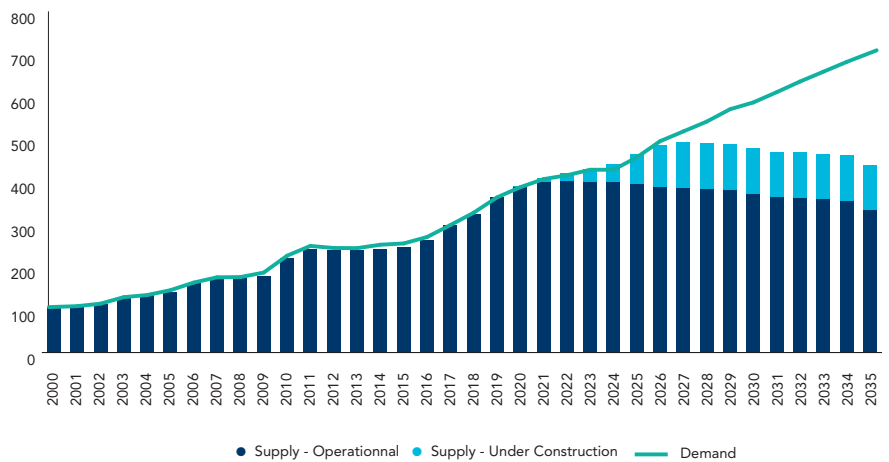
COMPETITIVE ADVANTAGE

The technologies offered by GTT combine operational efficiency with safety.

Made using thinner, lighter materials than those used by competitors, the systems designed by GTT help to optimise LNG storage capacity and reduce the construction and operational costs of vessels and tanks.

Outlook for LNG supply and demand

Source: Wood Mackenzie Q4 2019.



PROVEN TECHNOLOGIES

The Company has been designing and marketing technologies for LNG carriers, LNG floating units, and multi-gas transport vessels for over 50 years. GTT also develops solutions dedicated to land storage and to the use of LNG as fuel for vessel propulsion, as well as a full range of services.

STAKEHOLDERS

GTT's membrane containment systems are mainly used by shipyards, ship-owners, gas companies, and terminal operators.

License agreements with shipyards

The Group, under license agreements, offers its membrane technology to the main shipyards in Korea and China, including: Samsung Heavy Industries, Hyundai Heavy

Industries, Daewoo Shipbuilding & Marine Engineering and Hudong-Zhonghua.

Prescribers and end clients

These shipyards use the Group's technologies as part of the construction of vessels and tanks intended for the transportation and/or storage of LNG, as well as other types of liquid gas, between liquefaction units and import terminals.

The purchasers and/or charterers of vessels equipped with the technology offered by the Group are, on the one hand, major gas companies such as Qatargas, Shell, BP, TOTAL, Chevron, Eni, and Petronas and on the other hand, ship-owners such as: GasLog, Golar LNG and Maran Gas Maritime who order vessels in line with the requirements of the gas companies.

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
456 employees
—
80% engineers
—
10,000 hours of training in 2019

INTELLECTUAL CAPITAL
R&D budget of €25M in 2019
—
102 employees in the Innovation Division

FINANCIAL CAPITAL
Order book of €708M
—
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

VALUE CREATION

HUMAN CAPITAL
Employee loyalty
—
Equal opportunities
—
Attractive compensation system

INTELLECTUAL CAPITAL
1,722 active patents
—
301 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

ECOSYSTEM



HIGHLIGHTS 2019

MARCH 2019

Order from the Sembcorp Marine shipyard for the design of tanks for an LNG bunker vessel of 12,000m³ on behalf of the ship-owner Indah Singa Maritime Pte Ltd, a subsidiary of Mitsui OSK Lines (MOL).



APRIL 2019

Order from the Chinese shipyard Hudong-Zhonghua for the design of an LNG tank of 6,500m³ as part of the conversion of a very large capacity container vessel for the German ship-owner Hapag Lloyd.

JUNE 2019

Order from Jiangnan Shipyard for the design of LNG tanks for five container vessels.





SEPTEMBER 2019

- Six orders for latest generation ethane carriers. GTT's membrane technology was selected for the design of six large capacity (98,000 m³) ethane carriers, built by HHI and SHI on behalf of the Chinese company Zhejiang Satellite Petrochemical.
- Order of three GBS: a first for GTT! Contract with the company SAREN BV (joint venture between Renaissance Heavy Industries Russia and Saipem) for the design and construction of three GBS (Gravity Based Structure) terminals dedicated to the Arctic LNG 2 project.
- GTT Technologies: numerous announcements at the Gastech exhibition.
 - American Bureau of Shipping awards GTT "LNG Cargo Ready" notation for its latest VLEC (Very Large Ethane Carrier) model.
 - Bureau Veritas approval in principle for the icebreaker vessels equipped with Mark III Flex and NO96 L-103+ technologies.
 - Agreement with Lloyd's Register and various partners on a joint project to design a Very Large Crude Carrier (VLCC) using LNG as fuel.
 - New name for GTT's latest technology: GTT NEXT1 (formerly NO96 Flex).



DECEMBER 2019

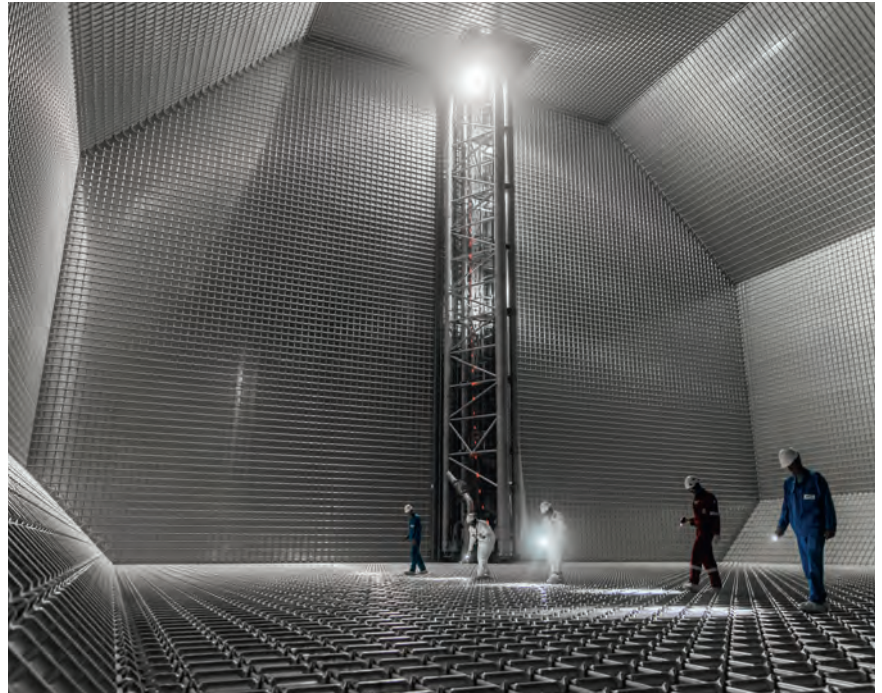
- New Technical Assistance And License Agreement (TALA) with the Chinese shipyard WISON Offshore & Marine (WOM), a pioneer in the field of floating LNG units in China.
- Notification for the design of tanks for several vessels, bringing the number of LNG carriers ordered in 2019 to 57. A new annual record!

FEBRUARY 2020

Acquisition of the company Marorka (Iceland), specialising in Smart Shipping.



UNIQUE TECHNOLOGICAL EXPERTISE



The GTT Group is a key player in the field of liquefied gas and, in particular, Liquefied Natural Gas (LNG). For nearly 60 years, it has been offering established, secure and efficient technologies for the transportation by boat of liquefied gas at low temperatures, or in cryogenic conditions, and the onshore and offshore storage thereof.

The so-called “membrane” technologies created by GTT were originally designed to cut the cost of LNG maritime transportation by loading it, in bulk, into the vessel’s holds.

To keep the gas in a liquid state (-163°C) during transportation, the holds must be coated with a cryogenic lining, or “membrane”. This system ensures a perfect seal between the liquid cargo and the vessel’s hull, while limiting evaporation of the cargo (boil-off).

GTT uses two major technologies for the membrane tanks: Mark and NO, which offer numerous advantages, including:

- optimisation of the cargo volume carried, by fitting perfectly into the vessel’s hull;
- reduced vessel construction and operating costs;
- better energy efficiency;
- 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. They are also subject to ongoing optimisation to address the many expectations of the LNG industry, whether from ship-owners, shipyards, EPC contractors, etc. Regulatory changes in the sector have also resulted in GTT reinforcing its position as a leading technological player in the LNG chain, thanks to its increasingly ambitious research and development programmes.

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 nearly 60 years of expertise and feedback, GTT is a leading player when it comes to LNG transport by sea and membrane containment technology.

At the end of 2019, the Group had an order book of 113 LNG carriers, 57 of which were new orders received during the year.

SOLUTIONS FOR OFFSHORE STORAGE

As part of its research and development programme, GTT has developed new solutions for the offshore LNG industry, particularly for floating LNG storage and regasification units (FSRU) and floating LNG production, storage and unloading units (FLNG).

33 FSRUs are currently in operation around the world. The new LNG importing countries continue to choose these regasification vessels which constitute an economical alternative to onshore storage which can be used while we wait for shore-based plants to be completed. 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. This is the largest floating LNG unit in the world, and includes a liquefaction plant. The FLNG Prelude has 10 Mark III tanks, developed by GTT. At the end of 2019, the Group's order book included six FSRUs and two FLNGs.



SOLUTIONS FOR ONSHORE STORAGE

GTT has developed its own membrane solutions tailored to onshore storage, using its GST® technology which can be adapted to suit small and large capacities. Its technology is recognised as being highly operationally efficient and has already been fitted to 38 tanks. Nineteen EPC contractors are currently licensed to deploy this technology.

GTT's most recent order for onshore storage was received in 2018 from the European Organisation for Nuclear Research (CERN). This 12,500 m³ tank is designed to contain liquid argon for experimental purposes for the scientific consortium LBNO-DEMO⁽¹⁾.

In September 2019, GTT signed a contract for three GBS terminals as part of the Arctic LNG 2 project for the Russian LNG producer PAO NOVATEK. This is GTT's first GBS development project. These GBS are to be installed on the Gydan peninsula in Russian Arctic.



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



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.

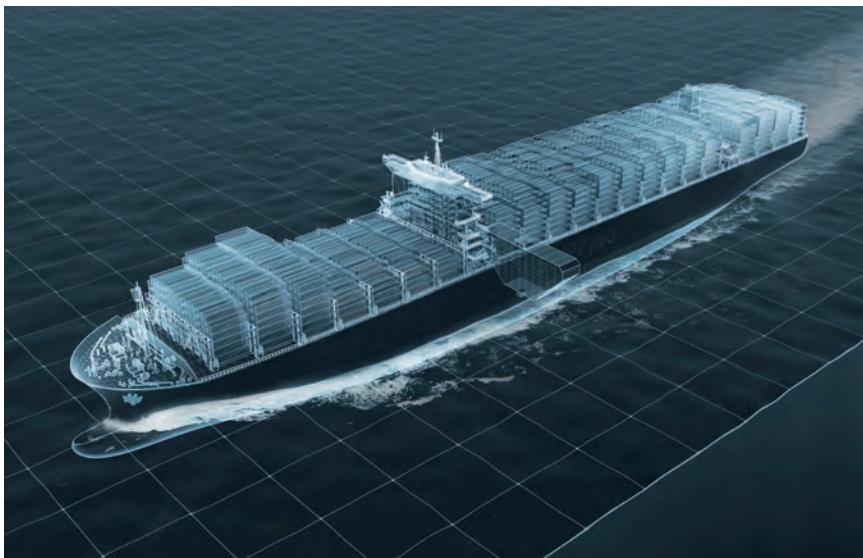
Six large-capacity ethane carriers are already in service, using the technologies developed by GTT. In 2019, GTT received an order to design the tanks for six new ethane carriers. These latest-generation ethane carriers will be the largest ever built in the world (98,000 m³). This latest order is testament to the viability of GTT's containment systems for the transportation of various types of liquefied gas (other than LNG). The Group is also continuing to market its GTT MARS™ technology. This technology is specifically designed for the transportation of LPG, the density and temperature of which are different to 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.

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

With the emergence of LNG as fuel segment, GTT has adapted its technologies for ship-owners seeking LNG propulsion systems that would enable them to reduce their environmental footprint and to comply with the environmental regulations of the International Maritime Organisation (IMO). 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).



GTT supports ship-owners looking to adopt LNG propulsion for their fleets of merchant vessels.

In June 2019, GTT received an order from the Chinese Jiangnan Shipyard Co. to equip five new container vessels each with a capacity of 15,000 containers fuelled by LNG.

In April 2019, GTT received an order from the Chinese shipyard Hudong-Zhonghua Shipbuilding for the design of an LNG tank as part of the conversion of a very large capacity container vessel for the ship-owner Hapag Lloyd. This is the first conversion of this type for the use of LNG as maritime fuel.

GTT is thus contributing to the emergence of the LNG as fuel market

In March 2019 and December 2019, GTT received orders for the design of tanks for two LNG bunker vessels on behalf of the ship-owner Mitsui OSK Lines (MOL).

A RANGE OF COMPLEMENTARY SERVICES

GTT and its subsidiaries support their customers and partners, and more generally the LNG industry as a whole, through all project phases. The Group is present during the construction, operation and maintenance stages 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 2019 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 offers operations at sea studies to help boost operational flexibility. These studies can notably help estimate the quantity of gas generated during a transfer between two vessels, or assess the risk associated with the sloshing of LNG in tanks in conditions not foreseen in the vessels' 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.).

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 an LNG and liquefied gas operations simulator known as G-Sim. 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 offers the shipping industry solutions for monitoring and improving the energy efficiency of vessels. The acquisition in February 2020 of the company Marorka (Iceland) has helped strengthen GTT's position on this market segment.

Emergency response service

GTT offers 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.

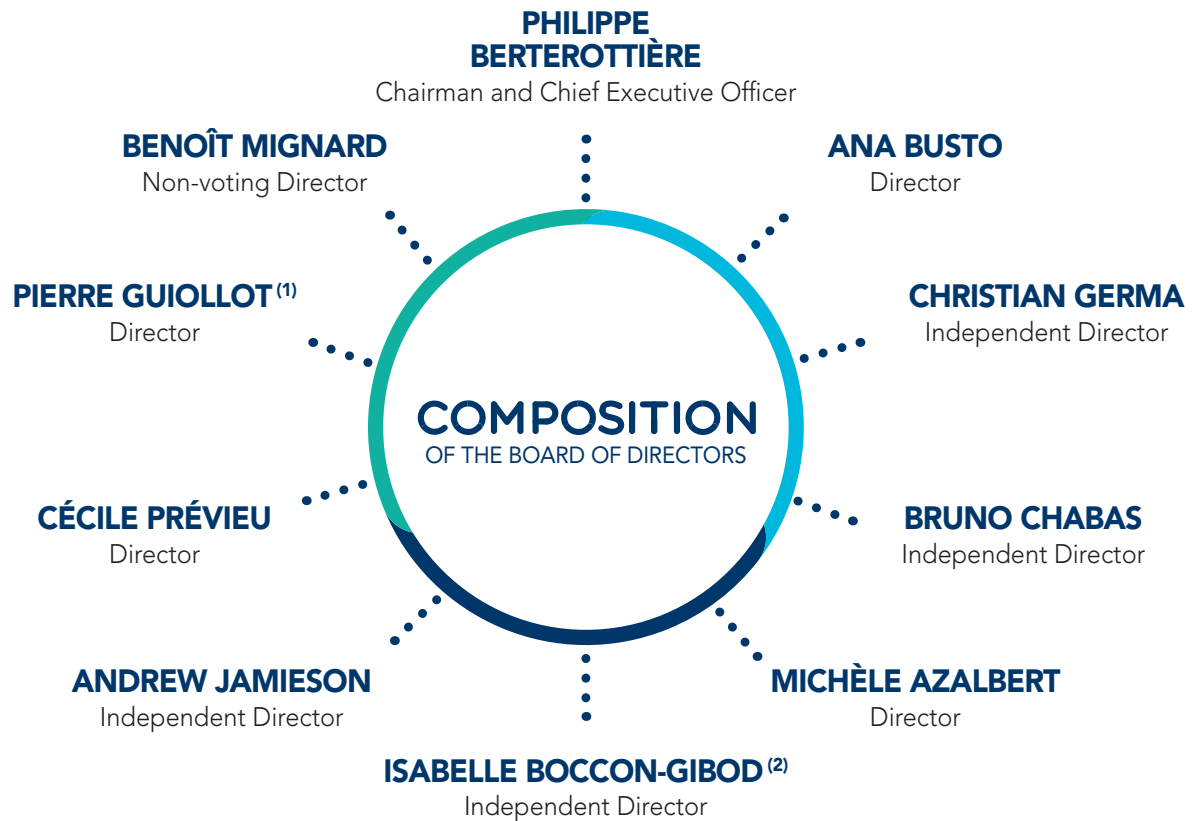
Furthermore, Cryovision, a subsidiary of the Group, provides the following membrane test services:

- 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 450 tanks using this method since 2012;
- MOON® (MOtorized BalloON) is a drone-like tool allowing the 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



PROFILE

OF THE BOARD OF DIRECTORS



The composition of the Board of Directors complies with the AFEP-MEDEF recommendations (independence, gender balance).
The biographies of the Directors are available in section 4 of this Universal Registration Document.

(1) Subject to the ratification of the co-optation of Mr Pierre Guiollot by the shareholders' Meeting of June 2, 2020.

(2) Subject to the ratification of the co-optation of Ms Isabelle Boccon-Gibod by the shareholders' Meeting of June 2, 2020.

EXECUTIVE TEAM

**PHILIPPE BERTEROTTIÈRE***

Chairman and CEO

**ERIC DEHOUCK***Deputy CEO
and Innovation Director**KARIM CHAPOT***

Technical Director

**DAVID COLSON***

Commercial Director

**LÉLIA GHILINI***General Counsel
and Director of Legal Affairs**MARC HAESTIER***Administrative
and Financial Director**SANDRINE VIBERT***Director of Human
Resources**JULIEN BEC**

LNG Fuel Director

**ANOUAR KIIASSI**Chief Digital
& Information Officer

* 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: **ISABELLE BOCCON-GIBOD, CHRISTIAN GERMA** and **PIERRE GUIOLLOT**

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 Director.

Committee Chairman: **BRUNO CHABAS**

Composition: **ISABELLE BOCCON-GIBOD, BRUNO CHABAS, CHRISTIAN GERMA, PIERRE GUIOLLOT** and **ANDREW JAMIESON**

ANNUAL FINANCIAL REPORT, MANAGEMENT REPORT AND BOARD OF DIRECTORS' REPORT ON CORPORATE GOVERNANCE

This Universal Registration Document includes (i) all elements of the Annual Financial report mentioned in paragraph I of Article L. 451-1-2 of the French Monetary and Financial Code and Article 222-3 of the AMF General Regulation, (ii) all mandatory mentions of the Management report by the Board of Directors to the Annual shareholders' Meeting of June 2, 2020 stated in Article L. 225-100 of the French Commercial Code, and (iii) all elements of the Board of Directors' report on corporate governance mentioned in Article L. 225-37 of the French Commercial Code.

Chapter 9 of this Universal Registration Document features a table of concordance between the documents mentioned by these texts and the corresponding headings in this document.

INFORMATION INCORPORATED BY REFERENCE

In accordance with Article 19 of (EU) Regulation 2017/1129 of the European Parliament and of the Council of June 14, 2017, this Universal Registration Document incorporates the following information by reference:

- 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;
- relating to the Company's financial year ended December 31, 2018: activity report, annual financial statements and related reports by the Statutory Auditors, presented in chapter 3 – *Financial statements*, on pages 53 to 124 of the Universal Registration Document registered with the AMF on April 30, 2019.

This information should be read in conjunction with the comparative information presented as at December 31, 2019.

The information included in these Universal Registration Documents, aside from that mentioned above, is, where applicable, replaced or updated by the information presented in this Universal Registration Document. These documents are accessible under the conditions described in section 9.3 – *Publicly available documents* of this Universal Registration Document.

FORWARD-LOOKING STATEMENTS AND MARKET DATA

This Universal Registration Document contains forward-looking statements, notably in chapter 1 – *The Group and its activities*, chapter 5 – *Comments on the financial year* and chapter 6 – *Financial statements*. These statements are not historical data and should not be interpreted as a guarantee that the facts and data presented will occur or that the objectives will be achieved, as by their very nature these are subject to external risks and factors, such as those presented in chapter 2 – *Risk factors and internal control*.

Unless stated otherwise, the market data presented in this Universal Registration Document is based on internal GTT estimates which are themselves based on publicly available data.

For more information, refer to section 9.8 of this Universal Registration Document.

Note

In this Universal Registration Document, the terms "GTT" and the "Company" mean the société anonyme (joint stock limited liability company) GTT. The term "Group" means GTT and its subsidiaries.

A glossary of the most frequently used technical terms, units of measurement and acronyms is presented in section 9.6 of this Universal Registration Document.

Copies of this Universal Registration Document are available free of charge from the Company's website (gtt.fr), the website of the Autorité des Marchés Financiers (amf-france.org) and from GTT in writing at 1, route de Versailles – 78470 Saint-Rémy-lès-Chevreuse (France).



1

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1.1 HISTORY

- 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 allows 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.
- 2019:
 - order of 3 seabed Gravity Based Structures (GBS) for the Arctic LNG 2 project, a first for GTT;
 - order of 6 giant latest-generation ethane carriers;
 - new name for the Group's latest technology: GTT NEXT1.
- 2020:
 - acquisition of Icelandic company Marorka.

1.2 MANAGEMENT AND ORGANISATIONAL STRUCTURE

1.2.1 EXECUTIVE TEAM PROFILES

Member 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*).
- Eric Dehouck, Deputy CEO and Innovation Director joined GTT in April 2020. Eric Dehouck is an entrepreneur, investor and executive of international companies. Between 2002 and 2018, at SUEZ, he acquired extensive functional and operational experience as a business executive in particular in the role of Chief Executive Officer of small and large enterprises and as Vice-President, Director for Research and Innovation of SUEZ Group. In 2018, Eric Dehouck founded his investment firm, Pachyderme, which invests in innovative enterprises. In September 2019, he joined the General Secretariat for Investment (SGPI) under the Prime Minister's Office as Director of the program "Industry and Services". Eric Dehouck is an engineer from Arts et Métiers (French engineering institute), HEC-Entrepreneurs, and Auditor from IHEDN (SN68).
- 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*).
- 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).
- Lélia Ghilini, General counsel and Director of Legal Affairs, 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.

- 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.
- Sandrine Vibert, Human Resources Director, joined GTT in 2019. She has 23 years of experience in the Oil and Gas and transport engineering sectors. She began her career with various HR positions in the Bouygues Group. With a Coaching and Co-development certification, Sandrine Vibert set up a change management consulting firm, and then joined Systra as HR Manager for technical and project management functions at Group level. She holds a postgraduate degree (DESS) in Business Strategy and Human Resource Management and a Social and Economic Science Degree from the François Rabelais University in Tours.

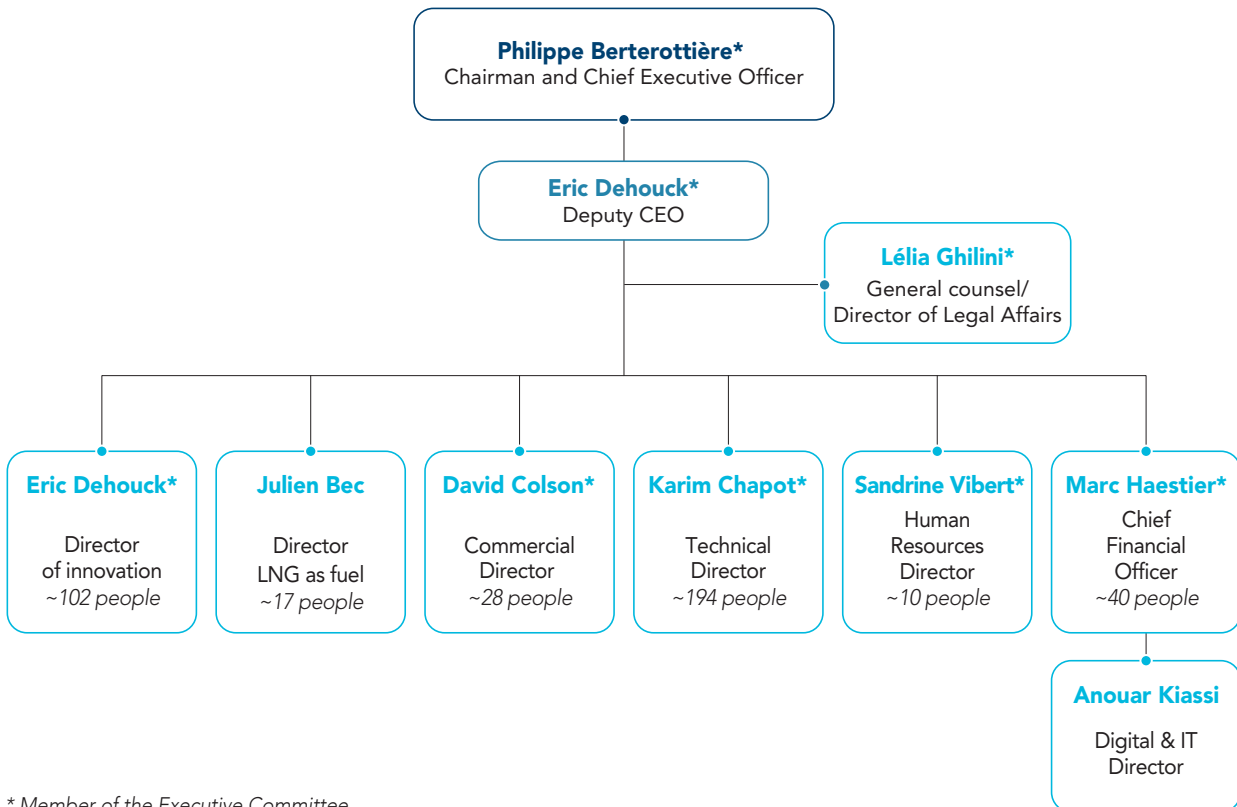
Other executives

- Julien Bec, LNG Fuel Director, joined GTT in 2015. A graduate of École Centrale Paris (1999), he gained both technical and operational experience: having started his career in the automotive industry – in particular as an engine projects engineer for PSA – he joined Vallourec in 2007 where he became Administrative Controller, and then M&A Director for the petrol division. For the past four years, he has been developing GTT's offering in the field of LNG as a fuel for commercial vessels and bunker vessels.
- Anouar Kiassi, Digital & IT Director, joined GTT in 2018. He has 11 years' experience in Digitalisation and IT Systems. He previously held various positions in software engineering, and then digital programme management and consulting, before joining the ROUSSELET group where he performed various duties including the digital transformation of the business, project management, and department management. He holds a Software Engineering degree from Télécom ParisTech (Paris) and a Computer Science degree from École Polytechnique (Palaiseau).

1.2.2 GROUP STRUCTURE

GTT's registered office – located in Saint-Rémy-lès-Chevreuse, France – is where most of the Group's activities and employees are based.

Organisation structure



* Member of the Executive Committee.

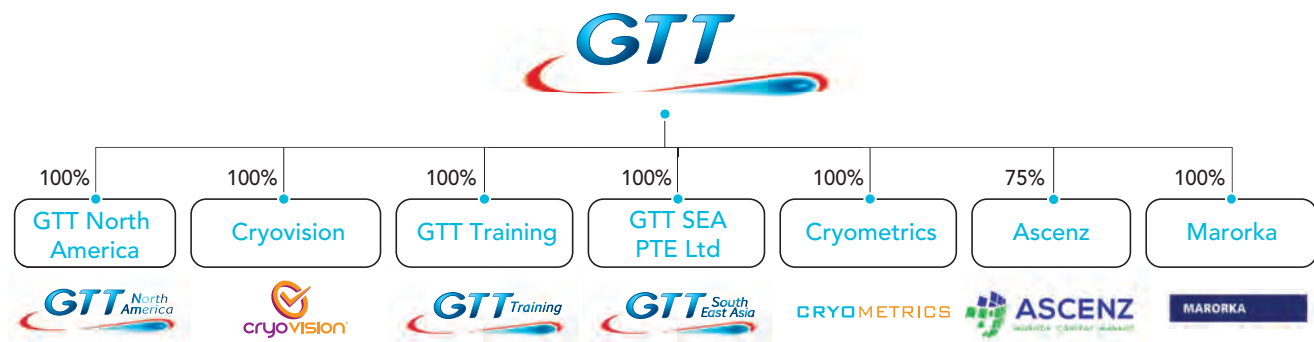
Subsidiaries

The Group has seven subsidiaries:

- 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;

- 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, based in Singapore, specialised in Digital Technology and Smart Shipping (acquisition of a 75% stake in this company in January 2018) and after;
- Marorka, based in Reykjavik (Iceland), specialised in Digital Technology and Smart Shipping (acquired in February 2020).

At the date of filing this Universal 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.



1.3 OBJECTIVES AND STRATEGY

1.3.1 A MISSION STATEMENT AND VISION

1.3.1.1 A mission statement

The outcome of many months of collaborative working, the GTT mission statement was approved by the Board of Directors on April 17, 2020. "Our mission is to conceive cutting edge technological solutions for an improved energy efficiency. We bring our passion for innovation and our technical excellence to our customers, in order to meet their transformation challenges both for today and tomorrow.

The GTT teams are the cornerstone of this mission.

Committed and united, we are determined to contribute to building a sustainable world."

1.3.1.2 A vision

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.

1.3.2 A STRATEGIC POSITIONING THAT ADDRESSES THE CHALLENGES OF THE SECTOR

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, ship-owners 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, reflected in a 24% increase in research and development expenditure in 2019, allows the substantial renewal of GTT's 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 represented a major step forward. GTT's membrane technology offers efficiency, safety and cost reductions which are significantly better than those of competing technologies. At the end of 2019, the Group's order book totalled 19 units: 15 container vessels, a cruise liner and three bunker vessels.

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. With the acquisition of Ascenz in January 2020 and Marorka in February 2020, GTT is able to expand its operations in complementary fields, such as Smart Shipping.

1.3.3 INNOVATION AT THE HEART OF THE STRATEGY

1.3.3.1 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.

Moreover, the Group is putting in place stringent processes for the management of its Intellectual Property policy. These processes ensure the protection of its innovations, whether in its development projects or in its various engineering projects.

1.3.3.2 Resources dedicated to innovation and R&D

For its research and development activities, the Group spent 18.2 million euros during the financial year ended December 31, 2017, 18.2 million euros during the financial year ended December 31, 2018 and 22.6 million euros during the financial year ended December 31, 2019. 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 2019. 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 2017, 2018 and 2019 ⁽²⁾.

At the end of December 2019, in light of the research and development activity in the 2019 financial year and the amounts already declared, the Group estimated the research tax credit at 4,142 thousand euros for the financial year.

For R&D work, the average headcount (full-time equivalents) is 111 employees, along with the backing of external consultants where required. These employees mainly work in the Innovation Division, as well as in the Technical Division and in the subsidiaries.

The Group continuously invests in new laboratory equipment in order to constantly improve its experimental qualification of the complex physical phenomena – both mechanical and thermal – to be considered in the design and validation of its technologies.

1.3.3.3 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.

MARK III FLEX+

Recently, the Mark III Flex+ technology was developed to offer a significant improvement on the thermal performance of the Mark III Flex system and to provide a boil-off rate of 0.07% per day. This rate is the lowest ever provided. 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 – at SHI and HHI – are today registered by the Company with this technology as part of LNG carrier construction projects. The initial feedback from our industrial partners regarding the industrialisation and construction of this system as part of this shipbuilding project is positive.

GTT NEXT1

The aim of the GTT NEXT1 technology is to provide a performance level equivalent to that of the Mark III Flex+ technology while using two metal barriers.

The use of prefabricated reinforced polyurethane foam panels to support the two gas-tight membranes provides the compromise between thermal and mechanical performance. The second gas-tight barrier is made of Invar, and the design of the first barrier relies on a known stainless steel concept, similar to that of the Mark technologies. By activating these design levers it is possible to offer significant improvements in performance, while using proven materials and components.

The design of this new system and its validation are based on validation methods put in place by the Group. Parts of the validation methods have already been shared with the classification societies. The final validation of the technology will be done through an experimental campaign involving the conduct of level-1 cryogenic tests. To this effect, the Group has invested in new means of testing, enabling it to conduct this experimental campaign in its laboratories and giving it access to validation that is as representative as possible of real operating conditions.

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.

(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.

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.

In April 2019, GTT received an order notification from Chinese shipyard Hudong-Zhonghua Shipbuilding to design an LNG tank as part of the conversion of the MV SAJIR, a very large capacity container ship (15,000 EVP1) for ship-owner Hapag Lloyd. The ship conversion project was carried out in collaboration with the naval architect based at Hamburg Technolog, the supplier of maritime solutions MAN Energy Solution, and its subsidiary MAN Cryo. The project design is based on the use of an exoskeleton-type structure. The structure, which is pre-equipped with a Mark III cryogenic insulation system developed by GTT, will be installed and integrated in a container hold of the existing vessel. By making use of the vessel's structure, this exoskeleton solution will reduce the weight of the tank and will speed up the vessel's conversion. The 6,500 m³ LNG tank will provide optimal space usage for the storage of fuel. The conversion of the vessel should be completed in the second half of 2020.

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

In 2019, the Group offered its customers a new, innovative Non-Destructive Testing method to be used during the installation of Mark III technologies, providing a significant improvement in terms of efficiency and reliability. A prototype of a vacuum chamber – allowing the detection of any assembly-related leaks through the use of tracer gas (Helium) – was presented and is currently the subject of collaborative exchanges with shipyards.

Concerning the "LNG as Fuel" projects underway, the Group provides support in terms of tools and methods for the manufacturing of LNG tanks. The expertise and dedication of the Group's teams ensure the security of these first applications with new partners.

Periodic exchanges with the Group's customers make it possible to capitalise on the experience gained and offer innovations on a regular basis to optimise the industrialisation of technologies.

The Group also offers industrial process upgrades to its network of suppliers. For example, a new process for the manufacturing of reinforced polyurethane foam insulation panels – based on the principle of a double lamination production line – was validated and proposed, thus providing a manufacturing solution with lower production costs.

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 m³) such as infrastructures for the supply of LNG as shipping fuel which are undergoing 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.

GTT invested significantly in the development of Gravity Based Structures (GBS). In 2018, GTT was appointed by two major companies to carry out Front End Engineering Design (FEED) studies for 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.

In September 2019, GTT announced the signing of a contract with SAREN BV (a joint venture between Renaissance Heavy Industries Russia and Saipem) for three GBS terminals (Gravity Based Structures) dedicated to the Arctic LNG 2 project. The contract concerns the design, construction studies and technical assistance for the membrane containment systems of the LNG and ethane tanks which will be installed inside the three GBS terminals.

The first two GBS terminals will be equipped with two LNG tanks, each with a capacity of 114,500 m³, and an ethane tank of 980 m³. The third GBS terminal will be equipped with two LNG tanks of 114,500 m³ each. The GBS terminals, which will lie on the seabed, will consist of concrete caissons and membrane containment tanks using GTT's GST™ technology. The units will be built in a dry dock at Novatek-Murmansk LLC. They will then be towed and installed in their final location in the Gydan peninsula in Russian Arctic.

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

1.3.3.4 Intellectual property

The Group has filed patent applications covering its principal technologies in (i) the countries in which the 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 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, 2019, GTT held 1,722 patents, of which 967 had been issued and another 755 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 301 different inventions are covered by the 1,722 patents and patent applications in force as at December 31, 2019, 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 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).

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.

1.3.3.5 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.

1.3.4 FINANCIAL OBJECTIVES FOR THE 2020 FINANCIAL YEAR

The Company has visibility as regards its revenue from royalties out to 2023 based on its order book at the end of 2019. In the absence of any significant order delays or cancellations, this corresponds to a revenue of 708 million euros for the 2020-2023 period ⁽¹⁾ (375 million euros in 2020, 232 million euros in 2021, 79 million euros in 2022 and 22 million euros in 2023).

On that basis, the Group:

- announces a target of between 375 million euros and 405 million euros in consolidated revenue for 2020;
- announces a target of 235 million euros to 255 million euros in consolidated EBITDA ⁽²⁾ for 2020;
- targets the payment of dividends amounting to a payout rate of at least 80% of consolidated net income for FY2020 and FY2021 ⁽³⁾.

(1) Royalties driven by the main activity, i.e. excluding LNG as fuel and excluding services, according to IFRS 15.

(2) EBITDA is EBIT, to which depreciation of fixed assets and asset impairment as shown by impairment tests linked to said fixed assets are added, according to IFRS.

(3) Subject to approval of the shareholders' Meeting and the distributable net income in the GTT SA corporate financial statements.

1.4 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).

1.4.1 LIQUEFIED NATURAL GAS

Liquefied natural gas consists of natural gas (methane) liquefied at a temperature of -163°C . It is odourless, colourless, nontoxic, noncorrosive and represents approximately $1/600^{\text{th}}$ 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 is mainly 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 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 2019, the main LNG producing countries were Australia, Qatar and the United States of America, which together accounted for over 50% of the world's supply. The main LNG import region in 2019 was Asia, concentrating over 70% of demand with, in particular, Japan, South Korea and China which accounted for over 50% of global demand in 2019.

The second-biggest import region in Europe, accounting for over 20% of global demand in 2019. (mainly Spain, the United Kingdom, France and Italy). In Europe, 2019 was a year of strong growth for LNG due to increasing environmental concerns, supply safety, and economic opportunities for sellers given the current low level of LNG in Asia.

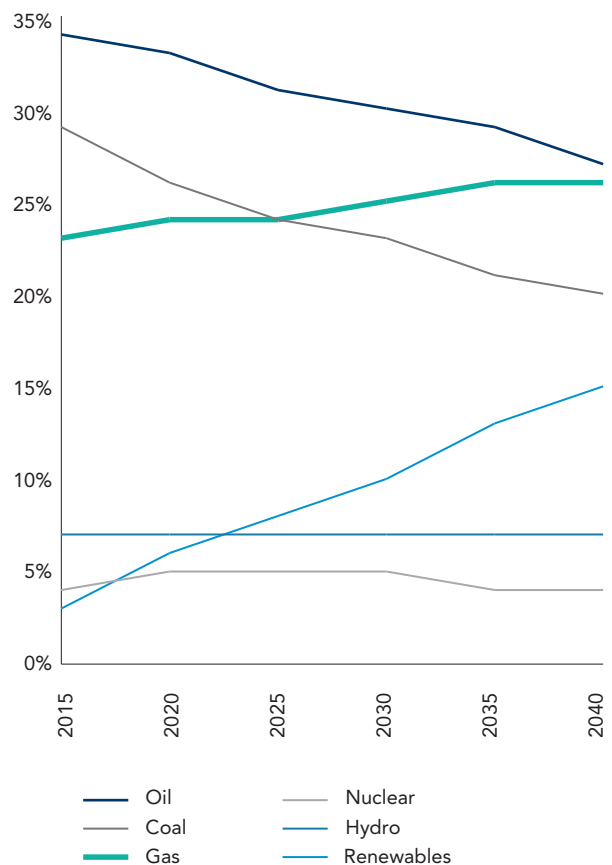
1.4.1.1 The LNG market

Overview and trends in natural gas

According to BP (Central Scenario – Evolving Transition), 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 1.7% from 2017 to 2040 versus 0.3% for oil and a drop of 0.1% a year for coal⁽¹⁾. The share of gas in the global energy mix should thus rise from 23% in 2017 to 26% in 2040, with production going from 3,150 Mtoe to 4,600 Mtoe. It is interesting to note that gas consumption and its share of the energy mix increase in all BP scenarios (“Evolving Transition”, “More Energy”, “Less Globalisation” and “Rapid Transition”). Gas is currently the third contributor to world energy

needs and should overtake coal around 2025 and hold second place behind oil, whose share is tending to decline.

Change in the global energy mix according to BP (Evolving Transition Scenario)



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 and lower emissions of gaseous and particulate pollutants compared to other fossil fuels (coal and oil). This makes it an attractive source of fuel in countries where

(1) BP Energy Outlook, Q1 2019

governments are implementing policies to reduce emissions of greenhouse gases and air pollution;

- 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 BP, gas exports in LNG form will exceed exports by pipeline by the end of the 2020s.

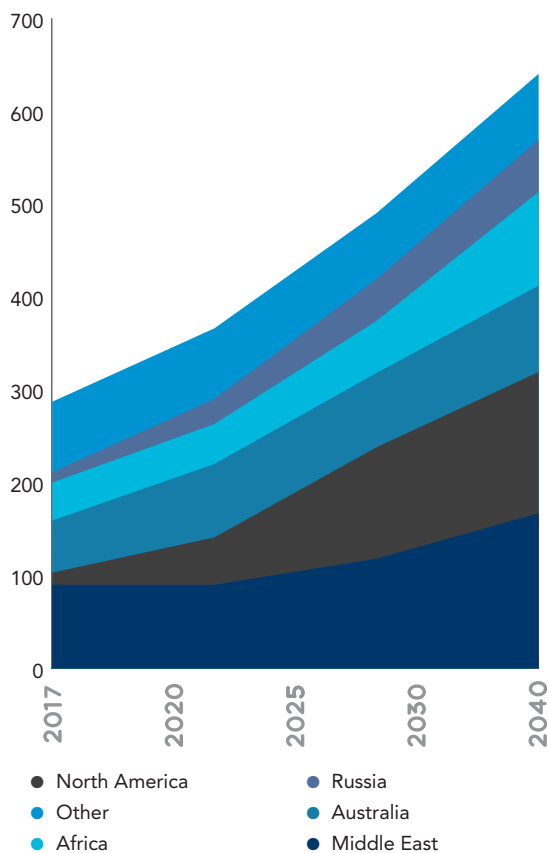
LNG supply

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 2009 and 2019, the global LNG supply grew by around 7.3% per year on average, increasing from 180 to 365 Mtpa. In 2019, LNG production increased sharply – by nearly 40 Mtpa – due to the commissioning and ramp-up of numerous liquefaction units, mainly in the USA.

Moreover, 2019 was a record year in terms of decisions to invest in new production capacities, involving 70 Mtpa.

LNG supply growth forecasts confirm this trend with an expected average annual growth of 150 Mtpa by 2030, according to BP.

Global LNG supply scenario according to BP (in Mtpa)



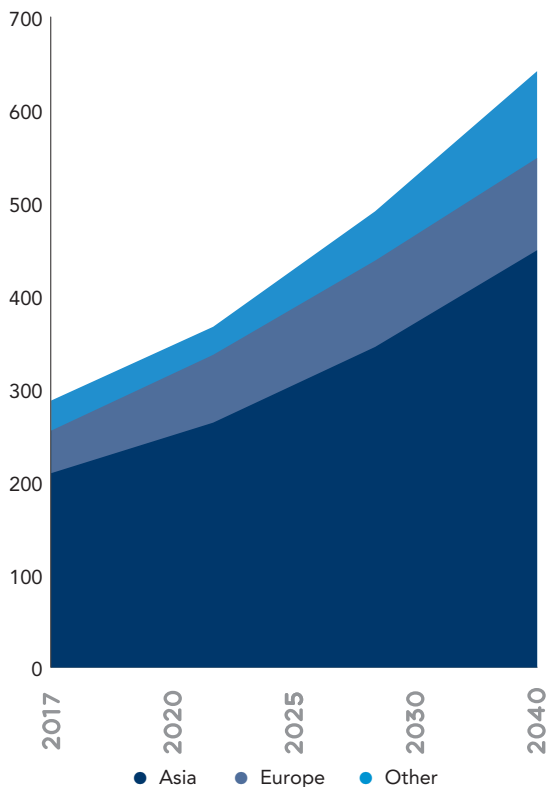
Source: BP Energy Outlook 2019

LNG demand

In line with LNG supply, there was a sharp rise in demand between 2009 and 2019, with an average annual growth rate of 7.3%, from 180 to 365 Mtpa.

Most of the future consumption increase will come from Asia, particularly from China, which became the world's second largest LNG importer in 2017, behind Japan, but overtaking South Korea, and it is expected to become the leading importer in the upcoming years.

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

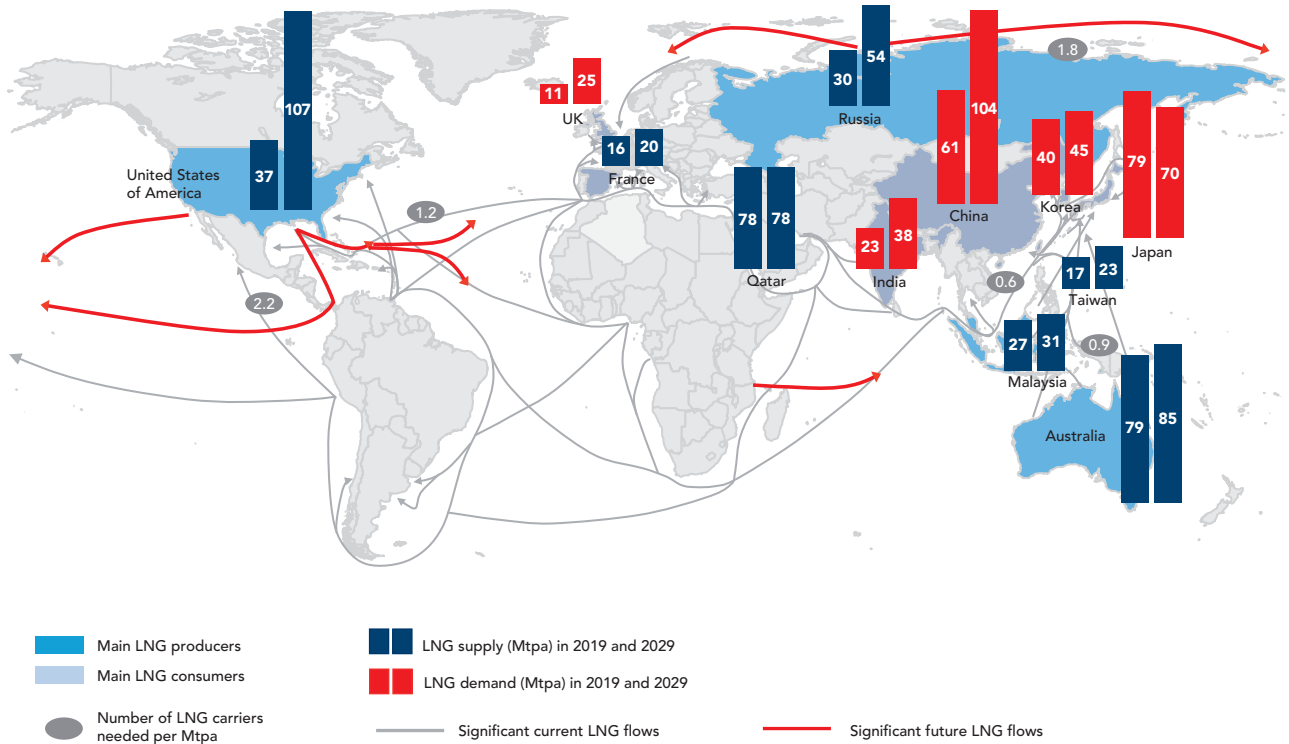


Source: BP Energy Outlook 2019

LNG transport and flows

LNG trade routes in 2019 are illustrated in the map below.

Map of LNG flows



Sources: Wood Mackenzie Q4 2019 – the data on supply only covers existing projects and those under construction at 15 February 2020/GTT.

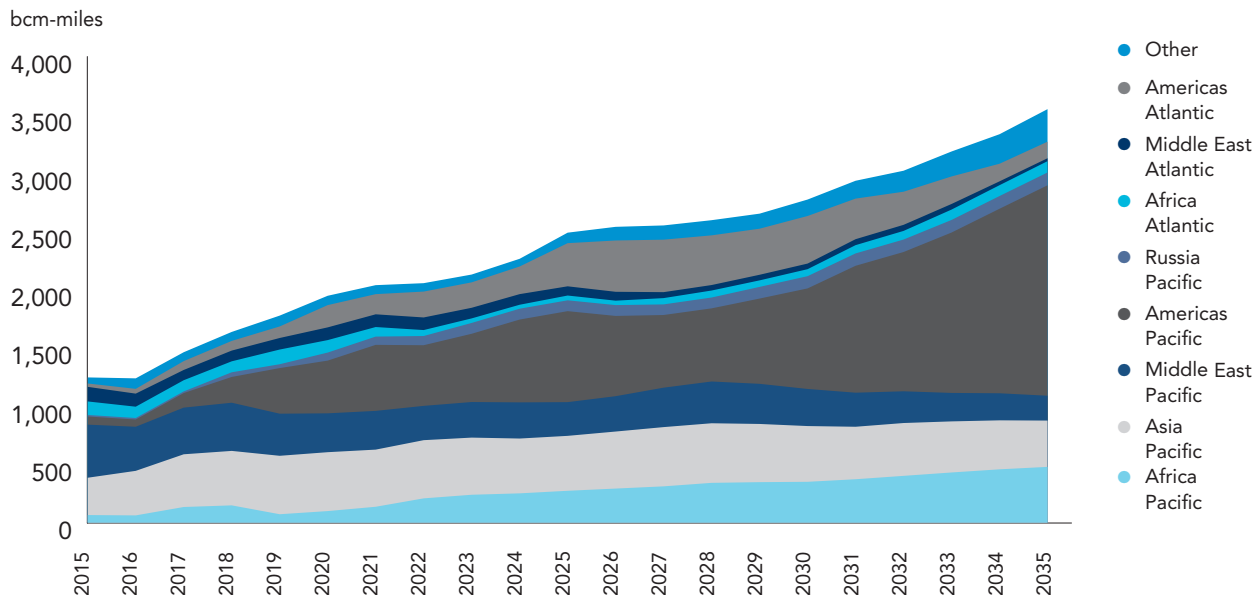
The strong forecast growth in both LNG production and consumption creates a structural need for increased LNG maritime transportation capacities.

The demand for vessels is driven by “utility” importers with fixed-route contracts, and by “portfolio” players who manage numerous supply and delivery contracts.

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).

Furthermore, various technological advances (engine, boil off, payload capacity of the vessels) have created a new demand for vessels to replace ageing, less efficient vessels in terms of energy and cost.

Transport of LNG



Source: Wood Mackenzie, August 2019

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 to Asia is a significant driver of increased shipping activity. An increase in these exports 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.

Oil & Gas Companies

► End clients and prescribers



Classification Societies

► Regulatory oversight of the industry



Ship-owners

► End clients and prescribers



Shipyards

► Direct clients



(A) SHIPYARDS

As at December 31, 2019, South Korean shipyards, chiefly Samsung Heavy Industries, Daewoo Shipbuilding & Marine Engineering and Hyundai Heavy Industries had two thirds of the existing fleet of LNG carriers ⁽¹⁾.

As at December 31, 2019, Japanese shipyards (such as KHI, Ambari/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).

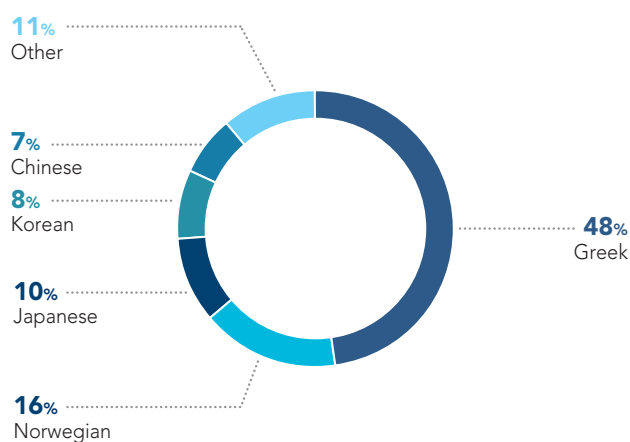
China is continuing to develop its LNG carrier construction activity. Incentive policies have been introduced to promote LNG carrier construction in China, in order to import LNG into the country. Currently, only one shipyard, Hudong Zhonghu, has secured orders, but a number of others have ambitions in the Chinese LNG sector.

(B) SHIP-OWNERS

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: Clarksons.

Breakdown of orders by shipowner nationality as at December 31, 2019 ⁽¹⁾ (%)



Over the last 15 years, over 65 shipowners have ordered vessels equipped with GTT technology.

(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 nongovernmental 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 servicing of the vessel;
- 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. life of vessels.

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 Kaiju Kyodai (ClassNK)	Indian Register of Shipping

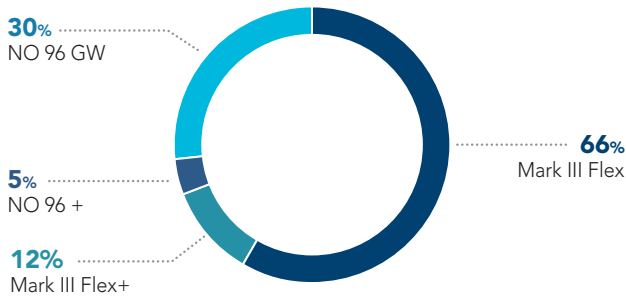
Among these classification societies, the Group uses the services of the American Bureau of Shipping, Bureau Veritas, Lloyd's Register and DNV-GL, which have a particularly strong reputation in the LNG carrier field.

(1) This breakdown does not take into account the orders for GTT's fitting of LNG fuel tanks presented in section 2.3.1 – Vessels fuelled by LNG".

1.4.1.2 LNG carriers

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

The 113 LNG carriers on order as at December 31, 2019 will be built with GTT systems, broken down as follows ⁽¹⁾:

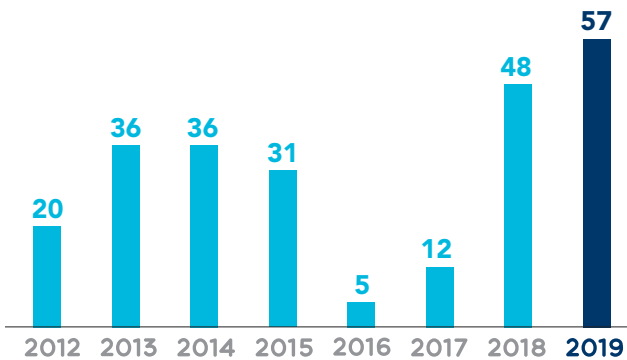


Historical trend and order books

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 2019 (in units)



Between 2012 and 2019, out of the 279 LNG carriers ordered worldwide, 245 use or will use GTT containment systems.

At December 31, 2019, 521 LNG carriers of over 50,000 m³ were in operation. Out of these, 384 were equipped with GTT technology.

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 2.2.2.2 – *Economic environment* of this Universal Registration Document).

All orders for LNG carriers larger than 50,000 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) used this technology.

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 m³, 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 183,500 m³ (compared with 266,000 m³ for vessels equipped with GTT technology). In addition, vessels 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

(1) Source: Company.

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.

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 m³ delivered in 1993 and four LNG carriers of 165,000 m³ delivered since 2018 are fitted with SPB's technology.

These four large carriers, ordered in 2014 from Japanese shipyard Japan Marine United (JMU), had construction problems associated with tank insulation, resulting in considerable delays and a significant increase in the initially forecast costs. This setback could lead to this technology being abandoned for large LNG carriers.

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.

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 2.2.2.2.1 – *Competitive environment* in this Universal 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 m³ vessels equipped with KC-1 technology⁽¹⁾ from Samsung Heavy Industries. These two vessels were delivered during Q1 2018 with several months' delay.

Nearly two years after their delivery, 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 m³ 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 2.2.2.2.1 – *Competitive environment* in this Universal Registration Document.

OTHER COMPETING TECHNOLOGIES

As at the date of this Universal Registration Document, other LNG containment technologies have been developed, such as the membrane containment technologies of Samsung Heavy Industries (KC-S), Hyundai Heavy Industries (HiMEX) 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 LNT – A-Box system, the General Dynamics system, or the 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 2.2.2.2.1 – *Competitive environment* in this Universal Registration Document.

Long-term outlook

The Group estimates that it should receive between 285 and 315 orders for LNG carriers between 2020 and 2029, associated with forecasts of strong demand growth and a growing fleet renewal activity.

(1) Source: Company.

1.4.1.3 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.

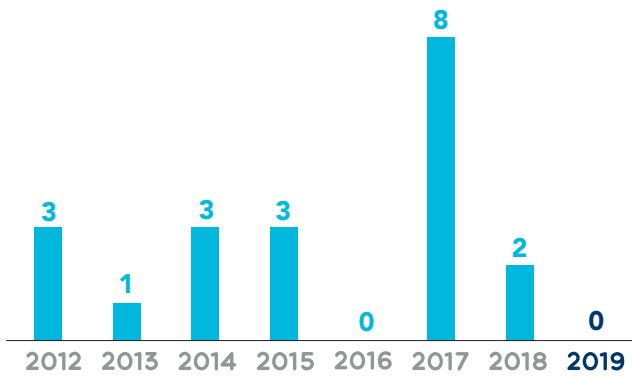
Historical trend and order books

The development of FSRUs has emerged only recently, with the first unit entering service in 2005; 33 FSRUs are currently in operation. The six FSRUs on order as at December 31, 2019 are all new units to be equipped with GTT technology.

GTT did not receive any new FSRU orders in 2019, mainly because of the large number of FSRUs ordered in 2017, and the increase in conversions of former LNG carriers.

GTT FSRU orders from 2012 to 2019

(in units)



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;
- 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 fourteen 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.

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 10 to 20 FSRU orders over the 2020-2029 period. Enabling a more flexible installation and at a controlled price, FSRUs respond to the needs of emerging markets, islands and seasonal needs. However, the Group deems that, in the short term, the FSRU market could consist of conversions of former LNG carriers, rather than new constructions.

1.4.1.4 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 end-2019, three FLNGs were in operation: two new units equipped with the GTT technology, and one unit stemming from the conversion of a Moss vessel (Cameroon FLNG).

In 2016, one FLNG with a storage capacity of 177,000 m³ and a liquefaction capacity of 1.2 Mtpa 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 m³ and 3.6 Mtpa 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 m³ and a liquefaction capacity of 1.5 Mtpa.

ENI's Coral FLNG was ordered in 2017 to operate off the Mozambique coast. This 3.4 Mtpa capacity project with 238,700 m³ in storage volume should be delivered at the end of 2021.

A former Moss LNG carrier is also being converted for the Tortue FLNG project in Senegal/Mauritania

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.

1.4.2 MULTI-GAS VESSELS

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.

1.4.2.1 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

In September 2019, GTT's membrane technology was selected for the design of six Very Large Ethane Carriers (VLEC) built by the Korean Hyundai Heavy Industries (HHI) and Samsung Heavy Industries (SHI) shipyards on behalf of the Chinese company Zhejiang Satellite Petrochemical. GTT's Mark III membrane containment system was selected for the design of the tanks. The design was optimised to significantly increase the payload capacity within the limit of the standard dimensions of VLECs, thus providing a cargo capacity of over 98,000 m³ while limiting draught. These second generation VLECs will be the largest ever built in the world.

Designed for multi-gas use, *i.e.* to transport ethane as well as several types of gas such as propylene, LPG and ethylene, these six vessels will also be "LNG ready", offering the possibility of containing LNG in the future without the need to convert the ship's tanks.

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.

Long-term outlook

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

GTT expects up to five FLNG orders over the 2020-2029 period. The choice of FLNGs is an alternative to onshore 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.

There are now 12 ethane carriers (in operation or on order) equipped with the GTT technology.

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 m³. This business expanded in the '80s, in terms of both fleet and vessel size, reaching capacities greater than 10,000 m³ and up to more than 20,000 m³ in the 2000s. At the end of 2019, according to Clarksons Research, the fleet of multi-gas carriers stood at 174 vessels, with a further 15 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 m³) 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 "multi-gas" vessels, equipped with the Mark III technology are designed to transport ethane, as well as several other types of gas in liquid form.

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 competition from type A, B and C technologies in this market segment. In 2019, the ship-owner Pacific Gas thus ordered two ethane carriers of 98,000 m³ with Type B technology on behalf of the charterer Ineos.

(1) Does not take conversions into account.

Long-term outlook

The boom in the production of American shale gas is bringing large quantities of low-priced ethane onto the market, offering good prospects for the transport of ethane in liquid form, in particular to the Middle East and China.

The Group estimates that it should receive between 25 and 40 orders for LNG carriers between 2020 and 2029, associated with forecasts of strong growth in demand.

1.4.2.2 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 CO₂ 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. The USA is a growing exporter, given the development of shale gas.

On the demand side, Asia Pacific should maintain its top consumer position, with over 70 Mtpa 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 and semi-refrigerated vessels are mainly 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/m³, 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.

1.5 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 m³ (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 Universal Registration Document, GTT has 19 licensees.

GTT has also developed an LNG storage solution known as GBS (Gravity Based Structure). In 2019, it received its first order of 3 GBSs for the Russian liquefaction project Arctic LNG-2.

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.

1.5.1 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 m³ intended for liquid argon (-187°C), followed by two orders for 600 m³ for the same purpose in 2016, then a further order in 2018 for a 12,500 m³ 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. 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 m³ in-ground tanks in Japan belonging to Tokyo Gas, the first of which was delivered in 1996.

In 2019, GTT signed a contract with SAREN BV (a joint venture between Renaissance Heavy Industries Russia and Saipem operating in Russian territory on behalf of its subsidiary in Murmansk) for the design and construction of three GBS terminals (Gravity Based Structures) dedicated to the Arctic LNG 2 project, for Russian LNG producer PAO NOVATEK. The contract concerns the design, construction studies and technical assistance for the membrane containment systems of the LNG and ethane tanks which will be installed inside the three GBS terminals.

The first two GBS terminals will be equipped with two LNG tanks, each with a capacity of 114,500 m³, and an ethane tank of 980 m³. The third GBS terminal will be equipped with two LNG tanks of 114,500 m³.

The GBS terminals, which will lie on the seabed, will consist of concrete caissons with membrane containment tanks using GTT's GST™ technology. The units will be built in a dry dock at Novatek-Murmansk LLC. They will then be towed and installed in their final location in the Gydan peninsula in Russian Arctic.

The Group wants to increase its presence in the segment of onshore storage tanks and GBSs over the next ten years.

Demand for LNG 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;
- 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 growing very rapidly;
- the growth of LNG imports on islands where GBSs are particularly suited because of their low impact.

1.5.2 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 costs 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.

(1) Source: Company.

1.5.3 LONG-TERM OUTLOOK

Over the 2020-2029 period, GTT expects between 15 and 20 orders for large storage tanks, principally driven by the expected growth of GBS.

1.6 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.

1.6.1 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, including the limitation of sulphur emissions to 0.5% since January 1, 2020, will significantly stimulate the development of the market for LNG as shipping fuel.

Competitive environment

At the end of 2019, over 170 vessels fuelled by LNG (excluding LNG carriers) were in service and over 200 vessels had been ordered, which is less than 1% of the worldwide fleet but 5% of vessels ordered⁽¹⁾.

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 m³ in 2015 compared to 200 m³ in 2005). They can reach almost 4,000 m³ 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 m³ on average). Wartsila and TGE offer the full range of volumes. TGE provides the largest capacity tanks (almost 1,000 m³ 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.

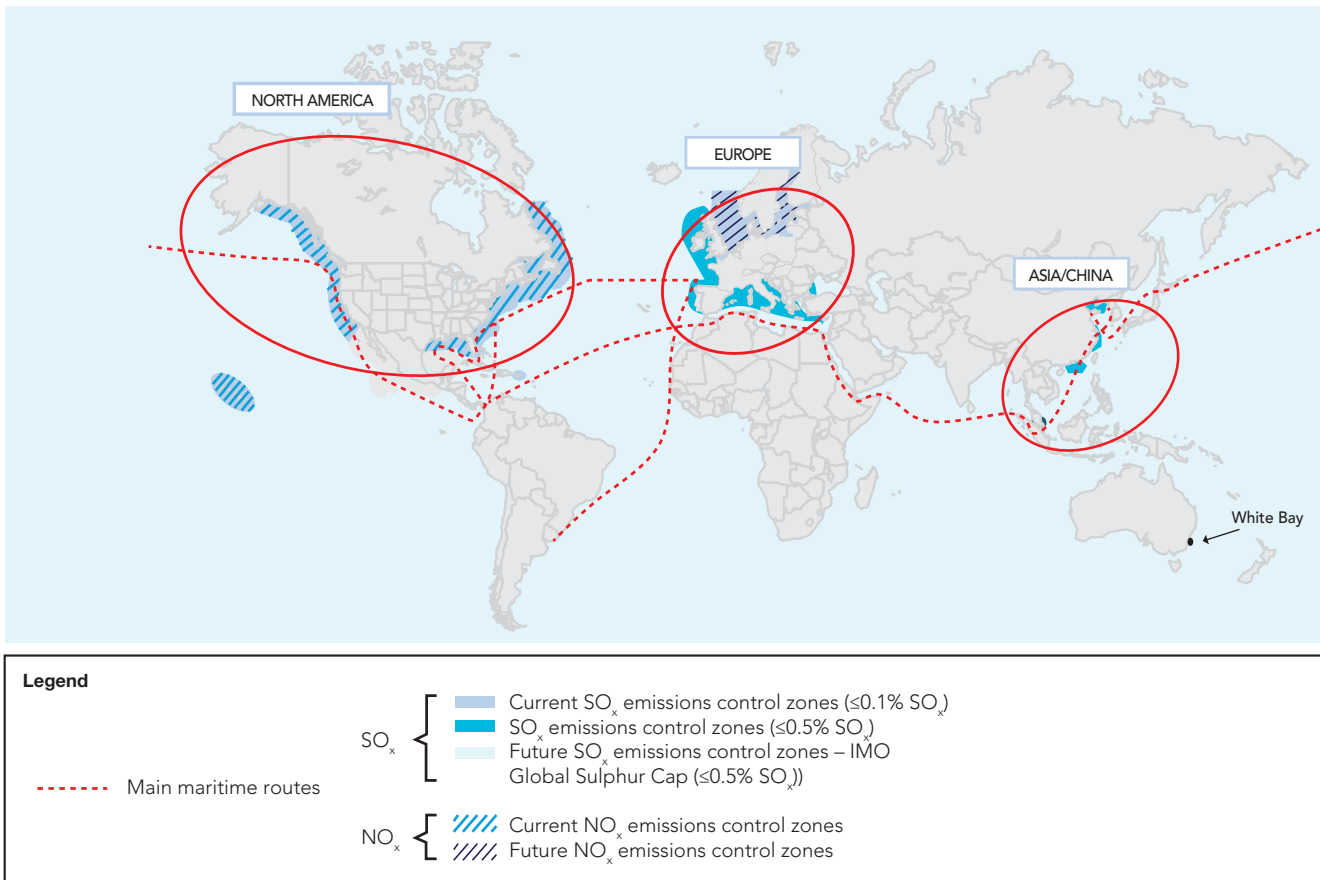
(a) New regulations encouraging the use of LNG

SO_x

Vessel emissions of sulphur dioxide (SO_x) are covered by regulations based on EU directives and agreements adopted by the International Maritime Organisation (IMO). Directive (EU) 2016/802 of the European Parliament and of the Board meeting of 11 May 2016 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.

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



Source : Sia Partners.

Effective date	Sulphur oxide limit (% mass/total mass)	
	ECA *	Outside the ECA
2010	1.5%	4.5%
2010 (July)	1.0%	
2012		3.5%
January 1st, 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 1st, 2014.

At the end of 2016, the IMO confirmed the implementation in 2020 of the Global Sulphur 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), or ultra-low sulphur heavy fuel oil (ULS-HFO, conforming to 0.1% S).

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 and CO₂ emissions and, in particular, with the Marpol international convention.

NO_x and CO₂

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 NO_x emissions, summarised in the table below, are set based on the engine speed of the vessel.

Applicable Tier Rules	Date	Limitations to nitrogen oxide emissions (in g/kWh)		
		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 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 CO₂ 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.

The next stage involves the extension of nitrogen oxide emissions controls (NO_x Tier III) to the North Sea and Baltic Sea in January 2021.

Moreover, in April 2018, the IMO announced a strategy to gradually reduce greenhouse gas emissions and, in particular:

- to reduce CO₂ emissions from all international maritime transport, by an average of 40% by 2030 compared with 2008;
- to reduce the total volume of annual GHG emissions by at least 50% by 2050, compared with 2008.

(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. However, their price remains high in comparison with alternatives and their availability is a major challenge. Moreover, no standard specification has yet been laid down for LSHFO, thus limiting compatibility between the fuels of different producers.

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. They have many disadvantages. They are expensive, consume energy which results in overconsumption by the vessel, 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 Fujairah in the United Arab Emirates. These successive bans should limit the growth of these open loop smoke scrubbers;
- "Closed loop" technologies use a chemical process to clean the smoke. They are more expensive and pose the problem of how to manage the waste water and sludge generated by smoke scrubbing.

However, the technology exists and the bunkering infrastructures for HFO are already in place. At the end of 2019, according to Clarksons Research, over 3,000 sulphur oxide smoke scrubbers had been installed and nearly 1,000 vessels were 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) ⁽²⁾	Smoke scrubber (+HFO)	LNG
SO _x	3.5%						
	0.5%						
	0.1%						
NO _x ⁽²⁾	Tier I & II						
	Tier III	+EGR/SCR ⁽³⁾					

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

Source: Company.

Compliant: Yes With conditions No

(c) An economic incentive for using LNG

Following the introduction of stricter limits worldwide on SO_x emissions in January 2020, high prices have been recorded for LS-HFO, sometimes exceeding those of MGO, due to short supply. The cost effectiveness of its use for long journeys has greatly diminished compared to smoke scrubbers and LNG.

Historical trend and order books

In 2019, GTT received an order notification from Chinese shipyard Hudong-Zhonghua Shipbuilding to design an LNG tank as part of the conversion of the MV SAJIR, a very large capacity container ship (15,000 EVP) for ship-owner Hapag Lloyd.

The project design is based on the use of an exoskeleton-type structure. The structure, which is pre-equipped with a Mark III cryogenic insulation system developed by GTT, will be installed and integrated in a container hold of the existing vessel.

By make use of the vessel's structure, this exoskeleton solution will reduce the weight of the tank and will speed up the vessel's conversion. The 6,500 m³ LNG tank will provide optimal space usage for the storage of fuel.

In 2019, GTT also won a contract with CMA CGM to install LNG tanks in 5 container vessels with tanks of 14,000 m³.

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 m³. GTT will be responsible for building the tanks under this contract.

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 Mtpa. This historical order from a leading player marks the beginning of use of LNG as marine fuel over long distances on the high seas.

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).

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, 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.

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 multipurpose 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.

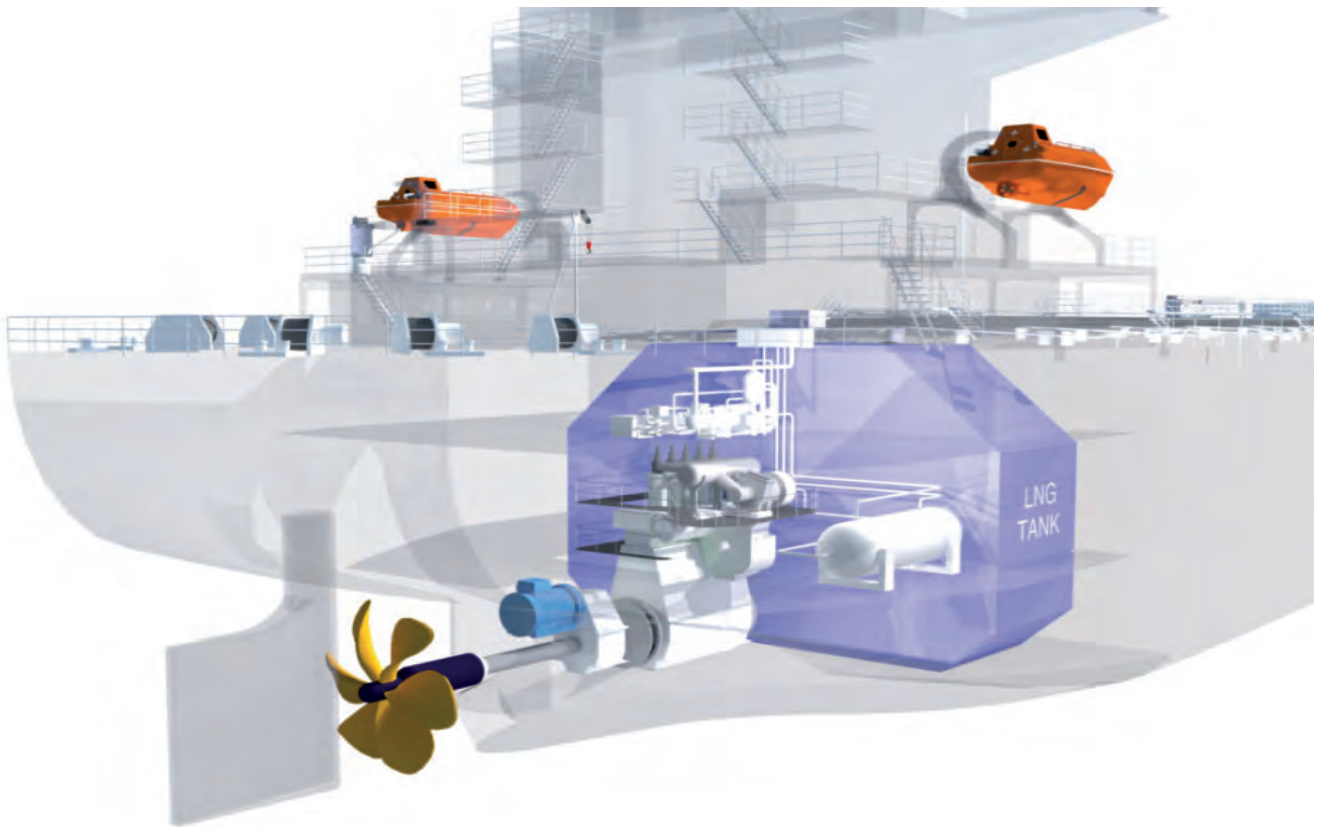
According to the Group, while there has been increasing interest in converting vessels to use LNG as fuel for power, there has been relatively limited conversion activity to date. According to DNV-GL, at the end of 2019, twelve vessels of over 100 GT had been converted and eleven were awaiting conversion.

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 2019, there were 161 "LNG Ready" vessels in service and 82 on order.

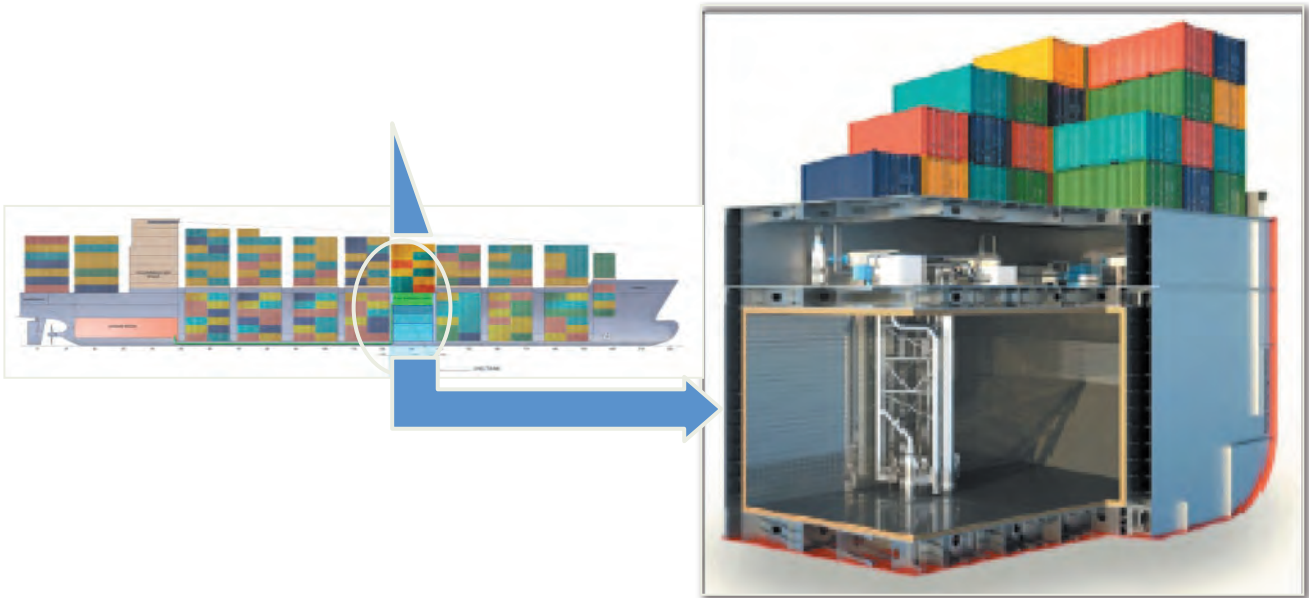
GTT offer

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 m³



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 looking to position itself in these two segments, both conversions and new builds.

1.6.2 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 Mtpa, regasification terminals with a capacity of less than 0.5 Mtpa 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.

Competitive environment

According to Clarksons, the fleet of small LNG carriers went from 4 vessels in 2000 to 11 in 2010, and 19 at the end of 2019. The order book includes eight vessels.

Type C is the most commonly used technology. 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. 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 continuing to post strong growth. At the end of 2019, there were five LNG bunker vessels in operation with capacities of between 5,000 and 7,500 m³, all operating in Europe, and one barge equipped with GTT's Mark III Flex technology which is for the American market. There were also 15 bunker vessels/barges of more than 2,000 m³ on order: 11 equipped with Type C technology, 3 with GTT's Mark III technology, and one with SPB technology.

In 2019 GTT received an order notification from ship-owner MOL for two bunker vessels: The first, with a capacity of 12,000 m³, chartered by Total and Pavilion in Singapore, will be built at the Sembcorp shipyard; the second, with a capacity of 18,600 m³, chartered by Total in Marseille, will be built at the Hudong Zonghua shipyard.

These two orders received in 2019 are a follow-up to a 2018 order from MOL for a bunker vessel chartered by Total to supply CMA CGM's LNG fuelled vessels. This vessel, with a capacity of 18,600 m³, will be the first capable of supplying significant quantities of LNG in one single bunkering operation.

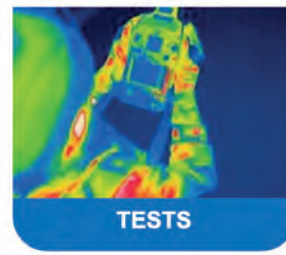
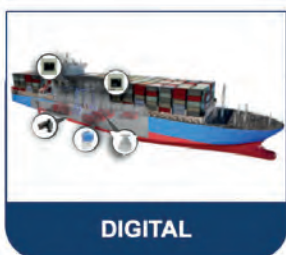
Outlook for the global market and for GTT

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 Mtpa in 2017 to over 40 Mtpa in 2027, primarily as a result of LNG for transportation (onshore, maritime, river, and even rail).

1.7 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.

1.7.1 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 2019 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.

1.7.2 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.

It is also approached to provide its expertise directly to shipowners 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.

1.7.3 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.

The number of training courses provided by GTT Training further increased in 2019, in particular concerning the use of LNG as shipping fuel.

1.7.4 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 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.

In 2019, GTT conducted several studies for the following purposes: design of a new FLNG; preparation of the transfer of LNG between an LNG carrier and an FLNG; increasing the operational flexibility of an LNG bunker vessel.

In 2019, GTT Training received the "LNG World Shipping Safety Award 2019". Every year, this prize rewards an LNG player for its major role in promoting safety in the LNG industry.

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.

In 2019, GTT Training introduced 3D in G-Sim to make the use of the simulator even more immersive. Moreover, GTT Training obtained a certification for G-Sim's new simulation model for LNG bunkering operations and for the LNG Fuel management system from the DNV-GL classification society, in accordance with their standards for maritime simulators. This new simulator is the very first of its kind for LNG Fuel applications.

For example, in 2019, GTT received an order from CMA CGM to provide assistance in carrying out the initial gas operations for the commissioning of the tanks and the initial LNG 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.

In 2019, HEARS® saw the adaptation of the service to the specific needs of LNG Fuel applications.

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

1.7.5 DIGITAL SERVICES

With the acquisition of Ascenz in 2018 and Marorka in 2020, GTT has become a major player in Smart Shipping. The entities' combined expertise places GTT in a privileged position in the field of solutions to improve the energy efficiency of vessels.

GTT's systems have now been fitted on over 1,100 vessels of different types, ranging from LNG carriers to container vessels, crude carriers and service vessels. The systems can be adapted to the different types of propulsion (LNG or conventional fuels), thus placing GTT at the heart of the shipping industry's energy transition and promoting the adoption of LNG as a fuel.

Through the entities' technological complementarity, GTT has become one of the rare player offering turnkey solutions on both technical and service levels. Operating in 20 countries across four continents and covering numerous time zones, GTT's entities can equip vessels with instruments, capture on-board data, send them onshore in a secure way, analyse them, and provide relevant advice to on-board and onshore staff.

Since its launch in 2008, Ascenz has equipped over 500 vessels, principally with energy efficiency monitoring solutions. The brand has historically been recognised as a benchmark player for the transparency, traceability and reliability of bunkering operations and vessel consumption monitoring. Since its acquisition by GTT, Ascenz offers solutions dedicated to LNG carriers concerning the management of LNG sloshing and Boil-Off Gas (BOG) in the tanks, as well as the optimisation of LNG use. Ascenz has its own brand of mass flow meters – Flowmet™. For more information: www.ascenz.com.

Founded in 2002 and based in Iceland, Marorka designs maritime energy monitoring, operational reporting and optimisation systems for vessels, thus allowing them to reduce their operating costs and environmental footprint. The solution addresses all sources of inefficiency such as speed, trim, hull condition, engine balance, etc. The company also offers managed services proactively providing a continuous analysis of performance and real-time advice to improve it. For more information: www.marorka.com

1.7.6 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™ integrity 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™ 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 acoustic emissions tests (AE Tests) on the tanks of LNG carriers, in particular on special zones such as the domes. The AE test is used in addition to the 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 obtained the ISO 45001 certification in 2019 (as a replacement to OHSAS 18001), 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.

1.7.7 SUPPLIER CERTIFICATION

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.

For more information, refer to section 3.6.1.3 – *Supplier certification* of this Universal Registration Document.



2

RISK FACTORS AND INTERNAL CONTROL

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The significant and specific risks to which the Group considers that it is exposed are set out below. They are divided into four categories of risks:

- industrial risks;
- operational risks;
- legal risks;
- nonfinancial risks.

Pursuant to the provisions of Article 16 of regulation (EU) 2017/1129 of the European Parliament and Council, the risks factors deemed to be the most significant as of the date of this Universal Registration Document are listed first within the aforementioned risk categories, based on an assessment that takes into account their medium-term impact and probability of occurrence.

The risks presented below are the main risks identified by the Group on the date of publication of this document. The Group's

assessment of the materiality of the risk may be changed at any time, particularly if new internal or external facts emerge. Moreover, 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. The reader's attention is drawn to the fact that other risks may exist or arise, of which the Group is unaware as of the date of this Universal Registration Document, or the materialisation of which is not currently deemed to be likely to have a significant adverse impact on the Group's business, financial situation, profits, image, outlook and/or the GTT share price.

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 summary table below shows the most significant risks in each category in decreasing order of criticality (potential medium-term impact x probability of occurrence).

Category	Risk	Criticality level
Industrial risks	(1) Risks related to a possible defect in the Group's technologies	Medium (**)
	(2) Risks related to the Group's intellectual property and know-how	Medium (**)
	(3) Innovation policy risks	Medium (**)
Operational risks	(1) Business development risks	
	<ul style="list-style-type: none"> ● The business development of the Group ● The Group's dependence on the maritime LNG transport business and the uncertainties relating to the development of other more diversified activities 	Medium (**) Medium (**)
	(2) Economic environment	
	<ul style="list-style-type: none"> ● Risks related to economic or political factors 	Medium (**)
	Competitive environment: risk of the development of containment systems competing with the Group's technologies	Medium (**)
	<ul style="list-style-type: none"> ● Structure of supply and demand 	
	<ul style="list-style-type: none"> - Main risks influencing the Group's business (impact of Covid-19) Risks related to investments in gas companies Risks related to the LNG shipping market Risks related to the Group's dependence on a limited number of suppliers 	Medium (**) Medium (**) Medium (**) Low (*)
Legal risks	(1) Impact of the regulations on anticompetitive practices	Medium (**)
	(2) Risks related to possible noncompliance with statutory and regulatory provisions	Medium (**)
	(3) Risks related to the tax environment	Low (*)
Extra-financial risks	(1) Risks related to human resources	Medium (**)

2.1 OVERALL RISK MANAGEMENT POLICY

Every year, the Group performs a risk mapping exercise. This review can identify and update the main risks to which the Group is exposed. This map is validated by the Board of Directors.

Actions were implemented based on the potential impacts of the assessed risks (human, financial, organisational and reputational) and the probability of their occurrence. These action plans are regularly monitored by the Audit and Risk Management Committee and the Board of Directors.

2.2 RISK FACTORS

2.2.1 INDUSTRIAL RISKS

2.2.1.1 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 could occur in future. The occurrence 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.

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. As of December 31, 2019, the Group has not recorded any provisions for litigation.

The Group believes that the probability of such risks materialising is low and that the negative impact on the Group should they occur would be high.

2.2.1.2 Risks related to the Group's intellectual property and know-how (**)

The Group's technology relies on its portfolio of patents, for which the average period of validity is 16 years (for a presentation of the Group's intellectual property, please see section 1.2.3.4 of this Universal Registration Document). 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, namely Mark III Flex (66% of the order book by technology on December 31, 2019) and NO96 GW (30%), 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 (such as South Korea and Japan) 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 (755 at the end of 2019) 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®, NO96®, Mark Fit®, GST™, LNG Brick®, GTT Mars™ and REACH₄™, third parties could use or try to use these brands or other brands of the Group. Such infringement may damage the Group commercially and damage its image.

Furthermore, 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 2.2.2.1 – *Competitive environment* in this Universal 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 draws the attention of readers to the fact that 95% of its revenue is from royalties from its portfolio of patents.

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.

2.2.2 OPERATIONAL RISKS

2.2.2.1 Business development risks

2.2.2.1.1 The business development of the Group (**)

The development of the Group's business will depend on its ability to retain its position in containment systems intended for LNG/ethane carriers (80% of 2019 revenue), FLNG (2%), and FSRU (9%), to improve its presence in containment systems integrated into onshore and undersea storage tanks (1%), and to develop

2.2.1.3 Risks in the innovation policy (**)

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 in order to further develop existing technology, such as LNG fuel projects and support to shipyards, etc. On December 31, 2019, the Group had spent 22.6 million euros on R&D, which represents 19% of the total amount of operating expenses ⁽¹⁾.

Research and development are essential to the Group, which wants to provide its customers with the most relevant and innovative customised solutions (refer to section 1.2.3 – "Innovation at the heart of the strategy" in this Universal Registration Document for more information on the Group's R&D policy). This emphasis on innovation was, for example, reflected in a 25% increase in research and development expenditure in 2019, allowing the substantial renewal of the Group's portfolio of patents, and its position in the LNG shipbuilding industry to be maintained. 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.

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.

on its new activities, notably LNG fuel (3% of 2019 revenue). See chapter 1 – *The Group and its activities* in this Universal 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.

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

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 encourage the development of new technologies or 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 or 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. At the date of filing of this Universal Registration Document, no TALA is in the process of renegotiation. In December 2019, GTT entered into a new Technical Assistance and License Agreement (TALA) with the Chinese shipyard WISON Offshore & Marine (WOM).

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.

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.

2.2.2.1.2 The Group's dependence on the maritime LNG transport business and the uncertainties relating to the development of other more diversified activities (**)

At the date of filing of this Universal Registration Document, almost all of the Group's revenue came from activities related to the storage and maritime transportation of LNG (92% of 2019 revenue), which depends on global demand for LNG.

Although the Group is taking steps to diversify its business in the medium term by adapting to new applications for technologies that are already developed or under development (particularly

LNG as a fuel), there is no guarantee that the Group will be able to successfully market 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 fuel (see section 1.5 – *Development of new activities by the Group* in this Universal Registration Document). There is no guarantee, however, that the LNG fuel activity will develop in the timeframe or at the rate anticipated by the Group, and any deviation from the projections set forth in this Universal 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 LNG fuel 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.

2.2.2.2 Economic environment

2.2.2.2.1 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 2019, 85% of the Company's sales revenues came from South Korean customers. (see note 18.2 of section 6.1.5 – *Information relating to geographical areas* of this Universal 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 93% 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.

(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.vv

2.2.2.2.2 Competitive environment

GTT is exposed to risks related to its competitive position in membrane containment systems.

RISKS OF CONTAINMENT SYSTEMS BEING DEVELOPED THAT COMPETE WITH THE GROUP'S TECHNOLOGIES

Although the Group's technologies have a significant share in the LNG maritime transportation industry (92% of the Group's revenue at December 31, 2019), 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 1.3.1.2 – *LNG carriers* of this Universal 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 the difficulties they have encountered (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 2019.

The risks related to the different technologies are presented in section 1.3.1.2 – *LNG carriers* of this Universal Registration Document.

In spite of the significant resources that it devotes to research and development (22.6 million euros during the financial year ending on December 31, 2019) and active monitoring of the appearance of competing technologies (see section 1.2.3 – *Innovation at the heart of the strategy* in this Universal Registration Document, for more information on the Group's R&D policy), the Group cannot guarantee that new competing technologies for the containment of LNG will not be developed and successfully marketed and that the technologies of the Group will remain the leaders in their field. 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.

2.2.2.2.3 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.

RISKS INFLUENCING THE GROUP'S BUSINESS (IMPACT OF COVID-19) (**)

The Group's revenue and its operating income have historically been subject to significant variations, notably in 2008 with the appearance of shale gas in the United States and, conversely, the accident at Fukushima favouring imports of LNG to Japan, which could occur in future and have an unfavourable impact on the financial situation and prospects of the Group.

From January 2020, the coronavirus epidemic caused an unprecedented crisis, initially in Asian countries where GTT generates virtually all of its revenue (South Korea: 85%, China: 10%), then in the Western countries. The WHO declared a pandemic on March 12, 2020.

For GTT, the main risk of the coronavirus epidemic consists of possible delays to the timetable for the construction of vessels, which may lead to a shift in the recognition of revenue from one financial year to another. On the date of this document, GTT has not ascertained any delay in the vessel construction timetable.

To date, risks related to the impact of the epidemic on the global economy remain difficult to assess. They may relate to demand for LNG, liquefaction projects and ship-owners whose orders may be suspended or cancelled. The Group nevertheless reiterates that the LNG market is mainly based on long-term prospects and financing and that, at the date of publication of the present document, the situation has improved in the Asian countries, which represent more than 60% of worldwide imports of LNG.

Also, the Group has 456 employees⁽¹⁾, of whom 60 are seconded to shipyards (South Korea and China) and 39 employees are present in the subsidiaries of the Group in Asia (one in China and 38 in Singapore). GTT considers their health and that of their families to be particularly important. From the beginning of the crisis, the Group first made recommendations to employees abroad, then at head office, in line with those of the French Foreign Affairs Ministry and the Ministry of Health, specifically, remote working arrangements for almost all employees. If these were to be extended, such general measures could have an impact on the Group's productivity.

The Group believes that the probability of such risks materialising is high and that the negative impact for the Group, should this occur, would be moderate.

RISKS RELATED TO INVESTMENTS IN GAS COMPANIES (**)

The coronavirus crisis could also have an impact on the investment decisions of gas companies. Certain liquefaction unit projects have been delayed in Qatar and Mozambique. However, in 2019, investment decisions concerned six projects for a total of 71 Mtpa of LNG (representing 20% of 2019 production), which is an absolute record. The Group estimates that 85 vessels should still be ordered for projects under construction for which starts are planned between 2020 and 2025.

(1) As at December 31, 2019.

The Group believes that the probability of such risks materialising is high and that the negative impact for the Group, should this occur, would be moderate.

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 overcapacity 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.

At the date of filing of this Universal 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.

RISK RELATED TO THE DEPENDENCY OF THE GROUP ON A LIMITED NUMBER OF SUPPLIERS (*)

The Group has approved certain suppliers as qualified suppliers for the shipyards that are its customers (for a presentation of the qualified suppliers of the Group, refer to section 3.6.1.3 – *Supplier accreditation* of this Universal Registration Document).

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, a limited number of industrialists are capable of providing the materials used in implementing the Group's technologies (82 suppliers on December 31, 2019, 39 of which are located in Korea). 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.). Although the Group has never had to cope with this kind of situation, 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.

2.2.3 LEGAL RISKS

2.2.3.1 Impact of the regulations on anticompetitive practices (**)

In the jurisdictions where it conducts its activities, the Group is subject to legal and regulatory provisions applicable in matters concerning anticompetitive practices.

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 2019 and, at the date of filing of this Universal 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.

2.2.3.2 Risks related to possible noncompliance 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, and do not hinder its development projects in Russia.

In 2019 an investment decision was made relating to a project to build a natural gas liquefaction plant ("Arctic LNG 2") in Russia, with an annual capacity of 19.8 million tonnes. As part of this project, in September 2019 GTT signed a contract with Saren BV (a joint venture between Renaissance Heavy Industries Russia and Saipem) for the design and construction of three GBS (Gravity Based Structures) terminals. This contract is part of a framework intellectual property licensing and technical assistance agreement between the Company and Saipem S.A.

At the date of filing of this document, the Group was not aware of any issues likely to affect the orders it has booked in respect of the Arctic LNG 2 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 Arctic LNG 2 project, not affecting the launch of new projects in this zone, or more generally not 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.

2.2.3.3 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.

2.2.4 NON-FINANCIAL RISKS

2.2.4.1 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.

As mentioned in section 2.2.2.2 of the present document, the telecommuting measures decided to cope with the coronavirus pandemic could have an impact on the Group's productivity.

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.

2.2.5 INSURANCE AND RISK COVERAGE

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 2019, one civil liability claim was made in relation to a claim received from a shipyard regarding the implementation of a technology. The Company has ruled out any liability in respect of this claim, which did not result in any indemnification 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.

2.2.5.1 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 2019 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.

2.2.5.2 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.

2.2.5.3 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.

2.3 RISK MANAGEMENT

2.3.1 ORGANISATION

2.3.1.1 Organisation of internal audit

Internal control is an attitude and a responsibility for each employee of the Group.

The internal control system consists of a set of procedures and internal control standards describing the processes of the different activities and the related key controls. These standards cover activities of the Group such as the management of purchases and sales, accounting and cash management, human resource and payroll management, information systems management.

The system particularly aims to ensure:

- Compliance with applicable laws and regulations;
- The application of instructions and directions as set by management;
- The proper functioning of the company's internal processes;
- The reliability of financial information.

The quality management system which also contributes to controlling operational and/or compliance risks.

At the internal level, checks are carried out and formalised by employees, in particular of sensitive transactions and year-end transactions.

Every year, an internal control review of one process and one subsidiary is carried out by the Statutory Auditors in order to draw up a risk analysis, an assessment of the system and to define improvement actions.

2.3.1.2 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 exogenous (changes in LNG, geopolitical risks, maritime transportation activity, etc.) or endogenous (organisation, information systems, failure of technologies, protection of know-how, etc.). (See the description of these risks in chapter 2 – *Risk factors* in this Universal 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.

2.3.1.3 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 4.1.3.2 (i) – *Audit and Risk Management Committee* of this Universal 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.

2.3.2 PROCEDURES

2.3.2.1 Procedure for related-party and routine agreements

The Group has set up a procedure for identifying and evaluating the regular and routine character of agreements. The Board of Directors decided to put this procedure in place at its meeting of April 17, 2020. Routine agreements will be validated annually by the Board of Directors.

2.3.2.2 Internal control and risk management procedures

The internal audit and risk management plan applies to GTT SA as well as to its Cryovision, GTT Training Ltd, GTT North America, GTT SEA PTE Ltd, Cryometrics, Ascenz and Marorka subsidiaries (for which acquisition was finalised in February 2020). 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.

The 2015 update emphasises agility, risk management and performance. Note that a re-certification audit took place in October 2019 without any noncompliance being found. 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 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 business continuity plan was implemented at GTT SA level in March 2020 to cope with the coronavirus crisis and organise work from home for most employees.

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 operational and legal responsibilities. 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
- authority in the field of health, safety and the environment, particularly concerning accident prevention plans when subcontractors work on site, and 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, cyberattack, 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 this 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, particularly regarding the prevention of insider trading and the operating procedures of the Board of Directors, were adopted by the Board of Directors of December 6, 2013.

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 20, 2019 ;

- an ethics charter, adopted in 2015 and reviewed on a regular basis, is 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 various procedures and policies (details of which can be found in section 3.6.2 of this Universal Registration Document), particularly the formalisation of a signalling procedure to enable stakeholders to send queries to the Ethics Officer in complete confidentiality in the event of any doubt about the actions they should take or to report any issues. No signal was given leading to an investigation in 2019. The anticorruption system was strengthened in 2017 as part of 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 programme. In 2018 GTT obtained ISO 37001 certification for its system of managing corruption risk. In September 2019, a new audit confirmed that the policies implemented by the Company were satisfactory;

- 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. Employees with access to insider information can find a 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 assessment and governance

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.

Every year, the Group performs a risk mapping exercise. This review, mainly carried out through interviews with the Executive Committee, can identify and update the main risks to which the Group is exposed and define the corresponding priority action plans. This map is reviewed yearly by the Audit and Risk Management Committee, then by the Board of Directors.

Actions were implemented based on the potential impacts of the assessed risks (human, financial, organisational and reputational) 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.

2.3.2.3 Audit procedures relative 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. For the 2019 financial year, the consolidated subsidiaries with the following: Cryovision, Cryometrics, GTT Training, GTT North America, GTT SEA and the Ascenz group. At the date of filing of this Universal Registration Document, the Company owns all of the share capital and voting rights of its subsidiaries ⁽¹⁾, 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.

2.3.2.4 Description of improvements to processes

In 2020, the Company will primarily ensure that:

- continue the improvement of IT tools for simplifying and optimising processes;
- continue updating and formalising procedures;
- 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.

(1) Including the Icelandic company Marorka acquired in February 2020.



3

SOCIAL, ENVIRONMENTAL AND SOCIETAL INFORMATION

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3.1 OVERALL APPROACH AND METHODOLOGY

3.1.1 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.

3.1.2 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, Ascenz and Marorka 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 and Marorka). 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.

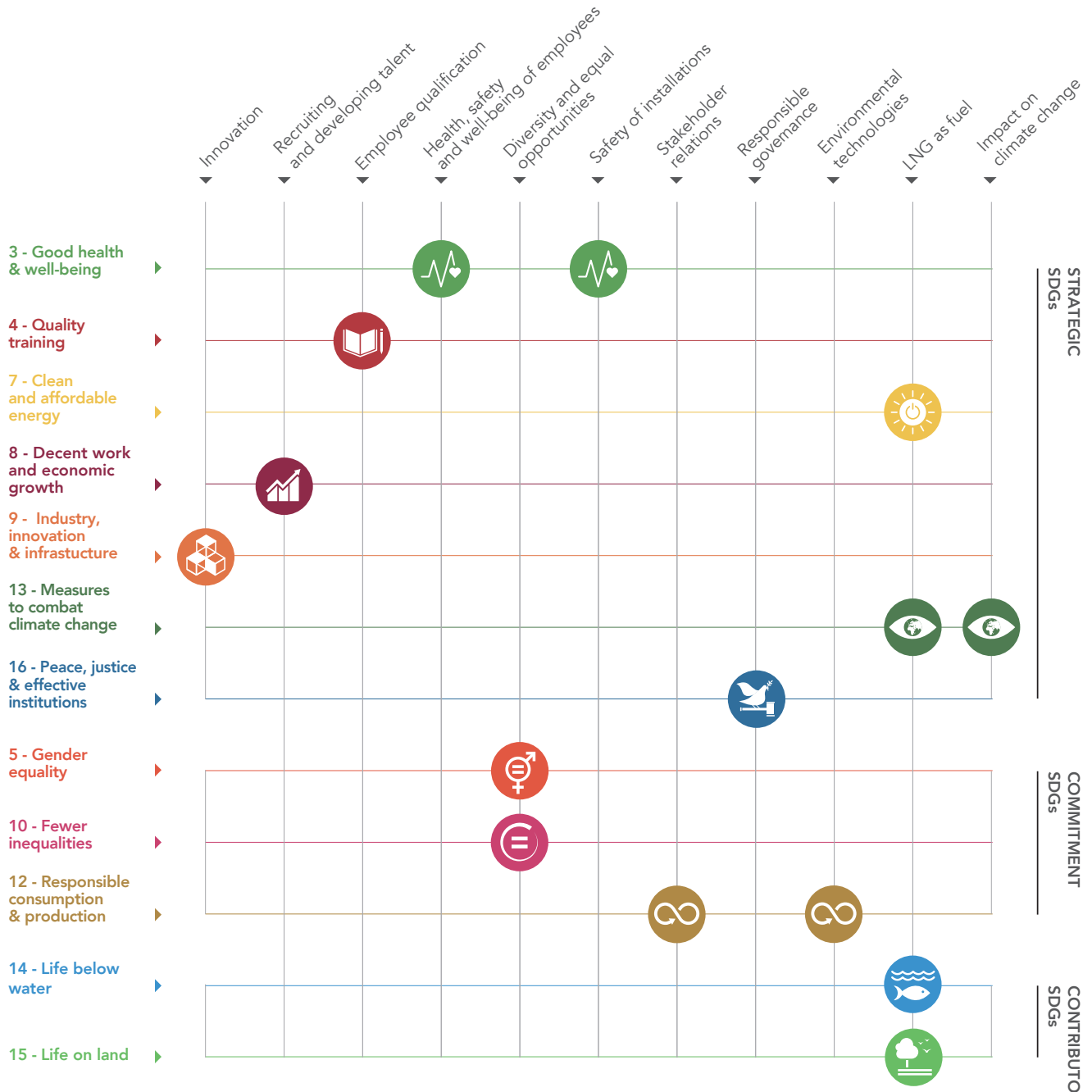
3.1.3 GTT'S SUSTAINABLE DEVELOPMENT COMMITMENTS



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.

CORRESPONDENCE 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 in 2019 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.

3.1.4 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.

3.2 BUSINESS MODEL

The detailed business model is presented in the introductory part of this Universal Registration Document. It is summarised in this chapter by way of a reminder of the Group's values and mission

MISSION STATEMENT

The outcome of many months of collaborative working, the GTT mission statement was approved by the Board of Directors on April 17, 2020.

"Our mission is to conceive cutting edge technological solutions for an improved energy efficiency. We bring our passion for innovation

and our technical excellence to our customers, in order to meet their transformation challenges both for today and tomorrow.

The GTT teams are the cornerstone of this mission.

Committed and united, we are determined to contribute to building a sustainable world."

GTT'S VISION

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.

3.3 GTT GROUP'S RISKS AND CHALLENGES

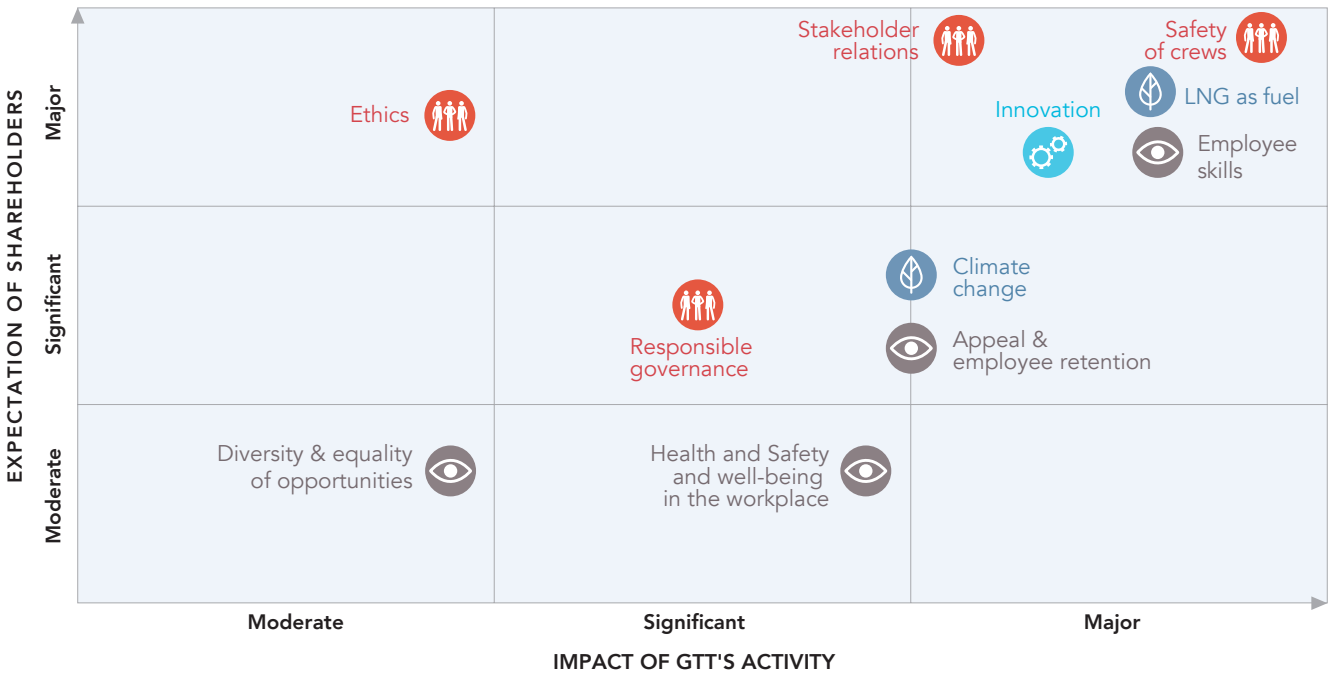
The business-related risks presented in this chapter are essentially of a technological and human nature. They are described in economic terms in chapter 2 – Risk Factors of this Universal Registration Document. They have been allocated to the different Sustainable Development Goals in order to monitor the Group's contribution in the area of CSR and to assess the associated policies and performance.



3

GTT GROUP MATERIALITY MATRIX

GTT Group's materiality matrix represents the CSR issues identified as a priority for the Group.



Innovation issues

Societal issues

Social issues

Environmental issues

LNG fuel is a major environmental opportunity and source of growth for GTT

In 2017, GTT successfully entered the particularly promising LNG fuel market and accordingly diversified its activity 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.

3.4 INNOVATION AT THE HEART OF THE GROUP'S STRATEGY

3.4.1 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 2019, GTT allocated a budget of 22.6 million euros to R&D.

For further information please refer to Section 1.2.3 – *Innovation at the heart of the strategy* and Section 2.2.3 – *Innovation policy risks* of this Universal Registration Document.

3.4.2 AN INTERNAL ORGANISATION FOCUSED ON INNOVATION

3.4.2.1 The innovation division

Engineers make up a significant proportion of the teams, whose expertise and experience constitutes the Group's added value. 102 people, or 25% of the workforce work within the Innovation Division. In 2019, research and development expenditure represented 19% of GTT's operating expenditure.

3.4.2.2 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 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 December 31, 2019, GTT owned 1,722 patents that were active or in the process of being filed in almost 60 countries, corresponding to 301 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 more information please refer to Section 1.2.3 – *Innovation at the heart of the strategy* of this Universal Registration Document.

3.4.3 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 more information please refer to Section 1.2.3 – *Innovation at the heart of the strategy* of this Universal Registration Document.

3.4.4 SHARING INNOVATION WITH PARTNERS

GTT supports innovation and works on research projects in partnership with engineering companies, research centres, universities and engineering schools

3.4.5 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. 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.

In October 2019, a re-certification audit took place and did not give rise to any noncompliance.

3.4.6 INTELLECTUAL PROPERTY

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 2019 60 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.

For further information please refer to Section 1.2.3 – *Innovation at the heart of the strategy* and Section 2.2.1.2 *Risks related to intellectual property* of this Universal Registration Document.

3.5 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.

3.5.1 AN EVOLVING GROUP



On December 31, 2019, the Group employed 456 staff, 89% within the GTT parent company, the head office of which is located in France at Saint-Rémy-lès-Chevreuse.

3.5.1.1 GTT's workforce

As at December 31, 2019, the Company had 405 employees, representing an increase of 16% in the workforce compared to December 31, 2018.

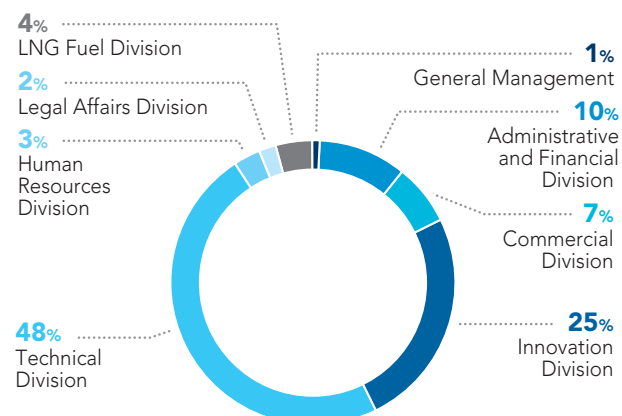
Headcount	2017	2018	2019
Total employees at 31 December	335	349	405
Permanent	297	304	329
Nonpermanent *	38	45	76

* Permanent, fixed-term, interns, apprentices.

Type of contracts	2017	2018	2019	Change
Permanent (CDI)	297	304	329	+8.2%
Fixed-term (CDD)	7	11	12	+9.1%
Project duration (CDC)	22	27	46	+70.4%
Internships	2	1	4	+300%
Work experience/apprenticeship contracts	7	6	14	+133%
TOTAL	335	349	405	+16%

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



3.5.1.2 Subsidiaries' workforces

At December 31, 2019 the employees of the six subsidiaries were broken down as follows:

- Cryovision, created in 2012: 6 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 2014: 6 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, 2019;
- Ascenz, shareholding acquired in January 2018: 37 employees at December 31, 2019.

3.5.1.3 Geographical breakdown of workforces

To support the activity of GTT, some employees of the Company are seconded to the sites of customers (shipyards) in South Korea and China.

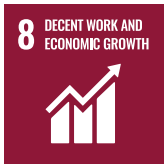
At December 31, 2019, in addition to the three expatriates of GTT North America, GTT SEA PTE and the China office, 60 employees of the Company were seconded outside France.

3.5.1.4 Breakdown of employees by status

	2018	2019	%
Employees	12	19	4.7%
Supervisors	76	95	23.5%
Executive	260	287	70.9%
Interns	1	4	0.9%
TOTAL	349	405	100%

It should be noted that 70% of the total workforce are executives and are covered by the collective agreement for metallurgy engineers and executives and non-executive employees are covered by the collective agreement for metallurgy industries (workers, technicians and supervisors) applicable to the Paris region.

3.5.2 APPEAL AND TALENT MANAGEMENT



GTT's people are a major asset the Group. Their commitment to GTT and our ability to develop skills are a major objective of our growth.

Our HR ambition is to recruit potential and the best experts and to set up training plans to develop and ensure the employability of all our staff.

We also have a career management policy to promote the development of our employees and encourage internal transfers.

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 tests.

3.5.2.1 Internal and external recruitment policy

GTT's recruitment policy has two components, a first concerning the internal policy on transfers and a second on external recruitment.

The core of the recruitments concern technical experts, technicians or engineers who are capable of working in fields such as naval architecture, fluid mechanics and many other areas. The Group also sets out to recruit talent capable of supporting the technical teams in their success.

To respond to these various recruitment requirements, the Group has a dedicated team within the Human Resources Division.

The Group's expertise in its area of activity, combined with its multicultural dimension, contributes to building its reputation and attractiveness.

3.5.2.2 Recruitment and departures

Recruitment	2018	2019
Permanent	27	51
Nonpermanent *	35	61
TOTAL RECRUITMENT	62	112

* Excluding interns (as opposed to the other indicators in this report).

Departures	2018	2019
Permanent	15	29
Nonpermanent *	28	30
TOTAL DEPARTURES	43	59

* Nonpermanent contracts: including summer jobs and fixed term/project duration contracts, excluding interns (as opposed to the other indicators in this report).

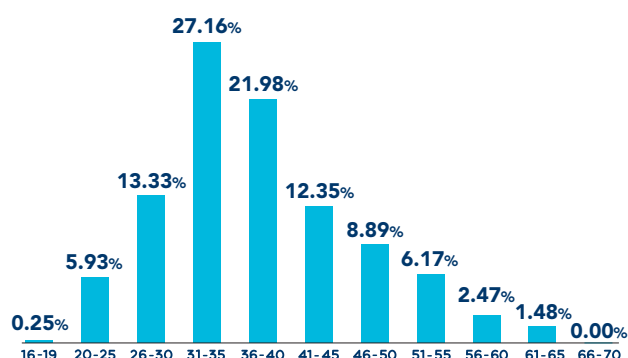
The number of departures is explained by the natural attrition inherent to the Group's activities, and the expiry of Nonpermanent contracts (CDD/CDC). The recruitment and skills on-boarding and retention programme helps to retain permanent employees as

shown by the relatively low turnover rate of 4.03%⁽¹⁾ (16 resignations) in 2019 (2.87% in 2018 compared with 10 resignations). This performance is notable in comparison with the average of 15% in the engineering sector⁽²⁾.

(1) The departures that were recorded were resignations. (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.

3.5.2.3 Diversity for enhanced skills and expertise



Gaztransport and Technigaz are committed to recruiting skills and potential in order to maintain the expected level of excellence. For this, cultural diversity is crucial and the group acts to recruit people of all backgrounds. The solutions that the Group seeks to support its activities, and GTT's requirements for development, lead us to seek mature skills that we wish to still further improve. For this reason, the Group is committed to an inter-generational management policy for GTT employees. 89% of the Group's workforce are employees aged under 50 and the average age is 37.68. Whilst this youth constitutes a vital force of GTT, it is also necessary to capitalise on the knowledge of seniors and pass on know-how and key skills.

As at December 31, 2019, GTT had 45 employees aged 50 or more, i.e. more than 11% of the workforce.

A two-tier policy was put in place for 2019. GTT sought to recruit experts to handle the new challenges of its business, while retaining an active policy to recruit profiles aged under 30. They represent 29% of the volume of the Group's recruitments.

GTT is also committed to developing a work-experience policy to develop young talent. We more than doubled the number of interns in 2019 (see section 3.5.1.1 – *GTT's workforce* of this Universal Registration Document).

GTT is acting in favour of the feminisation of jobs in an industrial environment.

The Group takes part in events related to the promotion of technical jobs to women from the high school onwards, presenting female engineers and technicians who are flourishing in their work. Our intention is to arouse interest in careers as early as possible amongst these young women. We also publish articles on our social networks showing testimonials of women working for GTT. The excellence of GTT relies on the diversity of its profiles and their everyday commitment.

3.5.2.4 Career management policy

The success of GTT is largely based on the commitment of its staff, their expertise and their involvement in the current and future projects of the Company.

The Group considers that the management of the careers of its employees is very important, in order to retain talent, develop key skills and offer careers that are in line with the aspirations of employees and the requirements of the Company.

Different systems are used to hold discussions with employees on their development: Professional interviews, individual career interviews with dedicated HR staff and, to support their development in terms of responsibilities: process of promotion and access to managerial status.

More overall career management also takes place through a skills map accompanied by an individual development plan and examination of succession plans.

In 2019, the new business development strategy enabled GTT to diversify its range of professions and offer career opportunities and increased responsibilities in these new areas.

Our objective is to maintain and develop the same level of expertise while retaining excellence at all levels of the Company.

The Group also continues to promote international transfers, offering secondment to shipyards abroad and transfers between sites and subsidiaries.

In 2019, 11.5% of employees changed jobs or received promotion.

Also, more than 74% of managerial functions and managers of subsidiaries abroad are occupied by employees who have been internally promoted.

3

3.5.3 HIGHLY QUALIFIED EMPLOYEES AND SKILLS DEVELOPMENT



Training is a major objective to support the growth of GTT and the development of its employees.

GTT sets out to develop the employability of all by implementing a skills development plan to serve the Group's strategy.

A driver of the development and professionalisation of GTT's staff, the training strategy responds to numerous key issues and objectives:

- enable employees to maintain and develop their professional skills;
- enable employees to adapt to the requirement to remain at the leading edge of new technologies and developments in our specific fields;
- strengthen and develop practices in project management and leadership;
- digitise our range of training courses.

To do this, GTT has allocated more than 5.5% of its payroll to training, with an increasing budget, which reached €498,000 in 2019, against €463,000 in 2018. This year, GTT's employees had 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, 70% of employees received training in 2019 (in addition to mandatory training) and this increases to 94% of employees over the last three years.

Employees on fixed-term contracts also benefit from the training policy: 85% of head office employees on fixed-term contracts were trained in 2019. Employees departing for shipyards have a full internal training curriculum before their departure, supplemented by language training if necessary.

Training indicators	2018	2019
Amount of training costs	€463,448	€498,425
Salary costs for the trained employees	€474,735	€469,856
Training costs/MS	6.0%	5.62%
Compulsory FPC contribution paid to the OPCA	€293,904	€331,502
Number of training hours *	10,297	10,243
Number of employees trained *	349	372
<i>Executive</i>	246	260
<i>Non-executive</i>	103	112

* Mandatory training included.

In 2019, 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;
- practical training, with courses dedicated to cargo operations on simulator;
- agile support methods to make customers' requirements the number one priority in projects, ensuring flexibility and responsiveness;
- a management development program focussing on leadership abilities, teamwork, etc.;
- anticorruption training in order to raise the awareness of all of the Company's employees and to reinforce the current ethical policy; internal auditors were also trained in audit practices;
- educational programs to develop employees' language skills;
- personal development actions on topics such as coaching, public speaking, communication and tutoring, etc.;
- 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.);
- general Data Protection Regulation (GDPR) awareness-raising and training for all employees in the context of the new regulation.

3.5.4 COMPENSATION AND BENEFITS POLICY



To attract and retain its talents, GTT has implemented a very attractive overall remuneration policy, composed:

- of a basic salary, coherent with the market;
- of individual variable elements (performance bonuses, compensation, payment of days put in the time savings plan and topped up by the Company, patent bonuses, out-of-hours duty bonuses, etc.);
- of collective remuneration (profit-sharing, incentive schemes and employer top-up);
- of financing social-security coverage (payment of part of the health insurance contributions and almost all of the personal risk insurance contributions);
- of free shares, through various assignment plans intended for employees.

3.5.4.1 Salary and bonus policy

Every year, the salary situation of each employee is reviewed, coherent with individual interviews. Budgets are dedicated for annual increases, for exceptional measures (support to promotions and job changing) and for bonuses.

3.5.5 EMPLOYEE SAVINGS

The profit sharing and incentive schemes in force at GTT are intended to have employees share in the profits of the Company in order to strengthen their involvement in the corporate project. Employees can also subscribe to the Group saving scheme.

At December 31, 2019, 506 employees still in employment or who had left the workforce held rights in the corporate mutual fund (FCPE) of the Group Savings Plan.

3.5.5.1 Group employee savings scheme – PEG

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.

Former employees who have left the Company while affiliated to the plan following retirement or early retirement may continue to make payments to the PERCOG as long as the payments are made to the plan before the date of retirement and their accounts have not been settled. These payments cannot be topped up by the Company.

Former employees of the Company who left for a reason other than retirement or early retirement may continue to make new and

3.5.4.2 Personal risk insurance coverage

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.

3.5.4.3 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 at 35% and paid to employees upon their request.

In line with the CET, GTT introduced a collective retirement savings plan at Group level (PERCOG) as of March 26, 2012.

voluntary payments to the present plan. However, this possibility is not open to employees who have access to a collective retirement plan (PERCO/PERCOI – inter-company) in the new company where they are employed. These payments do not receive any top up that may be paid by the employer (see Article 3.4 of the plan) and the expenses for their management are exclusively payable by the former employee who makes these payments.

When profit-sharing or incentive schemes are paid pursuant to the last period of activity of employees and these payments are made after their departure from the Company, these payments may be assigned to the plan. The payment of the incentive bonus or profit-sharing entitlement is not subject to any top-up paid by the employer.

The Group savings scheme may be used to invest the following sums:

- voluntary payments by beneficiaries;
- amounts contributed by the Company and a complementary "top-up" 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 is adjusted to the legal ceiling, *i.e.* an annual top-up of 300% of the voluntary contributions of employees (incentive bonus and profit-sharing entitlement included); and
- 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.

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.

3.5.5.2 Group collective retirement savings plan – PERCOG

A Group collective retirement savings plan (PERCOG) was concluded on February 27, 2012 for an indeterminate period. It cancelled and replaced the previous scheme dated September 5, 2011. 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.

Payments may be made to the PERCOG by:

- (i) voluntary payments by beneficiaries;
- (ii) contributions from the Company, the complementary payment of a "top-up" fixed at:
 - 25% of amounts paid (giving entitlement to the top-up) arising from payments from the transfer of days of paid leave, extra days off pursuant to the French law on the reduction of working time, days when on-site representatives are stood down, and days of compensatory leave for the current year not taken from the employees time savings account. They are limited to 14 days per year,
 - 100% of voluntary payments from employees limited to 100 euros;
- (iii) the transfer of sums held in another employee savings plan or time savings plan.

The amounts thus paid to the PERCOG are invested in units of a corporate mutual fund. 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 holders of units can choose between free administration or managed administration.

The corporate mutual fund units are unavailable until the unit holder's pension is settled, but early redemption may occur in the case of the occurrence of specific events specified by the applicable legal and regulatory provisions

3.5.5.3 Employee incentive agreement

2019 is covered by an employee incentive agreement within GTT and Cryovision. 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).

3.5.5.3.1 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 as of December 31, 2019 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. If all objectives are achieved, the maximum amount that may be released stands at 10% of the payroll expense.

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, 2019 amounts to €1,228,511.23 gross.

3.5.5.3.2 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. It was the subject of a conformity amendment on July 4, 2019. All employees with at least three months' service as of December 31, 2019 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 and providing that at least one objective has been achieved amongst the five related objectives (i) TAMI revenue, (ii) revenue from other activities, (iii) quality management within the Company (ISO 9001 certification), (iv) ethics (ISO 37001 certification) and (v) maintenance of the OHSAS 18001 certification (ISO 45001 certification). If all objectives are achieved, the maximum amount that may be released stands at 10% of the payroll expense.

In application of the agreement of June 26, 2018, the gross amount of the incentive which must be paid pursuant to the financial year ended December 31, 2019 amounts to €21,193.01 gross.

3.5.5.4 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, 2019, the gross amount which must be paid for the constitution of a company profit-sharing reserve amounted to €6,014,178, of which €5,883,645.45 for GTT and €130,532.59 for Cryovision.

As is the case for the incentive agreement, the employees concerned must have been present in the Company in 2019 and benefit from a minimum of three months of seniority as of December 31. Beneficiaries represent 428 employees at GTT and 6 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 26.6% of the amount of salaries thus recorded for each beneficiary.

3.5.6 SOCIAL RELATIONS

3.5.6.1 Social dialogue

In France, as the term of office of the personnel representative bodies expired in April 2019, elections took place to elect the members of the Economic and Social Council, which replaces the elected personnel representatives in the Company. This committee merges all of the personnel representative bodies, the personnel representatives, the works council and the health, safety and working conditions committee within a single new body.

It is this unique body, whose members (11 members and 8 replacements) were partly renewed, which is the new interlocutor of the General Management for social relations. These high-quality relationships follow on from what existed with the former personnel representative bodies. Consequently, the Economic and Social Council met 12 times during the year and during four meetings, subjects dealt with more specifically by the Health, Safety and Working Conditions Committee were put on the agenda, in accordance with legal provisions. Pursuant to these elections, the trade union representatives changed, as a new list presented by the UNSA emerged, with membership of 53.8%. Two union representatives were designated. They are the privileged interlocutors of the General Management in the negotiations carried out each year between unions and management.

The dialogue established between the management and the representatives within the Economic and Social Council always takes place as part of a constructive and open process. We would like to emphasise that, this year, an agreement was reached on gifting rest days to the close carers of a person who has lost autonomy or is disabled and to the parents of seriously ill children. Actions were taken pursuant to this agreement as soon as it was signed, thanks to the solidarity of employees.

Furthermore, although there are no personnel representative bodies within the subsidiaries of GTT, the personnel of Cryovision benefit from the social work of GTT's Economic and Social Council.

3.5.6.2 Workplace integration

Since 2018, GTT has been committed to the PAQTE ⁽¹⁾, a project aiming to promote the workplace integration of young people from "priority areas identified in municipal policies" (QPV), as well as working towards better economic inclusion of these regions and their inhabitants.

We strengthened our partnership by the signature, in November 2019, of a three-year agreement with the Prefecture of Yvelines, demonstrating our involvement and specifying our future approach.

This significant commitment for our company has already given rise to initial actions:

- a recruitment campaign for apprentices from priority areas that integrated three young people after the holidays in September 2019.
Specific training was offered to all apprentice masters to ensure high-quality reception and good collaboration;
- the arrival of 16 trainees from the "Jules Verne des Mureaux" secondary school as part of their 3rd year work-experience, including a visit to the laboratories and learning about our activities and our professions. This was a rewarding experience for the youngsters and for all those involved at GTT;
- discussions on entrepreneurship with young high school pupils from Trappes; and
- the payment of the apprenticeship tax to second-chance schools and production schools.

(1) Pacte avec les Quartiers pour Toutes les Entreprises (corporate agreement for neighbourhoods).

3.5.6.3 Work organisation

Employees located in France, except for executive Directors, had the benefit of “RTT days” involving reductions in working time. In 2019, as in 2018, 97% of the total workforce of the Group was working full-time. Employees who work part-time do so at their own request.

Organisation of working time	2018	2019	%
Number of full-time contracts Women	62	75	19%
Number of full-time contracts Men	276	319	79%
Number of part-time contracts Women	8	8	2%
Number of part-time contracts Men	3	3	1%

3.5.7 HEALTH AND SAFETY AND WELL-BEING IN THE WORKPLACE

3.5.7.1 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 Cryovision Group’s subsidiary is certified ISO 45001 (the transition with OHSAS 18001 having occurred in 2019). 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 periodically, 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 GTT’s site make periodic visits to improve their intervention procedure and 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 2019, as it does every year, following a risk assessment the Group put in place action plans including:

- distributing an HSE guide for the representatives on site;
- fitting three additional defibrillators on the site;
- securing the meeting rooms (in terms of cabling) following an internal audit carried out in 2018 on this subject;
- improving collective protection equipment (basement and main service duct);
- performing an external audit in the fourth quarter of 2019 on chemical risks;
- producing a safety reception film for visitors and employees;

- raising awareness in the form of animations (virtual reality workshops on first aid, fire, at-risk situations in an office or warehouse environment) or tutorials (the right of withdrawal, asphyxiation, cerebral stroke and commuting accidents); as well as
- refurbishing a pedestrian walkway near to the beverage equipment, eliminating a risk of sprained limbs and improving quality of life at work through its aesthetic appearance (paved zone).

In 2019, 95 man-days HSE training were provided, i.e. 130 people trained in workplace health and safety. Training focused on the following topics:

- workplace health and safety and recycling;
- health and safety in a digital environment;
- first-aid for GTT personnel in South Korea and China;
- risky behaviours, provided to GTT employees based in South Korea;
- evacuation personnel;
- first response teams on extinguisher handling;
- instruction on chemical risks (notably those related to the use of liquid nitrogen);
- working at heights and in confined spaces;
- electrical accreditation (initial training and renewal);
- renewal of Safe Driving Certificate (CACES);
- using pallet trucks.

The work begun in 2018 on near miss declaration was continued in 2019: 37 declarations (24 in 2018 and three in 2017), which generated 25 action plans (15 in 2018).

3.5.7.2 Health and safety of employees seconded abroad

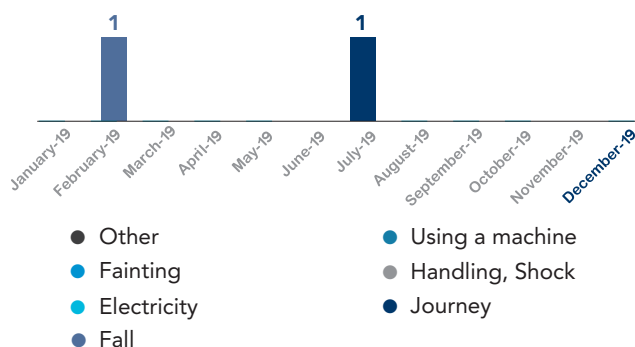
At December 31, 2019, 60 employees were seconded outside France, mainly to South Korean and Chinese shipyards, and are therefore subject to local health and safety regulations. The Health and Safety risks related to working conditions in naval shipyards are identified and examined each year by the CHSCT 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.

3.5.7.3 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 (on permanent, temporary and project contracts) and trainees of the Company. In 2019, GTT had 4 commuting accidents (including 1 with lost time) and 12 workplace accidents (including 1 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	2018	2019
Number of hours worked	hours	635,180	651,231
Number of workplace accidents with lost time	Scope including temporary workers, unlike the social indicators	3	1
Number of commuting accidents		3	4
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	4.72	1.54
Severity rate of accidents with lost time	number of days lost/hours worked x 1,000	0.064	0.017
Number of employees seconded outside France	as at 31 December	41	60
Number of hours of safety training		165	95
Number of near miss declarations		24	37
Number of action plan generated following near miss declarations		15	25

3.5.7.4 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.

Managerial training actions provided by an external consultancy began in 2019 to this end: helping team members to make progress, adapting one's style of management.

Lastly, the HSE department and the CSSCT regularly work with the occupational health service to improve quality of life and prevent psycho-social risks and occupational diseases. As an example, in 2019, the HSE department carried out a campaign of tests and provision of noise cancelling headphones for employees in

open-plan offices following information sent by the Health, Safety and Working Conditions Committee concerning concentration difficulties encountered by employees working there.

3.5.7.5 Absenteeism rate

The rate of absenteeism at GTT in 2019 was 3.33%. 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.

3.5.8 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 2019, 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.

3.5.8.1 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.

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.

GTT's diversity policy

GTT has adopted a pro-active policy to encourage diversity across all its functions and at all levels of responsibility. Since the Company's initial public offering, women's representation on the Executive Committee, which is GTT's main management body, has thus ranged between 30 and 50%. Following a number of changes and organisational improvements, it reached 22% in March 2020. This remains in line with the gender parity ratios in GTT (20.5%) and the Company's targets (20% minimum, particularly on the Executive Committee), which are set with regard to the industry. GTT's diversity policy aims to achieve a balanced and coherent representation. The achievement of these targets concerns recruitment, women's promotion within the Group and compensation. The Group has thus undertaken to have at least one female applicant for any management job opening, to allocate part of its apprenticeship tax to associations supporting women in the field of engineering and to ensure gender equity within the framework of the mandatory annual appraisal meetings.

In 2019, 112 employees were recruited, 35% of whom were women. The policy carried out by GTT has slightly increased the share of women in the Group's workforce.

Breakdown of employees by gender	2018	%	2019	%
Men	279	79.9%	322	79.5%
Women	70	20.1%	83	20.5%
TOTAL EMPLOYEES	349	100.0%	405	100.0%

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 2019, the rate of access to training (excluding mandatory training courses) for men and women was 70% and 91% respectively.

Workplace promotion

In 2019, three women were Directors and represented 43% of the Executive Committee.

In 2019, 12% of employees saw their career progress, of whom 12% were women.

Breakdown of GTT employees by gender and status	2018	2019
Men	279	322
Executive	212	234
Non-executive	66	88
Women	70	83
Executive	48	53
Non-executive	22	30

Workplace equality index

GTT's 2019 workplace equality index was 73/100.

		Score obtained	Scale	2018 Reminder
Indicator 1	Compensation differences	38	40	40
Indicator 2	Differences in increase rates	0	20	5
Indicator 3	Differences promotion rates	15	15	NA
Indicator 4	Percentage of employees having received an increase upon return from their maternity leave	15	15	15
Indicator 5	Number of employees of the underrepresented sex amongst the 10 highest-paid	5	10	10
TOTAL		73	100	82

Our result is down compared to 2018 (82/100), for the following reasons:

Indicator no. 1: difference in compensation. Our score is 38/40 (against 40/40 last year)

Out of 353 employees covered by the analysis, 60 were not eligible for annual salary measures: hired between the end of 2018 and the beginning of 2019, they had no salary increases or bonuses that year.

Amongst the 60 persons concerned, 28% are women, while the breakdown between men and women working at GTT is 80/20%. This recruitment trend finally had an unfavourable effect on indicator no. 1.

Indicator no. 2: increase rate. Our score is 0/20

This score is explained by the high number of persons recruited at the end of 2018 and the beginning of 2019, who did not benefit from salary measures in the same year.

Indicator no. 5: highest compensation. Our score is 5/10

The score of 5/10 is due to the absence of a Human Resources Director during most of 2019.

As the index obtained in 2019 was down by 75 points, the Company will implement corrective measures, in line with the Economic and Social Council.

3.5.8.2 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 employee at the end of 2019.

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 and welcomes disabled workers. Hence, in 2019 15 people were responsible for various services at the Company's registered office, particularly the maintenance of the gardens.

In 2020, the Group plans to negotiate an agreement on disability, aiming to raise the awareness of employees about it.

3.6 RESPONSIBLE BEHAVIOUR AND ONGOING STAKEHOLDER RELATIONS

3.6.1 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, tens of thousands of 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.

3.6.1.1 LNG training courses: 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 15 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 2019;

- 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, operators of LNG vessels and LNG terminals. The programs include an "LNG Cargo Operations" training course in compliance with the training standards recommended by SIGTTO ⁽¹⁾ and other training courses on activities specific to LNG management, in particular operation of LNG Floating Storage and Regasification Units (FSRUs) and LNG terminals. Training in LNG operations is carried out on a simulator designed by GTT Training, 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,
 - training courses in the use of LNG as a fuel and for bunkering: introductory modules for operators planning on using LNG as a fuel, relating mainly to and operating vessels and associated bunkering operations. In 2019, this training was extended to include training for vessel crews using LNG as a fuel, particularly sessions on LNG operations, delivered using a simulator, and sessions enabling crew to comply with STCW ⁽²⁾ standards. LNG fuel simulation gives participants an understanding of how LNG is used as a fuel in practical situations.

In 2019, 423 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.

3.6.1.2 HEARS hotline

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. In 2019, GTT broadened the service with an offer adapted to LNG as a fuel.

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. On December 31, 2019, GTT's HEARS service had 97 affiliated vessels (+15% compared to 2018).

The experts involved are on stand-by duty at home with two on each shift.

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

(2) Safety, Training & Certification of Watchkeepers.

3.6.1.3 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

	2018	2019
Number of materials suppliers and subcontractors	72	72
Number of component suppliers and subcontractors	11 ⁽¹⁾	13 ⁽²⁾
Number of approved materials	389	421
Number of approved components	38	40
Number of new materials approved by GTT	41	29
Number of new components approved by GTT	16	15

(1) Including seven also materials suppliers.

(2) Including nine also materials suppliers.

To date, 421 materials have been approved based on GTT requirements to meet the needs of membrane technologies, including 29 approved in 2018.

They involve 82 suppliers: 39 in South Korea, 16 in China, 9 in France, 5 in Japan and 13 in the rest of the world.

Geographical breakdown of suppliers

	2018	2019
Materials suppliers China	15	13
Components suppliers China	2	3
Materials suppliers Korea	31	29
Components suppliers Korea	9	10
Materials suppliers Japan	7	5
Components suppliers Japan	0	0
Materials suppliers France	6	9
Components suppliers France	0	0
Materials suppliers rest of world	13	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 supports the accreditation of local suppliers.

3.6.2 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.

3.6.2.1 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 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 ISO 9001: 2008 to ISO 9001: 2015. The 2015 update emphasises agility, risk management and performance. Note that a re-certification audit took place in October 2019 and did not give rise to any noncompliance. 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 2019 to analyse satisfaction levels among its active license customers (shipyards and outfitters).

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, remain attentive to quality and the reactivity of responses provided by the GTT teams and always listen to our customers' needs. A customer satisfaction level of 95% was achieved, a very high level which is constantly improving on results achieved in previous years.

3.6.2.2 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.

3.6.2.3 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 noncompliance 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 2019.

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 anticorruption 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 v17021-1 & 9 standards. The audit certification was conducted at the level of GTT SA. In September 2019, a re-certification audit confirmed the initial ISO 37001 certification that was obtained the previous year.

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.

3.7 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, nontoxic and noncorrosive.

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 1.2 – *The liquefied gas sector* of this Universal 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.

3.7.1 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% in 10 years. 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. There is also a very significant reduction in CO₂ emissions per cubic metre transported (-43% in 10 years). 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.

Comparison of two LNG carriers in 2010 (Steam Turbine) and 2020 (MEGI/XDF) – Source GTT

Engine type	LNG tank	Boil off per day	Size	Daily consumption	Savings of CO ₂ per m ³ transported
Steam Turbine	Mark III	0.15%	145,000 m ³	110 tonnes	-
MEGI/XDF	Mark III Flex+	0.07%	174,000 m ³	75 tonnes	43%

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.

Work has been carried out during production over the last two years on reducing loss rates from foams. The loss rate has dropped from 25% to 5%. 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;

(1) Program for the Endorsement of Forest Certification.

(2) Forest Stewardship Council.

- 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.

3.7.2 GTT'S DIRECT ENVIRONMENTAL IMPACT

3.7.2.1 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 increased by 1% year-on-year.

In litres	2018	2019	Change
Consumption of nitrogen	1,077,870	1,090,677	1.2%

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 2019, the site had a 17.0% increase in its consumption due to work carried out on the buildings.

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	2018	2019	Change
Water consumption	3,681	4,308	+17%

3.7.2.2 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, antifreeze, 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 2019, GTT generated 3.6 tonnes of chemical waste, compared with 3.5 tonnes in 2018. 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.

GTT generated 89,760 litres of organic waste in 2019, a 25.5% drop compared to 2018. In addition, the Company generated 15,151 kilos of food waste, *i.e.* an average of 72 kilos per working day. Food waste is composted on site.

- For security and confidentiality reasons, **paper** is recovered by a specialist partner that destroys and recycles the paper fragments after destruction. 20 bins are installed on the Saint-Rémy-lès-Chevreuse site for employees to place their documents.

In 2019, approximately 7.47 tonnes of paper was recovered and recycled by the business, compared with 6.43 tonnes in 2018. This change is due in particular to the digitisation and clearance of the archives in the recovered spaces. Each year, the partner provides an environmental certificate indicating the number of trees saved – 127 in 2019 – 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 2019, 481 pieces of equipment were recycled. GTT has also donated 10 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	2018	2019	Change
Chemicals (in tonnes)	3.5	3.6	+3%
Organic (in litres)	120,440	89,760	-26%
Paper (in tonnes)	6.4	7.5	+16%
Electrical and electronic equipment (in units)	195	481	+147%

3.7.2.3 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 2019, GTT recorded a 5% decrease in its electricity consumption compared to 2018. Gas consumption was stable (+1%) and fuel oil

consumption rose by around 10% 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	2018	2019	Change
Electricity (kWh)	2,735,969	2,611,421	-5%
Gas (kWh)	2,245,324	2,263,074	+1%
Fuel (in litres) *	4,500	5,000	+10%

* 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 ₂ eq.
Gas	2,263,074	457.1
	Litres Total tCO₂eq.	tCO₂eq.
Fuel	5,000	10.1
	Litres Total tCO₂eq.	Total tCO₂eq.
Company cars and vehicles provided	13,580	36.5
TOTAL SCOPE 1		503.7

Scope 2

	Total tCO ₂ eq.
Electricity	129.9

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 2019, these reached 3,605 tonnes of CO₂, against 2,984 tonnes in 2018, representing an increase of 21% related to the increase in activity.

In tonnes of CO ₂	2018	2019	Change
Emissions related to employee travel (train, aeroplane)	2,984	3,605	+21%

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.

3.7.3 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%.

Moreover, in April 2018, the IMO announced a strategy to gradually reduce greenhouse gas emissions and, in particular:

- to reduce CO₂ emissions from all international maritime transport, by an average of 40% by 2030 compared with 2008,
- to reduce the total volume of annual GHG emissions by at least 50% by 2050, compared with 2008.

3.7.3.1 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).

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%.

The next stage involves the extension of nitrogen oxide emissions controls (NO_x Tier III) to the North Sea and Baltic Sea in January 2021.

3.7.3.2 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 (SO_x) 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⁾.

By way of illustration, GTT considers that choosing LNG to propel a large container vessel can result in savings of 30,000 tonnes of CO₂ a year.

The Group estimates that around 95,000 merchant vessels are affected by this transition.

(1) International Convention for the Prevention of Pollution from Ships (known as the MARPOL convention).

Comparison of emissions for two fuel types

Type of fuel	Energy density <i>Mmbtu/tonne</i>	Engine yield <i>g/kWh</i>	Over-consumption %	SO _x %m/m	NO _x g/kWh	Particles g/kg fuel	CO ₂ Kg/kWh
Low-sulphur-content oil or scrubber ⁽¹⁾	40-42	140	2-3% (if scrubber)	0.5%	7-15	1-1.5	0.27-0.28
LNG as fuel	48	180		0%	<1.5 (MEGI)	0	0.21
LNG vs. Oil comparison	+15-20% denser	+5-7% more efficient	+2-3% gain vs. scrubber	No SO _x for LNG	NO _x : -80 to 90%	No particles for the LNG	CO ₂ : -20 to 25%

(1) Smoke scrubbers.

The Group focuses on the biggest vessels (container vessels, bulk carriers etc.) which represented a fleet of around 6,700 at the end of 2019. For more information, please refer to Section 1.5 – *Development of new activities by the Group* of this Universal Registration Document.

3.7.4 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 and recycling food waste was introduced at the end of 2018.

The following issues do not generally apply to GTT:

- combating food poverty;
- responsible, fair and sustainable food;
- respect for animal welfare.

3.8 GOVERNANCE

Information relative to the governance of GTT is given in section 4.1 – *Presentation of the governance* of this Universal Registration Document.



4

CORPORATE GOVERNANCE

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INTRODUCTION

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 and within the executive bodies, 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 corporate officer compensation policy. It covers the period between January 1 and December 31, 2019.

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.

4.1 PRESENTATION OF GOVERNANCE

4.1.1 CORPORATE GOVERNANCE CODE

In accordance with Article L. 225-37-4 paragraph 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.

4.1.1.1 Application of the AFEP-MEDEF Code

The Company continues to endeavour to apply corporate governance rules. It refers 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.

4.1.1.2 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 11.3 (Board Meetings and Committee Meetings)	For 2019, the Board of Directors did not organise any meetings in the absence of executive officers. The Company specifies that the conditions for the compensation of executive officers are subject to discussions in the Compensation and Nominations Committee without the executive officers being present. Furthermore, the Audit and Risk Management Committee met once with the Statutory Auditors without the executive corporate officers being present.

4.1.2 MANAGEMENT BODIES

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/she 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 particular 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/her any question regarding their duties and he/she 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 reappointed.

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 scrutineers 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/her term of office as director, where applicable, as well as his/her 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/she 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/her appointment and specific restrictions to his/her 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)

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. They 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 Universal 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, the full involvement of the directors in the work of the Board and its committees and the diversity of their profiles, skills and expertise.

4.1.3 BOARD OF DIRECTORS, COMPOSITION AND WORK

4.1.3.1 Composition

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 changed since the Shareholders' Meeting of May 23, 2019:

- upon proposal from ENGIE, the Board of Directors meeting on February 27, 2020, co-opted Pierre Guiollot as a director, replacing Judith Hartmann, who resigned;
- At its meeting of April 17, 2020, the Board of Directors co-opted Isabelle Boccon-Gibod, independent director, to replace Françoise Leroy, who resigned, and whose term of office was due to expire at the end of the Shareholders' Meeting of June 2, 2020. The Company will propose the ratification of this co-opting and the renewal of the term of office of Isabelle Boccon-Gibod for a period of four years.

The Board of Directors of the Company now has, at the date of filing of this Universal Registration Document, nine members including three independents, and a non-voting member.

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 17, 2020, after reviewing the recommendations of the Compensation and Nominations Committee, 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.

The Board of Directors concluded that, from the examination of the independence situation of the directors with regard to the criteria laid down by the AFEP-MEDEF Code, on April 17, 2020, four directors out of five are independent (44%).

Bruno Chabas, Andrew Jamieson, Christian Germa and Isabelle Boccon-Gibod meet all of the independence criteria.

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 shown in section 4.1.3.2 – *Conditions for the preparation and organisation of work* in this Universal Registration Document.

Application of the AFEP-MEDEF corporate governance independence criteria

The independence criteria set by the AFEP-MEDEF Code are reiterated in section 4.1.3.2 (i) – *Composition of the Board of Directors* in this Universal Registration Document.

Following the proposal by the Compensation and Nominations Committee, the Board of Directors, at its meeting held on April 17, 2020, carried out the annual evaluation of the directors' position in the light of all the independence criteria defined by the AFEP-MEDEF Code on the corporate governance of listed companies to which the Company refers.

	Company employee or executive officer over the past 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 a Statutory Auditor of the Company over the past 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
Bruno Chabas	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant
Isabelle Boccon-Gibod	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant

To the Company's knowledge, there are no family ties between the members of the Board of Directors of the Company identified above.

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 relationships

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/or the entity or group from which each independent director originates (regarding application of the other independence criteria). After having made a quantitative and qualitative examination and looked at the situation of each independent director with regard to the recommendations of the AFEP-MEDEF Code, none of them, or the entity or group to which they belong and within which they hold office as executive officer, have any business relations with the Company, its Group or its management, in application of the criteria presented in section 4.1.3.2 (i) – *Composition of the Board of Directors* in this Universal Registration Document. 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 corporate 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 Universal 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 Universal 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 22 bis 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 more details, refer to section 4.1.3.2 (ii) – *Directors' duties* of this Universal Registration Document;

- five directors were appointed on the proposal of ENGIE and GDF International (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 4.1.3.2 (ii) – *Directors' duties* of this Universal Registration Document relating to the prevention of insider trading and section 4.2.1.3.2 – *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, 2019

As the term of office of Benoît Mignard, in the capacity as non-voting member, expires following the Shareholders' Meeting held to approve the financial statements for the financial year ended December 31, 2019, the Board of Directors, with regard to the very detailed knowledge of Benoît Mignard about the Company and its activities, decided to propose renewal, to the Shareholders' Meeting of June 2, 2020, for a period of three years. As a reminder, Benoît Mignard does not receive any compensation in respect of his term of office.

As the term of office of Isabelle Boccon-Gibod, as independent director, expires at the end of the Shareholders' Meeting held to approve the financial statements for the financial year ended December 31, 2019, the Board of Directors decided to propose her renewal, to the Shareholders' Meeting of June 2, 2020, for a period of four years.

(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 of this Universal Registration Document:

Director	Number of shares	Percentage of the share capital	Percentage of voting rights
Philippe Berterottière – Chairman and CEO ⁽¹⁾	95,586	0.26	0.26
Pierre Guiollot	100	0.00	0.00
Isabelle Boccon-Gibod	100	0.00	0.00
Michèle Azalbert	100	0.00	0.00
Ana Busto	100	0.00	0.00
Christian Germa	100	0.00	0.00
Andrew Jamieson	250	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	96,636	0.26	0.26

(1) Of which 10,000 shares acquired at the time of the Company's initial public offering, 85,232 free shares granted pursuant to the Performance Share Plan, 355 shares acquired on March 13, 2020 and a share sold on April 6, 2020.

(2) Benoît Mignard was appointed non-voting member at the Shareholders' Meeting of May 18, 2017 and renewal of his term of office will be proposed at the Shareholders' Meeting of June 2, 2020.

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, is provided in section 4.1.3.2 – *Conditions for the preparation and organisation of work* of this Universal Registration Document.

Information regarding directors in office

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	83%			-	Experience in the energy sector and detailed knowledge of financial markets
Ana Busto	33%			-	Communications experience within major international groups
Bruno Chabas Independent director	100% ⁽¹⁾		Chairman (100%)	1	Leader of major listed groups
Christian Germa Independent director	83%	Chairman (100%)	Member (100%)	-	Experience in finance and business management Experience in the energy sector and gas and oil in particular
Pierre Guiollot ⁽¹⁾	NA	Member (NA)	Member (NA)	-	Experience in the energy sector and detailed knowledge of finance
Isabelle Boccon-Gibod ⁽²⁾ Independent director	NA	Member (NA)	Member (NA)	-	Leader of an international group
Andrew Jamieson Independent director	100%		Member (86%)	3	International experience in the energy sector and, in particular, of LNG
Cécile Prévieu	83%			-	General Management and finance in the energy sector
Benoît Mignard ⁽²⁾ Non-voting member	67%	Guest (100%)		-	Financial Division and experience in the energy sector

(1) Pierre Guiollot was co-opted by the Board of Directors at its meeting of February 27, 2020 to replace Judith Hartmann, who resigned.

(2) Isabelle Boccon-Gibod was co-opted by the Board of Directors at its meeting of April 17, 2020 to replace Françoise Leroy, who resigned.

(3) Benoît Mignard was regularly invited to Audit and Risks Committee meetings as a non-voting member.

INFORMATION REGARDING DIRECTORS IN OFFICE

PHILIPPE BERTEROTTIÈRE

Chairman and Chief Executive Officer*

Age: 62 years old

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

95,586 shares, of which 10,000 shares acquired at the time of the Company's initial public offering on the stock market.

Address

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
None	

* Director appointed on the recommendation of ENGIE.

MICHÈLE AZALBERT

Director*

Age: 53 years old

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, 2022

Number of Company shares held

100 shares

Address

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.

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CURRENT TERMS OF OFFICE	
Companies	Mandates and offices held outside the Group
ENGIE HYDROGEN INTERNATIONAL SAS	Chairman

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 DOWNSTREAM	Chairman
ENGIE GLOBAL LNG HOLDING SARL	Manager
GDF SUEZ LNG (LUXEMBOURG) SARL	Manager
GAZOCEAN SA	Director
GLOBAL LNG SUPPLY	Director

* Director appointed on the recommendation of ENGIE.

ISABELLE BOCCON-GIBOD

Independent director

Age: 52 years

Sex: F

Nationality: French

Date of initial appointment: co-opted by the Board of Directors of April 17, 2020. Co-option ratified and term of office renewed by the Shareholders' Meeting of June 2, 2020 ⁽¹⁾

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, 2023.

Number of Company shares held

100 shares.

Address

GTT
1, route de Versailles
78470 Saint-Rémy-lès-Chevreuse

Mandates and offices held within the Group over the past five years

None

Biography

Isabelle Boccon-Gibod, a graduate of École Centrale and Columbia University in New York (United States), began her career in 1991 with the International Paper Group. She joined the Packaging Division, where she managed various operations in the United States of America until 1996, then in the United Kingdom from 1997 to 2001, before taking charge of strategic development for Europe for the entire group until 2004. She joined Sequana in 2006 where she was appointed Deputy Chief Executive Officer and Executive Director of the Arjowiggins Group in 2009. She left Sequana in 2013 and was a director from 2016 to 2019.

CURRENT TERMS OF OFFICE

Companies	Mandates and offices held outside the Group
ARKEMA	Director
PAPREC	Director
GROUPE LEGRAND	Director
ARC INTERNATIONAL	Director

PAST TERMS OF OFFICE OVER THE PAST FIVE YEARS

Companies	Mandates and offices held outside the Group
SEQUANA	Director

(1) Subject to approval by the Shareholders' Meeting of June 2, 2020.

ANA BUSTO

Director *

Age: 49 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 ended December 31, 2020.

Number of Company shares held

100 shares.

Address

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.

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CHRISTIAN GERMA

Independent director

Age: 50 years old

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, 2022

Number of Company shares held

100 shares.

Address

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 investment company FD5 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.

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	Member of the Supervisory Board and Chairman of the Audit Committee
VODAFONE SA	Director

PIERRE GUIOLLOT

Administrateur*

Age: 52 years

Sex: M

Nationality: French

Date of initial appointment: co-opted by the Board of Directors of February 27, 2020. Co-option ratified by the Shareholders' Meeting of June 2, 2020⁽¹⁾

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, 2023.

Number of Company shares held

100 shares

Address

ENGIE
1, place Samuel-de-Champlain
92400 Courbevoie

Mandates and offices held within the Group over the past five years

Director of GTT

Biography

Pierre Guiollot is a graduate of the School of Political Science, Paris, public service section. His career started as an external audit manager at KPMG between 1992 and 1997. In 1997, he joined the Suez group, where he occupied various positions: deputy manager of the consolidation of the Suez group between 1997 and 2004, manager of the accounts department for Suez and Tractebel between 2004 and 2006, Vice-President accounting and consolidation for GDF Suez between 2006 and 2013, Financial Director of GDF Suez International between 2013 and 2015, then Deputy Financial Director for the ENGIE Group since 2015.

(1) Subject to approval by the Shareholders' Meeting of June 2, 2020.

CURRENT TERMS OF OFFICE	
Companies	Mandates and offices held outside the Group
INTERNATIONAL POWER LTD IP	Director
ENGIE IT SA	Director
ENGIE Energy Management (EEM)	Director
ENGIE Energy Management (EEM)	Chairman
ENGIE INVEST INTERNATIONAL	Chairman
ENGIE CORP Luxembourg	Chairman
ENGIE CORP Luxembourg	Manager
ENGIE Brasil Energia S.A.	Director
GDF SUEZ INFRASTRUCTURES	Chairman
ENGIE INVEST INTERNATIONAL	Director
TRUSTENERGY BV	Managing Director
ENGIE CC	Director

PAST TERMS OF OFFICE OVER THE PAST FIVE YEARS	
Companies	Mandates and offices held outside the Group
GLOW IPP 2 HOLDING COMPANY LIMITED	Director
GLOW ENERGY PUBLIC COMPANY LTD	Director
GLOW COMPANY LIMITED	Director
GLOW SPP 1 COMPANY	Director
GLOW SPP 2 COMPANY	Director
GLOW SPP 3 COMPANY	Director
GLOW IPP COMPANY LIMITED	Director
GLOW SPP 11 COMPANY LIMITED	Director
NORMANBRIGHT (UK CO 5) LIMITED	Director
INTERNATIONAL POWER (FAWKES)	Director

INTERNATIONAL POWER CONSOLIDATED HOLDINGS LIMITED	Director
INTERNATIONAL POWER FINANCE (2010) LIMITED ^b	Director
INTERNATIONAL POWER (ZEBRA) LIMITED	Director
INTERNATIONAL POWER (FALCON) LIMITED	Director
INTERNATIONAL POWER AUSTRALIA FINANCE	Director
INTERNATIONAL POWER LEVANTO INVESTMENTS LIMITED	Director
IP (AIRE) LIMITED	Director
IP (HUMBER) LIMITED	Director
IP MALAYSIA LIMITED	Director
IPM ENERGY TRADING LIMITED	Director
NORMANFRAME (UK CO 6) LIMITED	Director
NATIONAL POWER AUSTRALIA FINANCE LIMITED	Director
INTERNATIONAL POWER LTD IP	Director
IP (SWALE) LIMITED	Director
IPR CENTRAL SERVICES (NO 1) LIMITED	Director
ENERLOY PTY LTD	Director
INTERNATIONAL POWER (IMPALA)	Director
INTERNATIONAL POWER LUXEMBOURG FINANCE LIMITED	Director
INTERNATIONAL POWER LUXEMBOURG HOLDINGS LIMITED	Director
IPM TRI GEN BV	Director
IPR GUERNSEY INVESTMENTS LIMITED	Director
PRINCEMARK LIMITED	Director
INTERNATIONAL POWER SA	Director

* Director appointed on the recommendation of ENGIE.

ANDREW JAMIESON

Independent director

Age: 73 years old

Sex: M

Nationality: British

Date of initial appointment: Co-opted at the Board of Directors' meeting on October 14, 2015, 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 ending December 31, 2020

Number of Company shares held

250 shares

Address

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)	Director
HOEGH LNG HOLDINGS (Norway)	Director
CHRYSAOR HOLDINGS (UK)	Director
KEROGEN CAPITAL (Hong Kong)	Director

PAST TERMS OF OFFICE OVER THE PAST FIVE YEARS

Companies	Mandates and offices held outside the Group
SEVEN ENERGY INTERNATIONAL 5 (UK/Nigeria)	Chairman
WOODSIDE PETROLEUM LTD (Australia)	Director
INSTITUTION OF CHEMICAL ENGINEERS	Chairman
LEIF HOEGH SHIPPING COY. LTD	Director
OXFORD CATALYST GROUP (UK)	Director
VELOCYS Plc (USA/UK)	Director

CÉCILE PRÉVIEU

Director*

Age: 44 years old

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, 2022

Number of Company shares held

100 shares

Address

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 assets. 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 at 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 SAS	Executive Chairwoman
Storengy BU	Chief Executive Officer
Storengy Deutschland	Chairwoman
Gas Storage Europe (GSE) and of Gas Infrastructure Europe (GIE)	Member of the Board
TechnicAtome	Director appointed to the Board of Directors on proposal of the State and Chairman of the Tender Evaluation Committee
Storengy France	Director on the Board

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
Storengy UK	Chairman of the Board of Directors
Compagnie Parisienne de Chauffage Urbain (CPCU)	Member of the Board of Directors

* Director appointed on the recommendation of ENGIE.

4

BRUNO CHABAS

Independent director

Age: 55 years old

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

Address

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 (COO) of SBM Offshore and a member of the Management Board from May 2011 until January 2012 when he became the Chief Executive Officer (CEO).

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 SA 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 NV	Chief Executive Officer/CEO
Foraco International SA	Independent director
SBM Holding Inc. SA	Chairman
SINGLE BUOY MOORINGS Inc.	Chairman
SNV Offshore Limited	Chairman and Director

PAST TERMS OF OFFICE OVER THE PAST FIVE YEARS

Companies	Mandates and offices held outside the Group
None	

BENOÎT MIGNARD

Non-voting member

Age: 60 years old

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, 2022

Number of Company shares held

100 shares

Address

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, Benoît 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
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

* Director appointed on the recommendation of ENGIE.

Thus, the composition of the Board of Directors shows:

- a balance between the independent and nonindependent members;
- diverse skills and profiles of its members;
- a balanced representation of women and men.

4.1.3.2 Conditions for the preparation and organisation of work

Practices and procedures of the Board of Directors

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 office of the Company and on the Company's website (www.gtt.com).

(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 aims to ensure balanced representation of women and men, notably in accordance with 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 reappointed. 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 (i) in 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, it being specified that 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 reappointed.

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 Company shares 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 AFEF-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 Board of Directors' Internal Regulations 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. Each director shall notify the Chairman of the Board of Directors of any current or potential conflict of interest situation, even if it is indirect, between himself 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 noncompetition (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 meetings and all information obtained during or outside Board 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 for 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 of directors to inform themselves (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 its 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 significant merger, demerger, partial contribution of assets or any significant similar operation, with the exception of operations concerning internal reorganisations of the Group;
- the conclusion, modification or termination of any significant commercial or industrial cooperation agreement, joint venture, consortium or partnership with a third party (excluding agreements concluded in the normal course of business or as part of a strategic development previously approved by the Board) likely to have a significant impact on the activity of the Group;

- significant transactions likely to affect the Group's strategy and alter its financial structure or the scope of its business;
- transfers of the ownership of patents used for the key technologies of the Company;
- significant transactions likely to significantly affect the Group's strategy and significantly change its financial structure or scope of activity;
- transfers of the ownership of patents used for the key technologies of the Company;
- acquisitions or disposals of equity interests in any existing or future company, equity investments in the creation of any company, consortium or organisation, subscriptions to any issue of equities, shares or bonds, excluding treasury transactions, of an amount greater than or equal to three (3) million euros per operation and five (5) million euros per series of operations during a calendar year;
- granting of collateral on corporate assets for an amount greater than or equal to three (3) million euros per operation and five (5) million euros per series of operations during a calendar year;
- any significant industrial or commercial project.

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.

The Board of Directors gives prior approval to each of the following operations or decisions, providing that such an operation or decision entails, for the Company or for one of the companies of the Group ⁽¹⁾, investment or disinvestment of an amount greater than or equal to three million euros per operation and five million euros per series of operations during a calendar year:

- acquisition or disposal of buildings;
- exchanges, with or without a cash balance, of any goods, securities or financial instruments, excluding treasury transactions;
- in case of litigation, the conclusion of all agreements and transactions, the recourse to any arbitration and compromise;
- the conclusion of all loans, borrowing, credits and advances with the exception of intragroup transactions;
- acquiring or selling receivables by any means with the exception of intragroup transactions.

(IV) DELIBERATIONS OF THE BOARD OF DIRECTORS (ARTICLE 18 OF THE BY-LAWS, TITLE IV OF THE INTERNAL REGULATIONS)

The Board of Directors' meetings are 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/her 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/she 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/her 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 compensation 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 OF DIRECTORS DURING THE FINANCIAL YEAR ENDED DECEMBER 31, 2019

The Company's Board of Directors met six times during the 2019 financial year: February 26, April 16, May 23, July 25, October 18 and November 29. The average attendance rate in person or by proxy of the members of the Board of Directors during the year was 85%. During these meetings, the Board of Directors reviewed the Company's strategy, budget and Business Plan and carried out periodic activity reviews. It examined the planned transactions and significant contracts envisaged by the Company. 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. It also discussed the following financial subjects: review of the annual financial statements for 2018 and the first half of 2019, information on the revenue figures for the first quarter and third quarter of 2019 and the corresponding drafts for financial communications. The Board reviewed the terms and conditions for the compensation of the Chairman and Chief Executive Officer for 2018 and 2019 and decided on the compensation policy for corporate officers. It also reviewed the succession plan for the management team. Furthermore, the Board of Directors convened the 2019 Combined Shareholders' Meeting and adopted the reports and draft resolutions to be submitted to it. It also called the Extraordinary Shareholders' Meeting of November 14, 2019. It reviewed the 2018 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. It also called the Extraordinary Shareholders' Meeting of November 14, 2019.

(VII) ASSESSMENT OF THE BOARD OF DIRECTORS

In accordance with Article 9.3 of the AFEP-MEDEF Code, the Board of Directors has a formal assessment of its functioning carried out every three years by an external consultant under the supervision of the Compensation and Nominations Committee.

In the first quarter of 2020, a specialised external firm thus conducted an assessment of the functioning of the Board of Directors and its committees in 2019, in order to assess 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 its 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's dynamics and operating procedures as well as the actual contribution of each director to the work of the Board and of the committees, where applicable, were reviewed and the findings were presented to the Board at its meeting of April 17, 2020.

This assessment shows that GTT is among those applying good governance practices, both in terms of the functioning of the Board 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 satisfactory by its members. Some areas for improvement, relating to the preparation and reports on the work of the committees, were identified and the Board made proposals in this respect.

(1) Co-opted by the Board of Directors at its meeting of April 17, 2020. Subject to ratification of his appointment by the Shareholders' Meeting of June 2, 2020.

(2) Co-opted by the Board of Directors at its meeting of February 27, 2020. Subject to ratification of his appointment by the Shareholders' Meeting of June 2, 2020.

The committees

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 Universal 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.

In 2019, 66% of members of the Audit and Risk Management Committee were independent directors: Christian Germa, independent director and Chairman of the Committee, Françoise Leroy, succeeded by Boccon-Gibod⁽¹⁾, independent director, and Judith Hartmann, succeeded by Pierre Guiollot⁽²⁾.

Benoît Mignard was regularly invited to Audit and Risks Committee meetings as a non-voting member.

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 Board of Directors on corporate governance.

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 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;
- to approve the provision by the Statutory Auditors or their affiliates, to the Company or its Subsidiaries, of services other than the certification of financial statements and all other services than those legally required. For this purpose, the Committee must first assess the risks, if any, to the independence of the Statutory Auditors, and the measures put in place by the Statutory Auditors to address these risks.

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.

Operation of the Audit and Risk Management Committee (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 these 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 Universal Registration Document.

Activities of the Audit and Risk Management Committee during the financial year ended December 31, 2019

The Audit and Risk Management Committee met six times during the 2019 financial year, with an attendance rate of 72%: February 12, February 25, April 15, July 24, October 17 and December 12.

During these six meetings, the Audit and Risk Management Committee addressed customary matters relating to consolidated financial statements prepared in accordance with IFRS and French standards, the interim financial statements and report, quarterly revenue, 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, notably the draft procedure relating to regulated agreements of an ongoing nature (please refer to Section 2.3.2.1 of this document) and (iii) review of acquisition projects.

Finally, the Audit and Risk Management Committee defined its working agenda for 2020.

(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 Universal Registration Document.

In 2019, 80% of members of the Compensation and Nominations Committee were independent directors: Bruno Chabas (independent director), also Chairman of the Committee, Christian Germa (independent director), Françoise Leroy, succeeded by Isabelle Boccon-Gibod ⁽¹⁾, independent director, Andrew Jamieson (independent director), and Judith Hartmann, succeeded by Pierre Guiollot ⁽²⁾.

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;

(1) Co-opted by the Board of Directors at its meeting of April 17, 2020. Subject to ratification of his appointment by the Shareholders' Meeting of June 2, 2020.

(2) Co-opted by the Board of Directors at its meeting of February 27, 2020. Subject to ratification of his appointment by the Shareholders' Meeting of June 2, 2020.

- 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).

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 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 criteria 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 criteria 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 Compensation and Nominations Committee meets 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 the 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, 2019

The Compensation and Nominations Committee met seven times during the 2019 financial year, with a member attendance rate of 89%: February 26, March 18, April 16, June 24, July 25, September 27 and October 18.

In the course of these meetings, the Compensation and Nominations Committee made recommendations concerning the variable compensation of the Chairman and Chief Executive Officer in respect of the 2018 financial year, as well as the fixed and variable compensation of the Chairman and Chief Executive Officer in respect of the 2019 financial year. The Chairman and Chief Executive Officer did not attend sessions during which his own compensation was discussed. The Committee also reviewed the compensation policy for the Company's executive team.

The Compensation and Nominations Committee also carried on with the preparation of a succession plan aimed to ensure that the Group has the necessary expertise, particularly in the event of the departure or unforeseen absence of its corporate officers or a member of the executive team.

The Committee also reviewed the functioning of the Board of Directors and its committees, identified pathways for improvement

and made recommendations for the attention of the Board of Directors. The Committee reviewed the status of each director with regard to the independence criteria and decided on the allocation amongst the directors of the directors' fees in respect of the 2019 financial year.

Lastly, having taken note of the rejection of the 14th resolution submitted to the Shareholders' Meeting of May 18, 2019, and the concerns expressed on that occasion by certain investors and proxy advisers, the Board of Directors designated the Compensation and Nominations Committee to provide a rapid and satisfactory response. The Committee thus identified and supervised the improvement measures implemented by the Company for this purpose.

The Compensation Committee reviewed the diversity policy, including in the company's governing bodies, as described in Sections 3.5.2.3 and 3.5.8.1 of this Document.

Finally, the Committee finalised its working agenda for 2020.

4.2 COMPENSATION AND BENEFITS

In accordance with applicable legal and regulatory provisions, this section contains the description of the elements of compensation of corporate officers for the financial year ended December 31, 2019, as well as the compensation policy applicable to corporate officers for the 2020 financial year.

4.2.1 COMPENSATION OF CORPORATE OFFICERS FOR THE 2019 FINANCIAL YEAR

In accordance with Article L. 225-100 II of the French Commercial Code, the Shareholders' Meeting gives a ruling on the information mentioned in item I of Article L. 225-37-3 of the French Commercial Code (overall ex post say on pay). The Shareholders' Meeting of June 2, 2020 will therefore be invited to vote on this information according to the terms of the 10th proposed resolution.

4.2.1.1 Compensation of the members of the Board of Directors (including the information incorporated in I of Article L. 225-37-3 of the French Commercial Code)

4.2.1.1.1 Reminder of the procedures for fixing the compensation of the members of the Board of Directors in 2019

The procedures for dividing the overall amount allocated by the Shareholders' Meeting to directors in compensation for their activity in this capacity in respect of the 2019 financial year were set by the Board of Directors upon proposal from, and after examination by, the Compensation and Nominations Committee.

The overall maximum amount allocated to directors in compensation for their activity in this capacity in respect of the 2019 financial year was set at 454,230 euros during the Shareholders' Meeting of May 23, 2019, representing an increase of 3% compared to the previous financial year. It is reiterated that this compensation is paid in year N+1 pursuant to year N. The allocated sum was assigned by the Board of Directors, after the opinion of its Compensation and Nominations Committee, applying the following distribution rules:

- a budget for the Board and a budget for each of the Board's Committees;

- a fixed portion and a variable portion according to effective participation in Board meetings and meetings of the Board's committees;
- a predominant variable portion, in accordance with the recommendations of the AFEP-MEDEF Code, according to objective criteria defined by the Board of Directors upon proposal from the Compensation and Nominations Committee. The variable share assigned to a director present at all meetings of the Board may reach twice the fixed share and for the members of the committees 2.5 times; and
- 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.

The distribution is calculated taking into account, within each body (i.e. Board and Committees), (i) the normative number of meetings and members over twelve consecutive months (ii) the nature of the body considered and (iii) the position held (Chairperson or member). The variable portion allocated to a director present at all meetings of the Board can reach twice the fixed portion. The variable portion allocated to the Chairman of each body represents about 140% of that of a member. The amount allocated to each director also depends on the actual duration of the latter's term of office, and is adjusted on a *pro rata temporis* basis. If the budget is not fully used based on these rules, the balance is not reallocated.

4.2.1.1.2 Compensation assigned or paid to members of the Board of Directors

The table below summarises the list of beneficiaries and the amounts of compensation paid to them over the last two financial years and allocated pursuant to the last two financial years.

Summary of compensation of each member of the Board of Directors ⁽¹⁾

Members of the Board of Directors <i>In euros</i>	Gross amounts paid during the 2018 financial year <i>(in euros)</i>	Gross amounts allocated in respect of the 2018 financial year <i>(in euros)</i>	Gross amounts paid during the 2019 financial year <i>(in euros)</i>	Gross amounts allocated in respect of the 2019 financial year <i>(in euros)</i>
Philippe Berterottière				
Compensation for term of office as director	46,900	49,245	49,245	45,750
Other compensation	-	-	-	-
Michèle Azalbert				
Compensation for term of office as director	30,300	35,280	35,280	29,205
Other compensation	-	-	-	-
Ana Busto				
Compensation for term of office as director	15,900	28,350	28,350	18,495
Other compensation	-	-	-	-
Bruno Chabas				
Compensation for term of office as director	-	30,510	30,510	57,625
Other compensation	-	-	-	-
Christian Germa				
Compensation for term of office as director	68,350	65,937	65,937	68,910
Other compensation	-	-	-	-
Didier Holleaux				
Compensation for term of office as director	-	45,935	45,935	20,611
Other compensation	20,983	-	-	-
Judith Hartmann				
Compensation for term of office as director	-	-	-	23,140
Other compensation	-	-	-	-
Andrew Jamieson				
Compensation for term of office as director	42,850	43,572	43,572	48,440
Other compensation	-	-	-	-
Françoise Leroy				
Compensation for term of office as director	59,100	62,259	62,259	64,105
Other compensation	-	-	-	-
Cécile Prévieu				
Compensation for term of office as director	27,000	31,815	31,815	29,205
Other compensation	-	-	-	-
Philippe Salle				
Compensation for term of office as director	43,300	28,920	-	-
Other compensation	-	-	28,920	-
Benoît Mignard				
Compensation for term of office as director	23,400	0	0	-
Other compensation	-	-	-	-
TOTAL	378,083	421,823	421,823	405,486
	-	-	-	-

(1) Table no. 3 shown in the appendix to the AFEP-MEDEF Code.

No other compensation was paid by the Company in respect of the 2019 financial year to the non-executive officers shown in the above table.

The Company has not recognised any provision corresponding to compensation and benefits for directors.

4.2.1.2 Compensation of the Chairman and Chief Executive Officer (including the information incorporated in I of Article L. 225-37-3 of the French Commercial Code)

4.2.1.2.1 Reminder of the general principles of the 2019 policy

The Compensation and Nominations Committee is in charge of proposing 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 was particularly attentive to compliance with the recommendations of the AFEF-MEDEF Code to which the Company refers and has therefore overseen compliance with the following fundamental principles:

- 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 compensation 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.

4.2.1.2.2 Compensation paid to the during the 2019 financial year or allocated in respect of this financial year to the Chairman and Chief Executive Officer

The elements of the compensation of the Chairman and Chief Executive Officer presented below comply with the principles and criteria for the compensation of the Chairman and Chief Executive Officer, as approved by the Shareholders' Meeting of May 23, 2019 and contribute to the long-term performance of GTT. In particular, the performance criteria applicable to the variable compensation of the Chairman and Chief Executive Officer were established taking into account the strategic development policies of the Company shown in section 1.2.2 – *A strategic position that responds to the challenges of the sector* in this Universal Registration Document

The Shareholders Meeting of May 23, 2019 approved, at 68.45%, the elements of fixed, variable and exceptional compensation composing the total compensation and benefits of any kind paid or allocated to Philippe Berterottière, Chairman and Chief Executive Officer, in respect of the financial year ended December 31, 2018.

This percentage was taken into account by the Board of Directors when preparing the compensation policy applicable to the Chairman and Chief Executive Officer, as described in section 4.2.2.3.

FIXED COMPENSATION

The annual gross fixed compensation of Philippe Berterottière as Chief Executive Officer of GTT stood at 400,000 euros in respect of the 2019 financial year.

VARIABLE COMPENSATION

Annual variable compensation paid during the 2019 financial year (in respect of 2018) that was approved by the Shareholders' Meeting of May 23, 2019

Based on the work of the Compensation and Nominations Committee, the Board of Directors, at its meeting of April 12, 2018 set the variable compensation of the Chairman and Chief Executive Officer for the 2018 financial year at 208,000 euros, representing 61.2% of his fixed compensation corresponding to a level of achievement of objectives of 80% (see page 186 of GTT's 2018 Registration Document). This compensation was approved under the 11th resolution of the Shareholders' Meeting of May 23, 2019.

Annual variable compensation allocated for the 2019 financial year, subject to the approval of the Shareholders' Meeting of June 2, 2020

The annual variable compensation for the 2019 financial year was determined by the Board of Directors at its meeting of February 27, 2020 upon proposal from the Compensation and Nominations Committee in application of the compensation policy approved by the Shareholders' Meeting of May 23, 2019.

The target variable compensation for 2019 is set at 333,000 euros, or 83.25% of the fixed annual compensation for 2019 and can reach 400,000 euros, or 100% of the fixed compensation for 2019 in case of outperformance.

On the basis of the recommendations from the Compensation and Nominations Committee, the Board of Directors took note that the objectives set for 2019 have generally been exceeded and, as a result, set the variable compensation of the Chairman and Chief Executive Officer at 357,642 euros, representing 89.4% of the 2019 fixed compensation, representing an overall rate of achievement of 107% of the objective set.

The rate of achievement of the various criteria is as follows:

Type of criterion	Quantitative component						Amount in euros
	Target		Maximum		Rate of achievement		
	As a% of fixed compensation	Base 100	As a% of fixed compensation	Base 100	As a% of fixed compensation	As a% of target variable compensation	
Financial performance of the Group							
EBITDA							
The 2019 EBITDA stood at €174 million, above the high range of the EBITDA target communicated to the market, representing growth of 13.6% compared to the 2018 EBITDA (excluding nonrecurring elements)	25%	30%	33%	39%	33%	40%	132,867
Core business							
Market share in the segments LNGC, FSRU and FLNG *	22%	25%	27%	31%	27%	32%	108,225
Nonfinancial performance of the Group							
Orders received in the LNG as fuel * segment	8%	10%	12%	15%	0	0	0
Innovation/progress made by the Company in implementing new technologies							
Obtainment in 2019 of approval (General Approval for Ship Application), by at least one classification society, of the NO96 Flex technology	8%	10%	8%	10%	8%	10%	33,300
TOTAL	63%	75%	80%	95%	69%	82%	274,392

Type of criterion	Qualitative component						Amount in euros
	Target		Maximum		Rate of achievement		
	As a% of fixed compensation	Base 100	As a% of fixed compensation	Base 100	As a% of fixed compensation	As a% of target compensation	
Safety							
Objective of the work-related accident frequency rate less than or equal to 4.3	4%	5%	4%	5%	4%	5%	16,650
Diversification/Digital services and Smart Shipping							
Revenue made by Ascenz	8%	10%	8%	10%	8%	10%	33,300
Personal objective							
Finalisation of the succession plan	8%	10%	85%	10%	8%	10%	33,300
TOTAL	20%	25%	20%	25%	20%	25%	83,250
TOTAL QUANTITATIVE + QUALITATIVE	83%	100%	100%	120%	89%	107%	357,642

NOTE

Given the specifics of the market in which the Company operates and the close correlation between the criteria adopted and the strategy of the Company, the Board considers that the target levels achieved cannot be communicated, even after the fact, without harming the interests of the Company, and that they constitute strategic and economically sensitive information. The rate of achievement is, however, communicated for each of the quantitative and qualitative criteria. In any case, variable compensation is limited to 100% of fixed compensation.

BENEFITS IN KIND

The benefits in kind paid to the Chairman and Chief Executive Officer in 2019 also include the benefit of the health-insurance and personal risk insurance collective agreements covered hereafter (i) the contribution for GSC loss of employment insurance (social guarantee for business managers and executives) defined according to the declared compensation and options chosen; and (ii) the benefit of a company car. These benefits in kind are valued at 40,923 euros.

COMPENSATION IN RESPECT OF THE FUNCTIONS OF CHAIRMAN AND MEMBER OF THE BOARD OF DIRECTORS

In 2019, Philippe Berterottière received or was assigned, in respect of his functions as member and Chairman of the Board of Directors exercised in 2019, compensation determined in accordance with the rules shown in section 4.2.1.1.1 and the amount of which is reiterated in the table in section 4.2.1.1.2.

PERFORMANCE SHARES

Performance shares allocated in 2019

18,121 performance shares were allocated to the Chairman and Chief Executive Officer under free share allocation plan no. 10 (performance shares) on November 29, 2019, as described in section 4.2.2.3, authorised by the Shareholders' Meeting of November 14, 2019. This allocation has the following main characteristics:

- Total valuation of the performance shares allocated in application of IFRS standards: 1,199,973;
- 33.8% of the total allocation;
- 0.05% of the share capital;
- obligation for retention: 25% of shares to be kept registered until the end of the term of office;
- presence condition (and case where it can be lifted): The vesting of allocated shares depends on the presence of the beneficiary concerned within the Group until the end of the vesting period. In case of the departure of the beneficiary before the expiration of the planned duration for assessing the performance conditions, the retention of the benefit of the allocated shares is subject to the assessment of the Board of Directors, which will apply the following rules:
 - in case of departure following a resignation, dismissal for misdemeanour or the non-renewal of the term of office of an executive officer, all performance shares for which the vesting

period is not terminated on the date of departure will be lost by the interested party,

- in case of departure following dismissal for just cause, but without this just cause characterising a misdemeanour, the Board of Directors will lift the condition of presence for a number of shares determined on a *pro rata* basis, meaning in proportion to the vesting period that has already run from the departure date, it being understood that the performance conditions will remain applicable to the shares concerned and will be measured at the end of the vesting period,
- in case of cessation of functions following invalidity (namely an absolute inability to work according to the meaning of items 2 or 3 of Article L. 341-4 of the French social-security Code), death or retirement, the presence condition will be lifted for all shares, it being understood that the performance conditions will remain applicable to the shares concerned and will be measured when the vesting period ends;
- Performance conditions: The number of shares vested will be determined at the end of a period of three years, in accordance with the performance conditions assessed over the same period of three years, with all of the shares thus allocated being subject to meeting the performance conditions determined with regard to the quantitative objectives of the Company. The applicable performance conditions are demanding and concern both the intrinsic and market financial performance of the Group.

Conditions	Weighting	Scale of assessment of achievement
<p>Internal performance: Assessed based on a consolidated net income objective determined by comparison with the average consolidated net income over a period of three consecutive financial years from allocation.</p>	40%	The vesting of shares in respect of this condition is triggered upon the achievement of the objective and limited to 40% of the total allocation, if the objective is exceeded by 8%; the number of shares allocated is determined by straight-line interpolation between the trigger threshold and the ceiling*.
<p>CSR performance: Assessed based on a consolidated revenue target (excluding revenue from LNGC, FSRU and FLNG) in new markets (specifically, LNG as fuel and services), assessed by comparison with the average volume of activity ascertained over a period of three consecutive financial years from allocation. With regard to the actual nature of the activities in these new markets, related to the energy transition and obligations to reduce polluting emissions, this criterion is directly correlated with the Group's Nonfinancial performance.</p>	30%	The vesting of shares in respect of this condition is triggered upon the achievement of the objective and limited to 30% of the total allocation, if the objective is exceeded by 33.33%; the number of shares allocated would be determined by straight-line interpolation between the trigger threshold and the ceiling*.
<p>Absolute and relative stock-market performance: Assessed based on an objective determined according to the total yield for shareholders of the Company over a period of three years from allocation (the "GTT TSR"), in relation to the average yield of (i) the STOXX 600 Oil & Gas index and (ii) the Euronext Paris SBF 120 index, assessed over the same period (the "Reference TSR"). For the requirements of this condition:</p> <ul style="list-style-type: none"> the GTT TSR corresponds to the change (in percentage) between the average price of the Company's share during the last 20 trading days of the first financial year of the three-year period in question, including cumulative dividends, and the average price of the Company's share during the last 20 trading days of the last financial year of the three-year period in question, including cumulative dividends; the Reference TSR corresponds to the arithmetic average of the change (in percentage) between the average values of the reference indices, including cumulative dividends, during the last 20 trading days of the first financial year of the three-year period in question and the average values of the reference indices of the last 20 trading days of the last financial year of the three-year period in question, including cumulative dividends. 	30%	The vesting of shares under this condition is triggered if the GTT TSR reaches 85% of the Reference TSR and is limited to 30% of the total allocation if the GTT TSR reaches 110% of the Reference TSR; if the GTT TSR is equal to the Reference TSR, the shares acquired would represent 20.4% of the total allocation under the plan.

* The fixed target levels specified in respect of the first two of the aforementioned performance conditions are strategically and economically sensitive information which cannot be made public. The level of achievement of the objectives will be communicated once the actual performance has been assessed.

Performance shares that became available in 2019

31,250 shares became available during the financial year (see Table 7 in this chapter).

COMPENSATION IN THE EVENT OF CESSATION OF FUNCTIONS

On February 10, 2014, the Board of Directors, upon recommendation from the Compensation and Nominations Committee, authorised the grant to Philippe Berterottière of compensation in the event of a forced departure subject to compliance with three performance conditions assessed over several financial years, at one third of the total amount of the compensation each, and related to (i) an objective of market share of the Company, (ii) an objective of net margin over revenue, and (iii) the level of variable compensation of Philippe Berterottière during the 12 months preceding his date of departure. The Board of Directors of April 12, 2018, upon recommendation from the Compensation and Nominations Committee, renewed this authorisation following the proposal for the renewal of the term of office as Chairman and Chief Executive Officer of Philippe

Berterottière during the Shareholders' Meeting of May 17, 2018. At this time, the second performance condition was replaced by the EBITDA target. The Shareholders' Meeting of May 17, 2018, approved the continuation of these commitments in favour of Philippe Berterottière.

The amount of the compensation that Philippe Berterottière may benefit from is set at twice the amount of the overall gross compensation (fixed and variable portions) received by him for duties within GTT during the last twelve months preceding the date of his departure.

NONCOMPETITION COMMITMENT

On February 10, 2014, the Board of Directors, upon recommendation from the Compensation and Nominations Committee, approved, as consideration for a noncompetition 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 serious misconduct) of the monthly

average of salaries and benefits and contractual payments received during his last 12 months with the Company (the noncompetition undertaking is for two years from the effective termination date of Philippe Berterottière's term of office as Chairman and Chief Executive Officer).

If his severance pay and noncompetition 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 Shareholders' Meeting of May 17, 2018, approved the continuation of these commitments in favour of Philippe Berterottière when it renewed his term of office.

SUPPLEMENTARY PENSION SCHEME

The commitments benefiting the Chairman and Chief Executive Officer in terms of pension are taken into account in determining his overall compensation.

The Board of Directors of February 10, 2014, upon recommendation from the Compensation and Nominations Committee, authorised the affiliation of Philippe Berterottière, as Chairman and Chief Executive Officer, to the mutual collective health, personal risk and supplementary top-up pension schemes known as "Article 83" (defined contribution pension scheme) to maintain the social benefits granted to Philippe Berterottière in the capacity of employee.

The Board of Directors of April 12, 2018, upon recommendation from the Compensation and Nominations Committee, renewed this authorisation following the proposal for the renewal of the term of office as Chairman and Chief Executive Officer of Philippe Berterottière during the Shareholders' Meeting of May 17, 2018.

The Shareholders' Meeting of May 17, 2018, approved the continuation of these commitments in favour of Philippe Berterottière.

The Chairman and Chief Executive Officer therefore benefits from this defined benefit scheme, 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).

Date upon which the pension entitlements may be payable

October 31, 2022

Procedures for financing monthly contributions

The contributions are fully payable by the Company.

Estimate of retirement benefits as at December 31, 2019

28,769 euros.

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.

EVOLUTION AND COMPARABILITY OF THE COMPENSATION OF THE CHAIRMAN AND CHIEF EXECUTIVE OFFICER; COMPARISON WITH THE PERFORMANCE OF THE COMPANY AND THE AVERAGE AND MEDIAN COMPENSATION OF EMPLOYEES

The overall compensation allocated to the Chairman and Chief Executive Officer pursuant to 2019 stood at 1,544,678 euros up by 112.3% compared to that allocated pursuant to 2018.

This change is mainly due to (i) the increase in the fixed compensation, so as to ensure that it is competitive and in line with the market practice of comparable companies and (ii) the increase in the annual variable compensation of the Chairman and Chief Executive Officer in 2019, which was determined taking into consideration the rate of achievement of performance conditions and (iii) the performance share allocations and their valuation under IFRS rules. It therefore mainly reflects the Company's good economic and operational performance in 2019. This change is to be compared with a growth in net profit of +0.4% (+12.6% excluding nonrecurring items), in operating profit of +6.3% and an increase in the share price of +27.2%.

Between 2015 and 2019, the overall compensation of the Chairman and Chief Executive Officer decreased by 10.3%. The decrease in the overall compensation of the Chairman and Chief Executive Officer over this period is mainly explained by the allocations of performance shares in 2018 and 2019. Excluding the allocations performance shares, the overall compensation (annual fixed and variable) of the Chairman and Chief Executive Officer increased by 43.3% over the period, to be compared with growth in net profit of 22.3%, operating profit of 22.1% and an increase in the share price of 119.1% over the same period.

Each year, an analysis is made to position the compensation of the Chairman and Chief Executive Officer in relation to that of his peers. The results of this conclude that the total compensation allocated to the Chairman and Chief Executive Officer is positioned in the last quartile of compensation paid to executive officers in SBF 120 companies.

In accordance with paragraphs 6 and 7 of section I of Article L. 225-37-3 of the French Commercial Code, the table below shows the ratios between the level of compensation paid to the Chairman and Chief Executive Officer and, firstly, the average compensation, on a full-time equivalent basis, of employees of the Company (excluding expatriate employees) other than the corporate officers, and secondly, the median compensation, on a full-time equivalent basis, of employees of the Company (excluding expatriate employees) other than corporate officers, as well as the annual evolution of the compensation of the Chairman and Chief Executive Officer, the performance of the Company and the average compensation, on a full-time equivalent basis, of employees of the Company (excluding expatriate employees), other than senior management and the aforementioned ratios, during the five most recent financial years.

The compensation of the Chairman and Chief Executive Officer used for the requirements of the table below includes all elements of compensation and benefits of any kind and performance shares allocated during the financial years 2015 to 2019 and the ratios presented below were calculated based on the median and the average of the compensation paid or, concerning performance shares, allocated during the financial years 2015 to 2019 to employees of the Company.

Changes to aggregates

	2015	2016	2017	2018	2019
Philippe Berterottière Chairman and Chief Executive Officer					
Compensation allocated	1,722,653	677,021	687,120	727,696	1,544,678
<i>(change compared to the previous financial year) in%</i>		-60.7%	+1.5%	+5.9%	+112.3%
Average compensation of employees	72,692	73,695	81,189	93,254	92,862
<i>(change compared to the previous financial year) in%</i>		+1.4%	+10.2%	+14.9%	-0.4%
Ratio in relation to the average compensation of employees	23.7	9.2	8.5	7.8	16.6
<i>(change compared to the previous financial year) in%</i>		-61.2%	7.9%	-7.8%	+113.2%
Median compensation of employees	64,509	64,924	70,442	75,716	77,559
<i>(change compared to the previous financial year) in%</i>		+0.6%	+8.5%	+7.5%	+2.4%
Ratio in relation to the median compensation of employees	26.7	10.4	9.8	9.6	19.9
<i>(change compared to the previous financial year) in%</i>		-60.9%	6.5%	-1.5%	+107.2%
Consolidated net income in €M	117.8	119.9	116.2	142.8	143.4
<i>(change compared to the previous financial year) in%</i>		+2.1%	-3.0%	22.8%	+0.4%

The following methodological elements must be emphasised:

- the Company applied the guidelines published by the AFEP-MEDEF;
- in order to be representative, the scope adopted is that of GTT SA, using employees on permanent or fixed-term contracts present both on December 31 of the financial year concerned and December 31 of the preceding financial year. For illustrative purposes, this workforce represents, on December 31, 2019, about 73% of the permanent workforce in France;
- the following elements were used: fixed compensation, variable compensation, profit-sharing and incentive payments, exceptional bonus and IFRS valuation for the financial year in question of the performance shares allocated. Severance pay, noncompetition payments and supplementary pension schemes were excluded.

4.2.1.2.3 Elements of compensation paid or allocated to the Chairman and Chief Executive Officer, for the 2019 financial year

In accordance with Article L. 225-100 III of the French Commercial Code, the Shareholders' Meeting will be called to decide on the fixed, variable and exceptional elements composing the total compensation and benefits of any kind paid in the financial year or allocated in respect of the same financial year to the Chairman and Chief Executive Officer under the 11th draft resolution.

The elements of compensation paid in or allocated in respect of the 2019 financial year to Philippe Berterottière, Chairman and Chief Executive Officer, are detailed below.

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Elements of compensation due or allocated in respect of the financial year ended December 31, 2019 to Philippe Berterottière, Chairman and Chief Executive Officer, subject to the vote of shareholders

Element of compensation subject to vote	Amount paid during the financial year	Amounts allocated pursuant to the financial year or book value	Observations
Fixed compensation	€400,000	€400,000	The annual gross fixed compensation of Philippe Berterottière as Chief Executive Officer of GTT stood at €400,000 in respect of the 2019 financial year. This compensation was paid in 2019.
Annual variable compensation	€208,000	€357,642	<p>The annual variable compensation in respect of the 2019 financial year was determined by the Board of Directors which met on February 27, 2020, on the basis of the recommendation from the Compensation and Nominations Committee. The target variable compensation is set at €333,000, or 83.25% of the fixed annual compensation for 2019 and can reach €400,000, or 100% of the fixed compensation for 2019 in case of ≈outperformance.</p> <p>On the basis of the recommendations from the Compensation and Nominations Committee, the Board of Directors took note that the objectives set for 2019 have generally been exceeded and, as a result, set the variable compensation of the Chairman and Chief Executive Officer at €357,642, representing 89.41% of the 2019 fixed compensation, representing an overall rate of achievement of 107.4% of the objective set.</p> <p>Details on the achievement rate of the quantitative and qualitative criteria are provided on page 123 of this document.</p>
Multi-year variable compensation	None	None	Not applicable.
Nonrecurring compensation	None	None	Not applicable.
Stock options, performance shares or any other long-term benefit (share subscription warrants, etc.)	None	€1,199,973	<p>Philippe Berterottière benefited, in respect of the 2019 financial year, from the free share allocation plan No. 10 (performance shares) as described in section 4.2.1.2.2. If the performance conditions are fulfilled, he may benefit from a maximum of 18,121 performance shares.</p> <p>The main characteristics of this allocation is as follows:</p> <ul style="list-style-type: none"> - 33.8% of the total allocation; - 0.05% of the share capital; - allocation entirely subject to the performance conditions mentioned in section 4.2.1.2.2 that must be fulfilled at the end of the vesting period of three years; - lock-up obligation: 25% of the shares to be held in bearer form until the end of his term of office as corporate officer; - presence condition (and case of exercise is any): see section 4.2.1.2.2.
Compensation as member and Chairman of the Board of Directors	49,245	45,750	Philippe Berterottière receives compensation for his functions as member and Chairman of the Board of Directors (refer to section 4.2.1.1.2).
Benefits of any kind	40,923	40,923	Philippe Berterottière benefits (i) from GSC employment loss insurance (social guarantee for business managers and executives), defined according to the declared compensation and options chosen, and (ii) a company car.

Element of compensation subject to vote	Amount paid during the financial year	Amounts allocated pursuant to the financial year or book value	Observations
Compensation for taking on or ceasing functions	-	-	<p>On February 10, 2014, the Board of Directors, upon recommendation from the Compensation and Nominations Committee, authorised the grant to Philippe Berterottière of compensation in the event of a forced departure subject to compliance with three performance conditions assessed over several financial years, at one third of the total amount of the compensation each, and related to (i) an objective of market share of the Company, (ii) an objective of net margin over revenues, and (iii) the level of variable compensation of Philippe Berterottière during the 12 months preceding his date of departure.</p> <p>The Board of Directors of April 12, 2018, upon recommendation from the Compensation and Nominations Committee, renewed this authorisation following the proposal for the renewal of the term of office as Chairman and Chief Executive Officer of Philippe Berterottière during the Shareholders' Meeting of May 17, 2018. At this time, the second performance condition was replaced by the EBITDA target. The Shareholders' Meeting of May 17, 2018, approved the continuation of these commitments in favour of Philippe Berterottière.</p> <p>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.</p>
Noncompetition commitment	-	-	<p>On February 10, 2014, the Board of Directors, upon recommendation from the Compensation and Nominations Committee, approved, as consideration for a noncompetition undertaking given by Philippe Berterottière, the principle of paying, from the 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 serious misconduct) of the monthly average of salaries and benefits and contractual payments received during his last 12 months with the Company (the noncompetition undertaking is for two years from the effective termination date of Philippe Berterottière's term of office as Chairman and Chief Executive Officer). If his severance pay and noncompetition 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.</p> <p>The Board of Directors of April 12, 2018, upon recommendation from the Compensation and Nominations Committee, renewed this authorisation following the proposal for the renewal of the term of office as Chairman and Chief Executive Officer of Philippe Berterottière during the Shareholders' Meeting of May 17, 2018. The Shareholders' Meeting of May 17, 2018, approved the continuation of these commitments in favour of Philippe Berterottière.</p>

Element of compensation subject to vote	Amount paid during the financial year	Amounts allocated pursuant to the financial year or book value	Observations
Social-security protection/ Supplementary pension scheme	-	-	<p>Philippe Berterottière does not benefit from a defined-contribution supplementary pension scheme. In his capacity as a salaried employee, he had social-security benefits including the additional supplementary pension scheme known as "Article 83" (defined contributions plan), in addition to the pension entitlements of the mandatory plans.</p> <p>The Board of Directors, at its meeting of February 10, 2014, upon recommendation from the Compensation and Nominations Committee, authorised the affiliation of Philippe Berterottière, as Chairman and Chief Executive Officer, to the collective health and personal risk insurance contracts known as "Article 83" additional supplementary pension plan (defined contributions plan) in order to maintain the social-security benefits of Philippe Berterottière.</p> <p>The Board of Directors of April 12, 2018, upon recommendation from the Compensation and Nominations Committee, renewed this authorisation following the proposal for the renewal of the term of office as Chairman and Chief Executive Officer of Philippe Berterottière during the Shareholders' Meeting of May 17, 2018.</p> <p>The Shareholders' 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).</p> <p>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.</p> <p>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.</p>

4.2.1.3 Standardised presentation of compensation of executive officers

4.2.1.3.1 Presentation tables

The tables below are based on the 2009-16 position/recommendation of the AMF and the AFEP-MEDEF Code, which recommend a standardised presentation of the compensation of executive officers of companies whose shares are traded on a regulated market (table no. 3 is shown in section 4.2.1.1.2 on the compensation of directors and tables 5 and 10 are not applicable).

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, 2018	Year ended December 31, 2019
Philippe Berterottière, Chairman and CEO		
Compensation allocated in respect of the financial year (<i>broken down in Table 2</i>)	635,492	844,315
Valuation of the multi-year variable compensation allocated during the financial year ⁽¹⁾	0	0
Valuation of the subscription or share purchase options allocated during the financial year ⁽²⁾	0	0
Valuation of the performance shares allocated in respect of the financial year ⁽³⁾	102,204	700,363
TOTAL	737,696	1,544,678

(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) IFRS expense for the financial year concerned. For more details on the shares previously allocated to the Chairman and Chief Executive Officer, see tables 6,7 and 10 in this Section.

Table 2 – Breakdown of the compensation allocated to the Chairman and Chief Executive Officer

Table summarising the compensation allocated to the executive officers

In euros	Year ended December 31, 2018		Year ended December 31, 2019	
	Amount allocated		Amount allocated	Amount paid
Philippe Berterottière (Chairman and Chief Executive Officer)				
Fixed compensation ⁽¹⁾	340,000	340,000	400,000	400,000
Variable annual compensation ⁽²⁾	208,000	260,000	357,642	208,000
Nonrecurring compensation ⁽³⁾		4,656	-	-
Other compensation ⁽⁴⁾			-	-
Compensation allocated for term of office as director ⁽⁵⁾	49,245	46,900	45,750	49,245
Benefits in kind ⁽⁶⁾	40,592	40,592	40,923	40,923
TOTAL	635,492	692,148	844,315	698,168

(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 nonrecurring compensation below.

(4) Monetisation of the employment time account (CET).

(5) Philippe Berterottière receives compensation for his terms of office as director and Chairman of the Board of Directors.

(6) Benefits in kind are of two types: (i) GSC loss of employment insurance (social guarantee for company managers and executives) defined according to the declared compensation and options chosen; and (ii) company car.

Table 3 – Summary of compensation of each member of the Board of Directors

Refer to Section 4.2.1.1.2.

Tableau 5 – Subscription or share purchase options exercised during the year by each corporate officer

Not applicable.

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 corporate officers or the members of the Board of Directors by the Company or any Group company during the 2019 financial year.

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 Berterroitière	AFS 10 – November 29, 2019	18,121	66.22	November 29, 2022	November 29, 2022*	Positive evolution of the consolidated net income compared to the average of the 2019, 2020 and 2021 financial years. Increase in consolidated revenue (excluding revenue from LNGC, FSRU and FLNG). Positive change in the GTT share price performance compared with the Stoxx 600 Oil&Gas and SBF 120 indices.

* 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. 10.

Table 7 – Performance shares that became available during the 2019 financial year 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	Vesting conditions
Philippe Berterroitière	Plan no. 2 (series 3)*	31,250	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		31,250	

* These shares were definitively allocated in 2017 and subject to a lock-up obligation of two years.

Table 8 – History of allocations of subscription or share purchase options

Not applicable.

Table 9 - Shares allocated during the 2019 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 corporate 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
26,000	66.22	GTT AFS Plan no. 10

* Average weighted value, according to the method selected for the consolidated financial statements.

Table 10 – Information on performance shares allocated to executive officers on the date of filing of this Universal Registration Document – History of allocations of performance shares

	Plan no. 2 (series 3)	Plan no. 2 (series 4)	Plan no. 9	Plan no. 10
Date of Shareholders' Meeting	February 10, 2014	February 10, 2014	May 17, 2018	November 14, 2019
Date of allocation by the Board of Directors	February 10, 2014	February 10, 2014	October 25, 2018	November 29, 2019
Total number of allocated shares under the relevant Plan	62,500	62,500	59,000	53,621
including those allocated to Philippe Berterottière (Chairman and Chief Executive Officer)	31,250	31,250	25,000	18,121
Rights acquisition date	February 10, 2017	February 10, 2018	February 1, 2021	November 29, 2022
End date of the lockup period	February 10, 2019	February 10, 2020	February 1, 2021	November 29, 2022
Performance conditions	Presence condition assessed for the 2016 financial year. Performance criteria related to: <ul style="list-style-type: none"> the growth of GTT shares; the Company's net margin; the relative performance of GTT's share price against the Stoxx 600 Oil & Gas index (<i>in euros</i>). 	Presence condition assessed for the 2017 financial year. Performance criteria related to: <ul style="list-style-type: none"> the growth of GTT shares; the Company's net margin; the relative performance of GTT's share price against the Stoxx 600 Oil & Gas index (<i>in euros</i>). 	Presence condition assessed at February 1, 2021. Performance criteria related to: <ul style="list-style-type: none"> positive order book growth compared with the 2018, 2019, 2020 financial years; increases in revenue from the "GTT Services" and LNG fuel sectors; positive change in the GTT share price performance compared with the Stoxx 600 Oil&Gas and SBF 120 indices. 	Presence condition assessed on November 29, 2022. Performance criteria related to: <ul style="list-style-type: none"> the positive evolution of the consolidated net income compared to the average of the 2019, 2020 and 2021 financial years; the increase in consolidated revenue (excluding revenue from LNGC, FSRU and FLNG); 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 Universal Registration Document under the relevant Plan	31,249	34,099	0	0
including the number finally allocated to Philippe Berterottière (Chairman and Chief Executive Officer)	20,833	22,733	0	0
Cumulative number of shares cancelled or expired in respect of the Plan in question	31,251	28,401	0	0
Performance shares remaining at the end of the financial year	None	None	59,000	53,621

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Table 11 – Table 11 Summary table of multi-year variable compensation of each executive officer

Not applicable.

Table 12 – Employment contracts, pension benefits and compensation in the event of termination of executive officers' functions at the date of filing of this Universal Registration Document

Executive officers	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 noncompetition clause	
	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 Chief Executive Officer 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 4.1.7.7 (i), gave rise to the recording of an expense of €92,070.25 for the 2019 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 4.1.7.7 (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 noncompetition undertaking 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 noncompetition indemnity, the main characteristics of which are defined in section 4.1.7.7 (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.

4.2.1.3.2 Details of performance shares allocations

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 of 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 GTT 2014 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 Universal 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) allocate free 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 Chief Executive Officer, 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) 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 on February 18, 2016, noted the final 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 condition of presence 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 final 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 condition of presence 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 final vesting, on February 10, 2018, of the Series 4 performance shares as described below.

As of the filing of this Universal Registration Document 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 since February 10, 2018 and 3 for series 3 since February 10, 2019, 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.

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. 225-197-2-1 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) allocate free performance shares intended 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 on February 16, 2018, noted the final vesting on February 10, 2018 of the shares that may be allocated in respect of the AFS Plan no. 3.

On the date of filing of this Universal Registration Document and since February 10, 2020, in accordance with the AFS Plan No. 3, following the expiry of the lock-up periods specified pursuant to AFS Plan No. 3, the free shares granted under this plan may be freely sold.

(ii) allocate free performance shares of the Company intended for certain managers.

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. 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) allocate free performance shares of the Company intended for all 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. 5**).

The AFS Plan no. 5 provides for the allocation of 15 shares for the benefit of employees subject to a condition of presence on April 1, 2019. It is not planned that there will be a lock-up period following the final 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, to:

(i) allocate free performance shares of the Company intended 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. 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 condition of presence and performance conditions.

On the date of filing of this Universal Registration Document and since February 23, 2020, in accordance with the AFS Plan No. 6, following the expiry of the lock-up periods specified pursuant to AFS Plan No. 6, the free shares granted under this plan may be freely sold.

(ii) allocate free performance shares of the Company intended for certain managers of the Group.

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 the allocation of 14,200 shares in favour of Group employees, subject to the attainment of a condition 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 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 some of the Group's 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. 8**).

The AFS Plan no. 8 provides for the allocation of 9,200 shares in favour of certain managers of the Group, subject to the attainment of a condition 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 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 one or more employees and/or corporate officers.

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. 9**).

Under the AFS Plan no. 9, eight senior executives, including the Chairman and Chief Executive Officer, were granted a total of 59,000 performance shares, subject to (i) a condition of presence and (ii) performance criteria (as defined below in Table 10).

Except in cases of disability, retirement 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 fully vested to him under AFS Plan no. 9.

ALLOCATION DATED NOVEMBER 29, 2019

The Board of Directors' meeting on November 29, 2019 decided, according to the terms of the first resolution and according to the delegation given by the Extraordinary Shareholders' Meeting of November 14, 2019, to allocate free performance shares of the Company for the benefit of one or more employees and/or corporate officers.

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. 10**).

The AFS Plan no. 10 provides for the allocation of 53,621 shares in favour of one or more Group employees and/or corporate officers, subject to the fulfilment of continued employment and performance conditions. The share that will be allocated to the Chairman and Chief Executive Officer is 18,121 shares. The share reserved for the senior management and salaried managers of the Group (about 15% of the workforce on permanent contracts CDI) is 35,500 shares.

Except in cases of disability, retirement or death of the beneficiary, the free shares may be sold as soon as they are fully vested, namely on November 29, 2022.

Details of the performance conditions applicable to this plan are provided in section 4.2.1.1.

Lock-up obligation: The Chairman and Chief Executive Officer 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. 10.

4.2.2 POLICY ON THE COMPENSATION OF CORPORATE OFFICERS FOR THE 2020 FINANCIAL YEAR

The Board meeting of February 27, 2020, according to the recommendations of the Compensation and Nominations Committee, reviewed and approved the policy on the compensation of corporate officers for the 2020 financial year, which will be submitted, in accordance with Article L. 225-37-2 of the French Commercial Code, for the authorisation of the annual Shareholders' Meeting under the framework of resolutions 12 and 13.

This policy set outs all the components of the compensation of corporate officers and explains the decision-making process followed for its determination, revision and implementation.

4.2.2.1 Principles common to all corporate officers

General principles and decision-making process used to determine, review and implement the compensation policy

The compensation policy applicable to corporate officers is determined by the Board of Directors based on the proposals of the Compensation and Nominations Committee. Within this context, the Board of Directors and the Compensation and Nominations Committee may take into account studies of comparables as well as, where applicable, missions assigned to the corporate officer concerned outside the general duties and responsibilities specified by the law and/or his/her contribution to the performance of the Company, to its proper organisation or proper functioning. The Compensation and Nominations Committee proposes to the Board of Directors the compensation elements for the corporate 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. To avoid conflicts of interest, the Chairman and Chief Executive Officer is not present during deliberations concerning his personal case at the Compensation and Nominations Committee and does not take part in the vote thereon at the Board of Directors meeting. Article 7 of the Internal Regulations shown in Section 4.1.3.2 details the rules applicable to the management of conflicts of interest within the Board of Directors of GTT.

The compensation policy is adopted once the Board of Directors is assured, firstly, of its compliance with the corporate interest of the Company and, secondly, of its coherence with the Group's development strategy as reflected in the three-yearly business plan determined annually by the Board of Directors and communicated by the Company. To this end, the Board of Directors endeavours to periodically review the compensation policy to check that the level of compensation remains in line with the performance achieved, both by the Company and by the person concerned, and that the compensation policy remains attractive in relation to compensation practices in the market, mainly within comparable companies in the sector, in order to attract and retain talent within its governing bodies.

The compensation policy is then submitted to the vote of the Shareholders' Meeting according to the terms of separate resolutions for each category of corporate officers.

This policy and the elements of its implementation comply, to the extent that they are applicable and relevant, with the provisions of the following texts:

- the Corporate Governance Code for listed companies from the AFEP and the MEDEF (the "AFEP-MEDEF Code") revised in January 2020 and all of the principles that are laid down within it;
- the provisions of the law no. 2016-1691 dated December 9, 2016 on transparency, the fight against corruption and the modernisation of economic life (known as the *Sapin II* law);
- the provisions of law no. 2019-486 dated May 22, 2019 on the growth and transformation of companies (*Pacte* law); and
- the provisions of ruling no. 2019-1234 dated November 27, 2019 on the compensation of corporate officers of listed companies and of decree no. 2019-1235 dated November 27, 2019 transposing directive (EU) 2017/828 dated May 17, 2017 modifying directive 2007/36/EC in view of promoting the long-term commitment of shareholders.

The Compensation and Nominations Committee is particularly careful to comply with the recommendations of the AFEP-MEDEF Code to which the Company refers and thus 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 elements constituting the compensation 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 corporate 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 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 preserve this balance between motivation and performance.

The compensation policy is established by the Board of Directors after having obtained prior proposals from the Compensation and Nominations Committee, mainly composed of independent directors and chaired by an independent director. Any revision and implementation of the compensation policy is established by the Board of Directors' ruling by majority of members present and represented. The directors are required to comply with the principles laid down in the Internal Regulations of the Board of Directors, notably concerning the management of potential conflict of interest (for a description of the rules on managing conflicts of interest, see section (ii) – *Directors' duties* above).

The proposals and work of the Compensation and Nominations Committee on the compensation policy for corporate officers that are submitted to the Board of Directors are based on consideration and analysis of the conditions of compensation and employment of employees of GTT. The long-term performance criteria thus retained by the Board of Directors based on the recommendation of the Compensation and Nominations Committee are applicable to all beneficiaries including, besides the executive officers, members of the Executive Committee and the vast majority of

managers of the Company (15% to 20% of the workforce) in order to ensure team cohesion and commitment to the Group's priority strategic objectives. With a view to ensuring that the Company's workplace conditions continue to offer a very high level of safety, the Committee thus recommended the inclusion of a safety criterion which is regularly reviewed.

Finally, the Compensation and Nominations Committee relies on the Company's Human Resources Division in order to gather relevant information on employment and compensation conditions.

Since the entry into force of the law no. 2019-486 dated May 22, 2019 on the growth and transformation of companies and the establishment of compensation ratios that must be published in the corporate governance report pursuant to Article L. 225-37-3 I of the French Commercial Code, the Board of Directors of the Company has also decided to take these ratios into consideration in the future when determining and reviewing the compensation policy for executive officers. These ratios are used to establish the level of compensation of the Chairman of the Board of Directors, the Chief Executive Officer and, where applicable, each Chief Operating Officer, with regard to the average and median compensation, on a full-time equivalent basis, of employees of the Company other than corporate officers.

In 2019, the ratios between the total compensation of executive officers on the one hand (including the annual total, fixed and variable, compensation paid, performance shares, benefits in kind, directors' fees and supplementary pension contributions) and the average and median compensation of employees were as follows:

Philippe Berterottière	Ratio
Compensation of the executive officer/ Average compensation of employees	16.6
Compensation of the executive officer/ Median compensation of employees	19.9

It is to be noted that, pursuant to IFRS, the value of performance shares is determined upon their allocation (see section 4.2.1.2.2 for a detailed presentation of compensation ratios).

In order to determine the extent to which the corporate officers satisfy the performance conditions specified for variable monetary compensation and compensation in shares, the Board of Directors relies on the proposals and work of the Compensation and Nominations Committee, which sets out to prepare and check whether each of the performance criteria are achieved, where applicable with the assistance of the Statutory Auditors and the internal services of the Company. This check is documented and made available to members of the Board of Directors.

The stipulations of the compensation policy applicable to corporate officers, subject to their approval by the annual Shareholders' Meeting called to approve the financial statements of the year ended December 31, 2019, are intended to apply also to newly-appointed corporate officers or those whose term of office is renewed at the Shareholders' Meeting.

The current compensation policy applicable to the Chairman and Chief Executive Officer applies whether the Group's executive acts in the capacity of Chairman and Chief Executive Office or, if circumstances so require, or that of Chief Executive Officer. In such circumstances, the Chairman, in this separate capacity,

would benefit from a fixed compensation excluding any variable compensation.

Furthermore, in the event of appointment of a Deputy CEO, the compensation policy applicable to the latter would be determined on the basis of the policy applicable to the Chief Executive Officer of the Company, taking into account the difference in levels of responsibility between the two.

In the event of appointment of a new executive officer, the allocation of a compensation for assumption of duties may be decided on an exceptional basis by the Board of Directors to make it possible for an executive from a group external to GTT to join and to compensate for the loss of benefits to which the executive was entitled.

In accordance with the applicable legal and regulatory provisions, the Board of Directors reserves the option, after having received the prior opinion of the Compensation and Nominations Committee, of temporarily derogating from application of the compensation policy put in place, in case of duly-justified exceptional circumstances (such as the unplanned departure of an executive officer during a financial year), providing that this derogation is compliant with the corporate interest and is necessary to ensure the long-term viability of the Group.

This power of derogation granted to the Board of Directors may concern the fixed compensation, the percentage which the fixed compensation represents out of the total variable compensation, and even the exceptional compensation of the concerned corporate officer.

In such a situation, the elements of compensation that were subject to temporary derogation by the Board of Directors from the compensation policy duly put in place will be subject to the vote of shareholders under the *ex post* say on pay vote.

4.2.2.2 Components of the compensation for members of the Board of Directors

The compensation policy for members of the Board of Directors includes, firstly, the elements common to all corporate officers presented above, and secondly, the specific elements explained below.

The compensation policy for members of GTT's Board of Directors is intended to reward the competence and involvement of its members up to an amount that matches the scarcity of corresponding profiles in an international and highly-competitive business sector.

Overall amount of compensation

In accordance with the legal and regulatory provisions in force as well as the provisions of the Company's by-laws, the Shareholders' Meeting may allocate an annual overall amount to members of the Board of Directors, in compensation for their activities. The directors, whose term of office is four years, are exclusively compensated by this means.

The breakdown of the annual overall amount between the directors is decided by the Board of Directors upon proposal from the Compensation and Nominations Committee in application

of the rules in Article 23 of the Internal Regulations of the Board of Directors. This breakdown takes the following principles into account:

- a budget for the Board and a budget for each of the Board's Committees;
- a fixed portion and a variable portion according to effective participation in the Board meetings and the meetings of the Board's committees;
- a predominantly variable portion, in accordance with the rules set out by the AFEP-MEDEF 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 Committees.

Compensation allocated to directors pursuant to year N is paid in year N+1.

Payment of the amount allocated to directors and compensation for their activities may be suspended (i) pursuant to the second subparagraph of Article L. 225-45 of the French Commercial Code, when the Board of Directors is not composed in accordance with the first paragraph of Article L. 225-18-1 of this Code, and (ii) under the conditions of item II of Article L. 225-100 of the French Commercial Code, when the Shareholders' Meeting does not approve the draft resolution concerning the information mentioned in item I of Article L. 225-37-3 of the French Commercial Code.

Travel costs may be reimbursed by the Company.

Nonrecurring compensation

In accordance with Article 17.3 of the Company's by-laws, the Board of Directors may allocate nonrecurring compensation for specific missions or mandates assigned to its members.

This compensation is determined by the Board of Directors, taking into account the duration and complexity of the mission after advice from the Compensation and Nominations Committee.

4.2.2.3 Elements of the compensation of the executive officers

The compensation policy applicable to executive officers includes a share of the elements common to all corporate officers presented in section 4.2.2.1 above, and secondly, specific elements explained below, which will, for each of the beneficiaries concerned, be submitted each year to the Shareholders' Meeting. On the date of this Universal Registration Document, the sole executive officer is Philippe Berterottière, Chairman and Chief Executive Officer. His term of office was renewed on May 17, 2018 for a period of four years, until the end of the Annual Shareholders' Meeting in 2022, held to approve the financial statements for the year ending December 31, 2021.

The structure of the compensation of executive officers is in line with that implemented during previous financial years. The Board of Directors noted the concerns expressed by certain investors and shareholder voting research providers at the Shareholders' Meeting of May 23, 2019 and appointed the Compensation and Nominations Committee to establish and supervise improvements that can respond to them, in particular, improving the explanations

on the various elements composing the compensation of executive officers and the details of the performance conditions attached to the variable compensation (short term and long term).

For the 2020 financial year, the Board of Directors proposes to the Shareholders' Meeting, upon recommendation from the Compensation and Nominations Committee, to set the ceiling for the annual long-term compensation of the Chairman and Chief Executive Officer at 350% of his annual fixed compensation. This increase is justified by the intention of the Board of Directors to recognise the significant growth in the results and market performance of the Company over the last few financial years and to encourage the motivation of the Chairman and Chief Executive Officer in continuing and consolidating the successful trajectory of the Company. In particular, the Board noted that the orders received over the last three financial years were strongly up (21 in 2017, 51 in 2018 and 66 in 2019), resulting in a very sound order book of 708 million euros at the end of 2019. Over the same period, the consolidated revenue of the Company increased by 21% and its net profit by 24%. The market price of GTT changed from 41.09 euros on December 30, 2016 to 85.4 euros on December 31, 2019, an increase of 108% over 3 years.

The Compensation and Nominations Committee also preferred an approach consisting of increasing the maximum amount for the long term variable part of the compensation of the Chairman and Chief Executive Officer (rather than his fixed compensation) to maintain the competitiveness of the compensation of the Chairman and Chief Executive Officer and enable the compensation to fully play its role of retention and motivation. Also, as the long-term compensation is based on the achievement of operational and financial objectives as well as the stock-market performance of the Company, it promotes the search for value creation for the benefit of all stakeholders and helps to align the interests of the manager with the interests of shareholders.

Fixed compensation

The amount of the fixed compensation is determined by the Board of Directors of the Company upon recommendation from the Compensation and Nominations Committee, taking into account the level and difficulty of responsibilities, experience in the function, seniority in the Company and practices in groups or companies of comparable size and according to the recommendations of the AFEP-MEDEF Code. This amount is established based on an analysis of market practices carried out by a specialised external consultant, including companies that are comparable due to their activities, size or financial profile.

This amount is only reviewed at relatively long intervals (duration of the term of office). However, exceptional circumstances may cause it to be reviewed more frequently following changes to the scope of responsibility or significant changes occurring within the Company or market. In specific situations, the adjustment to the fixed compensation and its reasons will be made public.

Payment of elements of fixed compensation is not dependent on the approval of the annual Shareholders' Meeting held to approve the financial statements for the financial year ending on December 31, 2020 (no *ex post say on pay*).

For the 2020 financial year, it is planned to maintain the fixed compensation of the Chairman and Chief Executive Officer granted in respect of 2019, namely 400,000 euros.

Variable compensation

The short-term variable compensation rewards the performance of the manager for the elapsed year in line with the operational strategy and performance of the Group over the period in question.

PROCEDURES FOR DETERMINING VARIABLE COMPENSATION

The variable part is expressed as a percentage of the annual fixed compensation. This variable part will be calculated based on the degree of achievement of objectives set at the beginning of the year by the Board of Directors, upon recommendation from the Compensation and Nominations Committee, according to the various quantitative and qualitative, diversified and demanding, precise and pre-established criteria concerning objectives on the three-year business plan adopted each year by the Board, enabling a full analysis of performance.

In accordance with the AFEP-MEDEF Code, the variable compensation is limited to a percentage of fixed compensation and cannot exceed the maximum levels defined by the compensation policy. No minimum amount is guaranteed.

For each criterion, evaluation of the performance of the Chairman and Chief Executive Officer will result from the comparison between the result obtained and the defined target.

Assessment of achievement of the target, which will be done by the Board of Directors upon recommendation of the Compensation and Nominations Committee, with the assistance, where necessary, of the Statutory Auditors and the internal services of the Company, will take into account the competitive environment and the economic context and may require, in case of necessity or change of circumstances (such as, for example, related to the health crisis concerning the Covid-19 epidemic), an adjustment of the measurement of certain criteria, notably to take into account any revisions to the business plan on the basis of which the objectives were set.

The performance criteria adopted by the Board of Directors must contribute to the objectives of the compensation policy and contribute to the Group's development strategy, notably via a periodic review to check whether the level of compensation remains in line with the performance achieved, both by the Company and by the person concerned, while seeking to remain attractive in relation to the compensations available in the market, mainly in companies that are comparable through their activities and/or financial profile, in order to attract and retain talent within its governing bodies.

The performance criteria proposed for the variable compensation of the Chairman and Chief Executive Officer for the 2020 financial year are the following:

Description	Target As a% of fixed compensation	Maximum As a% of fixed compensation	Target as a% base 100	Maximum as a% base 100	Explanation of the appropriateness of indicators and procedures for use
QUANTITATIVE CRITERIA					
Financial quantitative criteria					
Consolidated EBITDA objective according to IFRS standards (on a like-for-like basis at constant exchange rates)	25%	28%	30%	34%	<p>This indicator aims to express the performance of the Group. The EBITDA is one of the main indicators upon which GTT communicates to the market half-yearly. The objective measures the performance of the Group with regard to the EBITDA achieved in December of the year in question in relation to the forecasts in the business plan.</p> <p>The formula adopted by the Board of Directors enables calculation of the amount of the variable share due (within the limit of a maximum), taking into account the level of EBITDA in relation to the set target. The target objective is demanding as it is preestablished based on the 2020/2022 business plan of the Group and set in accordance with the objective announced by GTT to the market. As a reminder, GTT's EBITDA objective for 2020 is located within a range between 235 and 255 million euros, which assumes growth in EBITDA of between 34.8% and 46.3% compared to the EBITDA achieved in 2019.</p> <p>A floor is set at 102% of the lower boundary of the range. The achievement of the objective corresponds to 107% of the lower boundary of the range communicated to the market. Achievement of the maximum, in case of outperformance, corresponds to 103% of the higher boundary of the range communicated to the market. The amount is calculated by a straight-line interpolation between these thresholds.</p>

Description	Target As a% of fixed compensation	Maximum As a% of fixed compensation	Target as a% base 100	Maximum as a% base 100	Explanation of the appropriateness of indicators and procedures for use
Objective of the market share in the segments LNGC, FSRU, FLNG, GBS and GST	21%	28%	25%	33%	<p>This indicator is intended to reflect the strategic objective of the development of the Group in its core business activities. The formula adopted by the Board of Directors enables calculation of the amount of the variable share due (within the limit of a maximum), taking into account the value achieved in the criterion in relation to the set target. The target objective is demanding as it is preestablished based on the 2020/2022 business plan of the Group and was set taking into account the market share obtained by the Company in the segments in 2019, as well as growth forecasts (by volume) in these market segments (both on existing applications for the transport of LNG (LNGCs) and on new applications for the storage of LNG – notably GBS solutions).</p> <p>A floor is set if the objective is achieved at 89% to take into account the demanding character of the criterion. The target amount of the variable compensation in respect of this condition is paid if the objective is achieved. The maximum amount of the variable compensation in respect of this condition is paid if the objective is reached at 111%. The amount is calculated by a straight-line interpolation between these thresholds.</p>
Objective of revenue made by Ascenz and Marorka	7%	7%	8%	8%	<p>This indicator is intended to measure the development of the digital services activities, one of the strategic development policies of the Group.</p> <p>The formula adopted by the Board of Directors enables calculation of the amount of the variable share due, taking into account the value achieved in the criterion in relation to the set target. The target objective is demanding as it was preestablished based on the 2020 business plan for Marorka established when it was acquired in January 2020, and the 2020 business plan for Ascenz, approved in December 2019.</p>
Quantitative CSR criterion					
Objective for new orders in the LNG as fuel segment	12%	19%	15%	23%	<p>This indicator is intended to reflect the strategic objective of developing the activities of the Group in the “LNG as fuel” segment, which can reduce polluting emissions from the propulsion of vessels. The formula adopted by the Board of Directors enables calculation of the amount of the variable share due (within the limit of a maximum), taking into account the value achieved in the criterion in relation to the set target. The target objective is demanding as it was preestablished based on the 2020-2022 business plan of the Group and it corresponds to growth of at least 30% in the revenue achieved in 2019 on this segment.</p> <p>A floor is set if the objective is achieved at 77%. The target amount of the variable compensation in respect of this condition is paid if the objective is achieved. The maximum amount of the variable compensation in respect of this condition is paid if the objective is reached at 137%. The amount is calculated by a straight-line interpolation between these thresholds.</p>
Total quantitative criteria	65%	82%	78%	98%	

Description	Target As a% of fixed compensation	Maximum As a% of fixed compensation	Target as a% base 100	Maximum as a% base 100	Explanation of the appropriateness of indicators and procedures for use
QUALITATIVE CRITERIA					
Progress in using new technologies	8%	8%	10%	10%	This indicator is intended to measure the momentum of the Group in terms of innovation, through the filing of new patents. The criterion is achieved at 100% if the Group files more than 60 new patents (inclusive) in 2020, it being understood that (x) if the number of patents is below 50 (inclusive), the percentage of the variable compensation based on this objective will be weighted by a factor of 0; (y) the weighting will be determined by a straight-line <i>interpolation between these two thresholds</i> . The demanding character of the objective can be seen in the light of past performance (an average of 40 patents filed per year during the last five years, the average R&D period of a new technical solution).
Frequency rate of work-related accidents	3%	3%	4%	4%	This indicator is intended to measure the effectiveness of the safety measures implemented. The objective is achieved if the frequency rate of work-related accidents within the Company in 2020 is less than or equal to 2.9 (corresponding, based on the headcount of the Company as at December 31, 2019, on a maximum of two work-related accidents on an industrial site).
Development initiatives, including the development of sustainable maritime transportation	7%	7%	8%	8%	This indicator evaluates the involvement of the Group, whether through acquisitions or internal initiatives, in terms of sustainable development, which is part of the mission statement of the Company, the adoption of which is <i>proposed to the Shareholders' Meeting</i> .
Total qualitative criteria	18%	18%	22%	22%	
TOTAL QUANTITATIVE + QUALITATIVE CRITERIA	83%	100%	100%	120%	

With regard to the characteristics of the markets in which the Company operates, the levels of objectives set, pursuant to some of the above criteria, constitute strategic and economically-sensitive information that cannot be made public. The level of achievement of these objectives will in any case be communicated once performance has been assessed.

Achievement of 100% of the targets above would give rise to a gross annual amount of 333,000 euros, or 83% of the fixed compensation proposed in respect of 2020. In the event of outperformance, this amount may increase to a maximum of 400,000 euros (representing 100% of fixed compensation).

PROCEDURES FOR POSTPONING THE VARIABLE COMPENSATION

Not applicable

PROCEDURES FOR PAYING THE VARIABLE COMPENSATION

In accordance with the provisions of Article L. 225-100 III of the French Commercial Code, a proposal will be made to the annual Shareholders' Meeting called to approve the financial statements of the year ending December 31, 2020, to approve the elements of variable compensation due or allocated in respect of the 2020 financial year and the payment of these elements of variable compensation depends upon the approval of the annual Shareholders' Meeting called to approve the financial statements of the year ending December 31, 2020.

Exceptional compensation

No exceptional compensation is planned, except in the case of very specific circumstances, for example, due to their importance for the Company, the commitment that they demand or the difficulties that they present.

Reasons for any exceptional compensation would be given by the Board of Directors and this could not represent more than 150% of annual fixed compensation.

The payment of elements of exceptional compensation would, in any case, be dependent on the ex post approval of the annual Shareholders' Meeting called to take place during the financial year following allocation.

Compensation for the activities of director

Executive officers who are also directors receive compensation as directors of the Company (*refer to the paragraph above*).

Benefits of any kind

The executive officers benefit from (i) GSC (social guarantee for business managers and executives) loss of employment insurance defined according to the declared compensation and options chosen; and (ii) a company car. The Chairman and Chief Executive Officer also benefits from a subscription to the ACF.

Elements of long-term compensation

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, in accordance with the objectives of the compensation policy established by the Board of Directors, namely respect for the corporate interest and contribution to the strategy and long-term development of the Group.

Allocations of performance shares are decided annually by the Board of Directors under the delegation conditions granted to it by the Extraordinary Shareholders' Meeting. In this context, a proposal will be made to the Combined Shareholders' Meeting that will be held on June 2, 2020 to renew its authorisation to allocate performance shares to the executive officers and employees of the Group.

The total number of shares thus allocated may not exceed a determined percentage of the share capital specified at the time of the delegation granted by the Shareholders' Meeting to the Board (and, in any case, 1% of the share capital (excluding cases of adjustment)). Also, the total number of shares allocated to executive officers of the Company may not exceed a defined percentage of all allocations made by the Board (and in any case, 50% of all allocations made based on an authorisation by the Shareholders' Meeting (excluding cases of adjustment)).

The motivation and retention of executive officers are taken into account by the Board of Directors, which considers them decisive to achieve the medium-term objectives of the Company and to successfully carry out the major changes necessary to the development of the Group. To this end, the Board of Directors endeavours to plan long-term compensation that is particularly motivating for the executive officers, notably the Chairman and Chief Executive Officer, whose skills and recognised expertise in the industry in which the Company operates have been decisive in the ongoing development of the Company.

Pursuant to the allocation that will be made in 2020, the market value of the performance shares allocated under each plan to the corporate officers may not exceed a ceiling that will be brought to 350% (against 300% previously). This increase in the ceiling (which relates to the maximum budget allocation) is justified by the intention of the Board of Directors, upon recommendation from the Compensation and Nominations Committee, to recognise the significant growth in the results and market performance of

the Company over the last few financial years and to encourage the motivation of the Chairman and Chief Executive Officer in continuing and consolidating the successful trajectory of the Company. In particular, the Board noted that the orders received over the last three financial years were strongly up (21 in 2017, 51 in 2018 and 66 in 2019), resulting in a very sound order book of 708 million euros at the end of 2019. Over the same period, the consolidated revenue of the Company increased by 21% and its net profit by 24%. The market price of GTT changed from 41.09 euros on December 30, 2016 to 85.4 euros on December 31, 2019, an increase of 108% over three years. The Compensation and Nominations Committee also preferred an approach consisting of increasing the maximum amount for the long term variable part of the compensation of the Chairman and Chief Executive Officer to maintain the competitiveness of his compensation and enable the compensation to fully play its role of retention and motivation. Also, as the long-term compensation is based on the achievement of operational and financial objectives as well as the stock-market performance of the Company, it promotes the search for value creation for the benefit of all stakeholders and helps to align the interests of the manager with the interests of shareholders.

Any free allocation of shares to corporate officers would therefore be subject to a double ceiling, by volume and value.

The vesting period that will be set by the Board of Directors will be of at least three years and will, where applicable, be associated with a lock-up period. The Board of Directors may also make the vesting of shares by all or some of the beneficiaries dependent upon a condition of presence in the Group upon expiration of the vesting period.

The number of shares definitively acquired by the beneficiaries will be determined after a period of at least three years, in application of the performance conditions which will be assessed over the same period of at least three years, with all shares thus allocated being subject to respect for the performance conditions determined with regard to the quantitative objectives of the Company. The applicable performance conditions will be demanding and will concern both the intrinsic financial performance and stock-market performance of the Group so as to contribute to the objectives of the compensation policy in that these are demanding conditions, likely to encourage the achievement of the strategic objectives of the Group notably in the domain of new markets related to the energy transition, and to encourage the creation of value over the long term.

The conditions will be determined according to the procedures below:

Criteria	Weighting	Rate of achievement
<p>Internal performance: determined on base of a consolidated income target determined by reference to a usual financial aggregate (EBITDA, net profit, etc.), assessed by comparison with the average of the aggregate in question over three consecutive financial years from allocation</p>	40%	Vesting begins from achievement of the target. The rate of achievement will be determined based on the 2020-2022 business plan, which was adopted in February 2020. The target achievement rate and the maximum achievement rate (enabling allocation at 100% in respect of this criterion) will be set according to coherent conditions that are as least as demanding as those arising from the AGA Plan 10 put in place in November 2019 and described in section 4.2.1.3.2.
<p>CSR performance: based on an objective of a volume of activity (determined by reference to revenue or the order book) in the new markets (in particular the activities of "LNG as fuel" and services), assessed by comparison with the average volume of activity ascertained over a period of three consecutive financial years from the allocation.</p> <p>With regard to the actual nature of the activities in these new markets, related to the energy transition and obligations to reduce polluting emissions, this criterion is directly correlated with the Group's Nonfinancial performance.</p>	30%	Vesting begins from achievement of the target. The rate of achievement will be determined based on the 2020-2022 business plan, which was adopted in February 2020. The target achievement rate and the maximum achievement rate (enabling allocation at 100% in respect of this criterion) will be determined according to coherent conditions that are at least as demanding as those arising from the plan put in place in November 2019 and described in section 4.2.1.3.2.
<p>Absolute and relative stock-market performance: based on an objective determined according to the total yield for shareholders of the Company over a period of 3 years from allocation (the "GTT TSR"), in relation to the average yield of (i) the STOXX 600 Oil & Gas index and (ii) the Euronext Paris SBF 120 index, assessed over the same period (the "Reference TSR").</p> <p>For the requirements of this condition:</p> <ul style="list-style-type: none"> the GTT TSR corresponds to the change (in percentage) between the average price of the Company's share during the last 20 trading days of the first financial year of the three-year period in question, including cumulative dividends, and the average price of the Company's share during the last 20 trading days of the last financial year of the three-year period in question, including cumulative dividends; The Reference TSR corresponds to the arithmetic average of the change (in percentage) between the average values of the reference indices, including cumulative dividends, during the last 20 trading days of the first financial year of the three-year period in question and the average values of the reference indices of the last 20 trading days of the last financial year of the three-year period in question, including cumulative dividends. 	30%	Vesting begins from achievement of the target. The vesting of shares under this condition would be triggered if the GTT TSR reaches 85% of the Reference TSR and is limited to 30% of the total allocation if the GTT TSR reaches 110% of the Reference TSR; if the GTT TSR is equal to the Reference TSR, the shares acquired would represent 20.4% of the total allocation under the plan *.

* It should be noted that, since the initial public offering of GTT, there has never been an allocation of shares in respect of the condition as the TSR target has never been reached.

The level of achievement of the objectives will be communicated once the actual performance has been assessed. Given the specifics of the market in which the Company operates, the Board will determine case-by-case whether the level of the objective in question can be communicated without harming the interests of the Company, or whether it constitutes strategic and economically-sensitive information which cannot be made public.

In case of departure following a resignation, dismissal for misdemeanour or the non-renewal of the term of office of an executive officer, all performance shares for which the vesting period is not terminated on the date of departure will be lost by the interested party.

In case of departure following dismissal for just cause, but without this just cause characterising a misdemeanour, the condition of presence will be lifted for a number of shares determined on a *prorata basis*, meaning in proportion to the vesting period that has already run from the departure date, it being understood that the performance conditions will remain applicable to the shares concerned and will be measured at the end of the vesting period.

By exception to the aforementioned and concerning all beneficiaries of the plan, in case of cessation of functions following invalidity (namely an absolute inability to work according to the meaning of items 2 or 3 of Article L. 341-4 of the French social-security Code or any equivalent under foreign law), death or retirement, the presence condition will be lifted for all shares, it being understood that the performance conditions will remain applicable to the shares concerned and will be measured when the vesting period ends.

The executive officers must undertake not to use transactions to hedge their risks on the performance shares that are assigned to them, and this until the end of the lock-up period of the shares that may be set by the Board of Directors.

OBLIGATION FOR RETENTION AND HOLDING

The Board of Directors may (i) decide that the shares allocated to executive officers may not be disposed of by the interested parties before the cessation of their functions, or (ii) set the number of performance shares that they are required to hold registered until the cessation of their functions.

ABSTENTION PERIODS

The executive officers are subject to restrictions relating to transactions on GTT securities, notably by compliance with abstention (or "blackout") periods before results are published⁽¹⁾. Generally, they must make sure, before any transaction, that they are not in a situation of being insiders.

Compensation for cessation of functions – Severance pay

The Board of Directors may decide to grant, subject to compliance with the conditions specified by Article R. 225-29-1 of the French Commercial Code and Article 25.5 of the AFEP-MEDEF Code, compensation in case of cessation of functions to an executive officer.

In case of forced departure related to a change of control or strategy, the executive officer will be entitled to this severance pay. Conversely, in case of situations of voluntary departure (resignation), forced departure for gross or serious misconduct, change of functions within the Group or retirement, the executive officer will not be entitled to this severance pay.

The performance conditions set for this compensation are assessed over at least two financial years. They are demanding and contribute to the objectives of the compensation policy established by the Board of Directors, namely compliance with the corporate interest and contribution to the strategy and long-term development of the Group.

For each executive officer, the severance pay will not exceed, where applicable, two years of compensation (fixed and variable received during the last 12 months preceding the date of departure).

On February 10, 2014, the Board of Directors, upon recommendation from the Compensation and Nominations Committee, authorised the grant, to Philippe Berterottière, of compensation in case of forced departure subject to compliance with three performance conditions. The Board of Directors of April 12, 2018, upon recommendation from the Compensation and Nominations Committee, renewed this authorisation following the proposal for the renewal of the term of office as Chairman and Chief Executive Officer of Philippe Berterottière during the Shareholders' Meeting of May 17, 2018. The Shareholders' Meeting of May 17, 2018, approved the continuation of these commitments in favour of Philippe Berterottière.

The amount of the compensation that Philippe Berterottière may benefit from is set at twice the amount of the overall gross compensation (fixed and variable portions) received by him in respect of his functions exercised within GTT 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:

- a third of the compensation is related to the achievement by the Chairman and Chief Executive Officer of the market share objective of the Company in the LNGC, FLNG and FSRU segments set for the variable short-term compensation during the two financial years preceding departure;
- a third of the compensation is related to the achievement by the Chairman and Chief Executive Officer of the EBITDA objective set for the variable short-term compensation during the two financial years preceding 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.

Non-compete compensation

The Board of Directors may decide to grant compensation for the commitment for noncompetition by the Chairman and Chief Executive Officer.

On February 10, 2014, the Board of Directors, upon recommendation from the Compensation and Nominations

(1) The regulations on market abuse prohibit any person having managerial responsibilities within the issuer from making transactions relating to shares or debt securities of the issuer during a period of a minimum of 30 calendar days before the publication of press releases announcing annual or half-yearly results. The AMF, in its position – recommendation on ongoing information and the management of privileged information, also recommends that blackout periods of at least 15 days be established before the publication of quarterly or interim financial information (or quarterly or interim financial statements).

Committee, approved, as consideration for a noncompetition 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 serious misconduct) of the monthly average of salaries and benefits and contractual payments received during his last 12 months with the Company (the noncompetition undertaking is for two years from the effective termination date of Philippe Berterottière's term of office as Chairman and Chief Executive Officer).

If his severance pay and noncompetition 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 of April 12, 2018, upon recommendation from the Compensation and Nominations Committee, renewed this authorisation following the proposal for the renewal of the term of office as Chairman and Chief Executive Officer of Philippe Berterottière during the Shareholders' Meeting of May 17, 2018. The Shareholders' Meeting of May 17, 2018, approved the continuation of these commitments in favour of Philippe Berterottière.

The Company, acting through its Board of Directors, reserves the option, notably in case of manifest negligence or major financial difficulties, of unilaterally renouncing this commitment for noncompetition on the date of cessation of the functions of the executive officer, in which case the latter will be free of all commitments and no compensation will be due to him/her in this regard.

The non-compete obligation is not applicable/the compensation is not paid in the case where the executive officer exercises his/her retirement entitlements or takes up functions within the same Group. In this case, no compensation will be due to him/her.

In any case, no compensation may be paid beyond the age of 65.

Social-security protection/Supplementary pension scheme

The overall compensation of the Chairman and Chief Executive Officer was determined taking into account, where applicable, the benefit represented by a supplementary pension scheme. The Board of Directors has authorised the affiliation of executive officers to collective contracts for health insurance and personal risk insurance, as well as a defined-benefit supplementary pension scheme ("Article 83").

This scheme applies, more generally, to Company employees whose gross 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, but does not include a commitment by the Company in respect of the level of services supplied. The contributions paid are expenses for the year.

In 2019, the amount of contributions paid in respect of the 2018 financial year stood at 92,070 euros.

The amount of the tax and social-security contributions associated with the obligation paid by the Company for the excess supplementary pension contributions stand at 19,960 euros.

4.3 RELATED-PARTY TRANSACTIONS

Information about transactions with related parties during the 2019 financial year appears in the special report of the Statutory Auditors on related-party agreements referred to hereafter in section 4.3.2 – Statutory Auditors' special report on related-party agreements for the financial year ended December 31, 2019 in this Universal Registration Document, as well as in note 19 of section 6.1.5 – Consolidated financial statements prepared according to IFRS for the financial year ended on December 31, 2019 in this Universal Registration Document.

4.3.1 STATUTORY AUDITORS' SPECIAL REPORT ON RELATED-PARTY AGREEMENTS FOR THE FINANCIAL YEAR ENDED DECEMBER 31, 2019

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.

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To the General Meeting of Shareholders of Gaztransport & Technigaz - GTT,

In our capacity as Statutory Auditors of your Company, we hereby report on certain related party agreements.

We are required to inform you, on the basis of the information provided to us, of the terms and conditions of those agreements 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. 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 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 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 submitted for approval to the general meeting of shareholders

We hereby inform you that we have not been advised of any agreements 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 already approved by the general meeting of shareholders

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 which were approved by the General Meeting of Shareholders in prior years continued during the year.

WITH 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, 2019, 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, authorized by the Board of Directors on October 27, 2014, 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, 2019, an amount of € 134,237 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 Elixor, 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, 2019, a charge of € 1,062,041 excluding taxes was registered in your company's accounts.

Paris-La Défense and Paris, April 23, 2020

The statutory auditors

French original signed by

ERNST & YOUNG AUDIT
Aymeric de La Morandière
Partner

CAILLIAU DEDOUT ET ASSOCIES
Rémi Savournin
Partner



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COMMENTS ON THE FINANCIAL YEAR

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5.1 ANALYSIS OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR

5.1.1 ACTIVITY & INCOME STATEMENT

Condensed income statement

<i>In thousands of euros</i>	2019	2018	Change	%
Revenues from operating activities	288,224	245,987	42,237	17.2%
Costs of sales	(7,102)	(2,998)	(4,105)	136.9%
External expenses	(53,924)	(40,951)	(12,973)	31.7%
Personnel expenses	(51,623)	(45,817)	(5,806)	12.7%
Taxes	(5,128)	(4,325)	(803)	18.6%
Depreciation, amortisations and provisions	(4,624)	3,372	(7,995)	-237.1%
Other operating income and expenses	4,209	4,632	(423)	-9.1%
Operating income (EBIT)	170,033	159,901	10,132	6.3%
EBIT margin on revenue (%)	59.0%	65.0%	-6.0%	
Financial income	124	55	69	125.0%
Profit before tax	170,157	159,956	10,201	6.4%
Income tax	(26,804)	(17,156)	(9,648)	56.2%
Net income	143,353	142,800	553	0.4%
Net margin on revenue (%)	49.7%	58.1%	-8.3%	
Basic earnings per share (<i>in euros</i>)	3.87	3.85	0.01	0.3%
Calculated indicator				
EBITDA	174,318	168,699	5,619	3.3%
EBITDA margin on revenue (%)	60.5%	68.6%	-8.1%	

Net profit stands at 143,353 thousand euros for the 2019 financial year, up 553 thousand euros compared to the previous year. The net margin rate is down 8.3 points compared to 2018.

The change in profit compared to 2018 is mainly explained by growth in activity in 2019, offset by the recognition of nonrecurring items in 2018:

- a reversal of a tax risk provision for 15,208 thousand euros;
- a tax profit of 5,725 thousand euros in respect of the tax on dividends;

- a goodwill impairment expense for 5,336 thousand euros;
- risk provision allocations for 2,976 thousand euros.

Revenue increased by 42,237 thousand euros (+17.2%) and costs of sales, external expenses and personnel expenses rose by 22,884 thousand euros (+25.5%), linked to the growth in new construction activity and the intensification of research and development projects.

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

<i>In thousands of euros</i>	2019	2018	Change	%
Revenue	288,224	245,987	42,238	17.2%
<i>Of which vessels under construction</i>	273,353	231,505	41,848	18.1%
LNG carriers/VLEC	230,961	198,778	32,183	16.2%
FSRU	25,264	25,087	177	0.7%
FLNG	4,986	3,605	1,381	38.3%
Onshore storage	1,955	1,433	522	36.4%
GBS	533	-	533	ns
Barges		962	(962)	ns
Vessels fuelled by LNG	9,654	1,640	8,014	ns
<i>From services</i>	14,871	14,481	390	2.7%
Vessels in operation	11,596	10,041	1,554	15.5%
Accreditation	1,954	1,562	392	25.1%
Studies	724	2,219	(1,495)	-67.4%
Training	438	392	46	11.8%
Other	159	267	(108)	-40.4%

Revenue increased from 245,987 thousand euros in 2018 to 288,224 thousand euros in 2019, a rise of 17.2% during the period. The change is explained by the 18.1% increase in revenues relating to vessels under construction and the 2.7% increase in services revenues.

The year 2019 was marked by an increase in activity with 74 orders recorded, comprising 57 LNG carriers, six VLEC, three GBS, six vessels fuelled by LNG and two bunker vessels.

In 2019 the Group's revenues for LNG Carriers/VLEC was 230,961 thousand euros, corresponding to 80.1% of total revenues (compared to 80.8% in 2018). In 2018, 73% of revenues for LNG carriers was generated by orders prior to 2016, 9% by vessels ordered in 2016, 16% by vessels ordered in 2017 and 2% by vessels ordered in 2018. In 2019, 18% of revenues for LNG carriers/VLEC came from orders prior to 2017, 23% from vessels ordered in 2017, 57% from vessels ordered in 2018 and 2% from vessels ordered in 2019.

Revenues from orders for FSRUs (Floating Storage and Regasification Units) rose by 0.7% to 25,264 thousand euros. In 2019, 3% of revenues came from orders received in 2015, 58% from orders received in 2017 and 39% from orders received in 2018.

Revenues generated by FLNG orders (Floating Liquefied Natural Gas) were up 38.3% between 2018 and 2019. In 2019, 43% of this revenue originated from an order placed in 2014 and 57% of this revenue originated from an order placed in 2017.

Revenues related to onshore storage tanks rose by 36.4% to 1,955 thousand euros in 2019. They came from an order received in 2018 and another in 2019.

In 2019, the Group received a first order for three GBS (Gravity Based Structure) offshore storage tanks, which generated 533 thousand euros in revenues.

The orders for vessels fuelled by LNG received in 2019 included six container ships (of which one conversion) and two bunker vessels. Revenues related to vessels fuelled by LNG amounted to 9,654 thousand euros. 60% of this revenue came from orders received in 2017, 37% from a vessel ordered in 2018 and 3% from vessels ordered in 2019.

Revenues from services were up 2.7% during the financial year, increasing from 14,481 thousand euros to 14,871 thousand euros. This growth was mainly due to a 1,554 thousand euro increase in service to vessels in operation, offset by a 1,495 thousand euro decrease in revenues from non-new construction studies.

Composition of operating income

External expenses

<i>In thousands of euros</i>	2019	Proforma 2018	Change	%
Tests and studies	10,837	8,342	2,495	29.9%
Sub-contracting	15,884	9,437	6,448	68.3%
Fees	7,443	5,789	1,653	28.6%
Leasing, maintenance and insurance	4,839	4,386	453	10.3%
Transport, travel and reception expenses	9,552	7,974	1,578	19.8%
Other	5,369	5,023	346	6.9%
EXTERNAL EXPENSES	53,924	40,951	12,973	31.7%
% of revenues from operating activities	18.7%	16.6%		

The modification of the chart of accounts in 2019 led the Group to establish a proforma 2018 (transfers from account to account under the External Expenses heading).

The Group's external expenses rose 31.7% from 40,951 thousand euros in 2018 to 53,924 thousand euros in 2019.

The rise in test and design expenses is explained by the intensification of research and development projects and the

increase in patents activity. The increase in subcontracting expenses was mainly tied to (i) the growth in new construction revenues, and (ii) the development of IT projects. Professional fees were up to support strategic planning and external growth. Travel expenses rose as a result of the increase in the workforce, particularly in new construction activity.

External expenses accounted for 18.7% of 2019 revenues, as opposed to 16.6% in 2018.

Personnel expenses

<i>In thousands of euros</i>	2019	2018	Change	%
Wages, salaries and payroll taxes	42,082	38,192	3,890	10.2%
Share-based payments	2,255	642	1,613	251.2%
Profit-sharing and incentives scheme	7,286	6,983	303	4.3%
PERSONNEL EXPENSES	51,623	45,817	5,806	12.7%
% of revenues from operating activities	17.9%	18.6%		

Personnel expenses rose from 45,817 thousand euros in 2018 to 51,623 thousand euros in 2019, an 12.7% increase over the period.

This increase is mainly explained by (i) the increase in the workforce – the Group's average full-time equivalent workforce increased from 380 in 2018 to 418 in 2019, and by (ii) expenses of 1,613 thousand euros related to the free shares plan.

Depreciation, amortisation and provisions

<i>In thousands of euros</i>	2019	2018	Change	%
Allocations for depreciation of fixed assets	4,009	3,296	712	21.6%
Provisions (reversals)	339	(12,170)	12,509	-102.8%
Impairments for loss of value	276	5,502	(5,226)	-95.0%
AMORTISATION AND PROVISIONS (REVERSAL)	4,624	(3,372)	7,995	-237.1%

The rise in depreciation of fixed assets is linked to the increase in real estate and equipment investments.

Provisions net of reversals totalled 339 thousand euros in 2019 and consisted mainly of (i) a reversal for a customer lawsuit in the

amount of 1,000 thousand euros, (ii) a net provision for loss on completion in the amount of 876 thousand euros, (iii) a provision for employee lawsuits, a provision for retirement obligations and a post-inventory write-down of stocks totalling 463 thousand euros.

Impairment in the amount of 276 thousand euros relates to impairment of an intangible asset.

The 7,995 thousand euro increase in depreciation and provisions was mainly due to nonrecurring effects in 2018: (i) reversal of the provision for risk of tax adjustment for 15,208 thousand euros, and (ii) impairment of Ascenz goodwill for 5,336 thousand euros.

Other operating income and expenses

<i>In thousands of euros</i>	2019	2018	Change	%
Research tax credit	4,142	4,327	(185)	-4.3%
Other operating income/expense	67	305	(238)	-77.9%
OTHER OPERATING INCOME AND EXPENSES	4,209	4,632	(423)	-9.1%

Other operating income and expenses essentially consist of the research tax credit. The amount for the current year is estimated according to the projects considered eligible based on the research

tax credit criteria and the expenses recorded for research projects according to the applicable rules.

Change in operating profit (EBIT) and EBITDA

<i>In thousands of euros</i>	2019	2018	Change	%
EBITDA	174,318	168,699	5,619	3.3%
EBITDA margin (%) – EBITDA as a ratio of revenue	60.5%	68.6%	-8.1 points	
Operating income (EBIT)	170,033	159,901	10,132	6.3%
EBIT margin (%) – EBIT or operating income as a ratio of revenue	59.0%	65.0%	-6 points	

The Group's EBIT was up 10,132 thousand euros from 159,901 thousand euros in 2018 to 170,033 thousand euros in 2019.

This change is mainly explained by the 42,237 thousand euro increase in revenues, offset by (i) the increase in operating expenses for 23,306 thousand euros, (ii) the increase in depreciation and

provisions for 7,995 thousand euros, and (iii) the increase in taxes for 803 thousand euros.

The EBIT margin on revenue was down from 65.0% in 2018 to 59.0% in 2019.

In 2019, the difference between EBIT and EBITDA relates to depreciation and amortisation.

Composition of financial income

<i>In thousands of euros</i>	2019	2018	Change	%
Exchange gains and losses	(102)	35	(137)	ns
Other financial products and charges	(54)	(29)	(24)	82%
Financial income on short term investments	245	176	69	39%
Proceeds on disposal of securities	-	(4)	4	ns
Effects of discounting/undiscounting	(5)	(13)	8	ns
Changes in the fair value of financial assets	51	(104)	155	ns
Changes in the fair value of retirement plan assets (see note 15.2)	(11)	(5)	(6)	ns
FINANCIAL INCOME	124	55	68	123%

The increase in financial income is mainly due to (i) the increase in foreign exchange losses, (ii) the increase in financial revenue from short-term investments, the value of which rose from 176 thousand

euros in 2018 to 245 thousand euros in 2019 as a result of more favourable investment conditions, and (iii) the increase in the change in fair value of short-term investments in 2019.

Income tax

Analysis of income tax

<i>In thousands of euros</i>	2019	2018	Change	%
Current tax	(26,182)	(23,575)	(2,606)	11%
Deferred tax	(141)	695	(835)	ns
Adjustment of tax due on prior period income	(31)	-	(31)	ns
Net provisions for income tax disputes	(450)	-	(450)	ns
Income tax on profit	(26,803)	(22,881)	(3,923)	17%
Distribution tax	-	5,725	(5,725)	ns
TOTAL TAX EXPENSE	(26,803)	(17,156)	(9,648)	56%

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.

Current income tax: the increase in current income tax between 2018 and 2019 (26,182 thousand euros versus 23,575 thousand euros) is essentially due to the increase in the Group's taxable income in 2019.

In 2019, a provision for tax disputes in the amount of 450 thousand euros was recorded.

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

	2019	2018
Net income in euros	143,353,445	142,799,987
Average number of shares outstanding (excluding treasury shares)	37,069,480	37,043,099
Number of diluted shares	37,197,480	37,142,054
BASIC EARNINGS PER SHARE (in euros)	3.87	3.85
DILUTED EARNINGS PER SHARE (in euros)	3.85	3.84

The Group's net income fell from 142,800 thousand euros in 2018 to 143,353 thousand euros in 2019.

Basic earnings per share were calculated based on 37,069,480 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 3.85 euros to 3.87 euros over the period.

Net diluted earnings per share is calculated by taking into account the allocations of free shares approved by the Group. At December 31, 2019, the Group had allocated 57,500 free shares, in addition to the previous plans, for a total of 128,000 free shares used to calculate net diluted earnings per share. Net diluted earnings per share rose from 3.84 euros to 3.85 euros.

5.1.2 ANALYSIS OF THE CONSOLIDATED BALANCE SHEET

Non-current assets

<i>In thousands of euros</i>	December 31, 2019	December 31, 2018	Change	%
Intangible assets	2,757	2,457	300	12.2%
Goodwill	4,291	4,291	-	ns
Property, plant and equipment	20,198	16,634	3,564	21.4%
Non-current financial assets	5,084	3,158	1,926	61.0%
Deferred tax assets	3,031	3,049	(18)	-0.6%
NON-CURRENT ASSETS	35,360	29,590	5,771	19.5%

The change in non-current assets between December 31, 2018 and December 31, 2019 is mainly due to the increase in property, plant and equipment, the value of which rose from 16,634 thousand euros to 20,198 thousand euros, and to the increase in non-

current financial assets, which rose from 3,158 thousand euros to 5,084 thousand euros, linked to the sums paid to the service provider in charge of the liquidity of the GTT share price.

Current assets

<i>In thousands of euros</i>	December 31, 2019	December 31, 2018	Change	%
Inventories	10,854	7,394	3,460	46.8%
Customers	139,432	96,006	43,426	45.2%
Current tax receivable	41,771	34,079	7,692	22.6%
Other current assets	8,496	6,556	1,940	29.6%
Current financial assets	16	16	0	1.1%
Total cash and cash equivalent	169,016	173,179	(4,163)	-2.4%
CURRENT ASSETS	369,585	317,229	52,355	16.5%

Current assets were up between December 31, 2018 and December 31, 2019, from 317,229 thousand euros to 369,585 thousand euros. This change resulted mainly from the increase in trade receivables, linked to the increase in the number of orders, and tax receivables.

Total equity

<i>In thousands of euros</i>	December 31, 2019	December 31, 2018	Change	%
Share capital	371	371	-	0.0%
Share premium	2,932	2,932	-	0.0%
Treasury shares	(11)	(1,529)	1,518	-99.3%
Reserves	55,614	34,852	20,762	59.6%
Revenue	143,377	142,798	579	0.4%
Total equity – Group share	202,284	179,424	22,859	12.7%
Total equity - share attributable to noncontrolling interests	(3)	17	(20)	ns
TOTAL EQUITY	202,280	179,441	22,839	12.7%

The increase in equity between December 31, 2018 (179,441 thousand euros) and December 31, 2019 (202,280 thousand euros) is mainly explained by the change in reserves.

The rebuilding of the reserves item over the financial year was the result of the allocation of 2018 comprehensive income in the amount of 142,798 thousand euros, offset by the distribution of dividends in the amount of 121,896 thousand euros.

Changes in equity

<i>In thousands of euros</i>	Number weighted average shares	Share capital	Share premium	Treasury shares	Reserves	Revenue	Conversion differences	Equity Group Share	Minority interests	Total equity
As at December 31, 2017	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	-	-	-	-	(98,549)	-	-	(98,549)	-	(98,549)
Scope effects	-	-	-	-	(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
Profit for the period	-	-	-	-	-	143,377	-	143,377	(25)	143,353
Other items of comprehensive income	-	-	-	-	(1,528)	-	65	(1,463)	-	(1,463)
Allocation of the profit from the previous financial period	-	-	-	-	142,798	(142,798)	-	-	-	-
(Purchases)/sales of treasury shares	-	-	-	518	68	-	-	586	-	586
Delivery of treasury shares to the beneficiaries	-	-	-	1,000	(1,000)	-	-	-	-	-
Share-based payments	-	-	-	-	2,255	-	-	2,255	-	2,255
Distribution of dividends	-	-	-	-	(121,896)	-	-	(121,896)	-	(121,896)
Other impacts	-	-	-	-	-	-	-	-	4	4
Scope effects	-	-	-	-	-	-	-	-	-	-
AS AT DECEMBER 31, 2019	37,069,480	371	2,932	(11)	55,463	143,377	151	202,283	(3)	202,280

Non-current liabilities

<i>In thousands of euros</i>	December 31, 2019	December 31, 2018	Change	%
Non-current provisions	5,001	4,075	926	22.7%
Financial liabilities - non-current part	2,089	2,100	(10)	-0.5%
Deferred tax liabilities	120	210	(90)	-42.9%
NON-CURRENT LIABILITIES	7,210	6,385	826	12.9%

Provisions at end 2019 consist mainly of:

- a provision corresponding to a risk on a construction project of 2.4 million euros; and
- a provision for severance benefits for 2.6 million 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 2019.

Current liabilities

<i>In thousands of euros</i>	December 31, 2019	December 31, 2018	Change
Trade and other payables	16,791	11,483	5,308
Tax and social security payables	22,668	20,858	1,811
Deposits & advance payments received on orders	15	30	(15)
Other debts	266	331	(65)
Deferred income	147,922	117,594	30,328
Other current nonfinancial liabilities	170,872	138,813	32,059
Current provisions	1,583	3,372	(1,789)
Current tax debts	6,192	6,988	(795)
Current financial liabilities	16	337	(321)
TOTAL	195,454	160,993	34,461

This balance sheet item rose from 160,993 thousand euros at end 2018 to 195,454 thousand euros at end 2019. This change originates partly from the increase in trade payables, tax and social security payables and mainly from the increase in deferred income linked to the growth in activity (due to the delay between billing and recognition of revenue, depending on the progress of vessel construction).

Current provisions in the amount of 1,583 thousand euros consist of provisions for litigation and for loss upon completion. The Group recognises this type of provision when 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.

5.1.3 DEBT AND EQUITY

The Group's equity was 202,280 thousand euros at December 31, 2019, compared with 179,441 thousand euros at December 31, 2018. The changes in equity during this period are presented in section 5.1.2 – *Analysis of the consolidated balance sheet* of this Universal 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.

<i>In thousands of euros</i>	December 31, 2019	December 31, 2018
Marketable Securities	25,794	30,651
Cash and cash equivalent	143,222	142,529
Cash in balance sheet	169,016	173,179
Bank overdrafts and equivalent	-	-
CASH AND CASH EQUIVALENTS	169,016	173,179

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

<i>In thousands of euros</i>	December 31, 2019	December 31, 2018
Advances repayable to the HSF	229	266
Financial liabilities evaluated at fair value through P&L	1,589	1,589
Bank borrowings	287	309
Bank overdrafts	-	273
FINANCIAL LIABILITIES	2,105	2,437

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

<i>In thousands of euros</i>	December 31, 2019	December 31, 2018
Research tax credit	4,142	4,327
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.

At the end of December 2019, in light of the research and development activity in 2019, the Group estimated the research tax credit at 4.1 million euros for the financial year.

Off-balance sheet commitments

The Group signed contracts for line 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 2019.

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

5.1.4 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.

Cash flow from operating activities

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

<i>In thousands of euros</i>	December 31, 2019	December 31, 2018	Change
Company profit for the year	143,353	142,800	553
Removal of income and expenses with no cash impact:			
• Depreciation, amortisation and provisions	1,599	(3,180)	4,779
• Proceeds on disposal of assets	7	191	(184)
Free shares	2,255	266	1,989
Financial expense (income)	(124)	(55)	(68)
Tax expense (income) for the financial year	26,804	17,156	9,648
Internally generated funds from operations	173,894	157,177	16,717
Tax paid out in the financial year	(35,220)	(33,199)	(2,021)
Change in working capital requirement:			
• Inventories and works in progress	(3,460)	(466)	(2,994)
• Trade and other receivables	(43,426)	15,122	(58,548)
• Trade and other payables	5,371	545	4,826
• Other operating assets and liabilities	31,158	45,076	(13,918)
NET CASH FLOW GENERATED BY THE BUSINESS (TOTAL I)	128,317	184,255	(55,937)

Between financial years 2018 and 2019, cash flow from operations decreased by 55.9 million euros. In 2019, the change in working capital requirement related to activity was 10.4 million euros.

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Cash flow from investing activities

<i>In thousands of euros</i>	December 31, 2019	December 31, 2018	Change
Investment operations			
Acquisition of non-current assets	(9,021)	(2,890)	(6,131)
Disposal of non-current assets	-	-	-
Control acquired on subsidiaries net of cash and cash equivalents acquired	(0)	(8,929)	8,929
Financial investments	(1,904)	(6,671)	4,767
Disposal of financial assets	-	6,645	(6,645)
Treasury shares	585	(6)	591
Change in other fixed financial assets	13	49	(35)
NET CASH FLOW FROM INVESTMENT OPERATIONS (TOTAL II)	(10,327)	(11,802)	1,475

During the 2019 financial year, the cash flow generated by investment activities rose by 1,475 thousand euros.

This is mainly explained by:

- a 6 million euro increase in investment expenses;

- the effect of the acquisition in 2018 of the Ascenz group securities in the amount of 9 million euros;
- purchases of UCITS under the liquidity contract, which resulted in a change in cash of 1.9 million euros;
- the disposal of treasury shares for 0.6 million euros.

Cash flow from financing activities

<i>In thousands of euros</i>	December 31, 2019	December 31, 2018	Change
Financing operations			
Dividends paid to shareholders	(121,980)	(98,549)	(23,431)
Repayment of financial liabilities	(65)	(919)	854
Increase of financial liabilities	10	40	(31)
Interest paid	(54)	(31)	(22)
Interest received	245	178	67
Change in bank lending	(273)	(57)	(216)
NET CASH FLOW FROM FINANCING OPERATIONS (TOTAL III)	(122,118)	(99,338)	(22,780)

Cash flows from finance operations principally consist of payment of the dividend. This dividend was 23,431 thousand euros more than the one paid in 2018.

5.2 KEY FIGURES - FIRST QUARTER AND EVENTS AFTER THE REPORTING PERIOD

Key figures - First Quarter 2020

Consolidated revenue for the first quarter of 2020 were €102.5 million, down by 74% compared to the first quarter of 2019.

- Revenue from new construction stood at €99.4 million, up 80%.
 - Royalties from LNG carriers rose by 88% to €86.9 million, and royalties from FSRU by 80% to €9.4 million. H1 2020 revenue is reaping the full benefit of the increase in orders in 2018 and 2019.
 - The other royalties include those from LNG as fuel for €1.7 million (+5 %) and from GBS for €0.5 million.
- Revenue from services stood at €3.0 million, down 14% compared with H1 2019, as a result of the decrease in maintenance and repair services to vessels in operation, in particular due to the impacts of Covid-19. All other service businesses posted substantial growth: supplier certification, pre-engineering studies and training.

Changes to the order book

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

- 5 deliveries of LNG carriers
- 1 FSRU delivery
- 1 FLNG delivery
- 4 LNG carrier orders

At March 31, 2020, the order book, excluding LNG as fuel, stood at 130 units, of which:

- 112 LNG carriers
- 6 ethane carriers
- 5 FSRUs
- 1 FLNGs
- 3 GBS
- 3 onshore storage tanks

With respect to LNG as fuel, the number of vessels in the order book stood at 19 units as at March 31, 2020.

Events after the reporting period

Acquisition of the company Marorka (Iceland)

On February 20, 2020, GTT announced the acquisition of 100% of the capital of Marorka from its shareholders and executives. This company, based in Iceland and specialised in Smart Shipping⁽¹⁾ designs operational reporting and energy performance improvement systems aimed at reducing the environmental footprint of vessels.

Covid-19

Since January 2020, the Covid-19 epidemic has caused an unprecedented crisis, primarily in Asian countries where GTT generates virtually all of its revenue (South Korea: 85%, China: 10%), then in the Western countries. The WHO declared a pandemic on March 12, 2020.

For GTT, the main risk of the Covid-19 epidemic is possible delays in the timetable for the construction of vessels, which may lead to a shift in the recognition of revenue from one financial year to another. On the date closing of the financial statements, GTT has not ascertained any major delay in the vessel construction timetable.

The risks related to the impact of the epidemic on the worldwide economy, and particularly to demand for LNG, are currently difficult to assess. They may relate to demand for LNG, liquefaction projects and ship-owners whose orders may be suspended or cancelled. The Group nevertheless reiterates that the LNG market is mainly based on long-term prospects and financing and that, at the date of publication of this document, the situation has improved in Asian countries, which represent more than 60% of worldwide imports of LNG.

Also, the Group had 456 employees on December 31, 2019, 60 of whom were seconded to shipyards (South Korea and China) and 39 employees were present in the Group's subsidiaries in Asia (one in China and 38 in Singapore). GTT considers their health and that of their families to be very important. From the beginning of the crisis, the Group made recommendations to its employees, firstly abroad, then in the head office, in line with those from the foreign affairs ministry and the health ministry, including telecommuting measures for a large part of the workforce.

(1) Smart Shipping refers to a set of navigation services, operational vessel management, predictive maintenance, on-board energy management and fleet management for charterers, ship-owners and operators.

5.3 SUMMARY OF ORDERS RECEIVED IN 2019 AND 2020

The “vessel” orders received by the Group during 2019 are set out in the table below:

Type	Technology	Shipyard/ Manufacturer	Ship-owner	Delivery
MAIN BUSINESS				
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
LNG carrier	Mark III Flex	HHI	Capital Gas	2021
LNG carrier	Confidential	DSME	Maran Gas	2021
LNG carrier	Confidential	DSME	Maran Gas	2021
LNG carrier	Mark III Flex	SHI	Nisshin Shipping	2022
LNG carrier	Mark III Flex+	HHI	Dynagas	2022
LNG carrier	Mark III Flex+	HHI	Dynagas	2022
LNG carrier	Confidential	DSME	Maran Gas	2021/2022
LNG carrier	Confidential	DSME	Maran Gas	2021/2022
LNG carrier	Confidential	DSME	Maran Gas	2021/2022
LNG carrier	Confidential	DSME	Maran Gas	2021/2022
LNG carrier	Mark III Flex	HHI	Confidential	2021/2022
LNG carrier	Mark III Flex	HSHI	Confidential	2021/2022
LNG carrier	Mark III Flex	SHI	Confidential	2021/2022
LNG carrier	Mark III Flex	SHI	Confidential	2021/2022
LNG carrier	Mark III Flex	SHI	Confidential	2021/2022
LNG carrier	Mark III Flex	SHI	Confidential	2021/2022
LNG carrier	Mark III Flex	SHI	Confidential	2021/2022
LNG carrier	Mark III Flex	SHI	Confidential	2021/2022
LNG carrier	Mark III Flex	SHI	Confidential	2021/2022
LNG carrier	Mark III Flex	SHI	Confidential	2021/2022
LNG carrier	Mark III Flex	SHI	Confidential	2021/2022
LNG carrier	Mark III Flex+	SHI	Confidential	2021/2022
LNG carrier	Confidential	Confidential	Confidential	Confidential
LNG carrier	Mark III Flex	HHI	Capital Gas	2021
LNG carrier	Mark III Flex	HHI	Capital Gas	2021

Orders received by the Group from January 1, 2020 to the date of filing of this Universal Registration Document:

Type	Technology	Shipyard/ Manufacturer	Ship-owner	Delivery
Main business				
LNG carrier	Mark III Flex	HSHI	Confidential	2022
LNG carrier	Mark III Flex	HHI	SK Shipping	2022
LNG carrier	NO96 L03+	Hudong-Zhonghua	"K" LINE	2022
LNG carrier	NO96 L03+	Hudong-Zhonghua	"K" LINE	2022

An overview of current orders received by the Company at March 31, 2020 is presented in section 5.2 – *Key figures – First quarter 2020 and events after the reporting period* of this Universal Registration Document.

5.4 DEVELOPMENTS AND OUTLOOK

5.4.1 ASSUMPTIONS

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

- (i) the status of its order book at December 31, 2019;
- (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 2019 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.

5.4.2 CONSOLIDATED FORECASTS FOR THE 2020 FINANCIAL YEAR

Based on the items described above and in the absence of significant order postponements or cancellations, the Group expects, for the 2020 financial year, to achieve:

- consolidated revenues of between 375 million euros and 405 million euros, including:
 - 374 million euros corresponding to its order book (calculated according to IFRS 15) as at December 31, 2019,

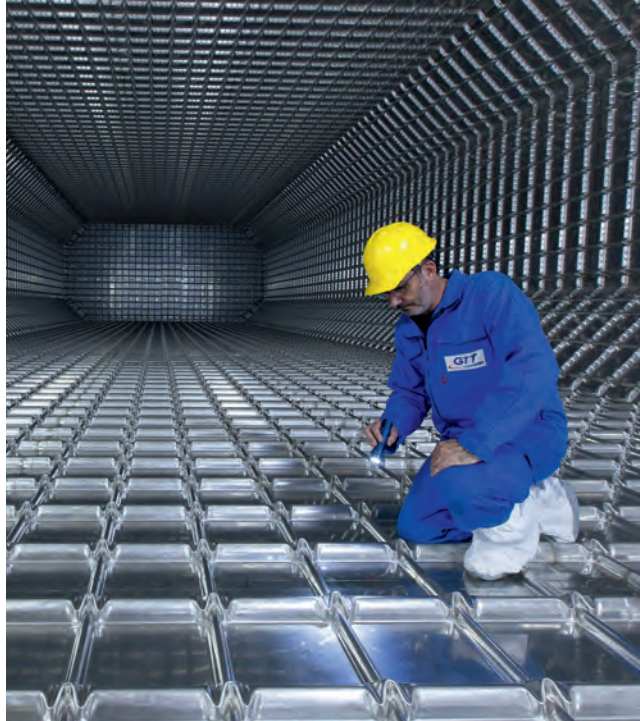
- revenues generated in respect of services proposed by the Group in 2019,
- revenues generated by the LNG as fuel activity; and
- 2020 consolidated ⁽¹⁾ EBITDA within a range of 235 million euros to 255 million euros.

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(1) EBITDA defined as EBIT – amortisation – impairment following value tests, excluding the effect of any acquisitions and excluding provisions.

5.5 COMPANY RESULTS FOR THE PAST FIVE FINANCIAL YEARS

<i>In euros</i>	2015	2016	2017	2018	2019
Share capital at the end of the financial year					
Share capital	370,784	370,784	370,784	370,784	370,784
Number of shares	37,078,357	37,078,357	37,078,357	37,078,357	37,078,357
Operations and results for the financial year					
Revenue excluding taxes and royalties	226,458,290	235,551,659	228,978,878	238,655,320	289,558,214
Revenue before tax, amortisations and provisions	136,734,061	142,515,425	144,863,123	155,642,032	173,586,292
Income tax	17,852,121	17,750,856	14,140,423	13,772,492	21,945,669
Employee profit-sharing due in respect of the financial year	6,200,695	5,932,509	4,530,134	5,914,942	5,913,250
Net income after taxes and charges to amortisation and provisions	118,894,704	117,463,841	114,118,870	150,542,826	150,221,065
Distributed earnings	98,550,583	98,559,807	98,510,981	98,548,063	120,506,923
Earnings per share					
Net income after taxes and before depreciation and provisions	3	3	4	4	4
Net income after taxes and charges to amortisation and provisions	3	3	3	4	4
Net dividend allocated to each share	3	3	3	3	3
Personnel					
Average salaried workforce	381	376	345	345	381
Payroll amount	22,569,558	24,674,634	22,594,640	22,352,591	27,455,268
Amount paid for social benefits during the financial year	12,485,318	12,518,399	12,011,064	12,953,008	15,100,976



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FINANCIAL STATEMENTS

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6.1 CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements prepared in accordance with IFRS for the financial year ended December 31, 2019 are included by reference in this Universal 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).

CONSOLIDATED FINANCIAL STATEMENTS PREPARED ACCORDING TO IFRS FOR THE FINANCIAL YEAR ENDED DECEMBER 31, 2019

6.1.1 STATEMENT OF CONSOLIDATED FINANCIAL POSITION

Balance sheet

<i>In thousands of euros</i>	Notes	December 31, 2019	December 31, 2018
Intangible assets	6.1	2,757	2,457
Goodwill	6.2	4,291	4,291
Property, plant and equipment	7	20,198	16,634
Non-current financial assets	8.2	5,084	3,158
Deferred tax assets	17.6	3,031	3,049
Non-current assets		35,360	29,590
Inventories	9.1	10,854	7,394
Customers	9.1	139,432	96,006
Current tax receivable		41,771	34,079
Other current assets	9.1	8,496	6,556
Current financial assets	8.1	16	16
Total cash and cash equivalent	10	169,016	173,179
Current assets		369,585	317,229
TOTAL ASSETS		404,945	346,819

<i>In thousands of euros</i>	Notes	December 31, 2019	December 31, 2018
Share capital	11.1	371	371
Share premium		2,932	2,932
Treasury shares		(11)	(1,529)
Reserves		55,614	34,852
Net income		143,377	142,798
Total equity - Group share		202,284	179,424
Total equity - share attributable to noncontrolling interests		(3)	17
Total equity		202,280	179,441
Non-current provisions	16	5,001	4,075
Financial liabilities - non-current part		2,089	2,100
Deferred tax liabilities	17.6	120	210
Non-current liabilities		7,210	6,385
Current provisions	16	1,583	3,372
Suppliers	9.2	16,791	11,483
Current tax debts		6,192	6,988
Current financial liabilities		16	337
Other current liabilities	9.2	170,872	138,813
Current liabilities		195,454	160,993
TOTAL EQUITY AND LIABILITIES		404,945	346,819

6.1.2 STATEMENT OF CONSOLIDATED COMPREHENSIVE INCOME

Income statement

<i>In thousands of euros</i>	Notes	December 31, 2019	December 31, 2018
Revenue from operating activities		288,224	245,987
Costs of sales		(7,102)	(2,998)
External expenses	4.2	(53,924)	(40,951)
Personnel expenses	4.1	(51,623)	(45,817)
Taxes		(5,128)	(4,325)
Depreciations, amortisations and provisions	4.3	(4,348)	8,874
Other operating income and expenses	4.4	4,209	4,632
Impairment following value tests		(276)	(5,502)
Operating profit		170,033	159,901
Financial income	5	124	55
Profit before tax		170,157	159,956
Income tax	17.5	(26,804)	(17,156)
Net income		143,353	142,800
Net income Group share		143,377	142,798
Net earnings of noncontrolling interests		(25)	2
Basic earnings per share (in euros)	12	3.87	3.85
Diluted earnings per share (in euros)	12	3.85	3.84
Average number of shares		37,069,480	37,043,099
Number of diluted shares		37,197,480	37,142,054

<i>In thousands of euros</i>	Notes	December 31, 2019	December 31, 2018
Net income		143,353	142,800
Items that will not be reclassified to profit or loss			
Actuarial Gains and Losses			
Gross amount	15.1	(1,731)	126
Deferred tax		203	(19)
Total amount, net of tax		(1,528)	107
Items that may be reclassified subsequently to profit or loss			
Conversion differences		65	139
Other comprehensive income for the year, net of tax		(1,463)	246
COMPREHENSIVE INCOME		141,890	143,046

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6.1.3 STATEMENT OF CHANGE IN CONSOLIDATED CASH FLOWS

Cash flow statement

<i>In thousands of euros</i>	Notes	December 31, 2019	December 31, 2018
Company profit for the year		143,353	142,800
Removal of income and expenses with no cash impact:			
Allocation (Reversal) of amortisation, depreciation, provisions and impairment		1,599	(3,180)
Proceeds on disposal of assets		7	191
Financial expense (income)		(124)	(55)
Tax expense (income) for the financial year	17.5	26,804	17,156
Free shares		2,255	266
Cash-flow		173,894	157,177
Tax paid out in the financial year	17.1	(35,220)	(33,199)
Change in working capital requirement:			
• Inventories and works in progress		(3,460)	(466)
• Trade and other receivables		(43,426)	15,122
• Trade and other payables		5,371	545
• Other operating assets and liabilities		31,158	45,076
Net cash-flow generated by the business (Total I)		128,317	184,255
Investment operations			
Acquisition of non-current assets		(9,021)	(2,890)
Disposal of non-current assets			
Control acquired on subsidiaries net of cash and cash equivalents acquired		(0)	(8,929)
Financial investments	8	(1,904)	(6,671)
Disposal of financial assets	8	-	6,645
Treasury shares		585	(6)
Change in other fixed financial assets		13	49
Net cash-flow from investment operations (Total II)		(10,327)	(11,802)
Financing operations			
Dividends paid to shareholders	11.2	(121,980)	(98,549)
Repayment of financial liabilities		(65)	(919)
Increase of financial liabilities		10	40
Interest paid		(54)	(31)
Interest received		245	178
Change in bank lending		(273)	(57)
Net cash-flow from finance operations (Total III)		(122,118)	(99,338)
Effect of changes in currency prices (IV)		(37)	174
Change in cash (I+II+III+IV)		(4,164)	73,290
Opening cash	10	173,179	99,890
Closing cash	10	169,016	173,179
Cash change		(4,163)	73,290

6.1.4 STATEMENT OF CHANGES IN CONSOLIDATED EQUITY

Statement of changes in equity

<i>In thousands of euros</i>	Weighted average number of shares	Share capital	Share premium	Treasury shares	Reserves	Revenue	Conversion differences	Equity Group Share	Minority interests	Total equity
At 01/01/2018	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)	-	-	-	-
Sales/purchases 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	37,043,099	371	2,932	(1,529)	34,766	142,798	86	179,424	17	179,442
Profit for the period	-	-	-	-	-	143,377	-	143,377	(25)	143,353
Other items of comprehensive income	-	-	-	-	(1,528)	-	65	(1,463)	-	(1,463)
Allocation of the profit from the previous financial period	-	-	-	-	142,798	(142,798)	-	-	-	-
Sales/purchases of treasury shares	-	-	-	518	68	-	-	586	-	586
Delivery of treasury shares to the beneficiaries	-	-	-	1,000	(1,000)	-	-	-	-	-
Share-based payments	-	-	-	-	2,255	-	-	2,255	-	2,255
Distribution of dividends	-	-	-	-	(121,896)	-	-	(121,896)	-	(121,896)
Other impacts	-	-	-	-	-	-	-	-	4	4
Scope effects	-	-	-	-	-	-	-	-	-	-
As at December 31, 2019	37,069,480	371	2,932	(11)	55,463	143,377	151	202,283	(3)	202,280

6.1.5 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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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 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, 2019, ended December 31, 2019.

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, 2019, and this applies for all the presented periods.

These periods are available on the European Commission website: <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:32002R1606>

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

The Group applied the following standards, amendments of standards and interpretations adopted by the European Union and applicable as of January 1, 2019:

New standards whose application is mandatory as of January 1, 2019

IFRS 16	Leases
IFRIC 23	<i>Uncertainty over Income Tax Treatments</i>
Amendment to IAS 28	Long-term interests in associates and joint ventures
Amendment to IFRS 9	Early repayment clauses providing for negative compensation
Amendment to IAS 19	Modification, reduction or liquidation of a plan
Annual improvements to IFRS – 2015-2017 cycle	Various provisions regarding: <ul style="list-style-type: none"> ● amendments to IFRS 3 “Business Combinations” and IFRS 11 “Joint Arrangements” entitled “Interests previously held in joint ventures”; ● amendments to IAS 12 “Income Taxes” entitled “Income tax consequences of payments on financial instruments classified as equity”; ● amendments to IAS 23 “Borrowing Costs” entitled “Borrowing costs eligible for capitalisation”.

The entry into force of IFRS 16 “Leases” led the Group to analyse all leases and service contracts to which the standard applies. The application of this standard has no material impact on the financial statements or on the presentation of the financial statements at December 31, 2019.

The entry into force of interpretation IFRIC 23 “Uncertainty over Income Tax Treatments” did not lead to the identification of situations that could call into question the accounting positions taken in the financial statements for the period ended December 31, 2019.

The other standards, interpretations and amendments whose application is mandatory as of January 1, 2019 have no material effect on the Group’s financial statements.

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

New standards whose application is mandatory as of January 1, 2020

Amendments to IAS 39, IFRS 7 and IFRS 9	Interest rate benchmark reform
Amendments to IAS 1 and IAS 8	Modification of the definition of the term "significant"
Changes in references to the conceptual framework in IFRS standards	

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

Business activity

In 2019, the Group demonstrated its ability to cover the entire liquefied gas transport and storage value chain with a record number of LNG carriers that included major orders in the field of GBS (Gravity Based Structures) and very large ethane carriers.

LNG CARRIER ORDERS AT RECORD HIGHS

In 2019, GTT's business activity was marked by multiple successes, particularly in the field of LNG carriers. In addition to the 26 orders booked during the first half of the year, there were an additional 31 orders in the second half of 2019, for a total of 57 LNG carrier orders in 2019. GTT's core business activity is, therefore, at a particularly high level. All of the carriers will be equipped with GTT's recent technologies (Mark III Flex+, Mark III Flex and NO96 GW). They will be delivered between the end of 2020 and the beginning of 2023.

SIX ORDERS FOR LATEST GENERATION ETHANE CARRIERS

In September 2019, GTT's membrane technology was selected for the design of six Very Large Ethane Carriers (VLEC) built by the Korean Hyundai Heavy Industries (HHI) and Samsung Heavy Industries (SHI) shipyards on behalf of the Chinese company Zhejiang Satellite Petrochemical. These second generation ethane carriers will be the largest ever built in the world (98,000 m³).

Designed for multi-gas use, *i.e.* to transport ethane as well as several types of gas such as propylene, LPG and ethylene, these six vessels will also be "LNG ready", offering the possibility of containing LNG in the future without the need to convert the ship's tanks.

ORDER OF THREE GBS: A FIRST FOR GTT

At the end of September, GTT announced the signing of a contract with Saren BV (a joint venture between Renaissance Heavy Industries Russia and Saipem) for the design and construction of three GBS terminals (Gravity Based Structures) dedicated to the Arctic LNG 2 project. The contract concerns the design, construction studies and technical assistance for the membrane containment systems of the LNG and ethane tanks which will be installed inside the three GBS terminals.

The first two GBS terminals will be equipped with two LNG tanks, each with a capacity of 114,500 m³, and an ethane tank of 980m³. The third GBS terminal will be equipped with two LNG tanks of 114,500 m³ each. The GBS terminals, which will lie on the seabed, will consist of concrete caissons with membrane containment tanks using GTT's GST® technology. The units will be built in a dry dock at Novatek-Murmansk LLC. They will then be towed and installed in their final location in the Gydan peninsula in Russian Arctic.

LNG AS FUEL

In 2019, GTT received four orders for the design of tanks for six merchant vessels and two bunker vessels:

- In March 2019, GTT received an order from the Sembcorp Marine shipyard for the design of tanks for an LNG bunker vessel of 12,000 m³ on behalf of the ship-owner Indah Singa Maritime Pte Ltd, a subsidiary of Mitsui OSK Lines (MOL).
- In April 2019, GTT received an order from the Chinese shipyard Hudong-Zhonghua for the design of an LNG tank of 6,500 m³ as part of the conversion of a very large capacity container ship for the German ship owner Hapag Lloyd.
- In June 2019, GTT received an order from the Chinese shipyard Jiangnan Shipyard (Group) Co., Ltd. for the design of LNG tanks of 14,000 m³ for five new giant container ships on behalf of a European ship owner.
- In December 2019, GTT received an order from the Chinese shipyard Hudong-Zhonghua for the design of tanks for an LNG bunker vessel of 18,600 m³ on behalf of the Japanese ship-owner Mitsui OSK Lines Ltd. (MOL). This vessel will be operated by the MOL ship-owner and chartered by Total.

TECHNOLOGIES

During the Gastech trade show, which was held in mid-September 2019, GTT announced several advances in its technology development process.

The American Bureau of Shipping classification society issued the "LNG Cargo Ready" rating to GTT for its latest VLEC (Very Large Ethane Carrier) model, a first in the ethane sector. The rating certifies that the ethane carriers can be used to transport liquefied natural gas without having to convert the ship's tanks.

GTT also received approval in principle from the classification society Bureau Veritas for icebreaker vessels using Mark III Flex and NO96 L-03+ technologies sailing in Arctic waters.

In addition, GTT signed a joint agreement for the design of a Very Large Crude Carrier (VLCC) using LNG as fuel with Lloyd's Register (classification society) and several partners.

Lastly, GTT announced the new name of its latest technology: GTT NEXT1 (formerly NO96 Flex). This system benefits from both proven NO96 technologies and the advantages provided by the polyurethane foam insulating panels used in Mark III technology.

License agreements

In December 2019, GTT signed a *Technical Assistance And License Agreement* (TALA) with the WISON Offshore & Marine (WOM) shipyard based in China for the supply of LNG production, liquefaction and storage units (FLNG), floating storage and regasification units (FSRUs), floating storage, regasification and power plant units (FSRP) and LNG carriers, using GTT's containment systems with cryogenic membranes.

WOM is a pioneer in the field of LNG floating units in China. This agreement enables them to continue to develop their offering for ship-owners in new markets, particularly for floating solutions, while advancing the development of LNG as a marine fuel within the global supply chain.

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) 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 nonexclusive 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 m² 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.

In accordance with IFRS 15, 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 *pro rata 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 *pro rata 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 predefine 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 noncontrolling 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 23 million euros on research and development during the financial year ended December 31, 2019, compared with 18 million euros in the financial year ended December 31, 2018.

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 noncontrolling 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, 2019 relating to leases is not significant.

The entry into force of IFRS 16 "Leases" led the Group to analyse all leases and service contracts to which the standard applies. The application of this standard has no material impact on the financial statements or on the presentation of the financial statements at December 31, 2019.

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) *pro rata* 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

IFRS 9 "Financial Instruments", whose application is mandatory as of January 1, 2018 includes the following three main components:

- 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.

Application of IFRS 9 provisions has no significant impact on the financial statements as at December 31, 2019.

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 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 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.

2.20 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 nonrepayable advances being recognised as other income on that date.

2.21 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.

2.22 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.

2.23 Other items of 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.

2.24 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.

The weighted average number of shares is the average of shares outstanding (excluding treasury shares) at the end of each month.

2.25 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, 2019

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

Name	Activity	Country	Interest%		Consolidation method	
			December 31, 2019	December 31, 2018	December 31, 2019	December 31, 2018
Cryovision	Maintenance services	France	100.0	100.0	IG	IG
Cryometrics	On-board services	France	100.0	100.0	IG	IG
GTT Training	Training services	United Kingdom	100.0	100.0	IG	IG
GTT North America	Commercial office	United States of America	100.0	100.0	IG	IG
GTT SEA	Commercial office	Singapore	100.0	100.0	IG	IG
Ascenz	Holding	Singapore	100.0	100.0	IG	IG
Ascenz Solutions	On-board services	Singapore	100.0	100.0	IG	IG
Ascenz Solutions O&G	On-board services	Malaysia	100.0	100.0	IG	IG
Flowmet Pte Ltd	Distribution of equipment	Singapore	70.0	70.0	IG	IG
Shinsei Co, Ltd	Commercial office	Japan	51.0	51.0	IG	IG
Ascenz Solutions GmbH	Commercial office	Germany	100.0	100.0	IG	IG
Ascenz Taiwan Co. Ltd	On-board services	Taiwan	100.0	100.0	IG	IG
Ascenz Korea Co. Ltd	Commercial office	Korea	49.0	49.0	EM	EM
Ascenz Indonesia Pte Ltd	On-board services	Singapore	50.0	50.0	EM	EM
Ascenz Myanmar Co. Ltd	On-board services	Myanmar	99.99	99.99	IG	IG
Ascenz HK Co. Ltd	Commercial office	Hong Kong	60.0	60.0	IG	IG

Information relating to the income statement

NOTE 4 — OPERATING PROFIT

4.1 Personnel expenses

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

<i>In thousands of euros</i>	2019	2018
Wages, salaries and payroll taxes	42,082	38,192
Share-based payments	2,255	642
Profit-sharing and incentives scheme	7,286	6,983
PERSONNEL EXPENSES	51,623	45,817

4.2 External expenses

<i>In thousands of euros</i>	2019	Proforma 2018
Tests and studies	10,837	8,342
Sub-contracting	15,884	9,437
Fees	7,443	5,789
Leasing, maintenance and insurance	4,839	4,386
Transport, travel and reception expenses	9,552	7,974
Other	5,369	5,023
EXTERNAL EXPENSES	53,924	40,951

The modification of the chart of accounts in 2019 led the Group to establish a proforma 2018 (transfers from account to account under the External Expenses heading).

4.3 Depreciation, amortisation and provisions

<i>In thousands of euros</i>	2019	2018
Allocations (reversals) for depreciation of fixed assets	4,009	3,296
Provisions (reversals)	339	(12,170)
AMORTISATION AND PROVISIONS (REVERSAL)	4,348	(8,874)

The rise in depreciation of fixed assets is linked to the increase in real estate and equipment investments.

Provisions net of reversals totalled 339 thousand euros in 2019 and consisted mainly of (i) a reversal for a customer lawsuit in the

amount of 1,000 thousand euros, (ii) a net provision for loss on completion in the amount of 876 thousand euros, (iii) a provision for employee lawsuits, a provision for retirement obligations and a post-inventory write-down of stocks totalling 463 thousand euros.

4.4 Other operating income and expenses

<i>In thousands of euros</i>	2019	2018
Research tax credit	4,142	4,327
Other	67	305
OTHER OPERATING INCOME AND EXPENSES	4,209	4,632

NOTE 5 FINANCIAL INCOME

<i>In thousands of euros</i>	2019	2018
Exchange gains and losses	(102)	35
Other financial products and charges	(54)	(29)
Financial income on short term investments	245	176
Proceeds on disposal of securities	-	(4)
Effects of discounting/undiscounting	(5)	(13)
Changes in the fair value of financial assets	51	(104)
Changes in the fair value of retirement plan assets (see Note 15)	(11)	(5)
FINANCIAL INCOME	124	55

Information relating to the balance sheet

NOTE 6 INTANGIBLE ASSETS

6.1 Intangible assets

<i>In thousands of euros</i>	Software	Assets in progress	Other	Net value
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 31/12/2018	448	1,269	740	2,457
Acquisitions/allocations	85	214	(38)	261
Disposals/reversals	-	-	-	-
Reclassifications	186	(186)	-	-
Other variations	1	19	18	38
VALUES AS AT 31/12/2019	721	1,316	720	2,757

Intangible assets are mainly comprised of software.

NOTE 7 PROPERTY, PLANT AND EQUIPMENT

<i>In thousands of euros</i>	Land and buildings	Technical installations	Assets in progress	Other	Total
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 31/12/2018	14,160	16,124	1,517	24,106	55,907
Acquisitions	-	1,183	3,770	1,941	6,894
Disposals	-	-	-	(192)	(192)
Reclassifications	-	75	(299)	208	(16)
Other variations	18	0	-	15	33
Gross value as at 31/12/2019	14,177	17,383	4,988	26,078	62,626
Accumulated depreciation as at 31/12/2017	(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 31/12/2018	(4,947)	(13,468)	-	(20,858)	(39,273)
Allocation	(588)	(1,109)	-	(1,653)	(3,350)
Reversal	-	-	-	192	192
Reclassifications	-	-	-	16	16
Other variations	(2)	(0)	-	(11)	(13)
Accumulated depreciation as at 31/12/2019	(5,538)	(14,577)	-	(22,313)	(42,428)
Net value as at 31/12/2017	9,314	2,296	1,969	3,904	17,483
Net value as at 31/12/2018	9,212	2,656	1,517	3,248	16,634
NET VALUE AS AT 31/12/2019	8,639	2,806	4,988	3,765	20,198

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 6.1.5 – *Notes to the consolidated financial statements* of this Universal Registration Document.

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

NOTE 8 FINANCIAL ASSETS

8.1 Non-current

<i>In thousands of euros</i>	Loans and receivables	Financial assets at fair value through profit or loss	Total
Values as at 31/12/2017	-	-	-
Acquisitions	-	-	-
Disposals	(9)	-	(9)
Reclassification as current	(1)	-	(1)
Other variations	26	-	26
Values as at 31/12/2018	16	-	16
Acquisitions	15	-	15
Disposals	(15)	-	(15)
Reclassification as current	-	-	-
Other variations	0	-	0
VALUES AS AT 31/12/2019	16	-	16

8.2 Current

<i>In thousands of euros</i>	Loans and receivables	Available-for-sale financial assets	Financial assets at fair value through profit or loss	Total
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 31/12/2018	144	-	3,014	3,158
Acquisitions	49	-	1,838	1,887
Disposals	(17)	-	-	(17)
Reclassification as current	-	-	-	-
Other variations	2	-	54	56
VALUES AS AT 31/12/2019	177	-	4,906	5,084

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, 2019	December 31, 2018	Change
Inventories	10,978	7,394	3,584
Trade and other receivables	140,529	97,102	43,427
Trade and other operating receivables	183	393	(210)
Tax and social security receivables	5,363	5,195	169
Prepaid expenses	2,989	1,006	1,983
Total other current assets	8,535	6,594	1,941
TOTAL	160,042	111,090	48,953

Depreciation (in thousands of euros)	December 31, 2019	December 31, 2018	Change
Inventories	(124)	-	(124)
Trade and other receivables	(1,097)	(1,096)	(1)
Trade and other operating receivables	(40)	(39)	(1)
Tax and social security receivables	-	-	-
Other receivables	-	-	-
Prepaid expenses	-	-	-
Total other current assets	(40)	(39)	(1)
TOTAL	(1,261)	(1,135)	(126)

Net book value (in thousands of euros)	December 31, 2019	December 31, 2018	Change
Inventories	10,854	7,394	3,460
Trade and other receivables	139,432	96,006	43,426
Trade and other operating receivables	144	355	(211)
Tax and social security receivables	5,363	5,195	169
Other receivables	-	-	-
Prepaid expenses	2,989	1,006	1,983
Total other current assets	8,496	6,556	1,940
TOTAL	158,782	109,955	48,826

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

An additional provision for depreciation was recognised for 40 thousand euros as at December 31, 2019.

The breakdown of trade receivables by maturity as at December 31, 2019 is presented below:

In thousands of euros	December 31, 2019	December 31, 2018	Change
Not yet falling due	128,114	82,994	45,120
Due for 3 months or more	9,283	6,875	2,408
Due for 3 months but less than 6 months	840	3,251	(2,411)
Due for 6 months but less than 1 year	597	2,668	(2,072)
Due for 1 year	599	218	381
Total amount falling due	11,318	13,012	(1,694)
TOTAL	139,432	96,006	43,426

9.2 Trade payables and other current liabilities

<i>In thousands of euros</i>	December 31, 2019	December 31, 2018	Change
Trade and other payables	16,791	11,483	5,308
Prepayments received	15	30	(15)
Tax and social security payables	22,668	20,858	1,811
Other debts	266	331	(65)
Deferred income	147,922	117,594	30,328
Other current liabilities	170,872	138,813	32,059
TOTAL	187,663	150,296	37,367

9.3 Other operating assets and liabilities

<i>In thousands of euros</i>	December 31, 2019	December 31, 2018	Change
Tax and social security receivables	5,363	5,195	168
Other receivables	144	355	(211)
Prepaid expenses	2,989	1,006	1,983
Total other current assets	8,496	6,556	1,940
Deferred income	(147,922)	(117,594)	(30,328)
Tax and social security payables	(22,668)	(20,858)	(1,811)
Deposits & advance payments received on orders	(15)	(30)	15
Other debts	(266)	(331)	65
Other current liabilities	(170,872)	(138,813)	(32,059)
TOTAL	(162,430)	(132,257)	(30,173)

NOTE 10 CASH AND CASH EQUIVALENTS

<i>In thousands of euros</i>	December 31, 2019	December 31, 2018
Marketable securities	25,794	30,651
Cash and cash equivalent	143,222	142,529
Cash in balance sheet	169,016	173,179
Bank overdrafts and equivalent	-	-
NET CASH POSITION	169,016	173,179

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, 2019, 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 23, 2019 approved the payment of an ordinary dividend of 3.12 euros per share for the year ended December 31, 2018, payable in cash. As an interim dividend

payment was paid on September 28, 2018 in the amount of 49,278,467 euros, the balance was paid on May 29, 2019 in the total amount of 66,277,165 euros.

The Board of Directors, meeting on July 25, 2019, decided to make an interim dividend payment of 1.50 euro for the shares outstanding. The interim dividend was paid on September 27, 2019 for an amount of 55,620,195 euros.

Dividends paid in 2019 thus correspond to the sum of the amounts described above (balance paid for the 2018 financial year and the interim payment for the 2019 financial year), i.e. 121,897,360 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	Share price on date of allocation	Fair value of the share under IFRS	Expired shares	Shares allocated at the end of the vesting period	Existing shares at December 31, 2019
May 18, 2016	AFS no. 4	3 years	1 year	15,150	€31	€21	2,900	12,250	-
May 18, 2016	AFS no. 5	3 years	-	5,625	€31	€23	1,410	4,215	-
February 23, 2017	AFS no. 7	3 years	1 year	14,200	€39	€32	1,100	-	13,100
April 12, 2018	AFS no. 8	3 years	1 year	9,200	€55	€44	800	-	8,400
October 25, 2018	AFS no. 9	3 years	Variable **	59,000	€64	€58	-	5,000	54,000
November 29, 2019	AFS no. 10	3 years	Variable	53,621	€80	€66	-	-	53,621

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

** Recipients must retain between 3,000 shares and 25% of the shares acquired until they leave the Company.

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. 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;

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

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 January 1, to December 31, 2019, the expense recognised for the free share allocation plans was 2,255 thousand euros. At December 31, 2018, an expense was recorded in the amount of 642 thousand euros.

11.4 Treasury shares

The Group signed a new liquidity contract on December 21, 2018 with effect from January 2, 2019.

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, 2019, the Company held 0 shares by virtue of the liquidity contract and 227 shares by virtue of the AFS plans, i.e. a total of 227 treasury shares representing a total amount of 10,575 thousand euros.

NOTE 12 EARNINGS PER SHARE

	December 31, 2019	December 31, 2018
Net income (in euros)	143,353,445	142,799,987
Average number of shares outstanding (excluding treasury shares)	37,069,480	37,043,099
● AFS Plan no. 4	-	12,250
● AFS Plan no. 5	-	4,305
● AFS Plan no. 6	-	-
● AFS Plan no. 7	13,100	14,200
● AFS Plan no. 8	8,400	9,200
● AFS plan no. 9	54,000	59,000
● AFS Plan no. 10	53,621	-
Number of diluted shares	37,198,601	37,142,054
Basic net earnings per share in euros	3.87	3.85
Diluted net earnings per share in euros	3.85	3.84

At December 31, 2019, earnings per share were calculated based on share capital made up of 37,069,480 shares, which corresponds to the average weighted number of ordinary shares outstanding excluding treasury shares during the period.

At December 31, 2019, the Group had allocated 53,621 free shares, in addition to the previous plans, for a total of 129,121 free shares used to calculate diluted earnings per share.

NOTE 13 INFORMATION ON FINANCIAL STATEMENTS 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. At December 31, 2019, 26 shipyards were licensed, located mainly in China, Japan, South Korea and Singapore. Of these 26 shipyards, seven are active customers that have, either in construction or in their order book, vessels for which the order was sent to GTT.

Due to the small number of customers, most of whom 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 nonstatistical 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 Foreign exchange 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:

<i>In thousands of euros</i>	December 31, 2019	December 31, 2018
Closing balance of the value of the commitments	(4,090)	(2,157)
Closing balance of the fair value of the assets	1,500	1,494
Financial plan assets	(2,590)	(664)
Cost of unrecognised past services		
PROVISIONS AND PREPAID EXPENSES	2,590	664

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

<i>In thousands of euros</i>	December 31, 2019	December 31, 2018
Opening balance of the commitment value	(664)	(556)
Normal cost	(234)	(228)
Interest expense	(11)	(5)
Cost of past services	48	-
Actuarial (gains) and losses	(1,730)	126
CLOSING BALANCE OF THE VALUE OF THE COMMITMENTS	(2,590)	(664)

<i>In thousands of euros</i>	December 31, 2019	December 31, 2018
Value of the commitments of fully non-financed plans		
Value of the commitments of fully or partially financed plans	(4,090)	(2,157)

<i>In thousands of euros</i>	December 31, 2019	December 31, 2018
Opening balance of the fair value of the assets	1,494	1,479
Expected yield	24	24
Actuarial (losses) and gains	(18)	(10)
CLOSING BALANCE OF THE FAIR VALUE OF THE ASSETS	1,500	1,494

15.2 Cost for the period

<i>In thousands of euros</i>	December 31, 2019	December 31, 2018
Normal cost	(234)	(228)
Interest expense	(11)	(5)
Cost of past services	48	-
CHARGE FOR THE PERIOD	(196)	(234)

The actuarial assumptions used are as follows:

Assumptions	December 31, 2019	December 31, 2018
Discount rate *	0.90%	1.63%
Salary increase rate	2.00%	1.20%

* 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:

<i>In thousands of euros</i>	December 31, 2019	December 31, 2018
Cumulative actuarial differences at the start of the financial year	642	497
Actuarial differences generated on the commitment	(1,712)	136
Actuarial differences generated on the assets	(18)	(10)
CUMULATIVE ACTUARIAL DIFFERENCES AT THE END OF THE FINANCIAL YEAR	(1,051)	642

The actuarial differences are analysed as follows:

<i>In thousands of euros</i>	December 31, 2019	December 31, 2018
Actuarial (losses) and gains	(1,051)	642
Experience variances	(588)	(18)
Differences due to changes in assumptions	(463)	661

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, 2019	December 31, 2018
Shares	6.4%	7.5%
Bonds	73.5%	74.0%
Funds	1.1%	2.0%
Property	10%	10.0%
Other	9.0%	6.5%

15.5 Sensitivity

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

	December 31, 2019	December 31, 2018
Effect of a half-percentage-point increase in discount rates on:		
The normal cost and financial cost	(21)	15
The value of the commitment	(346)	(54)

	December 31, 2019	December 31, 2018
Effect of a half-percentage-point decrease in discount rates on:		
The normal cost and financial cost	22	15
The value of the commitment	389	320

	December 31, 2019	December 31, 2018
Effect of a percentage-point increase in discount rates on:		
The normal cost and financial cost	(41)	15
The value of the commitment	(655)	(211)

	December 31, 2019	December 31, 2018
Effect of a percentage-point decrease in discount rates on:		
The normal cost and financial cost	46	15
The value of the commitment	826	542

15.6 Other information

	December 31, 2019	December 31, 2018
Contribution expected in 2019 for plan assets	24	24

NOTE 16 — OTHER PROVISIONS

<i>In thousands of euros</i>	Total	Provisions for litigation	Provision for retirement compensation	Current	Non-current
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	-	-	-	-	-
Values as at 31/12/2018	7,447	6,783	664	3,372	4,075
Provisions	1,363	1,168	195	1,168	195
Reversal	(3,957)	(3,957)	-	(2,957)	(1,000)
Reversal – unused	-	-	-	-	-
Other variations	1,731	-	1,731	-	1,731
Transfer current – non-current	-	-	-	-	-
VALUES AS AT 31/12/2019	6,584	3,994	2,590	1,583	5,001

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

The provisions at December 31, 2019 consist of:

- a provision corresponding to a risk on a construction project in the amount of 2,411 thousand euros;
- a provision for loss on completion in the amount of 1,318 thousand euros;
- a provision intended in particular to cover any risks of litigation between GTT and customers or employees in the amount of 265 thousand euros;
- a provision for retirement benefits in the amount of 2,590 thousand euros.

NOTE 17 — INCOME TAX

17.1 Analysis of income tax

<i>In thousands of euros</i>	December 31, 2019	December 31, 2018
Current tax	(26,182)	(23,575)
Deferred tax	(141)	695
Adjustment of tax due on prior period income	(31)	
Net provisions for income tax disputes	(450)	
Income tax on profit	(26,803)	(22,881)
Distribution tax	-	5,725
Total income tax	(26,803)	(17,156)
Research tax credit	4,142	4,327
Other tax credit	138	158
TOTAL TAX EXPENSE NET OF TAX CREDITS	(22,523)	(12,671)

Current income tax: the increase in current income tax between 2018 and 2019 (26,182 thousand euros versus 23,575 thousand euros) is essentially due to the increase in the Group's taxable income in 2019.

In 2019, a provision for tax disputes in the amount of 450 thousand euros was recorded.

The distribution tax is a tax on the dividends paid.

The distribution tax revenue of 5,725 thousand euros recorded in 2018 is related to the favourable outcome of the claim filed in 2017 and to the reimbursement of tax on dividends in respect of 2015 and 2016.

Tax paid out with respect to the financial year of 35,220 thousand euros in the cash flow statement corresponds to the total of the complete tax burden presented above (26,803 thousand euros), taxes directly recognised in equity (203 thousand euros) and the change in current or deferred tax receivables and debts in the balance sheet (8,214 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 January 1st 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.

17.5 Reconciliation of income tax charge

<i>In thousands of euros</i>	December 31, 2019	December 31, 2018
Net income	143,353	142,800
Income tax	26,804	17,156
Notional taxable income	170,157	159,956
Ordinary tax rate	10.00%	15.00%
Notional tax charge	17,016	23,993
Difference between parent company's standard rate/other standard rates (%)	(133)	(28)
Permanent differences for the corporate financial statements	65	(1,249)
Permanent differences for the consolidated financial statements	-	(177)
Non taxation of goodwill impairments	-	-
Result subject to tax at a reduced rate or not subject to tax	107	126
Tax saving/supplement on income taxed abroad	2,280	-
Tax credits, other reductions	(413)	(6,595)
Flat-rate taxes, other tax supplements	1,198	752
Savings due to tax consolidation	35	(16)
Effect of changes in tax rate (including rate corrections)	901	281
Capping of DTA	5,723	84
Tax adjustment on prior period income (excluding rate corrections)	24	(16)
Reversal or use of capping of DTA	-	-
TOTAL INCOME TAX EXPENSE	26,803	17,156

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.

The applicable tax rates are:

- royalties are taxed at a reduced rate of 10%;
- 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 10%.

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 10%, 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".

17.6 Deferred tax assets and liabilities

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

<i>In thousands of euros</i>	December 31, 2019	December 31, 2018
Deferred tax assets	3,031	3,049
On differences between the tax/book values of (in)tangible assets	-	-
On provisions for nondeductible risks (excluding IAS 19)	132	718
On retirement obligation	259	100
On financial lease	-	-
On other temporary difference	2,137	2,001
On losses carried forward	503	230
On financial instruments	-	-
Deferred tax liabilities	120	210
On differences between the tax/book values of (in)tangible assets	60	100
On financial lease	58	108
On other temporary difference	-	-
On financial instruments	2	2

The other timing differences relate mainly to nondeductible 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.

<i>In thousands of euros</i>	December 31, 2019	December 31, 2018
Revenue	288,224	245,987
Of which vessels under construction	273,353	231,505
LNG carriers/VLEC	230,961	198,778
FSRU	25,264	25,087
FLNG	4,986	3,605
Onshore storage	1,955	1,433
GBS	533	-
Barges	-	962
Vessels fuelled by LNG	9,654	1,640
From services	14,871	14,481

18.2 Information on geographical areas

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

	December 31, 2019	December 31, 2018
South Korea	85%	91%
China	10%	8%
Other	5%	1%

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 31% of total Group sales, and five customers contributed 92%.

	December 31, 2019	December 31, 2018
One customer	31%	56%
The next 4 customers	61%	43%
TOTAL	92%	99%

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:

<i>In thousands of euros</i>	December 31, 2019	December 31, 2018
Suppliers	123	50
Customers	-	1

<i>In thousands of euros</i>	December 31, 2019	December 31, 2018
Studies (Income)	-	-
Personnel expenses (Income)	-	-
Supplies and maintenance (Expenses)	1,014	919
Seconded personnel (Expenses)	29	16
Outsourced tests and studies (Expenses)	148	274
Electricity supply (Expenses)	227	239
Equipment rental (Expenses)	19	13

19.2 Compensation of executive Directors

<i>In thousands of euros</i>	December 31, 2019	December 31, 2018
Wages and bonuses	698	693
Expenses for payments in shares (IFRS 2)	700	102
Other long-term benefits	92	91
TOTAL	1,490	886

The compensation shown above corresponds to the compensation for Philippe Berterottière, Chairman and Chief Executive Officer.

The total compensation allocated to members of the Board of Directors in Directors' fees was 456 thousand euros in 2019.

NOTE 20 GROUP WORKFORCE

	2019	2018
GTT Group average workforce	442	397

The average workforce, as defined in article D 123-200 of the French Commercial Code, is the arithmetic average of the number of employees at the end of each quarter of the calendar year (or of the financial year if different from the calendar year); – these employees were related to the Company through an employment contract.

The GTT Group's average workforce increased from 397 people in 2018 to 442 in 2019.

NOTE 21 TABLE OF STATUTORY AUDITORS' FEES

	EY		Cailliau Dedouit et Associés				Other Statutory Auditors					
	Amount (excluding tax)		%		Amount (excluding tax)		%		Amount (excluding tax)		%	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
Statutory audit, certification, examination of individual and consolidated financial statements												
Issuer	100	91	63%	65%	101	91	97%	92%				
Fully consolidated subsidiaries	55	46	35%	33%			0%	0%	12	10	100%	100%
Services other than certification of the financial statements												
Issuer	3	3	2%	2%	3	8	3%	8%			0%	0%
Fully consolidated subsidiaries			0%	0%			0%	0%			0%	0%
Sub-total	158	140	100%	100%	104	99	100%	100%	12	10	100%	100%
Other services provided by the networks to the fully consolidated subsidiaries												
Legal, tax, employee-related			n/a	n/a			n/a	n/a			n/a	n/a
Other			n/a	n/a			n/a	n/a			n/a	n/a
Sub-total	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL	158	140	100%	100%	104	99	100%	100%	12	10	100%	100%

NOTE 22 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, 2019 stands at 3,994 thousand euros compared to 6,783 thousand euros as at December 31, 2018.

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.

22.1 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.

NOTE 23 OFF-BALANCE SHEET COMMITMENTS

23.1 Commitments related to operating leases

Operating lease payments are not significant.

23.2 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.

23.3 Other commitments

During 2018, an international bank guarantee was granted as part of a construction contract for the amount of 1.485 million euros.

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NOTE 24 EVENTS AFTER THE REPORTING PERIOD

Acquisition of Marorka

On February 20, 2020, GTT announced the acquisition of 100% of the capital of Marorka from its shareholders and executives. This company, based in Iceland and specialised in Smart Shipping⁽¹⁾, designs operational reporting and energy performance improvement systems aimed at reducing the environmental footprint of vessels.

Covid-19

Since January 2020, the Covid-19 epidemic has caused an unprecedented crisis, primarily in Asian countries where GTT generates virtually all of its revenues (South Korea: 85%, China: 10%), then in the Western countries. The WHO declared a pandemic on March 12, 2020.

For GTT, the main risk of the Covid-19 epidemic is possible delays in the timetable for the construction of vessels, which may lead to a shift in the recognition of revenues from one financial year to another. On the closing date of the financial statements, GTT has not ascertained any major delay in the vessel construction timetable.

The risks related to the impact of the epidemic on the worldwide economy, and particularly to demand for LNG, are currently difficult to assess. They may relate to demand for LNG, liquefaction projects and ship-owners whose orders may be suspended or cancelled. The Group nevertheless reiterates that the LNG market is mainly based on long-term prospects and financing and that, at the date of publication of this document, the situation has improved in Asian countries, which represent more than 60% of worldwide imports of LNG.

Also, the Group has 456 employees, of whom 60 are seconded to shipyards (South Korea and China) and 39 employees are present in the subsidiaries of the Group in Asia (one in China and 38 in Singapore). GTT considers their health and that of their families to be very important. From the beginning of the crisis, the Group made recommendations to its employees, firstly abroad, then at the head office, in line with those from the foreign affairs ministry and the health ministry, including telecommuting measures for a large part of the workforce.

(1) Smart Shipping refers to a set of navigation services, operational vessel management, predictive maintenance, on-board energy management and fleet management for charterers, ship-owners and operators.

6.1.6 STATUTORY AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

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.

Year ended December 31, 2019

To the Annual General Meeting of GTT,

Opinion

In compliance with the engagement entrusted to us by your Annual General Meetings, we have audited the accompanying consolidated financial statements of GTT for the year ended December 31, 2019. These financial statements were approved by the Board of Directors on April 17, 2020 based on the elements available at that date, in the evolving context the health crisis related to Covid-19.

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, 2019 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.

Recognition of recurring royalties as operating revenues

Key Audit Matter

As at December 31, 2019, recurring royalties recognized under license agreements for the construction of tanks with shipyards, represent M€ 273 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 licensed technologies to shipyard as part of the construction of the ship tanks or a 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 recognized pro rata temporis as operating revenue over the construction period of each ship (between the date of steel cutting and the date of the ship delivery), the amount of the revenue allocated to each ship in the series being identical.

We considered the recognition of recurring royalties as operating revenue to be a key audit matter due to their significant importance in your Group's accounts and their sensitivity to shipbuilding milestones.

Independence

We conducted our audit engagement in compliance with independence rules applicable to us, for the period from January 1, 2019 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 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, as approved in the above-mentioned context, and in forming our opinion thereon, and we do not provide a separate opinion on specific items of the consolidated financial statements.

Our response

Our work consisted mainly in:

- examining the procedures implemented by the Group on the royalty recognition process;
- reconciling the accounting data with the data taken from the royalty calculation table;
- obtaining direct confirmation from shipyards regarding the reality of portfolio transactions and milestones updating in relation to shipbuilding progress;
- testing, on a sample of shipbuilding projects, the pro rata temporis calculation of the recurring royalties, between the date of steel cutting and the delivery date of each ship.

Furthermore, 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 approved as of April 17, 2020. Regarding the events that occurred and the elements known after the date of approval of the consolidated financial statements relating to the effects of the Covid-19 crisis, Management has informed us that such events and elements will be communicated to the annual general meeting called to decide on these financial statements.

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 ERNST & YOUNG Audit.

As at December 31, 2019, CAILLIAU DEDOUT ET ASSOCIES and ERNST & YOUNG were in the third year and twenty-second year of total uninterrupted engagement, which is the sixth 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) No. 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 23, 2020

The Statutory Auditors

French original signed by

CAILLIAU DEDOIT ET ASSOCIÉS
Rémi Savournin

ERNST & YOUNG Audit
Aymeric de La Morandière

6.2 CORPORATE FINANCIAL STATEMENTS

6.2.1 BALANCE SHEET

Balance sheet assets

<i>In euros</i> Items	Gross value	Amortisation/ depreciation	Net (N) 31/12/2019	Net (N-1) 31/12/2018
Subscribed capital, uncalled				
Intangible assets				
Start-up costs				
Development costs				
Concessions, patents and similar rights	602,950	485,392	117,558	238,148
Goodwill	914,694	914,694		
Other intangible assets	5,747,745	4,776,766	970,980	740,856
Deposits & advance payments made on intangible assets				
Total intangible assets	7,265,389	6,176,852	1,088,537	979,003
Property, plant and equipment				
Land	2,066,152		2,066,152	2,066,152
Buildings	7,961,165	2,406,896	5,554,269	5,951,898
Technical installations, equipment and industrial tooling	16,654,125	13,967,639	2,686,486	2,569,954
Other property, plant and equipment	25,354,590	21,817,899	3,536,691	3,115,796
Assets in progress	4,717,544		4,717,544	1,259,599
Deposits & advance payments				
Total property, plant and equipment	56,753,575	38,192,433	18,561,142	14,963,399
Fixed financial assets				
Investments in associates				
Other shareholdings	10,093,475	6,388,000	3,705,475	3,705,475
Receivables from equity interests	3,175,509		3,175,509	1,453,391
Other investment securities				
Loans				7,040
Other fixed financial assets	3,109,243		3,109,243	1,732,373
Total fixed financial assets	16,378,228	6,388,000	9,990,228	6,898,279
FIXED ASSETS	80,397,192	50,757,285	29,639,907	22,840,681

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<i>In euros</i> Items	Gross value	Amortisation/ depreciation	Net (N) 31/12/2019	Net (N-1) 31/12/2018
Raw materials and supply				
Inventory work in progress - goods				
Inventory work in progress - services	10,718,372		10,718,372	7,188,891
Inventory of intermediate and finished goods				
Inventory of goods bought for resale				
Total inventories and work in progress	10,718,372		10,718,372	7,188,891
Receivables				
Advance payments made on orders	118,751		118,751	258,218
Trade and other receivables	144,239,356	4,224,573	140,014,783	95,279,784
Other receivables	47,235,112		47,235,112	39,341,426
Subscribed capital, called and unpaid				
Total receivables	191,593,219	4,224,573	187,368,646	134,879,428
Cash and cash equivalents				
Marketable Securities	27,408,110	81,837	27,326,273	33,124,990
Cash	138,161,450		138,161,450	138,882,608
Prepaid expenses	2,826,728		2,826,728	817,846
Total cash and cash equivalents	168,396,288	81,837	168,314,451	172,825,444
CURRENT ASSETS	370,707,879	4,306,410	366,401,469	314,893,763
Debt issuance costs to be amortised				
Bond redemption premiums				
Foreign exchange gains				
OVERALL TOTAL	451,105,072	55,063,695	396,041,376	337,734,444

Balance sheet liabilities

<i>In euros</i> Items	Net (N) 31/12/2019	Net (N-1) 31/12/2018
Net position		
Share capital or individual capital	370,784	370,784
Issue, merger or contribution premiums	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	108,530,100	79,646,740
Retained earnings	(55,620,195)	(49,278,467)
Profit for the year	150,221,065	144,438,991
Total net position	206,470,954	178,147,249
Investment subsidies		
Regulated provisions	653,030	666,713
Total equity	207,123,984	178,813,962
Income from issues of equity securities		
Conditional advances/Refundable cash subsidies	235,724	277,023
Other equity	235,724	277,023
Provisions for risks	3,993,487	6,783,500
Provisions for charges	4,688,458	1,153,495
Provisions for liabilities and charges	8,681,945	7,936,995
Financial liabilities		
Convertible bonds		
Other bonds		
Loans and debts with credit institutions		
Other loans and financial liabilities		
Total financial liabilities		
Deposits & advance payments received on current orders		
Other liabilities	11,033,500	9,171,714
Trade and other payables	27,759,311	27,492,499
Tax and social security payables		
Amounts payable on fixed assets and related accounts		
Other debts	5,605,789	2,413,992
Total other liabilities	44,398,600	39,078,205
Deferred income	135,601,123	111,628,259
Debt	179,999,723	150,706,464
Unrealised foreign exchange gains		
OVERALL TOTAL	396,041,376	337,734,444

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6.2.2 INCOME STATEMENT

Income statement (first part)

<i>In euros</i> Items	France	Export	Net (N) 31/12/2019	Net (N-1) 31/12/2018
Sales of merchandise				
Goods produced and sold		2,389,250	2,389,250	
Services produced and sold	1,641,673	45,731,897	47,373,569	42,250,639
Net revenue	1,641,673	48,571,147	50,212,819	42,250,639
Production taken into inventory			3,529,480	7,188,891
Capitalised production				
Operating subsidies			55,298	396,592
Reversals of depreciation and provisions, transfers of expenses			1,404,834	3,223,036
Other revenue			239,345,919	196,404,716
Operating income			294,548,351	249,463,876
External expenses				
Purchases of goods (and customs duties)			2,107,721	13,285
Changes in inventory of goods purchased for resale				
Purchases of raw materials and other supplies			1,006,283	442,438
Inventory change (raw materials and supply)				
Other purchases and external expenses			57,791,278	40,273,184
Total external expenses			60,905,282	40,728,907
Taxes, duties and other levies			5,034,269	4,453,090
Personnel expenses				
Wages and salaries			28,008,988	22,954,168
Social security costs			15,233,207	12,905,240
Total personnel expenses			43,242,195	35,859,408
Allocations to depreciation & provisions				
Allocations for depreciation of fixed assets			3,468,473	2,851,623
Allocations for provisions for fixed assets				
Allocations for provisions for current assets			355,495	678,586
Allocations for provisions for risks & charges			1,167,931	3,361,113
Total allocations to depreciation & provisions			4,991,899	6,891,322
Other operating expenses			925,087	2,659,656
Operating expenses			115,098,731	90,592,383
OPERATING PROFIT			179,449,620	158,871,493

Income statement (second part)

<i>In euros</i> Items	Net (N) 31/12/2019	Net (N-1) 31/12/2018
Operating profit	179,449,620	158,871,493
Profits allocated or losses transferred		
Losses incurred or profits transferred		
Financial revenue		
Financial products from equity interests		
Income from other securities and fixed asset receivables		
Other interest received and similar proceeds	238,466	185,215
Reversals of provisions and transfers of expenses	132,633	
Foreign exchange gains	76,618	55,073
Net income on disposals of marketable securities		
Total financial revenue	447,717	240,288
Financial expenses		
Financial allocations for depreciation and provisions	81,837	6,486,696
Interest and similar expenses	123	
Foreign exchange losses	150,481	94,010
Net charges on disposal of marketable securities		
Total financial expenses	232,441	6,580,706
Financial income	215,276	(6,340,418)
Profit/loss from ordinary activities before taxes	179,664,896	152,531,075
Non-recurring income		
Non-recurring income on management operations	3,000	
Non-recurring income on equity transactions	73,343	191,221
Reversals of provisions and transfers of expenses	4,011,129	15,319,217
Total non-recurring income	4,087,472	15,510,437
Non-recurring expenses		
Non-recurring expenses on management transactions	2,797,014	280,556
Non-recurring expenses on equity transactions	1,000,847	2,567,357
Exceptional allocations for depreciation, amortisation and provisions	644,129	223,270
Total non-recurring expenses	4,441,990	3,071,183
Non-recurring income	(354,518)	12,439,254
Employee profit-sharing	7,143,644	6,751,667
Income tax	21,945,669	13,779,671
Total revenues	299,083,540	265,214,601
Total expenses	148,862,475	120,775,610
PROFIT (LOSS)	150,221,065	144,438,991

6

6.2.3 ACCOUNTING RULES AND METHODS

The financial statements as at December 31, 2019 were prepared in accordance with the provisions of the French Commercial Code (articles L. 123-12 to L. 123-28), **ANC regulation no. 2014-03 of 2014 amended and supplemented by ANC regulation no. 2018-02 of 2018**, and the 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;
- consistent 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 is valued at acquisition cost (purchase price plus related expenses, excluding fixed asset acquisition expenses) or at production cost.

Depreciation is calculated on a straight-line basis over estimated useful economic life.

Normal depreciation periods applied:

Buildings	20 years
Transport vehicles	3 years
Equipment and tools	3-5 years
IT and office equipment	3-5 years
Fittings and fixtures	6 years & 8 months-10 years
Furniture	6 years & 8 months

Since the French tax authorities accept depreciation based on useful life, exceptional depreciation is recorded in nonrecurring 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 subsidiaries, and to money market (SICAV) and treasury share subscriptions as part of a liquidity contract 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 2019, they consisted primarily of short-term remunerated deposit accounts with maturities of between 1 and 60 months.

Inventories

Inventory work in progress consists 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).

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 nonexclusive 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;
- launch;
- delivery.

As from January 1, 2018, the accounting treatment is 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.

In 2019, GTT signed a TALA contract 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, 2019, losses on completion amounted to 1,318 thousand euros (see "Provisions for risks and charges").

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, 2019.

Retirement benefits

The Company's commitment to payment of retirement benefits is not recognised in the financial statements as at December 31, 2019. The gross amount of this commitment was estimated at approximately 4,090 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: 0.90%;
- salary increase rate: 2.00%;
- 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, 2019 stood at 1,500 thousand euros.

Share-based payments

Allocation of Free Shares (AFS)

Date of allocation *	Plan no.	Vesting period	Minimum lock-up period	Shares originally allocated	share price on date of allocation	Share price used on closing date	Expired shares	Shares allocated at the end of the vesting period	Existing shares at December 31, 2019
May 18, 2016	AFS no. 4	3 years	1 year	15,150	€31	-	2,900	12,250	-
May 18, 2016	AFS no. 5	3 years	-	5,625	€31	-	1,410	4,215	-
February 23, 2017	AFS no. 7	3 years	1 year	14,200	€39	€85	1,100	-	13,100
April 12, 2018	AFS no. 8	3 years	1 year	9,200	€55	€83	800	-	8,400
October 25, 2018	AFS no. 9	3 years	Variable	59,000	€64	€83	-	5,000	54,000
November 29, 2019	AFS no. 10	3 years	Variable	53,621	€80	€71	-	-	53,621

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

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

- AFS plan no. 5: 100% of the shares are allocated contingent on the employee being present at the end of the vesting period;
- 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:
 - 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;

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

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.

Treasury shares

The Company signed a new liquidity contract on December 21, 2018 with effect from January 2, 2019. As at December 31, 2019, the Company held 0 shares by virtue of the liquidity contract and 227 shares by virtue of the AFS plans, i.e. a total of 227 treasury shares representing a total amount of 10,575 euros.

Treasury shares destined for employees

	31/12/2018	Acquisitions Allocations	Disposals/ Buybacks	Cancellation of shares	31/12/2019
Number of shares	21,692		21,465		227
Decrease in value <i>(in thousands of euros)</i>	-	-	-	-	-
NET <i>(in thousands of euros)</i>	21,692		21,465		227

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

<i>In thousands of euros</i>	Amount	Tax
Increases: regulated provisions		
Subsidies to be added back to income		
Decreases: provisions which cannot be deducted in the year of their recording	(11,564)	(1,156)
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:

2019 financial year <i>(in thousands of euros)</i>	E.Y. Fees	Cailliau Dedouit et Associés fees
Statutory audit, certification of financial statements	100	101
Other related assignments and other auditing assignments	-	-
Sub-total	100	101
Services other than the certification of financial statements (SACC)	3	3
AUDIT TOTAL	103	104

Events after the reporting period

Acquisition of Marorka

On February 20, 2020, GTT announced the acquisition of 100% of the capital of Marorka from its shareholders and executives. This company, based in Iceland and specialised in Smart Shipping ⁽¹⁾, designs operational reporting and energy performance improvement systems aimed at reducing the environmental footprint of vessels.

Covid-19

Since January 2020, the Covid-19 epidemic has caused an unprecedented crisis, primarily in Asian countries where GTT generates virtually all of its revenues (South Korea: 85%, China: 10%), then in the Western countries. The WHO declared a pandemic on March 12, 2020.

For GTT, the main risk of the Covid-19 epidemic is possible delays in the timetable for the construction of vessels, which may lead to a shift in the recognition of revenues from one financial year to another. On the date of closing of the financial statements, GTT has not ascertained any major delay in the vessel construction timetable.

The risks related to the impact of the epidemic on the worldwide economy, and particularly to demand for LNG, are currently difficult to assess. They may relate to demand for LNG, liquefaction projects and ship-owners whose orders may be suspended or cancelled. The Group nevertheless reiterates that the LNG market is mainly based on long-term prospects and financing and that, at the date of publication of this document, the situation has improved in Asian countries, which represent more than 60% of worldwide imports of LNG.

Also, the Group has 456 employees, of whom 60 are seconded to shipyards (South Korea and China) and 39 employees are present in the subsidiaries of the Group in Asia (one in China and 38 in Singapore). GTT considers their health and that of their families to be very important. From the beginning of the crisis, the Group made recommendations to its employees, firstly abroad, then at the head office, in line with those from the foreign affairs ministry and the health ministry, including telecommuting measures for a large part of the workforce.

(1) Smart Shipping refers to a set of navigation services, operational vessel management, predictive maintenance, on-board energy management and fleet management for charterers, ship-owners and operators.

Fixed assets

<i>In euros</i> Items	Gross value start of financial year	Acquisitions by revaluation	Acquisitions contributions, creation transfers
Intangible assets			
Start-up and development fees			
Other intangible assets	6,687,547		577,844
Total intangible assets	6,687,547		577,844
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	15,480,910		1,173,215
General installations, fittings and fixtures and other	18,733,682		665,941
Transport vehicles	153,862		
Office equip., computer equip., and furnishings	4,692,296		1,301,612
Recoverable packaging and others			
Property, plant and equipment in progress	1,259,599		3,828,697
Deposits & advance payments			
Total property, plant and equipment	50,347,665		6,969,464
Fixed financial assets			
Investments accounted for under the equity method			
Other shareholdings	11,546,866		1,722,118
Other investment securities			
Loans and other fixed financial assets	1,739,413		1,895,029
Total fixed financial assets	13,286,279		3,617,147
OVERALL TOTAL	70,321,490		11,164,455

<i>In euros</i> Items	Disposals by transfer	Decreases by disposals, decommissioning	Gross value end of financial year	Legal revaluations
Intangible assets				
Start-up and development fees				
Other intangible assets			7,265,390	
Total intangible assets			7,265,390	
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			16,654,125	
General installations, fittings and fixtures and other			19,399,623	
Transport vehicles		43,351	105,511	
Office equip., computer equip., and furnishings		144,451	5,849,456	
Recoverable packaging and others				
Property, plant and equipment in progress	370,571		4,717,544	
Deposits & advance payments				
Total property, plant and equipment	370,571	192,802	56,753,575	
Investments accounted for under the equity method				
Other shareholdings			13,268,984	
Other investment securities				
Loans and other fixed financial assets		525,198	3,109	
Total fixed financial assets		525,198	16,378,228	
OVERALL TOTAL		718,000	80,397,193	

Depreciation

Financial position and movements during the financial year

<i>In euros</i> Depreciable assets	Amount start of financial year	Acquisitions allocations	Disposals reversals	Amount end of financial year
Intangible assets				
Start-up and development fees				
Other intangible assets	4,793,848	468,310		5,262,158
Total intangible assets	4,793,848	468,310		5,262,158
Property, plant and equipment				
Land				
Buildings on own land	2,009,267	397,629		2,406,896
Buildings on third-party land				
Buildings – general installations	12,910,956	1,056,683		13,967,639
Technical installations, equipment and industrial tools	16,072,608	863,838		16,936,446
Transport vehicles	153,862		48,351	105,511
Office equip., computer equip., and furnishings	4,237,574	682,013	143,645	4,775,942
Recoverable packaging and others				
Total property, plant and equipment	35,384,266	3,000,163	191,996	38,192,433
TOTALOVERALL	40,178,114	3,468,473	191,996	43,454,591

Breakdown of allocations to depreciation and amortisation for the financial year

<i>In euros</i> Depreciable assets	Depreciation (straight-line)	Depreciation (accelerated)	Depreciation (exceptional)
Intangible assets			
Start-up and development fees			
Other intangible assets	468,310		
Total intangible assets	468,310		
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	1,056,683		
General installations, fittings and fixtures and other	863,838		
Transport vehicles			
Office equip., computer equip., and furnishings	682,013		
Recoverable packaging and others			
Total property, plant and equipment	3,000,163		
Equity investment acquisition fees			
TOTAL	3,468,473		

Provisions reported on the balance sheet

<i>In euros</i> Items	Amount start of financial year	Acquisitions provisions	Disposals reversal	Amount end of financial year
Provisions for extraction site rehabilitation				
Prov. for investment				
Provisions for price increases				
Exceptional depreciation	713	194,046	207,729	653,030
Of which exceptional 30% premiums				
Provisions for start-up loans				
Other regulated provisions				
Regulated provisions	666,713	194,046	207,729	653,030
Provisions for litigation	6,341,787	189,100	3,855,400	2,675,487
Provisions for guarantees given to clients				
Provisions for losses on futures markets	441,713	978,831	385,407	441,713
Provisions for fines and penalties				
Provisions for foreign exchange losses				
Prov. for pensions and similar obligations				
Provisions for taxes		450,083		450,083
Provisions for fixed asset replacement				
Provisions for large-scale maintenance and major overhauls				
Provisions for social security and tax costs on paid leave				
Other provisions for risk and charges	1,153,495	4,564,269	2,637,280	1,153,495
Prov. for risks and charges	7,936,995	6,182,283	5,437,333	8,681,945
Provision on intangible assets	914,694			914,694
Provision on tangible assets				
Provisions for equity-method investment assets				
Provisions for equity investment assets	6,388,000			6,388,000
Provisions on other fixed financial assets				
Provisions for inventory and works in progress				
Provisions for client accounts	3,869,078	678,586	186,949	3,869,078
Other provisions for impairment	132,633	103,696		132,633
Provisions for impairment	11,304,405	7,165,282	186,949	11,304,405
TOTAL OVERALL	19,908,114	6,813,661	5,777,696	20,944,079

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Statement of receivables and payables by maturity

In euros

Statement of receivables	Gross amount	1 year at most	More than 1 year
Fixed assets			
Receivables from equity interests	6,880,984		6,880,984
Loans			
Other fixed financial assets	3,109,243	2,979,376	129,867
Total fixed assets	9,990,228	2,979,376	7,010,852
Current assets			
Doubtful and disputed trade receivables	5,254,517		5,254,517
Other trade receivables	138,984,839	138,984,839	
Receivables representing shares that are loaned or held as collateral			
Personnel and related accounts	8,672	8,672	
Social security and other welfare agencies	137	137	
State – Income tax	41,770,976	41,770,976	
State – Value-Added Tax	4,755,038	4,755,038	
State – Other taxes, duties and levies	411	411	
State – Miscellaneous			
Group and associates	390,415	390,415	
Sundry accounts receivable	309,463	309,463	
Total current assets	191,474,469	186,219,951	5,254,517
Prepaid expenses	2,826,728	2,826,728	
OVERALL TOTAL	204,291,424	192,026,055	12,265,369

In euros

Statement of debts	Gross amount	1 year at most	More than 1 year and up to 5 years	More than 5 years
Convertible bonds				
Other bonds				
With credit institutions:				
• 1 year maximum at inception				
• more than 1 year at inception				
Other loans and financial liabilities				
Trade and other payables	11,033,500	11,033,500		
Personnel and related accounts	13,813,068	13,813,068		
Social security and other welfare agencies	5,973,404	5,973,404		
Income tax	5,631,480	6,863,573		
Value-added tax	740,870	740,870		
Guaranteed bonds				
Other taxes, duties and other levies	1,600,490	1,600,490		
Amounts payable on fixed assets and related accounts				
Group and associates				
Other debts	5,605,789	5,605,789		
Securities borrowed				
Deferred income	135,601,123	135,601,123		
OVERALL TOTAL	179,999,723	179,999,723		

Goodwill

<i>In euros</i> Type	Amount of components			Global	Amount of impairment
	Purchased	Revalued	Received as contribution		
Business			914,694	914,694	914,964
TOTAL			914,694	914,694	914,964
Reminder: Goodwill				914,694	(914,694)

Accruals

<i>In euros</i> Amount of accruals included in the following balance sheet items	Amount
Convertible bonds	
Other bonds	
Loans and debts with credit institutions	
Other loans and financial liabilities	
Trade and other payables	5,675,362
Tax and social security payables	17,658,603
Amounts payable on fixed assets and related accounts	
Cash, accruals	
Other debts	5,605,789
TOTAL	28,939,755

Accrued income

<i>In euros</i> Amount of accrued income included in the following balance sheet items	Amount
Fixed financial assets	
Receivables from equity interests	
Other fixed financial assets	
Receivables	
Trade and other receivables	77,551,746
Personnel	5,890
Welfare agencies	
State	411
Other, accrued income	114,707
Other receivables	
Marketable securities	390,300
TOTAL	78,063,054

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Deferred income and prepaid expenses

<i>In euros</i> Items	Expenses	Income
Operating income or expenses	2,826,728	135,601,123
Financial income or expenses		
Nonrecurring income or expenses		
TOTAL	2,826,728	135,601,123

<i>In euros</i> Nonrecurring income	Amount	Allocated to account
Lawsuit insurance reimbursement	3,000	771,000
Income from disposals of assets	6,500	775,200
Income from disposals of financial assets	66,843	775,600
TOTAL	76,343	

<i>In euros</i> Nonrecurring expenses	Amount	Allocated to account
Nonrecurring expenses – end of lawsuits	2,797,014	671,000
Losses on treasury share buybacks	1,000,041	678,300
Net book value of assets disposed of	806	675,200
TOTAL	3,797,861	

Average headcount

<i>In euros</i> Workforce	Personnel employees	Personnel seconded to the Company
Executive	277	
Technicians and supervisors	88	2
Employees	15	
Workers		
TOTAL	381	2

Detail of expenses reallocated

<i>In euros</i> Type	Amount
Treasury share buybacks	1,000,041
Reimbursement CPAM-Prévoyance (national insurance agency)	147,122
Insurance reimbursement	1,400
Air France- reimbursement of transport costs	100,527
Rebilling of miscellaneous costs	1,200
TOTAL	1,250,289

Structure of share capital

Share categories	Number	Value (nominal)
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

<i>In euros</i>	Share capital	Premiums	Reserves	Regulated provisions	Revenue	Total equity
As at December 31, 2018	370,784	2,932,122	30,405,351	666,713	144,438,991	178,813,962
Profit for the year					150,221,065	150,221,065
Allocation of the profit from the previous financial period			144,438,991		(144,438,991)	-
Capital increase						
Distribution of dividends			(66,277,165)			(66,277,165)
Prov for investment						-
Exceptional depreciation				(13,683)		(13,683)
Interim dividend payment			(55,620,195)			55,620
Changes in scope						-
AS AT DECEMBER 31, 2019	370,784	2,932,122	52,946,982	653,030	144,438,991	178,813,962

<i>In euros</i> 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 received 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	53,529			
CRYOMETRICS	5,000	-	29,962			-
b) Foreign companies						
GTT Training	1	1	179,704			-
GTT NA	3,743	3,743	23,194			-
GTT SEA	1	1	200,000			-
ASCENZ	10,034,722	3,651,722	2,995,805			-
2. Shareholdings (10 to 50% of capital held by the Company)						
B. General information regarding 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 294,338,509 euros, intellectual property income amounted to 239,345,395 euros. Total taxable income was taxed at a rate of 10%.

Withholding tax of 26,141,665 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.

The amount of provisions made for risks and charges changed as follows over 2019:

<i>In euros</i> Items	Amount at the beginning of the financial year	Allocation	Rev. Prov. Used	Rev. not used	Amount at the end of the financial year
Provisions for litigation	6,341,787	189,100	2,855,400	1,000,000	2,675,487
Prov. Loss upon completion	441,713	978,831	102,544	-	1,318,000
AFS provision	1,153,495	4,564,269	1,479,389	-	4,238,375
Other prov's. for C&L	-	450,083	-	-	450,083
TOTAL	7,936,995	6,182,283	4,437,333	1,000,000	8,681,945

Receivables depreciation

<i>In euros</i>	Amount at start of financial year	Increases, provisions	Disposals, reversals	Amount at end of financial year
Provision for doubtful debts	3,869,078	355,495	-	4,224,573
TOTAL DEPRECIATION	3,869,078	355,495		4,224,573

Research & Development expenditure

The amount of eligible R&D expenditure provisioned with respect to the 2019 CIR (Research Tax Credit) stands at roughly 14.3 million euros, giving entitlement to a tax credit in the amount of 4.3 million euros for 2019. In addition, the amount of research tax credits not allocated to income tax as at December 31, 2019 stands at roughly 1.2 million euros.

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.

Intragroup operations with ENGIE

<i>In thousands of euros</i>	
Suppliers	123
Supplies and maintenance (Expenses)	1,014
Seconded personnel (Expenses)	29
Outsourced tests and studies (Expenses)	148
Electricity supply (Expenses)	227
Supplies, Equipment (Expenses)	19

Income tax

The breakdown of income tax between current and nonrecurring elements is as follows:

<i>In thousands of euros</i>	Accounting income	Net fiscal income	10% Tax	Net income
Current income	179,665	231,257	(23,126)	150,221
Nonrecurring income	(355)			(355)
Profit-sharing and incentive scheme	(7,144)			(7,144)
Allocation of tax credits				11,783
Allocation of deficits carried forward				54
Tax consolidation income				
TOTAL NET VALUE				154,559

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 2019.

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 expense under the tax consolidation agreement amounted to 26,141,665 euros.

Cryovision will pay GTT an amount equal to the tax that it would be subject to alone, i.e. 53,529 euros, as its contribution to the payment of income taxes.

Cryometrics recorded a loss of 0.4 million euros that can be offset against the Group's profit within the limits and conditions stipulated in the third paragraph of section I of article 209 of the French General Tax Code (CGI).

Information on the income statement

Breakdown of revenue in 2019

<i>In thousands of euros</i>	Royalties	Technical support	Other services	Total
France			1,642	1,642
South Korea	216,862	31,318	1,926	250,107
China	21,923	3,598	1,957	27,478
Switzerland			1,955	1,955
Japan			22	22
Spain			178	178
United States of America			474	474
Russia	436	86	105	626
Norway			3,558	3,558
Belgium			223	223
United Kingdom			827	827
Malaysia			423	423
Qatar			584	584
India			115	115
Greece			258	258
Singapore	124	54	390	568
Various exports			520	520
TOTAL	239,345	35,056	15,157	289,558

Compensation of the management and control bodies

Compensation of all types paid in 2019 to the executive officers:

In thousands of euros

Compensation of executive Directors

Compensation allocated to the members of the management bodies	698
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	92

The members of the Board of Directors elected by the shareholders' Meeting receive Directors' fees, the gross amount of which in 2019 was 452 thousand euros.

Significant events during the period

Business activity

In 2019, the Group demonstrated its ability to cover the entire liquefied gas transport and storage value chain with a record number of LNG carriers that included major orders in the field of GBS (Gravity Based Structures) and very large ethane carriers.

LNG CARRIER ORDERS AT RECORD HIGHS

In 2019, GTT's business activity was marked by multiple successes, particularly in the field of LNG carriers. In addition to the 26 orders booked during the first half of the year, there were an additional 31 orders in the second half of 2019, for a total of 57 LNG carrier orders in 2019. GTT's core business activity is, therefore, at a particularly high level. All of the carriers will be equipped with GTT's recent technologies (Mark III Flex+, Mark III Flex and NO96 GW). They will be delivered between the end of 2020 and the beginning of 2023.

SIX ORDERS FOR LATEST GENERATION ETHANE CARRIERS

In September 2019, GTT's membrane technology was selected for the design of six Very Large Ethane Carriers (VLEC) built by the Korean Hyundai Heavy Industries (HHI) and Samsung Heavy Industries (SHI) shipyards on behalf of the Chinese company Zhejiang Satellite Petrochemical. These second generation ethane carriers will be the largest ever built in the world (98,000 m³).

Designed for multi-gas use, *i.e.* to transport ethane as well as several types of gas such as propylene, LPG and ethylene, these six vessels will also be "LNG ready", offering the possibility of containing LNG in the future without the need to convert the ship's tanks.

ORDER OF THREE GBS, A FIRST FOR GTT

At the end of September, GTT announced the signing of a contract with Saren BV (a joint venture between Renaissance Heavy Industries Russia and Saipem) for the design and construction of three GBS terminals (Gravity Based Structures) dedicated to the Arctic LNG 2 project. The contract concerns the design, construction studies and technical assistance for the membrane containment systems of the LNG and ethane tanks which will be installed inside the three GBS terminals.

The first two GBS terminals will be equipped with two LNG tanks, each with a capacity of 114,500 m³, and an ethane tank of 980 m³. The third GBS terminal will be equipped with two LNG tanks of

114,500 m³ each. The GBS terminals, which will lie on the seabed, will consist of concrete caissons with membrane containment tanks using GTT's GST[®] technology. The units will be built in a dry dock at Novatek-Murmansk LLC. They will then be towed and installed in their final location in the Gydan peninsula in Russian Arctic.

LNG AS FUEL

In 2019, GTT received four orders for the design of tanks for six merchant vessels and two bunker vessels:

In March 2019, GTT received an order from the Sembcorp Marine shipyard for the design of tanks for an LNG bunker vessel of 12,000 m³ on behalf of the ship-owner Indah Singa Maritime Pte Ltd, a subsidiary of Mitsui OSK Lines (MOL).

In April 2019, GTT received an order from the Chinese shipyard Hudong-Zhonghua for the design of an LNG tank of 6,500 m³ as part of the conversion of a very large capacity container ship for the German ship owner Hapag Lloyd.

In June 2019, GTT received an order from the Chinese shipyard Jiangnan Shipyard (Group) Co., Ltd. for the design of LNG tanks of 14,000 m³ for five new giant container ships on behalf of a European ship owner.

In December 2019, GTT received an order from the Chinese shipyard Hudong-Zhonghua for the design of tanks for an LNG bunker vessel of 18,600 m³ on behalf of the Japanese ship-owner Mitsui OSK Lines Ltd. (MOL). This vessel will be operated by the MOL ship-owner and chartered by Total.

Technologies

During the Gastech trade show, which was held in mid-September 2019, GTT announced several advances in its technology development process.

The American Bureau of Shipping classification society issued the "LNG Cargo Ready" rating to GTT for its latest VLEC (Very Large Ethane Carrier) model, a first in the ethane sector. The rating certifies that the ethane carriers can be used to transport liquefied natural gas without having to convert the ship's tanks.

GTT also received approval in principle from the classification society Bureau Veritas for icebreaker vessels using Mark III Flex and NO96 L-03+ technologies sailing in Arctic waters.

In addition, GTT signed a joint agreement for the design of a Very Large Crude Carrier (VLCC) using LNG as fuel with Lloyd's Register (classification society) and several partners.

Lastly, GTT announced the new name of its latest technology: GTT NEXT1 (formerly NO96 Flex). This system benefits from both proven NO96 technologies and the advantages provided by the polyurethane foam insulating panels used in Mark III technology.

License agreements

In December 2019, GTT signed a *Technical Assistance And License Agreement* (TALA) with the WISON Offshore & Marine (WOM) shipyard based in China for the supply of LNG production, liquefaction and storage units (FLNG), floating storage and regasification units (FSRUs), floating storage, regasification and power plant units (FSRP) and LNG carriers, using GTT's containment systems with cryogenic membranes.

WOM is a pioneer in the field of LNG floating units in China. This agreement enables them to continue to develop their offering for ship-owners in new markets, particularly for floating solutions, while advancing the development of LNG as a marine fuel within the global supply chain.

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 2019.

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

Supplier and customer payment terms

Maturity	Suppliers – invoices received not settled on the date of closure of the financial year for which the term has expired					
	0 day	1 to 30 days	31 to 60 days	61 to 90 days	91 days or more	TOTAL
total amount of invoices concerned including tax	3,509,600	1,222,251	64,377	27,490	164,811	4,988,529
% of total amount of purchases including tax for the financial year	4.80%	1.67%	0.09%	0.04%	0.23%	6.83%

Maturity	Customers – invoices issued not settled on the date of closure of the financial year for which the term is expired					
	0 day	1 to 30 days	31 to 60 days	61 to 90 days	91 days or more	TOTAL
total amount of invoices concerned excluding tax	50,237,085	6,890,111	852,814	1,088,321	2,364,761	61,433,093
% of the total amount of sales excluding tax for the financial year	17.35%	2.38%	0.29%	0.38%	0.82%	21.22%

6.2.4 STATUTORY AUDITORS' REPORT ON THE CORPORATE FINANCIAL STATEMENTS

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.

Year ended December 31, 2019

To the Annual General Meeting of GTT,

Opinion

In compliance with the engagement entrusted to us by your Annual General Meetings, we have audited the accompanying financial statements of GTT for the year ended December 31, 2019. These financial statements were approved by the Board of Directors on April 17, 2020 based on the elements available at that date, in the evolving context of the health crisis related to Covid-19.

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, 2019 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 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 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, 2019 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, as approved in the above-mentioned context, 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

As at December 31, 2019, recurring royalties recognized under license agreements for the construction of tanks with shipyards, represent M€ 268 of the Company's operating revenues.

As stated in "Royalties recorded in operating revenue" paragraph of "Accounting rules and methods" Note to the financial statements, recurring royalties represent a single global service corresponding to the transfer of licensed technologies to shipyard as part of the construction of ship tanks of a or a 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 recognized pro rata temporis as operating revenue over the construction period of each ship (between the date of steel cutting and the date of the ship delivery), the amount of the revenue allocated to each ship in the series being identical.

We considered the recognition of recurring royalties as operating revenue to be a key audit matter due to their significant importance in your Company's accounts and their sensitivity to shipbuilding milestones.

Our response

Our work consisted mainly in:

- examining the procedures implemented by the Company on the royalty recognition process;
- reconciling the accounting data with the data taken from the royalty calculation table;
- obtaining direct confirmation from shipyards regarding the reality of portfolio transactions and the milestones updating in relation to shipbuilding progress;
- esting, 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.

Furthermore, we assessed the appropriateness of the information provided in the 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 as approved on April 17, 2020 and in the other documents with respect to the financial position and the financial statements provided to the shareholders. Regarding the events that occurred, and the elements known after the date of approval of the financial statements relating to the effects of the Covid-19 crisis, Management has informed us that such events and elements will be communicated to the annual general meeting called to decide on these financial statements.

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, or allocated to 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 companies controlled thereby, included in the consolidation scope. 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 or 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 ERNNT & YOUNG Audit.

As at December 31, 2019, CAILLIAU DEDOUT ET ASSOCIES and ERNST & YOUNG Audit were in the third year and twenty-second year of total uninterrupted engagement, which is the sixth 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) No. 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 23, 2020

The Statutory Auditors

French original signed by

CAILLIAU DEDOIT ET ASSOCIÉS
Rémi Savournin

ERNST & YOUNG Audit
Aymeric de La Morandière



7

SHARE CAPITAL AND SHAREHOLDING STRUCTURE

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7.1 SHARE OWNERSHIP STRUCTURE

7.1.1 PRINCIPLE SHAREHOLDERS

7.1.1.1 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, 2020:

Shareholding	Number of shares	% of the capital	% of voting rights
ENGIE	14,858,380	40.07	40.09
GDF International	123,200	0.33	0.33
Managers and employees of the Company	200,401	0.54	0.54
Public	21,884,799	59.03	59.04
Treasury shares	11,577	0.03	0.00
TOTAL	37,078,357	100.00	100.00

At March 31, 2020, the Company's share capital comprised 37,078,357 shares, representing as many theoretical voting rights ⁽¹⁾ and 37,066,780 net voting rights ⁽²⁾.

At the end of financial years 2019, 2018 and 2017, the share capital and voting rights were broken down as follows:

Shareholding	Situation as at 31/12/2019			Situation as at 31/12/2018			Situation as at 31/12/2017		
	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	40.07	14,858,380	40.07	40.10	14,858,380	40.07	40.16
GDF International	123,200	0.33	0.33	123,200	0.33	0.33	123,200	0.33	0.33
Sommerville Investments BV *	-	-	-	-	-	-	3,849,968	10.38	10.41
Managers and employees of the Company	192,075	0.52	0.52	191,682	0.52	0.52	181,075	0.49	0.49
Public	21,904,475	59.08	59.08	21,878,080	59.00	59.05	17,986,060	48.51	48.61
Treasury shares	227	0.00	0.00	27,015	0.07	0.00	79,674	0.21	0.00
TOTAL	37,078,357	100.00	100.00	37,078,357	100.00	100.00	37,078,357	100.00	100.00

* Formerly Sheares Investments BV/Shareholding sold on February 20, 2018.

7.1.1.2 Shareholders' agreements, lock-up commitments and concert parties

To the knowledge of the Company, there is no currently valid shareholder's agreement.

(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.

7.1.2 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 Universal Registration Document.

7.1.3 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 and GDF International together hold 40.4% 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 4.2.1.3.2 – *Details of allocations of performance shares* in this Universal 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 Universal Registration Document, there are no arrangements, whose implementation could subsequently result in a change of control.

7.1.4 ELEMENTS LIKELY TO HAVE AN IMPACT IN CASE 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 Universal Registration Document.

7.1.5 TRANSACTIONS ON SECURITIES BY SENIOR MANAGEMENT

The transactions carried out in the 2019 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)
David Colson	Sale	02/01/2019	3,500	66.10

7.2 STOCK-MARKET DATA

7.2.1 THE GTT SHARE

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.



7.2.2 CHANGES TO STOCK-MARKET PRICES AND TRADING VOLUMES

Main market data 2018	2019
Number of shares at 31 December	37,078,357
Share price at 31 December (in euros)	85.40
High (in euros)	92.05
Low (in euros)	66.15
Market capitalisation at 31 December (in millions of euros)	3,166.49

Change in the stock market price between March 2019 and February 2020	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 2019	82.48	84.60	79.70	48,629	3,058.17
April	85.84	90.00	80.65	51,905	3,182.71
May	79.77	81.65	76.50	46,566	2,957.67
June	85.47	88.20	81.90	54,417	3,168.90
July	88.84	92.05	82.15	52,543	3,293.93
August	83.04	85.95	80.45	48,806	3,078.94
September	86.08	90.85	81.60	55,401	3,191.65
October	85.48	89.85	81.65	49,669	3,169.31
November	82.18	84.95	79.30	48,475	3,047.22
December	84.39	88.20	78.55	44,616	3,128.86
January 2020	92.46	100.80	87.80	50,365	3,428.32
February	93.04	100.50	80.10	73,529	3,449.58

(1) Arithmetic average of closing prices.

(2) On 37,078,357 shares comprising the share capital over the period under consideration.

7.3 COMMUNICATION WITH SHAREHOLDERS

7.3.1 SHAREHOLDER AND INVESTOR CONTACTS

Investor relations department
1, route de Versailles
78470 Saint-Rémy-lès-Chevreuse
Phone: +33 1 30 23 20 87
Fax: +33 1 30 23 47 00
information-financiere@gtt.fr
www.gtt.fr

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

Shareholders' Meeting	June 2, 2020
H1 2020 results	July 29, 2020
Activity in the third quarter of 2020	October 28, 2020

7.3.2 KEY FIGURES FOR INVESTOR RELATIONS IN 2019

- **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.
- **12 days of road shows** in 7 countries.
- Participation in **9 industry specific or generalist conferences**.
- Coverage of the share by **9 stock market companies**.

7.3.3 THE WEBSITE GTT.FR

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.

7.4 DIVIDENDS

DIVIDENDS PAID IN THE LAST FIVE FINANCIAL YEARS

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

<i>In euros</i>	Financial year ended 31 December				
	2018	2017	2016	2015	2014
Total dividend payout	115,579,898	98,572,329	98,559,807	98,550,583	98,617,273
Net dividend per share	3.12	2.66	2.66	2.66	2.66

In accordance with GTT's dividend distribution policy, on the basis of a decision by the Board of Directors on July 25, 2019, an interim dividend of an amount of 55,620,195 euros, or 1.50 euro per share

was paid entirely in cash. This ex-dividend date for this interim dividend was September 25, 2019 and it was paid on September 27, 2019.

7.5 SHARE BUYBACK PROGRAM

The Combined General Meeting of May 23, 2019 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, 2019, 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 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, 2019, the Company held no GTT shares under the terms of its liquidity contract and 227 GTT shares outside the liquidity contract.

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7.6 INFORMATION ON THE CAPITAL

AMOUNT OF THE SHARE CAPITAL

At the date of registration of this Universal 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 Universal 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, 2019.

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 authorisation	Utilisation of the authorisation	Nullity of the authorisation and expiry date
10 th	Authorisation to be granted to the Board of Directors to carry out transactions on the Company's shares (Report from the Combined Shareholders' Meeting of May 23, 2019)	10% of the share capital	18 months as of the date of the Combined Shareholders' Meeting of May 23, 2019	No shares held by GTT on December 31, 2019	November 23, 2020
13 th	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 23, 2019)	10% of the share capital per period of 24 months	24 months as of the date of the Combined Shareholders' Meeting of May 23, 2019	Not used	May 23, 2021
1 st	Authorisation to allow the Board of Directors to proceed with the allocation of existing free shares or shares to be issued to all or some of the employees and executive officers of the Company (Report from the Extraordinary Shareholders' Meeting of November 14, 2019)	1% of the share capital	38 months from the date of the Extraordinary Shareholders' Meeting of November 14, 2019	53,621 shares allocated on June 2, 2020	January 14, 2023

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 5.5 – *Company's results over the past five financial years* in this Universal Registration Document.

DECLARATIONS OF CROSSING LEGAL AND BY-LAW THRESHOLDS RECEIVED DURING THE FINANCIAL YEAR

Date	Crossing	Company	% of the capital	% of voting rights
04/01/2019	Decrease	Covéa Finance	1.00%	1.00%
22/01/2019	Decrease	ACF III Investment	0.92%	0.92%
13/02/2019	Decrease	Amundi	1.99%	1.99%
08/03/2019	Increase	Amundi	2.04%	2.04%
11/06/2019	Increase	BlackRock	2.50%	2.50%
08/07/2019	Decrease	Neon Liberty Capital Management LLC	1.05%	1.05%
04/12/2019	Decrease	BlackRock	1.97%	1.97%

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 2019 financial year.

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SHAREHOLDERS' MEETING

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8.1 AGENDA OF THE COMBINED SHAREHOLDERS' MEETING

8.1.1 RESOLUTIONS THAT FALL WITHIN THE AUTHORITY OF THE ORDINARY SHAREHOLDERS' MEETING

- Approval of the corporate financial statements for the financial year ended December 31, 2019.
- Approval of the consolidated financial statements for the financial year ended December 31, 2019.
- Allocation of profit and setting the dividend amount.
- Approval of the related-party agreements subject to the provisions of Articles L. 225-38 et seq. of the French Commercial Code.
- Ratification of the co-opting of Pierre Guiollot as Director to replace Judith Hartmann, who resigned.
- Ratification of the co-opting of Isabelle Boccon-Gibod as Director to replace Françoise Leroy, who resigned.
- Renewal of the term of office of Isabelle Boccon-Gibod as Director.
- Renewal of the term of office of Benoît Mignard as non-voting member.
- Approval of the information on corporate officers' compensation stipulated in Article L. 225-37-3, I of the French Commercial Code provided in the Board of Directors' report on corporate governance.
- Approval of the fixed, variable and exceptional elements composing the total compensation and benefits of any kind paid during the 2019 financial year or allocated in respect of the same year to Philippe Berterottière, Chairman and Chief Executive Officer.
- Approval of the policy on compensation of the Chairman and Chief Executive Officer for the 2020 financial year.
- Approval of the policy on compensation of the members of the Board of Directors for the 2020 financial year.
- Authorisation to be granted to the Board of Directors to carry out transactions on the Company's shares.
- Powers for formalities.

8.1.2 RESOLUTIONS THAT FALL WITHIN THE AUTHORITY OF THE EXTRAORDINARY SHAREHOLDERS' MEETING

- 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.
- Authorisation to be granted to the Board of Directors to reduce the share capital through the cancellation of the Company's treasury shares.
- Addition of a Preamble before Article 1 of the by-law to adopt a mission statement for the Company.
- Amendment of Article 4 of the by-law in order to provide for the possibility of transferring the registered office to French territory in accordance with Article L. 225-36 amended by law No. 2016-1694 of December 9, 2016 ("Sapin 2" law).
- Compliance of Articles 9, 15, 17, 19, 20, 24 and 33 of the by-law with the provisions of law No. 2019-486 of May 22, 2019 relating to the growth and transformation of companies ("Pacte law") and Order No. 2019-1234.
- Insertion of a new paragraph in Article 19.2 to authorise the Board of Directors to adopt certain decisions by written consultation and amendment of Article 19.2 concerning the periodicity of the business plan.

8.2 BOARD OF DIRECTORS' REPORT ON THE PROPOSED 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, 2019.

Your Board of Directors submits the following 20 resolutions for your approval.

8.2.1 RESOLUTIONS THAT FALL WITHIN THE AUTHORITY OF THE ORDINARY SHAREHOLDERS' MEETING

Approval of the corporate financial statements for the financial year ended December 31, 2019 (1st resolution)

You are asked to approve the Company's corporate financial statements for the financial year ended December 31, 2019, as well as the non-tax-deductible expenses and charges.

The Company's corporate financial statements show a profit of 150.2 million euros.

Approval of the consolidated financial statements for the financial year ended December 31, 2019 (2nd resolution)

You are asked to approve the Group's consolidated financial statements for the financial year ended December 31, 2019, which show a profit of 143.4 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, 2019 show a profit of €150,221,065, your Board of Directors proposes the following allocation of this profit:

Profit for the financial year	€150,221,065
Other reserves	-
Retained earnings	€(55,620,195)
Distributable profits	€94,600,870
Allocation	-
Dividend	€64,886,728
Retained earnings	€29,714,142

Accordingly, the dividend to be distributed would be 3.25 euros per share.

An interim dividend payment of 1.50 euros per share was paid on September 27, 2019. The balance due, 1.75 euros per share, should be paid on June 10, 2020, it being stipulated that the ex-dividend date will be June 8, 2020.

In accordance with the requirements of Article 243 bis 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 2020. 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. 1.3 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.

Approval of the related-party agreements subject to the provisions of Articles L. 225-38 and following of the French Commercial Code (4th resolution)

Concerning the 4th resolution, your Board of Directors invites you to take note of the agreements already approved during prior financial years and for which execution continued, as shown in the special report from the Statutory Auditors on the agreements covered by Articles L. 225-38 and L. 225-40-1 of the French Commercial Code, and to take note of the fact that this special report from the Statutory Auditors does not report any new agreement concluded during the financial year ending on December 31, 2019.

Ratification of the co-opting of Pierre Guiollot as Director (5th resolution)

Judith Hartmann resigned her functions as Director with effect on December 23, 2019.

Upon proposal from ENGIE and on the recommendation of the Compensation and Nominations Committee, on February 27, 2020, your Board of Directors co-opted Pierre Guiollot as Director to replace Judith Hartmann, who resigned.

Pierre Guiollot will be a Director for the remaining term of office of his predecessor, namely until the end of the Shareholders' Meeting called in 2023 to approve the financial statements of the year ending December 31, 2022.

Pierre Guiollot is a graduate of the School of Political Science, Paris, public service section. His career started as an external audit manager at KPMG between 1992 and 1997. In 1997, he joined the Suez Group where he held various positions: Deputy head of Consolidation for the Suez Group between 1997 and 2004, head of the Accounting department for Suez and Tractebel between 2004 and 2006, Vice-President Accounting and Consolidation for GDF Suez between 2006 and 2013, Chief Financial Officer of GDF Suez International between 2013 and 2015, then Deputy Chief Financial Officer of the ENGIE Group since 2015.

Pierre Guiollot holds 100 shares in the Company on the date of this report.

The mandates and offices external to the GTT Group exercised by Pierre Guiollot over the last five years are shown in Appendix 1 to the present chapter.

According to the terms of the 5th resolution, your Board of Directors proposes that you ratify this co-option.

Ratification of the co-option of Isabelle Boccon-Gibod as Director and renewal of her term of office (7th resolution)

Françoise Leroy, independent Director, whose term of office expires at the next Shareholders' Meeting, resigned from her role as Director with effect from February 7, 2020.

Upon recommendation from the Compensation and Nominations Committee, your Board of Directors co-opted Isabelle Boccon-Gibod as Director at its meeting of April 17, 2020, to replace Françoise Leroy, for the remainder of the latter's term of office, *i.e.* until the end of the Shareholders' Meeting called in 2020 to approve the financial statements for the financial year ended December 31, 2019. It is also proposed, pursuant to the 7th resolution, that Isabelle Boccon-Gibod's term of office is renewed for a period of four (4) years, namely until the end of the Shareholders' Meeting called in 2024 to approve the financial statements of the year ending December 31, 2023. Isabelle Boccon-Gibod, a graduate of École Centrale and Columbia University in New York (USA), began her career in 1991 with the International Paper Group. She joined the Packaging Division, where she managed various operations in the United States of America until 1996, then in the United Kingdom from 1997 to 2001, before taking charge of strategic development for Europe for the entire Group until 2004. She joined Sequana in 2006 where she was appointed Deputy Chief Executive Officer

and Executive Director of the Arjowiggins Group in 2009. She left Sequana in 2013 and was a Director from 2016 to 2019.

Ms Isabelle Boccon-Gibod holds 100 shares in the Company on the date of this report.

The mandates and offices external to the GTT Group exercised by Ms Isabelle Boccon-Gibod over the last 5 years are shown in Appendix 2 to the present chapter. Under the terms of the 6th resolution, your Board of Directors proposes that you ratify this co-option.

Renewal of the term of office of Benoît Mignard as non-voting member (8th resolution)

Benoît Mignard's term of office as non-voting member will expire at the end of this Shareholders' Meeting.

Under the terms of the 8th resolution, your Board of Directors asks you to renew Benoît Mignard's term of office as a non-voting member for a term of three (3) 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.

Approval of the information stipulated in Article L. 225-37-3, I of the French Commercial Code provided in the corporate governance report (9th resolution)

In accordance with law No. 2019-486 of May 22, 2019 (so-called "Pacte" law) and Order No. 2019-1234 of November 27, 2019, you are asked to approve the 9th resolution concerning information on the compensation of the Company's corporate officers listed in Article L. 225-37-3 I of the French Commercial Code.

The information provided relates in particular to the amount of total compensation and benefits of any kind paid in 2019 or allocated to the corporate officers in respect of 2019, as well as information enabling a link to be established between the compensation of the corporate officer and the Company's performance.

This information is presented in the Board of Directors' report on corporate governance contained in chapter 4 of the 2019 Universal Registration Document, pages sections 4.2.1.1 and 4.2.1.2.

Approval of the fixed, variable and exceptional elements composing the total compensation and benefits of any kind paid during the 2019 financial year or allocated in respect of the same year to Philippe Berterottière, Chairman and Chief Executive Officer (10th resolution)

In the 10th resolution, you are asked, pursuant to Article L. 225-100, item III of the French Commercial Code, to approve the fixed, variable and exceptional elements composing the total compensation and benefits of any kind paid during the 2019 financial year, or allocated in respect of the same year, to Philippe Berterottière, Chairman and Chief Executive Officer, as presented in

the Board of Directors' report on corporate governance in chapter 4 of the 2019 Universal Registration Document, section 4.2.1.2.

These compensation components were determined accordingly the principles and criteria for determining, dividing and allocating the fixed, variable and exceptional elements composing the total compensation and benefits of any kind attributable to the executive officers approved by the Shareholders' Meeting of May 23, 2019, in its 11th resolution, under the conditions provided for in Article L. 225-37-2 of the French Commercial Code.

In accordance with Article L. 225-100 of the French Commercial Code, the variable and exceptional components of the compensation of the Chairman and Chief Executive Officer will only be paid if this resolution is approved.

Approval of the policy on compensation of the Chairman and Chief Executive Officer for the 2020 financial year (11th resolution)

In the 11th resolution, you are asked, pursuant to Article L. 225-37-2, item II of the French Commercial Code, based on the Board of Directors' report on corporate governance, to approve the compensation policy applicable to the Chairman and Chief Executive Officer for the 2020 financial year, as presented in chapter 4 of this Universal Registration Document, sections 4.2.2.1 and 4.2.2.3.

Approval of the policy on compensation of the members of the Board of Directors pursuant to the 2020 financial year (12th resolution)

In the 12th resolution, you are asked, pursuant to Article L. 225-37-2, item II of the French Commercial Code, based on the report on corporate governance, to approve the compensation policy applicable to members of the Board of Directors for the 2020 financial year, as presented in chapter 4 of this Universal Registration Document, sections 4.2.2.1 and 4.2.2.2.

Authorisation to be granted to the Board of Directors to carry out transactions on the Company's shares (13th 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, for a period of 18 months, so that they may implement a share buyback program, as follows.

The total number of shares purchased by the Company since the beginning of the buyback programme (including those that were the subject of said buyback) shall not exceed 10% of the shares composing the Company's share capital, *i.e.* 3,707,835 based on the share capital as of December 31, 2019, it being understood that (i) the number of shares acquired for retention and their subsequent presentation in a merger, split or contribution transaction cannot exceed 5% of its share capital; and (ii) when the shares are bought back to improve liquidity under the conditions defined by the AMF General Regulation, the number of shares used for calculating the above-specified 10% limit shall correspond to the number of shares bought, less the number of shares sold during 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 (or the equivalent value of this amount at the same date in any other currency). The overall amount of funds that can be allocated to this share buyback program cannot exceed 444,940,200 euros.

This authorisation would allow, in view of the following objectives:

- cancellation of shares up to a limit of 10% of the share capital per period of 24 months;
- to cover the commitment to deliver shares, for example in connection with the issue of securities giving access to the capital or the granting of stock options or free shares;
- allocation to employees;
- external growth practices;
- implementation of a liquidity contract by an investment services provider acting independently; and
- retention and remittance in payment or exchange in the context of a merger, demerger or contribution operation;
- the Board of Directors may not make use of this authorisation during the offer period in the event of a public offer initiated by a third party for the Company's securities, without the prior authorisation of the Shareholders' Meeting.

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 23, 2019 (10th resolution).

2019 Review of the previous share buyback program approved by the Shareholders' Meeting

During the 2019 financial year, the cumulative repurchase of shares as part of the liquidity contract entered into with Rothschild Martin Maurel amounted to 299,072 shares at an average price of 82.226 euros.

Cumulative sales in relation to the liquidity contracts referred to above related to 304,397 GTT shares at an average price of 82.188 euros.

During this financial year, no shares previously purchased by the Company were cancelled.

At December 31, 2019, GTT held 227 treasury shares under the liquidity contract.

Detailed information relating to this share repurchase program authorised by the Shareholders' Meeting is set out in chapter 7, section 7.5 – *Share buyback program* of this Universal Registration Document.

Powers for carrying out formalities (20th resolution)

The 20th resolution covers the powers necessary for completion of the publication and legal formalities relating to this Shareholders' Meeting.

8.2.2 RESOLUTIONS THAT FALL WITHIN THE AUTHORITY OF THE EXTRAORDINARY SHAREHOLDERS' MEETING

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)

The Board of Directors considers that allocations of free shares are a key element in the Group's long-term compensation policy making it possible to attract and retain high-performing employees in a dynamic and competitive environment. By making it possible to associate their beneficiaries with the Group's development and results, these allocations are a privileged tool for the Group to mobilise executive managers and their teams around the Company's corporate project. 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. 225-197-2-1 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 24 months from the date of the Shareholders' Meeting. It would replace the authorisation previously granted by the Extraordinary Shareholders' Meeting of November 14, 2019 (1st resolution).

Any grants of free shares under this proposed resolution would be decided, as the case may be, by the Board of Directors on the basis of proposals from the Compensation and Nominations Committee. The beneficiaries of the grants would be some or all of the employees and/or corporate officers of the Company or its affiliates within the meaning of Article L. 225-197-2 of the French Commercial Code. It is thus envisaged that all or part of the allocations that would be decided pursuant to this authorisation would be granted to the executive corporate officers as well as to approximately fifty key employees (i.e. nearly 15% of the Company's workforce as of the date hereof), including the members of the Company's Executive Committee and a large proportion of its managers.

In accordance with the recommendations of the AFEP-MEDEF Code, the definitive allocation of all performance shares will be subject to presence and performance conditions for all beneficiaries.

Grants to executive corporate officers could not represent more than 50% of each grant and would be governed by the provisions of the compensation policy applicable to the grant, as approved by the Shareholders' Meeting (in particular with

regard to the applicable performance conditions). Thus, with respect to the long-term variable compensation allocated for the financial year 2020, the allocation of shares to executive corporate officers would be subject to three performance conditions, of a financial, extra-financial and operational nature, assessed over a period of three years, as more precisely described in chapter 4, section 4.2.2.3 of this Universal Registration Document. In particular, the beneficiary executive officers will be required to keep 25% of the allocations granted to them in registered form until the end of their term of office.

This authorisation would be granted for a maximum duration of 24 months from the 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 (15th 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 13th 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 23, 2019 (13th resolution).

Addition of a Preamble before Article 1 of the by-law to adopt a mission statement for the Company (16th resolution)

In accordance with the possibility offered by the Pacte law, it is proposed that you adopt a mission statement in order to define the identity and vocation of the Company, bringing together all employees and stakeholders.

This mission statement would read as follows:

"Our mission is to conceive cutting edge technological solutions for an improved energy efficiency. We bring our passion for innovation and our technical excellence to our customers, in order to meet their transformation challenges both for today and tomorrow.

The GTT teams are the cornerstone of this mission.

Committed and united, we are determined to contribute to building a sustainable world."

Amendment of Article 4 of the by-law in order to provide for the possibility of transferring the registered office to French territory in accordance with Article L. 225-36 amended by law No. 2016-1694 of December 9, 2016 ("Sapin 2" law) (17th resolution)

In accordance with Article L. 225-36 of the French Commercial Code as amended by law No. 2016-1691 of December 9, 2016 ("Sapin 2" law), it is proposed that you amend Article 4 of the by-law in order to give the Board of Directors the possibility of deciding to relocate the registered office to French territory, subject to ratification of this decision at the next Shareholders' Meeting.

Compliance of Articles 9, 15, 17, 19.2, 20, 24 and 33 of the by-law with the provisions of law No. 2019-486 of May 22, 2019 relating to the growth and transformation of companies ("Pacte law") and Order No. 2019-1234 (18th resolution)

It is proposed that you amend the Company's by-law in order to take into account certain provisions of the Pacte law and order No. 2019-1234.

The modifications proposed are the following:

- amendment of Article 9 of the by-law in order to harmonise the by-law with the provisions of the Pacte law on shareholders' identification;
- amendment of Articles 15, 17, 19.2, 20, 24 and 33 in order to delete the notion of "Directors' fees", this term having been deleted from the French Commercial Code by the Pacte law, and to specify that the compensation of executive Directors must be determined in accordance with legal and regulatory conditions, in compliance with Order No. 2019-1234.

Insertion of a new paragraph in Article 19.2 to authorise the Board of Directors to adopt certain decisions by written consultation and amendment to delete the reference to the periodicity of the business plan (19th resolution)

It is proposed that you amend the Company's by-law in order to take into account certain provisions of law No. 2019-744 of July 19, 2019.

It is proposed that a new paragraph be added to Article 19.2 to allow the Board of Directors to adopt, by written consultation in accordance with Article L. 225-37 of the French Commercial Code, the decisions for which this option is open and relating to the following matters:

- co-option of members of the Board of Directors (it being specified that any co-option is subsequently subject to ratification by the next General Meeting of shareholders);
- authorisations with regard to guarantees and sureties;
- necessary amendments to be made to the by-law to bring them into compliance with the legal and regulatory provisions as delegated by the Shareholders' Meeting;
- convening of the Shareholders' Meeting;
- transfer of the registered office within the same department.

It is also proposed to delete the reference to the periodicity of the business plan in Article 19.2.

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 Pierre Guillot over the past 5 years. For a presentation from Pierre Guillot, refer to section 4.1.3.1 of the Company's Universal Registration Document.

	Type	Company
Current terms of office	Director	International Power Ltd IP
	Director	ENGIE IT SA
	Director	ENGIE Energy Management (EEM)
	Chairman	ENGIE Energy Management (EEM)
	Chairman	ENGIE INVEST INTERNATIONAL
	Chairman	ENGIE CORP Luxembourg
	Manager	ENGIE CORP Luxembourg
	Director	ENGIE Brasil Energia SA
	Chairman	GDF SUEZ INFRASTRUCTURES
	Director	ENGIE INVEST INTERNATIONAL
	Managing Director	TRUSTENERGY BV
	Director	ENGIE CC
Expired terms of office	Director	GLOW IPP 2 HOLDING COMPANY LIMITED
	Director	GLOW ENERGY PUBLIC COMPANY LTD
	Director	GLOW COMPANY LIMITED
	Director	GLOW SPP 1 COMPANY
	Director	GLOW SPP 2 COMPANY
	Director	GLOW SPP 3 COMPANY
	Director	GLOW IPP COMPANY LIMITED
	Director	GLOW SPP 11 COMPANY LIMITED
	Director	NORMANBRIGHT (UK CO 5) LIMITED
	Director	INTERNATIONAL POWER (FAWKES)
	Director	INTERNATIONAL POWER CONSOLIDATED HOLDINGS LIMITED
	Director	INTERNATIONAL POWER FINANCE (2010) LIMITED
	Director	INTERNATIONAL POWER (ZEBRA) LIMITED
	Director	INTERNATIONAL POWER (FALCON) LIMITED
	Director	INTERNATIONAL POWER AUSTRALIA FINANCE
	Director	INTERNATIONAL POWER LEVANTO INVESTMENTS LIMITED
	Director	IP (AIRE) LIMITED
	Director	IP (HUMBER) LIMITED
	Director	IP MALAYSIA LIMITED
	Director	IPM ENERGY TRADING LIMITED
	Director	NORMANFRAME (UK CO 6) LIMITED
	Director	NATIONAL POWER AUSTRALIA FINANCE LIMITED
	Director	INTERNATIONAL POWER LTD IP
	Director	IP (SWALE) LIMITED
	Director	IPR CENTRAL SERVICES (NO 1) LIMITED
	Director	ENERLOY PTY LTD
	Director	INTERNATIONAL POWER (IMPALA)
	Director	INTERNATIONAL POWER LUXEMBOURG FINANCE LIMITED
	Director	INTERNATIONAL POWER LUXEMBOURG HOLDINGS LIMITED
	Director	IPM TRI GEN BV
	Director	IPR GUERNSEY INVESTMENTS LIMITED
	Director	PRINCEMARK LIMITED
	Director	INTERNATIONAL POWER SA

Appendix 2

Mandates and offices held outside the GTT Group by Isabelle Boccon-Gibod over the past 5 years. For a presentation from Isabelle Boccon-Gibod, refer to section 4.1.3.1 of the Company's Universal Registration Document.

Current terms of office

- Director of Arkema
- Director of Paprec
- Director at Groupe Legrand
- Director of Arc International

Expired terms of office

- Director of Sequana

8.3 DRAFT RESOLUTIONS

8.3.1 RESOLUTIONS THAT FALL WITHIN THE AUTHORITY OF THE ORDINARY SHAREHOLDERS' MEETING

First resolution (*Approval of the corporate financial statements for the 2019 financial year*)

The Shareholders' Meeting, deliberating pursuant to the quorum and majority requirements for Ordinary Shareholders' Meetings, and having reviewed the Board of Directors' reports, as well as the reports of the Statutory Auditors, 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, 2019, as they are presented, together with the transactions reflected in these financial statements or described in these reports, showing a profit of 150,221,065 euros.

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.

Second resolution (*Approval of the consolidated financial statements for the 2019 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 reports of the Statutory Auditors, approves the consolidated financial statements of the Company for the financial year ended December 31, 2019, as they are presented, together with the transactions reflected or summarised in these reports.

Third 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, after having ascertained that the corporate financial statements for the financial year ending December 31, 2019 show a profit of 150,221,065 euros, decides to allocate the 2019 profit as follows:

Profit for the financial year	€150,221,065
Other reserves	-
Retained earnings	€(55,620,195)
Distributable profits	€94,600,870
Allocation	-
Dividend ⁽¹⁾	€64,886,728
Retained earnings	€29,714,142

(1) *The total amount of the above distribution is calculated based on the number of shares giving entitlement to a dividend on December 31, 2019, namely 37,018,130 shares and may vary if the number of shares giving entitlement to dividends changes between January 1, 2020 and the ex-dividend date, notably depending on the number of treasury shares, and definitive allocations of free shares (if the beneficiary is entitled to them in accordance with the provisions of the plans concerned).*

Consequently, the distributed dividend is fixed at 3.25 euros per share for each of the 37,018,130 shares entitled to a dividend.

An interim dividend payment of 1.50 euros per share was paid on September 27, 2019. The balance to be paid, representing 1.75 euros, will be paid on June 10, 2020, with an ex-dividend date of June 8, 2020. It should be noted that, when these dividends are paid, if the Company holds any treasury shares, the amounts corresponding to unpaid dividends for the number of these shares will be assigned to retained earnings.

In accordance with the requirements of Article 243 *bis* 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.* 1.3 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:

In euros	Financial year ended 31 December		
	2018	2017	2016
Total dividend payout	115,579,898	98,572,329	98,559,807
Net dividend per share	3.12	2.66	2.66

Fourth resolution (*Approval of the related-party agreements subject to the provisions of Articles L. 225-38 et seq. of the French Commercial Code*)

The General Meeting, deliberating pursuant to the quorum and majority requirements for Ordinary Shareholders' Meetings, having read the special report of the Statutory Auditors on agreements subject to the provisions of Articles L. 225-38 and L. 225-40-1 of the French Commercial Code, records the related party agreements 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, 2019.

Fifth resolution (*Ratification of the co-option of Pierre Guiollot as Director*)

The Shareholders' Meeting, deliberating pursuant to the quorum and majority requirements for Ordinary Shareholders' Meetings, after having read the report of the Board of Directors, ratifies the co-option by the Board of Directors of Pierre Guiollot in the capacity of Director, replacing Judith Hartmann, who resigned, for the remaining period of her term of office, namely until the end of the Shareholders' Meeting called in 2023 to approve the financial statements of the year ending December 31, 2022.

Sixth resolution (*Ratification of the co-option of Isabelle Boccon-Gibod as Director*)

The Shareholders' Meeting, deliberating pursuant to the quorum and majority requirements for Ordinary Shareholders' Meetings, after having read the report from the Board of Directors, ratified the co-option of Isabelle Boccon-Gibod as Director, to replace Françoise Leroy, who resigned, for the remainder of her term of office, until the end of this Shareholders' Meeting.

Seventh resolution (*Renewal of the term of office of Isabelle Boccon-Gibod as a Director*)

The Shareholders' Meeting, noting that Isabelle Boccon-Gibod'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 Isabelle Boccon-Gibod for a term of four years, i.e. until the end of the Shareholders' Meeting to be held in 2024 to approve the financial statements for financial year 2023.

Eighth resolution (*Renewal of the term of office of Benoît Mignard as non-voting member*)

The Shareholders' Meeting, noting that Benoît Mignard's term of office has ended, and deliberating pursuant to the quorum and majority requirements for Ordinary Shareholders' Meetings, after having read the report of the Board of Directors, renews the term of office as non-voting member of Benoît Mignard for a term of three years, i.e., until the end of the Shareholders' Meeting held in 2023 to approve the financial statements for 2022.

Ninth resolution (*Approval of the information stipulated in Article L. 225-37-3, I. of the French Commercial Code provided in the report on corporate governance*)

The Shareholders' Meeting, deliberating pursuant to the quorum and majority requirements for Ordinary Shareholders' Meetings, after having read the report from the Board of Directors on corporate governance covered by Article L. 225-37 of the French Commercial Code, approves, in accordance with Article L. 225-100, item II of the French Commercial Code, the information mentioned in Article L. 225-37-3, item I. of the French Commercial Code, as presented in the Board of Directors' report on corporate governance shown in chapter 4 of the 2019 Universal Registration Document, sections 4.2.1.1 and 4.2.1.2.

Tenth resolution (*Approval of the fixed, variable and exceptional elements composing the total compensation and benefits of any kind paid during the 2019 financial year or allocated in respect of the same year to Philippe Berterottière, Chairman and Chief Executive Officer*)

The Shareholders' Meeting, deliberating pursuant to the quorum and majority requirements for Ordinary Shareholders' Meetings, having read the Board of Directors' report on corporate governance covered by Article L. 225-37 of the French Commercial Code, approves, in accordance with Article L. 225-100 item III. of the French Commercial Code, the fixed, variable and exceptional elements composing the total compensation and benefits of any kind paid during the 2019 financial year or allocated in respect of the same financial year to Philippe Berterottière, Chairman and Chief Executive Officer, as presented in the report on corporate governance shown in chapter 4 of the 2019 Universal Registration Document, section 4.2.1.2.

Eleventh resolution (*Approval of the policy on compensation of the Chairman and Chief Executive Officer for the 2020 financial year*)

The Shareholders' Meeting, deliberating pursuant to the quorum and majority requirements for Ordinary Shareholders' Meetings, after having read the Board of Directors' report on corporate governance covered by Article L. 225-37 of the French Commercial Code, approves, in accordance with Article L. 225-37-2 item II of the French Commercial Code, the policy on the compensation of the Chairman and Chief Executive Officer of the Company established by the Board of Directors for the 2020 financial year, as presented in sections 4.2.2.1 and 4.2.2.3 of the Company's Universal Registration Document.

Twelfth resolution (*Approval of the policy on compensation of the members of the Board of Directors pursuant for the 2020 financial year*)

The Shareholders' Meeting, deliberating pursuant to the quorum and majority requirements for Ordinary Shareholders' Meetings, after having read the Board of Directors' report on corporate governance covered by Article L. 225-37 of the French Commercial Code, approves, in accordance with Article L. 225-37-2 item II of the French Commercial Code, the policy on compensation of members of the Board of Directors established by the Board of Directors for the 2020 financial year, as presented in sections 4.2.2.1 and 4.2.2.2 of the Company's Universal Registration Document.

Thirteenth 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, in accordance with the provisions of Articles L. 225-209 of the French Commercial Code, and European regulation no. 596-2014 of the European Parliament and of the Council of April 16, 2014, to carry out or have carried out purchases of shares in the Company according to the conditions and requirements fixed by the applicable legal and regulatory provisions.

This authorisation is intended in particular to enable:

- the implementation of any share purchase option plan of the Company under the provisions of Articles L. 225-177 and following of the French Commercial Code, or any similar plan;
- 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 implementation of any employee savings scheme under the conditions provided for by law, specifically Articles L. 3332-1 et. seq. of the French Labour Code, the sale of shares previously acquired by the Company pursuant to this resolution or providing for the free allocation of these shares in the form of a top-up of Company securities and/ or to replace the discount.

- 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 the Shareholders' Meeting pursuant to the 15th 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 market practice accepted 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, sale or transfer of shares may be carried out, on one or more occasions, by any means authorised by the legal and regulatory provisions in force, on regulated markets, multilateral trading facilities, systematic internalisers or over-the-counter, including by acquisition or sale of blocks of shares (without limiting the portion of the buyback program that may be carried out by this means), by public purchase or exchange offer, or by use of options or other forward financial instruments or by delivery of shares following the issue of securities giving access to the Company's capital by conversion, exchange, redemption, exercise of a warrant or in any other manner, either directly or indirectly through an investment services provider.

The Board of Directors may use this authorisation at any time, within the limits authorised by legal and regulatory provisions and those provided for in this resolution (except during a period of public offer for the Company's shares).

The total number of shares purchased by the Company since the beginning of the buyback program (including those that were the subject of the said buyback) does not exceed 10% of the shares composing the capital of the Company, representing, tentatively, 3,707,835 based on the capital on December 31, 2019, it being understood that (i) the number of shares acquired for retention and their subsequent presentation in a merger, split or contribution transaction cannot exceed 5% of its share capital; and (ii) when the shares are bought back to improve liquidity under the conditions defined by the general regulations of the Autorité des Marchés Financiers, the number of shares used for calculating the above-specified 10% limit corresponds to the number of shares bought, less the number of shares sold during the period of the authorisation.

The Company cannot directly or indirectly own more than 10% of its share capital.

The maximum unit purchase price may not exceed 120 euros (or the equivalent value of this amount on the same date in any other currency) excluding acquisition costs, this maximum price being applicable only to acquisitions decided on or after the date of this Shareholders' Meeting and not to forward transactions concluded pursuant to an authorisation granted by a previous Shareholders' Meeting and providing for share acquisitions after the date of this Meeting. In the event of a capital transaction, in particular a share split or reverse share split or free allocation of shares, or a transaction affecting shareholders' equity, the aforementioned amount will be adjusted to take into account the impact of the value of these transactions on the value of the share.

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 444,940,200 euros, 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 23, 2019 (10th resolution).

Twentieth 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.

8.3.2 RESOLUTIONS THAT FALL WITHIN THE AUTHORITY OF THE EXTRAORDINARY SHAREHOLDERS' MEETING

Fourteenth resolution (*Authorisation to allow the Board of Directors to proceed with the allocation of existing or new free shares 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 of at least three years, associated, if required, with a lock-up period, the duration of which shall be set by the Board of Directors.

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 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 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 24 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 November 14, 2019 (1st resolution).

Fifteenth 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 thirteenth 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 this 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 23, 2019 (13th resolution).

Sixteenth resolution (*Addition of a preamble before Article 1 of the bylaws in order to adopt a mission statement for the Company*)

The Shareholders' Meeting, deliberating pursuant to the quorum and majority requirements for Extraordinary Shareholders' Meetings, after having read the report from the Board of Directors, decides to add, before Article 1 of the by-law of the Company, a new paragraph as a Preamble written as follows:

"Preamble:

"Our mission is to conceive cutting edge technological solutions for an improved energy efficiency. We bring our passion for innovation and our technical excellence to our customers, in order to meet their transformation challenges both for today and tomorrow.

The GTT teams are the cornerstone of this mission.

Committed and united, we are determined to contribute to building a sustainable world."

Accordingly paragraph 2 of Article 4 of the by-law will be amended as follows:

Former wording

"The registered office may be transferred, in accordance with the legal and regulatory provisions in force:

- to any other place in the same department or a neighbouring department by decision of the Board of Directors, subject to ratification of this decision by the next Ordinary Shareholders' Meeting; and
- to any other place pursuant to a deliberation of the Extraordinary Shareholders' Meeting.

If a transfer of the registered office is decided by the Board of Directors, it is authorised to amend the by-law accordingly".

New wording

"The registered office may be transferred, in accordance with the legal and regulatory provisions in force:

- to any other place on French territory by decision of the Board of Directors, subject to ratification of this decision by the next Ordinary Shareholders' Meeting; and
- to any other place pursuant to a deliberation of the Extraordinary Shareholders' Meeting.

If a transfer of the registered office is decided by the Board of Directors, it is authorised to amend the by-law accordingly".

Eighteenth resolution (Compliance of Articles 9, 15, 17, 19, 20, 24 and 33 of the by-law with the provisions of law No. 2019-486 of May 22, 2019 relating to the growth and transformation of companies ("Pacte" law) and Order No. 2019-1234)

The Shareholders' Meeting, deliberating pursuant to the quorum and majority requirements for Extraordinary Shareholders' Meetings, after having read the report from the Board of Directors, decides to amend Articles 9, 15, 17, 19, 20, 24 and 33 of the by-law in order to take into account certain provisions of the Pacte law and Order No. 2019-1234.

Accordingly, Articles 9, 15, 17, 19, 20, 24 and 33 would be amended as follows:

Former wording

Article 9 paragraph 2

"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 legal and regulatory provisions, 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".

Article 15 second part of paragraph 1

"The Board of Directors determines the compensation of the Chairman, *which is added to his/her share in the overall amount of Directors' fees*".

Article 17 paragraph 1

"The Shareholders' Meeting allocates to Directors, in *Directors' fees*, a fixed annual amount, that it determines for the current financial year and subsequent years until a new decision is taken".

Article 17 paragraph 2

"the Board of Directors *freely divides the Directors' fees* between its members, *in accordance with the rules laid down in the Internal regulations of the Board of Directors*. [...]"

Article 19.2 (dash 13)

"divides the Directors' fees between its members in accordance with the provisions of the Internal regulations of the Board of Directors"

Article 24

"The compensation of the Chief Executive Officer and, where applicable, of any Chief Operating Officers, is set by the Board of Directors".

Article 33 paragraph 2 (dash 4)

"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*".

New wording

Article 9 paragraph 2

"The Company may, at any time, identify the holders of equity securities or bonds under the legal and regulatory conditions in force".

Article 15 second part of paragraph 1

"The Board of Directors determines the compensation of the Chairman under legal and regulatory conditions".

Article 17 paragraph 1

"The Shareholders' Meeting allocates to Directors, as compensation, a fixed annual amount, that it determines for the current financial year and subsequent years until a new decision is taken".

Article 17 paragraph 2

"the Board of Directors divides this amount between its members. [...]"

Article 19.2 (dash 13)

"divides the fixed annual amount between its members";

Addition of a new paragraph at the end of Article 20

"Any compensation of non-voting members is set by the Board of Directors. The Board of Directors may decide to transfer to non-voting members a share of the annual fixed amount allocated to it by the Shareholders' Meeting and authorise the reimbursement of expenses incurred by non-voting members in the interest of the Company".

Article 24

"The compensation of the Chief Executive Officer and, where applicable, of any Chief Operating Officers, is set by the Board of Directors under legal and regulatory conditions".

Article 33 paragraph 2 (dash 4)

"determine the overall amount of compensation of the Board of Directors, which will be divided by it in accordance with legal and regulatory provisions".

Nineteenth resolution *(Insertion of a new paragraph in Article 19.2, authorising the Board of Directors to adopt certain decisions through written consultation, and removal of the reference to the frequency of the business plan)*

The Shareholders' Meeting, deliberating pursuant to the quorum and majority requirements for Extraordinary Shareholders' Meetings, after having read the report from the Board of Directors, decides to amend Article 19.2 of the by-law in order to take into account certain provisions of the law No. 2019-744 of July 19, 2019 and to delete the reference to the periodicity of the business plan.

Accordingly, Article 19.2 would be modified as follows:

Former wording

Article 19.2 (dash 5)

"determine the Group's five-year business plan".

New wording

Article 19.2 (dash 5)

"determine the Group's business plan".

Addition of a new paragraph at the end of Article 19.2

"Decisions relating to the specific remit of the Board of Directors and for which this option is made available by Article L. 225-37 of the French Commercial Code may be taken by a procedure allowing the Board of Directors to be consulted in writing.

In case of written consultation, the author of the consultation notifies, by any means, to all members of the Board of Directors, the agenda for the consultation and the draft texts of the proposed deliberations.

The Directors have a deadline of five days as from the reception or release of the draft deliberations to vote in writing, unless a shorter deadline is requested by the author of the invitation in the event of an emergency. The vote is expressed for each deliberation by the words "yes" or "no" or "abstention". The responses of the Directors must be sent to the Company by electronic mail, registered letter with return receipt or letter presented in person against receipt or by private document addressed to the Chairman, at the address of the Company's registered office. No response within the deadline above will be considered as an abstention. The Board of Directors may only legitimately deliberate by written consultation if at least half of the members of the Board of Directors have voted at that time".

8.4 STATUTORY AUDITORS' REPORTS

8.4.1 STATUTORY AUDITORS' REPORT ON RELATED-PARTY AGREEMENTS FOR THE FINANCIAL YEAR ENDED DECEMBER 31, 2019

The special report of the Statutory Auditors on related party agreements for the year ended December 31, 2018 is presented in section 4.3 of the Company's Universal Registration Document.

8.4.2 STATUTORY AUDITORS' REPORT PREPARED IN APPLICATION OF 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 6.2.4 of the Company's Universal Registration Document.

8.4.3 STATUTORY AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

The Statutory Auditors' report on the consolidated financial statements for the financial year ended December 31, 2019 is presented in section 6.1.6 of the Company's Universal Registration Document.

8.4.4 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 6.2.4 of the Company's Universal Registration Document.

8.4.5 STATUTORY AUDITORS' REPORT ON THE CAPITAL REDUCTION

This is a free 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 shareholders' 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 national auditing body (*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 23, 2020

The Statutory Auditors

French original signed by

CAILLIAU DEDOUIT ET ASSOCIÉS
Rémi Savournin

ERNST & YOUNG Audit
Aymeric de La Morandière

8.4.6 STATUTORY AUDITORS' REPORT ON THE FREE ALLOCATION OF EXISTING SHARES OR SHARES TO BE ISSUED

This is a free 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 employees and executive corporate officers 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 twenty-four 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 23, 2020

The Statutory Auditors

French original signed by

CAILLIAU DEDOUIT ET ASSOCIÉS
Rémi Savournin

ERNST & YOUNG Audit
Aymeric de La Morandière



9

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9.1 PRINCIPAL LEGAL AND STATUTORY PROVISIONS

9.1.1 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.

Its Legal Entity Identifier (LEI code) is the following: 969500BVOHVZUUFWDT54

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 4 – *Corporate governance* and in this chapter of the Universal Registration Document.

9.1.2 PROVISIONS OF THE COMPANY'S BY-LAWS

9.1.2.1 Corporate 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.

9.1.2.2 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 Universal Registration Document.

9.1.2.3 Rights, liens, restrictions and obligations attached to the shares

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 acknowledgement 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.

9.1.2.4 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.

9.1.2.5 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; and
- 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.

9.1.2.6 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.

9.1.2.7 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 noncompliance with the above-mentioned provisions, the sanctions provided by law in the event of noncompliance 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.

9.1.2.8 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.

9.1.2.9 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.

9.1.2.10 Financial year (Article 36 of the by-laws)

The financial year begins on January 1 and ends on December 31 each calendar year.

9.1.2.11 Total number of shares that can be created

The delegations for capital increases are indicated in section 9.2.1 – *General information* in this Universal Registration Document.

9.2 INFORMATION ON THE STATUTORY AUDITORS

9.2.1 PRINCIPAL STATUTORY AUDITORS

Audit Ernst&Young

Represented by Mr 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

Term renewed at the Shareholders' Meeting of May 18, 2016 for a period of six 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.

Cailliau Dedouit et Associés

Represented by Mr Rémi Savournin

Member of the Paris Compagnie Régionale des Commissaires aux Comptes

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 due 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.

9.2.2 DEPUTY STATUTORY AUDITORS

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 six 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.

9.3 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 Universal Registration Document.

The information shown on the Company's website does not form an integral part of this document, unless it is incorporated into it by reference.

Copies of this Universal Registration Document are available without charge from the Company (1, route de Versailles – 78470 Saint-Rémy-lès-Chevreuse – Tel: +33 1 30 23 47 89) and on the websites of the Company (www.gtt.fr) and of the Autorité des Marchés Financiers (www.amf-france.org).

9.4 PERSON RESPONSIBLE

Philippe Berterottière, Chairman and CEO

9.5 DECLARATION BY THE PERSON RESPONSIBLE

I certify that, having taken all reasonable steps to verify this, the information in this Universal Registration Document, to the best of my knowledge, is accurate and free of any material omission.

I certify that, to the best of my knowledge, the financial statements have been prepared in accordance with the applicable accounting standards and give a true and fair view of the assets and liabilities, the financial position and results of the Company and all companies within the consolidation scope, and that the management report made up of the different sections of this Universal Registration

Document listed in the table of concordance, shown in section 9.7 of this Universal Registration Document, provides a fair view of the evolution of business, results and the financial position of the Company and all companies included in the consolidation scope, as well as a description of the main risks and uncertainties which they are facing.

Philippe Berterottière,
Chairman and Chief Executive Officer

9.6 GLOSSARY

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 Channel, 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;

GBS (Gravity Base Structure) refers to underwater structures. These are built around a concrete or metal 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;

GIIGNL is the International Group of LNG Importers;

LNG refers to liquefied natural gas;

LPG refers to 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 114 bis, 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 (vii) Ascenz Solutions Pte. Ltd, a company governed by the law of Singapore, with its registered office at 33 Ubi Avenue 3, #04-08, Vertex Singapore 408868 and (viii) Marorka ehf, a company governed by Icelandic law, with its registered office at Bæjarlind 2, 201 Kópavogur, Iceland;

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;

Mtpa 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;

Slushing refers to the motion of LNG inside LNG carriers' tanks caused by sea conditions, potentially damaging the tank walls, chamfers and ceilings;

Smart Shipping refers to a set of navigation services, operational vessel management, predictive maintenance, on-board energy management and fleet management for charterers, ship-owners and operators;

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.

9.7 TABLES OF CONCORDANCE

9.7.1 TABLE OF CONCORDANCE WITH DELEGATED REGULATION (EU) 2019/980

This Universal Registration Document contains all of the items required by Appendix I of Delegated Regulation (EU) 2019/980, as presented in the table below:

Information specified in appendix 1 of Delegated Regulation 2019/980 from the Commission dated March 14, 2019		Sections of the universal registration document	Pages
1	Person responsible, third-party information, reports from experts and approval by the competent authority		
1.1	Person responsible for the information	9.4 / Person responsible	261
1.2	Declaration by the person responsible	9.5 / Declaration by the person responsible	261
1.3	Expert statements and declarations of interest	N/A	N/A
1.4	Third-party information	N/A	N/A
1.5	Declaration on the authority competent for approving the document	Introduction	1
2	Statutory Auditors		
2.1	Details of the Statutory Auditors	9.2 / Information on the Statutory Auditors	260
2.2	Resignation/departure of Statutory Auditors	N/A	N/A
3	Risk factors	Chapter 2 / Risk factors	53-61 and 189
4	Information about the issuer		
4.1	Legal and commercial name	9.1.1 / General information	256
4.2	Place of registration, number of registration and LEI of the issuer	9.1.1 / General information	256
4.3	Date of incorporation and duration of the issuer	9.1.1 / General information	256
4.4	Registered office, legal form, applicable law, country of origin, address and telephone number of the registered office and website of the issuer	9.1.1 / General information	256
5	Overview of activities		
5.1	Principal activities	Chapter 1 / Presentation of the Group and its activities	19-52
5.2	Principal markets	Chapter 1 / Presentation of the Group and its activities	19-52
5.3	Significant events in the development of the issuer's activities	Chapter 1 / Presentation of the Group and its activities 2019 Highlights	19-52 10-11
5.4	Strategy and objectives	1.3 / Objectives and strategy	24-29
5.5	Level of dependency on patents, licences, industrial, commercial or financial contracts or new manufacturing procedures	1.3.3 / Innovation, at the heart of the Group's strategy 2.2.1.2 / Risks related to the Group's intellectual property and know-how 3.4.6 / Intellectual property	25-28 55-56 73
5.6	Competitive position	2.2.2.2.2 / Competitive environment Chapter 1 / Presentation of the Group and its activities	58 19-52
5.7	Investments		
5.7.1	Significant investments made	5.1.4 / Cash flow	159-160

Information specified in appendix 1 of Delegated Regulation 2019/980 from the Commission dated March 14, 2019		Sections of the universal registration document	Pages
5.7.2	Principal investments in progress or for which firm commitments have already been made, including their geographical breakdown (in France and abroad) and their method of financing (internal or external)	5.1.4 / Cash flow 1.3.3.2 / Resources dedicated to innovation and R&D	159-160 26
5.7.3	Information on joint ventures and companies in which the issuer holds a share in the capital likely to have a significant impact on the valuation of its assets and liabilities, its financial position or its earnings	Chapter 5 / Comments on the financial year	149-166
5.7.4	Environmental questions that can influence the use of property, plant and equipment	3.7 / Principal environmental challenges	89-94
6	Organisational structure		
6.1	Place of the issuer in the Group	1.2.2 / Group structure	22-23
6.2	Principal subsidiaries	1.2.2 / Group structure Note 3 / Principal subsidiaries at December 31, 2019	22-23 180
7	Review of financial position and results		
7.1	Financial position	6.1.1 / Statement of consolidated financial position	168
7.2	Operating income	6.1.2 / Statement of consolidated comprehensive income	169
8	Equity and cash		
8.1	Total equity	5.1.3 / Debt and equity	157-158
8.2	Cash flow	5.1.4 / Cash flow	159-160
8.3	Borrowing requirements and financing structure	5.1.3 / Debt and equity	157-158
8.4	Restrictions on the use of capital	N/A	N/A
8.5	Expected sources of financing in order to honour commitments in respect of investment decisions	5.1.3 / Debt and equity	157-158
9	Regulatory environment	Chapter 1 / Presentation of the Group and its activities	19-52
10	Information on trends		
10.1	Main trends affecting production, sales and inventory, costs and sale prices since the end of the reporting period and any significant change in the financial performance of the Group since the end of the last financial year	5.2 / Key figures of the 1st quarter and events after the reporting period	161
10.2	Any trends, uncertainties, constraints, commitments or events known to the issuer which are reasonably likely to significantly influence the issuer's prospects	Chapter 1 / Presentation of the Group and its activities Chapter 2 / Risk factors and internal control	19-52 53-61 and 189
11	Forecasts or revenue estimates	5.4.1 / Consolidated forecasts	165
12	Administrative, management, supervisory and General Management bodies		
12.1	Information concerning members of the administrative and General Management bodies	4.1 / Presentation of governance	96-119
12.2	Conflicts of interest at the level of the administrative, management, supervisory, and General Management bodies	4.1.3 / Board of Directors, composition and work	98-119
13	Compensation and benefits		
13.1	Amount of compensation paid and benefits in kind	4.2.1 / Compensation of corporate officers for the 2019 financial year	120-136
13.2	Amount reserved for purposes of payment of pensions, retirement, or other benefits	4.2.1 / Compensation of corporate officers for the 2019 financial year	120-136
14	Operation of the administrative and management bodies		
14.1	Term of office of the directors	4.1.3 / Board of Directors, composition and work	98-119

Information specified in appendix 1 of Delegated Regulation 2019/980 from the Commission dated March 14, 2019		Sections of the universal registration document	Pages
14.2	Service contracts with directors providing for the granting of benefits upon expiry	N/A	N/A
14.3	Audit and Risk Management Committee and Compensation and Nominations Committee	4.1.3.2 / Conditions for the preparation and organisation of work	112 - 119
14.4	Compliance with the Corporate Governance Code in force	4.1.1 / Corporate Governance Code	96
14.5	Potential significant impact on corporate governance, including any future changes to the composition of the management bodies and committees (to the extent it has already been decided by the management bodies and/or the shareholders' meeting)	4.1.3.1 / Composition	98
15	Employees		
15.1	Workforce and breakdown of employees	Introduction 3.5.2 / Attracting and managing talent	4 76-77
15.2	Profit-sharing and stock options	4.2.1.3.2 / Details of performance share allocations	134-136
15.3	Agreements providing for participation (profit-sharing) of employees in the issuer's capital	3.5.5 / Employee savings	79-81
16	Principal shareholders		
16.1	Crossing of legal thresholds	7.6 / Information on share capital	232-234
16.2	Voting rights	9.1.2.3 / Rights, preferences, restrictions and obligations attached to the shares 7.1.2 / Voting rights	256-257 227
16.3	Control	7.1.3 / Control	227
16.4	Agreement relating to change in control	7.1.3 / Control	227
17	Related-party transaction	4.3.1 / Statutory Auditors' report on related-party agreements and commitments for the financial year ended December 31, 2019	147-148
18	Financial information relating to the issuer's assets and liabilities, financial position and results		
18.1	Historic financial information	6.1.6 / Statutory Auditors' report on the consolidated financial statements Chapter 6 / Financial statements	198-200 167-224
18.1.1	Historical financial information for the last three financial years and the audit report	6.1.6 / Statutory Auditors' report on the consolidated financial statements Chapter 6 / Financial statements	198-200 167-224
18.1.2	Change in reporting date	N/A	N/A
18.1.3	Accounting standards	Chapter 6 / Financial statements	167-224
18.1.4	Change in accounting standards	Chapter 6 / Financial statements	167-224
18.1.5	Balance sheet, income statement, changes in equity, cash flow, accounting methods and explanatory notes	Chapter 6 / Financial statements	167-224
18.1.6	Consolidated financial statements	Chapter 6 / Financial statements	167-224
18.1.7	Date of the most recent financial information	Chapter 6 / Financial statements	167-224
18.2	Interim and other financial information	Chapter 6 / Financial statements	167-224
18.3	Audit of annual historical financial information	6.1.6 / Statutory Auditors' report on the consolidated financial statements	198-200
18.3.1	Verification of historical financial information	6.1.6 / Statutory Auditors' report on the consolidated financial statements	198-200
18.3.2	Other information appearing in the Universal Registration Document, checked by the legal controllers	6.1.6 / Statutory Auditors' report on the consolidated financial statements	198-200

Information specified in appendix 1 of Delegated Regulation 2019/980 from the Commission dated March 14, 2019		Sections of the universal registration document	Pages
18.3.3	Financial information appearing in the Universal Registration Document and not obtained from the certified financial statements of the issuer	6.1.6 / Statutory Auditors' report on the consolidated financial statements	198-200
18.4	Proforma information	Chapter 6 / Financial statements	167-224
18.5	Dividend policy	7.4 / Dividends	230
18.6	Legal and arbitration proceedings	Note 22 / Disputes and competition	196-197
18.7	Significant change in financial condition	2.2.2. / Operational risks	56-59
19	Additional information		
19.1	Share capital	7.6 / Information on share capital	232-234
19.1.1	Subscribed capital, changes in share capital and action	7.6 / Information on share capital	232-234
19.1.2	Share capital subscribed and share capital authorised	N/A	N/A
19.1.3	Shares held by the issuer or by its subsidiaries	7.5 / Share buyback program	231
19.1.4	Securities granting access to the issuer's share capital in the future	7.6 / Information on share capital	232-234
19.1.5	Rights to acquire shares and obligations attached to capital which has been subscribed but not fully paid-up, or rights to any capital increase	9.1.2.9 / Special provisions governing changes to the share capital (Article 7 of the bylaws)	259
19.1.6	Capital options held by members of the Group	4.2 / Compensation and benefits	120-146
19.1.7	History of the share capital	7.6 / Information on share capital 5.5 / Company results over the past five years	232-234 166
19.2	Incorporation and by-laws	9.1.2 / Provisions of the Company's bylaws	256-259
19.2.1	Register and corporate purpose	9.1.1 / General information 9.1.2.1 / Company purpose (article 3 of the bylaws)	256
19.2.2	Rights, preferences and restrictions attached to the shares	9.1.2.3 / Rights, preferences, restrictions and obligations attached to the shares	256-257
19.2.3	Provisions which may delay, postpone or prevent a change in control	9.1.2.6 / Provisions of the Company's bylaws which may have an impact on the occurrence of a change of control	258
20	Significant contracts	5.1.3 / Debt and equity	157-158
21	Documents available	9.3 / Publicly available documents	261

9.7.2 TABLE OF CONCORDANCE WITH THE ANNUAL FINANCIAL REPORT

The following table of concordance makes it possible to identify, in this Universal Registration Document, the information which constitutes the annual financial report, in implementation of Articles L. 451-1-2 of the French Monetary and Financial Code and 222-3 of the General Regulation of the Autorité des Marchés Financiers.

Items in the annual financial report pursuant to Articles L. 451-1-2 of the French Monetary and Financial Code and 222-3 of the General Regulation of the Autorité des Marchés Financiers		Sections of the Universal Registration Document	Pages
1	Annual financial statements	6.2 / Corporate financial statements	204
2	Consolidated financial statements	6.1 / Consolidated financial statements	170
3	Board of Directors' management report	Please refer to the table of concordance in section 9.7.3 of chapter 9 below	267
4	Declaration by the person responsible	Declaration by the person responsible for the Universal Registration Document presented in section 9.5 of chapter 9 below	261
5	Statutory Auditors' reports on the annual financial statements	8.4.4 / Statutory Auditors' report on the annual financial statements under French accounting standards	252
6	Statutory Auditors' reports on the consolidated financial statements	6.1.6 / Statutory Auditors' report on the consolidated financial statements	198-200
7	Fees paid to the Statutory Auditors	6.2 / Corporate financial statements	209
8	Board of Directors' report on corporate governance	4 / Corporate Governance	95-148
9	Statutory Auditors' report on the Board of Directors' report on corporate governance	8.4.2 / Statutory Auditors' report prepared in accordance with Article L. 225-235 of the French Commercial Code	252

9.7.3 TABLE OF CONCORDANCE WITH THE BOARD OF DIRECTORS' MANAGEMENT REPORT

This Universal 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 Universal 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		Sections of the Universal Registration Document	Pages
1	Situation of the Company and of its subsidiaries during the course of the past financial year	1 / Presentation of the Group and its activities	19-52
		5.1.1 / Activity and Income statement	150-154
		5.1.2 / Analysis of the consolidated balance sheet	155-157
		6.1 / Consolidated financial statements	170-200
2	Analysis of developments in the business, results, and the financial situation of the Company and Group (particularly with respect to debt)	1 / Presentation of the Group and its activities 5.1.3 / Debt and equity	19-52 157-158
3	Key performance indicators of a financial and nonfinancial nature (particularly environmental and employee-related issues)	Introduction	4-5
		Chapitre 3 / Statement of non-financial performance	68-94
4	Foreseeable developments and future outlook	1 / Presentation of the Group and its activities	19-52
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	6.1 / Consolidated financial statements (note 24)	197
		6.2 / Corporate financial statements	210
6	Research and development activities	1.3.3 / Innovation at the heart of the strategy	25-28
7	Current branches	N/A	N/A
8	Disposal of shares undertaken to regularise cross shareholdings	N/A	N/A
9	Significant investments or taking of control in companies having their registered office in France	N/A	N/A

Items from the management report and consolidated management report		Sections of the Universal Registration Document	Pages
10	Amount of inter-company loans granted under Article L. 511-6 3 bis of the French Monetary and Financial Code	N/A	N/A
11	Amount of dividends distributed for the last three financial years	6.1 / Consolidated financial statements (note 11) 7.4 / Dividends	187 230
12	Injunctions or sanctions for anticompetitive practices	2.2.3.1 / Impact of the regulations on anti-competitive practices	59
13	Information on payment terms of the Company's suppliers or customers	6.2 / Corporate financial statements	201-224
14	Non-tax-deductible expenses and expenses reintegrated following a tax adjustment	8.3 / Draft resolutions	244-251
15	Description of the principal risks or uncertainties with which the Company is confronted	2.2 / Risk factors	53-61 and 189
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	2.3 / Risk management	61-66
17	Information related to the exercise of a dangerous activity	N/A	N/A
18	Indication of the use of financial instruments by the Company	6.1 / Consolidated financial statements (note 13)	188
19	Allocation of free shares	6.2 / Corporate financial statements 6.1 / Consolidated financial statements (note 11) 4.2.1.3.2 Details of performance share allocations	208 187 134-136
20	Allocations of stock options	N/A	N/A
21	Social and environmental consequences of the activity	Chapitre 3 / Declaration of nonfinancial performance	67-94
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	N/A	N/A
23	Information relating to the distribution of capital	7.1.1.1 / Changes in the shareholding structure	226
24	Treasury shares	7.5 / Share buyback program	231
25	Share buyback transactions	7.5 / Share buyback program	231
26	Statement of employee ownership in the share capital as of the last day of the financial year	3.5.5 / Employee savings	79-81
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	N/A	N/A
28	Table of revenue during the last five financial years	5.5.5 / Company results over the past five financial years	166
29	Agreements 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	6.1 / Consolidated financial statements (note 19) 4.3.1 / Statutory Auditors' report on related-party agreements and commitments for the financial year ended December 31, 2019	195 147-148
30	Obligations to hold shares imposed upon executive and corporate officers	4.1.3 / Composition and work of the Board of Directors	98-119
31	Summary of transactions performed by directors on Company securities	7.1.5 / Directors' securities transactions	227
32	Items likely to have an impact in the event of a public offer	7.1.4 / Items likely to have an impact in the event of a public offer	227
33	Report on Corporate Governance	Chapitre 4 / Corporate Governance	95-148

This Universal Registration Document contains all items of the Corporate Governance Code covered by Articles L. 225-37-3 to L. 225-37-5 of the French Commercial Code.

Sections of the Corporate Governance Code		Sections of the Universal Registration Document	Pages
1	Principles and criteria for determining the compensation of executive officers	4.2 / Compensation and benefits	120-146
2	Compensation of corporate officers	4.2 / Compensation and benefits	120-146
3	Terms of offices and positions held by corporate officers	4.1.3 / Board of Directors, composition and work	101-111
4	Agreements made between a corporate officer or a shareholder of the Company and a subsidiary of the Company	4.3 / Statutory Auditors special report on related-party agreements for the financial year ended December 31, 2019	147-150
5	Table showing delegations in matters of capital increases	7.6 / Information on share capital	232-234
6	Composition, conditions of preparation and organisation of the Board of Directors	4.1.3 / Board of Directors, composition and work	98-119
7	Diversity policy	4.1.3 / Board of Directors, composition and work	119
8	Reference Corporate Governance Code	4.1.1 / Corporate Governance Code	96
9	Particular procedures relative to participation by shareholders	9.1.2.5 / Shareholders' Meetings (Title IV of the by-laws)	257-258
10	Limitations on the powers of the Chief Executive Officer	4.1.2 / Management bodies	98
11	Procedure for the examination of routine agreements	2.3.2.1 / Procedure for related-party and routine agreements	62
12	Statutory Auditors' reports on the Board of Directors' report on corporate governance	8.4.2 / Statutory Auditors' report on the financial statements prepared in accordance with Article L. 225-235 of the French Commercial Code	252

9.8 GENERAL COMMENTS

Unless stated otherwise, the term “Company” or “GTT” refers in this Universal 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 Universal Registration Document contains information on the Company's objectives and forecasts, particularly in chapters 1 – *The Group and its activities*, 5 – *Comments on the financial year* and 6 – *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 Universal 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 2 – *Risk factors and internal control* of this Universal 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 1.3 – *Objectives and strategy* of this Universal Registration Document. The Company does not give any undertakings or make any warranties that the objectives presented in this Universal Registration Document will be achieved.

Investors should carefully consider the risk factors described in chapter 2 – *Risk factors and internal control* of this Universal 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 Universal Registration Document contains, notably in chapter 1 – *Presentation of the Group and its activities*, information relative to the activities of the Group. In addition to estimates made by the Group, the information and data contained in this Universal 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 Universal 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 Universal 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.

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