



## CGG Announces its Q2 2021 Results

### Soft quarterly revenue Recovery anticipated in H2 Asset monetization progressing as planned

PARIS, France – July 28, 2021 – **CGG** (ISIN: FR0013181864), a world leader in **Geoscience**, announced today its second quarter 2021 non-audited results.

#### Commenting on these results, Sophie Zurquiyah, CGG CEO, said:

*“During the first half of the year, the oil price environment has become more favorable. However, this has not translated yet into increase in geoscience-related spending by our customers. Considering the lack of investments by E&P companies, the need to increase spending, to better understand the subsurface and develop new opportunities, has continued to grow. Among our three businesses, Multi-client has been the most affected by the spending delays. Looking forward, following the soft first half of the year, activity is expected to strengthen in the second half of 2021 and onwards. With its high-end Geoscience and Equipment technologies, and superior quality Multi-client data in the world's most attractive basins, CGG is well positioned to provide our clients with the solutions they require to increase the effectiveness of their activities, while meeting their ESG goals. In this environment, technology innovation, business diversification, and cash generation, remain our top priorities.”*

#### Q2 2021: A soft quarter for Multi-client and Equipment

- **IFRS figures:** revenue at \$172m, EBITDAs at \$56m, OPINC at \$(1)m
- **Segment revenue at \$157m**, down (22)% year-on-year and down (26)% sequentially
  - Geoscience segment revenue at \$73 million, down (12) % year-on-year and up 11% sequentially
  - Multi-Client segment sales at \$37 million, including \$20 million after-sales, down (40)% year-on-year and up 8% sequentially
  - Equipment segment sales at \$48 million, down (19)% year-on-year and down (58)% sequentially
- **Segment EBITDAs at \$42m** and Adjusted\* Segment EBITDAs at \$35m, a 22% margin due to unfavorable revenue mix
- **Segment Operating Income at \$(7)m** and Adjusted\* Segment Operating Income at \$(15)m
- **Group Net loss at \$(51)m**
- **Net Cash Flow at \$(56)m** before **\$(39)m** of fees related to the refinancing



## H1 2021: A soft semester

- **IFRS figures:** revenue at \$380m, EBITDAs at \$88m, OPINC at \$(15)m
- **Segment revenue** at **\$370m**, down (22)% year-on-year
- **Segment EBITDAs** at **\$78m** and Adjusted\* Segment EBITDAs at \$75m, a 20% margin due to unfavorable revenue mix
- **Segment Operating Income** at **\$(18)m** and Adjusted\* Segment Operating Income at \$(28)m
- **Group Net loss** at **\$(132)m** divided by two year on year
- **Net Cash Flow** at **\$(27)m** before \$(39)m of fees related to the refinancing

## Balance Sheet at the end of June

- The physical asset storage business of CGG has been put for sale
- The sale of the GeoSoftware business is progressing as planned with a closing expected in Q4 2021
- The sale and lease back of the headquarter building is progressing as planned with a closing expected in Q4 2021
- **Liquidity** of **\$385m** and cash liquidity of \$285m after reducing gross debt by \$28m as part of refinancing. **Net debt before IFRS 16** at **\$935m** as of June 30, 2021

## 2021 Revised Financial Objectives

- CGG is expecting in 2021 a gradual recovery in Geoscience activity quarter after quarter, around 25% growth in Equipment sales year-on-year, Multi-Client cash capex of around \$165 million with over 75% prefunding and lower than originally expected Multi-client after-sales, up year-on-year.
- CGG anticipates full year 2021 segment revenue to be flat year-on-year and segment EBITDAs to be around \$310 million impacted by a slow recovery in multi-client data purchases, mainly by IOCs.
- The planned asset monetization and divestiture of businesses held for sale are progressing well and on track to close in Q4, which will allow CGG to generate positive net cash flow in 2021.

\*Adjusted indicators represent supplementary information adjusted for non-recurring charges triggered by economic downturn.



## Key Figures - Second Quarter 2021

Key Figures IFRS - Quarter In million \$	2020 Q2	2021 Q2	Variances %
<b>Operating revenues</b>	<b>239</b>	<b>172</b>	<b>(28)%</b>
<b>Operating Income</b>	<b>(32)</b>	<b>(1)</b>	<b>97%</b>
Equity from Investment	-	-	-
Net cost of financial debt	(33)	(33)	(2)%
Other financial income (loss)	(36)	(4)	90%
Income taxes	(33)	(7)	80%
<b>Net Income / Loss from continuing operations</b>	<b>(134)</b>	<b>(44)</b>	<b>67%</b>
Net Income / Loss from discontinued operations	(13)	(7)	50%
<b>Group net income / (loss)</b>	<b>(147)</b>	<b>(51)</b>	<b>65%</b>
Operating Cash Flow	81	54	(33)%
Net Cash Flow	(77)	(56)	28%
<b>Net debt</b>	<b>783</b>	<b>1,070</b>	<b>37%</b>
<b>Net debt before lease liabilities</b>	<b>626</b>	<b>935</b>	<b>49%</b>
<b>Capital employed</b>	<b>2,129</b>	<b>2,108</b>	<b>(1)%</b>

## Key Figures – First half 2021

Key Figures IFRS – First half In million \$	2020 H1	2021 H1	Variances %
<b>Operating revenues</b>	<b>491</b>	<b>380</b>	<b>(23)%</b>
<b>Operating Income</b>	<b>(72)</b>	<b>(15)</b>	<b>79%</b>
Equity from Investment	-	-	-
Net cost of financial debt	(66)	(68)	(3)%
Other financial income (loss)	(30)	(42)	(40)%
Income taxes	(38)	(12)	68%
<b>Net Income / Loss from continuing operations</b>	<b>(205)</b>	<b>(136)</b>	<b>34%</b>
Net Income / Loss from discontinued operations	(40)	5	112%
<b>Group net income / (loss)</b>	<b>(245)</b>	<b>(132)</b>	<b>46%</b>
Operating Cash Flow	226	159	(30)%
Net Cash Flow	(60)	(27)	55%
<b>Net debt</b>	<b>783</b>	<b>1 070</b>	<b>37%</b>
<b>Net debt before lease liabilities</b>	<b>626</b>	<b>935</b>	<b>49%</b>
<b>Capital employed</b>	<b>2,129</b>	<b>2,108</b>	<b>(1)%</b>



## Key Segment Figures - Second Quarter 2021

Key Segment Figures - Quarter In million \$	2020 Q2	2021 Q2	Variances %
<b>Segment revenue</b>	<b>202</b>	<b>157</b>	<b>(22)%</b>
<b>Segment EBITDAs</b>	<b>68</b>	<b>42</b>	<b>(39)%</b>
<i>Group EBITDAs margin</i>	<i>34%</i>	<i>26%</i>	<i>(7) bps</i>
<b>Segment operating income</b>	<b>(53)</b>	<b>(7)</b>	<b>86%</b>
<i>Opinc margin</i>	<i>(26)%</i>	<i>(5)%</i>	<i>22 bps</i>
IFRS 15 adjustment	21	6	(70)%
<b>IFRS operating income</b>	<b>(32)</b>	<b>(1)</b>	<b>97%</b>
Operating Cash Flow	81	54	(33)%
Net Segment Cash Flow	(77)	(56)	28%
<b>Supplementary information</b>			
<b>Adjusted segment EBITDAs before NRC</b>	<b>76</b>	<b>35</b>	<b>(53)%</b>
<i>EBITDAs margin</i>	<i>37%</i>	<i>22%</i>	<i>(15) bps</i>
<b>Adjusted segment operating income before NRC</b>	<b>(5)</b>	<b>(15)</b>	<b>(231)%</b>
<i>Opinc margin</i>	<i>(2)%</i>	<i>(10)%</i>	<i>(7) bps</i>

## Key Segment Figures – First half 2021

Key Segment Figures – First half In million \$	2020 H1	2021 H1	Variances %
<b>Segment revenue</b>	<b>473</b>	<b>370</b>	<b>(22)%</b>
<b>Segment EBITDAs</b>	<b>191</b>	<b>78</b>	<b>(59)%</b>
<i>Group EBITDAs margin</i>	<i>40%</i>	<i>21%</i>	<i>(19) bps</i>
<b>Segment operating income</b>	<b>(84)</b>	<b>(18)</b>	<b>79%</b>
<i>Opinc margin</i>	<i>(18)%</i>	<i>(5)%</i>	<i>(13) bps</i>
IFRS 15 adjustment	12	3	(74)%
<b>IFRS operating income</b>	<b>(72)</b>	<b>(15)</b>	<b>79%</b>
Operating Cash Flow	226	159	(30)%
Net Segment Cash Flow	(60)	(27)	55%
<b>Supplementary information</b>			
<b>Adjusted segment EBITDAs before NRC</b>	<b>200</b>	<b>75</b>	<b>(63)%</b>
<i>EBITDAs margin</i>	<i>42%</i>	<i>20%</i>	<i>(22) bps</i>
<b>Adjusted segment operating income before NRC</b>	<b>36</b>	<b>(28)</b>	<b>(178)%</b>
<i>Opinc margin</i>	<i>8%</i>	<i>(7)%</i>	<i>(15) bps</i>

### Key figures bridge: Segment to IFRS - Second Quarter 2021

P&L items In million \$	Segment figures	IFRS 15 adjustment	IFRS figures
Total Revenue	157	14	172
OPINC	(7)	6	(1)

Cash Flow Statement items In million \$	Segment figures	IFRS 15 adjustment	IFRS figures
EBITDAs	42	14	56
Change in Working Capital & Provisions	14	(14)	0
Cash Provided by Operations	54	-	54

Multi-Client Data Library NBV In million \$	Segment figures	IFRS 15 adjustment	IFRS figures
Opening Balance Sheet , Apr 1 <sup>st</sup> 21	291	204	495
Closing Balance Sheet , Jun 30 <sup>th</sup> 21	313	203	516

### Key figures bridge: Segment to IFRS – First half 2021

P&L items In million \$	Segment figures	IFRS 15 adjustment	IFRS figures
Total Revenue	370	10	380
OPINC	(18)	3	(15)

Cash Flow Statement items In million \$	Segment figures	IFRS 15 adjustment	IFRS figures
EBITDAs	78	10	88
Change in Working Capital & Provisions	87	(10)	77
Cash Provided by Operations	159	-	159

Multi-Client Data Library NBV In million \$	Segment figures	IFRS 15 adjustment	IFRS figures
Opening Balance Sheet , Jan 1 <sup>st</sup> 21	285	207	492
Closing Balance Sheet , Jun 30 <sup>th</sup> 21	313	203	516



## Second Quarter 2021 Segment Financial Results

### Geology, Geophysics & Reservoir (GGR)

Geology, Geophysics & Reservoir (GGR) In million \$	2020 Q2	2021 Q2	Variances %
<b>Segment revenue</b>	<b>144</b>	<b>110</b>	<b>(24)%</b>
Geoscience (SIR)	83	73	(12)%
Multi-Client	62	37	(40)%
Prefunding	46	17	(63)%
After-Sales	15	20	28%
<b>Segment EBITDAs</b>	<b>74</b>	<b>55</b>	<b>(26)%</b>
<i>EBITDAs Margin</i>	<i>51%</i>	<i>50%</i>	<i>(1) bps</i>
<b>Segment operating income</b>	<b>(39)</b>	<b>15</b>	<b>138%</b>
<i>OPINC Margin</i>	<i>(27)%</i>	<i>13%</i>	<i>40 bps</i>
Equity from investments	-	-	-
<b>Capital employed (in billion \$)</b>	<b>1.6</b>	<b>1.6</b>	<b>(1)%</b>
<b>Supplementary information</b>			
<b>Adjusted segment EBITDAs before NRC</b>	<b>81</b>	<b>49</b>	<b>(39)%</b>
<i>EBITDAs Margin</i>	<i>56%</i>	<i>45%</i>	<i>(11) bps</i>
<b>Adjusted segment OPINC before NRC</b>	<b>9</b>	<b>7</b>	<b>(24)%</b>
<i>OPINC Margin</i>	<i>6%</i>	<i>6%</i>	<i>(0) bps</i>
<b>Other Key Metrics</b>			
Multi-Client cash capex (\$m)	(73)	(43)	40%
Multi-Client cash prefunding rate (%)	63%	39%	(24) bps

**GGR segment revenue** was \$110 million, down (24)% year-on-year.

- **Geoscience revenue** was \$73 million, down (12)% year-on-year.

Geoscience continued its progressive recovery in Q2. In H1 2021, order intake more than doubled year on year and we are anticipating significant awards in major basins of Gulf of Mexico, Brazil and Guyana.

The increasing focus from our clients on future field development is driving demand for OBN data and especially for our processing sequences to image better-defined fault blocks in highly complex reservoirs.

- **Multi-Client revenue** was \$37 million, down (40)% year-on-year.

Multi-client cash capex was \$(43) million this quarter, (40)% lower than in Q2 2020. In Q2 we had two vessels working on multi-client programs as we have commenced work on a five-month 3D multi-client program in the Norwegian North Sea in addition to our on-going project in Brazil. Prefunding revenue of our multi-client projects was \$17 million and prefunding rate was 39% as some prefunding slipped into Q3.

Multi-client after-sales were at \$20 million this quarter, up 28% year-on-year.

The segment library Net Book Value was \$313 million (\$516 million after IFRS 15 adjustments) at the end of June 2021, split 85% offshore and 15% onshore.

**GGR segment EBITDAs** was \$55 million, a 50% margin, and **GGR Adjusted\* segment EBITDAs** was \$49 million, a 45% margin.

**GGR segment operating income** was \$15 million and **GGR Adjusted\* segment operating income** was \$7 million.

**GGR capital employed** was stable at \$1.6 billion at the end of June 2021.



## Equipment

Equipment In million \$	2020 Q2	2021 Q2	Variances %
<b>Segment revenue</b>	<b>58</b>	<b>48</b>	<b>(19)%</b>
Land	45	29	(36)%
Marine	10	12	25%
Downhole gauges	3	4	63%
Non Oil & Gas	1	3	82%
<b>Segment EBITDAs</b>	<b>-</b>	<b>(9)</b>	<b>-</b>
<i>EBITDAs margin</i>	<i>0%</i>	<i>(18)%</i>	<i>(19) bps</i>
<b>Segment operating income</b>	<b>(7)</b>	<b>(16)</b>	<b>(124)%</b>
<i>OPINC Margin</i>	<i>(12)%</i>	<i>(34)%</i>	<i>(22) bps</i>
<b>Capital employed (in billion \$)</b>	<b>0.5</b>	<b>0.5</b>	<b>(1)%</b>
<b>Supplementary information</b>			
<b>Adjusted segment EBITDAs before NRC</b>	<b>1</b>	<b>(8)</b>	<b>-</b>
<i>EBITDAs margin</i>	<i>2%</i>	<i>(17)%</i>	<i>(20) bps</i>
<b>Adjusted segment OPINC before NRC</b>	<b>(6)</b>	<b>(16)</b>	<b>-</b>
<i>OPINC Margin</i>	<i>(11)%</i>	<i>(33)%</i>	<i>(22) bps</i>

**Equipment segment revenue** was low as planned this quarter at \$48 million, down (19)% year-on-year.

- Land equipment sales represented 60% of total sales, as we delivered in Q2 systems in various geographies (China, Russia, Middle-East). Activity for the vibrators was strong with over 25 'Nomad' delivered.
- Marine equipment sales represented 25% of total sales. Sercel was awarded a major contract with BGP for the delivery of 18,000 GPR300 nodes. This quarter, Sercel finalized the acquisition of LISS (Low Impact Seismic Sources).
- Downhole equipment sales were \$4 million and sales from non Oil & Gas equipment were \$3 million.

**Equipment segment EBITDAs** was \$(9) million and **Equipment Adjusted\* segment EBITDAs** was \$(8) million, a (17)% margin.

**Equipment segment operating income** was \$(16) million and **Equipment Adjusted\* segment operating income** was \$(16) million, a (33)% margin.

**Equipment capital employed** increased to \$0.5 billion at the end of June 2021.



## Second Quarter 2021 Financial Results

Consolidated Income Statements In million \$	2020 Q2	2021 Q2	Variances %
<i>Exchange rate euro/dollar</i>	<b>1.10</b>	<b>1.20</b>	<b>9%</b>
<b>Segment revenue</b>	<b>202</b>	<b>157</b>	<b>(22)%</b>
GGR	144	110	(24)%
Equipment	58	48	(19)%
Elim & Other	(1)	-	-
<b>Segment Gross Margin</b>	<b>24</b>	<b>9</b>	<b>(63)%</b>
<b>Segment EBITDAs</b>	<b>68</b>	<b>42</b>	<b>(39)%</b>
GGR	81	49	(39)%
Equipment	1	(8)	-
Corporate	(6)	(3)	40%
Elim & Other	-	(2)	-
Severance costs	(7)	6	-
<b>Segment operating income</b>	<b>(53)</b>	<b>(7)</b>	<b>86%</b>
GGR	9	7	(24)%
Equipment	(6)	(16)	-
Corporate	(7)	(4)	40%
Elim & Other	(1)	(2)	-
Non recurring charges	(49)	8	-
IFRS 15 adjustment	21	6	(70)%
<b>IFRS operating income</b>	<b>(32)</b>	<b>(1)</b>	<b>97%</b>
Equity from investments	-	-	-
Net cost of financial debt	(33)	(33)	(2)%
Other financial income (loss)	1	(4)	-
Income taxes	(24)	(7)	(73)%
NRC (Tax & OFI)	(46)	-	-
<b>Net income / (loss) from continuing operations</b>	<b>(134)</b>	<b>(44)</b>	<b>67%</b>
Net income / (loss) from discontinued operations	(13)	(7)	50%
<b>IFRS net income / (loss)</b>	<b>(147)</b>	<b>(51)</b>	<b>65%</b>
Shareholder's net income / (loss)	(147)	(50)	66%
Basic Earnings per share in \$	(0.21)	(0.07)	66%
Basic Earnings per share in €	(0.19)	(0.06)	69%

**Segment revenue** was \$157 million, down (22)% year-on-year. The respective contributions from the Group's businesses were 46% from Geoscience, 24% from Multi-Client (70% for the GGR segment) and 30% from Equipment.

**Segment EBITDAs** was \$42 million and **Adjusted\* segment EBITDAs** was \$35 million, down (53)% year-on-year, a 22% margin due to the unfavorable business mix.

**Segment operating income** was \$(7) million and **Adjusted\* segment operating income** was \$(15) million.





**IFRS 15 adjustment** at operating income level was \$6million and **IFRS operating income**, after IFRS 15 adjustment, was \$(1) million.

**Cost of financial debt** was \$(33) million. The total amount of interest paid during the quarter was \$(30) million.

**Other Financial Items** were at \$(4) million.

**Taxes** were at \$(7) million.

**Net loss from continuing operations** was \$(44) million.

**Discontinued operations** : *Correspond to the former Contractual Data Acquisition and Non-Operated Resources segments. Main aggregates are as follows:*

- Q2 revenue from discontinued operations was \$12 million.
- Net loss from discontinued operations was \$(7) million this quarter.
- Net Cash flow from discontinued operations was \$0 million.

**Group net loss** was \$(51) million.

After minority interests, **Group net loss attributable to CGG shareholders** was \$(50) million/ €(42) million.



## Second Quarter 2021 Cash Flow

Cash Flow items In million \$	2020 Q2	2021 Q2	Variances %
<b>Segment Operating Cash Flow</b>	<b>81</b>	<b>54</b>	<b>(33)%</b>
<b>CAPEX</b>	<b>(89)</b>	<b>(57)</b>	<b>(36)%</b>
Industrial	(4)	(6)	26%
R&D	(12)	(8)	(32)%
Multi-Client (Cash)	(73)	(43)	(40)%
Marine MC	(62)	(43)	(30)%
Land MC	(11)	-	(97)%
Proceeds from disposals of assets	-	-	-
<b>Segment Free Cash Flow</b>	<b>(8)</b>	<b>(3)</b>	<b>63%</b>
Lease repayments	(15)	(15)	1%
Paid Cost of debt	(32)	(30)	(8)%
CGG 2021 Plan	(22)	(8)	(64)%
Free cash flow from discontinued operations	-	-	-
<b>Net Cash flow</b>	<b>(77)</b>	<b>(56)</b>	<b>28%</b>
Financing cash flow	-	(67)	-
Forex and other	(1)	1	-
<b>Net increase/(decrease) in cash</b>	<b>(78)</b>	<b>(122)</b>	<b>(56)%</b>
<b>Supplementary information</b>			
<b>Change in working capital and provisions, included in Segment Operating Cash Flow</b>	<b>15</b>	<b>14</b>	<b>(7)%</b>
<b>From severance cash costs</b>	<b>(3)</b>	<b>(6)</b>	<b>89%</b>
<b>Segment Free Cash Flow before severance cash costs</b>	<b>(5)</b>	<b>3</b>	<b>-</b>

**Segment Operating Cash Flow** was \$54 million, a (33)% decrease.

**Total capex** was \$(57) million:

- **Industrial capex** was \$(6) million,
- **Research & Development capex** was \$(8) million,
- **Multi-client cash capex** was \$(43) million

**Segment Free Cash Flow** was \$(3) million

After \$(15) million lease repayments, \$(30) million paid cost of debt, \$(8) million 2021 Plan cash costs and \$0 million free cash flow from discontinued operations, **Net Cash Flow** was \$(56) million.

**Refinancing impact on cash flow** was \$(67) million, including \$(39) million refinancing fees and call premiums, and \$(28) million net reduction in principal.



## First Half 2021 Financial Results

Consolidated Income Statements In million \$	YTD June 2020	YTD June 2021	Variances %
<i>Exchange rate euro/dollar</i>	<b>1.10</b>	<b>1.21</b>	<b>10%</b>
<b>Segment revenue</b>	<b>473</b>	<b>370</b>	<b>(22)%</b>
GGR	342	210	(38)%
Equipment	133	161	21%
Elim & Other	(2)	(1)	52%
<b>Segment Gross Margin</b>	<b>97</b>	<b>26</b>	<b>(74)%</b>
<b>Segment EBITDAs</b>	<b>191</b>	<b>78</b>	<b>(59)%</b>
GGR	204	80	(61)%
Equipment	9	8	(16)%
Corporate	(12)	(9)	24%
Elim & Other	(1)	(4)	(220)%
COVID-19 plan	(9)	3	130%
<b>Segment operating income</b>	<b>(84)</b>	<b>(18)</b>	<b>79%</b>
GGR	57	(4)	(107)%
Equipment	(6)	(8)	(30)%
Corporate	(13)	(11)	17%
Elim & Other	(2)	(4)	(175)%
Non recurring charges	(120)	10	108%
IFRS 15 adjustment	12	3	(74)%
<b>IFRS operating income</b>	<b>(72)</b>	<b>(15)</b>	<b>79%</b>
Equity from investments	-	-	-
Net cost of financial debt	(66)	(68)	(3)%
Other financial income (loss)	7	(42)	-
Income taxes	(29)	(12)	(58)%
NRC (Tax & OFI)	(46)	-	-
<b>Net income / (loss) from continuing operations</b>	<b>(205)</b>	<b>(136)</b>	<b>34%</b>
Net income / (loss) from discontinued operations	(40)	5	-
<b>IFRS net income / (loss)</b>	<b>(245)</b>	<b>(132)</b>	<b>46%</b>
Shareholder's net income / (loss)	(247)	(133)	46%
Basic Earnings per share in \$	(0.35)	(0.19)	46%
Basic Earnings per share in €	(0.31)	(0.15)	51%

**Segment revenue** was \$370 million, down 22% compared to H1 2020. The respective contributions from the Group's businesses were 38% from Geoscience, 19% from Multi-Client (57% for the GGR segment) and 43% from Equipment.

**GGR segment revenue** was \$210 million, down (38)% year-on-year

- **Geoscience revenue** was \$139 million, down (21)% year-on-year
- **Multi-Client sales** reached \$71 million, down (57)% year-on-year. Prefunding revenue was \$32 million, down (69)% year-on-year. Multi-Client cash capex was \$(74) million, down (47)% year-on-year. Cash prefunding rate was 44%. After-sales were \$39 million, down (38)%.



**Equipment revenue** was \$161 million, up 21% year-on-year.

**Segment EBITDAs** was \$78 million, down (59)% year-on-year, a low 21% margin. GGR EBITDA margin was low at 40% and Equipment EBITDA margin at 4%.

**Segment operating income** was \$(18) million.

**IFRS 15 adjustment** at operating income level was \$3 million and **IFRS operating income**, after IFRS 15 adjustment, was \$(15) million.

**Cost of financial debt** was \$(68) million. The total amount of interest paid during H1 was \$(36) million.

**Other Financial Items** were \$(42) million, including \$(39) million of fees related to the refinancing.

**Taxes** were at \$(12) million.

**Net income from continuing operations** was \$(136) million.

#### **Discontinued operations**

*Correspond to the former Contractual Data Acquisition and Non-Operated Resources segments. Main aggregates are as follows:*

- H1 revenue from discontinued operations was \$19 million.
- Net income from discontinued operations was \$5 million.
- Net Cash flow from discontinued operations was \$0 million.

**Group net loss** was \$(132) million.

After minority interests, **H1 2021 Group loss attributable to CGG's shareholders** was \$(133) million / €(110) million.



## Cash Flow

Cash Flow items In million \$	YTD June 2020	YTD June 2021	Variances %
<b>Segment Operating Cash Flow</b>	<b>226</b>	<b>159</b>	<b>(30)%</b>
<b>CAPEX</b>	<b>(177)</b>	<b>(99)</b>	<b>(44)%</b>
Industrial	(12)	(9)	(25)%
R&D	(24)	(16)	(32)%
Multi-Client (Cash)	(140)	(74)	(47)%
Marine MC	(113)	(73)	(36)%
Land MC	(27)	(1)	(97)%
Proceeds from disposals of assets	-	(3)	-
<b>Segment Free Cash Flow</b>	<b>50</b>	<b>57</b>	<b>16%</b>
Lease repayments	(29)	(29)	(2)%
Paid Cost of debt	(40)	(36)	(8)%
Plan 2021	(50)	(19)	(62)%
Free cash flow from discontinued operations	9	-	-
<b>Net Cash flow</b>	<b>(60)</b>	<b>(27)</b>	<b>55%</b>
Financing cash flow	-	(67)	-
Forex and other	(5)	(6)	(18)%
<b>Net increase/(decrease) in cash</b>	<b>(65)</b>	<b>(100)</b>	<b>(54)%</b>
<b>Supplementary information</b>			
<b>Change in working capital and provisions, included in Segment Operating Cash Flow</b>	<b>36</b>	<b>87</b>	<b>142%</b>
<b>From severance cash costs</b>	<b>(4)</b>	<b>(12)</b>	<b>(180)%</b>
<b>Segment Free Cash Flow before severance cash costs</b>	<b>54</b>	<b>69</b>	<b>28%</b>

**Segment Operating Cash Flow** was \$159 million compared to \$226 million for the first half of 2020, a (30)% decrease.

**Capex** was \$(99) million, down (44)% year-on-year,

- **Industrial capex** was \$(9) million, down (25)% year-on-year,
- **Research & Development capex** was \$(16) million, down (32)% year-on-year,
- **Multi-client cash capex** was \$(74) million, down (47)% year-on-year.

**Segment Free Cash Flow** was at \$57 million up 16% year-on-year.

After the payment of interest expenses of \$(36) million, lease repayments of \$(29) million, CGG 2021 Plan cash costs of \$(19) million and neutral free cash flow from discontinued operations, **Group Net Cash Flow** was \$(27) million, compared to \$(60) million for the first half of 2020.

**Refinancing impact on cash flow** was \$(67) million, including \$(39) million refinancing fees and call premiums, and \$(28) million net reduction in principal.



## Balance Sheet

**Group's liquidity amounted to \$385 million** at the end of June 30, 2021 and cash liquidity of \$285m after reducing gross debt by \$28m as part of refinancing.

**Group gross debt before IFRS 16** was **\$1,220 million** at the end of June 30, 2021 and **net debt** was **\$935 million**.

**Group gross debt after IFRS 16** was **\$1,355 million** at the end of June 30, 2021 and **net debt** was **\$1070 million**.

Segment leverage ratio of **Net debt to Adjusted segment EBITDAs** was **3.9x** at the end of June 2021.



## Q2 2021 Conference call

An English language analysts' conference call is scheduled today at 8:00 am (Paris time) – 7:00 am (London time)

**To follow this conference, please access the live webcast:**

**From your computer at:** [www.cgg.com](http://www.cgg.com)

A replay of the conference will be available via webcast on the CGG website at: [www.cgg.com](http://www.cgg.com).

For analysts, please dial the following numbers 5 to 10 minutes prior to the scheduled start time:

France call-in:	+33 (0) 1 70 70 07 81
UK call-in:	+44(0) 844 4819 752
Access Code:	9761434

### About CGG

*CGG ([www.cgg.com](http://www.cgg.com)) is a global geoscience technology leader. Employing around 3,700 people worldwide, CGG provides a comprehensive range of data, products, services and solutions that support our clients to more efficiently and responsibly solve complex natural resource, environmental and infrastructure challenges. CGG is listed on the Euronext Paris SA (ISIN: 0013181864).*

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### Contacts

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## CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2021





Unaudited Interim Consolidated statements of operations

<i>(In millions of US\$, except per share data)</i>	Six months ended June 30,	
	2021	2020
Operating revenues	380.2	491.2
Other income from ordinary activities	0.3	0.5
<b>Total income from ordinary activities</b>	<b>380.5</b>	<b>491.7</b>
Cost of operations	(351.6)	(382.5)
<b>Gross profit</b>	<b>28.9</b>	<b>109.2</b>
Research and development expenses - net	(9.9)	(7.5)
Marketing and selling expenses	(14.3)	(17.2)
General and administrative expenses	(30.3)	(36.3)
Other revenues (expenses) - net	10.7	(120.3)
<b>Operating income (loss)</b>	<b>(14.9)</b>	<b>(72.1)</b>
Expenses related to financial debt	(68.3)	(67.2)
Income provided by cash and cash equivalents	0.7	1.5
<b>Cost of financial debt, net</b>	<b>(67.6)</b>	<b>(65.7)</b>
Other financial income (loss)	(42.0)	(30.0)
<b>Income (loss) before incomes taxes</b>	<b>(124.5)</b>	<b>(167.8)</b>
Income taxes	(12.1)	(37.6)
<b>Net income (loss) from consolidated companies before share of income (loss) in companies accounted for under the equity method</b>	<b>(136.6)</b>	<b>(205.4)</b>
Share of income (loss) in companies accounted for under the equity method	0.1	0.1
<b>Net income (loss) from continuing operations</b>	<b>(136.5)</b>	<b>(205.3)</b>
Net income (loss) from discontinued operations	4.9	(40.0)
<b>Net income (loss)</b>	<b>(131.6)</b>	<b>(245.3)</b>
<i>Attributable to :</i>		
<i>Owners of CGG S.A</i>	(132.7)	(246.6)
<i>Non-controlling interests</i>	1.1	1.3
<b>Net income (loss) per share</b>		
Basic	(0.19)	(0.35)
Diluted	(0.19)	(0.35)
<b>Net income (loss) from continuing operations per share</b>		
Basic	(0.20)	(0.29)
Diluted	(0.20)	(0.29)
<b>Net income (loss) from discontinued operations per share</b>		
Basic	0.01	(0.06)
Diluted	0.01	(0.06)



Unaudited Consolidated statements of financial position

<i>(In millions of US\$)</i>	June 30, 2021	December 31, 2020
<b>ASSETS</b>		
Cash and cash equivalents	285.2	385.4
Trade accounts and notes receivable, net	231.5	325.0
Inventories and work-in-progress, net	228.8	237.8
Income tax assets	86.0	84.6
Other current financial assets, net	-	13.7
Other current assets, net	94.7	92.0
Assets held for sale, net	135.3	117.7
<b>Total current assets</b>	<b>1,061.5</b>	<b>1,256.2</b>
Deferred tax assets	7.4	10.3
Investments and other financial assets, net	12.2	13.6
Investments in companies under the equity method	3.1	3.6
Property, plant and equipment, net	228.0	268.1
Intangible assets, net	657.2	639.2
Goodwill, net	1,188.1	1,186.5
<b>Total non-current assets</b>	<b>2,096.0</b>	<b>2,121.3</b>
<b>TOTAL ASSETS</b>	<b>3,157.5</b>	<b>3,377.5</b>
<b>LIABILITIES AND EQUITY</b>		
Bank overdrafts	-	0.2
Financial debt – current portion	66.3	58.6
Trade accounts and notes payables	100.5	96.7
Accrued payroll costs	112.8	106.6
Income taxes payable	45.3	56.8
Advance billings to customers	21.6	19.5
Provisions — current portion	20.8	52.7
Other current financial liabilities	18.8	34.4
Other current liabilities	289.1	278.6
Liabilities directly associated with the assets classified as held for sale	7.0	13.0
<b>Total current liabilities</b>	<b>682.2</b>	<b>717.1</b>
Deferred tax liabilities	19.6	16.3
Provisions — non-current portion	45.6	51.8
Financial debt – non-current portion	1,288.5	1,330.3
Other non-current financial liabilities	43.6	53.0
Other non-current liabilities	39.7	44.4
<b>Total non-current liabilities</b>	<b>1,437.0</b>	<b>1,495.8</b>
Common stock: 1,194,005,823 shares authorized and 711,394,241 shares with a €0.01 nominal value outstanding at June 31, 2021	8.7	8.7
Additional paid-in capital	464.1	1,687.1
Retained earnings	611.4	(480.6)
Other Reserves	(25.8)	(37.3)
Treasury shares	(20.1)	(20.1)
Cumulative income and expense recognized directly in equity	(0.1)	(0.7)
Cumulative translation adjustment	(43.7)	(37.4)
<b>Equity attributable to owners of CGG S.A.</b>	<b>994.5</b>	<b>1,119.7</b>
Non-controlling interests	43.8	44.9
<b>Total equity</b>	<b>1,038.3</b>	<b>1,164.6</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>3,157.5</b>	<b>3,377.5</b>



Unaudited Consolidated statements of cash flows

<i>(In millions of US\$)</i>	Six months ended June 30,	
	2021	2020
<b>OPERATING</b>		
Net income (loss)	(131.6)	(245.3)
Less: Net income (loss) from discontinued operations	(4.9)	40.0
<b>Net income (loss) from continuing operations</b>	<b>(136.5)</b>	<b>(205.3)</b>
Depreciation, amortization and impairment	50.2	100.8
Multi-client surveys impairment and amortization	62.3	186.4
Depreciation and amortization capitalized in Multi-client surveys	(8.7)	(8.4)
Variance on provisions	(31.6)	1.2
Share-based compensation expenses	(1.2)	2.6
Net (gain) loss on disposal of fixed and financial assets	(0.1)	0.1
Equity (income) loss of investees	(0.1)	(0.1)
Dividends received from investments in companies under the equity method	—	—
Other non-cash items	42.0	30.0
<b>Net cash-flow including net cost of financial debt and income tax</b>	<b>(23.7)</b>	<b>107.3</b>
Less : net cost of financial debt	67.6	65.7
Less : income tax expense (gain)	12.1	37.6
<b>Net cash-flow excluding net cost of financial debt and income tax</b>	<b>56.0</b>	<b>210.6</b>
Income tax paid	(5.6)	(1.1)
<b>Net cash-flow before changes in working capital</b>	<b>50.4</b>	<b>209.5</b>
Changes in working capital	108.9	16.7
- change in trade accounts and notes receivable	99.1	77.1
- change in inventories and work-in-progress	4.0	(18.5)
- change in other current assets	(2.3)	(1.5)
- change in trade accounts and notes payable	1.2	(2.4)
- change in other current liabilities	6.9	(38.0)
<b>Net cash-flow provided by operating activities</b>	<b>159.3</b>	<b>226.2</b>
<b>INVESTING</b>		
Total capital expenditures (including variation of fixed assets suppliers, excluding Multi-client surveys)	(25.7)	(36.6)
Investment in Multi-client surveys, net cash	(73.5)	(139.9)
Proceeds from disposals of tangible and intangible assets	—	0.1
Total net proceeds from financial assets	(2.4)	0.2
Acquisition of investments, net of cash and cash equivalents acquired	(0.4)	(0.4)
Variation in loans granted	—	—
Variation in subsidies for capital expenditures	—	—
Variation in other non-current financial assets	1.3	9.7
<b>Net cash-flow used in investing activities</b>	<b>(100.7)</b>	<b>(166.9)</b>



<i>(In millions of US\$)</i>	Six months ended June 30,	
	2021	2020
<b>FINANCING</b>		
Repayment of long-term debt	(1,227.5)	—
Total issuance of long-term debt	1,160.3	—
Lease repayments	(29.5)	(28.8)
Change in short-term loans	(0.2)	—
Financial expenses paid	(36.5)	(39.5)
Net proceeds from capital increase:		
— from shareholders	—	—
— from non-controlling interests of integrated companies	—	—
Dividends paid and share capital reimbursements:		
— to shareholders	—	—
— to non-controlling interests of integrated companies	(3.6)	(7.2)
Acquisition/disposal from treasury shares	—	—
<b>Net cash-flow provided by (used in) financing activities</b>	<b>(137.0)</b>	<b>(75.5)</b>
Effects of exchange rates on cash	(3.3)	(7.5)
Impact of changes in consolidation scope	—	—
<b>Net cash flows incurred by discontinued operations</b>	<b>(18.5)</b>	<b>(41.1)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(100.2)</b>	<b>(64.8)</b>
Cash and cash equivalents at beginning of year	385.4	610.5
<b>Cash and cash equivalents at end of period</b>	<b>285.2</b>	<b>545.7</b>