27, avenue Carnot
91300 Massy
France
(33) 1 64 47 45 00

CONDENSED INTERIM FINANCIAL REPORT

First quarter 2021 Results

May 12, 2021

Table of Contents

FORWARD-LOOKING STATEMENTS

This document includes "forward-looking statements". We have based these forward-looking statements on our current views and assumptions about future events. These forward-looking statements involve certain risks and uncertainties. Factors that could cause actual results to differ materially from those contemplated by the forward-looking statements include, among others, the following risk factors:

Risks related to our Business and Strategy

- Demand for our products and services largely depends on the oil and gas industry activity, and lower capital expenditures by our clients or by the oil and gas industry in general could materially impact our business
- We operate in a highly competitive environment and unanticipated changes relating to competitive factors in our industry may impact our results of operation
- We are subject to risks related to our international operations and to global economic and geopolitical volatility
- The failure of our strategic partners to perform their obligations in accordance with our expectations may have an adverse impact on our financial condition and results of operations
- The performance of our business is subject to demand for, and continued exploration, development and production of oil and gas; the reduction in the consumption of carbon-based energy products could significantly impair our business and reduce demand for our products and services.

Risks related to our Operations

- We are subject to loss or destruction of key assets, including physical infrastructure such as data centers and factories
- We may need to impair goodwill or the carrying value of other assets and liabilities on our balance sheet
- We rely on third party suppliers and are subject to disruptions outside our control
- Our reputation, business, financial condition and results of operations may be affected if we fail to deliver projects in line with our clients' expectations
- We could be subject to liability and loss of reputation due to failure or malfunctioning of our products following delivery to our clients

Risks related to Information Technology, Information Security and Intellectual Property

- We are subject to risks related to our information technology, including cyber security risks and risks of hardware and software failures
- Our proprietary technology could be rendered obsolete or be misappropriated by third parties
- We may be unable to maintain data governance standards required by our clients or applicable regulations

Risks related to our People

- We depend on the experience of our senior management and other key personnel
- Our business is dependent on highly skilled scientists, engineers and technicians, and our inability to retain, recruit and develop these resources may impact our results of operation
- Our employees may be exposed to various health and safety risks
- We may not be able to keep our personnel and property safe from crime and unrest

Risks related to Economy and Finance

- We face risks related to our liquidity needs and substantial indebtedness
- We are exposed to exchange rate fluctuations

Legal & Regulatory Risks

- We are subject to the risk of regulatory changes in the countries in which we operate, including changes as a result Brexit
- Our business is subject to complex laws and governmental regulations, including permits and other licensing requirements, in the various jurisdictions in which we operate, and our failure to comply with them may subject us to legal proceedings in these jurisdictions
- Our failure to comply with the restrictions and covenants in our current and future debt agreements may trigger cross-acceleration or cross-default provisions; our assets might not be sufficient to repay in full all of our outstanding indebtedness and we may be unable to find alternative financing
- We face the risk of payment, supplier and other types of fraud, which could subject us to penalties and reputational damage

The Covid-19 pandemic may strongly affect many of the risks set out above.

We undertake no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

Certain of these risks are described in our Universal Registration Document for the year ended December 31, 2020; the French version of which we filed with the AMF on March 05, 2021. Our Universal Registration Document is available in French and English on our website at www.cgg.com or on the website maintained by the AMF (French only) at www.amf-france.org. You may request a copy of our Universal Registration Document, which includes our complete audited financial statements, at no charge, by calling our investor relations department at + 33 1 6447 3811, sending an electronic message to invrelparis@cgg.com or invrelhouston@cgg.com or writing to CGG – Investor Relations Department – 27, avenue Carnot – 91341Massy, France.

Unaudited Interim Consolidated statements of operations

(In millions of US$, except per share data)	Notes	Three months ended March 31, 2021	2020
Operating revenues	9	**208.6**	**252.7**
Other income from ordinary activities		0.2	0.3
Total income from ordinary activities		**208.8**	**253.0**
Cost of operations		(195.3)	(188.7)
Gross profit		**13.5**	**64.3**
Research and development expenses - net		(5.3)	(4.4)
Marketing and selling expenses		(7.5)	(9.1)
General and administrative expenses		(16.7)	(18.7)
Other revenues (expenses) - net	10	2.0	(71.9)
Operating income (loss)	**9**	**(14.0)**	**(39.8)**
Expenses related to financial debt		(34.7)	(33.9)
Income provided by cash and cash equivalents		0.3	1.0
Cost of financial debt, net		**(34.4)**	**(32.9)**
Other financial income (loss)	7	(38.4)	5.7
Income (loss) before incomes taxes		**(86.8)**	**(67.0)**
Income taxes		(5.4)	(4.8)
Net income (loss) from consolidated companies before share of income (loss) in companies accounted for under the equity method		**(92.2)**	**(71.8)**
Share of income (loss) in companies accounted for under the equity method		0.2	0.3
Net income (loss) from continuing operations		**(92.0)**	**(71.5)**
Net income (loss) from discontinued operations	3	11.5	(26.9)
Net income (loss)		**(80.5)**	**(98.4)**
Attributable to :			
Owners of CGG S.A	$	(82.4)	(99.4)
Non-controlling interests	$	1.9	1.0
Net income (loss) per share			
Basic	$	(0.12)	(0.14)
Diluted	$	(0.12)	(0.14)
Net income (loss) from continuing operations per share			
Basic	$	(0.13)	(0.10)
Diluted	$	(0.13)	(0.10)
Net income (loss) from discontinued operations per share			
Basic	$	0.01	(0.04)
Diluted	$	0.01	(0.04)

See the notes to the Unaudited Interim Consolidated Financial Statements

Unaudited Interim Consolidated statements of comprehensive income (loss)

(In millions of US$)	Three months ended March 31, 2021 (*)	2020 (*)
Net income (loss) from statements of operations	**(80.5)**	**(98.4)**
Net gain (loss) on cash flow hedges	(0.4)	(0.1)
Exchange differences on translation of foreign operations	(15.1)	(17.4)
Net other comprehensive income (loss) to be reclassified in profit (loss) in subsequent period (a)	**(15.5)**	**(17.5)**
Net gain (loss) on actuarial changes on pension plan	2.5	—
Net other comprehensive income (loss) not to be reclassified in profit (loss) in subsequent period (b)	**2.5**	**—**
Total other comprehensive income (loss) for the period, net of taxes (a) + (b)	**(13.0)**	**(17.5)**
Total comprehensive income (loss) for the period	**(93.5)**	**(115.8)**
Attributable to :		
Owners of CGG S.A.	*(95.1)*	*(116.1)*
Non-controlling interests	*1.6*	*0.3*

(*) Including other comprehensive income related to the discontinued operations, which is not material.

Unaudited Consolidated statements of financial position

(In millions of US$)	Notes	March 31, 2021	December 31, 2020
ASSETS			
Cash and cash equivalents		407.0	385.4
Trade accounts and notes receivable, net		288.1	325.0
Inventories and work-in-progress, net		207.8	237.8
Income tax assets		83.2	84.6
Other current financial assets, net	2, 4	-	13.7
Other current assets, net		88.2	92.0
Assets held for sale, net	3	120.2	117.7
Total current assets		**1,194.5**	**1,256.2**
Deferred tax assets		9.7	10.3
Investments and other financial assets, net	4	13.5	13.6
Investments in companies under the equity method		3.7	3.6
Property, plant and equipment, net		247.6	268.1
Intangible assets, net		638.4	639.2
Goodwill, net		1,186.2	1,186.5
Total non-current assets		**2,099.1**	**2,121.3**
TOTAL ASSETS		**3,293.6**	**3,377.5**
LIABILITIES AND EQUITY			
Bank overdrafts		0.1	0.2
Financial debt – current portion	2, 7	82.2	58.6
Trade accounts and notes payables		112.5	96.7
Accrued payroll costs		114.5	106.6
Income taxes payable		47.1	56.8
Advance billings to customers		21.6	19.5
Provisions — current portion	6	32.6	52.7
Other current financial liabilities	5	18.5	34.4
Other current liabilities		301.8	278.6
Liabilities directly associated with the assets classified as held for sale	3	15.4	13.0
Total current liabilities		**746.3**	**717.1**
Deferred tax liabilities		15.1	16.3
Provisions — non-current portion	6	44.2	51.8
Financial debt – non-current portion	2	1,311.6	1,330.3
Other non-current financial liabilities	5	48.4	53.0
Other non-current liabilities		42.9	44.4
Total non-current liabilities		**1,462.2**	**1,495.8**
Common stock: 1,194,005,823 shares authorized and 711,394,241 shares with a €0.01 nominal value outstanding at March 31, 2021		8.7	8.7
Additional paid-in capital		1,687.1	1,687.1
Retained earnings		(559.7)	(480.6)
Other Reserves		(24.1)	(37.3)
Treasury shares		(20.1)	(20.1)
Cumulative income and expense recognized directly in equity		(1.1)	(0.7)
Cumulative translation adjustment		(52.2)	(37.4)
Equity attributable to owners of CGG S.A.		**1,038.6**	**1,119.7**
Non-controlling interests		46.5	44.9
Total equity		**1,085.1**	**1,164.6**
TOTAL LIABILITIES AND EQUITY		**3,293.6**	**3,377.5**

See the notes to the Unaudited Interim Consolidated Financial Statements

Unaudited Consolidated statements of cash flows

(In millions of US$)	Notes	Three months ended March 31, 2021	2020
OPERATING			
Net income (loss)		(80.5)	(98.4)
Less: Net income (loss) from discontinued operations	3	11.5	(26.9)
Net income (loss) from continuing operations		**(92.0)**	**(71.5)**
Depreciation, amortization and impairment		24.0	30.5
Multi-client surveys impairment and amortization		25.6	116.8
Depreciation and amortization capitalized in Multi-client surveys		(4.5)	(4.3)
Variance on provisions		(20.3)	(2.2)
Share-based compensation expenses		0.9	1.4
Net (gain) loss on disposal of fixed and financial assets		—	—
Equity (income) loss of investees		(0.2)	(0.3)
Dividends received from investments in companies under the equity method		—	—
Other non-cash items	7	38.4	(3.1)
Net cash-flow including net cost of financial debt and income tax		**(28.1)**	**67.3**
Less : net cost of financial debt		34.4	32.9
Less : income tax expense (gain)		5.4	4.8
Net cash-flow excluding net cost of financial debt and income tax		**11.7**	**105.0**
Income tax paid		(4.5)	(0.8)
Net cash-flow before changes in working capital		**7.2**	**104.2**
Changes in working capital		97.5	41.0
- change in trade accounts and notes receivable		69.1	80.8
- change in inventories and work-in-progress		22.5	(16.2)
- change in other current assets		(6.0)	(4.7)
- change in trade accounts and notes payable		—	16.5
- change in other current liabilities		11.9	(35.4)
Net cash-flow provided by operating activities		**104.7**	**145.2**
INVESTING			
Total capital expenditures (including variation of fixed assets suppliers, excluding Multi-client surveys)		(12.1)	(20.6)
Investment in Multi-client surveys, net cash		(30.0)	(66.8)
Proceeds from disposals of tangible and intangible assets		0.1	0.1
Total net proceeds from financial assets	4, 5	(2.4)	—
Acquisition of investments, net of cash and cash equivalents acquired		—	—
Variation in loans granted		—	—
Variation in subsidies for capital expenditures		—	—
Variation in other non-current financial assets		—	9.0
Net cash-flow used in investing activities		**(44.4)**	**(78.3)**

(In millions of US$)	Notes	Three months ended March 31, 2021	2020
FINANCING			
Repayment of long-term debt		—	—
Total issuance of long-term debt		—	—
Lease repayments		(14.7)	(14.0)
Change in short-term loans		(0.1)	—
Financial expenses paid		(6.9)	(7.4)
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		—	—
Acquisition/disposal from treasury shares		—	—
Net cash-flow provided by (used in) financing activities		**(21.7)**	**(21.4)**
Effects of exchange rates on cash		(6.7)	(13.2)
Impact of changes in consolidation scope		—	—
Net cash flows incurred by discontinued operations	3	**(10.3)**	**(19.3)**
Net increase (decrease) in cash and cash equivalents		**21.6**	**13.0**
Cash and cash equivalents at beginning of year		385.4	610.5
Cash and cash equivalents at end of period		**407.0**	**623.5**

See the notes to the Unaudited Interim Consolidated Financial Statements

Unaudited Consolidated statements of changes in equity

Amounts in millions of US$, except share data	Number of Shares issued	Share capital	Additional paid-in capital	Retained earnings	Other reserves	Treasury shares	Income and expense recognized directly in equity	Cumulative translation adjustment	Equity attributable to owners of CGG S.A.	Non-controlling interests	Total equity
Balance at January 1, 2020	***709,956,358***	**8.7**	**3,184.7**	**(1,531.1)**	**(23.5)**	**(20.1)**	**(0.7)**	**(56.3)**	**1,561.7**	**45.7**	**1,607.4**
Net gain (loss) on actuarial changes on pension plan (1)											
Net gain (loss) on cash flow hedges (2)							(0.1)		(0.1)		**(0.1)**
Exchange differences on foreign currency translation (3)								(16.6)	(16.6)	(0.7)	(17.3)
Other comprehensive income (1)+(2)+(3)							**(0.1)**	**(16.6)**	**(16.7)**	**(0.7)**	**(17.4)**
Net income (4)				(99.4)					(99.4)	1.0	(98.4)
Comprehensive income (1)+(2)+(3)+(4)				**(99.4)**			**(0.1)**	**(16.6)**	**(116.1)**	**0.3**	**(115.8)**
Exercise of warrants	*5,344*								–		–
Dividends									–	–	–
Cost of share-based payment				1.2					1.2		1.2
Transfer to retained earnings of the parent company									–		–
Exchange differences on foreign currency translation generated by the parent company					3.0				3.0		3.0
Changes in consolidation scope and other				(2.5)	1.9			1.3	0.7		0.7
Balance at March 31, 2020	**709,961,702**	**8.7**	**3,184.7**	**(1,631.8)**	**(18.6)**	**(20.1)**	**(0.8)**	**(71.6)**	**1,450.5**	**46.0**	**1,496.5**

Amounts in millions of US$, except share data	Number of Shares issued	Share capital	Additional paid-in capital	Retained earnings	Other reserves	Treasury shares	Income and expense recognized directly in equity	Cumulative translation adjustment	Equity attributable to owners of CGG S.A.	Non-controlling interests	Total equity
Balance at January 1, 2021	***711,392,383***	**8.7**	**1,687.1**	**(480.6)**	**(37.3)**	**(20.1)**	**(0.7)**	**(37.4)**	**1,119.7**	**44.9**	**1,164.6**
Net gain (loss) on actuarial changes on pension plan (1)				2.5					2.5		2.5
Net gain (loss) on cash flow hedges (2)							(0.4)		(0.4)		(0.4)
Exchange differences on foreign currency translation (3)								(14.8)	(14.8)	(0.3)	(15.1)
Other comprehensive income (1)+(2)+(3)				**2.5**			**(0.4)**	**(14.8)**	**(12.7)**	**(0.3)**	**(13.0)**
Net income (4)				(82.4)					(82.4)	1.9	(80.5)
Comprehensive income (1)+(2)+(3)+(4)				**(79.9)**			**(0.4)**	**(14.8)**	**(95.1)**	**1.6**	**(93.5)**
Exercise of warrants	*1,858*										
Dividends											
Cost of share-based payment				0.8					0.8		0.8
Transfer to retained earnings of the parent company											
Exchange differences on foreign currency translation generated by the parent company					13.2				13.2		13.2
Changes in consolidation scope and other											
Balance at March 31, 2021	***711,394,241***	**8.7**	**1,687.1**	**(559.7)**	**(24.1)**	**(20.1)**	**(1.1)**	**(52.2)**	**1,038.6**	**46.5**	**1,085.1**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

CGG S.A. ("the Company"), along with its subsidiaries (together, the "Group") 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.

Given that the Company is listed on a European Stock Exchange and pursuant to European regulation n°1606/2002 dated July 19, 2002, the accompanying interim condensed consolidated financial statements have been prepared in accordance with *International Financial Reporting Standards* ("IFRS") and its interpretations, as issued by the *International Accounting Standards Board* (IASB) and adopted by the European Union as at March 31, 2021, with the exception of IAS 36 for the goodwill impairment testing as described in 1.1 Critical accounting policies below.

The Board of Directors has authorized these interim condensed consolidated financial statements for issue on May 11, 2021.

The interim condensed consolidated financial statements are presented in U.S. dollars and have been prepared on a historical cost basis, except for the non-current assets held for sale, the disposal groups, certain financial assets and liabilities that have been measured at fair value.

1.1 - Critical accounting policies

The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements as of and for the year ended December 31, 2020 included in its Universal Registration Document for the year 2020 filed with the AMF on March 5, 2021 and approved by the General Meeting on May 12, 2021.

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual financial statements for the year ended December 31, 2020, with the exception of IAS 36 for the goodwill for the first quarter 2020 and for which the impairment testing was not performed at that time.

In addition, the Group has adopted the following new Standards, Amendments, and Interpretations:

- Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16: Interest Rate Benchmark Reform – Phase 2
- Amendments to IFRS 4 Insurance Contracts – deferral of IFRS 9

The adoption of the new Standards, Amendments, and Interpretations had no impact on the Group's interim financial statements.

At the date of issuance of these interim condensed consolidated financial statements, the following Standards, Amendments, and Interpretations were issued but not yet adopted by the European Union and were thus not effective:

- IFRS 17 Insurance contracts
- Amendments to IAS 1 : Classification of Liabilities as Current or Non-Current
- Amendments to IFRS 3 Business Combinations; IAS 16 Property, Plant and Equipment; IAS 37 Provisions, Contingent Liabilities and Contingent Assets as well as Annual Improvements
- Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of Accounting policies
- Amendments to IAS 8 Accounting policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates
- Proposed amendments to IFRS 16 Leases: Covid-19-Related Rent Concessions beyond 30 June 2021

The Group does not expect any significant impact on our consolidated accounts for the following Standards, Amendments and Interpretations:

- IFRS 17 "Insurance Contracts"
- Amendments to IFRS 3 Business Combinations; as well as Annual Improvements 2018-2020
- Amendments to IFRS 4 Insurance Contracts – deferral of IFRS 9
- Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16: Interest Rate Benchmark Reform – Phase 2

The review of the amendments IAS 1, IAS 16 Property, Plant and Equipment and IAS 37 Provisions is ongoing to assess the potential impacts on our consolidated financial statements.

.

1.2 - Use of judgment and estimates

The preparation of consolidated financial statements in accordance with IFRS requires management to make estimates, assumptions and judgments that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ materially from those estimates due to changes in economic conditions, changes in laws and regulations, changes in strategy and the inherent imprecision associated with the use of estimates.

Key judgments and estimates used in the financial statements are summarized in the following table:

Note	Judgments and estimates	Key assumptions
	Recoverable amount of goodwill and intangible assets	Expected geophysical market trends and scenario of recovery; strength, trajectory, recovery outlook of E&P spending Discount rate (WACC)
	Amortization and impairment of Multi-client surveys	Expected sales for each survey
Note 3	Classification of disposal groups as held for sale	Likelihood of disposal within twelve months
	Valuation of disposal groups classified as held for sale	Assessment of disposal groups at fair value less cost to sell Final terms on disposal are in line with currently contemplated terms
Note 5	Idle Vessels Compensation (Capacity Agreement)	Shearwater fleet utilization assumptions over the commitment period
	Off-Market Component (Capacity Agreement)	Market rate over the five-year contractual term as estimated at the date of the exit from Marine Data Acquisition business
Note 9	Revenue recognition	Estimated Geoscience Contract completion rates
Note 10	Income tax liabilities – Uncertain tax positions	Estimate of most likely amount
	Deferred tax assets	Assumptions supporting the achievement of future taxable profits
Note 6	Provisions for restructuring	Assessment of future costs related to restructuring plans
	Discount rate IFRS 16	Assessment of incremental borrowing rate
	Recoverability of client receivables	Assessment of clients' credit default risk
	Depreciation and amortization of tangible and intangible assets	Assets useful lives
	Development costs	Assessment of future benefits of each project
	Post-employment benefits	Discount rate Enrollment rate in post-employment benefit plans Inflation rate
	Provisions for risks, claims and litigations	Assessment of risks considering court rulings and attorney's positions

NOTE 2 SIGNIFICANT EVENTS

Eidesvik sold its shares in Shearwater to CGG, and CGG accepted Rasmussengruppen's offer to buy the Shearwater shares.

On January 11, 2021, Eidesvik decided to exercise its put option and to sell all of its Shearwater Shares to CGG at a strike price of US$30 million. CGG thereby acquired 1,987,284 shares, increasing its shareholding in Shearwater to 6.64% of the latter's outstanding shares and 6.72% of voting rights.

On January 12, 2021, CGG accepted Rasmussengruppen's binding offer to buy all of the Shearwater shares owned by CGG, including those it owned following the exercise of Eidesvik's put option. By way of this transaction, CGG sold a total of 3,945,532 Shearwater shares for a total cash consideration of US$27.6 million. The transaction was completed on January 18, 2021 (the "completion date") and CGG received payment on January 20, 2021.

Those transactions were considered in the valuation of the corresponding asset and liability in CGG's 2020 consolidated financial statements as (i) US$13.7 million for Shearwater shares (*see note 4*) and (ii) US$(16.1) million for the Eidesvik Put Option (*see note 5*), hence there is no impact in the statement of operations at the completion date.

Issuance of Senior Secured Notes and Completion of Conditions for Settlement of Tender Offer and Redemption of Existing Notes

CGG entered into a refinancing process during the first quarter of 2021 (the "refinancing") with the aims of (i) normalizing the capital structure, (ii) extending debt maturity to manage long term cash needs and (iii) benefiting from more attractive interest rate and eliminating capitalized (PIK) interest obligations.

On April 1, 2021, CGG issued US$500 million in aggregate principal amount of 8.75% Senior Secured Notes due 2027 and €585 million in aggregate principal amount of 7.75% Senior Secured Notes due 2027 (together, the "2027 Notes"). The 2027 Notes are guaranteed on a senior secured basis by certain subsidiaries of CGG SA.

CGG also entered on April 1, 2021 into a US$100 million Revolving Credit Facility Agreement ("RCF") secured by the same security package as the 2027 Notes with its pricing linked in part to greenhouse gas emission reduction targets.

The issuance of the 2027 Notes was a condition to:

i. the purchase of any and all of the validly tendered and not withdrawn existing first lien senior secured notes due 2023 (the "Existing First Lien Notes") by way of a tender offer (the "Tender Offer") launched on March 15, 2021 and which expired on March 29, 2021 ;
ii. the redemption of all Existing First Lien Notes not purchased in the Tender Offer ; and
iii. the redemption of all its second lien senior secured notes due 2024 (the "Existing Second Lien Notes").

That condition has been satisfied. The proceeds from the issuance have been used, together with cash on hand, to:

i. settle the Tender Offer;
ii. satisfy and discharge on April 1, 2021 and subsequently redeem on May 1, 2021 in full the Existing First Lien Notes that were not repurchased in the Tender Offer;
iii. satisfy and discharge on April 1, 2021 and subsequently redeem on April 14, 2021 in full the Existing Second Lien Notes; and
iv. pay all fees and expenses in connection with the foregoing.

With an effective date on April 1, 2021, the extinguishment of the Existing Notes and the recognition of the 2027 Notes were not in the interim consolidated financial statements as of March 31, 2021.

Nevertheless, CGG's interim consolidated statements of operations of the first quarter 2021 included the following items:

- US$25.6 million of transaction costs arising from the refinancing. All costs and fees have been expensed without any portion capitalized. *See note 7*.
- US$14.1 million of call premium in relation with the early repayment of the Existing First Lien Notes. *See note 7*.

For more information on the estimated impacts of the refinancing, please refer to note 11.

Market environment

The volatility in the oil price in 2020, as a consequence of the covid-19 outbreak, changed dramatically our business environment and the whole energy sector experienced strong headwinds. To mitigate the impacts of the drop in the oil price, our clients cut significantly their E&P spending in 2020, by 30% on average, which had material adverse effects in our results.

While it remains difficult to predict the timing and breadth of any recovery in E&P spending and hence the evolution of the demand for our geoscience services and products, the progress in vaccination campaigns and the release of lockdown measures improved the prospects of economic recovery. As a consequence of the progressive rebalancing in the market, the Brent price firmed up in the first quarter of 2021, ahead of expectations. With an oil price above the US$60/bbl level by March 31, 2021 (up from US$50/bbl as of December 31, 2020), we started to see in March a resumption in commercial activity and contract awards.

In this context, and provided the pandemic remains under control, after several years of under-investments by our clients, we expect the demand for our geoscience services and products to strengthen gradually, with an acceleration in the second part of the year 2021. We also believe oil and gas will keep on playing a major part in the energy mix and in the financial equation of our clients despite the growing importance of renewable energies.

The Group pursued the implementation of restructuring measures in the first quarter of 2021 to adjust to the new baseline, reducing staff in various locations worldwide and closing sites. These measures have affected the statement of cash flows by US$(5.6) million.

The Group benefited from governments' support measures in certain countries where it operates, triggering a positive cash impact of US$3.4 million in the period, including deferrals of tax and social contributions for US$2.6 million and grants and subsidies for US$0.8 million.

JG Capital Management's ("JGCM") criminal complaint against "X"

On February 2, 2021, CGG was informed that JGCM filed a criminal complaint regarding the terms of the CGG's financial restructuring approved in 2017. In principle, the French public prosecutor would have three months from the filing of the complaint to decide whether or not to pursue an action.

JGCM' writ of summons (Assignation / Recours en Revision)

On March 29, 2021, JGCM issued a writ of summons to CGG before the Commercial Court of Paris in order to try and obtain, through an appeal for modifying an existing judgement ("recours en revision"), the cancellation of the judgment dated December 1, 2017, which approved the CGG Safeguard Plan. The first hearing is scheduled to be held on June 24, 2021.

Cybersecurity Incident Involving Third Party Supplier

CGG has been victim of a cybersecurity incident during the first quarter of 2021. The standalone server that was cyberattacked had limited use within CGG and was not used to transfer or store personal or commercially sensitive information.

There has been no operational or financial impact.

CGG takes information security very seriously and is thoroughly investigating the incident in collaboration with CGG's external security partners, to document full details, and identify any potential areas to further reduce future risks.

NOTE 3 NON-CURRENT ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS

Exit from Contractual Data Acquisition business - CGG 2021 Plan

The 2021 strategic roadmap announced in November 2018 aimed at implementing an asset light business model by reducing CGG's exposure to the contractual data acquisition business. As a result of the strategic announcements and actions undertaken subsequently, we presented our contractual data acquisition operations and the costs of implementation of the related measures, referred to as the CGG 2021 Plan, in accordance with IFRS 5, as discontinued operations and assets held for sale.

Exit from Marine Data Acquisition business

- On January 2020, we achieved a key milestone on our strategic roadmap with the closing of our strategic partnership with Shearwater in Marine Data Acquisition with the signature of the Capacity Agreement, and thus the exit of seismic vessel operations.

For more information on the Marine Data Acquisition transactions, please refer to note 2 of CGG's Universal Registration Document for the year 2020.

Exit from Land Data Acquisition

- The Land Data Acquisition business was fully shut down in 2020 and the remaining assets were sold.

Divestment of Multi-Physics business

- On August 5, 2020 The Group entered into an agreement for the sale of its Multi-Physics activity. The closing of the sale is expected to take place in 2021.

Divestment from Seabed Geosolutions BV

- The full divestment from Seabed was effective on April 1, 2020.

Divestment of our stake in Argas joint venture

The sale dynamics was hindered by events beyond the control of the Group, namely the global health crisis and the drop in oil price in 2020. The outlook has improved and management and its advisors are actively working on the sale of the business.

GeoSoftware

In 2019, after CGG was approached by several potential buyers interested in GeoSoftware, part of the GGR segment, the related assets were reclassified to the line "assets held for sale" and liabilities to the line "liabilities directly associated with the asset classified as held for sale". The GeoSoftware activity does not meet the criteria of a major line of business under IFRS 5, therefore the GeoSoftware operations were not presented as discontinued operations in the consolidated statements of operations and in the consolidated statements of cash flows (hence triggering no retrospective presentation).

The sale dynamics was hindered by events beyond the control of the Group, namely the global health crisis and the drop in oil price in 2020. The outlook has improved and management and its advisors are actively working on the sale of the business.

The fair value measurement of assets held for sale is categorized within Level 3 of the fair value hierarchy.

Disaggregation of assets and liabilities

(In millions of US$)	March 31, 2021			December 31, 2020
	GeoSoftware	Others	Net	
Goodwill	-	-	-	-
Intangible assets, net	83.0	2.5	85.5	77.0
Property, plant and equipment, net	1.1	5.7	6.8	1.5
Investments in companies formerly under the equity method	-	25.0	25.0	25.0
Trade accounts and notes receivable, net	-	0.9	0.9	13.0
Other current assets, net	1.3	0.4	1.7	1.0
Other non-current assets, net	0.3	-	0.3	0.2
Assets held for sale, net	**85.7**	**34.5**	**120.2**	**117.7**
Trade accounts and notes payable	(4.5)	(1.4)	(5.9)	(2.6)
Accrued payroll costs	(1.2)	(1.6)	(2.8)	(3.7)
Other current liabilities	-	(6.4)	(6.4)	(6.3)
Other non-current liabilities	-	(0.4)	(0.4)	(0.4)
Liabilities directly associated with the assets classified as held for sale	**(5.7)**	**(9.8)**	**(15.5)**	**(13.0)**
Assets (Liabilities) held for sale, net	**80.0**	**24.7**	**104.7**	**104.7**

As of March 31, 2021, the assets held for sale and the liabilities directly associated with the assets classified as held for sale amounted to US$104.7 million, which comprised US$80.0 million for GeoSoftware and US$24.7 million for Other Assets held for sale and Other Liabilities directly associated with the Other Assets classified as held for sale.

Net income (loss) from discontinued operations

(In millions of US$)	Three months ended March 31,	
	2021	2020
Operating revenues	6.4	14.4
Operating income (loss)	3.3	(25.9)
Net income (loss) from discontinued operations	**11.5**	**(26.9)**

Operating revenues for Contractual Data Acquisition decreased by 56% to US$6.4 million in 2021 from US$14.4 million in 2020, mainly driven by the exit of from Marine Data Acquisition business and the shutdown of the Land Data Acquisition.

Net income from discontinued operations amounted to US$11.5 million in 2021, including notably the following non-cash items: US$4.3 million impairment gain as a result of the fair value remeasurement of the Multi-Physics business held for sale and US$5.9 million net gain on foreign exchange rate on tax liability.

Net cash flows incurred by discontinued operations are as follows

The following table presents the net cash flow from discontinued operations for each of the periods stated:

(In millions of US$)	Three months ended March 31,	
	2021	2020
Net cash-flow from discontinued operations	**(10.3)**	**(19.3)**

In 2021, the net cash flow generated by discontinued operations included disbursements in respect of the CGG 2021 Plan for an amount of US$(10.9) million, of which US$(3.6) million was severance cash outflows and US$(5.4) million was cash outflows in respect of Idle Vessel Compensation.

NOTE 4 INVESTMENTS, OTHER NON-CURRENT AND CURRENT FINANCIAL ASSETS

(In millions of US$)	March 31, 2021	December 31, 2020
Non-consolidated investments [(a)]	0.9	0.9
Loans and advances	0.4	0.7
Deposits and other [(b)]	12.2	12.0
Investments and other financial assets	**13.5**	**13.6**
Non-consolidated Shearwater Shares [(c)]	-	13.7
Other current financial assets	**-**	**13.7**
TOTAL INVESTMENTS, OTHER FINANCIAL ASSETS AND OTHER CURRENT FINANCIAL ASSETS	**13.5**	**27.3**

(a) Mainly shares in Interactive Network. No restriction or commitment exists between CGG and the non-consolidated investments,

(b) At March 31, 2021, the amount of pledged financial assets was US$12.2 million.

(c) The non-consolidated Shearwater Shares decreased following the sale of the shares to Rasmussengruppen on January 18, 2021 for a cash consideration of US$13.7 million (See note 2).

NOTE 5 OTHER CURRENT AND NON-CURRENT FINANCIAL LIABILITIES

(In millions of US$)	March 31, 2021	December 31, 2020
Other current financial liabilities: *Idle Vessel Compensation*	18.5	18.3
Other current financial liabilities: *Eidesvik Put Option*	-	16.1
Other non-current financial liabilities: *Idle Vessel Compensation*	48.4	53.0
TOTAL	**66.9**	**87.4**

Idle Vessel Compensation

The Idle Vessel Compensation is a financial liability in respect to the Capacity Agreement, the contract signed with Shearwater for the provision of marine seismic data acquisition services. CGG must compensate Shearwater for days during which more than one of its high-end seismic vessels are idle, up to a maximum of three vessels. The Idle Vessel Compensation represents the net present value of expected related payments. The expected payments are estimated based on Shearwater fleet utilization assumptions over the commitment period. The Idle Vessel Compensation is recognized in liabilities at amortized cost.

Eidesvik Put Option

Eidesvik had a put option granting it the right to sell all of its Shearwater shares to CGG at a strike price of US$30 million which was exercised on January 11, 2021. Pursuant the sale agreement entered into with Rasmussengruppen on January 12, 2021, CGG sold the Shearwater shares for US$13.9 million.

NOTE 6 PROVISIONS

(In millions of US$)	Balance at beginning of year	Additions	Deductions (used)	Deductions (unused)	Others [(1)]	Balance at end of period	Current	Non-current
	March 31, 2021							
Provisions for redundancy plan	4.2	0.1	(0.4)	-	(0.2)	3.7	3.7	-
Provisions for other restructuring costs	1.9	-	(0.9)	-	-	1.0	1.0	-
Provisions for onerous contracts	0.9	-	-	-	-	0.9	0.2	0.7
Total CGG 2021 plan	**7.0**	**0.1**	**(1.3)**	**-**	**(0.2)**	**5.6**	**4.9**	**0.7**
Provisions for redundancy plan	32.5	1.0	(18.0)	(0.1)	(0.9)	14.5	14.5	-
Provisions for pensions [(2)]	36.0	0.5	(3.9)	-	(4.1)	28.5	-	28.5
Provisions for customer guarantees	2.7	1.2	(0.5)	-	(0.1)	3.3	-	3.3
Other provisions for restructuring costs	1.6	0.4	-	(0.9)	-	1.1	1.1	-
Provisions for cash-settled share-based payment arrangements	1.6	0.1	-	-	-	1.7	-	1.7
Other provisions for onerous contracts	0.8	-	-	-	(0.1)	0.7	0.1	0.6
Other provisions (other taxes and miscellaneous risks)	22.3	0.6	(0.6)	-	(0.9)	21.4	12.0	9.4
Total other provisions	**97.5**	**3.8**	**(23.0)**	**(1.0)**	**(6.1)**	**71.2**	**27.7**	**43.5**
TOTAL PROVISIONS	**104.5**	**3.9**	**(24.3)**	**(1.0)**	**(6.3)**	**76.8**	**32.6**	**44.2**

(1) Includes translation adjustments, change in consolidation scope, reclassification and actuarial gains (losses).
(2) The variance in provisions for pensions mainly concerns the UK including a payment to reduce the deficit and the remeasurement related to the changes in actuarial assumptions.

NOTE 7 OTHER FINANCIAL INCOME (LOSS)

	Three months ended March 31,	
(In millions of US$)	2021	2020
Exchange gains (losses), net	0.1	4.6
Other financial income (loss), net	(38.5)	1.1
OTHER FINANCIAL INCOME (LOSS)	**(38.4)**	**5.7**

As of March 31, 2021, the Other Financial Income (Loss) was a US$(38.4) million charge, including:

- US$(25.6) million of transaction costs arising from the refinancing. The costs and fees have been recognized in “Trade accounts and notes payables” in the statement of financial position; and
- US$(14.1) million of call premium in relation with the early repayment of the Existing First Lien Notes. The call premium is accounted in “Financial debt – current portion” in the statement of financial position.

NOTE 8 CONTRACTUAL OBLIGATIONS, COMMITMENTS AND CONTINGENCIES

Contractual obligations

(In millions of US$)	March 31, 2021	December 31, 2020
Long-term debt obligations	1,602.8	1,636.6
Lease obligations – other than bareboat agreements	159.6	139.9
Lease obligations - bareboat agreements	-	-
Total obligations	**1,762.4**	**1,776.5**

The following table sets forth our future cash obligations (not discounted) on our contractual obligations and commitments as of March 31, 2021:

	Payments due by period				
(In millions of US$)	Less than 1 year	2-3 years	4-5 years	After 5 years	Total
Long-term debt obligations:					
Financial debt (including cumulated PIK) [a]	-	1,372.7	-	0.6	1,373.3
Other long-term obligations (cash interest)	82.7	146.8	-	-	229.5
Total Long-term debt obligations	**82.7**	**1,519.5**	**-**	**0.6**	**1,602.8**
Lease obligations	50.1	82.9	16.0	10.6	159.6
Total Contractual Cash Obligations [b] [c]	**132.8**	**1,602.4**	**16.0**	**11.2**	**1,762.4**

(a) *PIK : Payment In Kind interest*

(b) *Payments in other currencies are converted into U.S. dollars at the March 31, 2021 exchange rates.*

(c) *These amounts are principal amounts and do not include any accrued interests.*

Capacity Agreement and Idle Vessel Compensation

CGG and Shearwater signed a Capacity Agreement on January 8, 2020, a marine data acquisition service contract, under the terms of which CGG is committed to using Shearwater's vessel capacity in its Multi-Client business over a five-year period, at an average of 730 days per year.

The Capacity Agreement provides compensation of Shearwater for days when more than one of its high-end seismic vessels are idle, up to a maximum of three vessels.

The maximum Idle Vessel Compensation amount for a full year came to US$(21.9) million.

At March 31, 2021, the residual commitment in respect of Idle Vessel Compensation through to the end of the five-year period was US$(82.7) million.

For more information on the Marine Data Acquisition transactions, please refer to note 2 of CGG's Universal Registration Document for the year 2020.

Step-In Agreements

Following of our strategic partnership with Shearwater in Marine Data Acquisition and our exit from of seismic vessel operations, Shearwater CharterCo AS has entered into five-year bareboat charter agreements with the GSS subsidiaries, guaranteed by Shearwater, for the five high end vessels equipped with streamers. As part of the Step-In Agreement, CGG has agreed to substitute itself for Shearwater CharterCo AS as charterer of GSS subsidiaries' five high-end seismic vessels (equipped with streamers) in the event of a payment default under the charter party between the GSS subsidiaries and Shearwater CharterCo AS. In accordance with the Payment Instruction Agreement, the payments of the payables in relation with the Capacity Agreement and due by Shearwater CharterCo AS to the subsidiaries of GSS, under the Shearwater bareboat charters, are made directly by CGG.

Were the Step-in Agreements to be triggered:

- CGG would be entitled to terminate the Capacity Agreement;
- CGG would become the charterer of the five high end seismic vessels equipped with streamers under bareboat charter agreements;
- CGG would be entitled, through pledge in its favor, to acquire all the share capital of GSS, knowing that GSS and its subsidiaries' principal assets would be the vessels and streamers and its principal liabilities would be the external debt associated with the vessels.

The Step-In Agreements will not impact the statement of financial position unless a trigger, as described above, occurs. In such circumstances, the obligations under the Capacity Agreement should be terminated and replaced by the obligations under the Step-In Agreements, representing a lower amount of commitment compared to the Capacity Agreement.

For more information on the CGG's Marine Data Acquisition transactions, please refer to note 2 of Universal Registration Document for the year 2020.

NOTE 9 ANALYSIS BY OPERATING SEGMENT

Reporting segments and discontinued operations

The financial information by segment is reported in accordance with our internal reporting system and provides internal segment information that is used by the chief operating decision maker to manage and measure performance.

As a result of the strategic announcements made in 2018 that included the transition to an asset light model and actions undertaken since then, our Contractual Data Acquisition segment and part of our Non-Operated Resources segment have been presented as discontinued operations in our income statement and as assets held for sale in our balance sheet in accordance with IFRS 5. The costs of implementation of our strategic plan, referred to as the "CGG 2021 Plan", are reported in discontinued operations in the related Contractual Data Acquisition business lines.

Since 2018, our continuing operations are organized in two segments for financial reporting: (i) Geology, Geophysics & Reservoir ("GGR") and (ii) Equipment.

Management reporting and Segment presentation

Before the implementation of IFRS 15, the Group applied the percentage of completion method for recognizing Multi-client prefunding revenues. Following the implementation of IFRS 15, the Group recognizes Multi-client prefunding revenues only upon delivery of final processed data.

Although IFRS fairly presents the Group's statement of financial position, for internal reporting purposes CGG management continues to apply the pre-IFRS 15 revenue recognition principles, with Multi-client prefunding revenues recorded based on percentage of completion. CGG management believes this method aligns revenues closely with the activities and resources used to generate it and provides useful information as to the progress made on Multi-client surveys, while also allowing for useful comparison across time periods.

CGG therefore presents the Group's results of operations in two ways:

- the "Reported" or "IFRS" figures, prepared in accordance with IFRS, with Multi-client prefunding revenues recognized upon delivery of the final data; and
- the "Segment" figures, for purposes of internal management reporting, prepared in accordance with the Group's previous method for recognizing Multi-client prefunding revenues.

Other companies may present Segment and related measures differently than we do. Segment figures are not a measure of financial performance under IFRS and should not be considered as an alternative to operating revenues, operating income or any other measures of performance derived in accordance with IFRS as indicators of our operating performance.

Alternative Performance Measures

As a complement to Operating Income, EBIT may be used by management as a performance measure for segments because it captures the contribution to our results of the significant businesses that are managed through our joint ventures. We define EBIT as Operating Income plus our share of income in companies accounted for under the equity method.

We define EBITDAs as earnings before interest, tax, income from equity affiliates, depreciation, amortization net of amortization expense capitalized to Multi-client, and share-based compensation cost. Share-based compensation includes both stock options and shares issued under our share allocation plans. EBITDAs is presented as additional information because we understand that it is a measure used by certain investors to determine our operating cash flow and historical ability to meet debt service and capital expenditure requirements.

Inter-segment transactions are made at arm's length prices. They relate primarily to geophysical equipment sales made by the Equipment segment. These inter-segment revenues and the related earnings are eliminated in consolidation in the tables that follow under the column "Eliminations and other".

Operating Income and EBIT may include non-recurring or restructuring items, which are disclosed in the reportable segment if material. General corporate expenses, which include Group management, financing, and legal activities, have been included in the column "Eliminations and other" in the tables that follow. The Group does not disclose financial expenses or financial revenues by segment because they are managed at the Group level.

Identifiable assets are those used in the operations of each segment. Unallocated and corporate assets consist of "investments and other financial assets" and "cash and cash equivalents" of our consolidated statement of financial position. The group does not track its assets based on country of origin.

Capital employed is defined as "total assets" excluding "cash and cash equivalents" less (i) "current liabilities" excluding "bank overdrafts" and "current portion of financial debt" and (ii) "non-current liabilities" excluding "financial debt".

Seasonality

We have historically benefited from higher levels of activity during the fourth quarter, since our clients seek to fully spend their annual budget before year-end. Equipment deliveries and Multi-Client after sales usually reflect this pattern. As a consequence, we traditionally experience lower level of activity during the first quarter.

Analysis by segment (continuing operations)

Amounts in millions of US$, except for assets and capital employed in billions of US$	Three months ended March 31, 2021					
	GGR	Equipment	Eliminations	Segment figures	IFRS 15 adjustments	Consolidated Total / As reported
Revenues from unaffiliated customers	100.4	112.2	-	212.6	(4.0)	208.6
Inter-segment revenues	-	0.8	(0.8)	-	-	-
Operating revenues	**100.4**	**113.0**	**(0.8)**	**212.6**	**(4.0)**	**208.6**
Depreciation and amortization (excluding Multi-client surveys)	(9.6)	(8.7)	(1.2)	(19.5)	-	(19.5)
Depreciation and amortization of Multi-client surveys	(26.4)	-	-	(26.4)	0.8	(25.6)
Operating income (1)	**(8.3)**	**6.7**	**(9.2)**	**(10.8)**	**(3.2)**	**(14.0)**
EBITDAs	**28.1**	**15.4**	**(7.5)**	**36.0**	**(4.0)**	**32.0**
Share of income in companies accounted for under the equity method	0.2	-	-	0.2	-	0.2
Earnings Before Interest and Tax (1)	**(8.1)**	**6.7**	**(9.2)**	**(10.6)**	**(3.2)**	**(13.8)**
Capital expenditures (excluding Multi-client surveys) (2)	6.9	5.2	-	12.1	-	12.1
Investments in Multi-client surveys, net cash	30.0	-	-	30.0	-	30.0
Capital employed (3)	**1.6**	**0.6**	**(0.1)**	**2.1**	**-**	**2.1**
Total identifiable assets (3)	**2.1**	**0.7**	**0.1**	**2.9**	**-**	**2.9**

(1) "Eliminations and other" corresponded to general corporate expenses.
(2) Capital expenditures included capitalized development costs of US$(8.5) million for the three months ended March 31, 2021. "Eliminations and other" corresponded to the variance of suppliers of assets for the three months ended March 31, 2021.
(3) Capital employed and identifiable assets related to non-current assets held for sale and discontinued operations are included under the column "Eliminations and other".

Amounts in millions of US$, except for assets and capital employed in billions of US$	Three months ended March 31, 2020					
	GGR	Equipment	Eliminations	Segment figures	IFRS 15 adjustments	Consolidated Total / As reported
Revenues from unaffiliated customers	197.4	73.4	-	270.8	(18.1)	252.7
Inter-segment revenues (1)	-	1.1	(1.1)	-	-	-
Operating revenues	**197.4**	**74.5**	**(1.1)**	**270.8**	**(18.1)**	**252.7**
Depreciation and amortization (excluding Multi-client surveys)	(22.6)	(7.6)	(0.3)	(30.5)	-	(30.5)
Depreciation and amortization of Multi-client surveys	(126.1)	-	-	(126.1)	9.3	(116.8)
Operating income (2)	**(22.4)**	**0.1**	**(8.7)**	**(31.0)**	**(8.8)**	**(39.8)**
EBITDAs	**122.8**	**7.8**	**(7.9)**	**122.7**	**(18.1)**	**104.6**
Share of income in companies accounted for under the equity method	0.3	-	-	0.3	-	0.3
Earnings Before Interest and Tax (2)	**(22.1)**	**0.1**	**(8.7)**	**(30.7)**	**(8.8)**	**(39.5)**
Capital expenditures (excluding Multi-client surveys) (3)	12.8	6.3	1.5	20.6	-	20.6
Investments in Multi-client surveys, net cash	66.8	-	-	66.8	-	66.8
Capital employed (4)	**1.7**	**0.5**	**-**	**2.2**	**-**	**2.2**
Total identifiable assets (4)	**2.2**	**0.6**	**0.2**	**3.0**	**-**	**3.0**

(1) Sale of equipment to the Contractual Data Acquisition segment which is classified as discontinued operation.
(2) "Eliminations and other" corresponded to general corporate expenses.
(3) Capital expenditures included capitalized development costs of US$(12.6) million for the nine months ended March 31, 2020. "Eliminations and other" corresponded to the variance of suppliers of assets for the Three months ended March 31, 2020.
(4) Capital employed and identifiable assets related to non-current assets held for sale and discontinued operations are included under the column "Eliminations and other".

The following table disaggregates our operating revenues by major sources for the period:

	Three months ended March 31,					
	2021			2020		
(En millions de dollars US)	GGR	Equipement	Total Consolidé	GGR	Equipement	Total Consolidé
Multi-clients prefunding	11.0		11.0	38.9		38.9
Multi-clients after sales	19.2		19.2	47.1		47.1
Total Multi-clients	**30.2**		**30.2**	**86.0**		**86.0**
Geoscience	**66.2**		**66.2**	**93.3**		**93.3**
Total equipment		**113.0**	**113.0**		**74.5**	**74.5**
Internal revenues		**(0.8)**	**(0.8)**		**(1.1)**	**(1.1)**
Total operating revenues	**96.4**	**112.2**	**208.6**	**179.3**	**73.4**	**252.7**

NOTE 10 OTHER REVENUES AND EXPENSES

The other revenues and expenses amounted to US$2.0 million as of March 31, 2021 compared to US$(71.9) million as of March 31, 2020.

The other revenues and expenses of the first quarter 2021 was composed of US$(3.4) million of restructuring costs corresponding mainly to Geoscience severance costs and US$5.4 million of impairment gain mainly due to the remeasurement at fair value of the GeoSoftware business available for sale.

The other revenues and expenses of the first quarter 2020 mainly encompassed US$(68.9) million impairment on our Multi-client data library.

NOTE 11 SUBSEQUENT EVENTS

Refinancing

The breakdown of our gross financial debt as of March 31, 2021 was as follows, using the closing exchange rate of US$1.1725 per €1.00:

(In millions of US$)	Financial debt
Existing Notes (1)	**1,211.9**
Existing First Lien Notes	628.3
Existing Second Lien Notes (including PIK interest)	583.6
First Lien Notes Call premium **(2)**	13.7
Existing Notes accrued interest **(3)**	25.2
Total Existing Notes (1)+(2)+(3)	**1,250.8**
Bank loans and other loans	0.6
Lease liabilities	142.3
Financial debt	**1,393.8**
Bank overdraft	0.1
Gross financial debt as of March 31, 2021	**1,393.9**

On April 1, 2021 CGG issued US$500 million in aggregate principal amount of 8.75% Senior Secured Notes due 2027 and €585 million in aggregate principal amount of 7.75% Senior Secured Notes due 2027 (together, the “2027 Notes”). The 2027 Notes are guaranteed on a senior secured basis by certain subsidiaries of CGG SA.

CGG also entered into a US$100 million Revolving Credit Facility Agreement (“RCF”) secured by the same security package as the 2027 Notes with its pricing linked in part to greenhouse gas emission reduction targets.

With an effective date on April 1, 2021, the extinguishment of the Existing Notes and the recognition of the 2027 Notes were not in the interim consolidated financial statements as of March 31, 2021. Nevertheless, CGG's interim consolidated statements of operations of the first quarter 2021 included the following items:

- US$25.6 million of transaction costs arising from the refinancing. All costs and fees have been expensed without any portion capitalized. *See note 7.*
- US$14.1 million of call premium in relation with the early repayment of the Existing First Lien Notes. *See note 7.*

On April 1, 2021, the value of the 2027 Notes reached US$1,187.1 million, using the exchange rate of US$1.1746 per €1.00.

The net proceed resulting from the refinancing was a net cash outflow, estimated at US$(96.4) million using the exchange rate of US$1.1746 per €1.00, compared to the closing exchange rate of US$1.1725 per €1.00, as per Flow of funds below:

(In millions of US$)	Flow of funds
2027 Notes proceed	1,187.1
Existing First Lien Notes principal repayment	(628.9)
Existing Second Lien Notes (including Payment In Kind) principal repayment	(585.7)
Accrued interest Existing Notes until redemption	(29.5)
First Lien Notes Call premium	(13.8)
Transaction costs	(25.6)
Net Proceed	**(96.4)**

Following the completion of the refinancing, CGG will benefit from a normalized capital structure:

- Extension of bond maturity to 2027 (6 years) ;
- Non call period of 3 years, but with the possibility to repay up to 10% of the nominal amount per year ;
- Liquidity enhancement through the new US$100 million RCF, having 4.5 years maturity, with one maintenance covenant only tested if drawn beyond 40% ;
- Reduction of the cost of debt by approximately 30% on a yearly basis, due to the elimination of Payment in Kind interest, with a blended interest rate of 8.17% per annum.

The 2027 Notes and RCF share the same security package encompassing notably the US Multi- Client Library, the shares of the main Sercel entities, the shares of significant GGR operating entities, and certain intercompany loans.

CGG’s complaint for slanderous denunciation

On April 29, 2021, CGG filed a complaint for slanderous denunciation against JGCM.

JGCM’s appeal against decision approving completion of CGG’s Safeguard Plan

By a ruling issued on November 24, 2020, the Commercial Court of Paris acknowledged the completion of CGG’s Safeguard Plan.

On December 22, 2020, Mr. Jean Gatty in his capacity both as former representative of each of the two bodies of Oceane bondholders and as director of JGCM filed three third-party appeals against the decision approving the completion of CGG’s Safeguard Plan. Mr. Jean Gatty withdrew the Oceane bondholders’ appeals on March 18, 2021. Only the JGCM appeal remains in place. A hearing in respect of that appeal was held on April 8, 2021. On May 7, 2021, the Commercial court of Paris Court rejected the third-party appeal.

Group organization

Reporting segments and discontinued operations

The financial information by segment is reported in accordance with our internal reporting system and provides internal segment information that is used by the chief operating decision maker to manage and measure performance.

As a result of the strategic announcements made in 2018 that included the transition to an asset light model and actions undertaken since then, our Contractual Data Acquisition segment and part of our Non-Operated Resources segment have been presented as discontinued operations in our income statement and as assets held for sale in our balance sheet in accordance with IFRS 5. The costs of implementation of our strategic plan, referred to as the “CGG 2021 Plan”, are reported in discontinued operations in the related Contractual Data Acquisition business lines.

Since 2018, our continuing operations are organized in two segments for financial reporting: (i) Geology, Geophysics & Reservoir (“GGR”) and (ii) Equipment.

Management reporting and Segment presentation

Before the implementation of IFRS 15, the Group applied the percentage of completion method for recognizing Multi-client prefunding revenues. Following the implementation of IFRS 15, the Group recognizes Multi-client prefunding revenues only upon delivery of final processed data.

Although IFRS fairly presents the Group’s statement of financial position, for internal reporting purposes CGG management continues to apply the pre-IFRS 15 revenue recognition principles, with Multi-client prefunding revenues recorded based on percentage of completion. CGG management believes this method aligns revenues closely with the activities and resources used to generate it and provides useful information as to the progress made on Multi-client surveys, while also allowing for useful comparison across time periods.

CGG therefore presents the Group’s results of operations in two ways:

- the “Reported” or “IFRS” figures, prepared in accordance with IFRS, with Multi-client prefunding revenues recognized upon delivery of the final data; and
- the “Segment” figures, for purposes of internal management reporting, prepared in accordance with the Group’s previous method for recognizing Multi-client prefunding revenues.

Other companies may present Segment and related measures differently than we do. Segment figures are not a measure of financial performance under IFRS and should not be considered as an alternative to operating revenues, operating income or any other measures of performance derived in accordance with IFRS as indicators of our operating performance.

Market environment and Outlook

The volatility in the oil price in 2020, as a consequence of the covid-19 outbreak, changed dramatically our business environment and the whole energy sector experienced strong headwinds. To mitigate the impacts of the drop in the oil price, our clients cut significantly their E&P spending in 2020, by 30% on average, which had a material adverse effects in our results.

While it remains difficult to predict the timing and breadth of any recovery in E&P spending and hence the evolution of the demand for our geoscience services and products, the progress in vaccination campaigns and the release of lockdown measures improved the prospects of economic recovery. As a consequence of the progressive rebalancing in the market, the Brent price firmed up in the first quarter of 2021, ahead of expectations. With an oil price above the US$60/bbl level by March 31, 2021 (up from US$50/bbl as of December 31, 2020), we started to see in March a resumption in commercial activity and contract awards.

In this context, and provided the pandemic remains under control, after several years of under-investments by our clients, we expect the demand for our geoscience services and products to strengthen gradually, with an acceleration in the second part of the year 2021. We also believe oil and gas will keep on playing a major part in the energy mix and in the financial equation of our clients despite the growing importance of renewable energies.

With our successful refinancing, we delivered the last milestone of our CGG 2021 strategy while normalizing our capital structure. We are now actively developing our new ambitions, focusing on growing our core highly differentiated businesses as the market gradually strengthens, and accelerating our growth beyond the core into digitalization, energy transition and monitoring markets.

Non-recurring and restructuring costs

To adjust to the volatile market environment, the Group may have to incur non-recurring or restructuring costs. The Group had in the past and may have in the future impairment losses or write-offs as events or changes in circumstances occur that reduce the fair value of an asset below its book value.

In the first quarter of 2021, in continuing operations, the Group recorded a non-recurring net gain of US$2 million in its statement of operations, consisting of:

- US$3 million of severance costs;
- US$5 million of impairment gain mainly due to the remeasurement to fair value of the GeoSoftware business available for sale.

The Group pursued the implementation of restructuring measures to adjust to the new baseline, reducing staff in various locations worldwide and closing sites. These measures have affected by US$(5.6) million the statement of cash flows of continuing operations.

Seasonality

We have historically benefited from higher levels of activity during the fourth quarter, since our clients seek to fully spend their annual budget before year-end. Equipment deliveries and Multi-Client after sales usually reflect this pattern. As a consequence, we traditionally experience lower level of activity during the first quarter.

Accounting policies

This operating and financial review and prospects should be read in conjunction with our consolidated interim financial statements and the notes thereto.

Our significant accounting policies are fully described in note 1 to our 2020 consolidated annual financial statements.

Significant events, Acquisitions and Divestures

Please refer to note 2 for a discussion of major events during the period.

Three months ended March 31, 2021 compared to three months ended March 31, 2020

Unless otherwise specified, comparisons made in this section are between the three months ended March 31, 2021 and the three months ended March 31, 2020. References to 2021 correspond to the three months ended March 31, 2021 and references to 2020 correspond to the three months ended March 31, 2020.

Operating revenues

The following table sets forth our operating revenues by division for each of the periods stated:

	Three months ended March 31,						Increase/(Decrease)	
	2021			2020			2021 vs. 2020	
(In millions of US dollars)	Segment Figures	IFRS 15 adjustment	As reported	Segment Figures	IFRS 15 adjustment	As reported	Segment Figures	As reported
Geoscience	66.2	-	66.2	93.3	-	93.3	(29)%	(29)%
Multi-client data	34.2	(4.0)	30.2	104.1	(18.1)	86.0	(67)%	(65)%
GGR Revenues	**100.4**	**(4.0)**	**96.4**	**197.4**	**(18.1)**	**179.3**	**(49)%**	**(46)%**
Equipment Revenues	**113.0**	**-**	**113.0**	**74.5**	**-**	**74.5**	**52%**	**52%**
Eliminated revenues and others	(0.8)	-	(0.8)	(1.1)	-	(1.1)	(25)%	(25)%
Total operating revenues	**212.6**	**(4.0)**	**208.6**	**270.8**	**(18.1)**	**252.7**	**(21)%**	**(17)%**

Our consolidated operating revenues as reported, following the application of IFRS 15, decreased by 17% to US$209 million in 2021 from US$253 million in 2020.

Before IFRS 15 adjustments, our consolidated operating revenues decreased by 21% to US$213 million in 2021 from US$271 million in 2020, driven by declines in GGR. The respective contributions from the Group's businesses to our segment operating revenues were 47% from GGR and 53% from Equipment.

GGR

Operating revenues as reported from our GGR segment decreased by 46% to US$96 million compared to 2020. Before IFRS 15 adjustments, GGR segment revenues decreased by 49% to US$100 million from US$197 million in 2020, with a progressive refocus of the IOCs (International Oil Companies) after a year of drastic reorganizations and cuts in E&P spending.

GEOSCIENCE

Geoscience has continued to deliver its backlog and reached what we believe is an inflection point this quarter with revenues down 29 % to US$66 million in 2021 compared to US$93 million in 2020. After a year of thorough reorganizations and massive spending cuts, clients' priorities this quarter were on development projects. Commercial activity and contract awards resumed in March, especially in North and South America.

We continued to actively develop and promote our high end technology for digitalization, energy transition and monitoring markets.

MULTI-CLIENT DATA

Multi-client data revenues as reported decreased by 65% to US$30 million in 2021 compared to US$86 million in 2020. Before IFRS 15 adjustments, Multi-client data segment revenues decreased by 67% to US$34 million from US$104 million in 2020.

Prefunding revenues as reported strongly decreased by 72% to US$11 million in 2021 from US$39 million in 2020. Excluding IFRS 15 adjustment, prefunding revenue of our multi-client projects reached US$15 million, down 74% from US$57 million in 2020 with one marine streamer multi-client program offshore in Brazil. Our Multi-client cash capex were down to US$30 million from US$67 million in 2020, while the cash-prefunding rate was at 50% from 85% in 2020.

After-sales revenues strongly decreased by 59% to US$19 million in 2021 from US$47 million in 2020, as we have experienced some sales shifting later in the year, beyond the traditional low seasonal level in the first quarter.

Equipment

Total revenues for our Equipment segment (including internal and external sales) strongly increased by 52% to US$113 million in 2021 from US$75 million in 2020 mainly driven by a high level of land equipment deliveries.

Internal sales represented 1% of total revenues in 2021 as in 2020. External revenues for our Equipment segment strongly increased by 53% to US$112 million in 2021 from US$73 million in 2020.

- Land equipment sales represented 89% of total revenues in 2021, compared to 70% in 2020, with over 125,000 channels and 50 vibrators delivered worldwide, primarily for large mega-crews in Saudi Arabia. Additionally, Sercel delivered WING land node systems to new clients during the period.
- Marine equipment sales represented 6% of total revenues in 2021 compared to 17% in 2020, with a few sales of spare sections of Sentinel streamers in a still very depressed market.

- Downhole equipment and non-oil & gas sales decreased to US$6 million in 2021 compared to US$9 million in 2020.

Operating expenses

The following table sets forth our operating expenses for each of the periods stated:

	Three months ended March 31,				Increase/(Decrease)	
	2021		2020		2021 vs. 2020	
(In millions of US$)	Segment Figures	As reported	Segment Figures	As Reported	Segment Figures	As reported
Operating revenues	212.6	208.6	270.8	252.7	(21)%	(17)%
Costs of Operations	(196.1)	(195.3)	(198.0)	(188.7)	(1)%	3%
% of operating revenues	*(92)%*	*(94)%*	*(73)%*	*(75)%*		
Gross Margin	**16.7**	**13.5**	**73.1**	**64.3**	**(77)%**	**(79)%**
% of operating revenues	***8%***	***6%***	***27%***	***25%***		
Research and Development	(5.3)	(5.3)	(4.4)	(4.4)	20%	20%
% of operating revenues	*(2)%*	*(3)%*	*(2)%*	*(2)%*		
Marketing and Selling	(7.5)	(7.5)	(9.1)	(9.1)	(18)%	(18)%
% of operating revenues	*(4)%*	*(4)%*	*(3)%*	*(4)%*		
General and Administrative	(16.7)	(16.7)	(18.7)	(18.7)	(11)%	(11)%
% of operating revenues	*(8)%*	*(8)%*	*(7)%*	*(7)%*		
Other incomes (expenses)	2.0	2.0	(71.9)	(71.9)		
Operating Income	**(10.8)**	**(14.0)**	**(31.0)**	**(39.8)**	(65)%	(65)%
% of operating revenues	*(5)%*	*(7)%*	*(11)%*	*(16)%*		

As a percentage of operating revenues as reported, cost of operations as reported increased to 94% in 2021 from 75% in 2020. Excluding IFRS 15 adjustments, segment cost of operations, as a percentage of the segment operating revenues, increased to 92% in 2021 from 73% in 2020, driven by the Group's reduced activity triggering lower absorption of structure costs.

Excluding impairment loss, the amortization cost of our multi-client library as reported corresponded to 85% of the Multi-Client Data revenues as reported in 2021 compared to 56% in 2020. Excluding impairment losses and IFRS 15 adjustments, the segment amortization cost of our multi-client library increased to 77% of the Multi-client Data segment revenues in 2021 compared to 55% in 2020, mainly due to reduced level of sales, and less favorable mix compared with the previous year.

Gross profit as reported strongly decreased by 79% to US$13 million in 2021 from US$64 million in 2020, representing 6% and 25% of operating revenues, respectively as a result of the factors discussed above. Segment gross profit was US$17 million in 2021, representing 8% of segment operating revenues compared to 27% in 2020.

Research and development costs increased by 20% in 2021 compared to 2020, mainly as a consequence of reduced tax credit in the United States.

Marketing and Selling expenses and General and Administrative expenses decreased by 18% and 11% respectively in 2021 compared to 2020, mainly due to the impact of support cost reduction measures and despite the less favorable foreign exchange rate environment (the average exchange rate was set as US$1.22 per euro for the three months ended March 31, 2021 compared to US$1.11 per euro in 2020).

Other income of US$2 million was composed of:

- US$3 million of restructuring, corresponding mainly to Geoscience severance costs,
- US$5 million of impairment gain mainly due to the remeasurement at fair value of the GeoSoftware business available for sale.

Operating income

Operating income as reported amounted to a loss of US$14 million in 2021 as a result of the factors described above, compared to a loss of US$40 million in 2020. Excluding IFRS 15 adjustments, segment operating income amounted to a loss of US$11 million in 2021 compared to a loss of US$31 million in 2020.

Segment operating income from our GGR segment was a loss of US$8 million in 2021 compared to a loss of US$22 million in 2020, including US$(69) million of data library impairment.

Segment operating income from our Equipment segment recorded a gain of US$7 million in 2021 compared to a breakeven situation in 2020, with the consequence of a revenue increase minimized though by an unfavorable product sales mix and an adverse exchange rate impact.

Financial income and expenses

Net cost of financial debt in 2021 was US$34 million, which was stable compared to US$33 million in 2020.

Other financial income and expenses amounted to a loss of US$38 million in 2021, compared to an income of US$6 million in 2020, which was mainly related to the refinancing costs and included US$26 million of transaction fees and US$14 million of call premium for anticipated reimbursement of the Existing First Lien notes. *Please refer to note 7*

Income taxes

Income taxes as reported amounted to an expense of US$5 million in 2021, which was stable compared to 2020, mainly composed of foreign income tax from Equipment and in the USA.

Net Income from continuing operations

Net income from continuing operations as reported was a loss of US$92 million in 2021 compared to a loss of US$72 million in 2020 as a result of the factors discussed above.

Net Income from discontinued operations

Operating revenues for Contractual Data Acquisition decreased 55% to US$6 million in 2021 from US$14 million in 2020.

Net income from discontinued operations amounted to a gain of US$11 million in 2021 compared to a loss of US$27 million in 2020. *See note 3*

Net income

Net income as reported was a loss of US$81 million in 2021 compared to a loss of US$98 million in 2020

Liquidity and capital resources

Our principal financing needs are the funding of ongoing operations and capital expenditures, investments in our multi-client data library, the funding of the restructuring measures and of the remainder of the “CGG 2021 Plan” as well as our debt service obligations.

With our successful refinancing completed on April 1, we do not have any major debt repayment scheduled before 2027, the maturity date of our new senior secured notes and we intend to fund our next capital requirements through cash generated by operations and liquidity on hand. In the past, we have obtained financing through bank borrowings, capital increases and issuances of debt and equity-linked securities.

Our ability to make scheduled payments of principal, or to pay the interest or additional amounts, if any, or to refinance our indebtedness, or to fund planned capital expenditures will depend on our future performance, which, to a certain extent, is subject to general economic, financial, competitive, legislative, regulatory and other factors that are beyond our control.

Cash flows from continuing operations

Operating activities

The following table presents a summary of the net cash as reported related to operating activities for each of the periods stated:

	Three months ended March 31,	
(In millions of US dollars)	**2021**	**2020**
Net cash before changes in working capital	**7.2**	**104.2**
Change in working capital	97.5	41.0
Net cash provided by operating activities	**104.7**	**145.2**

Before changes in working capital, net cash as reported provided by operating activities in 2021 was US$7 million compared to US$104 million in 2020, due to lower activity.

Changes in working capital had a positive impact on cash from operating activities of US$98 million in 2020, benefiting from high collections of Saudi Arabia mega crew receivables by Equipment and of year-end After Sales by Multi-Client (usual seasonal pattern)

Net cash provided by operating activities was US$105 million in 2021 compared to US$145 million in 2020.

Investing activities

The following table presents the main items linked to investing activities for each of the periods stated:

	Three months ended March 31,	
(In millions of US dollars)	**2021**	**2020**
Net cash used in investing activities	**44.4**	**87.4**
Of which		
Industrial capital expenditures	*6.0*	*8.0*

Capitalized development costs	*8.5*	*12.6*
Multi-client Data	*30.0*	*66.8*

The net cash used in investing activities decreased to US$44 million in 2021 compared to US$87 million in 2020, mainly driven by Multi-Client Data investments decreasing by US$37 million from 2020, with only one marine streamer program this quarter (Nebula in Brazil).

As of March 31, 2021, the net book value of our Multi-client Data library as reported was US$495 million compared to US$492 million as of December 31, 2020. Excluding IFRS 15 adjustments, the segment net book value of our Multi-Client Data library was US$291 million as of March 31, 2021, compared to US$285 million as of December 31, 2020.

Financing activities

Net cash used by financing activities was US$22 million during the three months ended March 31, 2021, compared to net cash used of US$21 million in 2020 mainly related to lease repayments, and financial expenses paid.

Net cash flows from discontinued operations

The following table presents a summary of the cash flow of the discontinued operations for each of the periods stated:

	Three months ended March 31,	
(In millions of US dollars)	**2021**	**2020**
Net cash flow incurred by discontinued operations	(10.3)	(19.3)

Please refer to note 3 for more information

Net financial debt

Net financial debt as of March 31, 2021 was US$987 million compared to US$1,004 million as of December 31, 2020. The ratio of net financial debt to equity was 95% as of March 31, 2021 compared to 90% as of December 31, 2020.

“Gross financial debt” is the amount of bank overdrafts, plus current portion of financial debt, plus financial debt, and “net financial debt” is gross financial debt less cash and cash equivalents. Net financial debt is presented as additional information because we understand that certain investors believe that netting cash against debt provides a clearer picture of our financial liability exposure. However, other companies may present net financial debt differently than we do. Net financial debt is not a measure of financial performance under IFRS and should not be considered as an alternative to any other measures of performance derived in accordance with IFRS.

The following table presents a reconciliation of net financial debt to financing items of our statement of financial position at March 31, 2021 and December 31, 2020:

(In millions of US dollars)	**March 31, 2021**	**December 31, 2020**
Bank overdrafts	0.1	0.2
Current portion of financial debt	82.2	58.6
Financial debt	1,311.6	1,330.3
Gross financial debt	**1,393.9**	**1,389.1**
Less cash and cash equivalents	(407.0)	(385.4)
Net financial debt	**986.9**	**1,003.7**

EBIT and EBITDAS (unaudited)

EBIT is defined as operating income plus our share of income in companies accounted for under the equity method. As a complement to operating income, EBIT may be used by management as a performance indicator for segments because it captures the contribution to our results of the significant businesses that we manage through our joint ventures.

EBITDAS is defined as earnings before interest, tax, income from equity affiliates, depreciation, amortization net of amortization expense capitalized to Multi-client and share-based compensation cost. Share-based compensation includes both stock options and shares issued under our share allocation plans. EBITDAS is presented as additional information because we understand that it is one measure used by certain investors to determine our operating cash flow and historical ability to meet debt service and capital expenditure requirements.

However, other companies may present EBIT and EBITDAS differently than we do. EBIT and EBITDAS are not a measure of financial performance under IFRS and should not be considered as an alternative to cash flow from operating activities or as a measure of liquidity or an alternative to net income as indicators of our operating performance or any other measures of performance derived in accordance with IFRS.

The following table presents a reconciliation of EBITDAS and EBIT to net income for the periods indicated:

	Three months ended March 31, 2021		
(In millions of US dollars)	**Segment Figures**	**IFRS 15 adjustments**	**As reported**
EBITDAS	**36.0**	**(4.0)**	**32.0**
Depreciation and amortization	(24.0)	-	(24.0)
Multi-client surveys impairment and amortization	(26.4)	0.8	(25.6)
Depreciation and amortization capitalized to Multi-client surveys	4.5	-	4.5
Share-based compensation expenses	(0.9)	-	(0.9)
Operating income	**(10.8)**	**(3.2)**	**(14.0)**
Share of (income) loss in companies accounted for under equity method	0.2	-	0.2
EBIT	**(10.6)**	**(3.2)**	**(13.8)**
Cost of financial debt, net	(34.4)		(34.4)
Other financial income (loss)	(38.4)		(38.4)
Total income taxes	(5.4)		(5.4)
Net income from continuing operations	**(88.8)**	**(3.2)**	**(92.0)**

	Three months ended March 31, 2020		
(In millions of US dollars)	**Segment Figures**	**IFRS 15 adjustments**	**As reported**
EBITDAS	**122.7**	**(18.1)**	**104.6**
Depreciation and amortization	(30.5)	-	(30.5)
Multi-client surveys impairment and amortization	(126.1)	9.3	(116.8)
Depreciation and amortization capitalized to Multi-client surveys	4.3	-	4.3
Share-based compensation expenses	(1.4)	-	(1.4)
Operating income	**(31.0)**	**8.8**	**(39.8)**
Share of (income) loss in companies accounted for under equity method	0.3	-	0.3
EBIT	**(30.7)**	**8.8**	**(39.5)**
Cost of financial debt, net	(32.9)		(32.9)
Other financial income (loss)	5.7		5.7
Total income taxes	(4.8)		(4.8)
Net income from continuing operations	**(62.7)**		**(71.5)**

Net cash flow

"Net cash flow" is defined as "Net cash flow provided by operating activities" plus "Total net proceeds from disposals of assets", minus *(i)* "Total capital expenditures" and "Investments in Multi-client surveys, net cash" as set out in our consolidated statement of cash flows in the "Investing section", *(ii)* "Lease repayment" and "Financial expenses paid" as set out in our consolidated statement of cash flows in the "Financing section", and *(iii)* "Net cash flows incurred by Discontinued Operations".

Net cash flow is presented as additional information because we understand that it is one measure used by certain investors to determine our operating cash flow and historical ability to meet debt service and capital expenditure requirements. However, other companies may present net cash flow differently than we do. Net cash flow is not a measure of financial performance under IFRS and should not be considered as an alternative to cash flow from operating activities or any other measures of performance derived in accordance with IFRS

Net cash flow amounted to inflows of US$28 million in 2021 compared to inflows of US$17 million in 2020. Net cash flow before net cash flow incurred by Discontinued Operations represented inflows of US$39 million in 2021, compared to inflows of US$37 million in 2020.

(In millions of US$)	Three months ended March 31, 2021	2020
Net cash flow provided by operating activities	104.7	145.2
Total capital expenditures (including variation of fixed assets suppliers, excluding multi-client surveys)	(12.1)	(20.6)
Investments in multi-client surveys, net cash	(30.0)	(66.8)
Proceeds from disposals of tangible and intangible assets	0.1	0.1
Total net proceeds from financial assets	(2.4)	-
Acquisition of investments, net of cash & cash equivalents acquired	-	-
Lease repayments	(14.7)	(14.0)
Financial expenses paid	(6.9)	(7.4)
Net cash flow before net cash flows incurred by Discontinued Operations	**38.7**	**36.5**
Net cash flows incurred by Discontinued Operations	(10.3)	(19.3)
Net cash flow	**28.4**	**17.2**

Contractual Obligations, commitments and contingencies

The following table sets forth our future cash obligations (not discounted) as of March 31, 2021:

(In millions of US$)	Payments due by period Less than 1 year	2-3 years	4-5 years	After 5 years	Total
Long-term debt obligations:					
Financial debt (including cumulated PIK) [a]	-	1,372.7	-	0.6	1,373.3
Other long-term obligations (cash interests)	82.7	146.8	-	-	229.5
Total Long-term debt obligations	**82.7**	**1,519.5**	**-**	**0.6**	**1,602.8**
Lease obligations	50.1	82.9	16.0	10.6	159.6
Total Contractual Cash Obligations [b]	**132.8**	**1,602.4**	**16.0**	**11.2**	**1,762.4**

(a) *PIK : Payment In Kind interest*

(b) *Payments in other currencies are converted into U.S. dollar at March 31, 2021 exchange rates.*

Please refer to note 8 for more information, including a discussion of our Capacity Agreement (and the Idle Vessel Compensation arrangements thereunder) and our Step-In Agreements.