

CGG GENERAL MEETING

JUNE 16, 2020

ANSWERS TO WRITTEN QUESTIONS



Question from Mr. Léon Chabannes (619 shares)

- **Question** : The reduction in seismic exploration is accelerating. It is a new trend mainly driven by the majors. It has consequentially a structural reduction in the volume of imaging requirements from the Oil and Gas companies. The previous management had reported diversification research initiatives during the Annual General Meeting. Does the new management keep these initiatives on the top of the list? How does CGG prepare for future growth?

- **Answer** : During its Capital Market Day on November 7, 2018, the Group Top Management presented CGG's 2021 strategic plan. There are three main clear objectives, which are recalled in the preamble to the answer:

The first objective of this strategic plan was to ensure the sustainability of our Group. We are touching today the importance of this objective as we are entering an economic recession period with low oil prices. For CGG, this means generating positive cash flow regardless of market conditions. In this context, structural decisions were taken at the end of 2018, including the exit of the data acquisition businesses, which was completed in 2019/2020 and the reduction of the costs of the associated support functions. Following the 20% reduction in Exploration & Production spending in 2020, new decisions were announced last May to further adjust down our costs base and generate US\$115 million in annual savings.

The second objective was to strengthen what we are already doing very well and thus leverage our capabilities and know-how to grow CGG, in a market that offers opportunities.

The third objective, was to develop organically and profitably from this base of activities either from our existing businesses or in new areas close to those in which we operate today.

Following this transformation, the new CGG is now a People, Data and Technology company with a range capabilities such as in Algorithmic and Mechatronics, that will allow to develop into new areas beyond the Oil and Gas sector.



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(continuation)

This brings us to the answer to Mr. Chabannes:

Achieving these three strategic objectives means that more than ever, CGG is relying on its people and on its technologies today and tomorrow.

The priority of our clients is to produce more around existing fields, to better understand their reservoirs and to explore for more potential close to existing reservoirs.

The implementation of our geoscience technologies and their digitalization to take advantage of existing data, in a context of search for efficiency are strong trends that present important business opportunities for CGG. This is what CGG did in 2019 and this is what we continue to do.

For example we :

- have developed our expertise in Ocean Bottom Node imaging and our market share in this domain now exceeds 70%,
- offer to our clients more integrated multi-clients products,
- have increased our participation in reservoir related projects, particularly in Europe and the Middle East,
- are accelerating the development of our products and services around digitalization,
- are accelerating the use of data analytics technologies, machine learning and artificial intelligence.

As a consequence, in 2019, more than 30% of our revenue came from new technologies, as shown by Sophie Zurquiyah in her presentation.



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(continuation)

We also continue to promote and diversify our technologies outside the oil and gas industry:

In Sercel, our efforts in Health Monitoring and in the Monitoring of Structures have materialized. We signed an agreement with the Apave. A new product passed the prototyping phase and has just been manufactured. It will be tested this summer and be marketed by the end of the year.

Finally, in Geoscience, we have set up sales and research and development teams dedicated to CO2 sequestration projects and to geothermal energy.

In conclusion, our strategy is to get through this crisis and to move forward and technology will play a key role. We will continue to develop further our technologies to support our clients' evolution and we will take our skills and expertise into new fields and new industries.

