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Earnings Release
Q2 - 2021

Collaboration & Connectivity
for the future of seismic

Leveraging the Integrated Business Model

Takeaways Q2 2021

- Segment Revenues and Other Income of $151.8 million, compared to $138.7 million in Q2 2020
- Segment EBITDA of $84.4 million, compared to $99.1 million in Q2 2020
- Segment EBIT (excluding impairments and other charges) loss of $4.2 million, compared to profit of $7.0 million in Q2 2020
- Segment MultiClient pre-funding revenues of $28.6 million, with a corresponding pre-funding level of 111%, compared to $66.2 million and 102%, respectively, in Q2 2020
- Cash flow from operations of $81.4 million, compared to $67.5 million in Q2 2020
- As Reported Revenues and Other Income according to IFRS of $185.9 million and an EBIT loss of $7.3 million, compared to $90.3 million and an EBIT loss of $82.2 million, respectively, in Q2 2020
- Deployed two vessels to expand MultiClient coverage offshore Canada
- Awarded 4D repeat survey by ExxonMobil offshore Guyana and a substantial MultiClient project in Malaysia in joint venture with TGS and WesternGeco
- Further order book increase

"With our integrated business model we are well positioned to take advantage of a recovering market, which is trending towards more exploration in proven hydrocarbon basins and energy companies optimizing production from existing fields.

The increase of our MultiClient revenues was driven by sales in mature areas offshore Norway and the UK, where we have industry leading coverage with our GeoStreamer data. New MultiClient acquisition activity was modest in the quarter and focused on proven basins with strong client interest, securing a pre-funding level of 111% of capitalized cash investment.

We experience an increase in demand for new acquisition surveys. Most of the contract work in Q2 was for 4D projects. While we see continued price recovery, revenues were negatively impacted by challenging weather conditions during mobilization for several surveys.

Our order book was $255 million at quarter end, an increase of 65%, compared to Q2 last year. We are close to fully booked for Q3, we have good visibility for Q4 and encouraging indications of a positive start to 2022. Leads for new contract work are increasing and we expect this to materialize into healthy bidding activity in the second half of the year. The first bids for 2022 North Sea work are already in the market.

With a recovering seismic market, the current booked position and a healthy MultiClient sales leads basket we are increasingly confident that 2021 Segment revenues will be higher than last year."

Rune Olav Pedersen,
President and Chief Executive Officer

Outlook

PGS expects the oil price level and the ongoing global recovery from the Covid-19 pandemic to continue to drive a gradual demand improvement for seismic services. Despite the impacts of the Covid-19 crisis, energy consumption is expected to continue to increase longer term with oil and gas remaining an important part of the energy mix as the global energy transition evolves. Offshore reserves will be vital for future energy supply and support demand for marine seismic services. The ongoing contract market recovery is likely to also benefit from fewer seismic vessels operating in the international market.

PGS expects full year 2021 gross cash costs to be approximately $425 million, an increase from approximately $400 million guided when entering the year due to increased activity level and higher fuel prices. The estimate is based on five 3D vessels in operation through 2021 and *Ramform Vanguard* in operation from Q2 and through most of Q4.

2021 MultiClient cash investments are expected to be approximately $150 million.

Approximately 45% of 2021 active 3D vessel time is expected to be allocated to MultiClient acquisition.

Capital expenditures for 2021 is expected to be approximately $40 million.

The order book totaled $255 million on June 30, 2021 (including $57 million relating to MultiClient). The order book was $237 million on March 31, 2021 and $155 million on June 30, 2020.

Key Financial Figures

(In millions of US dollars, except per share data)	Quarter ended June 30, 2021	Quarter ended June 30, 2020	Year to date June 30, 2021	Year to date June 30, 2020	Year ended December 31, 2020
Profit and loss numbers Segment Reporting					
Segment Revenues and Other Income	151.8	138.7	284.0	307.0	595.9
Segment EBITDA ex. other charges, net	84.4	99.1	168.5	179.7	397.7
Segment EBIT ex. impairment and other charges, net	(4.2)	7.0	(18.2)	(8.8)	12.2
Profit and loss numbers As Reported					
Revenues and Other Income	185.9	90.3	351.7	219.1	512.0
EBIT	(7.3)	(82.2)	(9.7)	(162.3)	(188.0)
Net financial items	(16.2)	(27.7)	(49.8)	(62.8)	(118.4)
Income (loss) before income tax expense	(23.5)	(109.9)	(59.5)	(225.1)	(306.4)
Income tax expense	(2.5)	(1.5)	(5.7)	(3.7)	(15.1)
Net income (loss) to equity holders	(26.0)	(111.4)	(65.2)	(228.8)	(321.5)
Basic earnings per share ($ per share)	(0.07)	(0.29)	(0.17)	(0.60)	(0.85)
Other key numbers As Reported by IFRS					
Net cash provided by operating activities	81.4	67.5	170.0	243.4	366.5
Cash investment in MultiClient library	25.7	64.7	69.0	132.4	222.3
Capital expenditures (whether paid or not)	11.3	4.0	17.5	16.3	36.1
Total assets	1,946.2	2,207.8	1,946.2	2,207.8	2,093.8
Cash and cash equivalents	155.4	234.9	155.4	234.9	156.7
Net interest bearing debt	954.5	890.3	954.5	890.3	937.6
Net interest bearing debt, including lease liabilities following IFRS 16	1,093.6	1,059.1	1,093.6	1,059.1	1,096.2

Condensed Consolidated Statements of Profit and Loss and Other Comprehensive Income

(In millions of US dollars)	Note	Quarter ended June 30, 2021	Quarter ended June 30, 2020	Year to date June 30, 2021	Year to date June 30, 2020	Year ended December 31, 2020
Revenues and Other Income	2	185.9	90.3	351.7	219.1	512.0
Cost of sales	3	(56.8)	(28.0)	(93.6)	(100.6)	(150.3)
Research and development costs	3	(1.4)	(2.4)	(3.0)	(5.6)	(8.7)
Selling, general and administrative costs	3	(9.2)	(9.2)	(18.9)	(21.1)	(39.2)
Amortization and impairment of MultiClient library	4	(102.9)	(53.2)	(203.5)	(96.9)	(265.5)
Depreciation and amortization of non-current assets (excl. MultiClient library)	4	(23.2)	(18.9)	(45.5)	(47.6)	(89.2)
Impairment and loss on sale of non-current assets (excl. MultiClient library)	4	-	(27.0)	-	(78.4)	(108.4)
Other charges, net	4	0.3	(33.8)	3.1	(31.2)	(38.7)
Total operating expenses		(193.2)	(172.5)	(361.4)	(381.4)	(700.0)
Operating profit (loss)/EBIT		(7.3)	(82.2)	(9.7)	(162.3)	(188.0)
Share of results from associated companies	5	(0.7)	(0.8)	(1.1)	(26.8)	(30.0)
Interest expense	6	(25.9)	(21.4)	(47.1)	(37.8)	(78.4)
Other financial expense, net	7	10.4	(5.5)	(1.6)	1.8	(10.0)
Income (loss) before income tax expense		(23.5)	(109.9)	(59.5)	(225.1)	(306.4)
Income tax	8	(2.5)	(1.5)	(5.7)	(3.7)	(15.1)
Net income (loss) to equity holders of PGS ASA		**(26.0)**	**(111.4)**	**(65.2)**	**(228.8)**	**(321.5)**
Other comprehensive income						
Items that will not be reclassified to profit and loss	13	8.7	(26.9)	18.7	(19.5)	(7.6)
Items that may be subsequently reclassified to profit and loss	13	0.9	(0.6)	2.1	(6.1)	(3.9)
Other comprehensive income (loss) for the period, net of tax		9.6	(27.5)	20.8	(25.6)	(11.5)
Total comprehensive income (loss) to equity holders of PGS ASA		**(16.4)**	**(138.9)**	**(44.4)**	**(254.4)**	**(333.0)**
Earnings per share attributable to equity holders of the parent during the period						
-Basic and diluted earnings per share	12	(0.07)	(0.29)	(0.17)	(0.60)	(0.85)

Condensed Consolidated Statements of Financial Position

(In millions of US dollars)	Note	June 30, 2021	June 30, 2020	December 31, 2020
ASSETS				
Cash and cash equivalents	11	155.4	234.9	156.7
Restricted cash	11	10.9	7.5	15.8
Accounts receivables		118.6	69.3	100.6
Accrued revenues and other receivables		62.6	42.7	57.3
Other current assets		67.0	66.4	79.2
Total current assets		414.5	420.8	409.6
Property and equipment	9	852.5	985.9	898.0
MultiClient library	10	512.2	647.8	616.1
Restricted cash	11	61.6	38.2	60.8
Other non-current assets		14.7	17.9	16.2
Other intangible assets		90.7	97.2	93.1
Total non-current assets		1,531.7	1,787.0	1,684.2
Total assets		**1,946.2**	**2,207.8**	**2,093.8**
LIABILITIES AND SHAREHOLDERS' EQUITY				
Interest bearing debt	11	-	199.9	1,150.4
Lease liabilities	11	40.0	38.8	40.1
Accounts payable		49.3	52.7	31.2
Accrued expenses and other current liabilities		91.6	130.7	95.5
Deferred revenues		131.1	156.0	188.6
Income taxes payable		13.7	14.7	13.7
Total current liabilities		325.7	592.8	1,519.5
Interest bearing debt	11	1,126.9	942.5	-
Lease liabilities	11	99.1	130.0	118.5
Deferred tax liabilities		0.1	0.1	0.1
Other non-current liabilities		36.4	68.7	59.3
Total non-current liabilities		1,262.5	1,141.3	177.9
Common stock; par value NOK 3;				
issued and outstanding 394,825,920 shares		156.9	154.2	154.2
Additional paid-in capital		932.4	927.7	929.1
Total paid-in capital		1,089.3	1,081.9	1,083.3
Accumulated earnings		(722.1)	(594.7)	(675.6)
Other capital reserves		(9.2)	(13.5)	(11.3)
Total shareholders' equity		358.0	473.7	396.4
Total liabilities and shareholders' equity		**1,946.2**	**2,207.8**	**2,093.8**

Condensed Consolidated Statements of Changes in Shareholders' Equity

For the six months ended June 30, 2021 and the year ended December 31, 2020

	Attributable to equity holders of PGS ASA				
(In millions of US dollars)	Share capital par value	Additional paid-in capital	Accumulated earnings	Other capital reserves	Shareholders' equity
Balance as of January 1, 2020	**138.5**	**852.5**	**(346.5)**	**(7.4)**	**637.1**
Profit (loss) for the period	-	-	(321.5)	-	(321.5)
Other comprehensive income (loss)	-	-	(7.6)	(3.9)	(11.5)
Share issue (a)	15.7	73.7	-	-	89.4
Share based payments	-	3.1	-	-	3.1
Share based payments, cash settled	-	(0.2)	-	-	(0.2)
Balance as of December 31, 2020	**154.2**	**929.1**	**(675.6)**	**(11.3)**	**396.4**
Profit (loss) for the period	-	-	(65.2)	-	(65.2)
Other comprehensive income (loss)	-	-	18.7	2.1	20.8
Share issue (b)	2.7	1.6	-	-	4.3
Share based payments	-	1.7	-	-	1.7
Share based payments, cash settled	-	-	-	-	-
Balance as of June 30, 2021	**156.9**	**932.4**	**(722.1)**	**(9.2)**	**358.0**

(a) In Q1 2020, the Company issued 48 627 000 new shares following a private placement raising approximately NOK 850 million as equity. Transaction costs amounting to $2.4 million are recognized against "Additional paid-in capital".
(b) In Q2 2021, the Company received conversion notices from holders of the convertible bond representing NOK 10.2 million of this bond issue, which pursuant to the bond terms were converted into 3 411 874 new shares. For the first half 2021, NOK 22.9 million have been converted into 7 618 924 shares.

For the six months ended June 30, 2020

	Attributable to equity holders of PGS ASA				
(In millions of US dollars)	Share capital par value	Additional paid-in capital	Accumulated earnings	Other capital reserves	Shareholders' equity
Balance as of January 1, 2020	**138.5**	**852.5**	**(346.5)**	**(7.4)**	**637.1**
Profit (loss) for the period	-	-	(228.8)	-	(228.8)
Other comprehensive income (loss)	-	-	(19.5)	(6.1)	(25.6)
Share issue (a)	15.7	73.7	-	-	89.4
Share based payments	-	1.7	-	-	1.7
Share based payments, cash settled	-	(0.2)			(0.2)
Balance as of June 30, 2020	**154.2**	**927.7**	**(594.8)**	**(13.5)**	**473.6**

Condensed Consolidated Statements of Cash Flows

(In millions of US dollars)	Quarter ended June 30, 2021	Quarter ended June 30, 2020	Year to date June 30, 2021	Year to date June 30, 2020	Year ended December 31, 2020
Income (loss) before income tax expense	(23.5)	(109.9)	(59.5)	(225.1)	(306.4)
Depreciation, amortization, impairment	126.1	99.1	248.9	222.9	463.1
Share of results in associated companies	0.7	0.8	1.1	26.8	30.0
Interest expense	25.9	21.4	47.1	37.8	78.4
Loss (gain) on sale and retirement of assets	0.3	-	0.3	0.3	-
Income taxes paid	(1.8)	(9.5)	(4.8)	(14.7)	(26.8)
Other items	(4.1)	1.4	3.0	(6.7)	2.3
(Increase) decrease in accounts receivables, accrued revenues & other receivables	(43.6)	56.2	(23.4)	173.4	127.6
Increase (decrease) in deferred revenues	(11.8)	4.9	(57.5)	32.2	64.8
Increase (decrease) in accounts payable	19.3	(13.7)	18.2	(0.6)	(23.1)
Change in other current items related to operating activities	(3.7)	19.0	(1.6)	2.6	(47.2)
Change in other long-term items related to operating activities	(2.4)	(2.2)	(1.8)	(5.5)	3.8
Net cash provided by operating activities	**81.4**	**67.5**	**170.0**	**243.4**	**366.5**
Investment in MultiClient library	(25.7)	(64.7)	(69.0)	(132.3)	(222.1)
Investment in property and equipment	(9.8)	(13.1)	(18.1)	(23.5)	(32.8)
Investment in other intangible assets	(3.0)	(2.0)	(5.2)	(4.8)	(8.6)
Investment in other current -and non-current assets assets	-	-	-	-	-
Proceeds from sale and disposal of assets	-	24.7	-	25.1	26.6
Decrease (increase) in long-term restricted cash	-	-	-	-	(17.7)
Net cash used in investing activities	**(38.5)**	**(55.1)**	**(92.3)**	**(135.5)**	**(254.6)**
Proceeds, net of deferred loan costs, from issuance of non-current debt/net cash payment for debt amendment a)	(0.8)	-	(19.2)	124.2	124.2
Interest paid on interest bearing debt	(20.1)	(17.0)	(40.0)	(32.6)	(73.7)
Repayment of interest bearing debt	-	(14.0)	-	(240.3)	(240.3)
Net change of drawing on the Revolving Credit Facility	-	-	-	170.0	170.0
Proceeds from share issue	-	-	-	91.9	91.9
Payment of lease liabilities (recognized under IFRS 16)	(10.0)	(10.7)	(19.5)	(21.2)	(43.1)
Payments of leases classified as interest	(2.3)	(2.7)	(4.7)	(5.7)	(10.7)
Decrease (increase) in restricted cash related to debt service	1.8	-	4.4	-	(14.1)
Net cash (used in) provided by financing activities	**(31.4)**	**(44.4)**	**(79.0)**	**86.3**	**4.2**
Net increase (decrease) in cash and cash equivalents	11.5	(32.0)	(1.3)	194.2	116.1
Cash and cash equivalents at beginning of period	143.9	266.9	156.7	40.6	40.6
Cash and cash equivalents at end of period	**155.4**	**234.9**	**155.4**	**234.9**	**156.7**

a) For the first half of 2021, the amount represents the fees and expenses relating to the amendment of debt maturities offset by cash proceeds from the convertible bond issue.

Notes to the Condensed Interim Consolidated Financial Statements
Second Quarter and First Half 2021 Results

Note 1 – Segment Reporting

PGS has one operating segment focused on delivery of seismic data and services.

Following the implementation of the new accounting standard for revenues, IFRS 15, in 2018, MultiClient pre-funding revenues are no longer recognized under the previously applied percentage of completion method. Instead, all such revenues are recognized at delivery of the final processed data, which is typically significantly later than the acquisition of the seismic data.

PGS management has, for the purpose of its internal reporting, continued to report according to the principle applied in 2017 and earlier years, where MultiClient pre-funding revenue is recognized on a percentage of completion basis, and the related amortization of MultiClient library based upon the ratio of aggregate capitalized survey costs to forecasted sales. This differs from IFRS reporting which recognizes revenue from MultiClient pre-funding agreements and related amortization at the "point in time" when the customer receives access to, or delivery of, the finished data. See Note 15 for further description of the principles applied.

The table below provides a reconciliation of the Group's segment numbers ("Segment") against the financial statements prepared in accordance with IFRS ("As Reported"). Expanded Segment disclosures, showing statements of Profit and Loss, Financial Position and Cash Flows, are included in Note 17.

	Quarter ended June 30,					
	2021	2020	2021	2020	2021	2020
(In millions of US dollars)	Segment Reporting		Adjustments		As Reported	
Total Revenues and Other Income	151.8	138.7	34.1	(48.4)	185.9	90.3
Cost of sales	(56.8)	(28.0)	-	-	(56.8)	(28.0)
Research and development costs	(1.4)	(2.4)	-	-	(1.4)	(2.4)
Selling, general and administrative costs	(9.2)	(9.2)	-	-	(9.2)	(9.2)
Amortization of MultiClient library	(65.4)	(73.2)	(37.5)	31.5	(102.9)	(41.7)
Depreciation and amortization (excl. MultiClient library)	(23.2)	(18.9)	-	-	(23.2)	(18.9)
Operating profit (loss)/ EBIT, ex impairment and other charges, net	**(4.2)**	**7.0**	**(3.4)**	**(16.9)**	**(7.6)**	**(9.9)**

	Year to date June 30,					
	2021	2020	2021	2020	2021	2020
(In millions of US dollars)	Segment Reporting		Adjustments		As Reported	
Total Revenues and Other Income	284.0	307.0	67.7	(87.9)	351.7	219.1
Cost of sales	(93.6)	(100.6)	-	-	(93.6)	(100.6)
Research and development costs	(3.0)	(5.6)	-	-	(3.0)	(5.6)
Selling, general and administrative costs	(18.9)	(21.1)	-	-	(18.9)	(21.1)
Amortization of MultiClient library	(141.2)	(140.9)	(62.3)	60.7	(203.5)	(80.2)
Depreciation and amortization (excl. MultiClient library)	(45.5)	(47.6)	-	-	(45.5)	(47.6)
Operating profit (loss)/ EBIT, ex impairment and other charges, net	**(18.2)**	**(8.8)**	**5.4**	**(27.2)**	**(12.8)**	**(36.0)**

	Year ended December 31, 2020		
(In millions of US dollars)	Segment Reporting	Adjustments	As Reported
Total Revenues and Other Income	595.9	(83.9)	512.0
Cost of sales	(150.3)	-	(150.3)
Research and development costs	(8.7)	-	(8.7)
Selling, general and administrative costs	(39.2)	-	(39.2)
Amortization of MultiClient library	(296.3)	65.7	(230.6)
Depreciation and amortization (excl. MultiClient library)	(89.2)	-	(89.2)
Operating profit (loss)/ EBIT, ex impairment and other charges, net	**12.2**	**(18.2)**	**(6.0)**

For the first half and Q2 2021, MultiClient pre-funding revenues, As Reported, were higher than Segment pre-funding revenues. This difference is solely related to the timing of revenue recognition.

Note 2 – Revenues

Revenues and Other Income by service type:

	Quarter ended June 30,			
	2021	2020	2021	2020
(In millions of US dollars)	Segment Reporting		As Reported	
-Contract seismic	51.5	31.3	51.5	31.3
-MultiClient pre-funding	28.6	66.2	62.7	17.8
-MultiClient late sales	65.5	35.5	65.5	35.5
-Imaging	6.1	5.4	6.1	5.4
-Other Income	0.1	0.3	0.1	0.3
Total Revenues and Other Income	**151.8**	**138.7**	**185.9**	**90.3**

	Year to Date June 30,				Year ended December 31,	
	2021	2020	2021	2020	2020	2020
(In millions of US dollars)	Segment Reporting		As Reported		Segment Reporting	As Reported
-Contract seismic	77.0	116.7	77.0	116.7	146.7	146.7
-MultiClient pre-funding	74.9	107.1	142.6	19.2	218.6	134.7
-MultiClient late sales	114.7	68.9	114.7	68.9	167.3	167.3
-Imaging	11.2	13.9	11.2	13.9	23.6	23.6
-Other Income	6.2	0.4	6.2	0.4	39.7	39.7
Total Revenues and Other Income	**284.0**	**307.0**	**351.7**	**219.1**	**595.9**	**512.0**

Vessel Allocation(1):

	Quarter ended June 30,		Year to date June 30,		Year ended December 31,
	2021	2020	2021	2020	2020
Contract	47 %	15 %	41 %	31 %	20 %
MultiClient	21 %	50 %	37 %	46 %	50 %
Steaming	21 %	21 %	15 %	15 %	14 %
Yard	8 %	0 %	4 %	1 %	2 %
Stacked/standby	3 %	14 %	3 %	7 %	14 %

(1) The statistics exclude cold-stacked vessels. The Q2 2021 vessel statistics includes six vessels.
The comparative periods for 2020 are based on eight vessels for Q1 and Q2 and five vessels for Q3 and Q4.

The comments to revenues in this Note relate to both As Reported revenues and Segment revenues unless otherwise stated.

Total revenues and Other Income
As Reported revenues in the first half of 2021 amounted to $351.7 million, compared to $219.1 million in the first half of 2020, an increase of $132.6 million, or 61%. In Q2 2021 As reported revenues were $185.9 million, compared to $90.3 million in Q2 2020, an increase of $95.6 million, or 106%.

Segment revenues in the first half of 2021 decreased by $23.0 million, or 7%, compared to the first half 2020, due to a reduction in contract and MultiClient pre-funding revenues, partially offset by higher late sales.

In Q2 2021, Segment revenues increased by $13.1 million, or 9%, compared to Q2 2020 driven primarily by Multiclient late sales. There was a reduction of the total vessel generated revenues (contract and pre-funding) due to less operated capacity and a still weak market. While contract revenues increased compared to Q2 2020, this was more than offset by lower MultiClient pre-funding as the vessel allocation in Q2 was significantly overweight contract.

Contract revenues
In the first half 2021, contract revenues decreased by $39.7 million, or 34%, compared to the first half 2020 because of less vessel capacity used for contract work and, on average, lower prices. *Ramform Sovereign* was used as a source vessel up until mid-May 2021 on a contract project offshore Egypt, with lower revenues than when used as a 3D acquisition vessel and lower cash operating cost. In the first half 2020 contract work benefitted from a more positive seismic market and higher pricing pre the Covid-19 pandemic.

In Q2 2021, contract revenues increased by $20.2 million, or 65%, compared to Q2 2020. The increase is mainly due to more capacity allocated to contract work.

MultiClient pre-funding revenues
As Reported MultiClient pre-funding revenues in the first half 2021 amounted to $142.6 million, predominantly relating to completion of surveys in West Africa and North America. This was an increase of $123.4 million, or 643%, compared to the first half 2020. The significant increase is a result of more surveys completed and delivered to customers in the period.

In Q2 2021, As Reported MultiClient pre-funding revenues amounted to $62.7 million, primarily relating to completion of surveys in West Africa. This is an increase of $44.9 million, or 252%, compared to Q2 2020.

Segment MultiClient pre-funding revenues in the first half 2021 decreased by $32.2 million, or 30%, compared to the first half 2020. The decrease is driven by less capacity allocated to MultiClient. MultiClient pre-funding revenues in the first half 2021 were highest in West Africa and the Middle East.

In Q2 2021, Segment MultiClient pre-funding revenues decreased by $37.6 million, or 57%, compared to Q2 2020. The decline is primarily due to less capacity allocated to MultiClient, and that in Q2 2020 the Company benefitted from ratification of block awards triggering revenue recognition on an already ongoing survey.

MultiClient late sales
In the first half and Q2 2021, MultiClient late sales revenues increased by $45.8 million (66%) and $30.0 million (85%) respectively, compared to the corresponding periods in 2020. The Company has a diversified MultiClient library with a majority of the data in the world's main offshore producing regions. Demand for MultiClient library data is recovering after a challenging 2020 when MultiClient late sales were negatively impacted by the escalating Covid-19 pandemic and the related disruption of the oil market. MultiClient late sales were highest in Europe and Asia Pacific for the first half 2021 and Europe in Q2 2021.

Other Income
In Q1 2021, PGS recorded Other Income of $6.1 million, of which $6.0 million were government grants in the US received in Q2 2020, relating to the Covid-19 pandemic.

Note 3 – Net Operating Expenses

	Quarter ended June 30,		Year to date June 30,		Year ended December 31,
(In millions of US dollars)	2021	2020	2021	2020	2020
Cost of sales before investment in MultiClient library	(88.9)	(96.8)	(167.2)	(232.4)	(369.8)
Research and development costs before capitalized development costs	(3.4)	(4.4)	(7.2)	(10.4)	(17.2)
Selling, general and administrative costs	(9.2)	(9.2)	(18.9)	(21.1)	(39.2)
Cash Cost, gross	**(101.5)**	**(110.4)**	**(193.3)**	**(263.9)**	**(426.2)**
Steaming deferral, net	6.4	4.1	4.6	(0.6)	(2.8)
Cash investment in MultiClient library	25.7	64.7	69.0	132.4	222.3
Capitalized development costs	2.0	2.0	4.2	4.8	8.5
Net operating expenses	**(67.4)**	**(39.6)**	**(115.5)**	**(127.3)**	**(198.2)**

In the first half and Q2 2021, gross cash cost decreased by $70.6 million (27%) and $8.9 million (8%) respectively compared to the same periods in 2020, primarily as a result of the cost measures described below.

During 2020 PGS, as a response to the dramatically lower revenues and activity levels caused by the Covid-19 pandemic, implemented substantial measures to reduce the annualized gross cash cost run rate by more than $200 million. The Company stacked *PGS Apollo, Sanco Swift* and *Ramform Vanguard*. Further, in Q3 2020 PGS completed a comprehensive reorganization to reduce office-based personnel by approximately 40% compared to the start of the year, renegotiated terms with suppliers and implemented several other initiatives. Cost levels through most of 2020 also benefited from a weak Norwegian kroner and lower fuel prices, which have reversed in 2021. In Q2 2021 *Ramform Vanguard* was reactivated, adding to the gross cash cost of the Company.

In the first half 2021, cash cost capitalized to the MultiClient library decreased by $63.4 million, or 48%, compared to the first half 2020. *In Q2 2021* cash cost capitalized to the MultiClient library decreased by $39.0 million, or 60%. The decrease is a result of cost reductions and less capacity used for MultiClient acquisition.

Note 4 – Amortization, Depreciation, Impairments and Other Charges, net

Amortization and impairment of MultiClient library consist of the following:

(In millions of US dollars)	Quarter ended June 30, 2021	Quarter ended June 30, 2020	Year to date June 30, 2021	Year to date June 30, 2020	Year ended December 31, 2020
As Reported					
Amortization of MultiClient library	(37.3)	(33.5)	(61.4)	(71.0)	(125.4)
Accelerated amortization of MultiClient library	(65.6)	(8.2)	(142.1)	(9.2)	(105.2)
Impairment of MultiClient library	-	(11.5)	-	(16.7)	(34.9)
Total	**(102.9)**	**(53.2)**	**(203.5)**	**(96.9)**	**(265.5)**
Segment reporting					
Amortization of MultiClient library	(65.4)	(73.2)	(141.2)	(140.9)	(296.3)
Total	**(65.4)**	**(73.2)**	**(141.2)**	**(140.9)**	**(296.3)**

Segment MultiClient library amortization

In the first half 2021 Segment amortization of the MultiClient library as a percentage of MultiClient revenues was 74%, compared to 80% in the first half 2020. The lower Segment amortization rate is primarily due to higher sales from the finished projects in the MultiClient library which are amortized on a straight-line basis.

In Q2 2021 Segment amortization of the MultiClient library as a percentage of MultiClient revenues was 70%, compared to 72% in Q2 2020.

MultiClient library amortization and impairment As Reported

In the first half 2021 total amortization of the MultiClient library increased by $123.2 million, or 154%, compared to the first half 2020. The increase is mainly driven by accelerated amortization from more projects completed.

In Q2 2021 total amortization of the MultiClient library increased by $61.2 million, or 147%, compared to Q2 2020. The increase is explained by the same factor as for the first half.

Explanation of the difference between Segment MultiClient library amortization and As Reported

Following adoption of IFRS 15, with effect from January 1, 2018, revenue As Reported from MultiClient pre-funders is recognized when the customer is granted access to the finished survey or upon delivery of the finished data. Concurrent with recognizing this revenue, the Company records an accelerated amortization to reduce the net book value of the survey to the estimated net present value of the forecasted remaining sales. For more information see Note 15.

Depreciation, amortization and impairment of non-current assets

Depreciation and amortization of non-current assets (excl. MultiClient library) consist of the following:

(In millions of US dollars)	Quarter ended June 30, 2021	Quarter ended June 30, 2020	Year to date June 30, 2021	Year to date June 30, 2020	Year ended December 31, 2020
Gross depreciation*	(35.1)	(45.6)	(72.8)	(95.0)	(176.2)
Deferred Steaming depreciation, net	2.6	2.5	1.3	0.1	(0.8)
Depreciation capitalized to the MultiClient library	9.3	24.2	26.0	47.3	87.8
Total	**(23.2)**	**(18.9)**	**(45.5)**	**(47.6)**	**(89.2)**

*includes depreciation of right-of-use assets amounting to $ 5.6 million and $ 8.1 million for the quarter ended June 31, 2021 and 2020 respectively.

In the first half 2021, gross depreciation decreased by $22.2 million, or 23%, compared to the first half 2020. The decrease comes as a result of a generally lower investments in property and equipment over recent years and impairment charges in 2020.

In Q2 2021, gross depreciation decreased by $10.5 million, or 23%, compared to Q2 2020.

In the first half 2021, capitalized MultiClient depreciation decreased by $21.3 million, or 45%, compared to the first half 2020, mainly as a result of fewer vessel days allocated to MultiClient projects as well as decreased gross depreciation.

In Q2 2021, capitalized MultiClient depreciation decreased by $14.9 million, or 62%, compared to Q2 2020. The reduction is explained by the same factors as for the first half.

Impairment and loss on sale of non-current assets (excluding MultiClient library) consist of the following:

(In millions of US dollars)	Quarter ended June 30, 2021	Quarter ended June 30, 2020	Year to date June 30, 2021	Year to date June 30, 2020	Year ended December 31, 2020
Property and equipment	-	(26.0)	-	(77.4)	(107.4)
Other Intangible assets	-	(1.0)	-	(1.0)	(1.0)
Total	**-**	**(27.0)**	**-**	**(78.4)**	**(108.4)**

With a recovering seismic market in 2021 and an expected gradual return to pre Covid-19 levels sometime thereafter there is a lower probability of impairment charges. The recoverable values of seismic vessels are sensitive to the assumed margins and cycles of the seismic industry as well as changes to the operational plans for the Company's vessels. As a result, further impairments of property plant and equipment may arise in future periods.

Other charges, net

Other charges, net consist of the following:

(In millions of US dollars)	Quarter ended June 30, 2021	Quarter ended June 30, 2020	Year to date June 30, 2021	Year to date June 30, 2020	Year ended December 31, 2020
Severance cost	-	(28.5)	-	(28.8)	(22.2)
Onerous contracts with customers	0.2	1.8	3.2	4.7	(4.5)
Other restructuring costs/stacking	0.1	(7.1)	(0.1)	(7.1)	(12.0)
Other	-	-	-	-	-
Total	**0.3**	**(33.8)**	**3.1**	**(31.2)**	**(38.7)**

As of June 30, 2021, the Company's provision for onerous customer contracts amounted to a total of $6.1 million, a decrease of $3.2 million compared to December 31, 2020. The provision for onerous customer contracts represents the estimated loss in future periods relating to certain binding customer contracts where revenues are lower than the full costs, including depreciation, of completing the contract.

Note 5 – Share of Results from Associated Companies

In the first half 2021, the share of results from associated companies was a loss of $1.1 million.

In Q2 2021, the share of results from associated companies was a loss of $0.7 million.

Note 6 – Interest Expense

Interest expense consists of the following:

(In millions of US dollars)	Quarter ended June 30, 2021	Quarter ended June 30, 2020	Year to date June 30, 2021	Year to date June 30, 2020	Year ended December 31, 2020
Interest on debt , gross	(25.3)	(21.9)	(47.0)	(38.5)	(80.5)
Imputed interest cost on lease agreements	(2.3)	(2.7)	(4.7)	(5.7)	(10.7)
Capitalized interest, MultiClient library	1.7	3.2	4.6	6.4	12.8
Total	**(25.9)**	**(21.4)**	**(47.1)**	**(37.8)**	**(78.4)**

Gross interest expense for the first half and Q2 2021 increased by $8.5 million (22%) and $3.4 million (16%) respectively, compared to the same periods in 2020. For Q2 the increase is primarily higher deferred loan cost amortization and imputed interest costs. For the year to date, approximately one third of the increase is due to the higher cash interest which is primarily caused by converting the $135 million portion of the previous revolving credit facility ("RCF") to Term Loan B ("TLB") with an increase of interest rate to the TLB interest rate, combined with the fact that all debt is fully drawn with the liquidity reserve held in cash. Of the reported gross interest expense on debt ($47.0 million) in the first half of 2021, the cash interest was $40.0 million.

Following implementation of IFRS 16, effective January 1, 2019, an imputed interest cost is calculated on lease liabilities and reported as interest expense.

Note 7 – Other Financial Expense, net

Other financial expense, net consists of the following:

(In millions of US dollars)	Quarter ended June 30, 2021	Quarter ended June 30, 2020	Year to date June 30, 2021	Year to date June 30, 2020	Year ended December 31, 2020
Interest income	-	0.3	-	0.7	0.8
Currency exchange gain (loss)	5.0	(4.0)	(0.3)	10.4	4.9
Loss related to modification of debt	-	-	(7.7)	-	-
Net gain related to extinguishment of debt	-	-	9.4	-	-
Net gain/(loss) on separate derivative financial instrument	5.7	-	(2.2)	-	-
Other	(0.3)	(1.8)	(0.8)	(9.3)	(15.7)
Total	**10.4**	**(5.5)**	**(1.6)**	**1.8**	**(10.0)**

The currency exchange gain in Q2 2021 and loss in the first half 2021 relate primarily to fluctuations in the value of BRL denominated balances against USD.

The line “Net gain related to extinguishment of debt” includes a gain related to extinguishment of debt of $13.5 million (ref. Note 11) and $4.0 million of deferred debt issuance cost charged to expense. For more information on debt that has been accounted for as modification and extinguishment, see Note 11.

In the first half and Q2 2021 the $2.2 million loss and $5.7 million gain, on separate derivative financial instrument at fair value relates to the convertible bond. The derivative instrument will, until conversion, be reported as a liability (in “other current liabilities”) at fair value with changes in fair value reported as gain or loss. Upon conversion, the fair value will be reported as a contribution to equity. As of June 30, 2021, the derivate financial instrument is valued at $8.8 million. For more information see Note 11 and 15.

Note 8 – Income Tax and Contingencies

Income tax consists of the following:

(In millions of US dollars)	Quarter ended June 30, 2021	Quarter ended June 30, 2020	Year to date June 30, 2021	Year to date June 30, 2020	Year ended December 31, 2020
Current tax	(2.5)	(1.5)	(5.7)	(3.7)	(15.1)
Change in deferred tax	-	-	-	-	-
Total	**(2.5)**	**(1.5)**	**(5.7)**	**(3.7)**	**(15.1)**

In the first half 2021 the current tax expense increased by $2.0 million, or 54%, compared to the first half 2020. Current tax expense relates to foreign withholding tax and corporate tax on activities primarily in South America, Asia and Africa.

In Q2 2021 the current tax expense increased by $1.0 million, or 67%, compared to Q2 2020, primarily due to taxes incurred in Asia.

Tax Contingencies

The Company has ongoing tax disputes related to charter of vessels into Brazil. The assessments, which inter alia seek to levy 15% withholding tax and 10% CIDE (service) tax, amount to $37.5 million in total. The Company holds a legal deposit amounting to $20.1 million, initially made in Q4 2020 to challenge one of the disputes in court. The deposit is held in an interest-bearing bank account with a commercial bank. Since the Company considers it more likely than not that these contingencies will be resolved in its favor, no provision has been made for any portion of the exposure.

Note 9 – Property and Equipment

Capital expenditures, whether paid or not, consists of the following:

(In millions of US dollars)	Quarter ended June 30, 2021	Quarter ended June 30, 2020	Year to date June 30, 2021	Year to date June 30, 2020	Year ended December 31, 2020
Seismic equipment	3.6	1.8	6.7	7.8	13.8
Vessel upgrades/Yard	7.0	1.2	8.8	3.3	12.5
Compute infrastructure/ technology	0.4	0.6	1.4	4.2	8.7
Other	0.3	0.4	0.6	1.0	1.1
Total capital expenditures, whether paid or not	**11.3**	**4.0**	**17.5**	**16.3**	**36.1**
Change in working capital and capital leases	(1.5)	9.1	0.6	7.2	(3.3)
Investment in property and equipment	**9.8**	**13.1**	**18.1**	**23.5**	**32.8**

Investment in property and equipment consists mainly of equipment for the Company's seismic acquisition.

Note 10 – MultiClient Library

The carrying value of the MultiClient library by year of completion is as follows:

(In millions of US dollars)	June 30, 2021	June 30, 2020	December 31, 2020
Completed during 2015	-	-	-
Completed during 2016	-	7.6	-
Completed during 2017	5.1	26.3	14.1
Completed during 2018	29.3	58.7	43.8
Completed during 2019	71.0	115.8	92.1
Completed during 2020	62.6	33.6	76.3
Completed during 2021	106.0	-	-
Completed surveys	274.0	242.0	226.3
Surveys in progress	238.2	405.8	389.8
MultiClient library	512.2	647.8	616.1

The comments to this note relate to both As Reported and Segment Reporting unless otherwise stated.

Key figures MultiClient library:

	Quarter ended June 30,		Year to date June 30,		Year ended December 31,
(In millions of US dollars)	2021	2020	2021	2020	2020
MultiClient pre-funding revenue, as reported *	62.7	17.8	142.6	19.2	134.7
MultiClient late sales	65.5	35.5	114.7	68.9	167.3
Cash investment in MultiClient library	25.7	64.7	69.0	132.4	222.3
Capitalized interest in MultiClient library	1.7	3.2	4.6	6.4	12.8
Capitalized depreciation (non-cash)	9.3	24.2	26.0	47.3	87.8
Amortization of MultiClient library , as reported	(37.3)	(33.5)	(61.4)	(71.0)	(125.4)
Accelerated amortization of MultiClient library, as reported	(65.6)	(8.2)	(142.0)	(9.2)	(105.2)
Impairment of MultiClient library	-	(11.5)	-	(16.7)	(34.9)
Segment Reporting					
MultiClient pre-funding revenue, Segment	28.6	66.2	74.9	107.1	218.6
Prefunding as a percentage of MultiClient cash investment	111 %	102 %	109 %	81 %	98 %

*Includes revenue from sale to joint operations in the amount of $9.0 million for Q2 2021 and the first half year 2021. There are no material revenue from joint operations in Q2 2020.

In the first half 2021, Segment MultiClient pre-funding revenues corresponded to 109% of capitalized MultiClient cash investment (excluding capitalized interest), compared to 81% in the first half 2020. The higher pre-funding level in the first half 2021 is primarily due to generally better pre-funding for ongoing surveys in the quarter and sales from surveys in the processing phase, while especially Q1 2020 was negatively impacted by delays in completion of block awards where pre-funding on one of the Company's ongoing MultiClient projects was contingent on final ratification.

Multiclient cash investment in the first half 2021 decreased by $63.4 million, or 48%, compared to the first half 2020, as a result of fewer vessel days allocated to MultiClient.

In Q2 2021, Segment MultiClient pre-funding revenues corresponded to 111% of capitalized MultiClient cash investment (excluding capitalized interest), compared to 102% in Q2 2020.

MultiClient cash investment in Q2 2021 decreased by 39.0 million, or 60%, compared to Q2 2020, as a result of fewer vessel days allocated to MultiClient.

MultiClient library amortization and impairment As Reported according to IFRS
In the first half 2021, total MultiClient amortization As Reported was 80% of MultiClient revenues. The Company recognized accelerated amortization of $142.0 million in the first half 2021.

In Q2 2021, total MultiClient amortization As Reported was 83% of MultiClient revenues. The Company recognized accelerated amortization of $65.6 million on projects completed in Q2 2021.

Note 11 – Liquidity and Financing

In the first half 2021, net cash provided by operating activities was $172.2 million, compared to $243.4 million in the first half 2020. The decrease was mainly driven by a lower effect of working capital release (as measured on a Segment basis) in the first half of 2021 compared to the first half of 2020.

In Q2 2021, net cash provided by operating activities was $81.4 million, compared to $67.5 million in Q2 2020. The increase is primarily due to higher tax payments and payment of restructuring costs in Q2 2020. At end Q2 2021, the Company still had significant amounts (~$20 million) where customers could defer payment due to delays in completing block ratification formalities. Such amounts are reduced early Q3.

The liquidity reserve, including cash and cash equivalents was $155.4 million as of June 30, 2021, compared to $234.9 million as of June 30, 2020, and $143.9 million as of March 31, 2021.

Interest bearing debt consists of the following:

	June 30,		December 31,
(In millions of US dollars)	2021	2020	2020
Secured			
Term loan B, Libor + 250 Basis points, due 2021	-	2.0	2.0
Term loan B, Libor + 6-750 basis points (linked to total leverage ratio ("TLR")), due 2024	873.0	520.4	520.4
Export credit financing, due 2025	109.4	109.4	109.4
Export credit financing, due 2027	189.1	189.1	189.1
Revolving credit facility, due 2020	-	135.0	135.2
Revolving credit facility, due 2023	-	215.0	214.8
Unsecured			
Convertible bond 5%, due 2024	10.9	-	
Total loans and bonds, gross (1)	**1,182.4**	**1,170.9**	**1,170.9**
Less current portion	-	(199.9)	(1,150.4)
Less deferred loan costs, net of debt premiums	(36.0)	(28.5)	(20.5)
Less modification of debt treated as extinguishment	(11.7)	-	-
Less effect from separate derivative financial instrument convertible bond	(7.8)	-	-
Non-current interest bearing debt	**1,126.9**	**942.5**	**-**

(1) Fair value of total loans and bonds, gross was $1,125.1 million as of June 30, 2021, compared to $951.5 million as of June 30, 2020.

During Q1 2021, the Company issued a NOK 116.2 million 3-year 5% unsecured convertible bond ("CB"). The right to convert the bond into shares is treated as a separate derivative financial instrument and accounted for as a liability measured at fair value. The equity conversion option was at inception on February 9, 2021 valued at $9.9 million and the debt component valued at $3.5 million.

The difference between the initial value of the debt component and the nominal value of the CB will be expensed over the life of the CB as imputed interest adjusted for conversions taking place before maturity. As of June 30, 2021 the remaining nominal amount of the CB is $10.9 million. As of June 30, 2021, the derivative financial instrument (relating to the conversion option) is valued to $8.8 million. For further information on accounting for a conversion right in a different currency (NOK), see Note 15.

The rescheduling of the $135 million RCF originally due in September 2020 has been accounted for as an extinguishment due to substantially different terms. The rescheduled debt has as a consequence been accounted for at fair value at time of extinguishment, resulting in a gain of $13.5 million as of February 9, 2021. The amount will be reversed over the life of the debt and in Q2 2021 and for the first half 2021 $1.2 million and $1.8 million respectively, was reversed as imputed interest expense included in interest on debt, gross. The other parts of the rescheduled debt have been accounted for as modification of existing agreements, resulting in a loss of $7.7 million from the modification in Q1 2021.

Undrawn facilities consists of the following:

(In millions of US dollars)	June 30, 2021	June 30, 2020	December 31, 2020
Secured			
Revolving credit facility	-	-	-
Performance bond	23.6	21.4	22.8
Unsecured			
Bank facility (NOK 50 mill)	-	5.1	-
Total	**23.6**	**26.5**	**22.8**

Summary of net interest bearing debt:

(In millions of US dollars)	June 30, 2021	June 30, 2020	December 31, 2020
Loans and bonds gross	(1,182.4)	(1,170.9)	(1,170.9)
Cash and cash equivalents	155.4	234.9	156.7
Restricted cash (current and non-current)	72.5	45.7	76.6
Net interest bearing debt, excluding lease liabilities	**(954.5)**	**(890.3)**	**(937.6)**
Lease liabilities current	(40.0)	(38.8)	(40.1)
Lease liabilities non-current	(99.1)	(130.0)	(118.5)
Net interest bearing debt, including lease liabilities	**(1,093.6)**	**(1,059.1)**	**(1,096.2)**

On February 9, 2021 the PGS financing transaction to re-schedule debt maturities and amortizations (the "Transaction") became effective and all interest-bearing debt, excluding lease liabilities, was re-classified from current to long-term debt.

The increase in restricted cash from June 30, 2020 to June 30, 2021 is mainly due to the legal deposit in Brazil (see Note 8) and an increase in retention accounts. Restricted cash of $72.5 million includes $43.3 million held in debt service reserve and retention accounts related to the export credit financing ("ECF") of *Ramform Titan*, *Ramform Atlas, Ramform Tethys and Ramform Hyperion*. The amounts in the retention accounts will be used for interest payments on the ECF debt in the amortization deferral period (see below).

At June 30, 2021, the Company had approximately 50% of its net debt (excluding lease liabilities) at fixed interest rates. The weighted average cash interest rate was approximately 6.74%, including credit margins paid on the debt as of June 30, 2021, compared to 6.77 % as of March 31, 2021 and 6.29% as of June 30, 2020.

The TLB is subject to a Minimum Consolidated Liquidity and a Maximum Total Net Leverage covenant. The liquidity covenant requires that the consolidated unrestricted cash and cash equivalents shall not be less than $75 million. The Maximum Total Net Leverage covenant establishes a maximum total net leverage ratio of 4.50:1.0 through June 30, 2021, 4.25x through December 31, 2021, 3.25x through December 31, 2022 and 2.75x thereafter. At June 30, 2021 the Total Net Leverage was 2.81:1.

Rescheduling of debt (the Transaction)

Due to the dramatic negative market change caused by the Covid-19 pandemic, PGS renegotiated its main credit agreements by extending its near-term debt maturities and amortization profiles to support its liquidity position. The Transaction enabled PGS to extend its near-term maturity and amortization profile under its TLB, RCF and ECF facility by approximately two years. Together with the implemented cost saving initiatives, the Transaction strengthens PGS's liquidity profile in the currently challenging operating environment. Following completion of the Transaction, PGS remains highly leveraged and may become financially challenged should it not comply with the applicable financial maintenance covenants or ultimately fail to generate sufficient cash flow and/or refinance to address the amended amortization and maturity profiles.

Note 12 – Earnings per Share

Earnings per share, to ordinary equity holders of PGS ASA:

	Quarter ended June 30, 2021	Quarter ended June 30, 2020	Year to date June 30, 2021	Year to date June 30, 2020	Year ended December 31, 2020
- Basic	(0.07)	(0.29)	(0.17)	(0.60)	(0.85)
- Diluted	(0.07)	(0.29)	(0.17)	(0.60)	(0.85)
Weighted average basic shares outstanding	394,558,778	387,205,257	390,863,349	381,359,388	380,510,818
Weighted average diluted shares outstanding	398,516,722	387,543,806	394,175,782	382,395,317	382,225,421

Note 13 – Other Comprehensive Income

Other Comprehensive Income

(In millions of US dollars)	Quarter ended June 30, 2021	Quarter ended June 30, 2020	Year to date June 30, 2021	Year to date June 30, 2020	Year ended December 31, 2020
Actuarial gains (losses) on defined benefit pension plans	8.7	(26.9)	18.7	(19.5)	(7.6)
Income tax effect on actuarial gains and losses	-	-	-	-	-
Items that will not be reclassified to profit and loss	**8.7**	**(26.9)**	**18.7**	**(19.5)**	**(7.6)**
Gains (losses) on hedges	0.9	(0.6)	2.1	(6.1)	(3.9)
Other comprehensive income (loss) of associated companies	-	-	-	-	-
Items that may be subsequently reclassified to profit and loss	**0.9**	**(0.6)**	**2.1**	**(6.1)**	**(3.9)**

Note 14 – Reconciliation of alternative performance measures

Segment EBITDA ex. other Charges, net

(In millions of US dollars)	Quarter ended June 30, 2021	Quarter ended June 30, 2020	Year to date June 30, 2021	Year to date June 30, 2020	Year ended December 31, 2020
Operating profit (loss) as reported	**(7.3)**	**(82.2)**	**(9.7)**	**(162.3)**	**(188.0)**
Segment adjustment to Revenues as reported	(34.1)	48.4	(67.7)	87.9	83.9
Other charges net	(0.3)	33.8	(3.1)	31.2	38.7
Amortization and impairment of MultiClient library	102.9	53.2	203.5	96.9	265.5
Depreciation and amortization of long term assets (excl. MultiClient library)	23.2	18.9	45.5	47.6	89.2
Impairment and loss on sale of long-term assets (excl. MultiClient library)	-	27.0	-	78.4	108.4
Segment EBITDA ex. other charges, net	**84.4**	**99.1**	**168.5**	**179.7**	**397.7**

Segment EBIT ex. impairment and other charges

(In millions of US dollars)	Quarter ended June 30, 2021	Quarter ended June 30, 2020	Year to date June 30, 2021	Year to date June 30, 2020	Year ended December 31, 2020
Operating profit (loss) as reported	**(7.3)**	**(82.2)**	**(9.7)**	**(162.3)**	**(188.0)**
Segment adjustment to Revenues As Reported	(34.1)	48.4	(67.7)	87.9	83.9
Other charges, net	(0.3)	33.8	(3.1)	31.2	38.7
Segment adjustment to Amortization As Reported	37.5	(31.5)	62.3	(60.6)	(65.7)
Impairment of MultiClient library	-	11.5	-	16.7	34.9
Impairment and loss on sale of long-term assets (excl. MultiClient library)	-	27.0	-	78.4	108.4
Segment EBIT ex. impairment and other charges, net	**(4.2)**	**7.0**	**(18.2)**	**(8.7)**	**12.2**

The European Securities and Markets Authority (“ESMA”) issued guidelines on Alternative Performance Measures (“APMs”) that came into force on July 3, 2016. The Company has defined and explained the purpose of the APMs in the paragraphs below.

Financial statement captions used in defining the APMs relate to both As Reported figures and Segment figures unless otherwise stated.

Segment EBITDA

Segment EBITDA, when used by the Company, means Segment EBIT excluding other charges, impairment and loss on sale of non-current assets and depreciation and amortization. A reconciliation between Segment EBIT excluding other charges, impairment and loss on non-current asset and depreciation and amortization and Segment EBITDA is shown above. Segment EBITDA may not be comparable to other similarly titled measures from other companies. The Company has included EBITDA as a supplemental disclosure because PGS believes that the measure provides useful information regarding the Company’s ability to service debt and to fund capital expenditures and provides a helpful measure for comparing its operating performance with that of other companies.

Segment EBIT, excluding impairments and other charges

PGS believes that Segment EBIT, excluding impairments and other charges, is a useful measure in that the measures provide an indication of the profitability of the Company’s operating activities for the period without regard to significant events and/or decisions in the period that are expected to occur less frequently. Segment EBIT, excluding impairments and other charges is reconciled above.

MultiClient pre-funding level

The MultiClient pre-funding level is calculated by dividing the MultiClient pre-funding revenues, as per segment reporting, by the cash investment in MultiClient library, as reported in the Statements of Cash Flows. PGS believes that the MultiClient pre-funding percentage is a useful measure in that provides some indication of the extent to which the Company's financial risk is reduced on new MultiClient investments.

Net interest-bearing debt
Net interest-bearing debt is defined as the sum of non-current and current interest-bearing debt, less cash and cash equivalents and restricted cash. Net interest-bearing debt is reconciled in Note 11 above. PGS believes that net interest- bearing debt is a useful measure because it provides an indication of the hypothetical minimum necessary debt financing to which the Company is subject at balance sheet date.

Liquidity reserve
Liquidity reserve is defined in Note 11. PGS believes that liquidity reserve is a useful measure because it provides an indication of the amount of funds readily available to the Company in the very short term at balance sheet date.

Segment revenues
Following the implementation of the accounting standard for revenues, IFRS 15, MultiClient pre-funding revenues are no longer recognized under the previously applied percentage of completion method. Instead, such revenues are generally recognized at delivery of the final processed data, which is typically significantly later than the acquisition of the seismic data. PGS has, for the purpose of its internal reporting, continued to report according to the principle applied in 2017 and earlier years, where MultiClient pre-funding revenue is recognized on a percentage of completion basis, and the related amortization of MultiClient library based upon the ratio of aggregate capitalized survey costs to forecasted sales.

Gross cash costs
Gross cash costs are defined as the sum of reported net operating expenses (excluding depreciation, amortization, impairments, deferred steaming, net and other charges, net) and the operating cash costs capitalized as investments in the MultiClient library as well as capitalized development costs. Gross cash costs are reconciled in Note 3. PGS believes that the gross cash costs figure is a useful measure because it provides an indication of the level of cash costs incurred by the Company irrespective of the extent to which the fleet is working on MultiClient projects or the extent to which its R&D expenditures qualify for capitalization.

Net operating expenses
Net operating expenses are defined as gross cash costs (as per above) less capitalized investments in the MultiClient library and capitalized development costs and is reconciled in Note 3. PGS believes this figure is a useful measure because it provides an indication of the level of net cash costs incurred by the Company in running current period commercial activities that are not devoted to investment.

Order book
Order book is defined as the aggregate estimated value of future Segment Revenues on signed customer contracts, letters of award or where all major contract terms are agreed. For long term contracted service agreements the order book includes estimated revenues for the nearest 12-month period. PGS believes that the Order book figure is a useful measure in that it provides an indication of the amount of customer backlog and committed activity in the coming periods.

Capital expenditures, whether paid or not
Capital expenditures means investments in property and equipment irrespective of whether paid in the period but excluding capitalized interest costs.

Note 15 – Basis of Presentation and changes in Accounting Principles

Basis of Presentation
The Company is a Norwegian public limited liability company which prepares its annual consolidated financial statements in accordance with International Financial Reporting Standards ("IFRS") as adopted by the EU. These consolidated condensed interim financial statements have been prepared in accordance with international Accounting Standards ("IAS") No. 34 "Interim Financial Reporting". The consolidated condensed interim financial statements are presented in millions of US Dollars (”$” or “dollars”), unless otherwise indicated. The interim financial information has not been subject to audit or review.

Profit and loss for the interim period are not necessarily indicative of the results that may be expected for any subsequent interim period or year. The condensed interim consolidated financial statements should be read in conjunction with the audited consolidated financial statements for the year ended December 31, 2020.

The accounting policies adopted in the preparation of the condensed interim consolidated financial statements are consistent with those followed in the preparation of the Company's consolidated financial statements for the year ended December 31, 2020.

Convertible bond debt

Convertible bonds are accounted for as compound financial instruments if denominated in USD, can be converted to ordinary shares at the option of the holder, and the number of shares to be issued is fixed and does not vary with changes in fair value. The liability component of compound financial instruments is initially recognized at the fair value of a similar liability that does not have an equity conversion option. The equity component is initially recognized at the difference between the fair value of the compound financial instrument and the fair value of the liability component, with no subsequent fair value adjustment. Subsequent to initial recognition, the liability component of a compound financial instrument is measured at amortized cost using the effective interest method. Interest related to the financial liability is recognized in the consolidated statement of income. On conversion at maturity, the financial liability is reclassified to equity and no gain or loss is recognized.

The convertible bonds issued by the Company are denominated in NOK, which is different from the functional currency. The conversion option therefore does not meet the definition of equity in IAS 32, even if the bond is convertible into a fixed number of shares. The convertible bond is therefore classified as a financial liability under IAS 32, and then measured under the requirements of IFRS 9. The equity conversion option embedded in a financial liability is not considered by IFRS 9 to be clearly and closely related to the host contract and must be accounted for as a separate derivative financial instrument. The separate derivative instrument will, until conversion be reported as a liability (in "other current liabilities") at fair value with changes in fair value reported as gain or loss (in "Other Financial Expense, net"). Upon conversion, the fair value will be reported as a contribution to equity.

Extinguishment of debt

IFRS 9 requires an entity to derecognize a financial liability when, and only when, it is 'extinguished', that is, when the obligation specified in the contract is discharged, cancelled, or expires. IFRS 9 requires an exchange between an existing borrower and lender of debt instruments with 'substantially different' terms to be accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability, or a part of it, should be accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability.

Segment Reporting Principles

Although IFRS provides a fair presentation of the profit and loss of the Company, for purposes of Segment and internal reporting management applies the revenue recognition principle used prior to 2018 and IFRS 15. MultiClient pre-funding revenue is recognized using the percentage of completion method, and related MultiClient amortization is based upon the ratio of aggregate capitalized survey costs to forecasted sales. Management believes this method makes revenues coincide better with activities and resources used by the Company and provides useful information as to the progress made on MultiClient surveys in process and resultant value generation during the period.

In determining the percentage of completion, progress is measured in a manner generally consistent with the physical progress of the project, and revenue is recognized based on the ratio of the project's progress to date, provided that all other revenue recognition criteria are satisfied. Accordingly, MultiClient pre-funding revenues and related MultiClient amortization are generally recognized earlier for purposes of segment reporting as compared to IFRS reporting.

While a survey is in progress, the Company amortizes each MultiClient survey based on the ratio of aggregate capitalized survey costs to forecasted sales for segment purposes. At completion the remaining balance is amortized on a straight-line basis over four years. For impairment purposes a portfolio assessment is applied, and an impairment is recorded only if the MC library as a whole has a book value above estimated recoverable value. The segment reporting principle will generally result in book value of a project at completion being lower compared to the book value for IFRS reporting.

Change in Accounting Principles

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Company's annual consolidated financial statements for the year ended December 31, 2020, except for the adoption of new standards effective as of January 1, 2021. The Company has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective. Several amendments and interpretations apply for the first time in 2021, but do not have an impact on the Company's interim condensed consolidated financial statements.

Note 16 - Risk Factors

The Company emphasizes that the information included herein contains certain forward-looking statements that address activities, events or developments that the Company expects, projects, believes or anticipates will or may occur in the future. These statements are based on various assumptions made by the Company, many of which are beyond its control and all of which are subject to risks and uncertainties. The Company is subject to a large number of risk factors including but not limited to the demand for seismic services, the demand for data from the Company's MultiClient library, the attractiveness of PGS' technology, changes in governmental regulations affecting markets, technical downtime, licenses and permitting, currency and fuel price fluctuations, and extreme weather conditions.

Contracts for services are occasionally modified by mutual consent and in certain instances may be cancelled by customers at short notice without compensation. Consequently, the order book as of any particular date may not be indicative of actual operating results for any succeeding period.

The Covid-19 pandemic and the resulting drop in oil prices represented an unprecedented change in the economic circumstances and increased uncertainty about future market development. As a result, it continues to be a risk that the Company may be dependent on achieving certain liquidity preservation initiatives including the extension of the scheduled debt amortizations or other debt related initiatives to retain a sufficient liquidity reserve, and that further impairments of non-current assets, including property and equipment, intangible assets and the MultiClient library, may arise in future periods.

For a further description of other relevant risk factors, we refer to the Annual Report for 2020. As a result of these and other risk factors, actual events and actual results may differ materially from those indicated in or implied by such forward-looking statements.

Note 17 – Expanded Segment Disclosures

Condensed Consolidated Statements of Profit and Loss and Other Comprehensive Income

	Quarter ended June 30,					
	2021	2020	2021	2020	2021	2020
(In millions of US dollars)	Segment Reporting		Adjustments		As Reported	
Revenues and Other Income	151.8	138.7	34.1	(48.4)	185.9	90.3
Cost of sales	(56.8)	(28.0)	-	-	(56.8)	(28.0)
Research and development costs	(1.4)	(2.4)	-	-	(1.4)	(2.4)
Selling, general and administrative costs	(9.2)	(9.2)	-	-	(9.2)	(9.2)
Amortization and impairment of MultiClient library	(65.4)	(73.2)	(37.5)	20.0	(102.9)	(53.2)
Depreciation and amortization of non-current assets (excl. MultiClient library)	(23.2)	(18.9)	-	-	(23.2)	(18.9)
Impairment and loss on sale of non-current assets (excl. MultiClient library)	-	(27.0)	-	-	-	(27.0)
Other charges, net	0.3	(33.8)	-	-	0.3	(33.8)
Total operating expenses	(155.7)	(192.5)	(37.5)	20.0	(193.2)	(172.5)
Operating profit (loss)/EBIT	(3.9)	(53.8)	(3.4)	(28.4)	(7.3)	(82.2)
Share of results from associated companies	(0.7)	(0.8)	-	-	(0.7)	(0.8)
Interest expense	(25.9)	(21.4)	-	-	(25.9)	(21.4)
Other financial expense, net	10.4	(5.5)	-	-	10.4	(5.5)
Income (loss) before income tax expense	(20.1)	(81.5)	(3.4)	(28.4)	(23.5)	(109.9)
Income tax	(2.5)	(1.5)	-	-	(2.5)	(1.5)
Net income (loss) to equity holders of PGS ASA	**(22.6)**	**(83.0)**	**(3.4)**	**(28.4)**	**(26.0)**	**(111.4)**
Other comprehensive income						
Items that will not be reclassified to profit and loss	8.7	(26.9)	-	-	8.7	(26.9)
Items that may be subsequently reclassified to profit and loss	0.9	(0.6)	-	-	0.9	(0.6)
Other comprehensive income (loss) for the period, net of tax	9.6	(27.5)	-	-	9.6	(27.5)
Total comprehensive income (loss) to equity holders of PGS ASA	**(13.0)**	**(110.5)**	**(3.4)**	**(28.4)**	**(16.4)**	**(138.9)**

(In millions of US dollars)	Year to date June 30, 2021	2020	2021	2020	2021	2020
	Segment Reporting		Adjustments		As Reported	
Revenues and Other Income	284.0	307.0	67.7	(87.9)	351.7	219.1
Cost of sales	(93.6)	(100.6)	-	-	(93.6)	(100.6)
Research and development costs	(3.0)	(5.6)	-	-	(3.0)	(5.6)
Selling, general and administrative costs	(18.9)	(21.1)	-	-	(18.9)	(21.1)
Amortization and impairment of MultiClient library	(141.2)	(140.9)	(62.3)	44.0	(203.5)	(96.9)
Depreciation and amortization of non-current assets (excl. MultiClient library)	(45.5)	(47.6)	-	-	(45.5)	(47.6)
Impairment and loss on sale of non-current assets (excl. MultiClient library)	-	(78.4)	-	-	-	(78.4)
Other charges, net	3.1	(31.2)	-	-	3.1	(31.2)
Total operating expenses	(299.1)	(425.4)	(62.3)	44.0	(361.4)	(381.4)
Operating profit (loss)/EBIT	(15.1)	(118.4)	5.4	(43.9)	(9.7)	(162.3)
Share of results from associated companies	(1.1)	(26.8)	-	-	(1.1)	(26.8)
Interest expense	(47.1)	(37.8)	-	-	(47.1)	(37.8)
Other financial expense, net	(1.6)	1.8	-	-	(1.6)	1.8
Income (loss) before income tax expense	(64.9)	(181.2)	5.4	(43.9)	(59.5)	(225.1)
Income tax	(5.7)	(3.7)	-	-	(5.7)	(3.7)
Net income (loss) to equity holders of PGS ASA	**(70.6)**	**(184.9)**	**5.4**	**(43.9)**	**(65.2)**	**(228.8)**
Other comprehensive income						
Items that will not be reclassified to profit and loss	18.7	(19.5)	-	-	18.7	(19.5)
Items that may be subsequently reclassified to profit and loss	2.1	(6.1)	-	-	2.1	(6.1)
Other comprehensive income (loss) for the period, net of tax	20.8	(25.6)	-	-	20.8	(25.6)
Total comprehensive income (loss) to equity holders of PGS ASA	**(49.8)**	**(210.5)**	**5.4**	**(43.9)**	**(44.4)**	**(254.4)**

Condensed Consolidated Statements of Financial Position

(In millions of US dollars)	Segment Reporting June 30, 2021	Segment Reporting June 30, 2020	Adjustments June 30, 2021	Adjustments June 30, 2020	As Reported June 30, 2021	As Reported June 30, 2020
ASSETS						
Cash and cash equivalents	155.4	234.9	-	-	155.4	234.9
Restricted cash	10.9	7.5	-	-	10.9	7.5
Accounts receivables	118.6	69.3	-	-	118.6	69.3
Accrued revenues and other receivables	107.8	131.6	(45.2)	(88.9)	62.6	42.7
Other current assets	67.0	66.4	-	-	67.0	66.4
Total current assets	459.7	509.7	(45.2)	(88.9)	414.5	420.8
Property and equipment	852.5	985.9	-	-	852.5	985.9
MultiClient library	504.8	565.0	7.4	82.8	512.2	647.8
Restricted cash	61.6	38.2	-	-	61.6	38.2
Other non-current assets	14.7	17.9	-	-	14.7	17.9
Other intangible assets	90.7	97.2	-	-	90.7	97.2
Total non-current assets	1,524.3	1,704.2	7.4	82.8	1,531.7	1,787.0
Total assets	**1,984.0**	**2,213.9**	**(37.8)**	**(6.1)**	**1,946.2**	**2,207.8**
LIABILITIES AND SHAREHOLDERS' EQUITY						
Interest bearing debt	-	199.9	-	-	-	199.9
Lease liabilities	40.0	38.8	-	-	40.0	38.8
Accounts payable	49.3	52.7	-	-	49.3	52.7
Accrued expenses and other current liabilities	108.7	146.8	(17.1)	(16.1)	91.6	130.7
Deferred revenues	4.9	3.0	126.2	153.0	131.1	156.0
Income taxes payable	13.7	14.7	-	-	13.7	14.7
Total current liabilities	216.6	455.9	109.1	136.9	325.7	592.8
Interest bearing debt	1,126.9	942.5	-	-	1,126.9	942.5
Lease liabilities	99.1	130.0	-	-	99.1	130.0
Deferred tax liabilities	0.1	0.1	-	-	0.1	0.1
Other non-current liabilities	36.4	68.7	-	-	36.4	68.7
Total non-current liabilities	1,262.5	1,141.3	-	-	1,262.5	1,141.3
Common stock; par value NOK 3; issued and outstanding 394,825,920 shares	156.9	154.2	-	-	156.9	154.2
Additional paid-in capital	932.4	927.7	-	-	932.4	927.7
Total paid-in capital	1,089.3	1,081.9	-	-	1,089.3	1,081.9
Accumulated earnings	(575.2)	(451.7)	(146.9)	(143.0)	(722.1)	(594.7)
Other capital reserves	(9.2)	(13.5)	-	-	(9.2)	(13.5)
Total shareholders' equity	504.9	616.7	(146.9)	(143.0)	358.0	473.7
Total liabilities and shareholders' equity	**1,984.0**	**2,213.9**	**(37.8)**	**(6.1)**	**1,946.2**	**2,207.8**

Condensed Consolidated Statements of Cash Flows

(In millions of US dollars)	Quarter ended June 30, 2021	2020	2021	2020	2021	2020
	Segment Reporting		Adjustments		As Reported	
Income (loss) before income tax expense	(20.1)	(81.5)	(3.4)	(28.4)	(23.5)	(109.9)
Depreciation, amortization, impairment	88.6	119.1	37.5	(20.0)	126.1	99.1
Share of results in associated companies	0.7	0.8	-	-	0.7	0.8
Interest expense	25.9	21.4	-	-	25.9	21.4
Loss (gain) on sale and retirement of assets	0.3	-	-	-	0.3	-
Income taxes paid	(1.8)	(9.5)	-	-	(1.8)	(9.5)
Other items	(4.1)	1.4	-	-	(4.1)	1.4
(Increase) decrease in accounts receivables, accrued revenues & other receivables	(19.9)	22.5	(23.7)	33.7	(43.6)	56.2
Increase (decrease) in deferred revenues	(0.5)	(9.8)	(11.3)	14.7	(11.8)	4.9
Increase (decrease) in accounts payable	19.3	(13.7)	-	-	19.3	(13.7)
Change in other current items related to operating activities	(4.6)	19.0	0.9	-	(3.7)	19.0
Change in other long-term items related to operating activities	(2.4)	(2.2)	-	-	(2.4)	(2.2)
Net cash provided by operating activities	**81.4**	**67.5**	**-**	**-**	**81.4**	**67.5**
Investment in MultiClient library	(25.7)	(64.7)	-	-	(25.7)	(64.7)
Investment in property and equipment	(9.8)	(13.1)	-	-	(9.8)	(13.1)
Investment in other intangible assets	(3.0)	(2.0)	-	-	(3.0)	(2.0)
Investment in other current -and non-current assets assets	-	-	-	-	-	-
Proceeds from sale and disposal of assets	-	24.7	-	-	-	24.7
Decrease (increase) in long-term restricted cash	-	-	-	-	-	-
Net cash used in investing activities	**(38.5)**	**(55.1)**	**-**	**-**	**(38.5)**	**(55.1)**
Proceeds, net of deferred loan costs, from issuance of non-current debt a)	(0.8)	-	-	-	(0.8)	-
Interest paid on interest bearing debt	(20.1)	(17.0)	-	-	(20.1)	(17.0)
Repayment of interest bearing debt	-	(14.0)	-	-	-	(14.0)
Net change of drawing on the Revolving Credit Facility	-	-	-	-	-	-
Proceeds from share issue	-	-	-	-	-	-
Payment of lease liabilities (recognized under IFRS 16)	(10.0)	(10.7)	-	-	(10.0)	(10.7)
Payments of leases classified as interest	(2.3)	(2.7)	-	-	(2.3)	(2.7)
Decrease (increase) in restricted cash related to debt service	1.8	-			1.8	-
Net cash (used in) provided by financing activities	**(31.4)**	**(44.4)**	**-**	**-**	**(31.4)**	**(44.4)**
Net increase (decrease) in cash and cash equivalents	11.5	(32.0)	-	-	11.5	(32.0)
Cash and cash equivalents at beginning of period	143.9	266.9	-	-	143.9	266.9
Cash and cash equivalents at end of period	**155.4**	**234.9**	**-**	**-**	**155.4**	**234.9**

a) For Q2 2021, the amount represents the fees and expenses relating to the amendment of debt maturities offset by cash proceeds from the convertible bond issue.

(In millions of US dollars)	Year to date June 30,					
	2021	2020	2021	2020	2021	2020
	Segment Reporting		Adjustments		As Reported	
Income (loss) before income tax expense	(64.9)	(181.2)	5.4	(43.9)	(59.5)	(225.1)
Depreciation, amortization, impairment	186.6	266.9	62.3	(44.0)	248.9	222.9
Share of results in associated companies	1.1	26.8	-	-	1.1	26.8
Interest expense	47.1	37.8	-	-	47.1	37.8
Loss (gain) on sale and retirement of assets	0.3	0.3	-	-	0.3	0.3
Income taxes paid	(4.8)	(14.7)	-	-	(4.8)	(14.7)
Other items	3.0	(6.7)	-	-	3.0	(6.7)
(Increase) decrease in accounts receivables, accrued revenues & other receivables	8.9	127.7	(32.3)	45.7	(23.4)	173.4
Increase (decrease) in deferred revenues	(18.4)	(11.5)	(39.1)	43.7	(57.5)	32.2
Increase (decrease) in accounts payable	18.2	(0.6)	-	-	18.2	(0.6)
Change in other current items related to operating activities	(5.3)	4.1	3.7	(1.5)	(1.6)	2.6
Change in other long-term items related to operating activities	(1.8)	(5.5)	-	-	(1.8)	(5.5)
Net cash provided by operating activities	**170.0**	**243.4**	**-**	**-**	**170.0**	**243.4**
Investment in MultiClient library	(69.0)	(132.3)	-	-	(69.0)	(132.3)
Investment in property and equipment	(18.1)	(23.5)	-	-	(18.1)	(23.5)
Investment in other intangible assets	(5.2)	(4.8)	-	-	(5.2)	(4.8)
Investment in other current -and non-current assets assets	-	-	-	-	-	-
Proceeds from sale and disposal of assets	-	25.1	-	-	-	25.1
Decrease (increase) in long-term restricted cash	-	-	-	-	-	-
Net cash used in investing activities	**(92.3)**	**(135.5)**	**-**	**-**	**(92.3)**	**(135.5)**
Proceeds, net of deferred loan costs, from issuance of non-current debt a)	(19.2)	124.2	-	-	(19.2)	124.2
Interest paid on interest bearing debt	(40.0)	(32.6)	-	-	(40.0)	(32.6)
Repayment of interest bearing debt	-	(240.3)	-	-	-	(240.3)
Net change of drawing on the Revolving Credit Facility	-	170.0	-	-	-	170.0
Proceeds from share issue (a)	-	91.9	-	-	-	91.9
Payment of lease liabilities (recognized under IFRS 16)	(19.5)	(21.2)	-	-	(19.5)	(21.2)
Payments of leases classified as interest	(4.7)	(5.7)	-	-	(4.7)	(5.7)
Decrease (increase) in restricted cash related to debt service	4.4	-	-	-	4.4	-
Net cash (used in) provided by financing activities	**(79.0)**	**86.3**	**-**	**-**	**(79.0)**	**86.3**
Net increase (decrease) in cash and cash equivalents	(1.3)	194.2	-	-	(1.3)	194.2
Cash and cash equivalents at beginning of period	156.7	40.6	-	-	156.7	40.6
Cash and cash equivalents at end of period	**155.4**	**234.9**	**-**	**-**	**155.4**	**234.9**

a) For the first half 2021, the amount represents the fees and expenses relating to the amendment of debt maturities offset by cash proceeds from the convertible bond issue

Responsibility statement

We confirm that, to the best of our knowledge, the condensed set of financial statements for the first half year 2021, which has been prepared in accordance with IAS 34 Interim Financial reporting gives a true and fair view of the Company's consolidated assets, liabilities, financial position and result of operations, and that the first half 2021 report includes a fair review of the information required under the Norwegian Securities Trading Act section 5-6 fourth paragraph.

Oslo, July 21, 2021

Walter Qvam
Chairperson

Richard Herbert
Director

Anne Grethe Dalane
Director

Trond Brandsrud
Director

Marianne Kah
Director

Anette Valbø
Director

Gunhild Myhr
Director

Eivind Vesterås
Director

Rune Olav Pedersen
President & Chief Executive Officer

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PGS ASA and its subsidiaries ("PGS" or "the Company") is an integrated marine geophysics company, which operates on a world-wide basis. PGS business supports the energy industry, including oil and gas, offshore renewables, carbon capture and storage. The Company's headquarter is in Oslo, Norway and the PGS share is listed on the Oslo stock exchange (OSE: PGS). For more information on PGS visit www.pgs.com.

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The information included herein contains certain forward-looking statements that address activities, events or developments that the Company expects, projects, believes or anticipates will or may occur in the future. These statements are based on various assumptions made by the Company, which are beyond its control and are subject to certain additional risks and uncertainties. The Company is subject to a large number of risk factors including but not limited to the demand for seismic services, the demand for data from our multi-client data library, the attractiveness of our technology, unpredictable changes in governmental regulations affecting our markets and extreme weather conditions. For a further description of other relevant risk factors we refer to our Annual Report for 2020. As a result of these and other risk factors, actual events and our actual results may differ materially from those indicated in or implied by such forward-looking statements. The reservation is also made that inaccuracies or mistakes may occur in the information given above about current status of the Company or its business. Any reliance on the information above is at the risk of the reader, and PGS disclaims any and all liability in this respect.

FOR DETAILS CONTACT:
Bård Stenberg, VP IR & Communication
Phone: +47 67 51 43 16
Mobile: +47 992 45 235

PGS Main Offices:

OSLO (headquarter)
PGS ASA
Lilleakerveien 4C
P.O.Box 251 Lilleaker
0216 Oslo, Norway
Phone: +47 67 52 64 00

HOUSTON
Petroleum Geo-Services, Inc.
West Memorial Place I
15375 Memorial Drive, Suite 100
Houston Texas 77079, USA
Phone: +1 281 509 8000

LONDON
Petroleum Geo-Services (UK) Ltd.
4 The Heights
Brooklands ‘
Weybridge
Surrey KT13 0N Y, UK
Phone: +44 1932 3760 00

Board of Directors:
Walter Qvam (Chairperson)
Anne Grethe Dalane
Marianne Kah
Richard Herbert
Trond Brandsrud
Anette Valbø (employee elected)
Gunhild Myhr (employee elected)
Eivind Vesterås (employee elected)

Executive Officers:

Rune Olav Pedersen	President & CEO
Gottfred Langseth	EVP & CFO
Nathan Oliver	EVP Sales & Services
Rob Adams	EVP Operations
Berit Osnes	EVP New Energy

Other Corporate Management:

Magnus Christiansen	SVP HSEQ
Erik Ewig	SVP Technology & Digitalization
Lars Mysen	General Counsel
Kristin Omreng	SVP HR
Kai Reith	SVP Corporate Development
Bård Stenberg	VP IR & Communication

Web-Site:
www.pgs.com

Financial Calendar:

Q2 2021 report	July 22, 2021
Q3 2021 report	October 21, 2021
Q4 2021 report	January 27, 2022

The dates are subject to change.