TGS

EARNINGS RELEASE

4th QUARTER 2022 RESULT

4th QUARTER 2022 FINANCIAL HIGHLIGHTS

(All amounts in USD 1,000s unless noted otherwise)	Q4 2022	Q4 2021 Restated[1]	YTD 2022	YTD 2021 Restated[1]
Operating revenues [2]	**219,013**	**104,661**	**716,633**	**518,689**
- Early sales	22,831	40,213	257,272	353,777
- Late sales	136,608	52,755	374,132	140,384
- Proprietary sales	59,574	11,695	85,230	24,528
EBITDA	**143,529**	**69,199**	**538,857**	**405,784**
Operating profit (EBIT)	**64,626**	**-100,789**	**130,736**	**-72,331**
Operating profit margin	30%	-96%	18%	-14%
Net Income	**42,057**	**-76,994**	**86,669**	**-75,985**
EPS (fully diluted) (USD)	0.34	-0.66	0.73	-0.65
Organic multi-client investments in new projects	55,880	53,687	223,625	182,178
Inorganic multi-client investments in new projects	21,597	11,000	37,743	16,000
Straight-line Amortization of multi-client library	38,724	42,962	153,545	174,276
Accelerated Amortization of multi-client library	13,865	50,938	201,702	213,248
Impairment of multi-client library	9,121	71,336	19,314	71,336
Multi-client library net book value	591,675	704,868	591,675	704,868
Free cash flow (after organic MC investments)	41,672	58,106	142,561	173,514
Cash balance	188,452	215,329	188,452	215,329
Return on average capital employed [3]	13%	-7%		
PoC Revenues	226,885	119,503	595,363	308,877
PoC Early Sales	30,703	55,053	136,002	143,965
PoC Early Sales Rate (%)	55%	103%	61%	79%
Contract backlog	566,675	334,380	566,675	334,380
Contract inflow	283,360	162,822	671,267	310,153

- Total revenues of USD 219.0 million compared to USD 104.7 million in Q4 2021 – strong late sales of USD 136.6 million.
- Magseis Fairfield ASA was consolidated from 11 October 2022 and contributed USD 54 million to revenues.
- Operating profit of USD 64.6 million versus operating loss of USD 100.8 million in Q4 2021.
- Balance sheet remains robust despite substantial M&A activity throughout 2022.
- Guidance for 2023:
    - Multi-client investments of USD 320 - 350 million
    - PoC early sales rate of more than 70%
    - Quarterly dividend of USD 0.14 per share

"This quarter saw a further acceleration of the strong sales seen earlier in 2022. In Q4 2022, we achieved our highest fourth quarter late sales since 2014. In addition, we have seen solid growth in order inflow related to new investments lately, meaning that the multi-client backlog increased significantly in the quarter. Magseis Fairfield ASA, which was consolidated into the TGS results from 11 October 2022, contributed to a total contract backlog of USD 567 million at the end of 2022."

Kristian Johansen, CEO of TGS.

1) Q4 2021 and YTD 2021 figures have been restated. Refer to note 2 and note 9 of the condensed consolidated financial statements for more details.
2) Operating revenues shows a reallocation from Well Data subscriptions from Early Sales to Late Sales in Q4 2021 and YTD 2021.
3) 12 months trailing.

OPERATING REVENUES AND OPERATING PROFIT

Revenues amounted to USD 219.0 million in Q4 2022, an increase of 109% from USD 104.7 million in Q4 2021. Late sales amounted to USD 136.6 million in Q4 2022 versus USD 52.8 million in Q4 2021, an increase of 159%. Early sales decreased to USD 22.8 million in Q4 2022 from USD 40.2 million in Q4 2021. Proprietary revenues increased from USD 11.7 million in Q4 2021 to USD 59.6 million in Q4 2022, primarily due to ongoing acquisition contracts undertaken by Magseis Fairfield ASA ("Magseis"), which was consolidated into the TGS results from 11 October 2022. Magseis contributed USD 54 million to total revenues after eliminating USD 6.4 million of revenues related to work conducted on behalf of TGS.

Amortization and impairments of the multi-client library amounted to USD 61.7 million in Q4 2022 versus USD 165.2 million in Q4 2021. Of this, straight-line amortization was USD 38.7 million (USD 43.0 million in Q4 2021), accelerated amortization was USD 13.9 million (USD 50.9 million in Q4 2021), and impairment was USD 9.1 million (USD 71.3 million in Q4 2021).

Personnel costs were USD 29.9 million compared to USD 14.2 million in Q4 2021. Other operating expenses amounted to USD 18.5 million compared to USD 12.7 million in Q4 2021. Cost of goods sold were USD 27.1 million in Q4 2022 compared to USD 8.5 million in Q4 2021. The year-on-year increases are primarily related to a substantial increase in headcount and activity caused by the acquisitions during 2022 of Magseis and Prediktor AS, as well as the multi-client and processing business of ION Geophysical.

Operating profit amounted to USD 64.6 million in Q4 2022 compared to a loss of USD 100.8 million in the same quarter of last year.

FINANCIAL ITEMS AND PROFIT BEFORE TAX

Net financial items for Q4 2022 totaled USD 3.5 million compared to USD -4.1 million in Q4 2021. The difference is mostly attributed to currency effects. Q4 2022 had a net currency gain of USD 4.8 million versus a loss of USD 3.8 million Q4 2021.

Profit before tax was USD 68.1 million in Q4 2022 compared to a loss of USD 104.9 million in Q4 2021.

TAX AND NET INCOME

TGS reports tax charges in accordance with the Accounting Standard IAS 12. Taxes are computed based on the USD value of the appropriate tax provisions according to local tax regulations. The tax charges are influenced not only by local profits, but also by fluctuations in exchange rates between the respective local currencies and USD. This computation makes it difficult to predict tax charges on a quarterly or annual basis.

TGS' corporate income tax rate is a weighted average rate primarily based on the tax rates of Norway (22%), Brazil (34%) and the US (21%).

The tax expense for Q4 2022 was USD 26.0 million (USD -27.9 million in Q4 2021), corresponding to a tax rate of 38% (28% in Q4 2021).

Net income amounted to USD 42.1 million in Q4 2022, compared to USD -77.0 million in Q4 2021. This corresponds to a fully diluted EPS of USD 0.34 in Q4 2022 versus USD -0.66 in Q4 2021.

BALANCE SHEET

As of 31 December 2022, TGS had a cash balance of USD 188.5 million, a decrease of USD 26.9 million from 31 December 2021 (USD 215.3 million).

The net book value of the multi-client library was USD 591.7 million as of 31 December 2022, compared to USD 704.9 million as of 31 December 2021. The decline reflects that straight-line amortization, accelerated amortization and impairments recorded during 2022 were higher than the investments.

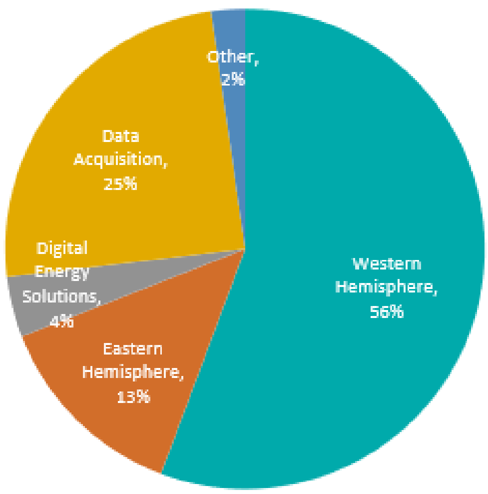
Organic multi-client investments amounted to USD 55.9 million in Q4 2022, 4% higher than the USD 53.7 million invested in Q4 2021. Q4 2022 investments included substantial non-cash investments related to historical projects with vendor risk-sharing arrangements.

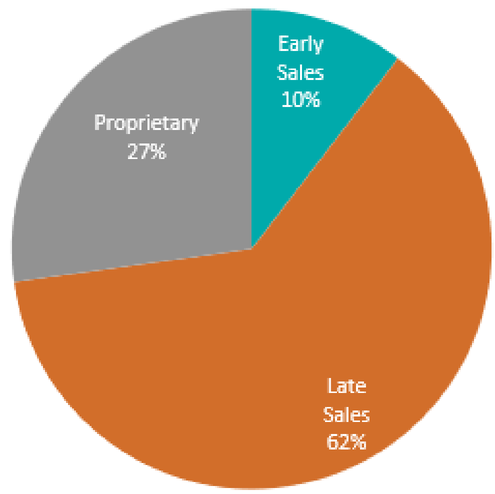
Total equity as of 31 December 2022 was USD 1,242.6 million, corresponding to 66% of total assets. On 31 December 2021, total equity amounted to USD 1,115.3 million (68% of total assets).

CASH FLOW

Free cash flow (cash flow from operations after organic investments in the multi-client library) was USD 41.7 million for Q4 2022 compared to USD 58.1 million in Q4 2021. Net cash flow from operations for the quarter totaled USD 119.5 million, compared to USD 120.3 million in Q4 2021. Net decrease in cash for Q4 2022 was USD 3.8 million (increase of USD 17.2 million in Q4 2021). Cash outflows related to organic investments in the multi-client library were USD 77.9 million, compared to USD 62.2 million in Q4 2021. Inorganic cash investments related to the acquisition of Magseis amounted to USD 13.7 million.

Revenue Distribution





Source: TGS

DIVIDEND

It is the ambition of TGS to pay a cash dividend that is in line with its long-term underlying cash flow. When deciding the dividend amount, the TGS Board of Directors will consider expected cash flow, investment plans, financing requirements and a level of financial flexibility that is appropriate for the TGS business model. In addition to paying a cash dividend, TGS may also buy back own shares as part of its plan to distribute capital to shareholders.

Since 2016, TGS has paid quarterly dividends in accordance with the resolution made by the annual general meeting. The aim will be to keep a stable quarterly dividend through the year, though the actual level paid will be subject to continuous evaluation of the underlying development of TGS and the market.

The Board of Directors has resolved to maintain the dividend at USD 0.14 per share in Q1 2023. The dividend will be paid in the form of NOK 1.46 per share on 2 March 2023. The share will trade ex-dividend on 16 February 2023. In Q4 2022, TGS paid a cash dividend of USD 0.14 per share (NOK 1.48 per share).

OPERATIONAL REVIEW

Contract inflow was USD 283 million in Q4 2022 compared to USD 163 million (USD 280 million pro-forma including Magseis) in Q4 2021. As a result of the order inflow being higher than revenue recognition, as well as the inclusion of Magseis during the quarter, the contract backlog increased to USD 567 million at the end of the quarter from USD 225 million (USD 506 million pro-forma including Magseis) at the end of the preceding quarter. The contract backlog at the end of Q4 2021 was USD 334 million (USD 602 million pro-forma including Magseis).

In total, multi-client investments amounted to USD 55.9 million in Q4 2022, with a substantial amount consisting of non-cash investments related to historical projects with vendor risk-sharing arrangements. The quarter was characterized by low data acquisition activity, and organic multi-client investments were largely driven by data processing, as well as mobilization for new projects.

Magseis' operations were consolidated with TGS with effect from 11 October 2022. The ZXPLR 1 crew mobilized to Guyana in the beginning of the quarter and commenced operations in October. The ZXPLR 2 crew completed its previous assignment in Gulf of Mexico and commenced acquisition of the TGS multi-client project Amendment II in December. The Z700 and MASS crews were idle in the quarter. Both are scheduled to commence new projects towards the end of Q1 2023.

During the quarter, Magseis sold older generation nodes for total proceeds of USD 3.8 million.

The Digital Energy Solutions business continued to progress as anticipated during the quarter. 4C Offshore delivered a strong end to the year, leading to a sales growth of 25% for the full year (in local currency). Prediktor's asset management and performance monitoring solutions performed well with a pro-forma revenue contribution of more than USD 6 million in 2022.

The node pilot part of the Greensand CCS project in Denmark commenced in December 2022, with data acquisition completed in January 2023. The results will serve to develop new CCS monitoring technologies.

MERGERS AND ACQUISITIONS

On 29 June 2022, TGS announced its intent to launch a recommended voluntary exchange offer, through a combination of TGS common shares and cash, for all outstanding shares of Magseis, which was formally launched on 24 August 2022. Upon expiration of the offer period on 28 September 2022, approximately 75% of the Magseis shareholders had accepted the offer, with settlement completed on 11 October 2022. TGS launched a mandatory cash offer for the remaining shares on Magseis on 10 November 2022. When the mandatory offer period lapsed on 21 December 2022, another 22% of shareholders accepted the offer, taking TGS' ownership up to 97%. On 5 January 2023, TGS announced the compulsory acquisition of the remaining shares in cash.

The total proceeds paid for Magseis was USD 225.3 million, representing the issuance of 8,726,649 shares of TGS stock with the remaining USD 100.0 million in cash.

Magseis is the global leading provider of ocean bottom seismic (OBS) technology and data acquisition projects. The company has a flexible business model with full scale node operations, as well as lease and sale models for its node inventory. The Marine Autonomous Seismic System "MASS" nodes and the range of Z-nodes, combined with handling systems and source technology, enable market leading deployment speed and highly cost-efficient acquisition of data with high quality.

OUTLOOK

With the combination of high energy prices, renewed focus on energy security and increased acceptance of the continued long-term need for hydrocarbons in most of the realistic energy transition scenarios, global exploration and production (E&P) spending has recovered rapidly from the historical low levels experienced under the COVID-triggered downturn in 2020 and 2021. The growth in global upstream spending was approximately 20% in 2022 and is expected to be in the range of 15 – 20% in 2023 based on recent guidance from E&P companies.

2022 saw a surge in demand for exploration data, both in mature and frontier areas, resulting in 167% growth in TGS' late sales of vintage data compared to 2021. Through its extensive data offering, TGS is well positioned to continue to benefit from an improved spending cycle. During the second half of 2022, TGS secured more than USD 140 million of pre-funding for new investments and more than USD 200 million of multi-client investments are committed currently. Adding a growing pipeline of further project opportunities, organic investments in new surveys are expected to be in the range of USD 320 - 350 million in 2023 (USD 224 million in 2022), with a PoC early sales rate (measured according to percentage of completion of the relevant projects divided by the associated investments) of more than 70% (61% in 2022).

The market for acquisition of OBN data is also expected to benefit from the growth in E&P companies' spending. Based on contracts already awarded, further contract opportunities in the pipeline and available supply capacity, the global mid-to-deep water OBN market is expected to grow significantly in 2023.

Through its Digital Energy Solutions (DES) business, TGS is providing energy data and insights through digital platform solutions. In particular, offerings directed towards renewable energy, such as wind and solar, are growing rapidly. In total, the Annual Recurring Revenue (ARR), which is currently approximately USD 16 million, is expected to grow at a double-digit pace in 2023.

TGS will provide further details on the financial outlook during the Capital Markets Day scheduled for 7 March 2023.

Oslo, 8 February 2022
The Board of Directors of TGS ASA

ABOUT TGS

TGS provides scientific data and intelligence to companies active in the energy sector. In addition to a global, extensive and diverse energy data library, TGS offers specialized services such as advanced processing and analytics alongside cloud-based data applications and solutions.

TGS ASA is listed on the Oslo Stock Exchange (OSLO:TGS).
TGS sponsored American Depositary Shares trade on the U.S. over-the-counter market under the symbol "TGSGY".
Website: www.tgs.com

CONTACT FOR ADDITIONAL INFORMATION

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CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

(All amounts in USD 1,000s unless noted otherwise)	Note	Q4 2022	Q4 2021 Restated[1]	YTD 2022	YTD 2021 Restated[1]
Revenue	4	**219,013**	**104,661**	**716,633**	**518,689**
Cost of goods sold - proprietary and other	4	27,056	8,497	37,527	11,625
Straight-line amortization of the multi-client library	4,5	38,724	42,962	153,545	174,276
Accelerated amortization of the multi-client library	4,5,6	13,865	50,938	201,702	213,248
Impairment of the multi-client library	4,5,6	9,121	71,336	19,314	71,336
Personnel costs	4	29,943	14,241	86,407	54,870
Other operating expenses	4	18,485	12,724	53,843	46,410
Depreciation, amortization and impairment	4	17,193	4,752	33,561	19,255
Total operating expenses		**154,387**	**205,450**	**585,898**	**591,021**
Operating profit/(loss)	4	**64,626**	**-100,789**	**130,736**	**-72,331**
Financial income		637	1,942	2,396	2,525
Financial expenses		-3,209	-2,310	-8,508	-6,362
Net exchange gains/(losses)		4,780	-3,754	1,692	-8,918
Gains/(losses) from joint ventures		1,251	-	1,251	-
Net financial items		**3,459**	**-4,122**	**-3,169**	**-12,756**
Profit/(loss) before taxes		**68,085**	**-104,911**	**127,567**	**-85,087**
Taxes		26,027	-27,917	40,898	-9,103
Net Income		**42,057**	**-76,994**	**86,669**	**-75,985**
Earnings per share (USD)		0.34	-0.66	0.74	-0.65
Earnings per share, diluted (USD)		0.34	-0.66	0.73	-0.65
Other comprehensive income:					
Exchange differences on translation of foreign operations		60		-306	
Total comprehensive income for the period		**42,117**	**-76,994**	**86,363**	**-75,985**
Compehensive income attributable to non-controlling interests		-171	-	-171	-
Total comprehensive attributable to TGS shareholders		**41,946**	**-76,994**	**86,192**	**-75,985**

[1] Q4 2021 and YTD 2021 figures are restated. Refer to note 2 and note 9 of the condensed consolidated financial statements for more details.

CONDENSED CONSOLIDATED FINANCIAL POSITION

(All amounts in USD 1,000s unless noted otherwise)	Note	31-Dec-22	31-Dec-21 Restated[1]
Goodwill	6	371,712	303,964
Intangible assets: Multi-client library	5,6	591,675	704,868
Other intangible assets		65,805	25,477
Deferred tax assets		131,534	95,888
Buildings, machinery and equipment		145,098	19,519
Right-of-use-asset	6	59,619	35,770
Sub-lease asset		672	1,258
Other non-current assets		11,711	7,791
Total non-current assets		**1,377,827**	**1,194,533**
Accounts receivable	6	142,781	113,513
Accrued revenues		97,538	32,551
Inventory		6,575	-
Other current assets		78,463	73,901
Cash and cash equivalents		188,452	215,329
Total current assets		**513,810**	**435,294**
Total assets		**1,891,636**	**1,629,827**
Share capital		4,259	4,086
Other equity		1,238,306	1,111,242
Total equity		**1,242,565**	**1,115,328**
Other non-current liabilities		42,408	2,706
Lease liability		28,609	33,022
Deferred tax liability		73,068	32,059
Total non-current liabilities		**144,085**	**67,787**
Short term interest bearing debt	10	44,748	-
Accounts payable and debt to partners		72,862	71,669
Taxes payable, withheld payroll tax, social security and VAT		77,223	77,941
Lease liability		38,350	10,782
Deferred revenue		126,462	238,169
Other current liabilities		145,341	48,151
Total current liabilities		**504,986**	**446,712**
Total liabilities		**649,071**	**514,499**
Total equity and liabilities		**1,891,636**	**1,629,827**

[1] 31 December 2021 balances are restated. Refer to note 2 and note 9 of the condensed consolidated financial statements for more details.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the twelve months ending December 31, 2022

(All amounts in USD 1,000s unless noted otherwise)	Share Capital	Treasury Shares	Share Premium	Currency Translation Reserve	Retained Earnings	Non-controlling interest	Total Equity
Opening balance 1 January 2022	**4,086**	**-38**	**416,878**	**-22,233**	**671,394**	**-7**	**1,115,328**
Net income	-	-	-	-	86,498	171	86,669
Translation effect	-	-	-	-306	-	-	-306
Total Comprehensive income	**-**	**-**	**-**	**-306**	**86,498**	**171**	**86,363**
Purchase of own shares	-	-13	-	-	-7,001	-	-7,015
Cancellation of treasury shares held	-33	33	15,928	-	-15,928	-	-
Distribution of treasury shares	-	0	-	-	149	-	150
Capital Increase	203	-	106,155	-	18,882	-	125,240
Acquisition of Magseis Fairfield ASA [1]	-	-	-1,378	-	-16,497	4,284	-13,591
Cost of equity-settled long term incentives	3	-	-	-	2,223	-	2,226
Dividends	-	-	-	-	-66,136	-	-66,136
Closing balance as of 31 December 2022	**4,259**	**-18**	**537,583**	**-22,539**	**673,583**	**4,448**	**1,242,565**

For the twelve months ending December 31, 2021

(All amounts in USD 1,000s unless noted otherwise)	Share Capital	Treasury Shares	Share Premium	Other Paid-In Capital	Currency Translation Reserve	Retained Earnings Restated [2]	Non-controlling interest	Total Equity
Opening balance 1 January 2021	**4,082**	**-2**	**416,878**	**45,248**	**-22,233**	**824,690**	**-7**	**1,268,657**
Net income	-	-	-	-	-	-75,985	-	-75,985
Other comprehensive income	-	-	-	-	-	-	-	-
Total Comprehensive income	**-**	**-**	**-**	**-**	**-**	**-75,985**	**-**	**-75,985**
Purchase of own shares	-	-38	-	-	-	-15,651	-	-15,689
Cancellation of treasury shares held	-1	1	-	-	-	-	-	-
Distribution of treasury shares	-	-	-	-	-	-	-	-
Cost of equity-settled long term incentives	5	-	-	-	-	3,627	-	3,632
Dividends	-	-	-	-	-	-65,524	-	-65,524
Closing balance as of 31 December 2021	**4,086**	**-38**	**416,878**	**45,248**	**-22,233**	**671,394**	**-7**	**1,115,328**

1) The change in retained earnings relates to the buyout of 22% minority share. Refer to note 11 for more details.
2) The opening balance 1 January 2021 and net income for YTD 2021 have been restated. Refer to note 2 and note 9 of the condensed consolidated financial statements for more details.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW

(All amounts in USD 1,000s unless noted otherwise)	Note	Q4 2022	Q4 2021 Restated[1]	YTD 2022	YTD 2021 Restated[1]
Cash flow from operating activities:					
Profit before taxes		68,085	-104,911	127,567	-85,087
Depreciation / amortization / impairment		78,903	169,988	408,122	478,116
Changes in accounts receivable and accrued revenues		-27,701	12,272	-46,665	131,727
Changes in other receivables		-5,557	41,677	31,503	15,632
Changes in balance sheet items		7,847	910	-162,041	-197,865
Paid taxes		-2,045	353	-15,036	-14,179
Net cash flow from operating activities		**119,532**	**120,289**	**343,450**	**328,344**
Cash flow from investing activities:					
Investments in tangible and intangible assets		-8,911	-5,038	-23,663	-13,579
Investments in multi-client library		-77,860	-62,183	-200,889	-154,830
Investments through mergers and acquisitions	11	-13,711	-11,000	-54,860	-34,304
Interest received		4,636	1,942	6,396	2,525
Net cash flow from investing activities		**-95,846**	**-76,279**	**-273,016**	**-200,188**
Cash flow from financing activities:					
Net change in short term loans		-	-	-	-2,500
Interest paid		-3,209	-2,356	-5,608	-6,362
Dividend payments	3	-17,426	-16,295	-66,136	-65,524
Repayment of lease activities		-11,705	-3,218	-20,599	-10,695
Purchase of own shares	3	-	-2,983	-7,015	-15,689
Net cash flow from financing activities		**-32,340**	**-24,852**	**-99,358**	**-100,770**
Net change in cash and cash equivalents		**-8,654**	**19,158**	**-28,924**	**27,386**
Cash and cash equivalents at the beginning of period		192,291	198,120	215,329	195,716
Net unrealized currency gains / (losses)		4,815	-1,949	2,047	-7,773
Cash and cash equivalents at the end of period		**188,452**	**215,329**	**188,452**	**215,329**

[1] Q4 2021 and YTD 2021 figures are restated. Refer to note 2 and note 9 of the condensed consolidated financial statements for more details.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Note 1 General information

TGS ASA is a public limited company listed on the Oslo Stock Exchange. The address of its registered office is Askekroken 11, 0277 Oslo, Norway. References to TGS or the Group include TGS ASA and its subsidiaries, unless the context requires otherwise.

Note 2 Basis for Preparation

The condensed consolidated financial statements of TGS have been prepared in accordance with International Financial Reporting Standards (IFRS) IAS 34 Financial Reporting as approved by EU and additional requirements in the Norwegian Securities Trading Act. The 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 TGS' Annual Report for 2021, which is available at www.tgs.com.

The condensed consolidated cash flow statement of operational cash flow was previously presented both as direct and indirect method. As of Q1 2022, the cash flow statement has been compiled using only the indirect method.

The same accounting policies and methods of computation are followed in the condensed consolidated financial statements as compared with the annual financial statements for 2021.

In this condensed consolidated financial statement, Q4 2021 and YTD 2021 figures have been restated. The changes are included in Note 28 in TGS' Annual Report for 2021, which is available at www.tgs.com. The restatements that affected Q4 2021 and YTD 2021 are visible in note 9 in this condensed consolidated financial statement.

Note 3 Share Capital and Equity

Ordinary shares	Number of shares
1 January 2022	117,441,118
Net change in period	7,486,321
31 December 2022	**124,927,439**

Treasury shares	Number of shares
1 January 2022	1,334,261
Net change in period	-875,746
31 December 2022	**458,515**

The Annual General Meeting on 11 May 2022 renewed the Board of Directors' authorizations to repurchase shares and distribute quarterly dividends on the basis of the 2021 financial statements. The authorizations are valid until Annual General Meeting in 2023, but no later than 30 June 2023.

The net change in treasury shares during 2022 comprises repurchase of 502,107 own shares, transfer of 9,900 shares to Board of Directors and cancellation of 1,367,953 treasury shares.

The Board of Directors has resolved to maintain the dividend at USD 0.14 per share in Q1 2023. The dividend will be paid in the form of NOK 1.46 per share on 2 March 2023. The share will trade ex-dividend on 16 February 2023.

In Q4 2022, TGS paid a cash dividend of USD 0.14 per share (NOK 1.48 per share).

Largest Shareholders as of 31 December 2022	Country	Account type	No. of shares	Share
1. FOLKETRYGDFONDET	Norway	Ordinary	11,032,768	8.8 %
2. State Street Bank and Trust Comp	United States	Nominee	6,507,301	5.2 %
3. JPMorgan Chase Bank, N.A., London	United Kingdom	Nominee	5,431,568	4.3 %
4. The Northern Trust Comp, London Br	United Kingdom	Nominee	5,001,023	4.0 %
5. PARETO AKSJE NORGE VERDIPAPIRFOND	Norway	Ordinary	3,264,495	2.6 %
6. The Bank of New York Mellon	United States	Nominee	2,905,800	2.3 %
7. JPMorgan Chase Bank, N.A., London	United Kingdom	Nominee	2,411,457	1.9 %
8. State Street Bank and Trust Comp	United States	Nominee	2,072,662	1.7 %
9. Fairfield MS LLC	United States	Ordinary	2,055,985	1.6 %
10. AAT INVEST AS	Norway	Ordinary	1,900,000	1.5 %
10 largest			**42,583,059**	**34%**
Total Shares Outstanding *			**124,468,924**	**100%**

Average number of shares outstanding for current quarter *	
Average number of shares outstanding during the quarter	123,509,952
Average number of shares fully diluted during the quarter	124,694,967

*Shares outstanding net of treasury shares per 31 December 2022 (458 515 TGS shares), composed of average outstanding TGS shares during the quarter.

Share price information	
Share price 31 December 2022 (NOK)	132.00
USD/NOK exchange rate end of period	9.86
Market capitalization 31 December 2022 (NOK million)	**16,490**

Note 4 Segment Information

TGS has previously prepared its internal management reporting based on the principles applied prior to the implementation of IFRS 15, Revenue from Customer Contracts. This prior method recognized Early Sales revenue on a percentage of completion basis, and related amortization of multi-client library based upon the ratio of aggregated capitalized survey costs to forecasted sales. From 1 January 2022, the Group has changed the method for reporting revenues and now applies IFRS 15 as the measurement basis for its monthly management reporting.

TGS reports monthly management information to the executive management based on defined operating business units. Where appropriate, these operating business units are aggregated into reportable segments that form the basis of the monthly management reporting. In 2022, management reassessed its reportable segments and reports now five overall business units: Western Hemisphere (WH), Eastern Hemisphere (EH), Digital Energy Solutions (DES), Data Acquisition and Other Business Units. WH consist of North America, Latin America and Land. In EH, TGS groups Europe, Africa & Middle East, Asia Pacific and Interpretative Products. The business in EH and WH is multi-client related. DES consists of three parts: Well Data Products (WDP), New Energy Solutions (NES) and Data Analytics (D&A). In Q4 2022, TGS acquired Magseis, the global leading provider of ocean bottom seismic (OBS) technology and data acquisition projects and will form a new business unit in TGS named Data Acquisition. The scope of the new Data Acquisition business unit is to continue to be the OBN market leader with safe, efficient, and profitable acquisition of proprietary OBN projects. In addition, the business unit will be responsible for the delivery of OBN and towed streamer multi-client projects to the Eastern and Western Hemispheres. The segments that are aggregated and form “Other Business Units” include Imaging (processing of data), Global Services and G&A. The Group does not allocate all cost items to its reportable business units during the year. Unallocated cost items are reported as G&A. There are no intersegment revenues between the reportable segments.

(All amounts in USD 1,000s)	Western Hemisphere	Eastern Hemisphere	Digital Energy Solutions	Other Business units	Data Acquisition	Total
Q4 2022						
Operating revenues	122,000	29,260	8,920	4,981	53,851	219,013
Straight-line amortization	-23,107	-12,315	-3,659	158	198	-38,724
Accelerated amortization / impairment	-9,349	-13,637	-	-	-	-22,985
Other operating cost	-3,522	-3,852	-6,631	-31,391	-47,282	-92,678
Operating profit	**86,022**	**-542**	**-1,369**	**-26,252**	**6,767**	**64,626**
Q4 2021[1]						
Operating revenues	58,037	38,093	7,762	769	-	104,661
Straight-line amortization	-25,748	-13,001	-4,213	-	-	-42,962
Accelerated amortization / impairment	-72,221	-50,052	-	-	-	-122,274
Other operating cost	4,217	-6,819	-5,808	-31,804	-	-40,214
Operating profit	**-35,715**	**-31,779**	**-2,259**	**-31,035**	**0**	**-100,789**

Note 5 Multi-client library

(All amounts in USD millions)	Q4 2022	Q4 2021 Restated[1]	YTD 2022	YTD 2021 Restated[1]
Opening balance net book value[1]	**575.9**	**805.4**	**704.9**	**965.6**
Non-operational investments	21.6	11.0	37.7	16.0
Operational investments	55.9	53.7	223.6	182.2
Amortization and impairment	-61.7	-165.2	-374.5	-458.9
Closing net book value	**591.7**	**704.9**	**591.7**	**704.9**
Net MC revenues	159.4	93.0	631.4	494.2
Change in MC revenue	72%	-48%	28%	44%
Change in Operational MC investment	4%	56%	23%	-45%
Amort. in % of net MC revs.	39%	178%	59%	93%
Change in net book value	-16%	-27%	-16%	-27%

Note 6 Evaluation of estimates and assumptions

Multi-client library

TGS reviews the carrying value of its multi-client libraries and goodwill when there are events and changes in circumstances that indicate that the carrying value of these assets may not be recoverable. TGS has not identified any new impairment triggers warranting an updated impairment test following the detailed process performed in Q4 2021; refer to note 9 to the condensed consolidated financial statements included in the 2021 Annual Report for further details regarding testing performed and principles applied.

Key inputs and assumptions in the impairment model have been revisited as part of the process of evaluating whether any impairment triggers have been identified.

The underlying estimates that form the basis for the sales forecast depend on a number of variables, such as the number of oil and gas exploration and production (E&P) companies operating in the area with potential interest in the data, overall E&P spending, expectations regarding hydrocarbons in the area, oil price, whether licenses will be awarded in the future, expected farm-ins to licenses, relinquishments, etc. The above-mentioned variables are subject to underlying uncertainties.

[1] Q4 2021 and YTD 2021 figures are restated. Refer to note 2 and note 9 of the condensed consolidated financial statements for more details.

Management has evaluated the carrying amount of the net assets of the Group in respect of the market capitalization, changes in interest rates and assumptions applied in the WACC, as well as the developments and expected developments in the Brent Oil Price. The developments through Q4 2022 did not reveal any new factors considered to trigger an impairment analysis. Following internal reporting from TGS business units, evidence available does not indicate that the economic performance of multi-client libraries or the related sales forecasts are worse, or significantly changed, from the assumptions utilized in the impairment tests during the preceding quarter. Notwithstanding the above, TGS has charged impairments of USD 9.2 million to select projects, where customer communication has led to a reduction of future sales forecast.

Goodwill

In accordance with IFRS, TGS tests goodwill for impairment annually at year-end, or more frequently if there are indications that goodwill might be impaired. A group of CGUs should be impaired if the carrying amount is higher than the recoverable amount. The recoverable amount is the higher amount of the fair value and the value in use of a CGU. The carrying amount is the carrying amount of all PPE, intangibles, multi-client library, net working capital and goodwill allocated to the CGUs.

Goodwill acquired through business combinations has been allocated to individual cash generating units (CGU), presented in the table below as an aggregation of CGU's grouped by TGS management reporting structure:

(All amounts in USD 1,000s)	Western Hemisphere	Eastern Hemisphere	Digital Energy Solutions	Data Acquisition	Total
Net book value as of 31 December 2022	169,817	95,117	50,499	56,280	371,712
WACC post-tax	10.81%	10.91%	8.79%	9.26%	

Based on the impairment testing performed, no impairments have been recognized during 2022.

In assessing value in use, the estimated future cash flows both from the current multi-client library and expected future investments are discounted to their present value using a post-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. The post-tax rate is calculated based on the local tax rates in the relevant tax jurisdictions and applying an average of the relevant country risks for the groups of CGUs as specified in the table above. TGS bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of TGS' CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year. Currently a long-term growth rate of 0% is applied.

The impairment calculations are most sensitive to the changes in the forecasted sales, which depend on both the expected investments and expected returns of investments. These factors are mainly influenced by future E&P spending and demand for TGS' products. A change in expected sales forecast can significantly impact the impairment review for a CGU. The impact will depend on the current value in use and carrying value of the relevant CGU. In addition, the impairment calculations are sensitive to changes in WACC, as well as expected cost levels and expected development of working capital. The following provides a sensitivity analysis as to these inputs:

- 20% reduction of expected return of investments would lead to no impairment
- 30% reduction of expected return of investments would lead to an impairment of USD 36 million
- 5% reduction in sales in DES and Data Acquisition would lead to no impairment
- 10% reduction in sales in DES and Data Acquisition would lead to an impairment of USD 34 million
- 2.5% increase in WACC would lead to no impairment
- 5% increase in WACC would lead to an impairment of USD 55 million

Management does not see any other reasonable changes in the key assumptions that would cause the value in use to be lower than carrying value.

Note 7 Related parties

No material transactions with related parties took place during the quarter.

Note 8 Contingent liabilities

Tax exposure

TGS operates in a range of tax jurisdictions with complex considerations and legislation concerning both indirect and direct taxation, including Brazil and Argentina. Thus, uncertainties exist related to reported tax liabilities and exposures. Recognized taxes (both direct and indirect) are based on all known and available information and represents our best estimate as of the date of reporting.

The jurisdictions in which TGS operates are also subject to changing tax regulations which may impact assessments, for instance concerning the recoverability of credits. Furthermore, tax authorities may challenge the calculation of both taxes and credits from prior periods. Such processes and proceedings may result in changes to previously reported and calculated tax positions, which in turn may lead to TGS having to recognize operating or financial expenses in the period of change.

Note 9 Restatements

In this condensed consolidated financial statement, Q4 2021 and YTD 2021 figures have been restated. The changes are included in Note 28 in TGS' Annual Report for 2021, which is available at www.tgs.com. The restatements that affected Q4 2021 and YTD 2021 are set forth in the table below.

(All amounts in USD 1,000s)	Q4 2021 Before restatements	Restatements	Q4 2021 After restatements
Revenue	**104,661**	**0**	**104,661**
Straight-line amortization of the multi-client library	42,962	0	42,962
Accelerated amortization of the multi-client library	50,938	0	50,938
Net exchange gains/(losses)	-1,949	-1,805	-3,754
Taxes	-17,212	-10,705	-27,917
Net Income	**-85,894**	**8,900**	**-76,994**
EPS USD	-0.74	0.08	-0.66
EPS USD, fully diluted	-0.74	0.08	-0.66

(All amounts in USD 1,000s)	YTD Q4 2021 Before restatements	Restatements	YTD Q4 2021 After restatements
Revenue	**562,041**	**-43,352**	**518,689**
Straight-line amortization of the multi-client library	174,276	0	174,276
Accelerated amortization of the multi-client library	213,248	0	213,248
Net exchange gains/(losses)	-7,113	-1,805	-8,918
Taxes	14,178	-23,281	-9,103
Net Income	**-54,108**	**-21,877**	**-75,985**
EPS USD	-0.46	-0.19	-0.65
EPS USD, fully diluted	-0.46	-0.19	-0.65

(All amounts in USD 1,000s)	31-Dec-21 Before restatements	Restatements	31-Dec-21 After restatements
Deferred tax asset	80,235	15,653	95,888
Total non-current assets	**1,178,880**	**15,653**	**1,194,533**
Other equity	1,108,176	3,066	1,111,242
Equity	**1,112,262**	**3,066**	**1,115,328**
Deferred tax liability	32,226	-167	32,059
Total non-current liabilities	**67,955**	**-167**	**67,787**
Taxes payable, withheld payroll tax, social security and VAT	65,187	12,754	77,941
Total current liabilities	**433,958**	**12,754**	**446,712**

Note 10 Interest Bearing Liabilities

The table below discloses the Revolving Credit Facility ("RCF") Magseis had at the time of the acquisition by TGS. Due to the change of control, with TGS being the new majority shareholder, the RCF is due in full by 31 March 2023. TGS expects to have a new long-term corporate RCF in place well in advance of 31 March 2023.

(All amounts in USD 1,000s)	31-Dec-22
Nominal value bank facility	45,000
Nominal value other loans	-
Subtotal nominal value	45,000
Prepaid fees bank facility	-252
Total	**44,748**
Long term	-
Short term	44,748
Repayment profile at balance sheet date:	
2022	-
2023	45,000
2024	-
Total	**45,000**

Financial covenants bank facility (RCF)

- Net interest-bearing debt/Last Twelve Months (LTM) EBITDA < 1.25x. LTM EBITDA calculation is excluding IFRS 16 impacts
  - If LTM EBITDA is negative and the net interest-bearing debt is negative (i.e., net cash position), alternative cash buffer headroom calculation is applied
  - If LTM EBITDA is negative and the net interest-bearing debt is positive (i.e., net debt position), the leverage ratio is breached
- Equity Ratio > 40 percent
- Equipment loan to value: RCF debt / book value seismic equipment and assets under construction < 50 percent

TGS is in compliance with all financial covenants as of 31 December 2022.

Note 11 Business combinations & significant transactions

On 29 June 2022, TGS announced its intent to launch a recommended voluntary exchange offer, through a combination of TGS common shares and cash, for all outstanding shares of Magseis, which was formally launched on 24 August 2022. Upon expiration of the offer period on 28 September 2022, approximately 75% of the Magseis shareholders had accepted the offer, with settlement completed on 11 October 2022. TGS launched a mandatory cash offer for the remaining shares on Magseis on 10 November 2022. When the mandatory offer period lapsed on 21 December 2022, another 22% of shareholders accepted the offer, taking TGS' ownership up to 97%.

Magseis is the global leading provider of ocean bottom seismic (OBS) technology and data acquisition projects. The company has a flexible business model with full scale node operations, as well as lease and sale models for its node inventory. The Marine Autonomous Seismic System "MASS" nodes and the range of Z-nodes, combined with handling systems and source technology enables market leading deployment speed and highly cost-efficient acquisition of data with high quality.

In accordance with IFRS 3 it is a choice if non-controlling interest should be measured at fair value or share of net assets. In this transaction, non-controlling interest has been valued to share of net assets.

The fair value of the identifiable assets and liabilities of Magseis as at the date of acquisition were:

(All amounts in USD millions)	Fair value recongized on acquisition
Assets:	
Other intangible assets	33.6
Multi-client library	22.0
Plant property and equipment	120.9
Right-of-Use asset	24.6
Accounts receivable	42.6
Cash	31.9
Other current assets	42.6
	318.1
Liabilities:	
Lease liabilities	26.9
Trade payables	24.4
Short term interest bearing debt	44.5
Other current liabilities	62.3
Current tax payables	4.0
Deferred tax liability	4.0
	166.3
Total identifiable net assets at fair value	**151.8**
Goodwill arising on acquisition	56.3
Minority share to be excluded	37.3
Purchase consideration transferred	**170.8**

The fair value of the goodwill represents the excess purchase price after all the identifiable assets, liabilities and obligations are recognized. The goodwill arising from the acquisition consists mainly of synergies from combining the operations of TGS and Magseis, assembled workforce, and deferred tax of USD 4.0 million.

In the period from 11 October 2022 to 31 December 2022, the acquired Magseis contributed with net revenues of USD 54.1 million, and profit before tax amounting to USD 0.3 million. This is reflected in the consolidated statement of comprehensive income for TGS. If the acquisition had been completed as of 1 January 2022, management estimates that consolidated net revenue for the 12 months ended 31 December 2022 would have been USD 970 million, and consolidated profit/loss for the same period would have been USD 113 million. These amounts have been determined by applying TGS' principles and assume that the fair value arising on the date of acquisition would have been the same if the acquisition had occurred on 1 January 2022.

Purchase price	
Share consideration	125.3
Cash paid	45.6
Net cash flow on acquisition	**170.8**

Analysis of cash flows on acquisition:	
Net cash acquired	31.9
Cash paid	-45.6
Net cash flow on acquisition	**-13.7**

TGS incurred acquisition-related costs of USD 3.0 million, consisting of legal fees and due diligence costs. USD 1.6 million have been included in operating expenses and USD 1.4 million have been recorded in equity.

If new information is obtained within one year of the date of acquisition, relating to facts or circumstances that existed at the date of acquisition that requires adjustments to the above amounts, or relating to additional provisions that existed at the date of acquisition, then the accounting for the acquisition will be revised.

Note 12 Events after Balance Sheet date

As of 31 December 2022, TGS had taken ownership of 97% of Magseis. On 5 January 2023, TGS announced the compulsory acquisition of the remaining shares in cash.

DEFINITIONS – ALTERNATIVE PERFORMANCE MEASURES

TGS' financial information is prepared in accordance with IFRS. In addition, TGS provides alternative performance measures to enhance the understanding of TGS' performance. The alternative performance measures presented by TGS may be determined or calculated differently by other companies.

Early Sales

Early sales are defined as multi-client revenues committed prior to completion and delivery of a survey. Revenue is recognized at the point in time when the licenses are transferred to the customers, which would typically be upon completion of processing of the surveys and granting of access to the finished surveys or delivery of the finished data, independent of services delivered to clients during the project phase.

Late Sales

Late sales are defined as multi-client revenues from sales of completed data. Revenue is recognized at a point in time, generally upon delivery of the final processed data to the customers.

Proprietary Sales

Proprietary sales are defined as revenues related to services that TGS performs on behalf of customers. Revenues are recognized over time, normally on a percentage of completion basis.

Percentage-of-completion (PoC) Revenues & PoC Early Sales Revenues

PoC Revenues are measured by applying the percentage-of-completion method to Early sales, added to Late sales and Proprietary sales. PoC Early Sales Revenue are measured by applying the percentage-of-completion method to Early sales only. This is based on the principles applied prior to the implementation of IFRS 15, Revenue from Customer Contracts, on 1 January 2018.

PoC Early Sales Rate (%)

PoC Early sales rate (%) means PoC Early Sales Revenue as a percentage of organic multi-client investments in new projects, an important measure for TGS as it provides indication of the prefunding levels for projects in progress.

(All amounts in USD 1,000s)	Western Hemisphere	Eastern Hemisphere	Digital Energy Solutions	Data Acquisition	Other Business Units	Total
Q4 2022						
Operating revenues	122,000	29,260	8,920	53,851	4,981	219,013
PoC Revenue Early Sales	23,559	6,728	416	-	-	30,703
Performance obligations met during the quarter	-17,598	-4,817	-416	-	-	-22,831
PoC Revenue	**127,961**	**31,171**	**8,920**	**53,851**	**4,981**	**226,885**
Q4 2021[1]						
Operating revenues	58,037	38,093	7,762	-	769	104,661
PoC Revenue Early Sales	31,670	23,060	323	-	-	55,053
Performance obligations met during the quarter	-17,589	-22,637	-929	-	945	-40,210
PoC Revenue	**72,119**	**38,516**	**7,155**	-	**1,713**	**119,503**

EBIT (Operating Profit)

Earnings before interest and tax is an important measure for TGS as it provides an indication of the profitability of the operating activities. The EBIT margin presented is defined as EBIT (Operating Profit) divided by revenues.

EBITDA

EBITDA means earnings before interest, taxes, depreciation, and amortization. TGS uses EBITDA because it is useful when evaluating operating profitability as it excludes amortization, depreciation and impairments related to investments that occurred in the past. Also, the measure is useful when comparing the Group's performance to other companies.

[1)] Q4 2021 and YTD 2021 figures have been restated. Refer to note 2 and note 9 of the condensed consolidated financial statements for more details.

(All amounts in USD 1,000s)	Q4 2022	Q4 2021[1]	YTD 2022	YTD 2021[1]
Net income	42,057	-76,994	86,669	-75,985
Taxes	26,027	-27,917	40,898	-9,103
Net financial items	-3,459	4,122	3,169	12,756
Depreciation, amortization and impairment	17,193	4,752	33,561	19,255
Amortization and impairment of multi-client library	61,710	165,236	374,560	458,861
EBITDA	**143,529**	**69,199**	**538,857**	**405,784**

Straight-line Amortization

Straight-line amortization is defined as amortization of the value of completed data on a straight-line basis over the remaining useful life.

Accelerated Amortization

Following the adoption of the straight-line amortization policy for completed surveys, recognition of accelerated amortization of a library may be necessary in the event that sales on a survey are realized disproportionately sooner within that survey's useful life.

Return on average capital employed

Return on average capital employed (ROACE) shows the profitability compared to the capital that is employed by TGS, and it is calculated as operating profit (12 months trailing) divided by the average of the opening and closing capital employed for a period of time.

Capital employed is calculated as equity plus net interest-bearing debt. Net interest-bearing debt is defined as interest bearing debt minus cash and cash equivalents. TGS uses the ROACE measure as it provides useful information about the performance under evaluation.

(All amounts in USD 1,000s)	31-Dec-22	31-Dec-21[1]
Equity	1,242,565	1,115,328
Interest bearing debt	44,748	-
Cash	188,452	215,329
Net interest bearing debt	-143,704	-215,329
Capital employed	**1,098,861**	**899,999**
Average capital employed	999,430	987,720
Operating profit (12 months trailing)	130,736	-72,331
ROACE	**13%**	**-7%**

Free cash flow (after MC investments)

Free cash flow (after MC investments) when used by TGS means cash flow from operational activities minus cash investments in multi-client projects. TGS uses this measure as it represents the cash that the Group is able to generate after investing the cash required to maintain or expand the multi-client library.

(All amounts in USD 1,000s)	Q4 2022	Q4 2021[1]	YTD 2022	YTD 2021[1]
Cash flow from operational activities	119,532	120,289	343,450	328,344
Organic investments in multi-client library	-77,860	-62,183	-200,889	-154,830
Free cash flow (after organic MC investments)	**41,672**	**58,106**	**142,561**	**173,514**

Contract Inflow

Contract inflow is defined as the aggregate value of new customer contracts entered into in a given period.

Contract Backlog

Contract backlog is defined as the aggregate unrecognized value of all customer contracts as of a given date.

[1] Q4 2021 and YTD 2021 figures have been restated. Refer to note 2 and note 9 of the condensed consolidated financial statements for more details.

Responsibility Statement

We confirm to the best of our knowledge that the condensed interim financial statements for the period 1 January to 31 December 2022 has been prepared in accordance with IAS 34 – Interim Financial Reporting as adopted by EU, and additional requirements found in the Norwegian Securities Trading Act, Norwegian Accounting Act, and gives a true and fair view of the Group's consolidated assets, liabilities, financial position and result for the period. We also confirm to the best of our knowledge that the financial review gives a true and fair view of important events that have occurred during the period 1 January to 31 December 2022, and their impact on the interim financial statements, any major related parties transactions, and a description of the principal risks and uncertainties.

Oslo, 8 February 2022

The Board of Directors of TGS ASA

Christopher Finlayson Chairman	Mark S. Leonard Director	Grethe Kristin Moen Director
Irene Egset Director	Svein Harald Øygard Director	Kristian Johansen Chief Executive Officer