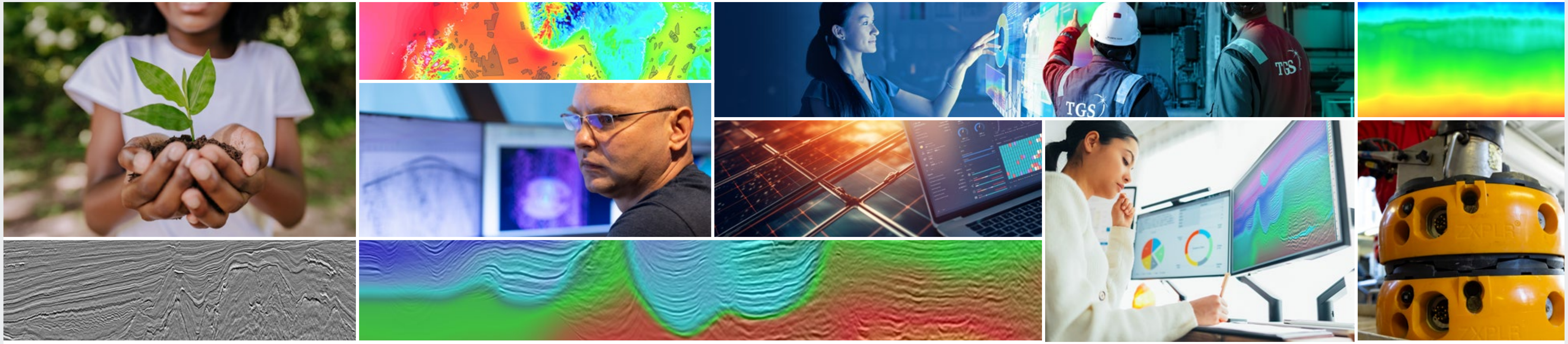
2023 Annual Report

Energy Starts With Us

TGS



2023

Letter to Shareholders

As I reflect on 2023, I am proud of the progress TGS has achieved and excited about the opportunities ahead. We have successfully navigated the last year with strategic flexibility and a strong focus on commercial discipline, investing counter-cyclically and pursuing selected opportunities to profitably expand the scope of our business. After COVID, our conventional clients have enhanced their capital efficiency, concentrated their exploration activities around existing infrastructure, and diversified their portfolios to meet the demands of the energy transition. TGS has addressed all these developments in our strategic plan, has already executed several strategic actions and is ready to benefit from further growth in the coming years.

Through the acquisition of Magseis Fairfield ASA (Magseis) in January 2023, TGS is well established in the market for ocean bottom nodes (OBN). As the industry focuses on exploration activities around existing infrastructure and optimizes the return of existing production, we have seen continued growth in the OBN market which has nearly doubled since 2020. The combination of TGS financial strength, processing capabilities and client network, with Magseis' strong operational track record and HSE performance, has already yielded returns well beyond our initial expectations. Our Acquisition business, which is largely made up of Magseis, had proforma revenue growth of 26% in 2023 and delivered robust margins and a strong cash flow.

The announced acquisition of PGS in September 2023, which is currently undergoing regulatory approval processes, will further enhance our position in mature basins around existing infrastructure. Consolidations on the client side, near-term focus on mature basins and substantial synergies are the key rationales for the acquisition, and we strongly believe clients will benefit from a fully integrated service provider with a global footprint backed by the industry's strongest balance sheet. This will allow us to continue investing in new technologies and innovation across the energy data value chain.

With a gradual change from frontier to infrastructure-led exploration, one would expect to see a somewhat different sales mix in terms of early sales versus late sales of multi-client data. In 2023, our multi-client business reported a growth in total POC revenues[1] of 8%. While POC early sales[1] growth was 128%, late sales declined by 36%. Although some of this is related to M&A transactions and corresponding transfer fees in 2022, the sales mix also reflects a deliberate change in the investment portfolio characterized by less frontier activity, fewer and larger clients and lower risk carried by TGS due to the higher pre-commitments. In 2023, POC early sales[1] and pre-commitments represented 77% of total multi-client investments, and we expect this percentage to be even higher in 2024.

[1] POC revenues is an Alternative Performance Metric (APM) used to evaluate the multi-client business. It measures sales conducted prior to completion of a survey in accordance with percentage of completion (POC). Please refer to the Alternative Performance Measures section for more details.

Letter to Shareholders

TGS businesses related to energy transition continue to expand in 2023. The Digital Energy Solutions business, which includes our energy transition products and services, grew revenues by 62%. Our global subsurface data library and experience in data management and marine operations, position us well for future growth in the markets for offshore wind, carbon capture, utilization and storage (CCUS), deep sea minerals and geothermal. While some of these markets are still in their infancy, we have already capitalized on exciting business opportunities within offshore wind and CCUS in 2023.

In offshore wind, TGS has been innovative in applying a proven business model from seismic to allow operators access to data by deploying the first-ever LiDAR buoy measurement campaigns to support offshore wind development in both U.S. and Norway. Our multi-client floating LiDAR buoy deployments enhance the decision-making ability of all stakeholders investing in these regions, and the offering is further enhanced by adding state-of-the-art market intelligence data from our subsidiary 4C Offshore. CCUS is another growth opportunity that will drive the need for subsurface data and monitoring technologies. Through our participation in Project Greensand, we have demonstrated the importance of technology, and that frequent seismic monitoring is essential for the safe and permanent storage of CO_2.

As our clients focus on exploration in mature areas with established infrastructure, the quality of data processing and imaging is becoming increasingly important. I'm pleased to see further improvements in our imaging quality, demonstrated by 41% growth in proprietary revenues and a prequalification status among the majority of our largest multi-client customers. National oil companies are representing a higher share of our pipeline and will eventually drive further growth in both multi-client and acquisition revenues.

We anticipate that global energy demand will keep growing for the next decades. Alternative energy sources are not being adopted fast enough to achieve the more ambitious energy transition scenarios, which means that oil and gas will likely remain above 50% of global primary energy supply in the foreseeable future. Taking into account the rapid decline rate of existing oil and gas fields, and the fact that a large part of proven reserves is hindered by high costs, large environmental impacts and/or high political and regulatory risk, there is a need to continue exploring for oil and gas resources, both in mature and emerging basins.

In 2023, we made significant strides to further ensure our commitment to sustainability. We are pleased to be ranked in the top tier of our industry by most rating firms and proud to be included in the OBX ESG Index, which identifies the top 40 blue chip companies that demonstrate the best environmental, social and governance (ESG) practices on the Oslo Stock Exchange.

The employees of TGS are committed to our core values of quality, service, integrity and growth. Thanks to our people, TGS has grown into one of the world's biggest and most reputable energy data providers. We were particularly pleased to be recognized in 2023 by Gallagher's U.S. Benefits Strategy & Benchmarking Survey as a company whose benefits, compensation, professional development and overall people strategy is viewed as "Best in Class!" We consider our workforce critical for our success and continually strive to ensure we provide one of the best workplaces in energy.

I want to express my gratitude to our clients who keep relying on TGS for their data and intelligence requirements. Our partnership is vital for innovation, technology advancement and growth. I also want to thank our shareholders for your trust and support of TGS. We are enthusiastic about the opportunities in front of us, and we will keep providing long-term value to our owners.

KRISTIAN JOHANSEN
CEO TGS

"We strongly believe clients will benefit from a fully integrated service provider with a global footprint backed by the industry's strongest balance sheet. This will allow us to continue investing in new technologies and innovation across the energy data value chain."

KRISTIAN JOHANSEN
CEO TGS

2023 Financial Highlights

(All amounts in USD 1,000s apart from EPS, ratios and dividend per share)

	2023	2022	2021	2020	2019
Revenue	**794,297**	716,633	518,689	360,001	585,610
EBIT	**53,268**	132,034	(72,331)	(228,919)	128,998
Pre-tax profit	**51,876**	128,865	(85,087)	(223,389)	131,211
Net income	**21,646**	87,967	(75,985)	(167,498)	113,111
EBIT margin	**7%**	18%	-14%	-64%	22%
Net income margin	**3%**	12%	-15%	-47%	19%
Return on average capital employed[1]	**5%**	13%	-7%	-20%	12%
Earnings per share	**0.17**	0.75	(0.65)	(1.43)	1.05
Earnings per share fully diluted	**0.17**	0.74	(0.65)	(1.43)	1.03
Total assets	**1,956,414**	1,838,897	1,629,827	2,008,818	2,211,080
Shareholders' equity	**1,275,576**	1,239,763	1,115,328	1,268,657	1,527,521
Equity ratio	**65%**	67%	68%	63%	69%
Dividend per share (paid in year)	**USD 0.56**	USD 0.56	USD 0.56	USD 0.75	USD 1.08
Dividend (paid in year)	**70.61**	66.14	65.52	87.78	114.64
Share buy-back	**–**	7,015	15,689	6,601	43,413
Multi-client library ending balance net book value	**753,084**	575,337	704,868	965,551	1,102,630

[1] Return on average capital employed = EBIT/average capital employed. Capital employed = equity + net interest-bearing debt.

Our Vision

To shape the future of energy through innovative data solutions and intelligence.

This is TGS

The World's Leading Energy Data Company

Welcome to TGS, where energy data and innovation meet excellence. As we reflect on the milestones achieved in 2023, our commitment to shape the future of energy continues to be at the forefront of all we do. Rooted in our core values and driven by our dynamic team, TGS remains a global leader in geoscience and energy data solutions.

WE ARE ENERGY DATA

For over 40 years, TGS has been a global leader in delivering diverse energy data and insights. Our proven technology, innovative spirit and solid commitment to customer service position us as key players in the evolving energy landscape. Embracing a future-focused vision, we invest in long-term opportunities that contribute to safeguarding energy security and reducing carbon emissions.

Our competitive edge is steeped in innovation, top-notch talent, expertise, quality data and exceptional service. TGS ensures the right energy data is delivered at the right time, empowering our customers to make informed, data-driven decisions. With a clear focus on energy data rooted in geoscience, we provide valuable insights, superior imaging and the anticipation of operational challenges, guiding decisions before drilling or infrastructure development across the energy value chain.

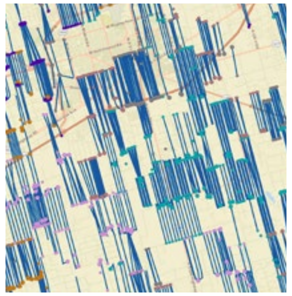
Taking a cost-effective, multi-client approach, TGS offers partners ease and flexibility, setting us apart from traditional models. Looking ahead, our extensive energy data library and technical expertise support renewable energy development. Leveraging machine learning, computer power, cloud-based applications and strategic partnerships, we deliver superior data solutions and insights, whether for traditional oil and gas or the emerging field of renewable energy investments. TGS remains at the forefront, driving visionary excellence in the energy industry.

OUR CORE PRODUCT LINES

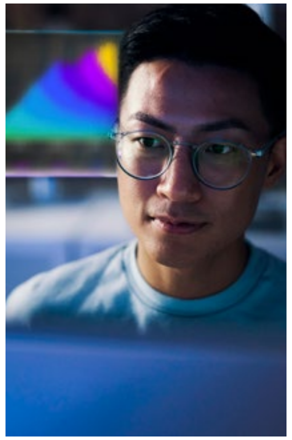
TGS offerings are core product lines designed to meet the diverse needs of the energy market:

- **Multi-Client Data Libraries:** For 40 years, TGS has provided global multi-client seismic data to energy companies. Over that time, we have built experience in exploration areas worldwide, have established a vast global database and achieved the status of becoming the leading multi-client data provider. We offer the most current data acquired and imaged with the latest technologies.

- **OBN Acquisition:** In January 2023, TGS achieved a significant milestone by acquiring Magseis Fairfield, the global leader in OBN acquisition and technology. Our OBN business model is founded on proprietary technology differentiation, complemented by the industry's most experienced professionals. This strategic move positions TGS at the forefront of subsurface imaging innovation.



- **Well Data Products:** TGS excels in providing comprehensive well data services and insights, offering valuable information throughout the exploration and production life cycle, ensuring a holistic view of the subsurface environment. We have the industry's most extensive global collection of digital well logs, and our U.S. library has expanded to include nationwide production data, directional surveys and a custom well file database. Additionally, we offer clients robust data-application integration with advanced platforms, interfaces and adapters.



- **Seismic Imaging:** TGS employs cutting-edge processing technologies to meet the imaging needs of energy companies. With substantial investments in proprietary technologies and workflows, we deliver imaging solutions both to clients directly and for the processing of our global multi-client database. Our expertise spans 2D and 3D seismic imaging in-depth and time domains, covering marine streamers (NAZ, WAZ, Coil), land, ocean bottom nodes, transition zones, multi-component and 4D time-lapse data processing. Direct access to our extensive well log database allows our imaging teams to calibrate seismic and well data seamlessly. Recent advancements in FWI (Full Waveform Inversion) technology offer detailed property field updates, marking a significant enhancement in onshore and offshore imaging quality. Our proprietary algorithms and workflows serve as key differentiators to provide industry-leading imaging solutions.

- **New Energy Solutions:** Evolving with the dynamic energy landscape, TGS continues to make great strides to provide energy data services and solutions to companies invested in renewable energy. Our portfolio supports the development of renewable energy initiatives, including wind, solar, CCUS and geothermal. This expansion aligns with our commitment to sustainability and the future of delivering clean energy.

OUR VALUES

TGS success is rooted in our enduring company values, guiding our actions and shaping our corporate culture. Our commitment to our customers, communities, shareholders and employees remains steadfast.

We are responsible to our customers

We deliver quality products and world-class customer service. Our commitment to understanding and exceeding customer expectations is evident in every aspect of our business, ensuring accuracy, timeliness and friendliness in all our interactions.

We are responsible to our communities

We support charitable initiatives, reject discrimination, and promote civic improvements, health, safety and education. Aligned with the UN Declaration of Human Rights, we responsibly use property and prioritize environmental protection.

We are responsible to our employees

We value each employee's dignity and merit, offering competent management for excellence in a safe, healthy environment. Equal opportunities for employment, development and advancement are provided based on qualifications. We uphold high standards of personal conduct, emphasizing honesty, integrity and fairness in all relationships.

We are responsible to our shareholders

Our business must make a profit. Growth is fundamental to our success. We will continue to expand our product and service offerings for the benefit of future shareholder value. When we operate according to these principles, the shareholders should realize a fair return.

PEOPLE REMAIN OUR GREATEST ASSET

TGS recognizes that our success is driven by our dedicated and skilled team. In 2023, our commitment to invest in the professional development and well-being of our nearly 1,000 employees globally remains unwavering. Our people's expertise, passion and innovative spirit continue to set TGS apart in the industry.

As we continue to contribute to the future of the energy industry, our journey of innovation, excellence and commitment to our people remains resolute. With a rich history dating back to 1981, TGS will continue to be at the forefront of geoscience and subsurface data worldwide, expanding into new frontiers, including new energy solutions.

As we navigate the evolving energy landscape, our focus will continue to be to deliver timely and accurate data. This empowers our clients to make informed decisions in a rapidly changing environment. Positioned strategically within the market, we are prepared to meet the energy industry where it is now and where it's headed.

Executive Leadership

KRISTIAN JOHANSEN

Chief Executive Officer

Kristian has served as the Chief Executive Officer of TGS since March 2016. He joined TGS in 2010 as the Chief Financial Officer before becoming the Chief Operating Officer in early 2015. Kristian has almost 20 years of C-level experience for public companies in the construction, technology and energy industries. Mr. Johansen also has professional experience from board positions of several public companies in Europe and the U.S., and industry associations such as the National Ocean Industries Association (NOIA) and EnerGeo Alliance (former IAGC). Currently, he is a non-executive director of the drilling company, Valaris LTD in the U.S. Mr. Johansen earned his undergraduate and master's degrees in business administration from the University of New Mexico in 1998 and 1999.

SVEN BØRRE LARSEN

Chief Financial Officer

Sven has served as Chief Financial Officer of TGS from 2015 until 2019 when he assumed the position of Head of Strategy and M&A. He re-assumed the role of Chief Financial Officer in August 2021. Before joining TGS in 2015, he was Chief Financial Officer of Prosafe, the world's leading owner and operator of semi-submersible accommodation vessels for the offshore oil and gas industry. Sven was also Chief Financial Officer of Prosafe Production, one of the world's leading FPSO contractors. He holds an M.S. degree in business from Nord University (formerly Bodo Graduate School of Business) in Norway. He is a Norwegian citizen and resides in Oslo, Norway.

WILL ASHBY

Chief Integration Officer

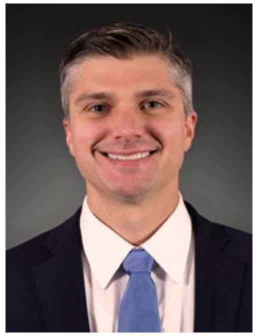
Will joined TGS in 2011 with the acquisition of Stingray Geophysical. He has served TGS in a number of leadership roles including M&A, Finance, Investor Relations, HR, Marketing, EVP – North America & Onshore, and EVP – Eastern Hemisphere. In January 2024 he was appointed Chief Integration Officer, responsible for delivering the successful integration of TGS and PGS. Will has over 25 years of experience in the oil and gas industry, having worked with BP, QinetiQ and a number of start-up E&P service companies. Will received M.A. and B.A. degrees in geography (both with honors) from the University of Oxford in 1997.

Executive Leadership

WHITNEY EATON

EVP, People & Sustainability

Whitney joined TGS in 2014 as Corporate Compliance Director and was appointed to Vice President, Compliance in August 2019. She has also been responsible for the TGS ESG program since she joined TGS. Whitney joined the Executive Team in February 2021 as Executive Vice President, Compliance and ESG and in December 2021, became Executive Vice President, People & Sustainability, managing TGS' Compliance, ESG, HR, IT and Facilities departments. She has over 15 years of legal experience, with significant knowledge on implementing and managing holistic compliance and ESG programs. She received her Juris Doctor degree from the University of Richmond School of Law and her B.A. in public communication with university honors from American University.



DAVID HAJOVSKY

EVP, Multi-Client

David joined TGS in 2017 as Director of Business Development in Western Hemisphere. David later held regional VP roles, firstly managing the Latin America business and later the Africa, Mediterranean, Middle East and Asia Pacific business. David assumed the role of EVP – Western Hemisphere in 2021 which he held until 2024 when he then became the EVP for the global Multi-Client business. Currently, David serves as a board member for the National Ocean Industries Association (NOIA). Prior to joining TGS, he spent nearly nine years with PGS based in Houston, working in both the Onshore and Marine groups. David received his M.B.A. (with distinction) from Robert Gordon University in 2011 and his B.S. degree in microbiology from The University of Texas in 2005.

JOSEF HEIM

EVP, Imaging

Josef joined TGS in 2015, starting as Senior Technical Advisor and Chief Geophysicist for marine processing in Calgary, Canada. In 2019 he became Director for Imaging and Reservoir Services in Calgary. He oversaw the transition of a core team to TGS Houston after Imaging Services for North America was consolidated in 2020. Josef led the Land and Special Projects team in Houston until he was assigned as interim SVP for Imaging in 2022 and started his role as EVP for Imaging in 2023. Before joining TGS, he spent 17 years with WesternGeco/SLB in various roles based in Venezuela, Houston, and Calgary. He worked in various seismic data processing roles for onshore, offshore, time processing, and depth imaging projects. Josef received his geophysics degree from the Ludwig Maximilians Universitaet in Munich, Germany.

Executive Leadership

CAREL HOOIJKAAS

EVP, Acquisition

Carel has over 25 years of experience in the oilfield services and equipment industry. Before joining TGS, Carel was the CEO of Magseis Fairfield from October 2019 to January 2023. Prior to that, he worked for Schlumberger, where he was responsible for the Integrated Services Management operations. Previous leadership positions at Schlumberger included President – WesternGeco, Vice President – Integrated Project Management and Production Management for Europe & Africa, North Sea GeoMarket Manager, Vice President for WesternGeco's Global Marine business, WesternGeco West Africa Region Manager, and various other roles in operations and engineering. Carel started his career at Schlumberger as Navigation Shift Leader onboard seismic acquisition vessels. He holds a M.Sc. in measurement and control from Delft University of Technology in the Netherlands.

TANA POOL

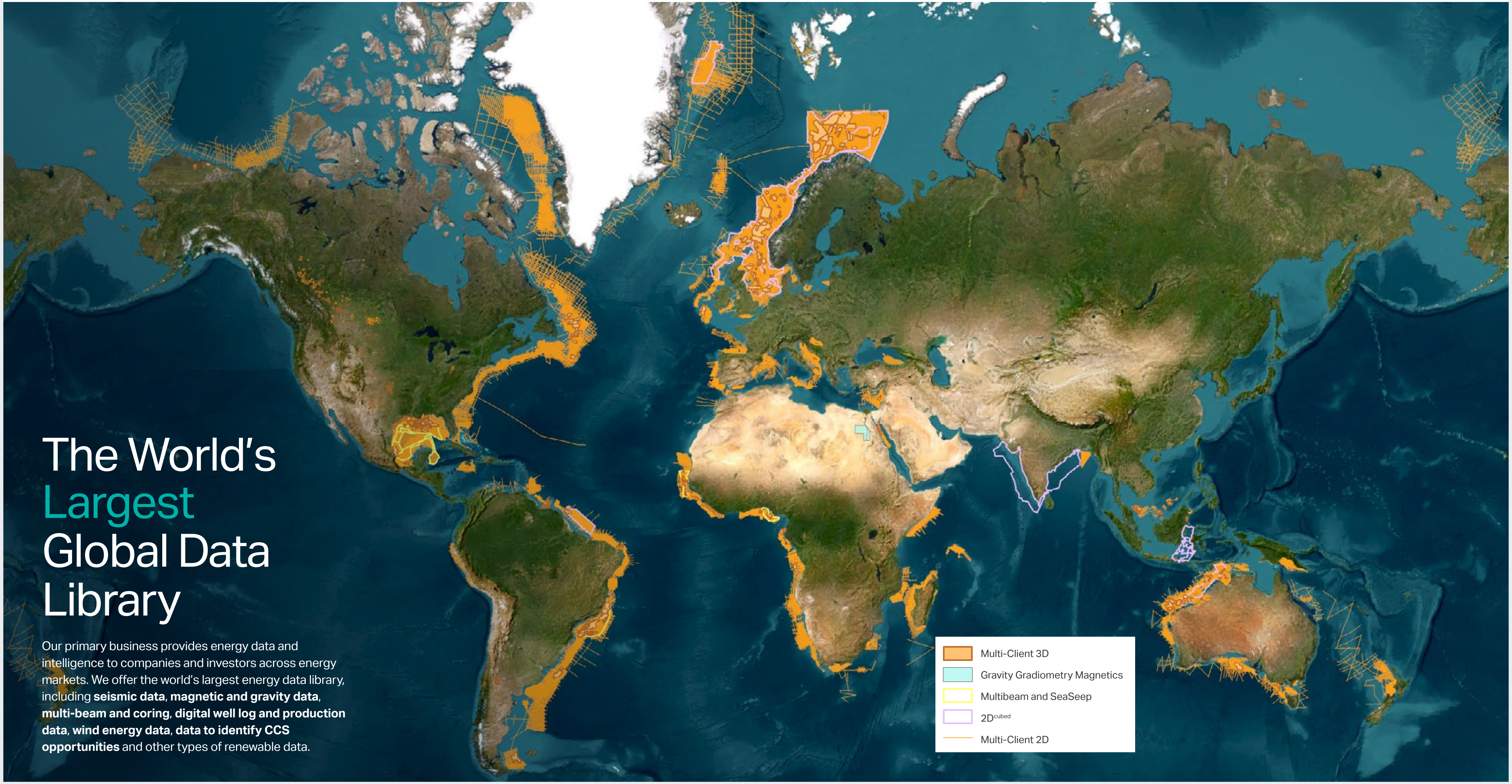
EVP, Legal

Tana serves as Executive Vice President – Legal and General Counsel, joining TGS in 2013. Her background includes a combination of legal and accounting experience, with significant knowledge of the energy sector. Prior to TGS, Tana worked with several global law firms, specializing in corporate and transactional law, and served as the general counsel of a publicly traded construction contractor focused on energy infrastructure. She received her B.B.A. degree in accounting in 1982 from Texas Tech University and her J.D. degree from the University of Houston Law Center in 1992. She is also licensed as a Certified Public Accountant.

JAN SCHOOLMEESTERS

EVP, Digital Energy Solutions

Jan Schoolmeesters has accumulated over 25 years of leadership expertise in the energy data sector, starting in 1995 at PGS as seismic observer onboard seismic acquisition vessels, and advancing through various managerial roles, including R&D, operations manager, VP – Projects, and Regional President. In 2011, he joined multi-client company Spectrum as the COO, and following its acquisition by TGS in 2019 he became the EVP – Operations at TGS until 2022. In his current role as EVP – Digital Energy Solutions he focuses on spearheading initiatives in digital transformation and developing sustainable new energy opportunities. Jan holds an earth sciences degree and a Ph.D. in geophysics from Delft University, the Netherlands.



The World's Largest Global Data Library

Our primary business provides energy data and intelligence to companies and investors across energy markets. We offer the world's largest energy data library, including **seismic data, magnetic and gravity data, multi-beam and coring, digital well log and production data, wind energy data, data to identify CCS opportunities** and other types of renewable data.

Board of Directors' Report

A strong balance sheet combined with robust cash generation capacity provide us with flexibility to continue to pay dividends to shareholders, as well as invest in further growth opportunities for the business.

Board of Directors' Report

TGS ASA and its subsidiaries ("TGS" or the "Group") provide scientific data, software 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 ocean bottom node (OBN) data acquisition, advanced processing and analytics alongside cloud-based data applications and solutions. The corporate headquarters of TGS are in Oslo, Norway. Its primary subsidiary, TGS-NOPEC Geophysical Company, is based in Houston, Texas, U.S.A. TGS also has regional offices in London, Rio de Janeiro, Perth, Calgary, Lowestoft, Fredrikstad, Cairo and country-specific offices elsewhere depending on project and sales activity.

All financial statements in this Report are presented on a going concern basis in accordance with the Norwegian Accounting Act section 3-3a, and the Board of Directors confirms that the prerequisites for a going concern assumption are indeed present.

Information about the Norwegian Transparency Act can be found in the Sustainability Report issued as part of this Annual Report.

MERGERS AND ACQUISITIONS

TGS acquired approximately 75% of Magseis Fairfield ASA (Magseis), a leading provider of OBN data, with effect from 11 October 2022. On 5 January 2023, TGS completed the purchase of all outstanding shares of Magseis.

On 18 September 2023, TGS announced that it has agreed to the principal terms of the acquisition of PGS ASA to reinforce TGS as a strong full-service energy data company. The transaction is expected to be completed as a statutory merger pursuant to Norwegian corporate law, with merger consideration to PGS shareholders in the form of 0.06829 ordinary shares of TGS for each PGS share in addition to compensation for dividends paid by TGS.

On 25 October 2023, TGS and PGS executed the merger documentation, including a merger agreement. On 1 December 2023, the merger plan was approved by the Extraordinary General Meetings of both companies. The transaction is subject to authorization from the competition authorities and closing is expected during the second quarter of 2024.

CHANGES TO ACCOUNTING PRINCIPLES

The Group has adopted Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2 Making Materiality Judgments) from 1 January 2023. The amendments have had an impact on the Group's disclosures of accounting policies, but not on the measurement, recognition or presentation of any items in the Group's financial statements. The amendments require the disclosure of material rather than significant accounting policies. Management has reviewed the accounting policies and made updates to the information disclosed in Note 1: Material accounting policies (2022: Significant accounting policies).

FINANCIAL RESULTS, FINANCIAL POSITION AND CAPITALIZATION

Revenues related to multi-client data are, in accordance with IFRS, recognized at the point of delivery of completed data to the customer, leading to relatively high volatility in results quarterly and annually.

Revenues in 2023 amounted to USD 794.3 million, up 11% compared to the USD 716.6 million recognized in 2022. The increase is driven by growth in proprietary sales resulting from the consolidation of Magseis Fairfield 11 October 2022, outweighing by lower sales of multi-client data.

Operating profit for 2023 was USD 53.3 million, corresponding to a margin of 7%, compared to an operating profit of USD 132.0 million (18% margin) in 2022. Cost of sales was USD 217.4 million compared to 37.5 million in 2022. Most of the increase relates to the full-year effect of Magseis. In 2023, amortization and impairments of the multi-client library were USD 233.7 million versus USD 373.3 million in 2022. Of this, impairments (excluding accelerated amortization) accounted for USD 7.6 million, compared to USD 19.3 million in 2022. Accelerated amortization, which represents impairments recognized in connection with the recognition of revenues when multi-client projects are completed and performance obligations met, amounted to USD 62.6 million in 2023 versus USD 201.7 million in 2022. Straight-line amortization for 2023 totaled USD 163.5 million, up from USD 152.3 million in 2022. The increase is mainly caused by the full-year impact of straight-line amortization from projects being completed in 2022. Other operating expenses and personnel costs amounted to USD 193.0 million in 2023 compared to USD 140.2 million in 2022. The increase is primarily a result of the acquisitions of Prediktor AS, certain assets of ION Geophysical (and hiring of related personnel) and Magseis, which were conducted during the second half of 2022.

Board of Directors' Report

Net financial items amounted to USD -1.4 million in 2023 compared to USD -3.2 million in 2022.

Net profit before taxes was USD 51.9 million versus USD 128.9 million in 2022.

Tax expenses amounted to USD 30.2 million, corresponding to an effective tax rate of 58%. The main reasons for the high tax rate were currency movements and valuation allowances made for certain jurisdictions. In 2022, tax costs amounted to USD 40.9 million, implying a tax rate of 32%.

Net profit after tax was USD 21.1 million compared to USD 87.7 million in 2022.

At year-end 2023, cash and cash equivalents amounted to USD 196.7 million, up from USD 188.5 million at the end of 2023. The Company held no interest-bearing debt at the end of 2023, compared to USD 44.7 million at the end of 2022. It has a USD 150 million Revolving Credit Facility (RCF) that was undrawn at year-end 2023.

TGS held current assets of USD 442.9 million and current liabilities of USD 581.9 million on 31 December 2023. On 31 December 2022, current assets were USD 513.8 million and current liabilities were USD 505.0 million.

As of 31 December 2023, total equity amounted to USD 1,275.6 million versus USD 1,239.8 million in 2022, corresponding to an equity ratio of 65% (67% in 2022). The increase in equity was due to a combination of the net profit generated during the year and the capital raised in September 2023 to fund the PGS transaction, partly offset by dividends paid to shareholders.

TGS is listed on the Oslo Stock Exchange. It had a market capitalization of USD 1.7 billion as of 31 December 2023.

TGS issued 6.3 million new shares in 2023 to strengthen the balance sheet in preparation for the PGS transaction. The Board anticipates that another 62.1 million shares will be issued upon closing of the PGS transaction. Apart from this, the Board does not expect to issue any more shares other than shares issued as part of employee long-term incentive programs.

CASH FLOW FROM OPERATIONS, INVESTMENTS, FINANCING AND DIVIDENDS

TGS had cash flow from operating activities of USD 584.7 million in 2023, compared to USD 343.2 million in 2022.

Cash flow from investing activities amounted to USD -428.1 million in 2023, versus USD -272.7 million in 2022. Cash flow from investing activities included cash investments in the multi-client library of USD 390.3 million, compared to USD 200.9 million in 2022.

TGS has paid quarterly dividends since 2016. The Annual General Meeting held on 10 May 2023 resolved to renew the Board of Directors' authorization to distribute quarterly dividends.

In 2023, TGS paid dividends of USD 0.56 per share (USD 70.8 million in total), the same as in 2022 (USD 66.1 million in total).

On 15 February 2024, TGS announced that the Board of Directors resolved to pay a quarterly dividend of USD 0.14 in Q1 2024, maintaining the same quarterly run-rate for dividends as in 2023. The quarterly dividend was paid on 7 March 2024.

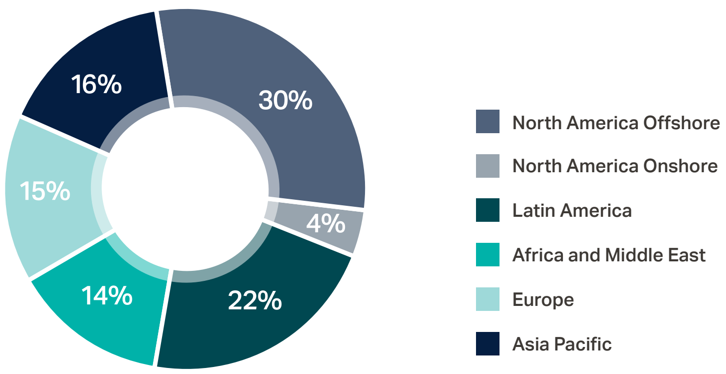
Shareholders' value metrics	2023	2022
Revenues (MUSD)	794.3	716.6
Operating profit (MUSD)	53.3	132.0
Operating margin	7%	18%
Earnings per share fully diluted (EPS) (USD)	0.17	0.74
Net multi-client revenues / average net book value ratio of multi-client library	57%	97%
Return on average capital employed (ROACE)	5%	13%
Free cash flow before M&A and cash flow from financing (MUSD)	154.4	125.0
Shareholders' equity / total assets	65%	67%

Board of Directors' Report

MULTI-CLIENT DATA

Driven by positive developments in most of the markets TGS operates in, the Company increased investments in new multi-client data to USD 402.4 million in 2023 from USD 223.4 million in 2022. Approximately 95% of multi-client investments related to new acquisitions and processing of seismic data, 3% related to investments in geological products, while 2% went into data and insights related to offshore wind and carbon capture, utilization and storage (CCUS).

Distribution of seismic multi-client investments



Early sales are revenues from customer commitments made prior to completion of a multi-client project and are recognized at the point of completion when the performance obligations are met. In 2023, early sales decreased to USD 136.6 million from USD 257.3 million in 2022, as fewer projects were delivered to the customers during the year. To better measure the value creation in the business, TGS uses revenues measured in accordance with percentage of completion (POC) as an Alternative Performance Measure (APM). In 2023, early sales measured in accordance with POC amounted to USD 310.7 million, up 128% from USD 136.0 million in 2022. The sharp increase was driven by a combination of the increased investments and a higher degree of pre-funding commitments from customers (77% in 2023 versus 61% in 2022).

Late sales, which are sales of completed data from the multi-client library, amounted to USD 238.7 million, a reduction of 36% from the USD 374.1 million recognized in 2022. The reduction was partly caused by lack of transfer fees in connection with M&A activity among customers, which had a significant contribution in 2022.

PROPRIETARY ACTIVITIES

Proprietary revenues are generated from sales of services to customers. Most of the proprietary revenues are earned in the Acquisition business unit, which is acquiring OBN data on behalf of customers, as well as sales of OBN-related equipment. In 2023, this amounted to USD 387.0 million in addition to USD 27.0 million of internal revenues related to services provided for TGS-owned multi-client projects. In 2022, external revenues were USD 54.0 million (USD 307.1 million pro-forma including Magseis for the full year of 2022) and internal revenues were USD 6.4 million (USD 35.0 million pro-forma).

The Acquisition business unit showed robust operational performance in 2023, resulting in increased operating margins. The Acquisition operating profit in 2023 came in at USD 55.3 million (margin of 13%), up from USD 17.0 (margin of 4%) million in 2022 pro-forma.

TGS is also delivering services related to imaging of seismic data. These activities generated USD 16.2 million of external revenues and USD 29.0 million in internal revenue in 2023, compared to USD 11.5 million in external revenue and USD 30.5 million in internal revenue last year.

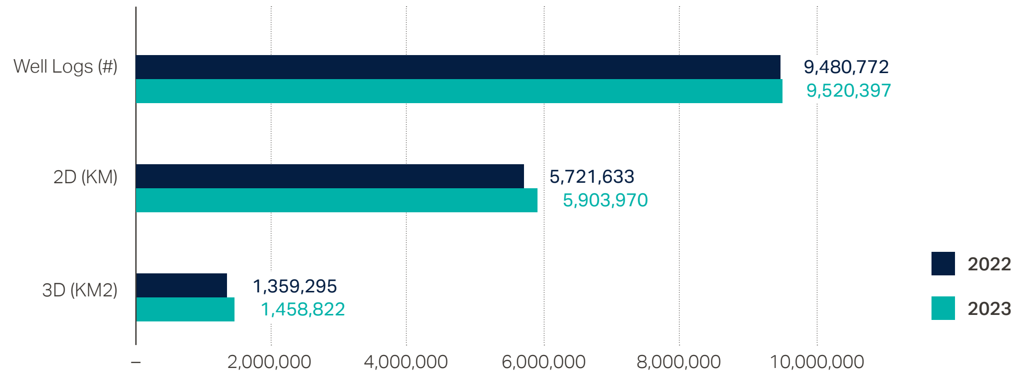
In the Digital Energy Solutions (DES) business unit, TGS provides data, analytics and insights using innovative digital technologies. Although most of the sales generated are licensing of data and software, and as such fall into the multi-client category, DES is also performing services on behalf of customers, mainly related to collection of high-resolution subsurface data for offshore wind and CCUS, as well as asset management and performance monitoring systems for solar parks and other industrial assets. The total DES revenue in 2023 was USD 50.1 million, 62% higher than the USD 31.5 million generated in 2022. Of this, USD 14.0 million was characterized as proprietary revenues, compared to USD 2.9 million in 2022.

Board of Directors' Report

MULTI-CLIENT LIBRARY

The TGS data library is one of the industry's most comprehensive multi-client resources, encompassing a wide range of geophysical, geological, gravity, magnetic and bathymetry data. The data amounts, as illustrated in the chart below, increased in 2023, mainly because of continued organic investments.

Multi-client library



* Data inventory may from time to time be reduced based on marketing rights expiring.

Due to the sharp increase in multi-client investments, the net book value of the multi-client data library increased substantially to USD 753.1 million at the end of 2023 from USD 591.7 million a year before. Of this, the net book value of completed data was USD 365.1 million (USD 402.8 million in 2022), while work-in-progress data was valued at USD 388.0 million (USD 172.6 million in 2022).

RISK MANAGEMENT AND INTERNAL CONTROL

TGS activities are heavily dependent on the capital spending budgets of E&P companies in the oil and gas industry. These budgets are, in turn, largely a function of actual and/or expected shifts in oil and gas prices. Consequently, TGS activities, opportunities and profitability are linked to the fluctuations in these prices. Under the TGS business model, discretionary investments in new multi-client projects are by far the largest use of the Group's cash. These investments can be relatively quickly scaled down if market conditions worsen, thus reducing negative impacts on the Group's cash flow.

The multi-client library, which consists of data that TGS licenses to multiple customers, is the Group's largest asset by far. The surveys that are in progress are subject to the risk of delays and cost overruns. Having conducted multi-client surveys for more than four decades, TGS has built up expertise and tools to manage projects and mitigate risk factors. As the surveys are completed, they are still subject to commercial risk. At times, TGS will have to impair the values of surveys if the future licensing potential diminishes as a result of market conditions, regulatory changes, lack of exploration success in the relevant area and changes in customers' strategic priorities, etc.

As a leading provider of ocean bottom node data acquisition services through the Acquisition business unit, TGS is exposed to operational risks, such as bad weather, equipment failure or accidents. Although these risks are partly mitigated in the customer contracts, they could have a material negative impact on profitability if materializing.

TGS is exposed to financial risks such as currency, liquidity and credit risk. The exposure to currency risk is low as most of our revenues, costs and capital expenditure are in USD. However, some monetary assets and liabilities are denominated in other currencies, mainly NOK and BRL.

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 represent best estimates 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 tax 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.

Liquidity risk arises from a lack of correlation between free cash flow and financial commitments. As of 31 December 2023, TGS held current assets of USD 442.9 million, of which cash and cash equivalents represented USD 196.7 million, and current liabilities were USD 581.9 million, of this USD 276.1 million relates

Board of Directors' Report

to deferred revenues. TGS has no interest-bearing debt, except lease liabilities amounting to USD 85.2 million. The Company has a Revolving Credit Facility of USD 150 million that remains undrawn.

The Board considers the liquidity risk of the Group to be low. TGS is exposed to credit risk through sales and receivables and uses its best efforts to manage this risk by monitoring receivables and implementing credit checks and other actions as deemed appropriate. The significant part of excess cash is placed in bank deposits.

The Group's maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets, such as accounts receivables, other short-term receivables and other non-current assets. TGS evaluates the concentration of risk with respect to accounts receivables as low due to the Group's credit rating policies and because clients are mainly large energy companies, considered to be financially sound. TGS is highly focused on maintaining adequate internal controls.

TGS is exposed to different types of climate-related risks, which are addressed by the Board's sustainability strategy. Please refer to the Sustainability Report for more details.

Reference is made to Note 18 of the Consolidated Financial Statements and to the more detailed information on risk management and internal control in the Corporate Governance section of the Annual Report.

ORGANIZATION, WORKING ENVIRONMENT AND EQUAL OPPORTUNITY

The TGS global workforce decreased 4% from year-end 2022 to year-end 2023, mainly as a result of synergies realized following the acquisition of Magseis. Voluntary turnover has declined to 9% in 2023 (from 10% in 2022) and remains below industry average of 12%. New hires, mainly driven by technology and new energy, increased 16% in 2023.

The Parent Company had 34 employees as of 31 December 2023. At year-end, the Group had a total of 873 employees in the following locations: 404 employees in the United States, 165 offshore employees, 154 employees in the United Kingdom, 114 employees in Norway, 15 employees in Brazil, nine employees in Australia, seven employees in Canada, and five employees in other countries. The number of employees in the Group at the end of 2022 was 909.

As a result of the acquisition of Magseis, 19% of the TGS workforce is now comprised of offshore employees compared to none at the end of 2022.

The Board generally considers the working environment in the Group to be good. A key focus in 2023 was the integration of the OBN acquisition business into the TGS organization. Retention of key employees remained paramount during the integration of the workforce and the Board emphasizes the importance of employee engagement during this process.

The Board and Management believe that the diversity of the employee base is a core strength of TGS and employees of diverse genders, ethnicities and nationalities are provided with equal opportunity and treated fairly within the Group.

At the end of 2023, women comprised 23% of the total workforce in the Group, compared to 27% in 2022, while the corresponding figure for managers was 22% at the end of 2023, compared to 29% in 2022. The reduction is a result of the inclusion of the offshore workforce, which is predominantly male, in the 2023 numbers.

The Board consists of three women and four men, in accordance to the 40% gender balance for Norwegian boards, which gradually applies from January 1, 2024.

The proportion of female new hires continues to be higher than the share of women in the total workforce. In 2023, 32% of new hires were female, compared to 34% in 2022. Also, this reduction is related to the addition of offshore employees to the global workforce.

In 2023, a total of 810 (724 in 2022) working days were lost due to sickness, corresponding to 0.41% (0.68%) of total days worked.

HEALTH, SAFETY AND ENVIRONMENT

As a strong supporter of environmental sustainability, TGS is fully committed to safeguarding and maintaining the environment in which we operate and live, while also providing a safe and healthy workplace for its employees and contractors. TGS manages and monitors these activities and operations through the active implementation of a comprehensive QHSE Management System. The TGS QHSE Management System is designed to ensure that all Group operations are conducted in the absence of significant risk, which is achieved by continuously identifying

Board of Directors' Report

and controlling hazards which may arise through any aspect of the Group's operations. The field activities covered within our QHSE Management System are certified under ISO9001:2015, 14001:2015, and 45001:2018.

TGS understands the importance and value of working with local governments, regulatory authorities and non-government organizations and strives to establish effective communication with all relevant stakeholders to help identify, understand and mitigate environmental risks associated with geophysical research activities. TGS complies with relevant laws and local regulations, while also working closely with several industry associations to investigate and implement ways to mitigate the potential impact from seismic operations on the environment. Additionally, TGS works with vessel owners and seismic contractors to ensure compliance with the TGS Sustainability Program, which in 2023, included tracking and reporting of carbon emissions, achieving zero reportable spills to the environment, and reporting 8.07 metrics tons of marine debris removal efforts to EnerGeo's Ghost Net Initiative.

Each year, TGS promotes a top-down message of health and safety by requiring that each member of the TGS Executive Management Team conduct at least one QHSE facility inspection and one field visit. In 2023, every member of the TGS Executive Management Team completed their executive QHSE facility inspections and field engagement goals. TGS project managers and HSE managers participated in all project planning activities. TGS achieved full compliance with vessel and land crew HSE audit requirements, and TGS project managers and HSE managers ensured that all outstanding action items were properly rectified before the start of field operations. Employees completed at least one HSE training course in 2023 (98.5% training compliance) that included modules covering office emergency preparedness and response.

TGS continued its operations with few injuries and incidents, and in 2023 TGS captured 10 recordable injuries, compared to four in 2022. TGS achieved an annual total recordable case frequency (TRCF) of 1.12 compared to 1.62 in 2022.

More detailed information on the TGS QHSE initiatives may be found in the Sustainability Report, included as a separate section of the Annual Report and on the TGS website through our dedicated sustainability webpage.

SUSTAINABILITY AND CORPORATE SOCIAL RESPONSIBILITY

TGS recognizes the importance of ensuring we have an ESG strategy that is aligned with our operations and overall strategy. TGS is committed to conducting our operations in an environmentally sustainable and responsible manner, addressing and mitigating our climate, biodiversity and other environmental impacts. We value diversity and inclusion by promoting and maintaining a workplace where employees are treated with dignity, decency and respect and have equal opportunities for employment, development and advancement. TGS believes in providing a safe and healthy workplace for our employees, contractors, vendors and clients, and is committed to the highest standard of business ethics, complying with the law and operating ethically and transparently. Proper project planning and management, as well as coordination with our vendors, partners and local communities, play a significant role in ensuring that we conduct our operations and activities in a sustainable manner.

TGS continues to incorporate material ESG and HSE metrics in both its long-term and short-term incentive plans to ensure there is both leadership and workforce alignment with the TGS ESG strategy. Throughout 2023, TGS received recognition for its ESG strategy and execution; most notably, TGS is included on the 2023 Bloomberg Gender Equality Index (three years in a row), is listed in the OBX ESG Index since it launched in 2022, is named in the S&P Global Sustainability Yearbook in 2023, received another A-rating by Position Green in its 2023 ESG 100 (two years in a row), and continues to be a CDP Supporter in 2023.

For more information, please refer to the Sustainability Report, included as a separate section of this Annual Report and on the TGS website. This statement is prepared in compliance with the Norwegian Accounting Act and other applicable regulations, as discussed in more detail in the Report, and the Board believes the Report conforms to the reporting requirements.

BOARD STRUCTURE AND CORPORATE GOVERNANCE

The Board of Directors consists of seven directors, each serving a one-year term, and all classified as independent. The Board of Directors has two sub-committees: The Audit Committee, consisting of three members, and the Compensation Committee, consisting of three members.

TGS has an independent Nomination Committee consisting of three members elected by the shareholders.

TGS emphasizes independence and integrity in all matters relating to the Board, Management and its shareholders.

The Group conducts an active compliance program designed to continually inform and educate employees on ethical and legal issues. TGS employs a Board-appointed compliance officer who reports quarterly on the Group's compliance activities and objectives.

Board of Directors' Report

Paragraph 5-8a in the Securities Trading Act section on shareholder matters is not applicable for TGS shareholders.

TGS bases its corporate governance policies and practices on the Norwegian Code of Practice for Corporate Governance issued on 14 October 2021. The Board of Directors believes that TGS complies in all areas relating to the Code of Practice and will address compliance with any subsequent amendments. A more detailed description of how TGS complies with the Code of Practice and the Norwegian Accounting Act's requirements for reporting on corporate governance is included in the Corporate Governance section of this Annual Report and on the TGS website.

SALARY AND OTHER COMPENSATION

TGS compensates its employees according to market conditions that are reviewed on an annual basis by the Compensation Committee. Compensation includes base salary, insurance and retirement benefits programs, a profit-sharing bonus plan based on the Group's performance and, in certain cases, equity-based, long-term incentive awards. For further details, please refer to section 12 of the Report on Corporate Governance and the 2023 Management Remuneration Report.

The members of the Board of Directors do not participate in any bonus plan, profit-sharing plan or stock incentive plan. In recent years, the Directors' compensation has been composed of both a fixed fee and a number of restricted TGS shares. The remuneration is not related to the Group's financial result. The Board of Directors and Management are covered under a director and officers (D&O) liability insurance. TGS doesn't have any loans to senior officers or other shareholders.

Reference is made to Note 12 of the Consolidated Financial Statements for details on the remuneration for 2023.

SIGNIFICANT LITIGATION

The Board is regularly updated on significant litigation matters. As a result, at each Board meeting, the Board receives an update on any material developments in the matters described in Note 26 to the Consolidated Financial Statements. The Audit Committee also receives an update on a quarterly basis regarding other less significant potential and pending litigation matters.

OUTLOOK

Global energy demand is set to continue to grow in the coming decades. Adoption of alternative energy sources is not happening rapidly enough to meet the more ambitious energy transition scenarios, resulting in oil and gas likely to continue making up above 50% of global primary energy supply in the foreseeable future. The steep depletion rate of currently producing oil and gas fields, combined with the fact that a substantial share of undeveloped proven reserves is disadvantaged by high costs, wide environmental footprints and/or high political and regulatory risk, highlights the need to continue exploring for oil and gas resources, both in mature and emerging basins over the next decades.

The strong growth in oil and gas exploration spending seen in 2022 continued in 2023. However, while the seismic portion grew in 2022, growth in 2023 was largely driven by higher drilling activity. As such, 2023 saw a modest development in total seismic spending, although TGS revenues grew at a rate of 11% driven by growth in sales of services resulting from the consolidation of Magseis from 11 October 2022.

The Board believes that exploration spending is set to continue to grow in 2024. An increasing portion of budgets is expected to be allocated to offshore basins, while relevant onshore activity is likely to remain flat or decline. Established oil and gas provinces, such as U.S. Gulf of Mexico, Norway and Brazil, are likely to remain key areas for multi-client seismic and OBN data acquisition, in addition to selected areas of a more frontier nature in Latin America, West Africa and Southeast Asia.

TGS Digital Energy Solutions is providing data and insights to the energy industry through innovative products, digital platforms and software solutions. With an increasing number of countries and regions releasing acreage for renewable energy production in combination with financial incentive packages, demand for the TGS product offering for screening, decision support and asset management is set to continue to grow, both in the short- and long-term.

These forward-looking statements reflect current views about future events and are, by their nature, subject to significant risks, uncertainties and assumptions that are difficult to predict because they relate to events and depend on circumstances that will occur in the future.

Board of Directors' Report

EVENTS AFTER THE BALANCE SHEET DATE

On 31 January 2024, TGS entered into a commitment of USD 60 million to refinance PGS ASA Super Senior loan, on market terms. The loan agreement is signed, and payment was made on 18 March 2024. TGS funded the payment by drawing down on the USD 150 million RCF.

On 15 February 2024, the Board of Directors resolved to pay a quarterly dividend of the NOK equivalent of USD 0.14 per share (NOK 1.47) to shareholders. The dividend payment was made on 7 March 2024.

ANNUAL RESULT OF THE PARENT COMPANY AND ALLOCATION OF RESULT

In 2023, revenues of the Parent Company decreased by 38% to USD 160.6 million from USD 260.8 million in 2022. Operating profit amounted to USD 35.6 million compared to USD 99.3 million in 2022. The decrease was caused mainly by lower sales. Net loss for 2023 was USD 2.7 million compared to net income of USD 34.8 million in 2022. The Board proposes that the Parent Company's net loss of USD 2.5 million shall be allocated fully to retained earnings.

CONFIRMATION FROM THE BOARD OF DIRECTORS AND CEO:

We confirm, to the best of our knowledge, that the financial statements for the period 1 January to 31 December 2023 have been prepared in accordance with current applicable accounting standards and give a true and fair view of the assets, liabilities, financial position and profit or loss of the entity and the Group taken as a whole. We also confirm that this Report of the Board of Directors with references to the notes to the accounts and the Corporate Governance section of the Annual Report includes a true and fair review of the development and performance of the business and the position of TGS, together with a description of the principal risks and uncertainties facing the Group.

20 March 2024

CHRISTOPHER FINLAYSON
Chair of the Board of Directors

LUIS ARAUJO
Board member

BETTINA BACHMANN
Board member

IRENE EGSET
Board member

GRETHE KRISTIN MOEN
Board member

MAURICE NESSIM
Board member

SVEIN HARALD ØYGARD
Board member

KRISTIAN JOHANSEN
Chief Executive Officer

Board of Directors

CHRISTOPHER GEOFFREY FINLAYSON

Chairperson

Mr. Finlayson is a geologist and petroleum engineer by training, with nearly 40 years of technical and commercial experience in the oil and gas industry. He joined Shell in 1977, and during his career, held various leadership roles in exploration and production and liquefied natural gas around the world. Mr. Finlayson served as the Chief Executive Officer and Executive Director of BG Group plc from 2013 to 2014, after joining BG Group in 2010. During the period between 2014 and 2022, he served as Chairman of the Board of two listed exploration and production companies – InterOil Corporation (acquired in 2017) and Siccar Point Energy Ltd. (acquired in 2022). Mr. Finlayson currently serves on the board of the Abu Dhabi National Energy Company (TAQA), an international diversified utilities and energy company listed on the Abu Dhabi Securities Exchange. He is a Fellow of the Energy Institute. He was first elected as a Director of TGS in 2019 and as Chairperson in 2022.

LUIS ARAUJO

Independent Director

Mr. Araujo has 40 years of experience in the energy and oil and gas industries, holding the positions of Chief Executive Officer of Aker Solutions from 2014 to 2021 and other senior level positions in Aker Solutions, Wellstream, ABB, FMC Technologies, Vetco Gray and Technip Coflexip throughout his career. He currently serves as the Chairman of the Board of OceanPact Serviços Marítimos S.A. (listed in Brazil), CRC Evans (UK privately held) and Principle Power (privately held) and as a board member of Akastor ASA (listed on the Oslo Stock Exchange). He also served as a non-executive director of Magseis Fairfield ASA from 2019 until TGS acquired a majority equity interest in Magseis Fairfield in 2022. Mr. Araujo was first elected as a Director of TGS in 2023.

BETTINA BACHMANN

Independent Director

Ms. Bachmann has over 35 years of experience as a senior energy and technology leader, beginning her career in 1983 with Shell. During her tenure with Shell, she held a variety of business, technical and leadership roles in exploration and development with Shell, working in the Middle East, Africa and Europe, including as Shell's Vice President for Subsurface and Wells Software in Production from 2009 until 2019. Since 2019, she has been a Managing Director of TwoB Consulting GmbH. She also serves as a non-executive board member of Geoteric, and until 2023, as a member of the technical advisory board of EV Private Equity. From 2014 to 2020, Ms. Bachmann served as a non-executive director of Magseis Fairfield ASA, now a subsidiary of TGS. She also serves as a board member or advisor of various industry-related nonprofit organizations and is a founding member of Women-in-Tech Switzerland, an organization advocating for women's empowerment in the STEM and technology industries. Ms. Bachmann was first elected as a Director of TGS in 2023.

Board of Directors

IRENE EGSET

Independent Director

Ms. Egset serves as the Chief Financial Officer of Coop Norway SA, which manages joint tasks for the cooperatives of the Norwegian grocery chain, Coop. Prior to joining Coop in 2024, she served as the CFO of Posten Norge from 2019 to 2024. From 2008 to 2018, she served in various financial leadership roles with Statkraft, including as the corporate CFO. From 2005 to 2008, she was a financial manager for J. F. Knudtzen, and from 2000 to 2005, she served as Controller for Nera SatCom. Ms. Egset held a variety of financial roles at Statoil (now Equinor) from 1992 to 2000.
Ms. Egset began her career in 1988 as a financial manager for Ulstein Elektro (part of the Ulstein Group). Ms. Egset serves as a board member for three privately held companies. She was first elected as a Director of TGS in 2019.

GRETHE KRISTIN MOEN

Independent Director

Ms. Moen has 40 years of experience in leadership positions within the oil, gas and energy industry, 25 years of which (1982–2007) were with Equinor (Statoil) and four years (2007–2011) with Shell Europe. From 2011 to 2013, Ms. Moen served as Vice President of Petoro AS, a fully Norwegian state-owned oil company, managing the State Direct Financial Interest in Joint Ventures (SDFI/SDØE). From 2013 to January 2021, she served as CEO of Petoro. Ms. Moen serves on the boards of four privately held companies. She holds a Master of Science degree in chemical engineering from NTNU in Trondheim. She was first elected as a Director of TGS in 2021.

Board of Directors

MAURICE NESSIM

Independent Director

Mr. Nessim currently serves as the President and Chief Executive Officer of CloudStream Medical Imaging Inc., joining in January 2022. From 1995 to 2022, he served in various leadership roles with SLB, a global technology company focused on energy innovation. Most recently, from 2015 to 2022, he was the President of WesternGeco, an SLB company and one of the largest global geophysical companies. In addition to his corporate roles, Mr. Nessim has served as the President of the Society of Exploration Geophysicists (SEG) and as the Chairman of the International Association of Geophysical Contractors (now known as the Energeo Alliance). He was first elected as a Director of TGS in 2023.

SVEIN HARALD OYGARD

Independent Director

Mr. Øygard is a business owner, investor and independent advisor with substantial expertise in the finance and energy industries. From 1983 to the mid-1990s, Mr. Øygard worked within the Norwegian Ministry of Finance and Parliament, lastly as Deputy Minister of Finance. From the mid-1990s, Mr. Øygard held various prominent positions within McKinsey Company, including Global Knowledge Leader Oil & Gas from 2010 to 2014. In 2009, Mr. Øygard served as the Interim Central Bank Governor of the Icelandic Central Bank. From mid-2016, he was the co-founder and Chairman of DBO Energy, which divested assets into the 3R Petroleum initial public offering and subsequently merged with Maha Energy. He is also the co-founder of two private energy transition companies in Brazil and serves on the Board of several other privately held companies. Mr. Øygard serves as Chairman of the Board of Norwegian Air Shuttle ASA (since 2021) and as the Chairman of the Board of DOF Group ASA (since 2023), both of which are listed on the Oslo Stock Exchange. He is also a director of Maha Energy AB (since 2023), which is listed on the NASDAQ Main Market in Stockholm, Sweden. He was first elected as a Director of TGS in 2021.

TGS Financials

The Company's asset-smart and flexible business model ensures that we are continuing to generate healthy cash flow during periods of challenging market conditions.

TGS Financials / Alternative Performance Measures / Parent Company Financials / Auditor's Report

Consolidated statement of total comprehensive income

Year ended 31 December (All amounts in USD 1,000s)	Note	2023	2022
Revenues	**4,6,20,27**	**794,297**	**716,633**
Cost of sales - proprietary and other	5	217,417	37,527
Straight-line amortization of the multi-client library	9,20	163,451	152,247
Accelerated amortization of the multi-client library	9,20	62,599	201,701
Impairment of the multi-client library	9,10,20	7,622	19,314
Personnel costs	12	131,041	86,407
Other operating expenses		61,958	53,843
Depreciation, amortization, and impairment	7,8,9	96,942	33,561
Total operating expenses		**741,029**	**584,599**
Operating profit/(loss)		**53,268**	**132,034**
Financial income	28	11,651	2,396
Financial expenses	28	(17,769)	(8,508)
Results from equity accounted investments	28	465	1,251
Net exchange gains/(losses)	28	4,261	1,692
Net financial items		**(1,392)**	**(3,169)**
Profit/(loss) before taxes		**51,876**	**128,865**
Taxes	29	30,229	40,898
Net income/(loss)		**21,646**	**87,967**

Consolidated statement of total comprehensive income

OTHER COMPREHENSIVE INCOME

Other comprehensive income to be reclassified to profit or loss in subsequent periods.

Year ended 31 December (All amounts in USD 1,000s)	Note	2023	2022
Exchange differences on translation of foreign operations		(546)	(306)
Total comprehensive income/(loss) for the period		**21,101**	**87,661**
Net income attributable to the owners of the parent		21,646	87,796
Net income attributable to non-controlling interests		–	171
		21,646	**87,967**
Total comprehensive income attributable to the owners of the parent		21,101	87,490
Total comprehensive income attributable to non-controlling interests		–	171
		21,101	**87,661**
Earnings per share (USD)	14	0.17	0.75
Earnings per share, diluted (USD)	14	0.17	0.74

Consolidated balance sheet – assets

As of 31 December (All amounts in USD 1,000s)	Note	2023	2022
ASSETS			
Non-current assets			
Goodwill	3, 9, 10	384,649	384,649
Intangible assets: Multi-client library	3, 9, 10	753,084	575,337
Other intangible assets	9, 10	73,020	65,805
Deferred tax assets	29	67,895	82,196
Buildings, machinery and equipment	7	131,970	145,098
Right-of-use asset	8	78,438	60,291
Other non-current assets	19	24,424	11,711
Total non-current assets		**1,513,479**	**1,325,087**
Current assets			
Accounts receivable	18,21	93,712	142,781
Accrued revenues	18,21	63,217	97,538
Other receivables	21	76,700	78,463
Inventory	11	12,565	6,575
Cash and cash equivalents	16	196,741	188,452
Total current assets		**442,935**	**513,810**
Total assets		**1,956,414**	**1,838,897**

Consolidated balance sheet – equity and liabilities

As of 31 December (All amounts in USD 1,000s)	Note	2023	2022
EQUITY AND LIABILITIES			
Equity			
Share capital	15	4,406	4,259
Treasury shares	15	(16)	(18)
Share premium		623,965	537,583
Other paid-in equity		45,248	45,248
Other equity		601,505	648,834
Equity attributable to owners of the parent		**1,275,108**	**1,235,907**
Non-controlling interests		468	3,856
Total equity		**1,275,576**	**1,239,763**
LIABILITIES			
Non-current liabilities			
Other non-current liabilities	18	41,210	42,408
Non-current lease liabilities	8	41,331	28,609
Deferred tax liability	29	16,426	23,130
Total non-current liabilities		**98,967**	**94,148**
Current liabilities			
Short-term interest bearing debt	18,23	–	44,748
Accounts payable and debt to partners	18,22	95,049	72,862
Taxes payable	22,29	5,464	14,044
Withheld payroll tax, social security and VAT	22	72,913	63,179
Current lease liabilities	8	43,877	38,350
Deferred revenue	4,22	276,064	126,462
Other current liabilities	22	88,506	145,341
Total current liabilities		**581,872**	**504,986**
Total liabilities		**680,838**	**599,134**
Total equity and liabilities		**1,956,414**	**1,838,897**

Oslo, 20 March 2024

CHRISTOPHER FINLAYSON
Chair of the Board of Directors

LUIS ARAUJO
Board member

BETTINA BACHMANN
Board member

IRENE EGSET
Board member

GRETHE KRISTIN MOEN
Board member

MAURICE NESSIM
Board member

SVEIN HARALD ØYGARD
Board member

KRISTIAN JOHANSEN
Chief Executive Officer

Consolidated statement of changes in equity

(All amounts in USD 1,000s)	Share capital (par value at NOK 0.25)	Treasury shares	Share premium	Other paid–in capital	Foreign currency translation reserve	Retained earnings	Total	Non–controlling interest	Total equity
Opening balance 1 January 2023	4,259	(18)	537,583	45,248	(22,539)	671,373	1,235,907	3,856	1,239,763
Net income	–	–	–	–	–	21,646	21,646	–	21,646
Other comprehensive income	–	–	–	–	(546)	–	(546)	–	(546)
Total comprehensive income	–	–	–	–	**(546)**	**21,646**	**21,101**	–	**21,101**
Distribution of treasury shares	–	1	–	–	–	666	667	–	667
Capital increase	145	–	86,382	–	–	–	86,527	–	86,527
Acquisition of Magseis Fairfield ASA	–	–	–	–	–	(2,031)	(2,031)	(3,389)	(5,419)
Cost of equity–settled long term incentive plans	2	–	–	–	–	3,540	3,542	–	3,542
Dividends	–	–	–	–	–	(70,605)	(70,605)	–	(70,605)
Balance 31 December 2023	**4,406**	**(16)**	**623,965**	**45,248**	**(23,085)**	**624,590**	**1,275,108**	**468**	**1,275,576**

(All amounts in USD 1,000s)	Share capital (par value at NOK 0.25)	Treasury shares	Share premium	Other paid–in capital	Foreign currency translation reserve	Retained earnings	Total	Non–controlling interest	Total equity
Opening balance 1 January 2022	4,086	(38)	416,878	45,248	(22,233)	671,394	1,115,335	(7)	1,115,328
Net income	–	–	–	–	–	87,796	87,796	171	87,967
Other comprehensive income	–	–	–	–	(306)	–	(306)	–	(306)
Total comprehensive income	–	–	–	–	**(306)**	**87,796**	**87,490**	**171**	**87,661**
Purchase of own shares	–	(13)	–	–	–	(7,001)	(7,015)	–	(7,015)
Distribution of treasury shares	–	0	–	–	–	149	150	–	150
Cancellation of treasury shares held	(33)	33	15,928	–	–	(15,928)	–	–	–
Capital increase	203	–	106,155	–	–	18,882	125,240	–	125,240
Acquisition of Magseis Fairfield ASA	–	–	(1,378)	–	–	(20,005)	(21,383)	3,692	(17,691)
Cost of equity–settled long term incentive plans	3	–	–	–	–	2,223	2,226	–	2,226
Dividends	–	–	–	–	–	(66,136)	(66,136)	–	(66,136)
Balance 31 December 2022	**4,259**	**(18)**	**537,583**	**45,248**	**(22,539)**	**671,373**	**1,235,907**	**3,856**	**1,239,763**

Consolidated statement of cash flows

Year ended 31 December (All amounts in USD 1,000s)	Note	2023	2022
OPERATING ACTIVITIES			
Profit before taxes		51,876	128,865
Depreciation/amortization/impairment		330,613	406,824
Changes in accounts receivables and accrued revenues		83,391	(45,467)
Changes in other receivables		(9,132)	33,061
Changes in other balance sheet items		160,097	(165,094)
Paid taxes	29	(32,193)	(15,036)
Net cash flows from operating activities		**584,652**	**343,153**
INVESTING ACTIVITIES			
Investments in tangible and intangible assets		(47,853)	(23,663)
Investments in multi-client library	9	(390,348)	(200,888)
Investments through mergers and acquisitions	3	(1,567)	(54,563)
Divestment through mergers and acquisitions	3	3,800	–
Interest received		7,889	6,396
Net cash flows used in investing activities		**(428,079)**	**(272,718)**
FINANCING ACTIVITIES			
Repayment of short term loans		(44,748)	–
Interest paid		(7,838)	(5,608)
Dividend payments	15	(70,605)	(66,136)
Repayment of lease liabilities	8	(60,952)	(20,599)
Acquisition of shares	3	(54,385)	–
Paid-in-equity		86,527	–
Purchase of own shares		1	(7,015)
Net cash flows used in financing activities		**(152,000)**	**(99,358)**
Net change in cash and cash equivalents		**4,574**	**(28,923)**
Cash and cash equivalents at the beginning of the period	16	188,452	215,329
Net unrealized currency gains/(losses)		3,715	2,047
Cash and cash equivalents at the end of the period	**16**	**196,741**	**188,452**

Note 1: General accounting policies

GENERAL INFORMATION

TGS ASA (the Parent Company) is a public limited liability company incorporated in Norway on 21 August 1996. The address of its registered office is Askekroken 11, 0277 Oslo, Norway. TGS ASA is listed on the Oslo Stock Exchange under the trading symbol "TGS."

TGS ASA and its subsidiaries ("TGS" or "the Group") provide energy data and intelligence to companies and investors across energy markets. TGS has the world's largest global energy data library, including seismic data, magnetic and gravity data, multi-beam and coring, digital well log and production data, wind energy data, data to identify CCS opportunities, and other types of renewable data. And, with the recent acquisition of Magseis Fairfield ASA, TGS is now the world's leading OBN provider. In addition, TGS offer services such as advanced processing and analytics, data management and cloud-based data application and solutions. The Consolidated Financial Statements of TGS were authorized by the Board of Directors and are to be approved at the Annual General Meeting.

BASIS OF PREPARATION

The Consolidated Financial Statements of TGS have been prepared in accordance with IFRS® Accounting Standards as adopted by the European Union (EU) in effect as of 31 December 2023 and consist of the Consolidated Statement of Comprehensive Income, the Consolidated Balance Sheet, the Consolidated Statement of Cash Flows, the Consolidated Statement of Changes in Equity and notes to the Consolidated Financial Statements. The Consolidated Financial Statements have been prepared on a historical cost basis.

Presentation currency

TGS presents its Consolidated Financial Statements in USD. The majority of TGS revenues and expenses are denominated in USD, and USD is the functional currency for all material entities in the Group.

Foreign currency

Transactions in foreign currency are translated to the functional currency using the exchange rates prevailing at the dates of the transactions. Monetary assets and liabilities in foreign currencies are translated into functional currency using the spot rates at the date of the balance sheet. Foreign exchange gains and losses are recognized as net exchange gains/(losses) in the profit and loss account.

SUMMARY OF MATERIAL ACCOUNTING POLICIES

REVENUE FROM CONTRACTS WITH CUSTOMERS

Revenue from contracts with customers is recognized when control of the goods or services is transferred to the customers at an amount which reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

Early sales

Multi-client pre-funding contracts (i.e., contracts signed prior to commencement of a survey) and sales of unfinished data (i.e., contracts entered into after commencement of a survey, but prior to data being ready for delivery) are considered to be "right to use licenses" under IFRS 15, meaning that all revenue related to these contracts is recognized at the point in time when the license is transferred to the customer, which would typically be upon completion of processing of the survey and granting of access to the finished survey or delivery of the finished data, independent of services delivered to clients during the project phase. The Group has generally concluded that it is the principal in its revenue arrangements, as it typically controls the goods or services before transferring them to the customer.

Late sales

Revenue for sale of finished data is recognized at a point in time, generally upon delivery of the final processed data (i.e., when the client has gained access to the data under a binding agreement). Through the binding agreement the customer is granted a non-exclusive license to use the finished data. Sales of finished data are presented as part of late sales revenue.

Revenue sharing arrangements

From time to time, TGS enters into contracts where revenue is shared with governments or other parties (see Joint Arrangements below). Such revenue is recognized on a net basis in accordance with applicable recognition principles.

Note 1: General accounting policies

Proprietary contracts

Revenue from proprietary contracts, where TGS delivers services for the exclusive benefit of the customer, is recognized over time, normally on a percentage of completion basis, measured according to the acquired and processed volume of data in relation to the total size of the project.

COST OF SALES – PROPRIETARY CONTRACTS AND OTHER

Cost of sales consists of direct costs related to proprietary contract work in which revenue is recognized over time. Cost of sales also consists of costs related to delivery of geoscientific data.

MULTI-CLIENT LIBRARY

The multi-client library includes completed and in-progress geophysical and geological data, as well as certain other data types, to be licensed on a non-exclusive basis mainly to oil and gas companies. The costs directly attributable to data acquisition and processing are capitalized and included in the library value. These costs include mainly costs related to vessels, equipment, payroll and hardware/software. Data acquisition costs include mobilization costs incurred when relocating vessels, equipment and crews to the survey areas. The library also includes the cost of data purchased from third parties. The library of finished data is presented at cost, reduced by accumulated amortization and impairment.

Straight-line amortization

After a project is completed, it is amortized on a straight-line. The straight-line amortization is assigned over the expected useful life, which for most marine projects is four years. For most onshore projects, the expected useful life after completion of a project is seven years.

Accelerated amortization of seismic data

No revenue is recognized until the point in time when the license is transferred to the customer, which would typically be upon completion of processing of the survey and granting of access to the finished survey or delivery of the finished data. When a project is completed and after early sales are recognized, an impairment charge may be necessary in the event recoverable value (present value of expected late sales) is lower than net book value of the survey (capitalized cost of the survey). This type of impairment is referred to as "accelerated amortization," as opposed to impairments caused by reduced cash flow forecasts, which is referred to as "impairments" in TGS accounts.

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 for a survey are realized disproportionately sooner than implied by the straight-line profile over the survey's useful life.

Amortization policy on seismic data purchased from third parties

When purchasing seismic data from third parties, straight-line amortization over the remaining useful life of the data is recognized. The straight-line amortization is based on the cost of the seismic data recognized on the date of the purchase.

As with organic surveys, accelerated amortization of the in-organic library may be necessary in the event that sales on a survey are realized disproportionately sooner within that survey's useful life.

Amortization policy on well data products

The library of multi-client well logs and other types of geological data is presented at cost, reduced by accumulated amortization. Amortization is recorded as a straight-line amortization over seven years.

JOINT ARRANGEMENTS

For certain multi-client library projects, TGS invests in the project together with other parties and has cooperation agreements whereby revenues and costs will be shared with other companies. These agreements are initiated and agreed as joint operations where both parties have rights to the assets and share in the liabilities. TGS recognizes its share of the investment in the multi-client library, its share of revenues from the sale of the multi-client survey, related amortization and expenses. When TGS has the right to market and sell the surveys, TGS enters into the license contracts with customers, and invoices and collects payments from the customers. Accounts receivables under these arrangements are presented on a net basis. Similarly, when a partner holds the right to market and sell the project and is the party responsible for invoicing and collection from the customers, TGS only recognizes its share of the related accounts receivables.

Note 1: General accounting policies

VARIABLE PAYMENT ARRANGEMENTS

For certain multi-client library projects, TGS may enter into arrangements whereby the supplier of goods or services is paid on a variable basis, often linked to future license revenue on that project. In such cases, the supplier has no rights or obligations to the multi-client library and therefore has no control over it. After the underlying project is completed, TGS recognizes the fair value of the variable payments in the initial cost of the asset at the date of acquisition and recognizes a corresponding accrued project cost. The accrual will be made in the currency in which the supplier payments will eventually be made and will be re-assessed periodically.

BUSINESS COMBINATIONS AND GOODWILL

When TGS acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions at the acquisition date. This involves recognizing identifiable assets (including previously unrecognized intangible assets) and liabilities (including contingent liabilities but excluding future restructuring) of the purchased business at fair value. This includes the separation of embedded derivatives in host contracts by the acquiree.

Any contingent consideration to be transferred by the acquirer will be recognized at fair value at the acquisition date. Subsequent changes to fair value of the contingent consideration, which is deemed to be an asset or liability, will be recognized in the profit and loss account. If the contingent consideration is classified as equity, it will not be remeasured. Subsequent settlement is accounted for in equity. In instances where the contingent consideration does not fall within the scope of IFRS 9, it is measured at fair value at each reporting date and changes in fair value will be recognized in the profit and loss account.

Goodwill is initially measured at cost and is only allocated to the majority's share, being the excess of the aggregate of the consideration transferred and the amount recognized for non-controlling interest over the net identifiable assets acquired and liabilities assumed. If this consideration is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognized as a bargain purchase gain in the profit and loss account.

After initial recognition, goodwill is measured at cost, less any accumulated impairment charges. For the purpose of impairment testing, goodwill from a business combination is, from the acquisition date, allocated to each of the TGS cash generating units (CGUs) that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of TGS are assigned to those units. Each unit, or group of units to which the goodwill is allocated, represents the lowest level within TGS at which the goodwill is monitored for internal management purposes.

Should part of an operation carrying goodwill be disposed of, goodwill associated with the disposed operation is then included in book value of the operation when determining the gain or loss on the disposal. The goodwill disposed of in this circumstance is measured based on the relative values of the operation disposed of and the portion of the CGU retained.

Goodwill is reviewed for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be reduced.

Impairment is determined for goodwill by assessing the recoverable amount of the CGU, or group of CGUs, to which the goodwill relates. Where the recoverable amount of the CGU (or group of CGUs) is less than the book value of the CGU (or group of CGUs) to which goodwill has been allocated, an impairment loss is recognized. Impairment losses relating to goodwill cannot be reversed in future periods.

TANGIBLE NON-CURRENT ASSETS

Tangible non-current assets are presented at historical cost, less accumulated depreciation and accumulated impairment charges. Purchases which are expected to have a technical and economic life of more than one year are capitalized as tangible non-current assets. Depreciation begins when the assets are available for use.

IMPAIRMENT OF NON-FINANCIAL ASSETS

In assessing value in use, the estimated future cash flows calculated in USD 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.

TGS bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the 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.

Note 1: General accounting policies

Impairment losses are recognized in the statement of profit and loss in expense categories consistent with the function of the impaired asset.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognized impairment losses no longer exist or have decreased. If such indication exists, TGS estimates the assets or the CGU's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment charge was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, or the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the statement of profit and loss.

Goodwill is reviewed for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired.

PROVISIONS AND CONTINGENCIES

Provisions are made when TGS has a current obligation (legal or constructive) as a result of a past event. It is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Contingent liabilities are possible obligations caused by a past event where the existence of the liability depends on the occurrence, or not, of a future event. An existing obligation, in which it is not likely that the entity will have to dispose economic benefits, or where the obligation cannot be measured with sufficient reliability, is considered a contingent liability. Contingent liabilities are not recognized in the financial statements but are disclosed unless the possibility of outflows is remote. A contingent asset is not recognized in the financial statement but disclosed if it is probable that it will be an inflow of economic benefits for TGS.

INCOME TAXES

Current income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the tax authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date in the countries where TGS operates and generates taxable income.

Deferred tax

Deferred tax is provided using the liability method on temporary differences at the balance sheet date between the tax bases of assets and liabilities and their respective carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities have been recognized for all taxable temporary differences.

Deferred tax assets are recognized for all deductible temporary differences, the carryforward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carryforward of unused tax credits and unused tax losses can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to offset current income tax assets against current income tax liabilities and the deferred taxes relate to the same taxable company and the same taxation authority. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized, or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

Note 1: General accounting policies

Deferred tax relating to items recognized outside of the profit and loss account are correspondingly recognized outside of the profit and loss account. Deferred tax items are recognized in parallel to the underlying transaction either in OCI or directly in equity.

The Parent Company and other Norwegian subsidiaries pay their tax obligation in NOK. Fluctuations between the NOK and the USD thus impact the USD denominated financial statements. Also, other legal entities that do not have their tax base in USD are exposed to changes in the USD versus the tax base-currency rates. Effects within the current year are classified as tax expense.

Tax positions subject to uncertainty are identified and assessed either individually or in groups based on estimates of the probabilities that the tax authorities will accept or reject a certain treatment. Where it is assessed that it is not probable, the tax authorities will accept an uncertain tax treatment, and the effect of the uncertainty is reflected in the calculation of the taxable profit, tax bases, unused tax losses or credits, or tax rates. The effect of the uncertainty is calculated by applying the most appropriate method (most likely amount or expected value). Changes in circumstances are assessed and reflected at each reporting date.

SHARE-BASED PAYMENTS

Key employees of TGS receive remuneration in the form of share-based payments pursuant to which employees render services as consideration for Performance Share Units (PSUs) and Restricted Share Units (RSUs).

The cost of the equity-settled transactions (PSUs and RSUs) is measured by reference to the fair value at the date on which they are granted. The fair value is determined by an external valuator using an appropriate pricing model.

The expense of the equity-settled transactions is recognized, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award (the vesting date). The cumulative expense recognized for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the TGS best estimate of the number of the equity instruments that will ultimately vest. The Consolidated Statement of Comprehensive Income for a period represents the movement in cumulative expense recognized at the beginning and end of that period. No expense is recognized for awards that do not ultimately vest. The dilutive effect of outstanding unvested PSUs and RSUs is reflected as additional share dilution in the computation of diluted earnings per share.

FINANCIAL ASSETS

The Group's financial assets are accounts receivables, other receivables, and cash and cash equivalents. On initial recognition, the financial assets are classified at fair value. Based on the nature of these assets and how they are managed, the Group has evaluated that these qualify for the criteria in IFRS 9 for classification as measured at amortized cost.

Cash and cash equivalents in the balance sheet comprise cash in bank accounts, on hand and short-term deposits with an original maturity of three months or less.

FINANCIAL LIABILITIES

The Group has financial liabilities measured at amortized cost. Financial liabilities at amortized cost consist largely of accounts payable and debt to partners. These obligations are initially recognized at fair value less transaction cost, and subsequently measured at amortized cost by using the effective interest method. The Group has no financial liabilities at fair value through profit and loss (FVTPL).

PENSIONS

TGS operates defined contribution plans in Norway, UK, USA (401k) and Australia where the Group covers the superannuation. Contributions are expensed to the income statement as they become payable.

LEASES

As a lessee:

The Group mainly leases offices, vessels and data centers. At the lease commencement date, the Group recognizes a lease liability and corresponding right-of-use asset for all lease agreements in which it is the lessee, except for short-term leases (defined as 12 months or less) and low value assets, for which the Group recognizes the lease payments as other operating expenses in the statement of profit and loss when they incur.

The Group measures the lease liability at the present value of the lease payments for the right to use the underlying asset during the lease term that is not paid at the commencement date, by using the Group's incremental borrowing rate. The lease term represents the non-cancelable period of the lease, together with periods covered by an option either to extend or to terminate the lease when the Group is reasonably certain to exercise this option.

The lease payments included in the measurement are comprised of:

- Fixed lease payments (including in-substance fixed payments), less any lease incentives receivable.
- Amount expected to be payable by TGS under residual value guarantees.
- The exercise price of a purchase option, if TGS is reasonably certain to exercise that option.
- Payments of penalties for terminating the lease, if the lease term reflects TGS exercising an option to terminate the lease.

The Group does not include variable lease payments in the lease liability. Instead, the Group recognizes these variable lease expenses in the profit and loss account.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made, and remeasuring the carrying amount to reflect any reassessment or lease modifications, or to reflect adjustments in lease payments due to an adjustment in a relevant index or rate.

The Group measures the right-of-use asset at cost, less any accumulated depreciation and impairment losses, adjusted for any remeasurement of lease liabilities.

CHANGES IN ACCOUNTING POLICY AND DISCLOSURES

The Group has adopted Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2 Making Materiality Judgments) from 1 January 2023. The amendments have had an impact on the Group's disclosures of accounting policies, but not on the measurement, recognition or presentation of any items in the Group's financial statements. The amendments require the disclosure of material rather than significant accounting policies. Management has reviewed the accounting policies and made updates to the information disclosed in Note 1 on Material accounting policies (2022: Significant accounting policies).

Note 2: Significant accounting judgments, estimates and assumptions

Use of judgments and estimates

In the process of applying the TGS accounting principles, management is required to make estimates, judgments and assumptions that affect the amounts of assets, liabilities, income and expenses reported in the Consolidated Financial Statements and accompanying notes. Actual results may differ from these estimates.

Significant accounting judgments mainly relate to items that are disclosed in section "assumption and estimation uncertainties."

Measurement of fair value

Several of the TGS accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities. Management has oversight on all significant fair value measurements, which include regular identification and review of significant unobservable inputs. Where necessary, TGS will engage the services of independent specialists to support key fair value inputs.

When measuring the fair value of an asset or liability, the Group uses observable market data when possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

Level 1:	Quoted (unadjusted) prices in active markets for identical assets or liabilities.
Level 2:	Other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.
Level 3:	Techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

Further information about the assumptions made in measuring fair values is included in the respective notes:

- Share-based payments – Note 13
- Acquisition of subsidiary – Note 3 and 25

Note 2: Significant accounting judgments, estimates and assumptions

Assumptions and estimation uncertainties

Management bases its estimates and judgments on historical experience and on various other factors that are believed to be reasonable under the circumstances. The results will form the basis for making judgments on carrying values of assets and liabilities that are not readily apparent from other sources. Such judgments are reviewed on an ongoing basis and any revisions to estimates are recognized prospectively.

The key sources of judgment and estimation of uncertainties at the balance sheet date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

IMPAIRMENT EVALUATION OF MULTI-CLIENT LIBRARY

TGS reviews the carrying value of its multi-client library when there are events and changes in circumstances that the carrying value of these assets may not be recoverable. If impairment triggers are identified, the Group estimates the value-in-use based on discounted estimated future sales forecasts. The underlying factors that drive the estimated sales forecast include the number of oil and gas exploration and production (E&P) companies operating in the relevant areas that could potentially be interested in the data, overall E&P spending, expectations regarding hydrocarbons in the relevant areas, whether licenses will be awarded in the future, expected farm-ins to licenses, relinquishments, etc. Local corporate tax rates and sales costs are applied. Changes in these estimates could materially affect the estimated future sales forecasts.

Further, the weighted average cost of capital (WACC) is used to discount such sales forecasts. The key judgment involved in the determination of WACC is the country-specific risk premiums that impact the value of WACC used for particular library projects.

Where impairment triggers are identified, the future sales forecasts are evaluated, and impairments are recognized in the period they occur.

For details about the book value, amortization and impairment of the multi-client library, see Notes 9 and 10.

IMPAIRMENT EVALUATION OF GOODWILL

TGS tests the value of its goodwill on an annual basis or when there are indicators that the carrying amount may not be recoverable. This requires an estimation of the value-in-use or fair value less cost of disposal of the group of CGUs. The greatest of which is the recoverable amount.

Estimating the value-in-use requires an estimate of future cash flows for that Group of CGUs, as well as an appropriate discount factor. Variables such as estimated future revenues, margins and estimated long-term growth are the key drivers for the basis of the value-in-use calculations. Future cash flows also depend on general development in E&P spending, the number of market participants and technological developments.

For details about goodwill and impairment, see Notes 9 and 10.

DEFERRED TAX ASSETS, LIABILITIES AND UNCERTAIN TAX POSITIONS

TGS operates in a range of tax jurisdictions with complex considerations and legislation concerning both indirect and direct taxation, including that of Brazil and Argentina. Because of this, there is a degree of uncertainty related to reported tax liabilities and exposures. Tax assets and liabilities (both direct and indirect), are reported and assessed based on all known and available information and represent the TGS best estimate.

The jurisdictions in which TGS operates are further subject to changing tax regulations which may impact various assessments. An example of this includes the determination of the recoverability of credits. In addition, tax authorities may challenge prior period tax and tax credit lodgment made by the Group. These could result in changes to previously reported and calculated tax positions, which may impact the TGS results in each period.

For details about uncertain tax positions and tax contingencies, see Note 26.

Deferred tax assets are recognized for temporary deductible differences and for carryforward tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilized. Management judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing, any expiration of tax losses to be carried forward, and level of future taxable profits, together with future tax planning strategies.

For details about deferred tax assets, see Note 29.

Note 3: Business combinations

MAGSEIS FAIRFIELD ASA

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 Fairfield ASA (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%.

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 at the date of acquisition were:

(All amounts in USD millions)	Fair value recognized on acquisition
Other intangible assets	32.7
Multi-client library	4.2
Property, plant and equipment	120.9
Right-of-use asset	26.2
Accounts receivable	42.6
Cash	31.9
Other current assets	41.2
Assets	**299.7**

(All amounts in USD millions)	Fair value recognized on acquisition
Lease liabilities	26.2
Trade payables	24.4
Short term interest bearing debt	44.5
Other current liabilities	62.3
Current tax payables	4.0
Deferred tax liability	3.4
Liabilities	**164.8**
Total identifiable net assets at fair value	**134.9**
Goodwill arising on acquisition	69.2
Minority share to be excluded	33.2
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, workforce and deferred tax of USD 3.4 million.

In the period from 11 October 2022 to 31 December 2022, Magseis contributed with net revenues of USD 54.1 million, and profit before tax amounting to USD 1.6 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 (before tax and financial items) for the same period would have been USD 99 million. These amounts have been determined by applying TGS principles, and it is assumed that the fair value arising on the date of acquisition would have been the same if the acquisition had occurred on 1 January 2022.

Note 3: Business combinations

(All amounts in USD millions)	
Purchase price	
Share consideration	125.3
Cash paid	45.6
Purchase consideration	**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.

As of 31 December 2022, TGS had taken ownership of 97% of Magseis. On 5 January 2023, TGS announced the compulsory acquisition of remaining shares in cash. In 2023, TGS had a total cash outflow of USD 54.4 million, and this relates to the acquisition of the 22% shares from 2022 and the acquisition of the remaining 3% of shares in 2023.

PGS ASA

On 18 September 2023, TGS announced that it has agreed to the principal terms of the acquisition of PGS ASA by TGS to create a strong full-service energy data company. On 25 October 2023, TGS and PGS executed the merger documentation, including a merger agreement and the merger plan. On 1 December 2023, the Extraordinary General Meetings of TGS and PGS approved the merger plan.

The transaction is subject to authorization from the competition authorities and closing is expected during the second quarter of 2024. The transaction is expected to be completed as a statutory merger pursuant to Norwegian corporate law, with merger consideration to PGS shareholders in the form of 0.06829 ordinary shares of TGS for each PGS share in addition to compensation for dividends paid by TGS. On 31 January 2024, TGS entered into a commitment of USD 60 million to refinance PGS ASA Super Senior loan, on market terms. The loan agreement is signed, and payment was made on 18 March 2024.

Note 4: Revenue from contracts with customers

The Group's revenue from contracts with customers has been disaggregated and presented in the table below:

Revenue type	2023	2022
Early sales	136,581	257,272
Late sales	238,723	374,132
Proprietary	418,993	85,230
Total	**794,297**	**716,633**

Early- and late- sales' revenues are mainly related to multi-client sales in the Western Hemisphere and Eastern Hemisphere segments. Proprietary sales are mainly revenues from the Acquisition segment, in addition to the external revenues from Imaging. Digital Energy Solutions has revenues related to both late sales and proprietary revenues.

PAYMENT TERMS

Payment terms for sale of unfinished data (early sales) vary for each contract and are generally paid in portions over a longer period with 30 days payment terms. Payment terms for finished data and proprietary sales are mainly 30 days.

OTHER TERMS

The Group's refund liability, return liability and warranties are considered limited, and the Group has not recognized any such liabilities in the Consolidated Balance Sheet.

Remaining performance obligations unsatisfied or partly unsatisfied are as of year-end:

Performance obligations unsatisfied at year-end	2023	2022
Expected to be realized within 9 months	454,893	365,127
Expected to be realized after 9 months	383,595	201,548
Total	**838,488**	**566,675**

Note 4: Revenue from contracts with customers

The following table provides information about account receivables, accounts payables, contract assets and contract liabilities from contracts with customers.

(All amounts in USD 1,000s)	2023	2022
Accounts receivables	93,712	142,781
Accrued revenues (contract asset)	63,217	97,538
Accounts payable and debt to partners	(95,049)	(72,862)
Deferred revenue (contract liabilities)	(276,064)	(126,462)

Contract liabilities	2023	2022
At 1 January	(126,462)	(238,169)
Deferred during the year	(223,120)	(136,929)
Recognized as revenue during the year	73,517	194,908
Effect of change from gross to net	–	53,728
At 31 December	**(276,064)**	**(126,462)**

The contract liabilities primarily relate to advance consideration received from customers for multi-client and proprietary revenues, for which revenue is recognized point in time and over time respectively.

The Group applies the practical expedient for short-term advances received from customers. That is, the promised amount of consideration is not adjusted for the effects of a significant financing component if the period between the transfer of the promised goods or services and the payment if the payment term is one year or less. Further, the Group applies the practical expedient to immediately expense costs to obtain a contract if the amortization period of the asset that would have been recognized is one year or less. Costs to obtain and costs to fulfill contracts are not considered significant by the Group, and these are therefore not capitalized.

Note 5: Cost of sales – proprietary and other

(All amounts in USD 1,000s)	2023	2022
Charter hire and other vessel costs	110,753	23,835
Fuel cost	32,505	6,535
Crew cost	22,040	–
Other cost of sales	52,119	7,157
Total cost of sales	**217,417**	**37,527**

Cost of sales relates to proprietary work on behalf of customers and is mainly generated in the Acquisition business unit. The increase from 2022 is caused by the acquisition of Magseis in Q4 2022.

Note 6: Segment information

TGS reports monthly management information to the Executive Management based on defined operating business units based on the nature of the products and services sold. Where appropriate, these operating business units are aggregated into reportable segments that form the basis of the monthly management reporting. In 2023, the reportable segments are divided into six overall business units: Western Hemisphere (WH), Eastern Hemisphere (EH), Digital Energy Solutions (DES), Acquisition (ACQ), Imaging and G&A. The Group does not allocate all cost items to its reportable business units during the year.

(All amounts in USD 1,000s)	Western Hemisphere	Eastern Hemisphere	Acquisition	Digital Energy Solutions	Imaging	G&A	Elimination	Total
2023								
Operating revenues	208,863	131,512	414,056	68,843	45,288	(136)	(74,130)	794,297
Straight–line amortization	(97,157)	(50,870)	–	(15,395)	–	(29)	–	(163,451)
Accelerated amortization / impairment	(32,237)	(35,711)	–	(2,273)	–	–	–	(70,221)
Cost of sales – proprietary and other	(1,004)	(2,853)	(231,329)	(759)	(117)	352	18,294	(217,417)
Other operating cost	(15,164)	(9,786)	(127,426)	(51,853)	(55,184)	(82,212)	51,683	(289,941)
Operating profit	**63,301**	**32,292**	**55,301**	**(1,436)**	**(10,012)**	**(82,025)**	**(4,154)**	**53,268**
2022								
Operating revenues	467,795	151,365	61,694	43,494	42,022	82	(49,819)	716,633
Straight-line amortization	(94,545)	(42,447)	198	(15,612)	0	158	0	(152,247)
Accelerated amortization / impairment	(186,339)	(34,677)	0	0	0	0	0	(221,016)
Cost of sales - proprietary and other	(338)	(10,906)	(30,416)	(122)	(2,022)	(56)	4,313	(39,549)
Other operating cost	(12,833)	(7,593)	(31,156)	(37,846)	(57,240)	(64,976)	39,856	(171,789)
Operating profit	**173,739**	**55,742**	**321**	**(10,086)**	**(17,240)**	**(64,792)**	**(5,651)**	**132,033**

Note 7: Buildings, machinery and equipment

2023	Machinery and equipment[4]	Buildings[5]	Total
Cost as of 1 January 2023	281,591	10,809	292,400
Addition through business combination	–	–	–
Reclassification[1]	2,699	–	2,699
Additions	28,132	71	28,203
Disposals[2]	(14,616)	–	(14,616)
Cost as of 31 December 2023	**289,994**	**10,878**	**300,872**
Accumulated depreciation as of 1 January 2023	140,965	6,335	147,300
Reclassification	117	(101)	16
Depreciation for the year	27,452	424	27,876
Accumulated depreciation on disposals	(6,881)	–	(6,881)
Capitalized to the multi–client library[3]	555	34	589
Accumulated depreciation as of 31 December 2023	**162,207**	**6,693**	**168,900**
Net book value as of 31 December 2023	**127,786**	**4,183**	**131,970**
Useful life	2 to 8 years	3 to 12 years	

[1] Mainly reclass from inventory.
[2] Gains on disposals during the year were recognized by USD 2.4 million.
[3] Capitalized directly as multi-client library, and is not part of the depreciation charges recognized in the Statement of Comprehensive Income.
[4] Includes seismic equipment (nodes).
[5] Mainly leasehold improvements.

2022	Machinery and equipment[4]	Buildings[5]	Total
Cost as of 1 January 2022	144,880	9,318	154,199
Addition through business combination[1]	129,325	48	129,372
Reclassification[2]	(21)	21	–
Additions	7,938	1,422	9,361
Disposals[3]	(532)	–	(532)
Cost as of 31 December 2022	**281,591**	**10,809**	**292,400**
Accumulated depreciation as of 1 January 2022	128,418	6,261	134,679
Reclassification[2]	914	(914)	–
Depreciation for the year	9,739	880	10,618
Accumulated depreciation on disposals	(530)	–	(530)
Capitalized to the multi–client library[4]	2,425	108	2,533
Accumulated depreciation as of 31 December 2022	**140,965**	**6,335**	**147,300**
Net book value as of 31 December 2022	**140,625**	**4,474**	**145,098**
Useful life	2 to 8 years	3 to 12 years	

[1] Acquisition of Prediktor and Magseis.
[2] Reclassification from Buildings to Machinery and equipment.
[3] Gains on disposals during the year were recognized by 0,2 million.
[4] Capitalized directly as multi-client library, and is not part of the depreciation charges recognized in the Statement of Comprehensive Income.
[5] Mainly leasehold improvements.

Note 8: Leases

LEASES AS A LESSEE

The Group mainly holds vessels, office and data center leases. These leases run for a period between three to 11 years.
The Group has applied the exemption in IFRS 16 and not capitalized leases of low-value assets or short-term leases.

Right–of–use asset	Office leases	Data centers	Vessels	Total
Balance at 1 January 2023	30,210	4,763	24,645	59,619
Additions	1,152	9,333	63,574	74,059
Impairments	–	–	–	–
Adjustments	(2,119)	2,812	9,343	10,036
Depreciation	(5,564)	(8,330)	(51,382)	(65,276)
Balance at 31 December 2023	**23,680**	**8,578**	**46,180**	**78,438**

Right–of–use asset	Office leases	Data centers	Vessels	Total
Balance at 1 January 2022	21,619	14,151	–	35,770
Addition through business combination	8,054	–	18,225	26,278
Additions	3,604	–	14,371	17,974
Impairments	–	–	–	–
Adjustments	861	(2,432)	–	(1,571)
Depreciation	(3,927)	(6,956)	(7,950)	(18,833)
Balance at 31 December 2022	**30,210**	**4,763**	**24,645**	**59,619**

Note 8: Leases

Amounts recognized in profit and loss account	2023	2022
Interest on lease liability	4,716	1,776
Expense related to short–term leases	109,515	14,784
Expense related to leases of low–value assets, excluding short–term leases of low–value assets	4,050	1,842
Variable lease payments	1,557	727
Depreciation charge for the year[1]	60,224	13,732

[1] Depreciation charge for the year in the above table has been reduced with depreciations capitalized, and hence not directly expensed as depreciations in the Statement of Comprehensive Income.

Amounts recognized in the statement of cash flow	2023	2022
Repayment of lease liabilities	60,952	20,599

Some leases include extension options exercisable near the end of the lease term. The Group assesses at lease commencement date whether it is reasonably certain to exercise the extension options.

The following table sets out a maturity analysis of lease payables, showing the undiscounted lease payments to be paid after reporting date.

Maturity analysis – lease payables	2023	2022
Less than one year	46,906	38,405
One to five years	40,122	25,024
More than five years	4,429	7,477
Total undiscounted lease payments	91,457	70,906
Discount effect	(6,249)	(3,947)
Lease liability as of 31 December	**85,207**	**66,959**

Lease liability	2023	2022
Current lease liabilities	43,877	38,350
Non–current liabilities	41,331	28,609
Lease liability as of 31 December	**85,207**	**66,959**

Note 9: Intangible assets

2023	Goodwill	Multi-client library	Multi-client library in progress	Other intangible assets	Total
Cost as of 1 January 2023	435,264	5,828,793	190,372	175,912	6,630,341
Additions [1]	–	21,435	389,985	22,061	433,477
Transfers	–	171,966	(171,966)	–	–
Cost as of 31 December 2023	**435,264**	**6,022,193**	**408,391**	**197,974**	**7,063,819**
Accumulated amortization and impairment as of 1 January 2023	50,615	5,426,031	17,797	110,107	5,604,550
Amortization for the year	–	163,451	–	11,682	178,295
Accelerated amortization / Impairment for the year	–	61,309	8,912	–	70,221
Transfers		6,331	(6,331)		–
Capitalized to the multi–client library[2]				3,164	3,164
Accumulated amortization and impairment as of 31 December 2023	**50,615**	**5,657,122**	**20,378**	**124,954**	**5,853,066**
Net book value as of 31 December 2023	**384,649**	**365,071**	**388,013**	**73,020**	**1,210,753**
Useful life		4 to 7 years		3 to 15 years	

[1] Additions to other intangible assets are internally developed software.
[2] Capitalized directly as multi–client library and is not part of the depreciation charges recognized in the Statement of Comprehensive Income.

Note 9: Intangible assets

2022	Goodwill	Multi-client library	Multi-client library in progress	Other intangible assets	Total
Cost as of 1 January 2022	354,578	5,421,467	353,967	122,537	6,252,548
Additions through business combinations	80,686	20,341	–	41,285	142,312
Additions[1]	–	71,004	152,387	12,090	235,481
Transfers	–	315,982	(315,982)	–	–
Cost as of 31 December 2022	**435,264**	**5,828,793**	**190,372**	**175,912**	**6,630,341**
Accumulated amortization and impairment as of 1 January 2022	50,615	5,044,387	26,179	97,060	5,218,241
Amortization for the year	–	152,247	–	9,882	162,129
Accelerated amortization / Impairment for the year	–	204,269	16,747	–	221,016
Transfers		25,129	(25,129)	–	–
Capitalized to the multi–client library[2]	–	–	–	3,165	3,165
Accumulated amortization and impairment as of 31 December 2022	**50,615**	**5,426,031**	**17,797**	**110,107**	**5,604,550**
Net book value as of 31 December 2022	**384,650**	**402,762**	**172,575**	**65,805**	**1,025,791**
Useful life		4 to 7 years		3 to 15 years	

[1] Additions to other intangible assets are internally developed software.
[2] Capitalized directly as multi–client library and is not part of the depreciation charges recognized in the Statement of Comprehensive Income.

Note 10: Impairment evaluation of multi-client library, goodwill and other intangible assets

MULTI-CLIENT LIBRARY

TGS reviews the carrying value of its multi-client libraries 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 in 2023, except for project specific cost overruns and changes in sales forecasts.

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. These variables are subject to underlying uncertainties.

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 oil price. The developments through 2023 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 year. Notwithstanding the above, the Group has charged impairments of USD 7.6 million during 2023 (2022: USD 19.3 million), on certain projects, mainly related to cost increases or decreases of future sales forecasts.

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 cash generating units (CGU) 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 group of CGUs. The carrying amount is the carrying amount of all PPE, right-of-use assets, intangibles, multi-client library, net working capital and goodwill allocated to the group of CGUs.

Goodwill acquired through business combinations has been allocated to a group of cash generating units, presented in the table below as an aggregation of CGUs grouped by TGS management reporting structure:

(All amounts in USD 1,000s)	Western Hemisphere[1]	Eastern Hemisphere[1]	Acquisition	Digital Energy Solutions	Total
Net book value as of 31 December 2023	169,502	95,432	69,216	50,499	384,649
WACC post-tax	11.53%	10.94%	9.96%	9.96%	

[1] Goodwill for imaging has been allocated to Western Hemisphere and Eastern Hemisphere based on proportion of revenues.

Based on the impairment testing performed, no goodwill impairment has been recognized during 2023 (2022: USD 0 million).

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 forecasts, which are prepared separately for each TGS group of CGUs to which the individual assets are allocated. Currently a long-term growth rate of 0% is applied.

The impairment calculations are most sensitive to the changes in the sales forecast, which depend on both the expected investments and expected returns of investments for multi-client projects. These factors are mainly influenced by future E&P spending and demand for TGS products. A change in the expected sales forecast can significantly impact on the impairment review for a group of CGUs. The impact will depend on the current value in use and carrying value of the relevant group of CGUs. In addition, the impairment calculations are sensitive to changes in WACC, as well as expected cost levels and expected developments 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 29 million

Note 10: Impairment evaluation of multi-client library, goodwill and other intangible assets

- 5% reduction in sales in DES & Acquisition would lead to no impairment
- 10% reduction in sales in DES & Acquisition would lead to an impairment of USD 43 million
- 2.5% increase in WACC would lead to an impairment of USD 10 million
- 5% increase in WACC would lead to an impairment of USD 68 million

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

Note 11: Inventories

Inventories are measured at the lower of cost and net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less selling expenses, and the estimated cost to complete the inventory. The cost of inventories is based on the weighted average cost.

(All amounts in USD 1,000s)	2023	2022
Raw materials equipment (work in progress)	4,469	2,092
Finished equipment	7,077	3,968
Battery stock	1,019	516
Total inventories	**12,565**	**6,575**

Note 12: Personnel costs / number of employees / remuneration to Executive Management, Board of Directors and auditors

Personnel costs	2023	2022
Payroll	139,245	92,251
Social security costs	11,721	6,104
Pension costs	4,587	3,449
Other employee related costs	6,523	5,696
Salaries capitalized to developed software	(15,960)	(8,955)
Cost of RSU/PSU	4,069	2,558
Salaries capitalized to multi-client library	(19,145)	(14,696)
Personnel costs	**131,041**	**86,407**

The number of employees as of 31 December 2023 was 873 versus 908 as of 31 December 2022.

CASH BONUS PLANS

In 2023, TGS had in place a Short-Term Incentive Bonus Plan that was funded by allocating 10% of budgeted POC (percentage of completion) EBIT. Employees are generally eligible to participate in the bonus plan after being employed for six months. The bonus is payable quarterly, and the amount paid is based on actual POC EBIT for the quarter. An individual employee's relative share of the bonus pool is based on level of responsibility, individual contribution, performance versus previous year goals, and benchmark data. All bonuses earned in respect of the 2023 bonus plan have been paid or accrued as of 31 December 2023. More information on the Short-Term Incentive is provided in the 2023 Management Remuneration Report, published contemporaneously with the Annual Report.

EXECUTIVE MANAGEMENT STOCK INCENTIVES

The following table provides the stock, incentive stock units in the form of Performance Share Units (PSUs) and/or Restricted Share Units (RSUs) and related warrants held by Executive Management:

Note 12: Personnel costs / number of employees / remuneration to Executive Management, Board of Directors and auditors

Executive Management	Shares held 31/12/2023	Incentive stocks awarded in 2023	Total balance of free-standing warrants related to unvested incentive stock units
Kristian Johansen (CEO)	170,781	63,230	190,230
Sven Borre Larsen (CFO)	56,069	30,000	81,030
Jan Schoolmeesters (EVP, Digital Energy Solutions)	58,851	26,730	77,760
Will Ashby (Chief Integration Officer)	58,916	26,730	77,760
Tana Pool (EVP, Legal)	53,665	26,730	77,760
Whitney Eaton (EVP, People & Sustainability)	5,429	26,730	77,760
David Hajovsky (EVP, Multi-Client)	18,737	26,730	77,760
Carel Hooijkaas (EVP, Acquisition)	32,694	57,755[1]	52,545
Josef Heim (EVP, Imaging)	4,767	26,730	30,230

[1] In 2023, Hooijkaas was awarded 15,000 RSUs in accordance with the terms of his employment agreement and 18,025 shares, to vest over three years (40%, 40%, 20%) from 2023-2025, as part the implementation of Magseis Fairfield 2022 Long-Term Incentive plan following the close of the acquisition of Magseis Fairfield. Shares totaling 7,210 from the Magseis Fairfield Long-Term Incentive plan vested in 2023 with the remainder to vest in 2024 (7,210 shares) and 2025 (3,605 shares).

The tables below show total paid compensation to Executive Management in 2023:

Executive Management	Salary	Bonuses	Other benefits[3]	Payments from long-term incentive plans[4]	Pension	Total remunerations
Kristian Johansen (CEO)	747	610	67	202	20	1,646
Sven Børre Larsen (CFO)[1]	374	151	14	32	14	585
Jan Schoolmeesters (EVP, Digital Energy Solutions)[1]	379	164	6	78	14	641
Will Ashby (Chief Integration Officer)[2]	323	159	2	76	23	583
Tana Pool (EVP, Legal)	373	165	15	81	20	654
Whitney Eaton (EVP, People & Sustainability)	299	103	19	19	12	452
David Hajovsky (EVP, Multi-Client)	339	180	19	19	14	571
Carel Hooijkaas (EVP, Acquisition)[5,6]	397	304	52	127	12	892
Josef Heim (EVP, Imaging)[5]	258	106	19	31	20	434

[1] Compensation is paid in NOK, with the USD equivalent determined based on the average exchange rate during the year.
[2] Compensation is paid in GBP, with the USD equivalent determined based on the average exchange rate during the year.
[3] Other benefits include certain benefits provided to all employees (company-paid life insurance and welfare insurance). Other benefits also include certain expatriate benefits for applicable executives.
[4] Represents the value of shares issued during 2023 with respect to the 2020 Long-Term Incentive Plan, which vested in 2023.
[5] Mr. Hooijkaas joined the Executive Team in January 2023 and Mr. Heim joined the Executive Team in February 2023.
[6] In 2023, Mr. Hooijkaas was awarded 18,025 TGS shares, to vest over three years (40%, 40%, 20%) from 2023-2025, as part of the implementation of the MagseisFairfield 2022 Long-Term Incentive plan following the close of the acquisition of Magseis Fairfield. 7,210 shares from the MagseisFairfield Long-Term Incentive plan vested in 2023 with the remainder to vest in 2024 (7,210 shares) and 2025 (3,605 shares).

Note 12: Personnel costs / number of employees / remuneration to Executive Management, Board of Directors and auditors

The amounts set forth in the table above reflect amounts paid to the executives during the year. Compensation is only reflected for the period of time that the executive served as an executive of the Group. With respect to bonus amounts, the Short-Term Incentive Bonus Plan is paid on a quarterly basis following reporting of the quarterly results. Therefore, bonuses paid in 2023 reflect bonus amounts earned for the fourth quarter of 2022 and the first three quarters of 2023.

The tables below show total compensation to Executive Management in 2022:

	Salary	Bonuses	Other benefits[3]	Payments from long-term incentive plans[4]	Pension	Total remunerations
Kristian Johansen (CEO)	587	999	109	408	17	2,120
Sven Børre Larsen (CFO)[1]	320	234	15	151	13	733
Jan Schoolmeesters (EVP, Digital Energy Solutions)[1]	373	313	6	151	13	856
William Ashby (Chief Integration Officer) [2]	334	232	1	153	18	738
Tana Pool (EVP, Legal)	336	245	14	150	17	762
Whitney Eaton (EVP, People & Sustainability)	256	141	15	42	11	465
David Hajovsky (EVP, Multi-Client)	298	259	18	310	12	897

[1] Compensation is paid in NOK, with the USD equivalent determined based on the average exchange rate during the year.
[2] Compensation is paid in GBP, with the USD equivalent determined based on the average exchange rate during the year.
[3] Other benefits include certain benefits provided to all employees (such as Company-paid life insurance and welfare insurance). Other benefits also include certain expatriate benefits for applicable executives.
[4] Represents the value of shares issued during 2022 with respect to the 2019 Long-Term Incentive Plan, which vested in 2022.

The amounts set forth in the table above reflect amounts paid to the executive during the year. With respect to bonus amounts, the Short-Term Incentive Bonus Plan is paid on a quarterly basis following reporting of the quarterly results. Therefore, bonuses paid in 2022 reflect bonus amounts for the fourth quarter of 2021 and the first three quarters of 2022.

TGS awards its executive and senior leadership teams Long-Term Incentives with performance metrics measured over a three-year period. In 2023, performance share units (PSUs) were issued to the executive and senior leadership teams under the 2023 Long-Term Incentive Plan. The plan and status versus performance metrics is further described in the Management Remuneration Report. The 2023 plan is settled in TGS common shares, and each PSU represents the right to receive one common share. The total number of shares issuable is determined based upon the Group's achievement against the performance metrics, with the payout ranging from 0% to 100% of the PSUs awarded. The 2023 plan also provides for the issuance of RSUs to non-executive key employees, as further described in the 2023 Management Remuneration Report.

TERMINATION BENEFITS

The CEO and certain other executives have employment agreements that provide for certain benefits upon termination of employment. Current members of the Executive Management Team with employment contracts that include an entitlement to severance pay in the event of termination of employment by the Company without cause or for good reason, or termination of employment following a change-of-control, include the CEO, CFO and EVP of Acquisition. In those circumstances, the CEO and CFO are each entitled to severance pay equal to 1x their

Note 12: Personnel costs / number of employees / remuneration to Executive Management, Board of Directors and auditors

highest annual base salary in effect during the three years that immediately precede the date of termination from the expiration of the notice period, and the EVP, Acquisition, is entitled to severance pay equal to 1x current annual Company base salary in effect at the time of termination. Except in the event of a change-in-control where it is paid as a lump sum, the severance pay will be paid out over the following one-year period.

BOARD OF DIRECTORS' FEES AND OTHER FEES

The following sets forth the compensation paid to the Board of Directors in 2023:

Board member	Director's fee[1]	Value of shares received[2]	Total remunerations
Christopher Geoffrey Finlayson (Chair of the Board)	131	43	174
Irene Egset (Director)[3]	43	21	64
Svein Harald Øygard (Director)	37	21	58
Grethe Kristin Moen (Director)	37	21	58
Luis Araujo (Director)	20	21	41
Bettina Bachmann (Director)[3]	20	21	41
Maurice Nessim (Director)	20	21	41
Mark Leonard (Director until May 2023)	23	–	23

[1] The table includes Directors' fees paid during the year. Directors receive fees on a biannual basis as decided by the AGM, payable in NOK. Deviations in individual fees are related to the timing of the bi-annual payments.
[2] In August 2023, each of the Directors, other than the Chairman, received 1,650 restricted shares in TGS. The Chair received 3,300 restricted shares in TGS.
[3] Includes fee from being Chair of the Compensation Committee (Ms. Bachmann) and the Audit Committee (Ms. Egset).

Note 12: Personnel costs / number of employees / remuneration to Executive Management, Board of Directors and auditors

Board of Directors' stock ownership	Restricted shares received during 2023	Shares held 31/12/2023
Christopher Geoffrey Finlayson (Chairman of the Board)	3,300	20,550
Irene Egset (Director)	1,650	8,250
Svein Harald Øygard (Director)	1,650	29,950
Grethe Kristin Moen (Director)	1,650	4,950
Luis Araujo (Director)	1,650	1,650
Bettina Bachmann (Director)	1,650	3,780
Maurice Nessim (Director)	1,650	1,650

Compensation to the members of the Nomination Committee[1]	2023	2022
Glen Ole Rødland (Chair)	21	15
Christina Stray	13	5
Henry H. Hamilton III	13	5

[1] The table shows compensation paid during the year. The members of the committee receive compensation per meeting held, and the amounts are paid in NOK.

AUDITOR'S FEE

(All amounts in USD 1,000s)	2023	2022
KPMG, Deloitte and Crowe		
Statutory audit	1,614	1,589
Other attestation services	37	12
Other services	75	157
Total fees[1]	**1,726**	**1,758**

[1] USD 1.390 of the total fee above relates to KPMG. All amounts are exclusive of VAT.

Note 13: Share-based payments

Since 2015, TGS has issued awards of incentive stock units to its Executive Management, senior leadership team and other non-executive key employees. From 2015 to 2023, TGS awarded a limited number of performance share units (PSUs) to Executive Management, while a limited amount of restricted share units (RSUs) was awarded to non-executive key employees other than the Executive Management. In 2021, 2022 and 2023, TGS awarded PSUs to members of the senior leadership team. The awards are settled in common shares of TGS, and each of the PSUs and RSUs represent the right to receive the maximum of one common share. The PSUs and the RSUs vest three years after the date of grant. During 2023, the 2020 PSU and RSU awards vested, and in 2022, the 2019 PSU and RSU awards vested.

In 2023, TGS awarded a total of 561,140 PSUs to members of the executive and senior leadership teams. The actual number of shares to be received by holders of the 2023 PSUs are dependent on three performance metrics which are measured for the period 1 January 2023 through 31 December 2025 (2022 plan: 1 January 2022 through 31 December 2024):

- Relative return on average capital employed
- Absolute return on average capital employed
- Health, social and environmental (HSE) metrics and sustainability metric

The performance metrics are described in more detail in the Management Remuneration Report. The payout percentage for the PSUs will depend on the Group's achievement when all the performance metrics are fully earned, with payout ranging from 0% to 100%. If fully earned at 100% payout, a total of 554,265 (remaining at 31 December 2023) PSUs would vest (2022 plan: 341,280 PSUs remaining at 31 December 2023). The fair value of the PSUs granted in 2023 is measured based on the market value at the grant date and expensed over the vesting period.

The holders of the RSUs are eligible to receive one share per RSU on the vesting date, and the fair value of the RSUs granted in 2023 is measured based on the market value of the shares on the grant day. A total of 259,100 RSUs were granted in 2023. (2022 plan: 143,800 RSUs.)

The expense recognized for incentive stock units awarded, which is considered expense for employee services during the year, is shown in the following table:

(All amounts in USD 1,000s)	2023	2022
Expense arising from equity-settled share-based payment plans	3,532	2,223

The fair value of share-based payments is assumed equal to the share price at grant date.

The following table illustrates the number of outstanding share-based payments (No.) and weighted average exercise prices (WAEP) of, and movements in, RSUs and PSUs:

	2023 No.	WAEP (NOK)[1]	2022 No.	WAEP (NOK)[1]
Expected outstanding shares at 1 January	1,184,180	0.25	1,061,310	0.25
Granted during the year	820,240	0.25	485,080	0.25
Adjusted quantity due to performance metrics	(688,671)		(131,496)	
Forfeited during the year	(40,025)		(47,550)	
Exercised during the year	(131,977)	0.25	(171,164)	0.25
Corrected during the year	–		(12,000)	
Expected outstanding shares at 31 December	**1,143,747**	**0.25**	**1,184,180**	**0.25**

[1] The WAEP for the incentive stock units is the par value of each share of stock, which must be paid by the holder of the units.
The weighted average remaining contractual life for the long-term incentive plans outstanding on 31 December 2023 is 1.61 years (2022: 1.58 years).
The weighted average fair value of the PSUs and RSUs granted during 2023 was NOK 136.6 per share. The weighted average fair value of the PSUs and RSUs granted during 2022 was NOK 146.7 per share.
The RSU and PSU plans are equity-settled and the fair values are measured at grant date.
The liabilities, Social Security taxes, arising from the plans amounted to USD 0.29 million as of 31 December 2023 (2022: USD 0.20 million).

Note 13: Share-based payments

Expected outstanding PSUs and RSUs as of 31 December 2023:

No. of PSUs/RSUs	Exercise dates	Holders	Price/ conditions	Granted
112,100	See below[1]	Key employees	Fair market value (FMV) of a share including expected dividends	10 August 2021
116,120	See below[2]	Executive Management	Fair market value (FMV) of a share including expected dividends, adjusted for performance criteria	10 August 2021
125,500	See below[3]	Key employees	Fair market value (FMV) of a share including expected dividends	9 August 2022
204,768	See below[4]	Executive Management	Fair market value (FMV) of a share including expected dividends, adjusted for performance criteria	9 August 2022
252,700	See below[5]	Key employees	Fair market value (FMV) of a share including expected dividends	8 August 2023
332,559	See below[6]	Executive Management	Fair market value (FMV) of a share including expected dividends, adjusted for performance criteria	8 August 2023
1,143,747				

[1] The holders will receive maximum one share per unit on 10 August 2024.
[2] The holders will receive maximum one share per unit on 10 August 2024, subject to determination of payout percentage ranging from 0% to 100%.
[3] The holders will receive maximum one share per unit on 9 August 2025.
[4] The holders will receive maximum one share per unit on 9 August 2025, subject to determination of payout percentage ranging from 0% to 100%.
[5] The holders will receive maximum one share per unit on 9 August 2026.
[6] The holders will receive maximum one share per unit on 9 August 2026, subject to determination of payout percentage ranging from 0% to 100%.

Note 14: Earnings per share

Basic earnings per share are calculated by dividing net profit for the year attributable to ordinary equity holders of TGS by the weighted average number of ordinary shares outstanding (net of treasury shares) during the year. Diluted earnings per share are calculated by dividing the net profit attributable to ordinary equity holders of TGS by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares (RSUs and PSUs) into ordinary shares. The following reflects the income and share data used in the basic and diluted earnings per share computations:

	2023	2022
Net profit attributable to ordinary equity holders of the Parent	21,646	87,796
Weighted average number of ordinary shares (excluding treasury shares) for basic earnings per share	126,275	117,815
Effect of dilution	891	1,121
Weighted average number of ordinary shares (excluding treasury shares) adjusted for effect of dilution	127,166	118,936
Basic earnings per share	0.17	0.75
Diluted earnings per share	0.17	0.74

Note 15: Equity and shareholders' authorizations

Ordinary shares issued and fully paid	Number of shares	USD
31 December 2021	**117,441,118**	**4,086**
Canceled treasury shares 14.07.2022	(1,367,953)	(33)
Issued 30.09.2022 for cash on vesting of PSU and RSU	127,625	3
Capital increase 11.10.2022 (Magseis acquisition)	8,726,649	203
31 December 2022	**124,927,439**	**4,259**
Issued 05.09.2023 for cash on vesting of PSU and RSU	103,020	2
Capital increase 20.09.2023	6,250,000	145
31 December 2023	**131,280,459**	**4,406**

Note 15: Equity and shareholders' authorizations

TREASURY SHARES

TGS, from time to time, buys back shares under authorizations given by the shareholders. The shares may be held in treasury, used as payment in M&A transactions, used in relation to exercise of employees' share-based incentive schemes or eventually canceled. As of 31 December 2023, TGS held 418,630 treasury shares, 0.32% of the total shares issued (2022: 458,515 shares, 0.37%). The following table shows the movement of treasury shareholdings:

	Number of shares	USD
31 December 2021	**1,334,261**	**(38)**
22 February – 20 September 2021 treasury shares bought back	502,107	(13)
13 May 2022, treasury shares distributed to Board members	(9,900)	0
14 July 2022 treasury shares canceled	(1,367,953)	33
31 December 2022	**458,515**	**(18)**
10 May 2023 treasury shares distributed for vesting of employee stock options	(26,685)	1
31 August 2023 treasury shares distributed to Board members	(13,200)	0
31 December 2023	**418,630**	**(16)**

SHAREHOLDERS' AUTHORIZATION TO THE BOARD TO INCREASE SHARE CAPITAL IN THE GROUP AND TO ISSUE CONVERTIBLE LOANS

By resolution of the Annual General Meeting (AGM) held 10 May 2023, the Board is authorized to, on behalf of the Group, increase share capital of the Group by up to NOK 3,123,185 through one or more issuances of new shares or bonus issues. The subscription price and other subscription terms will be determined by the Board. The capital increase may be paid in cash, by set-off or by other contributions in kind. The authorization includes the right to incur special obligations on behalf of the Group, cf. Section 10-2 of the Norwegian Public Limited Liability Companies Act. The shareholders' preemptive rights pursuant to Sections 10-4, cf. Section 10-5 of the Norwegian Public Limited Liability Companies Act, to subscribe for any new shares may be deviated from by the Board. The authorization encompasses share capital increases in connection with mergers, cf. section 13-5 of the Norwegian Public Limited Liability Companies Act. The authorization is valid until the Annual General Meeting in 2024, but no later than 30 June 2024. The authorization replaces previously granted authorizations to issue new shares.

By resolution of the AGM held 10 May 2023, the Board is also granted the authorization to issue loans for a total amount of up to NOK 2,250,000,000 with the right to require shares to be issued (convertible loans). The share capital may be increased by up to NOK 3,123,185 provided that the combined number of shares that are issued pursuant to this authorization and the authorization to increase the share capital will not exceed 10% of the Group's current share capital. The subscription price and other subscription terms will be determined by the Board. The shareholders' preemptive rights pursuant to section 11-4 of the Norwegian Public Limited Companies Act, cf. sections 10-4 and 10-5, may be deviated from by the Board. The authorization is valid until the Annual General Meeting in 2024, but no later than 30 June 2024. The authorization replaces previously granted authorizations to issue convertible loans.

In addition, by resolution of the AGM held 10 May 2023, the issuance of maximum 850,000 shares, supported by free-standing warrants, to executives and key employees pursuant to the TGS 2023 Long-Term Incentive Plan (2023 LTIP), was approved.

By the resolution of the AGM held 10 May 2023, the Group's share capital was reduced by NOK 61,328.75 through cancellation of 245,315 treasury shares held by the Group each with par value of NOK 0.25. The cancellation was finalized in 2024. The Group increased the share capital by NOK 25,755 on 5 September and NOK 1,562,500 on 20 September 2023. The Group did not issue any convertible loans between 10 May 2023 and 31 December 2023.

SHAREHOLDERS' AUTHORIZATION TO THE BOARD TO BUY BACK SHARES IN THE GROUP

By resolution of the AGM held 10 May 2023, the Board is authorized to acquire, on behalf of the Group, the Group's own shares up to 10% of the nominal value of the Group's share capital, which pursuant to the current nominal value is up to NOK 3,123,185. The limitations are adjusted in the event of share consolidation, share splits and similar transactions. The lowest price to be paid per share is NOK 0.25 and the highest price to be paid per share is the volume weighted average price as quoted on the stock exchange for the five business days prior to the time of the acquisition plus 5%. The lowest price is equal to the current nominal value and shall be adjusted in the event of share consolidation, share splits and similar transactions. Acquisition and sale of the Group's own shares can take place in the manner which the Board of Directors considers to be in the Group's best interest. The authorization can be used one or several times. This authorization is valid until the AGM in 2024, however no longer than until 30 June 2024. The authorization replaces previously granted authorizations to acquire own shares.

Note 15: Equity and shareholders' authorizations

The Group acquired 0 shares for treasury between 10 May 2023 and 31 December 2023 pursuant to the above authorization. After 31 December 2023, until the date of authorization of these financial statements (20 March 2024), TGS did not acquire additional shares.

SHAREHOLDERS' AUTHORIZATION TO THE BOARD TO DISTRIBUTE DIVIDENDS

The AGM held 10 May 2023 renewed the Board of Directors' authorization to distribute quarterly dividends on the basis of the 2022 financial statements. The authorization shall be valid until the Group's AGM in 2024, but no later than 30 June 2024.

- On 10 May 2023, the Board of Directors resolved to pay a quarterly dividend of the NOK equivalent of USD 0.14 per share (NOK 1.48) to the shareholders.
- On 19 July 2023, the Board of Directors resolved to pay a quarterly dividend of the NOK equivalent of USD 0.14 per share (NOK 1.41) to the shareholders.
- On 25 October 2023, the Board of Directors resolved to pay a quarterly dividend of the NOK equivalent of USD 0.14 per share (NOK 1.56) to the shareholders.
- On 14 February 2024, the Board of Directors resolved to pay a quarterly dividend of the NOK equivalent of USD 0.14 per share (NOK 1.47) to the shareholders.

Note 15: Equity and shareholders' authorizations

The 20 largest shareholders as of 31 December 2023 as registered with VPS:

	Name	Country		Shares	%
1	FOLKETRYGDFONDET	Norway	Ordinary	13,536,500	10.3%
2	Brown Brothers Harriman (Lux.) SCA	Luxembourg	Nominee	8,768,489	6.7%
3	PARETO AKSJE NORGE VERDIPAPIRFOND	Norway	Ordinary	5,219,695	4.0%
4	The Bank of New York Mellon	United States	Nominee	5,084,796	3.9%
5	State Street Bank and Trust Comp	United States	Nominee	3,928,087	3.0%
6	JPMorgan Chase Bank, N.A., London	United Kingdom	Nominee	3,874,901	3.0%
7	The Northern Trust Comp, London Br	United Kingdom	Nominee	3,575,790	2.7%
8	JPMorgan Chase Bank, N.A., London	United Kingdom	Nominee	2,671,001	2.0%
9	State Street Bank and Trust Comp	United States	Nominee	2,600,424	2.0%
10	AAT INVEST AS	Norway	Ordinary	2,000,000	1.5%
11	VERDIPAPIRFOND ODIN NORGE	Norway	Ordinary	1,985,555	1.5%
12	VPF DNB NORGE SELEKTIV	Norway	Ordinary	1,771,407	1.3%
13	VERDIPAPIRFONDET HOLBERG NORGE	Norway	Ordinary	1,700,000	1.3%
14	State Street Bank and Trust Comp	United States	Nominee	1,696,824	1.3%
15	State Street Bank and Trust Comp	United States	Nominee	1,673,163	1.3%
16	RBC INVESTOR SERVICES TRUST	Ireland	Nominee	1,591,857	1.2%
17	VPF DNB AM NORSKE AKSJER	Norway	Ordinary	1,380,536	1.1%
18	HAMILTON	United States	Ordinary	1,352,400	1.0%
19	VERDIPAPIRFONDET DNB NORGE	Norway	Ordinary	1,340,431	1.0%
20	CLEARSTREAM BANKING S.A.	Luxembourg	Nominee	1,303,331	1.0%
	20 LARGEST			**67,055,187**	51.1%
	Total number of shares, par value of NOK 0.25			**131,280,459**	100.0%

Note 16: Cash and cash equivalents

Cash and cash equivalents include demand deposits and high liquid instruments purchased with maturities of three months or less.

(All amounts in USD 1,000s)	2023	2022
Bank deposits	195,260	187,110
Restricted cash deposits	1,481	1,343
Total cash bank deposits	**196,741**	**188,452**

The bank deposits are mainly denominated in USD. See Note 18 where we have listed cash balances in other currencies. Restricted cash deposits relate to employee tax withholdings in Norway.

Note 17: Related parties

No material transactions took place during 2023 or 2022 with related parties. See Note 12 for further information regarding the remuneration to the Board of Directors and to the Executive Management.
See Note 3 for Business Combinations.

See Note 25 for further information about the Parent Company's subsidiaries. Internal transactions are eliminated in the Consolidated Financial Statements and do not represent transactions with related parties.

Note 18: Financial risk management objectives and policies

TGS has various financial assets. These are primarily held in USD, which is the functional currency for most TGS entities. TGS principal financial liabilities comprise trade payables and other current liabilities. TGS does not hold any currency or interest rate swaps.

It is, and has been, TGS policy that no trading in derivatives is undertaken. The primary risks arising from the financial risk management are market risk, liquidity risk and credit risk.

The Board of Directors reviews and approves policies for managing each of the risks, which are summarized below.

MARKET RISK

Currency risk is considered the only market risk for the Company. Substantial portions of TGS revenues and costs are in USD. Due to this, the TGS operational exposure to exchange rate fluctuation is low. However, as the Parent Company pays taxes in NOK to Norwegian Tax Authorities and dividends to shareholders in Norwegian kroner, fluctuations between the NOK and the USD impact currency exchange gains or losses on the tax expense and financial items of the consolidated accounts. A reasonably possible strengthening (weakening) of the USD against NOK on 31 December 2023 would have affected the measurement of financial instruments denominated in a foreign currency and affected profit or loss by the following amounts: For deferred tax balances calculated in NOK, a strengthening of +10% on the NOK/USD currency exchange rate would have an impact on profit after tax of approximately USD 5.4 million (2022: USD 6.2 million).

Further, the Group also holds financial instruments denominated in BRL, which is, tax payables, accrued revenues and costs, accounts receivable and accounts payable. A change of +10% on the BRL/USD currency exchange rate would have a negative impact on profit before tax of approximately USD 5.5 million (2022: USD 3.4 million). This analysis assumes that all other variables remain constant.

The Group holds cash balances in numerous currencies, adding further foreign currency exchange risk. The below table summarizes the impact on profit and loss of a 10% increase/decrease in the USD/FX rate. Note that in some jurisdictions, cash balances in local currency are held in the anticipation of costs and investments to be paid in the same currency in the reasonable near-term future.

Note 18: Financial risk management objectives and policies

Currency	Balance in USD	Gain/(Loss) of 10% movement
ARS	207	21
AUD	468	47
BRL	23,198	2,320
CAD	3,149	315
COP	49	5
EGP	3,934	393
EUR	4,738	474
GBP	2,298	230
IDR	4	0
INR	391	39
MXN	192	19
MYR	327	33
NGN	8,932	893
NOK	7,491	749
SGD	51	5
Grand Total	**55,430**	**5,543**

LIQUIDITY RISK

Liquidity risk arises from a lack of correlation between cash flow from operations and financial commitments. Per the balance sheet date, TGS held current assets of USD 442.9 million, of which cash and cash equivalents represented USD 196.7 million and other current assets represent USD 246.2 million. In comparison, current liabilities amounted to USD 581.9 million. As of 31 December 2023, TGS considers the liquidity risk to be low as the Group has an undrawn revolving credit facility of USD 150 million.

The table shows a maturity analysis for the different financial liabilities:

2023	0–6 months	6–12 months	> 12 months	Total
Accounts payable and debt to partners	95,049	–	–	95,049
Taxes payable, payroll tax, social security and VAT	–	78,377	–	78,377
Other non-current liabilities	–	–	41,210	41,210
Total	**95,049**	**78,377**	**41,210**	**214,636**

2022	0–6 months	6–12 months	>12 months	Total
Accounts payable and debt to partners	72,862	–	–	72,862
Taxes payable, payroll tax, social security and VAT	–	77,223	–	77,223
Short term debt	44,748	–	–	44,748
Other non-current liabilities	–	–	42,408	42,408
Total	**117,610**	**77,223**	**42,408**	**237,241**

See Note 8 for maturity analysis for lease payables.

CREDIT RISK

All placements of excess cash are bank deposits. TGS is exposed to credit risk through sales and uses best efforts to manage this risk. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in the table below and the carrying value of the accounts receivables and other short-term receivables disclosed in Note 21. TGS considers the risk with respect to accounts receivables as low due to the Group's credit rating policies and as its clients are primarily large oil and gas companies considered to be financially sound.

Note 18: Financial risk management objectives and policies

TGS from time to time accepts extended payment terms on parts of firm commitments from clients. TGS may also seek extra security from the clients in certain cases, such as pledges, overriding royalty interest agreements (ORRIs) or carried interests in an exploration license held by the client.

As of 31 December 2023, none of the outstanding accounts receivables were secured by ORRIs (2022: USD 0 million).

For details of the accounts receivables including aging, refer to Note 21.

For details on other financial assets, refer to Note 21.

CAPITAL MANAGEMENT

The goals for the TGS capital management of funds held are to:

- Protect and preserve investment principal
- Provide liquidity
- Return a market rate of return or better

As of 31 December 2023, total equity represented 65% of total assets (2022: 60%).

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.

The aim will be to keep a stable quarterly dividend in US dollars through the year, but the actual level paid will be subject to continuous evaluation of the underlying development of the Group, its financial position and the market.

FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value of the financial instruments that are carried in the financial statements is equal to book value.

Financial instruments at amortized cost	2023	2022
Accounts receivables	93,712	142,781
Accrued revenues	63,217	97,538
Other receivables	76,700	78,463
Cash and cash equivalents	196,741	188,452
Total financial assets	**430,370**	**507,235**
Short-term interest bearing debt	–	44,748
Accounts payable and debt to partners	95,049	72,862
Taxes payable	5,464	14,044
Withheld payroll tax, social security and VAT	72,913	63,179
Current lease liabilities	43,877	38,350
Other current- and non-current liabilities	129,716	187,749
Total financial liabilities	**347,018**	**420,932**

Note 19: Other non-current assets and liabilities

OTHER NON-CURRENT ASSETS

(All amounts in USD 1,000s)	2023	2022
Restricted cash	9,879	6,334
Investments in associated companies	5,486	5,294
Other non-current assets	9,059	83
Total other non-current assets	**24,424**	**11,711**

Restricted cash

TGS has deposits related to a dispute with tax authorities over the municipal services tax (ISS) in Brazil. The availability of the funds are contingent on the resolution of the court proceedings and this is not expected in the near-term future. Refer to Note 26 for more information.

OTHER NON-CURRENT LIABILITIES

(All amounts in USD 1,000s)	2023	2022
Non-current portion of project liabilities contingent on sales	32,165	32,246
Provision for asset purchase agreement	7,760	7,760
Other non-current liabilities	1,285	2,402
Total other non-current liabilities	**41,210**	**42,408**

Other non-current liabilities consist of contingent project liabilities and earnout arrangements where the economic outflows are not expected within the next 12 months following the reporting period.

Project liabilities contingent on future sales

As of 31 December 2023, TGS has entered certain agreements with suppliers whereby a liability will arise contingent on future sales. No obligation will arise until these future sales occur. Provision related to these variable agreements totaled USD 40.0 million in 2023 (2022: USD 47.8 million). These liabilities were recognized in the balance sheet, USD 32.2 million as non-current and USD 7.8 million as current liabilities, based on when the sales triggering the contingencies are expected to be recognized.

Provision for asset purchase agreement

On 2 March 2022, the TGS subsidiary Magseis Fairfield ASA executed an asset purchase agreement. This agreement included a clause contingent on the use of the equipment in offshore seismic surveys. The liability is recognized based on our best estimate of the future utilization of the equipment and the expected variable payout. As of 31 December 2023, no projects using the equipment have been awarded

Note 20: Joint operations

As part of its multi-client business, TGS invests in some of the multi-client projects as joint operations. Projects considered as joint operations are typically seismic projects organized between two parties where a vessel-owning company provides the vessel used to acquire the data, while TGS provides the data processing services. Both parties have rights to the assets and liabilities relating to these arrangements and share the costs of the project.

TGS has not established any material legal entities together with other companies with the purpose of acquiring a seismic project. The table below shows the TGS share of revenues, amortization, impairment and net book value of the multi-client library at year-end for projects considered as joint operations:

(All amounts in USD 1,000s)	2023	2022
Revenue joint operations (projects invoiced by TGS)	185,726	179,111
Revenue allocated to partners (projects invoiced by TGS)	(83,099)	(66,712)
Net revenue (projects invoiced by TGS)	**102,626**	**112,398**
Revenue allocated to TGS from partners (projects invoiced by partner)	83,222	84,611
Net revenue joint operations	**185,848**	**197,010**
Straight-line amortization	67,600	59,312
Accelerated amortization/Impairment	46,822	42,152
Net book value of multi-client library (joint operations) at 31 December	362,602	220,223

Note 21: Accounts receivables and other current receivables

Accounts receivables are measured at transaction price less any amounts of expected credit losses.

The amount of revenues for projects not yet invoiced is presented as accrued revenues in the balance sheet.

Other short-term receivables consist primarily of prepayments made for multi-client projects during the seismic data acquisition phase.

For certain multi-client library projects, TGS has cooperation agreements pursuant to which revenues are shared with other companies and/or governments. In such situations, accounts receivables and accrued revenues are presented net for projects where TGS issues the license agreement and is responsible for invoicing. See Note 27 for a breakdown of gross revenues and revenues allocated to other parties and Note 20 for gross revenues and revenues allocated to other parties from projects considered as joint operations.

In cases where extended payment terms have been agreed, the implied interest is reflected in the stated amount.

(All amounts in USD 1,000s)	2023	2022
Accounts receivables	100,215	150,478
Provision for impairment of accounts receivables	(6,503)	(7,697)
Accounts receivables – net	**93,712**	**142,781**
Accrued revenues	63,217	97,538
Other receivables	76,700	78,463
Total receivables and accrued revenues	**233,628**	**318,782**

The aging of the accounts receivables and accrued revenue (nominal amounts) are as follows:

	Total	Not due	< 30 days	30–60 days	60–90 days	Over 90 days
2023	**163,431**	**135,733**	**(1,522)**	**8,419**	**5,997**	**14,805**
2022	248,017	223,455	14,070	2,406	195	7,890

TGS applies the simplified approach when calculating expected credit losses. When calculating expected credit loss, TGS takes into account the aging of the outstanding amounts and other relevant information.

TGS has a credit assessment and payment terms policy. Credit assessments are required when signing or renegotiating a new master license agreement or supplemental license, or when changes occur in credit rating, payment terms on prior sales are not met due to potential financial difficulties, or insight or information indicates that an existing client is in a difficult financial situation. TGS uses D&B as a credit rating provider. When the credit rating is at a low level, an approval from the area Executive Vice President or the CFO will be required.

TGS evaluates a credit risk rating for all clients. The credit risk rating is assessed in four levels: Category 1 is low risk (national oil companies, majors or supermajors, clients with superior reputation, clients with high credit rating). Category 2 is medium risk (clients that do not fall into Category 1 or 3). Category 3 is high risk (companies with poor payment history and/or low credit rating or low transparency – regarding shareholder structure and financial information). Category 4 are receivables collected by joint venture partners.

As of 31 December 2023, 61.4% of the receivables are in Category 1, 27.9% are in Category 2, 1.4% are in Category 3, and 9.3% are in Category 4.

For amounts above 90 days, 95% are within Category 1, 5% in Category 2 and 1% in Category 3 and -1% in Category 4. Provisions for accounts receivables are based on an individual assessment and calculated expected credit losses.

Movements on the TGS provision for impairment of accounts receivables are as follows:

(All amounts in USD 1,000s)	2023	2022
At 1 January	7,697	2,474
Provision for receivables impairment	(1,174)	5,223
Receivables written off during the year as uncollectible	(21)	–
Amount collected	–	–
At 31 December	**6,503**	**7,697**

The provision for expected credit losses has been included in "Other operating expense" in the *Statement of comprehensive income*. Amounts charged to the allowance account are generally written off when there is no expectation of recovering additional cash.

For a description of credit risk, see Note 18.

Note 22: Current liabilities

(All amounts in USD 1,000s)	2023	2022
Accounts payable	47,389	35,331
Debt to partners	47,660	37,531
Short-term interest bearing debt	–	44,748
Current lease liabilities	43,877	38,350
Deferred revenue (contract liabilities)	276,064	126,462
Accrued expenses and other current liabilities	88,506	145,341
Taxes payable	5,464	14,044
Withheld payroll tax, social security and VAT	72,913	63,179
Total current liabilities	**581,872**	**504,986**

Accounts payables are non-interest-bearing and are normally settled on 30-days terms. Contract liabilities relate to deferred revenue, see Note 4 for further details.

Note 23: Bank overdraft facility, interest bearing liabilities and guarantees

INTEREST BEARING LIABILITIES

The table below discloses the Revolving Credit Facility 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 was due in full by 31 March 2023. In 2023 this RCF was paid and closed on due date.

(All amounts in USD 1,000s)	2023	2022
Nominal value bank facility	–	45,000
Prepaid fees bank facility	–	(252)
Short-term interest bearing debt	–	**44,748**

THREE-YEAR TERM SECURED REVOLVING CREDIT FACILITY

In February 2021, TGS entered into an amended and restated revolving credit facility (RCF), amending and restating the original RCF dated 26 October 2018 (2018 RCF). The RCF provided for borrowings of up to USD 100 million (on a revolving basis) with an interest rate of LIBOR +2.5% per interest period as determined by TGS and as per the defined terms of the RCF. During the first quarter 2023, TGS utilized the RCF to repay the outstanding amount under the Magseis revolving credit facility that was in place at the time of the acquisition by TGS in Q4 2022.

On 9 February 2023, TGS entered into an amended and restated RCF (the 2023 RCF), amending and restating the 2018 RCF (as amended in February 2021), The new RCF provides for borrowings, on a revolving basis, of up to USD 125 million with an interest rate of SOFR +3.0% per annum. The 2023 RCF provides for an accordion feature to allow for an increase in borrowing capacity of an additional USD 25 million. In Q4 2023 TGS acted upon the accordion feature, increasing the RCF to USD 150 million. As of 31 December 2023, the amount drawn on the bank facility is 0.

Financial covenants bank facility (RCF)

The conditions below are only tested if Liquidity (as defined in the RCF) on the relevant testing date is below USD 100 million:

- Equity Ratio > 50 percent.
- Leverage Ratio: Net interest-bearing debt/EBITDA for relevant period must be at or below 1.00.
- Liquidity: The Liquidity of the Group at all times must be at least USD 75 million.
- Operational Capex: EBITDA minus Operational Capex must be above zero.

TGS is in compliance with all financial covenants as of 31 December 2023.

GUARANTEES

As of 31 December 2023, the Group has provided guarantees of USD 5.3 million (2022: USD 70 million). The guarantees are in different currencies and the number is translated into USD using the exchange rate at the balance sheet date.

Note 24: Commitments

LEASES

As of the end of 2023, TGS had entered commitments for three 3D vessels and two 2D vessels for addressing multi-client investments. The amount committed, including contractual lease agreements, totaled USD 52 million (2022 total: USD 130 million).

The TGS Group has recognized USD 85 million in lease liabilities (2022 total: USD 67 million). The leases mainly relate to long term vessel leases for the Acquisition business unit in addition to office leases and data center leases. See Note 8 for more information on lease liabilities.

Note 25: Subsidiaries and joint ventures

Company Name	Country of incorporation	Shareholding and voting power
TGS ASA	Norway	Parent Company
TGS AP Investments AS	Norway	100%
TGS AS	Norway	100%
TGS NES AS	Norway	100%
OBS MC Investments I AS	Norway	100%
Carmot Seismic AS	Norway	100%
TGS Prediktor AS	Norway	100%
Magseis Fairfield AS	Norway	100%
Magseis Operations AS	Norway	100%
Versal AS	Norway	33%
TGS Geophysical Investments, Ltd.	UK	100%
Spectrum Geo Ltd	UK	100%
TGS Geophysical Company (UK) Ltd	UK	100%
4C Offshore Ltd.	UK	100%

Company Name	Country of incorporation	Shareholding and voting power
Spectrum Information Technology Ltd.	UK	100%
Spectrum Geophysical Services Ltd.	UK	100%
Spectrum Datagraphic Systems Int'l Ltd.	UK	100%
NS Investments One (UK) Ltd.	UK	100%
Magseis FF (UK) Ltd.	UK	100%
WGP Group Ltd.	UK	100%
TGS-NOPEC Geophysical Company	USA	100%
A2D Technologies, Inc.	USA	100%
Parallel Data Systems, Inc.	USA	100%
Volant Solutions Inc.	USA	100%
Digital Petrodata LLC	USA	100%
TGS Alaska Company	USA	100%
TGS Mexico Contracting LLC	USA	100%
Lasser, Inc.	USA	100%
Spectrum Geo, Inc.	USA	100%
Magseis FF LLC	USA	100%
TGS do Brasil Ltda	Brazil	100%
Magseis Do Brasil Ltda.	Brazil	100%
TGS-NOPEC Geophysical Company PTY, Ltd.	Australia	100%
Spectrum Geo PTY, Ltd.	Australia	100%
Spectrum Geo Australia PTY, Ltd	Australia	100%
TGS-NOPEC Geophysical Company PTE, Ltd.	Singapore	100%
Spectrum Geo PTE, Ltd.	Singapore	100%
Magseis Singapore Services PTE, Ltd.	Singapore	100%
Geo Bridge Pte Ltd.	Singapore	50%

Note 25: Subsidiaries and joint ventures

Company Name	Country of incorporation	Shareholding and voting power
Magseis Malaysia Sdn. Bhd.	Malaysia	100%
PT TGS Geophysical Indonesia	Indonesia	100%
TGS Canada Ltd.	Canada	100%
TGS Canada Corp.	Canada	100%
TGS-NOPEC Geophysical Company Moscow, Ltd.	Russia	100%
NOPEC Geophysical Company S. de R.L. de C.V.	Mexico	100%
Spectrum Geo S.A. de C.V.	Mexico	100%
Spectrum Geo Panama LLC	Panama	100%
TGS FJ Geophysical (Ghana) Ltd.	Ghana	90%
TGS-Petrodata Offshore Services Ltd.	Nigeria	49%/51%
TGS Geophysical Egypt SP	Egypt	100%
TGS Geopex Ltd.	Egypt	50%

Versal AS, Geo Bridge Pte Ltd. and TGS Geopex Ltd. are joint ventures. TGS doesn't have any associates.

Note 26: Contingent liabilities

BRAZIL TAX DISPUTES

In February 2017, Spectrum Geo do Brasil Servicos Geofisicos Ltda (Spectrum Brazil), a wholly owned subsidiary of TGS, received a tax assessment for a municipal services tax (ISS) in Brazil on the basis that Spectrum Brazil had improperly calculated the ISS paid on licensing transactions prior to 2017. On September 28, 2023, Spectrum Brazil was notified of the unanimous decision issued by the Taxpayers' Council that dismissed the Municipality's claim and granted the Company's Voluntary Appeal. The decision is final, and the updated tax debt of BRL 73.9 million (USD 15.2 million) has been fully canceled.

In July 2017, Spectrum Brazil filed a declaratory action in the Brazilian courts to challenge the imposition of ISS on seismic licensing transactions. During the pendency of the declaratory action (i.e., from 2017 forward), Spectrum has deposited into the court the amounts of ISS assessed on any licensing transactions. A favorable judgment was rendered by the court in June 2023. The Municipality filed an appeal, and the estimated time until final judgment is three years. The total accumulated amount deposited as of 31 December 2023 is BRL 48 million (USD 9.9 million) and will be used to settle any amounts owing upon resolution of this case. The deposit is presented as non-current restricted cash in the statement of financial position. In December 2020, the tax authorities issued a tax assessment against Spectrum Brazil relating to the federal tax on importation of services (CIDE), based on a difference in opinion in the treatment of costs incurred on seismic surveys. TGS is challenging the assessment made by the tax authorities.

The preliminary rulings made on the above matters have been favorable, however, final resolutions are not expected to be reached for a number of years. As of 31 December 2023, the amounts claimed total BRL 34 million (USD 7.0 million).

U.S. TAX CONTINGENCIES

Following a U.S. Tax Court decision in September 2021, the Court held that the Company's revenues from marine seismic data qualified as Domestic Production Gross Receipts (DPGR) under section 199(c)(4) rather than, as has been previously claimed in the Company's tax returns, section 199(c)(5). This had the impact of increasing the deductions available to the Company in respect of the 2008 tax year. TGS is currently in the process of reviewing the prior year deductions taking the Court decision into account. Until that process is complete, it is not possible to provide a reasonable estimate on the impact that the ruling will have on TGS.

Note 27: Gross and net revenues

TGS enters into multi-client contracts with other companies whereby revenue is shared proportionally and presented net (see Note 20). In some cases, TGS enters into multi-client contracts where a portion of revenue is shared with governments and/or selling agents in certain countries. The table below provides the breakdown for 2023 and 2022.

(All amounts in USD 1,000s)	2023	2022
Gross revenues from sales	903,975	825,911
Revenue sharing	(109,678)	(109,277)
Revenues	**794,297**	**716,633**

(All amounts in USD 1,000s)	2023	2022
Revenues allocated to joint operation partners	(83,099)	(66,712)
Revenue allocated to other partners	(26,579)	(42,565)
Total revenue sharing	**(109,678)**	**(109,277)**

Note 28: Financial items

(All amounts in USD 1,000s)	2023	2022
Interest income	7,889	665
Other financial income	3,762	1,731
Results from equity accounted investments	465	1,251
Total financial income	**12,116**	**3,647**
Interest expense	(10,583)	(5,281)
Other financial expenses	(7,185)	(3,227)
Total financial expenses	**(17,769)**	**(8,508)**
Net exchange gains/(losses)	**4,261**	**1,692**
Net financial items	**(1,392)**	**(3,169)**

Note 29: Tax expense

(All amounts in USD 1,000s)	2023	2022
Profit before taxes		
Norway	11,181	84,772
Outside Norway	40,694	44,092
Total profit before taxes	**51,876**	**128,864**
Current taxes		
Norway	(2,852)	3,332
Outside Norway	27,168	25,712
Total current taxes	**24,316**	**29,045**
Changes in deferred taxes		
Norway	5,669	5,306
Outside Norway	1,530	(213)
Changes in deferred taxes	**7,199**	**5,093**
ADJUSTMENTS OF CURRENT INCOME TAX OF PREVIOUS YEARS AND ESTIMATES		
Norway	(657)	540
Outside Norway	(628)	6,220
Total adjustments of current income tax of previous years and estimates	**(1,285)**	**6,760**
Income tax expense reported in the income statement	**30,229**	**40,898**

(All amounts in USD 1,000s)	2023	2022
Profit before taxes	51,876	128,864
Expected income taxes according to corporate income		
Tax cost in Norway (22% tax rate)	11,413	28,350
Tax cost outside Norway (tax rate different from 22%)	(3,184)	2,021
Adjustment in respect of current income tax of previous years	(1,285)	6,760
Adjustment in respect of deferred tax of previous years	4,969	–
Change in deferred tax asset not recognized	6,245	(3,983)
Withholding taxes and overseas taxes	13,470	7,750
Non-deductible expenses	(1,625)	318
Currency effects	228	(318)
Income tax expense	**30,229**	**40,898**
Effective tax rate in %	58%	32%

COMMENTS ON SELECTED LINE ITEMS IN THE PRECEDING TABLE

Tax rates different from the Norwegian tax rate

The tax rates for subsidiaries outside Norway are different than the Norwegian tax rate of 22% (2022: 22% tax rate). The tax rates in the jurisdictions where TGS operates are between 17 % and 36%.

Note 29: Tax expense

Deferred tax asset not recognized

Deferred tax assets based on unused tax losses carried forward are not recognized when TGS cannot demonstrate that it is probable that taxable profit will be available against which the losses carried forward can be utilized. TGS has unused tax losses and deductible temporary differences of USD 48.1 million (2022: USD 41.9 million) where no deferred tax assets were recognized in the balance sheet.

Non-deductible expenses

Non-deductible expenses consist of various types of expenses and payments of various local taxes, which are not deductible for tax purposes in the tax jurisdictions where TGS operates.

Currency effects

TGS entities that do not have their tax base in USD are exposed to changes in the USD/tax base-currency rates. Effects within the current year are classified as tax expense.

Tax effect of temporary differences and tax loss carryforwards as of 31 December	2023	2022
Differences that give rise to a deferred asset or a deferred tax liability		
Multi-client library/well logs	(61,358)	(64,997)
Fixed assets	48,545	29,320
Goodwill and intangibles	(10,161)	(10,229)
Accruals	25,346	24,627
Accounts receivables	(11)	1,005
Other long-term items	–	21,949
Lease asset vs. Liability	1,030	1,225
Tax losses carried forward	81,985	86,343
Deferred revenue	10,220	10,233
Other	3,973	1,445
Deferred tax asset not recognized in the balance sheet	(48,100)	(41,855)
Basis deferred tax asset (liability)	**51,469**	**59,066**
Of which:		
Deferred tax asset	146,735	82,196
Deferred tax liability	95,266	23,130

Change in net deferred tax asset/(liability)	2023	2022
As of 1 January	59,066	63,830
Recognized in profit and loss account	7,199	5,093
Changes through business combinations	–	329
Foreign currency translation effects and other effects	(398)	–
As of 31 December	**51,469**	**59,066**

Note 29: Tax expense

COMMENTS ON SELECTED LINE ITEMS IN THE PRECEDING TABLE

Recognition of deferred tax assets on tax losses carried forward

Deferred tax assets are capitalized to the extent it is probable that TGS will have taxable profits and the carryforward tax losses can be utilized. Deferred tax assets on carryforward tax losses which are recognized are mainly related to Australia, Canada and Norway. With reference to Note 26 and "other tax exposure," the Group notes uncertainties concerning the tax balances, in particular in Latin America. The information reported is based on the information available to the Group at the date of these financial statements.

Temporary differences Group's subsidiaries

No deferred tax has been recognized in respect of temporary differences related to unremitted earnings of the Group's subsidiaries where remittance is not contemplated and where the timing of distribution is within the control of the Group.

OECD Pillar Two model rules

The Group is within the scope of the OECD Pillar Two model rules. Pillar Two legislation was enacted in Norway, the jurisdiction in which TGS ASA is incorporated, and has come into effect from 1 January 2024. Since the Pillar Two legislation was not effective at the reporting date, the Group has no related current tax exposure. The Group applies the exception to recognizing and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes, as provided in the amendments to IAS 12 issued in May 2023. Under the legislation, the Group is liable to pay a top-up tax for the difference between its GloBE effective tax rate per jurisdiction and the 15% minimum rate.

The Group is in the process of assessing its exposure to the Pillar Two legislation for when it comes into effect. The Group expects that most entities within the Group have an effective tax rate that exceeds 15%. Even though the average effective tax rate might be below 15% in some entities, the Group might not be exposed to paying Pillar Two income taxes in relation to these jurisdictions. This is due to the impact of specific adjustments envisaged in the Pillar Two legislation which give rise to different effective tax rates compared to those calculated in accordance with paragraph 86 of IAS 12.

Due to the complexities in applying the legislation and calculating GloBE income, the quantitative impact of the enacted or substantively enacted legislation is not yet reasonably estimable. Therefore, even for those entities with an accounting effective tax rate above 15%, there might still be Pillar Two tax implications.

Note 30: Events after the balance sheet date

On 31 January 2024, TGS entered into a commitment of USD 60 million to refinance PGS ASA Super Senior loan, on market terms. The loan agreement is signed, and payment was made on 18 March 2024. TGS funded the payment by drawing down on the USD 150 million RCF.

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.

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 net revenues.

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 as defined above. POC early sales revenues 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 pre-funding levels for projects in progress.

(All amounts in USD 1,000s)	2023	2022
Operating revenues	794,297	716,633
POC revenue early sales	310,726	136,002
Performance obligations met during the year	(136,581)	(257,272)
POC revenue	**968,441**	**595,363**
POC early sales rate (%)	77%	61%

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, amortization, depreciation, and impairments. 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.

Alternative Performance Measures

(All amounts in USD 1,000s)	2023	2022
Net income	21,646	87,967
Taxes	30,229	40,898
Net financial items	1,392	3,169
Depreciation, amortization, and impairment	96,942	33,561
Amortization and impairment of multi-client library	233,671	373,263
EBITDA	**383,881**	**538,858**

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.

POC ACCELERATED AMORTIZATION

Accelerated amortization of multi-client library is calculated on percentage of completion basis.

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 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)	2023	2022
Equity	1,275,576	1,239,763
Interest bearing debt	–	44,748
Cash	196,741	188,452
Net interest-bearing debt	(196,741)	(143,704)
Capital employed	**1,078,835**	**1,096,059**
Average capital employed	1,087,447	998,029
Operating profit (12 months trailing)	53,268	132,034
ROACE	**5%**	**13%**

FREE CASH FLOW

Free cash flow when calculated by TGS is cash flow from operational activities minus cash from investing activities excluding impact from investing activities related to mergers and acquisitions.

(All amounts in USD 1,000s)	2023	2022
Net cash flow from operating activities	584,652	343,153
Net cash flow from investing activities	(428,079)	(272,718)
Excluding Investments through mergers and acquisitions	(2,233)	54,563
Free cash flow	**154,340**	**124,998**

CONTRACT INFLOW

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

CONTRACT BACKLOG

Contract backlog is defined as the aggregate unrecognized value of all customer contracts as of a given date. At the end of 2023 TGS had a POC backlog of USD 545 million (IFRS: USD 839 million).

Parent Company Financials

INCOME STATEMENT

Year ended 31 December (All amounts in USD 1,000s)	Note	2023	2022
Revenue	**5,18**	**160,588**	**260,805**
Cost of sales - proprietary and other		2,318	8,089
Straight-line amortization of the multi-client library	3	63,643	63,864
Accelerated amortization and impairment of the multi-client library	3	32,802	54,839
Personnel costs	6	7,918	8,984
Other operating expenses		16,599	24,156
Depreciation, amortization and impairment	2,3,4	1,746	1,562
Total operating expenses		**125,026**	**161,494**
Operating profit/(loss)		**35,562**	**99,311**
Financial income	16	19,350	3,566
Financial expenses	16	(42,124)	(20,246)
Net exchange gains/(losses)	16	(15,673)	(47,871)
Net financial items		**(38,447)**	**(64,550)**
Profit before taxes		**(2,886)**	**34,761**
Tax expense	17	(188)	5,074
Net income/(loss)		**(2,698)**	**29,686**

STATEMENT OF OTHER COMPREHENSIVE INCOME

Year ended 31 December (All amounts in USD 1,000s)	Note	2023	2022
Net income/(loss)		**(2,698)**	**29,686**
Other comprehensive income, net of tax		–	–
Total comprehensive income/(loss) for the period		**(2,698)**	**29,686**

Parent Company Financials

BALANCE SHEET - ASSETS

As of 31 December (All amounts in USD 1,000s)	Note	2023	2022
ASSETS			
Non-current assets			
Multi-client library	3	301,152	238,295
Deferred tax asset	17	–	219
Right-of-use assets	4	4,354	4,078
Buildings, machinery and equipment	2	3,318	3,357
Investments in subsidiaries	9	393,690	336,426
Total non-current assets		**702,514**	**582,375**
Current assets			
Accounts receivable	11	21,540	3,411
Accrued revenues	11	15,225	21,555
Current receivables – Group companies	12	440,951	493,748
Other receivables	11	2,939	1,685
Cash and cash equivalents	10	10,597	62,624
Total current assets		**491,252**	**583,023**
Total assets		**1,193,766**	**1,165,398**

Parent Company Financials

BALANCE SHEET – EQUITY AND LIABILITIES

As of 31 December (All amounts in USD 1,000s)	Note	2023	2022
EQUITY			
Share capital	7, 8	4,406	4,258
Treasury shares held	7, 8	(17)	(18)
Share premium	8	170,377	154,600
Retained earnings	8	32,325	30,824
Total equity		**207,091**	**189,665**
LIABILITIES			
Non-current liabilities			
Non-current lease liability	4	3,822	3,720
Deferred tax liabilities	17	51,890	53,054
Total non-current liabilities		**55,712**	**56,774**
Current liabilities			
Accounts payable and debt to partners		10,975	6,272
Current liabilities – Group companies	11	817,090	798,276
Taxes payable	16	–	37
Social security, VAT and other duties		1,095	401
Current lease liability	4	634	507
Deferred revenues		94,256	56,974
Other current liabilities	12	6,913	56,493
Total current liabilities		**930,963**	**918,959**
Total liabilities		**986,675**	**975,733**
Total equity and liabilities		**1,193,766**	**1,165,398**

Parent Company Financials

Oslo, 20 March 2024

CHRISTOPHER FINLAYSON Chair of the Board of Directors	**LUIS ARAUJO** Board member	**BETTINA BACHMANN** Board member	**IRENE EGSET** Board member
GRETHE KRISTIN MOEN Board member	**MAURICE NESSIM** Board member	**SVEIN HARALD ØYGARD** Board member	**KRISTIAN JOHANSEN** Chief Executive Officer

Statement of cash flows

Year ended 31 December (All amounts in USD 1,000s)	Note	2023	2022
OPERATING ACTIVITIES			
Profit before taxes		(2,886)	34,761
Depreciation/amortization/impairment	3	98,192	120,266
Changes in accounts receivables and accrued revenues		(11,799)	38,759
Changes in other receivables		(1,253)	(1,958)
Changes in accounts payable and debt to partners		4,702	(8,205)
Changes in other balance sheet items[1]		90,770	31,116
Paid taxes		(224)	–
Net cash flows from operating activities		**177,502**	**214,739**
INVESTING ACTIVITIES			
Investments in tangible and intangible assets		(1,770)	(484)
Investments in multi-client library	3	(159,302)	(45,817)
Investments through mergers and acquisitions		–	(48,308)
Interest received		8,486	2,301
Net cash flows used in investing activities		**(152,586)**	**(92,308)**
FINANCING ACTIVITIES			
Net change in short term loans		–	–
Interest paid		(37,740)	(18,981)
Dividend payments	7	(70,605)	(66,136)
Repayment of lease liabilities	4	(740)	(658)
Acquisition of shares	8	(54,385)	–
Paid-in equity		86,527	–
Purchase of own shares	7	–	(7,015)
Net cash flows used in financing activities		**(76,943)**	**(92,790)**
Net change in cash and cash equivalents		(52,027)	29,641
Cash and cash equivalents at the beginning of period		62,624	32,982
Cash and cash equivalents at the end of period		**10,597**	**62,623**

[1] USD 37 282 relates to change in deferred revenue.

Note 1: General accounting policies

GENERAL INFORMATION

TGS ASA (Company) is a public limited liability company incorporated in Norway on 21 August 1996. The address of its registered office is Askekroken 11, 0277 Oslo, Norway. TGS ASA is listed on the Oslo Stock Exchange under the trading symbol "TGS".

The Company's financial statements were authorized by the Board of Directors on 20 March 2024 and to be approved by the Annual General Meeting.

TGS has been granted exemption from the Norwegian Tax Authority to publish its Annual Report in English only.

The Parent Company, TGS ASA, reports its financial results in USD, which is the Company's functional currency.

The financial statements are prepared in accordance with the Norwegian Accounting Act and Simplified IFRS. The financial statements have been prepared on the assumption of a going concern in accordance with section 3-3a of the Norwegian Accounting Act. The Company, as used in these financial statements, is the Parent Company under the Consolidated Financial Statements also included in this Annual Report. The notes are an integral part of the financial statements.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

REVENUE FROM CONTRACTS WITH CUSTOMERS

Revenue from contracts with customers is recognized when control of the goods or services are transferred to the customers at an amount which reflects the consideration to which the Company expects to be entitled in exchange for those goods or services.

Early sales

Multi-client pre-funding contracts (i.e. contracts signed prior to commencement of a survey) and sales of unfinished data (i.e., contracts entered into after commencement of a survey, but prior to data being ready for delivery) are considered to be "right to use licenses" under IFRS 15, meaning that all revenue related to these contracts is recognized at the point in time when the license is transferred to the customer, which would typically be upon completion of processing of the survey and granting of access to the finished survey or delivery of the finished data, independent of services delivered to clients during the project phase. The Company has generally concluded that it is the principal in its revenue arrangements, as it typically controls the goods or services before transferring them to the customer.

Late sales

Revenue for sales of finished data is recognized at a point in time, generally upon delivery of the final processed data (i.e., when the client has gained access to the data under a binding agreement). Through the binding agreement the customer is granted a non-exclusive license to use the finished data. Sales of finished data are presented as late sales revenue.

Revenue sharing arrangements

From time to time, TGS enters into contracts where revenue is shared with governments or other parties (see Joint Arrangements below). Such revenue is recognized on a net basis in accordance with applicable recognition principles.

Proprietary contracts

Revenue from proprietary contracts, where TGS delivers services for the exclusive benefit of the customer, is recognized over time, normally on a percentage of completion basis, measured according to the acquired and processed volume of data in relation to the total size of the project.

MULTI-CLIENT LIBRARY

The multi-client library includes completed and in-progress geophysical and geological data, as well as certain other data types, to be licensed on a non-exclusive basis mainly to oil and gas companies. The costs directly attributable to data acquisition and processing are capitalized and included in the library value. These costs include mainly costs related to vessels, equipment payroll and hardware/software. Data acquisition costs include mobilization costs incurred when relocating vessels, equipment and crew to the survey areas. The library also includes the cost of data purchased from third parties. The library of finished data is presented at cost reduced by accumulated amortization and impairment.

Note 1: General accounting policies

Straight-line amortization

After a project is completed, it is amortized on a straight-line. The straight-line amortization is assigned over the expected useful life, which for most marine projects is four years. For most onshore projects, the expected useful life after completion of a project is seven years.

Accelerated amortization of seismic data

No revenue is recognized until the point in time when the license is transferred to the customer, which would typically be upon completion of processing of the survey and granting of access to the finished survey or delivery of the finished data. When a project is completed and after early sales are recognized, an impairment charge may be necessary in the event recoverable value (present value of expected late sales) is lower than net book value of the survey (capitalized cost of the survey). This type of impairment is referred to as "accelerated amortization," as opposed to impairments caused by reduced cash flow forecasts, which is referred to as "impairments" in TGS accounts.

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 for a survey are realized disproportionately sooner than implied by the straight-line profile over the survey's useful life.

Amortization policy on seismic data purchased from third parties

When purchasing seismic data from third parties, straight-line amortization over the remaining useful life of the data is recognized. The straight-line amortization is based on the cost of the seismic data recognized on the date of the purchase.

As with organic surveys, accelerated amortization of the in-organic library may be necessary in the event that sales on a survey are realized disproportionately sooner within that survey's useful life.

JOINT ARRANGEMENTS

For certain multi-client library projects, TGS invests in the project together with other parties and has cooperation agreements whereby revenues and costs will be shared with other companies. These agreements are initiated and agreed as joint operations where both parties have rights to the assets and share in the liabilities. TGS recognizes its share of the investment in the multi-client library, its share of revenues from the sale of the multi-client survey, and related amortization and expenses. When TGS has the right to market and sell the surveys, TGS enters into the license contracts with customers and invoices and collects payments from the customers. Accounts receivables under these arrangements are presented on a gross basis, with the portion due to the partner being presented as debt to partners. Similarly, when a partner holds the right to market and sell the project and is the party responsible for invoicing and collection from the customers, TGS only recognizes its share of the related accounts receivables.

IMPAIRMENT OF NON-FINANCIAL ASSETS

In assessing value in use, the estimated future cash flows calculated in USD 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.

TGS bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the 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.

Impairment losses are recognized in the statement of profit and loss in expense categories consistent with the function of the impaired asset.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognized impairment losses no longer exist or have decreased. If such indication exists, TGS estimates the asset's or the CGU's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment charge was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, or the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the statement of profit and loss.

Goodwill is reviewed for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired.

Note 1: General accounting policies

PROVISIONS AND CONTINGENCIES

Provisions are made when TGS has a current obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Contingent liabilities are possible obligations caused by a past event where the existence of the liability depends on the occurrence, or not, of a future event. An existing obligation, in which it is not likely that the entity will have to dispose economic benefits, or where the obligation cannot be measured with sufficient reliability, is considered a contingent liability. Contingent liabilities are not recognized in the financial statements but are disclosed unless the possibility of outflows is remote. A contingent asset is not recognized in the financial statement but disclosed if it is probable that it will be an inflow of economic benefits for TGS.

INCOME TAXES

Current income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the tax authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date in the countries where TGS operates and generates taxable income.

Deferred tax

Deferred tax is provided using the liability method on temporary differences at the balance sheet date between the tax bases of assets and liabilities and the respective carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities have been recognized for all taxable temporary differences.

Deferred tax assets are recognized for all deductible temporary differences, the carryforward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carryforward of unused tax credits and unused tax losses, can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to offset current income tax assets against current income tax liabilities and the deferred taxes relate to the same taxable company and the same taxation authority. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized, or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

Deferred tax relating to items recognized outside of the profit and loss account are correspondingly recognized outside of the profit and loss account. Deferred tax items are recognized in parallel to the underlying transaction either in OCI or directly in equity.

The Parent Company pays its tax obligation in NOK and the fluctuations between the NOK and the USD impact the financial items.

Tax positions subject to uncertainty are identified and assessed either individually or in groups based on estimates of the probabilities that the tax authorities will accept or reject certain treatments. Where it is assessed that it is not probable the tax authorities will accept an uncertain tax treatment, and the effect of the uncertainty is reflected in the calculation of the taxable profit, tax bases, unused tax losses or credits, or tax rates. The effect of the uncertainty is calculated by applying the most appropriate method (most likely amount or expected value). Changes in circumstances are assessed and reflected at each reporting date.

FINANCIAL ASSETS

The Company's financial assets are accounts and other receivables, and cash and cash equivalents. On initial recognition the financial assets are classified at fair value. Based on the nature of these assets and how they are managed, the Company has evaluated that these qualify for the criteria in IFRS 9 for classification as measured at amortized cost.

Cash and cash equivalents in the balance sheet comprise cash in bank accounts and on hand and short-term deposits with an original maturity of three months or less.

Note 1: General accounting policies

FINANCIAL LIABILITIES

The Company has financial liabilities measured at amortized cost. Financial liabilities at amortized cost consist of accounts payable and debt to partners. These obligations are initially recognized at fair value less transaction costs, and subsequently measured at amortized cost by using the effective interest method. The Company has no financial liabilities at fair value through profit and loss (FVTPL).

PENSIONS

TGS operates defined-contribution plans in Norway where the Group covers the superannuation. Contributions are expensed to the income statement as they become payable.

INVESTMENTS IN SUBSIDIARIES AND ASSOCIATED COMPANIES

Investments in subsidiaries are valued at cost in the Company's financial statements. The investment is valued as cost of the shares in the subsidiary, less any impairment losses. An impairment loss is recognized if the impairment is not considered temporary, in accordance with the generally accepted accounting principles. Impairment losses are reversed if the reason for the impairment loss disappears in a later period.

Dividends, group contributions and other distributions from subsidiaries are recognized in the same year as they are recognized in the financial statement of the provider. TGS is applying the exemption in the simplified IFRS regulation to account for this in accordance with the Norwegian Accounting Act.

SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

In the process of applying the Company's accounting principles, Management is required to make estimates, judgments and assumptions that affect the amount reported in the financial statements and accompanying notes. Management bases its estimates and judgments on historical experience and on various other factors that are believed to be reasonable under the circumstances, the results of which will form the basis for making judgments on carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. The key sources of judgment and estimation of uncertainty at the balance sheet date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Impairment evaluation of multi-client data libraries

TGS performed impairment reviews and determined the value in use of the multi-client library during 2023. The Company estimated value in use based on discounted estimated future cash flows. The underlying estimates that form the basis for the cash flows depend on variables such as the number of oil and gas exploration and production (E&P) companies operating in the area that would be interested in the data, the overall E&P spending, expectations regarding hydrocarbons in the sector, whether licenses to perform exploration in the sectors exist or will be given in the future, expected farm-ins to licenses and relinquishments, etc. Changes in these estimates may potentially affect the estimated amount of future materially. The revenue estimates are evaluated on a regular basis and impairments are recognized in the period they occur.

Note 2: Tangible non-current assets

2023	**Machinery and Equipment**
Cost as of 1 January 2023	10,555
Additions	1,109
Disposals	(58)
Cost as of 31 December 2023	**11,606**
Accumulated depreciation as of 1 January 2023	7,198
Depreciation for the year	1,090
Accumulated depreciation on disposals[1]	0
Accumulated depreciation as of 31 December 2023	**8,288**
Net book value as of 31 December 2023	**3,318**
Straight-line depreciation percentage	14% – 33.3%
Useful life	3 – 7 years

[1] Profit on disposals during the year was USD 0.

2022	**Machinery and Equipment**
Cost as of 1 January 2022	10,538
Additions	267
Disposals	(250)
Cost as of 31 December 2022	**10,555**
Accumulated depreciation as of 1 January 2022	6,418
Depreciation for the year	1,030
Accumulated depreciation on disposals[1]	(250)
Accumulated depreciation as of 31 December 2022	**7,198**
Net book value as of 31 December 2022	**3,357**
Straight-line depreciation percentage	14% – 33.3%
Useful life	3 – 7 years

[1] Profit on disposals during the year was USD 0.

Note 3: Intangible non-current assets

2023	Multi-client library
Cost as of 1 January 2023	3,342,577
Additions	159,302
Cost as of 31 December 2023	**3,501,879**
Accumulated amortization and impairment as of 1 January 2023	2,985,578
Straight line amortization for the year	(63,643)
Accelerated amortization and impairment for the year	(32,802)
Accumulated amortization and impairment as of 31 December 2023	**3,200,727**
Net book value as of 31 December 2023	**301,152**
Useful life	4 – 7 years[1]

[1] Multi-client library: See the "General Accounting Policies," for the policies on amortization of this asset.

2022	Multi-client library
Cost as of 1 January 2022	3,282,971
Additions	59,606
Cost as of 31 December 2022	**3,342,577**
Accumulated amortization and impairment as of 1 January 2022	2,796,464
Straight line amortization for the year	(63,864)
Accelerated amortization and impairment for the year	(54,839)
Accumulated amortization and impairment as of 31 December 2022	**3,104,282**
Net book value as of 31 December 2022	**238,295**
Useful life	4 – 7 years[1]

[1] Multi-client library: See the "General Accounting Policies," for the policies on amortization of this asset.

Note 4: Leases

LEASES AS A LESSEE

The Company mainly holds an office lease. The lease expires 30 June 2030. The Company has applied the exemption in IFRS 16 and not capitalized leases of low-value assets or short-term leases.

Right-of-use asset	Total
Balance at 1 January 2023	4,078
Additions	661
Impairments	0
Adjustments	272
Depreciation	(656)
Balance at 31 December 2023	**4,354**

Right-of-use asset	Total
Balance at 1 January 2022	4,393
Additions	0
Impairments	0
Adjustments	217
Depreciation	(533)
Balance at 31 December 2022	**4,078**

Amounts recognized in profit or loss	2023	2022
Interest on lease liability	158	125
Expense related to short-term leases	107	102
Expense related to leases of low-value asset, excluding short-term leases of low-value assets	384	400
Variable lease payments	405	189
Depreciation charge for the year	656	533

Note 4: Leases

Amounts recognized in the statement of cash flow	2023	2022
Repayment of lease liabilities	740	658

Maturity analysis – lease payables	2023	2022
Less than one year	765	631
One to five years	2,944	2,525
More than five years	1,102	1,578
Total undiscounted lease payments	**4,812**	**4,735**
Discount effect	(355)	(508)
Lease liability as of 31 December	**4,457**	**4,226**

Lease liability	2023	2022
Current	634	507
Non-current	3,822	3,720
Lease liability as of 31 December	**4,457**	**4,226**

Note 5: Revenue from contracts with customers

The Group's revenue from contracts with customers has been disaggregated and presented in the table below:

Revenue type	2023	2022
Early sales	69,383	103,870
Late sales	88,386	147,764
Proprietary	2,819	9,171
Total	**160,588**	**260,805**

Note 5: Revenue from contracts with customers

PAYMENT TERMS

Payment terms for sale of unfinished data (early sales) vary for each contract and are generally paid in portions over a longer period with 30 days payment terms. Payment terms for finished data and proprietary sales are mainly 30 days.

Please refer to Group Note 4 to see remaining performance obligations, unsatisfied or partly unsatisfied, as of year-end for the Group as a whole.

OTHER TERMS

The Group's refund liability, return liability and warranties are considered limited, and the Group has not recognized any such liabilities in the Consolidated Balance Sheet.

Please refer to Group Note 4 to see remaining performance obligations, unsatisfied or partly unsatisfied, as of year-end for the Group as a whole.

The following table provides information about receivables, payables, contract assets and contract liabilities from contracts with customers.

Receivables, contract assets and contract liabilities	2023	2022
Account receivables	21,540	3,411
Accrued unbilled revenue (contract asset)	15,225	21,555
Accounts payable and debt to partners	(10,975)	(6,272)
Deferred revenue (contract liabilities)	(94,256)	(56,974)

Contract liabilities	2023	2022
At 1 January	(56,974)	(68,642)
Deferred during the year	(83,471)	(13,080)
Recognized as revenue during the year	46,189	24,748
Effect of change from gross to net	–	–
At 31 December	**(94,256)**	**(56,974)**

Note 6: Salaries/number of employees/ benefits/pensions

(All amounts in USD 1,000s)	2023	2022
Payroll	6,208	7,217
Social security costs	1,043	1,043
Pension costs	301	304
Other employee related costs	369	463
Salaries capitalized	(3)	(44)
Personnel costs	**7,918**	**8,984**

Number of employees at 31 December	34	34
Average number of full-time equivalent employees	34	34

As of 31 December 2023, the Company had 34 employees: 19 male employees and 15 female employees.

The Company is obliged to provide an employment pension plan for all employees. TGS ASA has a defined contribution plan that fulfills the requirements of the Norwegian law.

Auditor fees	2023	2022
KPMG		
Statutory audit	371	362
Other attestation services	16	12
Other services outside the audit scope	66	128
Total fees[1]	**453**	**502**

[1]All amounts are exclusive VAT.

Information about remuneration of the Board of Directors and the Executive Management is included in Note 12 in the Consolidated Financial Statements.

For information about share-based payment plans, see Note 13 to the Consolidated Financial Statements.

Note 7: Share capital and shareholder information

The share capital of TGS ASA as of 31 December 2023 was USD 4,406,018.87, NOK 32,820,114.50 consisting of 131,280,458 ordinary shares at NOK 0.25 per share. The Company's shares have equal voting rights.

For information of treasury shares, shareholders' authorization and the 20 largest shareholders, see Note 15 to the Consolidated Financial Statements.

For ownership of by the Executive Management and the Board of Directors see Note 12 in Group and the Management Remuneration Report.

Note 8: Equity reconciliation

(All amounts in USD 1,000s)	Share capital	Treasury shares	Share premium	Retained earnings	Total equity
Balance 1 January 2023	4,258	(18)	154,600	30,824	189,665
Treasury shares distributed	–	1	–	666	667
Capital increase	145	–	86,382	–	86,527
Cost of equity-settled long-term incentive plans	2	–	–	3,532	3,535
Dividends	–	–	(70,605)	–	(70,605)
Profit/(loss) for the year	–	–	–	(2,698)	(2,698)
Balance 31 December 2023	**4,406**	**(17)**	**170,377**	**32,325**	**207,091**

The Annual General Meeting held 10 May 2023 authorized the Board of Directors to distribute quarterly dividends based on the 2022 financial statements. The authorization shall be valid until the Company's next Annual General Meeting.
On 14 February 2024, the Board of Directors resolved to pay a quarterly dividend of the NOK equivalent of USD 0.14 per shares (NOK 1.47) to the shareholders.

Note 8: Equity reconciliation

(All amounts in USD 1,000s)	Share capital	Treasury shares	Share premium	Retained earnings	Total equity
Balance 1 January 2022	4,085	(38)	115,959	(13,120)	106,886
Purchase of treasury shares	–	(13)	–	(7,001)	(7,015)
Treasury shares distributed	–	0	–	149	150
Capital increase	203	–	106,155	18,882	125,240
Cancellation of treasury shares held	(33)	33	–	–	–
Cost of equity-settled long-term incentive plans	3	–	–	2,228	2,231
Dividends	–	–	(66,136)	–	(66,136)
Transaction cost Magseis	–	–	(1,378)	–	(1,378)
Profit/(loss) for the year	–	–	–	29,686	29,686
Balance 31 December 2022	**4,258**	**(18)**	**154,600**	**30,824**	**189,665**

Note 9: Investments in subsidiaries

As of 31 December 2023, the Parent Company had the following investments in subsidiaries:

(All amounts in USD 1,000s)	Registered office	Shareholding and voting power	Book value
TGS NES AS	Oslo, Norway	100%	52,030
TGS AP Investments AS	Oslo, Norway	100%	51,752
TGS AS	Oslo, Norway	100%	21,963
Magseis Fairfield AS[1]	Oslo, Norway	100%	225,309
TGS NewCO AS	Oslo, Norway	100%	3
TGS Geophysical Investments Ltd.	Surbiton, UK	100%	262
TGS Geophysical Company (UK) Ltd.	Surbiton, UK	100%	–
TGS-NOPEC Geophysical Company PTY Ltd	Perth, Australia	100%	0
TGS-NOPEC Geophysical Company PTE Ltd	Singapore	100%	–
TGS do Brasil Ltda.	Rio de Janeiro, Brazil	14%	9,900
TGS Canada Corp.	Calgary, Canada	100%	32,471
TGS-NOPEC Geophysical Company Moscow Ltd	Moscow, Russia	100%	–
Nopec Geophysical Company, S. de R.L. de C.V.	Mexico City, Mexico	90%	–
Balance sheet value			**393,690**

[1] See Note 3 business combination in Group.

The Parent Company has indirectly 100% voting rights in Nopec Geophysical Company, S. de R.L. de C.V.

Note 10: Restrictions on bank accounts

Cash and cash equivalents include demand deposits and high liquid instruments purchased with maturities of three months or less. As of 31 December 2023. USD 1.5 million of cash and cash equivalents are restricted to meet the liability arising from payroll taxes withheld (2022: USD 1.3 million)

Note 11: Accounts receivable and other receivables

(All amounts in USD 1,000s)	2023	2022
Accounts receivables	21,540	3,411
Accrued revenues	15,225	21,555
Current receivables – Group companies	440,951	493,748
Other receivables	2,939	1,685
Total receivables	**480,655**	**520,399**

The Company has made bad debt provisions of USD 0.04 million in 2023 (2022: USD 0.4 million).
Realized losses on accounts receivables in 2023 amounted to USD 0 million (2022: USD 0 million)

Note 12: Current receivables and liabilities – Group companies

Company	2023		2022	
	Receivables	Liabilities	Receivables	Liabilities
TGS AP Investments AS	9,838	–	37,610	–
Magseis Fairfield AS	46,419	–	–	–
4C Offshore Limited	16	–	–	–
Aceca Norge AS	–	(281)	–	(955)
TGS NES AS1	1,032	–	40,106	–
Prediktor AS	21	–	1,176	–
TGS AS1	362,075	–	398,129	–
TGS-NOPEC Geophysical Company	–	(811,619)	–	(659,895)
A2D Technologies Inc.	198	–	–	(72,621)
TGS Geophysical Company (UK) Ltd.	–	(42)	–	(5,167)
TGS-NOPEC Geophysical Company PTY Ltd	3,318	–	3,833	–
TGS-NOPEC Geophysical Company Pte	36	–	–	(355)
TGS AP Investments AS Sucursal Arg.	10,660	–	10,282	–
TGS-Petrodata Off Svc Ltd.	753	–	703	–
TGS Geophysical Egypt SP	–	–	–	(3,192)
OBS MC Investments I AS	4,605	–	–	(8,962)
TGS Moscow	–	–	–	–
TGS Canada Corp.	–	(2,784)	–	(23,007)
TGS do Brasil Ltda.	–	–	887	–
TGS Geo. Inv. Ltd.	–	–	–	(100)
TGS CGG Master JV	–	(2,353)	–	(2,353)
Marine Exp. Partners AS	(1)	–	–	–
Nopec Geo. Company, S. de R.L. de C.V.	–	–	360	–
NOPEC Geophysical Company S.deR.L.d	360	–	–	–
Calibre Seismic Company	–	(10)	–	(10)
Carmot Seismic AS	–	–	–	(3,959)

Note 12: Current receivables and liabilities – Group companies

Company	2023		2022	
	Receivables	Liabilities	Receivables	Liabilities
Spectrum Geo Inc	67	–	55	–
Spectrum Geo Ltd	–	–	71	–
Spectrum Geo Australia Pty Ltd	–	–	–	(47)
Spectrum Geo Pty Ltd	–	–	–	(382)
Spectrum Geo AS	–	–	–	(17,179)
Spectrum Geo S.A.de C.V. (Mexico)	24	–	24	–
Spectrum Pte Ltd (Singapore)	–	–	–	(93)
Spectrum Geo do Brasil Servicos	1,320	–	312	–
Spectrum ASA Sucursal Argentina	204	–	197	–
TGS do Brasil Ltda	4	–	–	–
TGS Geophyisca Ghana Ltd	4	–	4	–
Spectrum Geo AS (FMCS AS)	(4)	–	–	–
TGS NewCo AS	–	(1)	–	–
Total	**440,951**	**(817,090)**	**493,748**	**(798,276)**

[1]Merger receivable from TGS AS.

Realized losses on intercompany receivables in 2023 amounted to USD 0 million (2022: USD 0.4 million).

Note 13: Other current liabilities

(All amounts in USD 1,000s)	2023	2022
Deferred revenues	94,256	56,974
Accrued project costs	3,656	4,680
Other accruals[1]	3,257	51,813
Total other current liabilities	**101,169**	**113,467**

[1] The significant amount of other accruals in 2022 is related to purchase of the Magseis Fairfield AS shares from the mandatory offer that was paid in January 2023.

Note 14: Guarantees

BANK GUARANTEES

As of 31 December 2023, the Company has 10 active guarantees in different currencies, converted to USD 2.8 million (2022: USD 55.8 million).

Note 15: Related parties

No material transactions took place during 2023 with related parties, other than operating business transactions between the companies in the TGS Group. All companies within TGS are 100% owned, directly or indirectly, by the Company, except for Calibre Seismic Company(50%), Spectrum Geopex Egypt Ltd (50%), TGS-Petrodata Offshore Services Ltd (49%) and TGS FJ Geophysical (Ghana) Ltd (90%). Business transactions between the entities of TGS were performed according to arm's length principles. The main business transactions can be aggregated as follows:

(All amounts in USD 1,000s)	2023	2022
Data processing costs	16,571	13,603
Brokerage fees	3,228	8,716
Management fees	14,122	7,588

For information about intercompany interest income and expense, see Note 15.

The Company has no liabilities in form of mortgages of entities within the TGS Group. For information about guarantees, see Note 13.

For a specification of intercompany receivables and liabilities, see Note 11.

Note 16: Financial items

(All amounts in USD 1,000s)	2023	2022
Interest income	2,486	516
Interest income subsidiaries	6,000	1,784
Other financial income	10,864	1,266
Total financial income	**19,350**	**3,566**
Interest expense	(277)	(1,592)
Interest expense subsidiaries	(37,463)	(16,716)
Other financial expenses	(4,384)	(1,938)
Total financial expense	**(42,124)**	**(20,246)**
Net Exchange gains/(losses)	**(15,673)**	**(47,871)**
Net financial items	**(38,447)**	**(64,550)**

On 9 February 2023, TGS entered into an amended and restated revolving credit facility (RCF), amending and restating the 2018 RCF (as amended in February 2021). The new RCF provides for borrowings, on a revolving basis, of up to USD 125 million with an interest rate of Secured Overnight Financing Rate (SOFR) +3.0% per annum. The 2023 RCF provides for an accordion feature to allow for an increase in borrowing capacity of an additional USD 25 million. In Q4 2023 TGS acted upon the accordion feature, increasing the RCF to USD 150 million. As of 31 December 2023, the amount drawn on the bank facility is USD 0 million.

TGS is in compliance with all financial covenants as of 31 December 2023.

Note 17: Tax expense

	2023	2022
CURRENT TAX		
Profit/(loss) before taxes	(2,886)	34,761
Permanent differences	(1,794)	3,175
Changes in temporary differences	13,261	22,681
Currency exchange effects on base for current tax	(6,596)	(11,237)
Basis for current tax	**1,985**	**49,380**
TOTAL TAX EXPENSE FOR THE YEAR		
Deferred tax - changes	(2,481)	5,074
Adjustment in respect of current income tax of previous year	1,541	–
Withholding tax	752	–
Total tax expense(income) for the year	**(188)**	**5,074**
Effective average tax rate	7%	15%

	2023	2022
SPECIFICATION OF BASIS FOR DEFERRED TAXES: TEMPORARY DIFFERENCES		
Multi-client library	11,830	21,303
Accruals	(2,220)	(10,210)
Other	(352)	(565)
Merger receivable[1]	308,471	320,572
Tax loss carried forward	(81,866)	(89,945)
Total	**235,862**	**241,155**
Deferred tax liability/(asset) based on temporary differences	51,890	53,054
Withholding taxes carried forward	–	(219)
Deferred tax liability/(asset) recognized	**51,890**	**52,835**
EXPLANATION OF TOTAL TAX EXPENSE VERSUS NOMINAL TAX RATE ON PRE-TAX PROFIT		
Tax calculated using nominal tax rate on pre-tax profit	(635)	7,647
Prior year adjustments	1,541	–
Effect of permanent differences	(395)	699
Withholding tax	752	–
Exchange gain/(loss) reported as tax expense	(1452)	(3,272)
Total tax expense recorded in income statement	**(188)**	**5,074**

[1] Receivable from merger with TGS AS.

Note 18: Gross and net revenues

TGS enters into multi-client contracts with other companies whereby revenue is shared proportionally and presented net. In some cases, TGS enters into multi-client contracts where a portion of revenue is shared with governments in certain countries. The table below provides the breakdown for 2023 and 2022.

	2023	2022
Gross revenues from sales	180,594	299,765
Revenues allocated to other parties	(20,006)	(38,960)
Revenues	**160,588**	**260,805**

Note 19: Financial risk management

MARKET RISK

Currency risk is considered as the only market risk for the Company. Functional currency for the Company is USD. Substantial portions of TGS revenues and costs are in US dollars, except for personnel and administrative costs. Due to this, the Company's operational exposure to exchange fluctuations is low. However, as the Company pays taxes in Norwegian kroner to Norwegian Tax Authorities and dividends to shareholders in Norwegian kroner, fluctuations between the NOK and the USD impact currency exchange gains or losses on tax expense and financial items.

LIQUIDITY RISK

Liquidity risk arises from lack of correlation between cash flow from operations and financial commitments. As of balance sheet date, the Company held current assets of USD 491.3 million, of which cash and cash equivalents represent USD 10.6 million, and current liabilities of USD 931.0 million, of which debt to subsidiaries represents USD 817.1 million. As of 31 December 2023, TGS considers the liquidity risk to be low as the Group has an undrawn revolving credit facility of USD 150 million.

CREDIT RISK

All placements of excess cash are bank deposits. The Company is exposed to credit risk through sales and use best efforts to manage this risk. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets. TGS considers the risk with respect to account receivables as low due to the Company's credit rating policies and because the clients are mainly large oil and gas companies, considered to be financially sound.

Note 20: Events after the balance sheet date

On 31 January 2024, TGS entered into a commitment of USD 60 million to refinance PGS ASA Super Senior loan, on market terms. The loan agreement is signed, and payment was made on 18 March 2024. TGS funded the payment by drawing down on the USD 150 million RCF.

Auditor's Report

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To the General Meeting of TGS ASA

Independent Auditor's Report

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of TGS ASA, which comprise:

- the financial statements of the parent company TGS ASA (the Company), which comprise the balance sheet as at 31 December 2023, the income statement, statement of other comprehensive income and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and
- the consolidated financial statements of TGS ASA and its subsidiaries (the Group), which comprise the consolidated balance sheet as at 31 December 2023, the consolidated statement of total comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion

- the financial statements comply with applicable statutory requirements,
- the financial statements give a true and fair view of the financial position of the Company as at 31 December 2023, and its financial performance and its cash flows for the year then ended in accordance with simplified application of international accounting standards according to section 3-9 of the Norwegian Accounting Act, and
- the consolidated financial statements give a true and fair view of the financial position of the Group as at 31 December 2023, and its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards as adopted by the EU.

Our opinion is consistent with our additional report to the Audit Committee.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company and the Group as required by relevant laws and regulations in Norway and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

To the best of our knowledge and belief, no prohibited non-audit services referred to in the Audit Regulation (537/2014) Article 5.1 have been provided.

We have been the auditor of the Company for 6 years from the election by the general meeting of the shareholders on 8 May 2018 for the accounting year 2018.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Revenue recognition

Refer to the consolidated financial statements Note 1 General Accounting Policies and Note 4 Revenue from Contracts with Customers.

The key audit matter	*How the matter was addressed in our audit*
For the year ended 31 December 2023, the Group reported revenues of USD 794 million, of which USD 137 million pertained to early sales, USD 239 million to late sales and USD 419 million to proprietary revenues. For early sales, customers commit to purchasing license data from the Group prior to the acquisition and processing of data or after commencement of a survey but prior to data being ready for delivery. Under IFRS 15, revenue from these contracts is recognized at a point in time upon delivery of the finished multi-client data license to the customer. For proprietary sales, revenue is recognized over time based on the progress of the service delivered exclusively to the customer. Revenue recognition in accordance with IFRS 15 can be complex and there is a risk revenue may be recognized in the incorrect period due to several factors including but not limited to: • The magnitude of individual contracts, contracts with multiple deliveries and performance obligations; • The assessment as to the timing of the fulfilment of performance obligations; • The fulfilment of significant performance obligations in the period close to year-end. Revenue recognition for early sales, late sales and proprietary revenues in accordance with IFRS 15 was considered to be a key audit matter due to the complexity and significance of individual contracts.	We evaluated management's processes and controls over revenue recognition. We assessed the consistency in application of the Group's revenue recognition principles across the Group. We inspected significant contracts entered into during the period to assess accuracy of accounting treatment in accordance with IFRS 15. We tested of a sample of accrued and deferred revenue balances to confirm existence and accuracy of the balances. We tested a sample of multi-client revenues recognized subsequent to period end to assess the completeness of the revenue recognized in the period. Further, we assessed the appropriateness of the timing of revenue recognition in accordance with IFRS 15 based on the deliveries of multi-client data from a sample of contracts pertaining to early and late sales. We assessed the revenue recognition for proprietary sales by evaluating the project progress towards complete satisfaction of the performance obligation satisfied over time. We also assessed the adequacy and appropriateness of the disclosures in the Consolidated financial statements related to revenues from contracts with customers.

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Impairment assessment of the multi-client library

Refer to the consolidated financial statements Note 1 General Accounting Policies, Note 2 Significant Accounting Judgements, Estimates and Assumptions, Note 9 Intangible Assets and Note 10 Impairment Evaluation of Multi-Client Library, Goodwill and Other Intangible Assets.

The key audit matter	*How the matter was addressed in our audit*
As at 31 December 2023, the Group has reported a multi-client library balance of USD 753 million under Intangible assets in the Consolidated financial statements. Management uses judgment in determining whether the carrying amount of the multi-client library exceeds the recoverable amount by making assumptions related to expected discounted future cash flows. There is significant inherent uncertainty in forecasting future sales of the multi-client library which is impacted by the overall exploration and production spending within the oil and gas industry, interest in specific regions, whether licenses to perform exploration in the various regions exist or will be awarded in the future, changes in the geo-political environment and other factors. Changes in key assumptions impacting future cashflows, together with the discount rate can significantly impact impairment assessments and conclusions. Due to the potential impact on the financial statements given the significance of the multi-client library balance and the judgment required when assessing future market conditions and the other key factors included in the forecasting of future sales, the assessment of the carrying amount of the multi-client library is considered to be a key audit matter. An impairment of USD 8 million was recorded in 2023 related to the multi-client library.	We inspected management's impairment indicator assessment and considered whether further indicators should have been assessed based on our knowledge of the business, its operating environment, industry knowledge, current market conditions and other information obtained during the audit. For a sample of multi-client libraries we assessed the respective impairment model, which includes key assumptions such as forecasted sales. As part of our procedures we: • Performed retrospective reviews to assess accuracy of management's estimates; • Tested sensitivity of movement in key assumptions; • Inspected supporting documents and assessing the basis for key assumptions; and • Challenged the forecasted sales, underlying market assumptions, approved budgets, and other factors which could affect forecasts. We evaluated, with assistance from our valuation specialists, the discount rates applied and the mathematical accuracy of the impairment models. Further, we evaluated the adequacy and appropriateness of the disclosures in the Consolidated financial statements with particular reference to the disclosures describing the inherent uncertainty in the estimates and the related sensitivities.

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Other Information

The Board of Directors and the Managing Director (management) are responsible for the information in the Board of Directors' report and the other information accompanying the financial statements. The other information comprises information in the annual report, but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the information in the Board of Directors' report nor the other information accompanying the financial statements.

In connection with our audit of the financial statements, our responsibility is to read the Board of Directors' report and the other information accompanying the financial statements. The purpose is to consider if there is material inconsistency between the Board of Directors' report and the other information accompanying the financial statements and the financial statements or our knowledge obtained in the audit, or whether the Board of Directors' report and the other information accompanying the financial statements otherwise appears to be materially misstated. We are required to report if there is a material misstatement in the Board of Directors' report or the other information accompanying the financial statements. We have nothing to report in this regard.

Based on our knowledge obtained in the audit, it is our opinion that the Board of Directors' report

- is consistent with the financial statements and
- contains the information required by applicable statutory requirements.

Our opinion on the Board of Director's report applies correspondingly to the statements on Corporate Governance and Corporate Social Responsibility.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with simplified application of international accounting standards according to the Norwegian Accounting Act section 3-9, and for the preparation and true and fair view of the consolidated financial statements of the Group in accordance with IFRS Accounting Standards as adopted by the EU, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's and the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error. We design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's and the Group's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's and the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the

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related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company and the Group to cease to continue as a going concern.

- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves a true and fair view.
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Report on Compliance with Requirement on European Single Electronic Format (ESEF)

Opinion
As part of the audit of the financial statements of TGS ASA, we have performed an assurance engagement to obtain reasonable assurance about whether the financial statements included in the annual report, with the file name «549300NUPLAXPB0WYH90-2023-12-31-en», have been prepared, in all material respects, in compliance with the requirements of the Commission Delegated Regulation (EU) 2019/815 on the European Single Electronic Format (ESEF Regulation) and regulation pursuant to Section 5-5 of the Norwegian Securities Trading Act, which includes requirements related to the preparation of the annual report in XHTML format, and iXBRL tagging of the consolidated financial statements.

In our opinion, the financial statements, included in the annual report, have been prepared, in all material respects, in compliance with the ESEF regulation.

Management's Responsibilities
Management is responsible for the preparation of the annual report in compliance with the ESEF regulation. This responsibility comprises an adequate process and such internal control as management determines is necessary.

Auditor's Responsibilities
Our responsibility, based on audit evidence obtained, is to express an opinion on whether, in all material respects, the financial statements included in the annual report have been prepared in compliance with ESEF. We conduct our work in compliance with the International Standard for Assurance Engagements (ISAE) 3000 – "Assurance engagements other than audits or reviews of historical financial information". The standard requires us to plan and perform procedures to obtain reasonable assurance about whether the financial statements included in the annual report have been prepared in compliance with the ESEF Regulation.

As part of our work, we have performed procedures to obtain an understanding of the Company's processes for preparing the financial statements in compliance with the ESEF Regulation. We examine whether the financial statements are presented in XHTML-format. We evaluate the completeness and accuracy of the iXBRL tagging of the consolidated financial statements and assess management's use of judgement. Our procedures include reconciliation of the iXBRL tagged data with the audited financial statements in human-readable format. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Oslo, 20 March 2024
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Dave Vijfvinkel
State Authorised Public Accountant

Corporate Governance

TGS actively promotes a culture designed to build confidence and trust among its stakeholders. Key elements of this culture include open and honest communication, a well-developed system of controls and policies and a compliance program.

Corporate Governance

1. Implementation and reporting on corporate governance

TGS ASA ("TGS" or the "Company") actively promotes a culture designed to build confidence and trust among its stakeholders. Key elements of this culture include open and honest communication, a well-developed system of controls and policies, and a compliance program.

It is the opinion of the Board of Directors (Board) that TGS complies with the Norwegian Code of Practice of Corporate Governance (Code of Practice), dated 14 October 2021, found at www.nues.no. This Report on Corporate Governance details how TGS operates in accordance with each of the topics covered by the Code of Practice, including any deviations. Furthermore, in accordance with the Norwegian Accounting Act, section 3-3b, an account of the principles and practices related to corporate governance is included in the Board of Directors' Report in this Annual Report.

The Company emphasizes independence and integrity in all matters among its Board, Management and shareholders. These same principles of independence and integrity also apply in business relations with all interest groups, including customers, suppliers and other business partners.

CODE OF CONDUCT

The TGS Statement of Values and its Code of Conduct, available on the TGS website, define the ethical behavior and fair business conduct that are expected of members of our Board and all employees. These documents form the foundation of the TGS compliance program, which is managed by a compliance officer appointed by the Board. The TGS compliance program continually informs and educates employees on ethical issues. Each employee of the Company must read and acknowledge our Code of Conduct, Statement of Values, and Policy on Insider Trading on an annual basis and complete a related training course that includes components on anti-corruption and anti-bribery, trade controls and sanctions, human rights and modern slavery, as well as discrimination and harassment. In addition, all high-risk third parties working for the Company must complete an annual anti-corruption compliance training and certification program.

It is important for the Company to be aware of potential problems as early as possible, and the Code of Conduct requires employees to report any known or suspected ethical irregularities. TGS has in place appropriate whistleblower procedures for individuals to report concerns of non-compliance, including a hotline that allows for anonymous reporting and assurances that no retaliation will be levied against employees who file reports or cooperate in investigations of misconduct. A more detailed description of our compliance program is also included in our Sustainability Report, which is included in the Annual Report and can also be found on the TGS website.

CORPORATE SOCIAL RESPONSIBILITY

TGS believes that sustainable business practices are fully compatible with successful business conduct. The TGS long-standing Statement of Values recognizes that the Company is responsible to a number of stakeholder groups and describes the principles to which the Company adheres. A more detailed description of TGS sustainability practices is included in the Sustainability Report, which is included in the Annual Report and can also be found on the TGS website.

2. Business

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 ocean bottom node (OBN) data acquisition, advanced processing and analysis alongside cloud-based data applications and solutions. TGS expanded its business objectives to include OBN data acquisition capabilities and related technology and equipment through the acquisition of Magseis Fairfield ASA, completed in January 2023. On 18 September 2023, TGS and PGS ASA announced the combination of TGS and PGS to create a full-service energy data company through a statutory merger pursuant to Norwegian corporate law. On 1 December 2023, the merger was approved by the Extraordinary General Meetings of TGS and PGS. Following the completion of the merger, TGS and PGS shareholders will own approximately two-thirds and one-third of the combined company, respectively. Completion of the merger is subject to relevant regulatory approvals and consents.

2. Business

The business objective of TGS defined in the Company's Articles of Association states that the principal business of the Company is in the provision of data, information and knowledge, together with technology, services and products, to the energy industry. The Company's Articles of Association are published in the Corporate Governance section of the Investor Center on the TGS website, and further information about TGS operations may be found in the Board of Directors' Report and the Annual Report for 2023, as well as the TGS website.

3. Equity and dividends

As of 31 December 2023, total equity amounted to USD 1,275,576 thousand (including a share capital of USD 4,406 thousand). This corresponds to an equity ratio of 65%, which the Board considers to be satisfactory. The adequacy of the Company's capital is monitored closely with respect to the Company's objectives, strategy and risk profile.

Because of the highly cyclical nature of the energy services industry, the Board remains convinced that the Company's business model, strong balance sheet and cash position are essential to its financial health, risk management and future growth. It is the ambition of TGS to pay a quarterly cash dividend in line with its long-term underlying cash flow. When deciding the quarterly dividend amount, the Board will consider factors such as expected cash flow, investment plans, financing requirements and a level of financial flexibility that is appropriate for the TGS business model. The aim is to keep a stable quarterly dividend in U.S. dollars throughout the year, but the actual level paid will be subject to continuous evaluation of the underlying development of the Company and the market.

The ex-dividend date will normally be seven days after the announcement of the dividend in connection with the release of quarterly financial statements, with the payment date 14 days after the ex-dividend date. In addition to paying a cash dividend, TGS may also buy back its own shares as part of its plan to distribute capital to shareholders, subject to authorization from the Annual General Meeting (AGM).

TGS has paid quarterly dividends since 2016 based on authorization from the AGM.

The Board is currently authorized to buy back up to 10% of the nominal value of the Company's share capital. In addition, the Board has authorization to increase the Company's share capital or issue convertible bonds for up to 10% of the Company's share capital, which authorization is currently NOK 3,123,185, for the purposes of potential acquisitions, organic growth and strengthening the Company's balance sheet. The authorizations are valid until the 2024 AGM, but no later than 30 June 2024. In accordance with past practice, new authorizations to increase the share capital or issue convertible bonds for certain business purposes and to acquire own shares will be proposed for separate votes at the next AGM. When a proposed resolution encompasses share capital increases and/or the issuance of convertible bonds or the acquisition of the Company's own shares for various purposes, the Company does not find it practical to hold separate votes on each element of the proposals for different purposes. This deviates from the Recommendation No. 3 under the Code of Practice where it is recommended that when the AGM considers mandates to the Board for the issuance of shares or purchase of own shares for different purposes, each mandate should be considered separately by the meeting.

For further information on these shareholder authorizations, please refer to Note 15 of the Consolidated Financial Statements, which are included in the Company's Annual Report for 2023, as well as the TGS website.

4. Equal treatment of shareholders and transactions with related parties

The Company has only one class of shares. All shares have one vote each and otherwise equal rights in all respects.

TGS may, from time to time, buy back shares under authorizations given by the AGM. Such shares may, inter alia, be held in treasury or canceled, used as transaction consideration or to settle employees' long-term incentive programs. The Company held 418,630 treasury shares on 31 December 2023. When applicable, transactions involving the Company's own shares are carried out through the Oslo Stock Exchange or at prevailing stock exchange prices if carried out in any other way.

During 2023, the Company increased its share capital by NOK 1,588,255 in connection with (i) the issuance of 6,250,000 shares in connection with a private placement pursuant to the authorization granted by the AGM of the Company on 10 May 2023 and (ii) the issuance of shares pursuant to the Company's long-term incentive programs. For further information, refer to Note 13 of the Company's Consolidated Financial Statements. The Company will

4. Equal treatment of shareholders and transactions with related parties

also issue shares in connection with the merger of PGS ASA and TGS NewCo AS, a wholly owned subsidiary of the Company, as authorized by the EGM held on 1 December 2023, subject to the closing of the transaction. In addition to shares issued in connection with the foregoing and the Company's long-term incentive programs, the Board may, from time to time, issue new shares under authorizations given by the AGM. For such issuances, the Board may depart from the preemptive right of existing shareholders if justified by the interest of the Company and the shareholders. A justification will be publicly disclosed should the Board choose to authorize a waiver of its preemptive rights in connection with a share issue.

Any transaction with close associates is required to be conducted on market terms. Information about transactions with related parties is also disclosed in Note 17 of the Consolidated Financial Statements. The Board has implemented guidelines to ensure that employees inform their manager and/or the Board if they have a material interest, directly or indirectly, in any agreement entered into by the Company.

5. Freely negotiable shares

All TGS shares carry equal rights and are freely transferable. The Company has not imposed any restrictions on ownership or voting of shares.

6. General meetings

The AGM is the Company's ultimate corporate body. The Board of Directors, the Nomination Committee and the Chief Executive Officer are typically present at the AGM, as well as the Company's auditor. The minutes from the AGM and any Extraordinary General Meeting (EGM) are made available on the Company's website shortly after the date of the AGM or EGM, as applicable, and are also available for inspection at the Company's corporate offices in Norway.

The 2024 AGM will be held on or before 30 June 2024. The notices for the AGM and any EGM and all supporting documentation are made available on the Company's website no later than three weeks in advance of the meeting. The notice is also mailed (post or email) to registered shareholders.

In accordance with the Company's Articles of Association, the deadline for shareholders to notify the Company of their intention to attend a general meeting is no later than two days before the day of the meeting.

Each general meeting appoints a chairperson for the meeting. The Board seeks to facilitate the appointment of an independent chairperson.

General meetings are open to all shareholders, and any shareholder not in attendance may appoint a proxy to vote on their behalf. Proxy forms are made available together with the notice of the meeting and allow for separate voting instructions to be given for each matter to be considered. The Company also facilitates for advance voting. The notice to the General Meeting will provide information about whether the shareholders may vote in advance in writing and about the guidelines that apply to such voting.

In accordance with the Norwegian Public Limited Liability Companies Act (NPLLCA), the AGM is required to approve the annual financial statements, the Board of Directors' Report and the distribution of dividends. The AGM must also address the Board of Directors' statement and report on remuneration for senior executive personnel, as well as the Corporate Governance Report. Shareholders are also given the opportunity to vote separately for each candidate nominated for election to the Board. Any other matters to be covered at the AGM will follow from the notice.

The last AGM was on 10 May 2023, the minutes from which are available on the Company's website.

7. Nomination Committee

According to the Company's Articles of Association, the Company has a Nomination Committee that is responsible for the nomination of directors to the Board of Directors and the recommended remuneration payable to the directors. The AGM stipulates guidelines for the duties of the Nomination Committee and determines the Nomination Committee's own remuneration.

The Nomination Committee consists of a chairperson and up to three members elected by and among the shareholders. The members serve for a period of two years. None of the members serve on the Board of Directors or as an employee of the Company.

7. Nomination committee

Shareholders who wish to propose new Board members or new members of the Nomination Committee may do so by submitting a candidate's name to any member of the Nomination Committee or to the Chairman of the Board in early January or February so that such input may be taken into account in the upcoming nominations process.

As part of its work, the Nomination Committee meets at least annually with the Board and members of the Executive Management. The Committee also consults selected shareholders to ensure that its recommendations have their support. In accordance with Section 6 above, the Nomination Committee's recommendations and report of its work are made available in accordance with the 21-day deadline for the notice calling the AGM.

8. Board of Directors: Composition and independence

The Board of Directors currently consists of seven members, all of whom are deemed independent of TGS Management, major shareholders and material business contacts.

The members of the Board are proposed by the Nomination Committee and elected by the AGM for a term of one year. The Chairman of the Board is also elected by the AGM.

The members of the Board balance experience from the geoscience industry and the general energy industry with broader industrial, financial and management experience. A biography of each Board member can be found in the Annual Report and on the TGS website.

Information on shares in TGS held by members of the Board can be found in Note 12 of the Consolidated Financial Statements.

9. The work of the Board of Directors

The Board of Directors is responsible for the overall management and supervision of the Company. The Board is responsible for establishing control systems and ensuring that TGS operates in compliance with laws and regulations and the TGS Statement of Values and Code of Conduct. The Company has established policies and procedures to identify and manage risks, and the Board evaluates the overall risk management systems on a regular basis. The Board also evaluates the Company's objectives, strategies and risk profile at least once per year. The Board emphasizes the safeguarding of the interests of all shareholders, as well as the interests of other TGS stakeholders.

The Board prepares an annual plan for its work, emphasizing goals, strategies, company performance and execution.

The Board operates under specific rules of procedure, which define the duties, tasks and responsibilities of the Board and individual members of the Board. The Board also states guidelines for the CEO's work and duties of oversight by the Board.

The Board carries out an annual evaluation of its own performance, working arrangements and competence. The assessment is made available to the Nomination Committee. The Board also carries out an annual evaluation of the CEO's performance.

The Board conducted a total of 10 meetings in 2023. Maurice Nessim was unable to attend one of the meetings, and Grethe Moen was unable to attend two meetings. All other directors (including former directors) attended all meetings. In addition, certain matters are, when deemed appropriate, considered by the Board in writing.

BOARD COMMITTEES

The following committees have been established by the Board to monitor and guide certain activities. Each committee operates under a defined charter that may be viewed at: https://www.tgs.com/investor-center/corporate-governance/rights-responsibilities-tgs-governing-bodies.

AUDIT COMMITTEE

The Audit Committee is appointed by the Board, and its primary responsibility is to supervise the Company's internal controls over financial reporting and to ensure the independence and quality of performance of the Company's external auditor. Further, the responsibility of the committee is to ensure that the annual accounts provide a fair and accurate picture of the financial results and financial condition of the Company in accordance with generally accepted accounting practices. The Audit Committee receives reports on the work of the external auditor and the results of the audit, including the significant risks in the financial statements and the treatment thereof in the audit report, as well as the auditor's assessment of internal control weaknesses. The Audit Committee charter, updated in May 2022, incorporates the requirements of the new Auditors Act and reflects the enhanced role of the Audit Committee in respect of financial reporting, internal control and risk management and auditor interaction, consistent with the general description set forth in this paragraph. With effect from the 2023 AGM, the members of the Audit Committee are:

- Irene Egset, Chair
- Luis Araujo
- Svein Harald Øygard

The Audit Committee conducted a total of five meetings in 2023, and all members (including former members) attended all meetings during the period of time they served on the Board.

COMPENSATION COMMITTEE

The Compensation Committee reviews the compensation practices of TGS and its peer group and makes proposals to the Board on the employment terms and conditions and total remuneration of the CEO and other executive personnel. These proposals are also relevant for other employees.

The members of the Compensation Committee with effect from the 2023 AGM are:

- Bettina Bachmann, Chair
- Maurice Nessim
- Grethe Moen

The Compensation Committee conducted a total of seven meetings in 2023. All members (including former members) attended all meetings during the period of time they served on the Board.

10. Risk management and internal control

The Board monitors TGS risk exposure and oversees the Company's internal controls and systems for risk management to ensure they are appropriate for the Company's activities. The Company continually strives to maintain and improve its internal control processes and systems for risk management and regularly reports on these matters to the Board.

The Company's Executive Management carries out an annual risk evaluation process to assess total enterprise risk in the Company. Through risk workshops involving key TGS employees, Executive Management identifies strategic and operational risk factors and prioritizes these risks based upon their likelihood of occurrence, significance of impact, year-over-year trends and current mitigation factors. Action plans are developed to manage those significant risk factors where further action may be needed, and quarterly and annual updates are provided to the Board. The key risk factors and related action plans are part of the Board's annual presentation on risk management and internal controls by the CEO and CFO. The Board provides input as to the key risk factors and considers the need for any further measures in relation to the risk factors identified.

The Company's Audit Committee oversees the routines related to financial risk management, financial reporting and related internal controls. The Audit Committee receives regular reports from management regarding the assessment of the internal control environment pertaining to financial reporting and proposed changes and improvements. The Company continually assesses the adequacy of the internal control systems in place.

TGS has a separate legal department, managed by the corporate General Counsel who reports to the CEO. Procedures and guidelines are in place to ensure that the legal department is involved in matters that could represent a material legal risk for the Company, including entering into material agreements and managing claims, disputes and litigation. The Company has standard policies for contract terms and conditions.

TGS is committed to fair business conduct and compliance with all legal and ethical requirements and standards of the industries in which TGS operates and the communities in which TGS employees live and work. TGS considers its values, culture and environment key elements in its continued success as a company.

11. Remuneration of the Board of Directors

The remuneration of the Board of Directors is designed to attract and retain an optimal Board structure in a competitive environment. The directors' compensation is recommended by the Nomination Committee and determined by the shareholders at the AGM each year.

In recent years, the directors' compensation has comprised both a fixed fee and an amount of restricted TGS common shares. The remuneration is not related to the Company's financial results. Note 12 of the Consolidated Financial Statements details the Directors' remuneration for 2023. TGS believes the remuneration reflects the Board's responsibility, expertise, time commitment and the complexity of the Company's activities.

No member of the Board has taken on specific assignments for the Company in addition to his/her appointment as a member of the Board or committees of the Board.

12. Remuneration of executive personnel

Pursuant to the NPLLCA, section 6-16a, the Board prepares guidelines for executive remuneration. In accordance with this, TGS has prepared a remuneration policy that is released alongside the Annual Report and is available for download at the TGS website. The TGS current remuneration policy was approved by shareholders during the 2023 Annual General Meeting. No material deviations to that policy were made in 2023.

The policy describes the TGS remuneration policy statement regarding executive remuneration, including the connection of performance-related remuneration to shareholder value creation and the Company's financial performance over time.

In addition, pursuant to section 6-16b of the NPLLCA, the Board has prepared a report on senior executive remuneration results and assessments during 2023. The Executive Management Remuneration Report is released alongside the Annual Report and is available for download at the TGS website.

Reference is made to the policy, the Report and Note 12 of the Company's Consolidated Financial Statements for details regarding remuneration of the CEO and other executive personnel.

The Compensation Committee of the Board is responsible for reviewing executive remuneration and making recommendations to the Board. The Board ensures that remuneration objectives reflect the convergence of the financial interests of executive personnel and shareholders.

The CEO proposes the compensation packages (excluding his own) for all executives for Compensation Committee review and Board approval. The CEO's proposal will be based on performance assessed against pre-defined goals.

The Compensation Committee proposes the CEO's compensation package to the Board for final review and approval. This includes the CEO's target bonus, which is specifically set by the Board.

13. Information and communications

The TGS investor relations (IR) policy is designed to inform the stock market and stakeholders of the Company's activities and status in a timely and accurate manner in compliance with applicable listing rules. The Company submits quarterly and annual financial reports to the Oslo Stock Exchange. In addition, any interim information of significance for assessing the Company's value is distributed as stock exchange announcements through Newsweb. This information is also available on the Company's website.

The Company uses the Code of Practice for reporting of IR information issued by Oslo Stock Exchange and the Norwegian Investor Relations Association (NIRA) as a guideline for IR reporting. Announcements are published in English only, and the Company has been granted exemption from the Norwegian Tax Authority to publish its Annual Report in English only.

The Company's quarterly earnings presentations are recorded and made available as webcasts or slide presentations in real time. The Company also makes presentations and conducts roadshows throughout the year to inform existing and potential investors about TGS.

The financial calendar setting out the dates for the coming year's interim reports and General Meetings for shareholders is posted on the TGS website.

14. Takeovers

The Board of Directors has established guiding principles for how it will act in the event that a takeover bid is received.

During the course of a takeover process, the Board and Management of the party making the offer and the target company are responsible for ensuring that shareholders in the target company are treated equally and that the target company's business activities are not disrupted unnecessarily. The Board is particularly responsible for ensuring that shareholders are given both sufficient information and time to assess the offer.

The Board will not hinder or obstruct takeover bids for the Company's activities or shares.

In the event of a takeover bid for the Company's shares, the Board will not exercise mandates or pass any resolutions with the intention of obstructing the takeover bid unless this is approved by the General Meeting following announcement of the bid.

Any agreement with the bidder that limits the Company's ability to arrange other bids for TGS shares will only be entered into where such agreement is considered to be in the common interest of TGS and its shareholders. This also applies to any agreement for the payment of financial compensation to the bidder if the bid does not proceed. The terms of any agreements entered into between the Company and the bidder that are material to the market's evaluation of the bid will be publicly disclosed no later than the time of the announcement of the bid.

If an offer is made for TGS shares, the Board will issue a statement evaluating the offer and, where appropriate, make a recommendation as to whether shareholders should accept the offer. The Board's statement will set out whether the views expressed are unanimous. The Board will arrange for a valuation of TGS from an independent expert, the conclusion of which will be made public no later than at the time of the public disclosure of the Board's statement. This will also apply if the bidder is a major shareholder, a member of the Board or Executive Management, close associates of such individuals or anyone who has recently held such a position. Any such valuation will either be appended to the Board's statement, be reproduced in the statement or be referred to in the statement.

Any transaction that is, in effect, a disposal of the Company's total activities will be decided by a General Meeting.

15. Auditor

The Board of Directors has determined the procedure for the external auditor's regular reporting to the Board. The auditor attends at least one meeting each year with the Audit Committee of the Board and the Board of Directors in executive session where the Company's Management is not represented. In addition, the auditor participates in meetings of the Board relating to the preliminary annual financial statements. If there are any significant changes from the preliminary accounts, the auditor will also participate in the meeting that approves the annual financial statements. The audit engagement partner is also present in all Audit Committee meetings and, in 2023, the auditor participated in all Audit Committee meetings.

The Company's external auditor presents to the Audit Committee the primary features of the plan for the execution of the audit, and reports on the key accounting principles and estimates and the results of the audit to the Audit Committee and the Board of Directors. The auditor also presents any internal control weaknesses and improvement opportunities to the Audit Committee and the Board.

TGS has established guidelines for the use of the external auditor for services other than auditing. The Audit Committee receives an annual summary from the external auditor of services other than auditing that have been provided to TGS. The auditor also presents any threats to his/her independence and documents measures implemented to reduce these as required by the Audit and Auditors Act, Section 5a-3 3. The external auditor provides the Audit Committee with an annual written confirmation of independence. The Board reports the remuneration paid to the auditor at the AGM, including details of the fee paid for audit work and any fees paid for other assignments.

The auditor's fee is determined at the AGM. Refer to Note 12 of the Consolidated Financial Statements for auditor's compensation for 2023.

The auditor is required to attend a General Meeting if the business to be transacted is of such a nature that the auditor's attendance must be considered necessary. In addition, the auditor is, in any case, entitled to participate in the General Meeting.

In accordance with applicable accounting regulations, the Company is required to tender its audit services every 10 years. The Company's current auditor will be subject to a tender process after the 2028 annual audit and can be reappointed through that process for up to another 10 years. The Company is required to rotate its auditor after 20 years with the same audit firm.

Investor Relations

TGS has a proven track record of generating healthy free cash flow through both upcycles and downcycles in our industry. As a result, TGS has been one of a few oil services companies worldwide that has kept up dividends through upcycles and downcycles.

Investor Relations

TGS shareholder facts

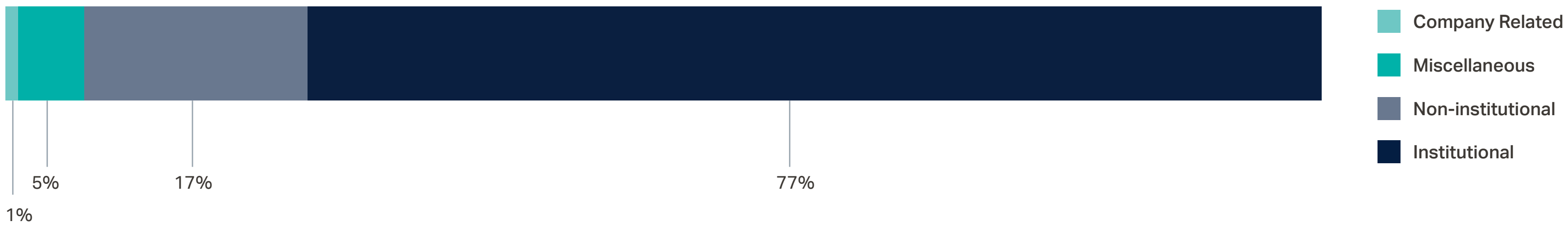
- **Symbol:** TGS
- **Listing:** Oslo Stock Exchange
- **ADR:** TGSGY
  (traded on the U.S. over-the-counter-market)
- **Analyst coverage:** 11 firms, for list see www.tgs.com
- **Average daily trading volume in 2023:** 533,950 shares

Shareholder facts	2023	2022	2021	2020	2019
Market value at 31 December (USD 1000s)	**1,708,687**	1,654,148	1,113,490	1,821,570	3,617,189
Shareholder equity at 31 December (USD 1000s)	**1,275,576**	1,239,763	1,115,328	1,374,270	1,611,574
Shares outstanding 31 December	**131,280,458**	124,927,439	117,441,118	117,303,399	118,906,778
Of which Treasury shares 31 December	**418,630**	496,424	1,334,261	75,000	1,742,100
Volume traded on the OSE	**136,691,159**	125,595,223	79,876,573	117,026,183	103,220,804
Average daily trading volume	**533,950**	496,424	316,971	466,240	414,541
Share price at 31 December (NOK)	**132.2**	131.0	84.6	132.7	267.1
Share price high (NOK at close)	**205.0**	172.5	162.0	237.6	281.6
Share price low (NOK at close)	**120.3**	86.3	77.7	85.0	194.6
Earnings per share (fully diluted)	**0.17**	0.75	-0.65	-1.43	1.03
Dividend per share (paid in year) (USD)	**0.56**	0.56	0.56	0.75	1.08
Yield (% closing price at day of announcement)[1]	**3.83%**	4.36%	4.58%	4.51%	4.02%
Market price/earnings per share (P/E)	**76.30**	17.72	Neg.	Neg.	29.53
Market price/equity per share (P/B)	**1.34**	1.33	1.00	1.44	2.33
Enterprise value/operating profit (EV/EBIT)	**28.38**	11.44	Neg.	Neg.	14.65

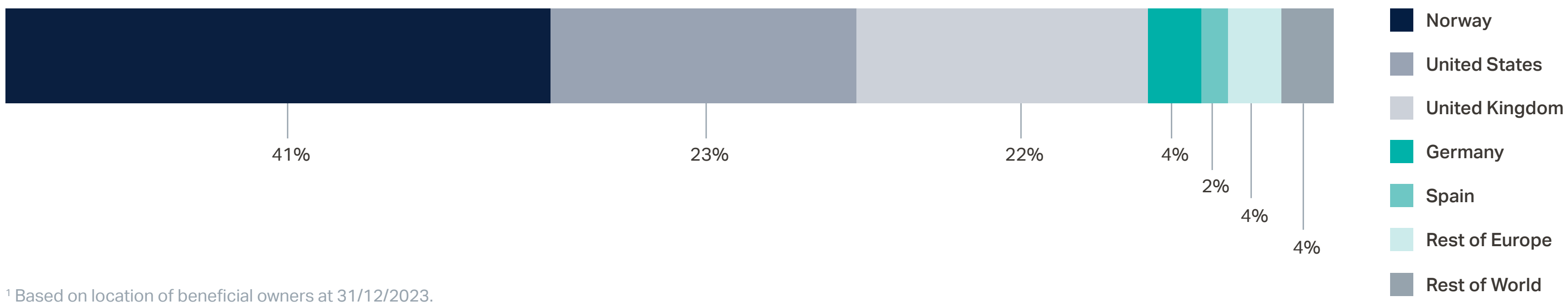
[1] Average annualized yield at the day of announcement of quarterly dividends.

Distribution of share holdings[1]

TGS SHAREHOLDER COMPOSITION



TGS INSTITUTIONAL SHAREHOLDER COMPOSITION



[1] Based on location of beneficial owners at 31/12/2023.
Source: Nasdaq Advisory Services.

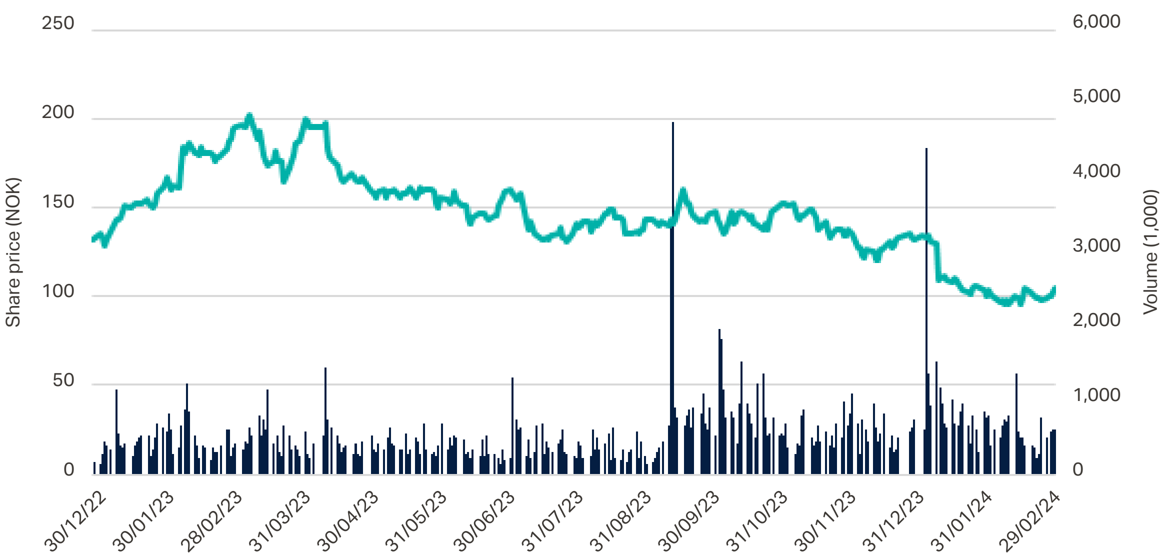
Stock performance

TGS is listed on the Oslo Stock Exchange and also has an American Depository Receipt (ADR) facility managed by The Bank of New York Mellon.

During 2023, the TGS share price increased 0.2% (4.1% adjusted for dividends), closing at NOK 132.2 (29 December 2023).

The TGS share had a volatile development during 2023. It started the year strongly, increasing from NOK 132 at the start of the year to a peak of NOK 205 on 9 March. It then came down, during the spring and summer, but reacted positively to the announcement of the PGS transaction on 18 September. In line with a worsening momentum for oilfield services stocks, the TGS stock declined further towards the end of the year and the share price ended up at approximately the same level as at the start of the year. So far this year, the share has seen further decline as a result of weak sales figures announced for Q4 2023.

TGS SHARE PRICE AND TRADING VOLUMES



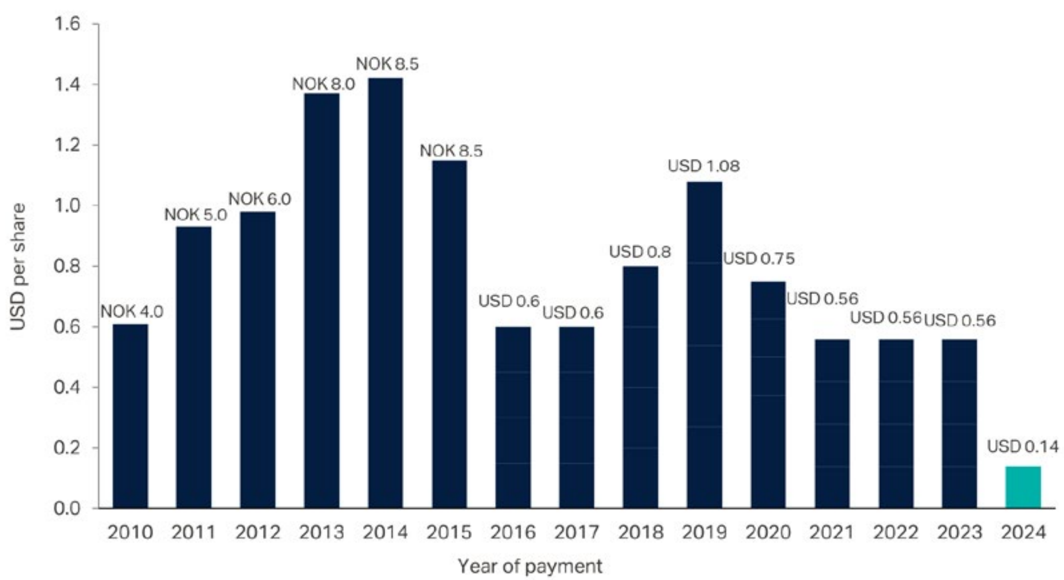
Capital distribution to shareholders

TGS is constantly evaluating the best use of its cash flow from operations for continued shareholder growth. The Company uses cash for organic investments in its multi-client library, historically providing healthy returns. In addition, the Company from time to time uses cash for inorganic investment opportunities. This can include the acquisition of third-party libraries or complementary businesses that adds value to the TGS offering.

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.

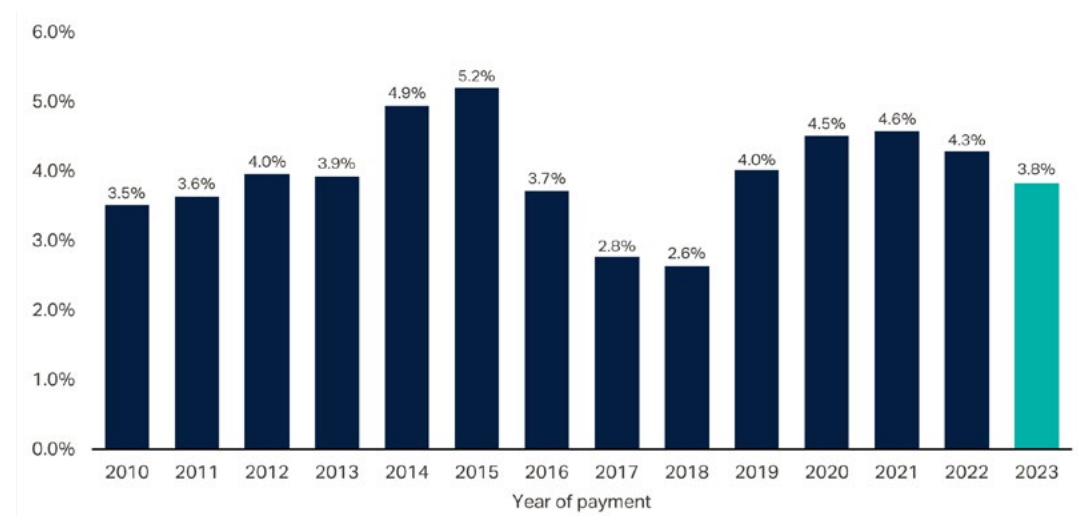
In addition to paying a cash dividend, TGS may also buy back its own shares as part of its plan to distribute capital to shareholders, although no shares were bought back in 2023.

DIVIDEND PER SHARE[1] (2010 – 2024)



[1] Quarterly dividends defined in USD from 2016. Historical NOK dividends converted to USD using FX rate on ex-dividend date.

DIVIDEND YIELD[1] (2010 – 2023)



[1] 2016 – 2024 Dividend Yield annualized based on the weighted yield at the time of announcement of quarterly dividends.

Capital distribution to shareholders

From 2016, TGS started paying quarterly dividends in accordance with the resolution made by the Annual General Meeting on 6 May 2015 and renewed on 10 May 2023. The aim is to keep a stable quarterly dividend through the year, but the actual level paid will be subject to continuous evaluation of the underlying development of the Company and the market.

The ex-dividend date will normally be seven days after the announcement of the dividend in connection with the release of the quarterly financial statements, with the payment date 14 days after the ex-dividend date.

In 2023, TGS paid quarterly dividends of USD 0.14 in each of the quarters, amounting to USD 0.56 per share (NOK 5.91 per share) for the year.

On 15 February 2024 TGS announced that the Board of Directors had resolved to pay a quarterly dividend of USD 0.14 in Q1 2024, the same as the quarterly run-rate during 2023. The quarterly dividend was paid on 7 March 2024.

Investor relations at TGS

TGS places great emphasis on providing accurate and timely information to the market and shareholders. The earnings' reports and press releases are issued only in English to ensure simultaneous and consistent information to all shareholders.

The full-year financial reporting calendar is published and posted on the TGS website. This calendar is updated annually following the second quarter earnings release. Each quarter TGS pre-announces the quarterly revenues no later than the sixth trading day after quarter close, at the Oslo Stock Exchange.

The full quarterly financial statements are typically released 3-6 weeks after quarter close and on the same day the results are presented by the CEO and CFO through a webcast. All presentation material is published on the TGS website in near real-time.

In addition to the quarterly and annual financial reports, TGS also provides interim information of significance through press releases to aid in the assessment of the Company's value. TGS Management maintains a quiet period on discussing significant business during intervals spanning the last weeks of a financial quarter and up to the pre-announcement of revenues for that financial period.

The general shareholder meetings for TGS are held in Oslo, Norway. All shareholders are invited to attend. Shareholders who wish to attend shareholder meetings must notify the Company of their attendance at the latest three business days before the day of the meeting. Shareholders who have not given notice of attendance can be denied the right to meet and vote at shareholder meetings. Documents concerning matters to be considered at the general shareholder meetings are made available on the Company's website prior to the event. To vote at an annual or extraordinary general meeting, a shareholder must be registered as a holder of title to the shares to be voted in the share register maintained at the Norwegian Central Securities Depository (VPS), in due time before the shareholder meeting.

TGS Executive Management is available for direct contact with investors, potential investors and analysts on an ongoing basis and regularly participates in road shows and investor conferences in both Europe and North America. Historical financial reports can be found on the TGS website.

Sustainability Report

Sustainability Report

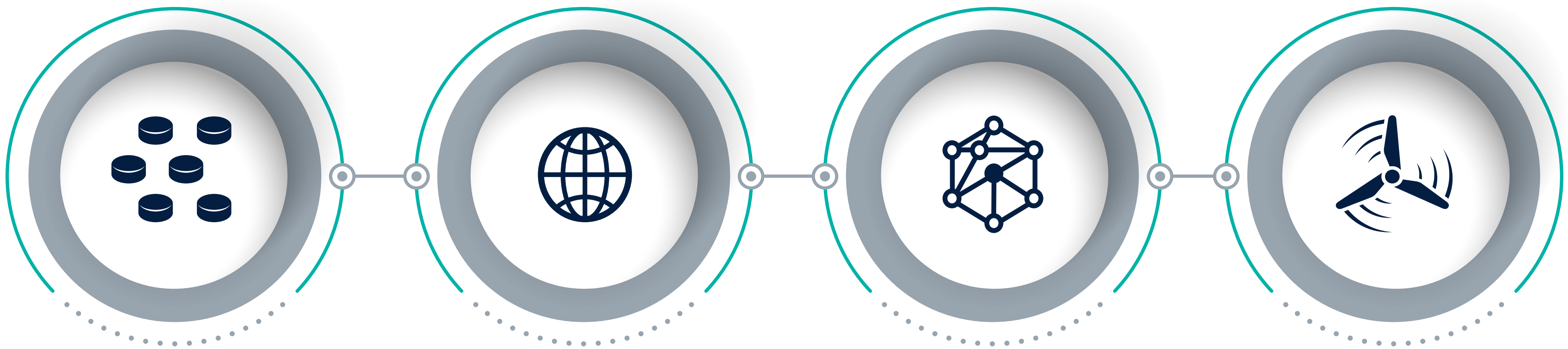
I. Overview

A. TGS AT A GLANCE

TGS provides data, intelligence, ocean bottom node (OBN) acquisition services, advanced processing, analytics, cloud-based data applications, and other specialized services and solutions to energy companies across the energy spectrum, whether it is oil and gas, carbon capture and storage or wind development. By investing in multi-client projects worldwide, TGS has the world's largest integrated subsurface data library that includes seismic data, magnetic and gravity data, multibeam and coring data, digital well logs and production data from deepwater offshore to conventional and unconventional plays worldwide. TGS ASA is a publicly traded company on the Oslo Stock Exchange with a global presence to support our customers in any market with our corporate headquarters in Oslo, Norway; our operational headquarters in Houston, Texas, USA; and with additional offices located in Brazil, Australia, United Kingdom and Canada. Because of the TGS global presence and business model, sustainability is an integral part of how we operate and essential to our prosperity, and the prosperity of our stakeholders. The focus in 2023 was integration of the new OBN acquisition business and workforce into TGS, which included approximately 330 employees being added to the organization, including approximately 170 offshore employees, as well as a new business unit focused on offshore OBN operations.

[1] More information on the TGS strategy, business model, value chain, revenue and key 2023 activities may be found in its 2023 Annual Report on p. 3–9.

A new and more diversified **TGS** focused on value creation



OCEAN BOTTOM NODES

- World's leading OBN offering technology leader
- Strong track record in key basins
- Completed 100 OBN surveys

GLOBAL MULTI-CLIENT LIBRARY

- World's largest 2D and 3D library
- USD 5b invested over 40 years
- Land and marine
- Frontier and ILX

DATA PROCESSING

- Data offerings for renewables
- Wind AXIOM and 4C Offshore
- CCS capabilities
- Performance optimization software

NEW ENERGY DATA

- 250 processing employees globally
- Unmatched compute capacity
- DAS and VSP imaging
- Land and marine

B. REPORTING PRINCIPLES AND STANDARDS

The purpose of this Report is to provide TGS stakeholders with a fair and balanced statement of TGS governance and performance related to material sustainability topics for 2023. The sustainability statement is prepared on the same consolidated basis as the financial statements.

This statement is prepared in compliance with the Norwegian Accounting Act and other applicable regulations. Disclosures required by the Australian Modern Slavery Act 2018, the UK Modern Slavery Act 2015 and the Norwegian Transparency Act 2021 are provided in sections III.C and IV.E.

TGS reports with reference to Global Reporting Initiative (GRI) standards. In 2023, TGS updated its sustainability disclosures to prepare for the EU Corporate Sustainability Reporting Directive (CSRD) and the applicable European Sustainability Reporting Standards (ESRS). These changes include:

- **Double materiality assessment:** TGS updated its assessment of material sustainability topics based on the ESRS double materiality assessment and prepared a summary of its material impacts, risks and opportunities (IROs) based upon this assessment. See section I.C.1.
- **Restructuring the disclosures:** TGS updated its sustainability statement to more closely align with that of the ESRS.
- **Sustainability metrics:** Inclusion of sustainability metrics relevant to the ESRS, where available, as Appendix I to this Report.
- **GRI Index:** Inclusion of the GRI index with a link to the relevant ESRS as Appendix II to this Report.

This Report undergoes external review (limited assurances) by our auditor, KPMG. Please see the auditor's limited assurances statement in Appendix III to this Report.

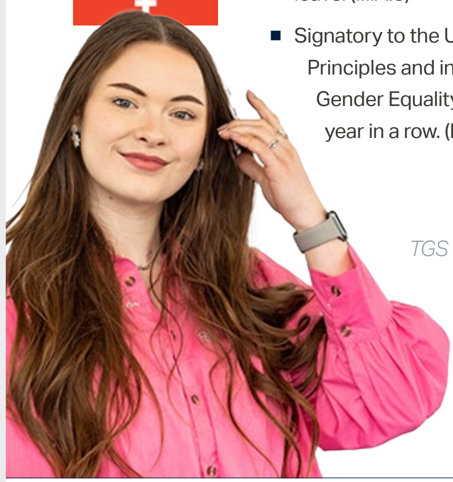
C. UNITED NATIONS GLOBAL COMPACT

TGS remains committed to the UN Global Compact and to incorporating the Global Compact's principles on human rights, labor, environment and anti-corruption into our strategy, culture, and operations. TGS aligns its sustainability and corporate strategy with certain Sustainable Development Goals that are considered relevant for our business and operations based upon the materiality assessment. The following chart illustrates key actions taken in 2023 in support of these SDGs.

2023 Key Actions

5 GENDER EQUALITY

- 99% of TGS workforce participated in diversity and inclusion training. (III.A.2)
- 100% of TGS workforce entitled to family-related leave. (III.A.3)
- Signatory to the UN's Women's Empowerment Principles and included on the Bloomberg Gender Equality Index in 2023 for the third year in a row. (III.A.2)



TGS sales team assistant

8 DECENT WORK AND ECONOMIC GROWTH

- TGS met its annual total recordable case frequency (TRCF) target of <6.0, achieving a combined (office + field operations) TRCF of 1.12, with 0 fatalities for employees or contractors. (III.C.2)
- TGS achieved full compliance with vessel and land crew HSE audit requirements. (III.C.2)

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

- TGS Prediktor's asset management software is deployed for over 9 GW of renewable assets, and it is providing data gateway solutions for some of the largest renewable assets in the world, e.g., the Doggerbank wind park that commenced operations in 2023. (II.B.1)
- Expanded TGS innovative multi-client business model aimed at collecting wind and metocean data using self-powered floating LiDAR buoys. During 2023 an additional five buoys were launched, four in the United States and one in Norway. (II.B.1)

13 CLIMATE ACTION

- 33% decrease in Scope 2 emissions since 2020. Further, despite an 11% increase in on-prem compute in 2023, Kwh/Tflops decreased by 10% due to use of more energy efficient equipment. (II.B.3)
- Conducted a 3D XHR project in the Gulf of Mexico for a major operator related to carbon capture and storage site identification. (II.B.1)

14 LIFE BELOW WATER

- TGS tracks all spills to the environment, regardless of quantity or substance. In 2023, there were zero Reportable Quantity (RQ) spills to marine or land environments during seismic operations. (II.C.1 and II.C.2)
- Removed 17 metric tons of debris as part of EnerGeo's Ghost Net Initiative (rebranded as the Sustainable Seas Initiative in 2023) since 2021 and require all vessel contractors to track and report as part of this initiative. (II.C.3)

17 PARTNERSHIPS FOR THE GOALS

- Active participant in EnerGeo and assisted in establishing industry standards on carbon accounting in onshore seismic operations.
- Promoted the Sustainable Seas Initiative and removed over 8.07 metric tons of discarded fishing gear and marine debris from the ocean during TGS operations in 2023. (II.C.3)

D. OUR APPROACH TO SUSTAINABILITY

1. Sustainability governance[2]

The TGS sustainability strategy is embedded in the Company's corporate strategy. The Executive Team is responsible for developing and implementing TGS sustainability strategy and is overseen by TGS Board of Directors, who provide input and approve the strategy. The EVP of People & Sustainability, who reports to the CEO and sits as a member of the Executive Team, manages TGS sustainability strategy and reports on its progress to the Board of Directors throughout the year. The Executive Team and Board of Directors hold multiple sessions throughout the year to discuss the various sustainability risks, opportunities and impacts relevant to the business and value chain. Multiple departments at TGS play critical roles and are responsible for implementing and advancing aspects of TGS sustainability strategy. Several of these functions, such as QHSE, Data Security, Legal, Finance, and Compliance have independent reporting obligations to the TGS Executive Team and to the Board, either directly or indirectly through the CEO.

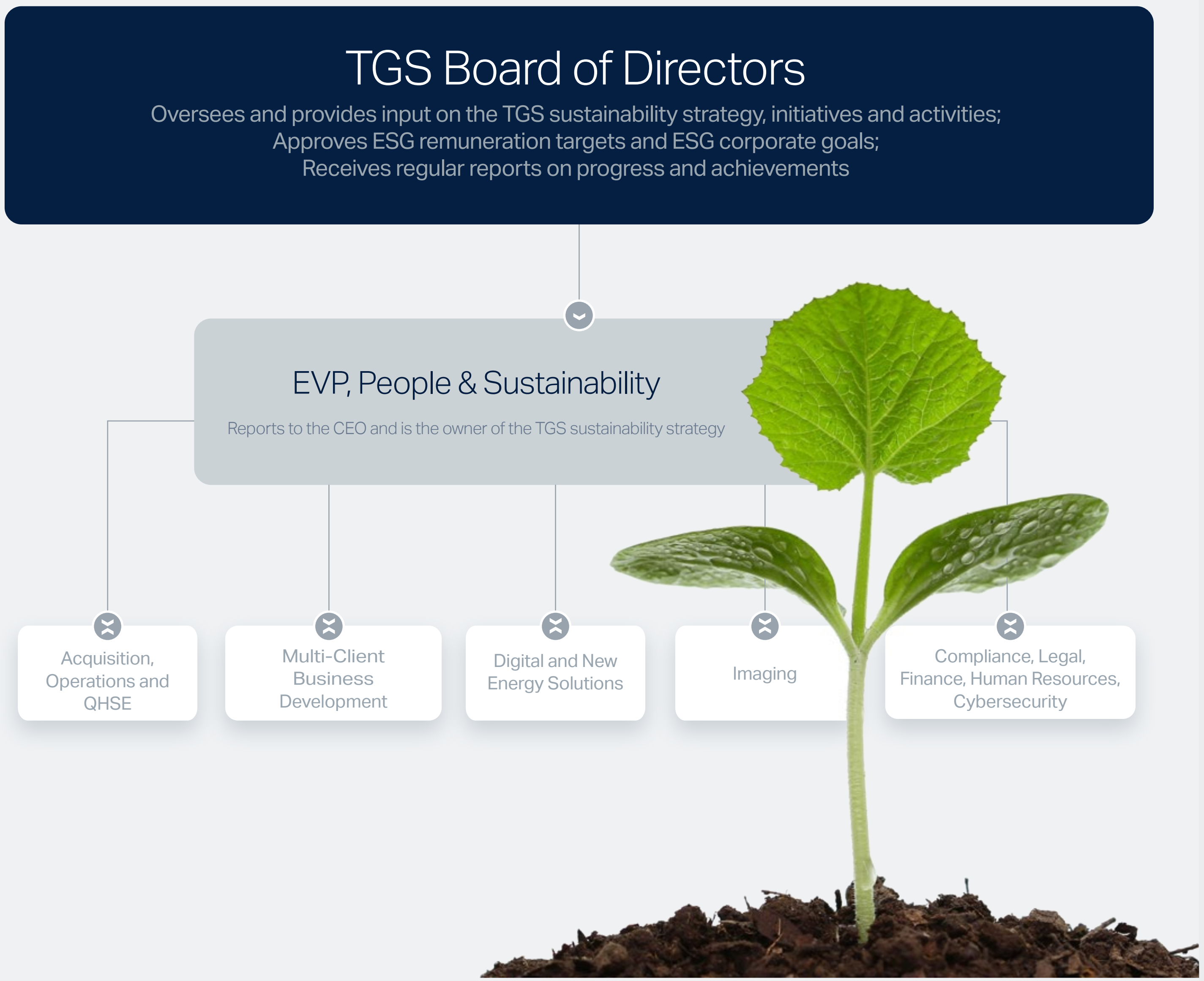
In 2023, the Board held sustainability strategy sessions as part of its annual strategy meeting to focus on TGS efforts to diversify its data and service offerings to serve industries such as wind, solar, carbon capture and storage. The Board receives regular reports and provides input on TGS sustainability efforts as well as updates on the Company's data security program, the compliance program which includes anti-corruption and human rights, the operational and workforce health and safety program, employee engagement and HR efforts.

Finally, the TGS short-term and long-term incentive plans include sustainability-related targets tied to workforce health and safety, sustainability performance, workforce diversity and equality, and environmental and climate targets. TGS has included Board-approved, ESG-related targets in its long-term incentive plan since 2016 and in its short-term incentive plan since 2022.[3]

[2] More information regarding the TGS corporate governance and the composition, diversity, experience, roles and responsibilities of the TGS Board of Directors and Executive Team may be found in the TGS 2023 Annual Report on p.10–12, 23–25 and Corporate Governance Report on p.102.

[3] The description of the characteristics of the incentive plans, targets, performance metrics and proportion of remuneration attributed to those targets may be found in the TGS Remuneration Policy and 2023 Remuneration Report.

SUSTAINABILITY GOVERNANCE



2. Stakeholders

The TGS sustainability strategy is driven by priorities and issues identified as being material to TGS and our various stakeholders. We recognize our portfolio is expanding beyond oil and gas to incorporate new energy sources, and as a result, the composition and priorities of our key stakeholders are evolving. In addition to the governments, customers and suppliers, other key stakeholder groups include our employees, shareholders and the communities in which we operate. TGS engages with various stakeholders throughout the year to ensure we clearly understand their priorities and how our business activities impact on them.

KEY STAKEHOLDERS	KEY ISSUES	OUR ENGAGEMENT
INVESTORS & SHAREHOLDERS	▪ Profitability and growth ▪ Expansion of product and service offerings to benefit future shareholder value ▪ Compliance with the law and transparent reporting ▪ Incorporating sustainable practices into our operations and long-term strategy	▪ Investor outreach and ongoing dialogue ▪ Complete and transparent disclosure of company's financial, strategic, and sustainability performance through annual reports, quarterly reports, sustainability reports, investor presentations, etc. ▪ Active participation and dialogue in multiple sustainability surveys, including CDP, S&P Global, Bloomberg Gender Equality Index, MSCI ▪ Robust corporate governance, internal controls, audit, and compliance policies, systems, and procedures
WORKFORCE	▪ Providing a safe, healthy, and inclusive work environment with the opportunity to achieve excellence ▪ Strong leadership that implements a company strategy aimed at long-term success ▪ Ensuring fair and equitable compensation and benefits ▪ Equal opportunity for employment, development and advancement	▪ Regular townhalls at both company-wide and business unit levels ▪ Employee engagement surveys and follow-up action plans ▪ Market-competitive total rewards and benefits packages aligned to local market practices ▪ Engagement and team-building activities, across offices and departments ▪ Annual performance review process and dedicated learning and development program
CUSTOMERS	▪ Commitment to providing high-quality products and world-class customer service ▪ Conducting our operations in a safe, healthy, and sustainable manner while protecting the environment and natural resources ▪ Operating in accordance with the law and zero tolerance for corruption or bribery	▪ Ongoing dialogue, planning and engagement on projects and formal feedback process ▪ Collaboration through industry forums and associations ▪ Participation in customer audits and sustainability initiatives
REGULATORS & GOVERNMENTS	▪ Compliance with laws and regulations ▪ Transparent and timely reporting	▪ Engage with regulators and local agencies, and where necessary, seek local legal advice in the countries in which we operate ▪ Provide transparent reporting by aligning with standardized frameworks as presented in Section I.C and ensure it is publicly available ▪ Publicly disclose key policies and procedures
MAJOR SUPPLIERS, BUSINESS PARTNERS & THIRD PARTIES	▪ TGS commercial strategy and financial performance ▪ Compliance with applicable laws and regulations as well as TGS policies and procedures ▪ Conducting operations in a safe, healthy, and sustainable manner while protecting the environment and natural resources ▪ Providing quality service	▪ Supplier due diligence, onboarding, audit, and management process ▪ Supplier Code of Conduct and related supplier policies and procedures ▪ Collaboration through industry forums and associations ▪ Ongoing dialogue with key suppliers
ORGANIZATIONS & INDIGENOUS PEOPLE	▪ Supporting the UN Universal Declaration of Human Rights, respecting local cultures and engaging with communities ▪ Protecting the environment and natural resources in the communities in which we live and operate ▪ Economic development, training, and job opportunities	▪ Consultation and dialogue with local communities and fishery organizations and/or Indigenous people throughout projects ▪ Local training and community support and resources

3. Sustainability materiality assessment

Following the significant inorganic growth and expansion of the organization in 2022 and 2023 and to prepare for the upcoming implementation of the EU's CSRD, TGS conducted a double materiality assessment focusing on understanding its material impacts to communities and environment, as well as determining the sustainability risks and opportunities that have a potentially material financial effect upon the company.

The 2023 materiality assessment process started by focusing on TGS global operations in light of the new company strategy, organization and workforce. TGS retained a third-party provider to evaluate TGS corporate strategy, prior investor presentations, company financial reports, the results from its annual corporate enterprise risk management process, prior sustainability and compliance assessments and prior sustainability reports. Internal interviews with key process owners were conducted to identify impacted stakeholders and identify potential risks, impacts and opportunities and align materiality thresholds. Following those interviews, workshops were held to assess, align and validate the material impacts, risks and opportunities. The below mapping and chart illustrate the sustainability matters where TGS identified material impacts, risks or opportunities.[4]

[4] The double materiality assessment concluded that the following sustainability topics did not include any material impacts, risks or opportunities: Pollution (outside what is covered in climate change and biodiversity and marine resources) and Water and marine resources (outside what is covered in climate change, biodiversity and ecosystems, waste and circular economy).

Climate Change

	MATERIAL IRO	DESCRIPTION
Positive impact	Business model	The multi-client business model and reprocessing of already acquired data support customers' decarbonization efforts in comparison to proprietary or new seismic acquisition. In the offshore wind segment, TGS expanded its innovative multi-client business model aimed at collecting wind and metocean data. We discuss this impact more in section II.B.1.
Positive impact / opportunity	Transition to renewable energy sources	Transitioning facilities, data centers and operations to renewable energy sources. We discuss this impact and opportunity in more detail in section II.B.3.
Negative impact	Operational emissions	Emissions from our marine and seismic operations through the use of marine fuel. We respond to this impact as set forth in section II.B.2.
Risk	Physical climate-related risks	Increase in severity or frequency of severe weather may result in impacts to marine and onshore operations, such as delays. We assess and account for weather risk as part of project evaluations and discuss in more detail in section II.B.
Risk	Regulatory risks	Increased environmental regulation, permitting requirements, or prohibitions on exploration activity may negatively impact projects or result in delays and cost impacts to projects. We engage in extensive coordination with key stakeholders, including local communities and regulators throughout our permitting process for our projects. In addition, we have diversified product and service offerings across the energy spectrum. We discuss how we address this risk in section II.B.
Opportunity	New energy solutions	In the short-term, TGS is expanding its business model and data and service offerings to the renewable energy industry and customers' decarbonization efforts through carbon capture and storage. See section II.B.1 for more details.
Opportunity	Vessel and equipment optimization	There is opportunity in the short-term to plan surveys to mitigate climate impact, as discussed in section II.B.2. In the medium- to long-term through technology and innovation to potentially optimize vessels and transition to autonomous utility vehicles (AUVs) for seismic operations and mitigate emissions impact.

Biodiversity & Ecosystems

	MATERIAL IRO	DESCRIPTION
Negative impact	Potential disruption to marine environment	If proper mitigation measures are not imposed or enforced, marine operations could disrupt mammal migration paths or spawning groups, result in spills to the environment, or introduction of a non-native species. We respond to this potential impact with a variety of measures discussed in section II.C.1.
Positive impact	Removal of marine debris	Our marine operations cover wide arrays across the ocean and provide an opportunity to collect and properly dispose of marine debris and discarded fishing gear left by others. We discuss our ability to positively impact the marine environment in section II.C.3.
Risk	Non-compliance with environmental permits	Without proper due diligence and project management, there is a potential risk that suppliers and third parties conducting our marine and onshore operations fail to comply with environmental permits, leading to reputational damage, potential liability and impact to the project. We discuss our management of these risks in section II.C.1 and 2.

Resource Use

	MATERIAL IRO	DESCRIPTION
Negative impact / risk	Battery disposal	Proper resource management of batteries used throughout TGS OBN operations is necessary when dealing with lithium batteries due to their potential ignitability, reactivity and impact on the environment. See section II.D on how we respond to this potential impact and mitigate this risk.

Workforce

	MATERIAL IRO	DESCRIPTION
Positive impact	Secure employment with fair and equitable compensation and benefits	TGS is committed to compensating its employees fairly, and provides market competitive health benefits and pension, as well as paid parental leave and income protection, taking into account what is provided by local law and local market conditions. The steps we take to implement and achieve this are discussed in section III.A.3.
Positive impact / opportunity	Diverse and inclusive workplace	TGS expects the workplace to be free of unlawful bias, prejudice and harassment, and is committed to improving diversity, and in particular gender diversity, within the organization to ensure women and other underrepresented groups are given equal opportunity for development and advancement. Our efforts toward achieving this are discussed throughout section III.A.
Positive impact / opportunity	Development and advancement of workforce	TGS believes that the development and advancement of its workforce are critical and ensures that employees have meaningful conversations throughout the year on their development and progression. How we achieve this is discussed in more detail in section III.A.4.
Positive impact	Strong corporate culture	TGS culture is based upon passion, performance and teamwork. This culture is reinforced through a multi-faceted communication strategy, team building sessions and engagement activities. How we build our culture throughout the organization is discussed in section III.A.5.

Human Rights

	MATERIAL IRO	DESCRIPTION
Positive impact	Respecting fundamental human rights	TGS builds trust and ensures a positive reputation with employees, contractors, vendors and clients by ensuring it provides adequate working conditions, avoids infringing upon the human rights of others, and addresses adverse human rights' impacts as part of its operations. More information on our efforts to positively impact human rights may be found in section III.B.

Health & Safety

	MATERIAL IRO	DESCRIPTION
Positive impact / opportunity	Providing a safe and healthy working and operational environment	TGS builds trust and ensures a positive reputation with employees, contractors, vendors and clients by implementing a robust QHSE Management System and procedures to continually strive to identify hazards and reduce risks to as low as reasonably practicable. Our efforts on implementing a strong health and safety focus throughout the value chain may be found in section III.C.
Negative impact / risk	Potential for serious incidents and fatalities in operations	TGS field operations, both marine and onshore, have the potential impact and risk of injury or fatality to employees or crew members if proper safeguards and procedures are not followed. See section III.C for how we address this impact and mitigate health and safety risks in our operations.

Communities

	MATERIAL IRO	DESCRIPTION
Positive impact / opportunity	Providing means for energy security and economic development	TGS conducts operations around the world and aims to positively impact the local communities by promoting economic development and energy security and providing jobs, training and other local resources. See section III.D. for more details.
Negative impact / risk	Potential for disruption to local communities by operations or suppliers in the value chain	TGS works with local communities, indigenous people, fishing communities, landowners and other stakeholders to address local issues and concerns when conducting operations around the globe. We discuss how we address stakeholder impact in our operations in section III.D.

Customers

	MATERIAL IRO	DESCRIPTION
Positive impact / opportunity	Providing high quality data and insights to support customers' energy exploration and production	By ensuring we provide customers with quality products and world class customer service, we support our customers' energy exploration and production needs. We engage with our customers to understand and meet expectations and more details may be found in section III.E.
Positive impact / opportunity	Collaboration on technological and commercial initiatives	Through industry groups and consortia, TGS collaborates with customers on sustainability, technology and commercial initiatives and development of industry advancements. We discuss our efforts to advance the industry and technology in section III.E.

Business Conduct

	MATERIAL IRO	DESCRIPTION
Positive impact / opportunity	Robust corporate governance, internal controls, and compliance program	TGS believes a strong compliance program and engaging in ethical and fair business practices are critical to ensuring the trust from key stakeholders, including employees, customers, partners, suppliers, governments, communities and shareholders. How we implement our compliance program across our value chain may be found in section IV.
Positive impact / opportunity	Commitment to protection of whistleblowers	TGS protection of whistleblowers enables all stakeholders, both internal and external, to speak up and report potential non-compliance, raise concerns and seek advice. Our efforts to ensure whistleblower protection are discussed in section IV.C.
Risk	Third-party management	Supply chain management is critical to TGS success. The TGS due diligence approach and monitoring of its suppliers ensures that there is alignment with TGS policies and practices, as well as the law. See section IV.E.
Risk	Cybersecurity	TGS aligns its cybersecurity practices with the NIST Cybersecurity Framework and implements a robust cybersecurity program aimed at mitigating the potential risk cybersecurity threats can present to our operations. See section IV.F.

a. Disclosure Requirements

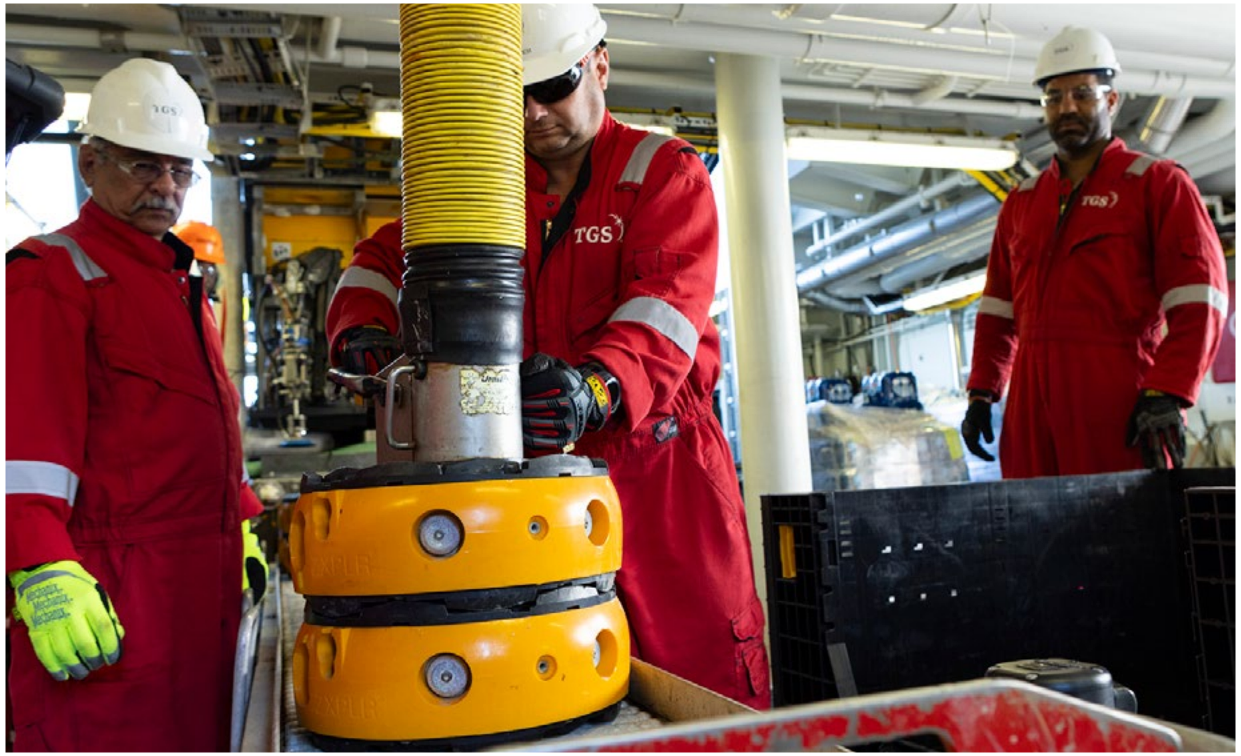
The TGS Sustainability Report is prepared on a consolidated basis in the same manner as its financial statements for 2023, with the exception that this Report does not cover the activities of any entity to which TGS owns less than a 51% interest in 2023.[5] TGS aligns its reporting and strategy with the time horizons for short (financial reporting period), medium (1-5 years) and long-term (more than 5 years) defined by the European Sustainability Reporting Standards (ESRS).

TGS has undergone significant inorganic growth from 2022-2023 resulting in notable growth to the workforce from 2021 to 2023, as well as changes to Company operations and facilities. Of particular note, TGS acquired and incorporated an ocean-bottom node (OBN) business, Magseis Fairfield, in 2022-2023. As part of this acquisition, approximately 330 employees were added to the organization, including approximately 170 offshore employees. Prior to 2023, the TGS workforce was approximately 580 people and entirely office-based. Further, TGS inherited several long-term vessel leases and proprietary OBN contracts. As a result, TGS operations now include both Scope 1 and Scope 3 emissions. Operational GHG emissions from proprietary OBN surveys and/or surveys conducted on vessels chartered through the Company are classified as Scope 1, whereas operational GHG emissions from multi-client surveys conducted via third-party service providers who charter and operate the vessels are classified as Scope 3 (purchased goods and services). This results in a significant impact to TGS Scope 1 emissions in 2023, compared to prior years. Finally, TGS facilities now include a manufacturing and repair warehouse for OBN maintenance, which has an impact on its Scope 2 emissions for 2023. Thus, comparison of the 2023 metrics, particularly the environmental and workforce metrics, to prior years should be viewed in light of the inorganic growth and development of the Company that occurred between 2022 and 2023 and with the understanding that prior year numbers have not been recalculated, nor have the baseline years been updated.

4. Norwegian Transparency Act

The Norwegian Transparency Act, which came into force on July 1, 2022, requires TGS to: (i) perform due diligence assessments and demonstrate that it has policies and procedures in place to prevent human rights and workers' rights violations in operations and the supply chain; (ii) report on assessments including cases of severe risk or harmful incidents; and (iii) provide information upon public request on how actual and potential negative human rights impacts across operations and supply chain are managed. This Report serves as the TGS account of due diligence for 2023 in accordance with the requirements of the Act.

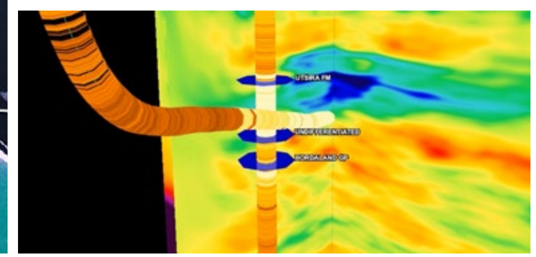
[5] See Note 25 in the Annual Report for a list of TGS entities and subsidiaries.



Material human rights and workers' rights issues for TGS include, along with references to the sections in the Report that discuss how TGS addresses these issues:

- Safe and healthy work environment (III.C).
- Respecting the rights and dignity of all persons and communities (III.A., III.B, III.D).
- Fair treatment free from discrimination or harassment (III.A.2; III.A.5; III.B; III.D).
- Social protection and fair wages (III.A.3; III.A.5; III.C).
- Supply chain (III.B; III.C; IV.E).




TGS Operational Headquarters, Houston, Texas.

II. Environment

TGS is committed to protecting the environment in which we live and work, while also conducting our operations in an environmentally sustainable and responsible manner. We strive to lead the industry in minimizing the impact of our operations globally, and with our partners. We believe that our multi-client business model not only benefits customers commercially but also is a more sustainable, environmentally-friendly business model than the alternative of proprietary acquisition. We remain committed to understanding the energy consumption and greenhouse gas emissions in its operations and finding ways to reduce its impact, as well as minimizing and mitigating the impact that our activities have on the marine and land environments and communities around them.

A. GOVERNANCE

The TGS environmental strategy is developed, implemented, and managed through the TGS Leadership Team, and is overseen and approved by the TGS Board of Directors. The TGS People & Sustainability department is responsible for overseeing the TGS strategy to reduce GHG emissions and ensure alignment of TGS environmental goals with the TGS overall sustainability strategy. The QHSE and Acquisition departments are responsible for ensuring TGS operations and supply chain abide by the TGS environmental policy and practices, including biodiversity, climate, or battery and waste management. TGS New Energy Solutions is responsible for the commercial strategy and developing products and services that assist our customers in addressing their climate impact through carbon capture and storage and transitioning to other energy sources like wind or solar.

B. CLIMATE CHANGE

TGS strategy to address climate impact is influenced by the following key factors: impact of market conditions and the oil price, shifts in customer behavior, advancements in technology and changes in legislation and policy. TGS regularly reviews and adjusts its strategy to mitigate and account for the impact of these key factors. Since 2021, when TGS modified its strategy to diversify its business and revenue stream to serve carbon capture and storage, wind energy and solar energy, it has seen organic and inorganic commercial growth in these areas. In addition to adjusting its commercial model, TGS has taken actions to address the climate impact of how it operates, working to improve the energy efficiency of its data center, partnering with carbon neutral cloud providers, and collaborating with the industry on the climate impact of its acquisition operations. In 2024, TGS will reassess emissions' baselines and targets due to the significant growth and development the organization has undergone since 2020.

The TGS Environmental Policy sets forth our strategy for addressing climate-related impacts and risks in our operations. The impacts of climate-related risks are assessed as part of the project development and management process to understand the impact local rules or regulations may have on permitting, address concerns to local communities and environments with respect to project impact, and assess technology solutions. These are identified through environmental impact assessments (EIAs), site surveys, public or social consultations, engaging with environmental consultants, participation and membership in industry trade organizations (e.g., EnerGeo, IOGP), project-specific hazard assessments and consultation with regulators and permitting agencies.

TGS material climate and energy metrics relevant to our performance and actions discussed in the following sections below may be found in the Sustainability Metrics in Appendix I to this Report.

1. New Energy Solutions

The TGS strategy to diversify its business and provide data and insights to the renewables and carbon capture and storage industries saw positive developments in 2023. Through acquisitions and organic product development, TGS service offerings now have a diverse range of applications across the renewable project life cycle, from early-stage development to the operations and maintenance phase of an asset.

Overview of TGS New Energy Solutions

Wind
- Market intelligence
- Wind & Metocean data
- Subsurface insights
- Analytics platform
- Data Gateway

Solar
- Asset management
- Operational data
- Portfolio performance data
- Data Gateway

Carbon
- Storage prospecting
- Subsurface data
- Monitoring solutions
- Emerging solutions
- Data Gateway

Digital
- Data management
- Multi-dimensional open source platform
- AI/ML
- Data Gateway

a. Offshore wind

In the offshore wind segment, TGS expanded its innovative multi-client business model aimed at collecting wind and metocean data using self-powered floating LiDAR buoys. During 2023 an additional five buoys were launched, four in the United States and one in Norway. The resulting multi-client data allows offshore wind stakeholders to significantly reduce energy yield uncertainty, reduce cost and turnaround time associated with acquiring bankable wind and metocean data, and make more informed and efficient project development decisions. The solar powered buoy provides data through a 12-month period measuring wind speeds, metocean and environmental information, wave heights, ocean currents, and acoustic information of birds and bats. The data is then licensed to prospective offshore wind developers via a new analytics platform, Wind Axiom, to aid them in planning, bidding and installing potential offshore wind farms.

Leveraging its strong data infrastructure capabilities, TGS modernized its offshore wind market intelligence product, 4C Offshore, to deliver up-to-date market insights to wind developers in the most efficient and visually appealing manner. Mapping potential supply chain bottle necks in offshore wind is a key factor for ensuring sustainable project development. To further de-risk the development of new projects, TGS integrated its WindAXIOM analytics solution into 4C Offshore, delivering new insights, such as project-based energy predictions.

b. Carbon capture and storage

With the acquisition of Magseis Fairfield, TGS now offers offshore 3D XHR (extended high-resolution) acquisition technology and services to clients for the purpose of identifying underground permanent storage for captured CO_2 in appropriate underground geological formations. In 2023, TGS conducted a 3D XHR project in the Gulf of Mexico for a major operator related to carbon capture and storage site identification with promising results. The broadband 3D XHR acquisition technology also lends itself to offshore wind site characterization as it provides an ultra-high-resolution image of the shallow subsurface which allows identification of geohazards and other potential risks that may impede subsea infrastructure construction.

With its modern ocean bottom seismic measurements and modular solutions, TGS also actively participated in developing and testing new monitoring technology in Project Greensand, setting new standards for CO_2 surveillance. Three monitor surveys were performed very efficiently and with less impact on the local marine environment.

In addition, TGS advanced its product Carbon Axiom, a web-based analytics platform that enables stakeholders to quickly evaluate permanent CO_2 storage opportunities by leveraging the TGS comprehensive subsurface library to deliver key insights into potential volumes of CO_2 storage containers, including fluid and reservoir properties. During 2023, the coverage was extended to three southern U.S. states: Arkansas, Mississippi and Alabama, enabling further development of BECC'S sites (bioenergy with carbon capture).

c. Asset management software solutions

TGS further advanced its recently-acquired solution, Prediktor, securing new markets and customers by leveraging joint resources and further modernizing its data infrastructure offering. Prediktor is becoming a leading SaaS solution for Solar PV asset management and for data gateway solutions to the wider energy industry. The Company's asset management software is deployed for over 9 GW of renewable assets, and it is providing data gateway solutions for some of the largest renewable assets in the world, e.g., the Doggerbank wind park that commenced operations in 2023.

Olympic Artemis vessel crew.

2. Marine and onshore field operations[6]

TGS tracks GHG emissions generated through its field operations, the majority of which emanate from marine seismic vessels. These GHG emissions are classified as either Scope 1 (fuel-based mobile combustion) or Scope 3 emissions (purchased goods and services). TGS proprietary geophysical operational GHG emissions are classified as Scope 1 because the vessels are leased directly to TGS through long-term charter agreements. All other onshore and marine geophysical operations are classified under Scope 3 because they are acquired by geophysical contractors that specialize in, and own, the equipment and personnel necessary for land and marine geophysical operations. Tracking, reporting, and developing a strategy to reduce and/or offset these GHG emissions is a critical part of both the TGS sustainability strategy and the industry's. As the largest nodal data acquisition company and buyer of seismic acquisition capacity, TGS has a unique opportunity to influence and contribute to ongoing industry efforts to standardize GHG emission tracking and reporting worldwide, but our strategy requires coordination with our suppliers and contractors who either lease, own, or operate the vessels, equipment and field crews.

TGS contractually requires all marine contractors and vessel suppliers to report their daily fuel consumption, fuel type, GHG emissions and the factors used to derive them from fuel consumption. Daily vessel fuel consumption is converted into GHG equivalents, which are cataloged in Persefoni (carbon accounting software). For TGS proprietary nodal operations, vessel suppliers are contractually required to utilize Maress, a cloud-based digital management system that provides real-time information on the vessel's GHG emissions and fuel consumption. Maress establishes fuel consumption and GHG emission baselines, allowing TGS to benchmark performance on a vessel-by-vessel basis, visualize related outputs through the Maress dashboards, and make operational decisions that take into account fuel consumption and emissions impact. In 2023, the majority of TGS GHG emissions were from its marine proprietary geophysical nodal surveys (Scope 1), or multi-client marine geophysical surveys acquired by geophysical contractors (Scope 3). The amount of GHG emissions released, and the carbon intensity metrics measured, varied based on the type of project, weather and sea state, ocean currents, fuel type, survey design, transit time during mobilization periods and the type and amount of in-sea equipment employed. TGS 2023 marine operations involved several different acquisition methods, namely: 2D streamer, 3D streamer, nodal, and Floating LiDAR. 2D surveys, which involve towing a single streamer to generate a 2D image of the subsurface, require smaller vessels that tow less in-sea equipment, resulting in a lower carbon intensity footprint than other marine seismic acquisition methods (2023 average = 0.59 mt CO_2e/km). 3D or nodal seismic surveys, which involve towing multiple seismic streamers or deploying ocean bottom nodes or cables (OBN or OBC) to generate a 3D data cube of the subsurface, require larger vessels and additional in-sea equipment, resulting in higher GHG emissions output per square kilometer (2023 average = 3.37 mt CO_2e/km^2 for 3D, and an average of 10 mt CO_2e/km^2 for proprietary and multi-client nodal surveys). LiDAR buoys, which measure wind velocity at various height profiles and gather other environmental measurements, generate comparatively lower GHG emissions than the above-mentioned acquisition types, as GHG emissions are produced by the vessels deploying the buoys or performing maintenance at sea, which requires smaller towing and/or deployment vessels operating for a short period of time.

TGS onshore field contractors track their fuel consumption data based upon the fuel types and field equipment employed, which may include helicopters, seismic vibrators, ATV/UTVs and passenger vehicles, etc. A 3D land survey involves laying out a patch of data recording nodes in the ground and using seismic vibrators or other conventional seismic sources to generate a 3D cube of subsurface data. In these types of surveys, fuel consumption and GHG emissions are impacted by the size of the survey, the equipment and vehicles used, the local environment and topography, and use of helicopters for equipment transport, scouting or portable heli-drilling. In 2023, TGS acquired two 3D onshore surveys, emitting an average of 5.19 mt CO_2e/km^2. The following tables summarize GHG emissions and carbon intensity by field survey type. In 2024, TGS will reassess emission baselines and targets due to the significant growth and development the organization has undergone since 2020.

[6] In 2021, prior to TGS acquisition of Magseis Fairfield in 2023 and the subsequent acquisition of PGS, which is expected to close in 2024, TGS set an ambition to be net zero in its Scope 1 emissions by 2030. At the time this goal was set, TGS did not own vessels or have any long-term vessel commitments or significant Scope 1 emissions. As part of the integration of PGS in 2024 and 2025, TGS will re-assess its sustainability strategy, including its climate targets, to ensure they appropriately account for the new organization and operations.

2023 Field GHG emissions – summary by type of operation

	CO_2e (mt)	CO_2 (mt)	CH_4 (mt)	N_20 (mt)
2D marine operations (Scope 3)	8,445.30	8,330.91	2.10	112.23
3D marine operations (Scope 3)	180,310.40	177,869.32	44.94	2,396.19
LiDAR buoy operations (Scope 3)	298.60	294.51	0.25	3.97
OBN/OBC marine operations (Scope 3)	99,689.07	98,339.60	24.85	1,324.80
Onshore operations (Scope 3)	1,759.10	1,734.81	0.70	23.71
OBN/OBC proprietary marine operations (Scope 1)	76,091.44	75,061.27	18.96	1,011.18
2023 Subtotal field operations	**366,593.91**	**361,630.42**	**91.80**	**4,848.37**
2022 Subtotal field operations	119,870. 07	118,247.24	29.86	1,592.94
2021 Subtotal field operations	133,488.86	131,927.37	6.27	4.65
2020 Subtotal field operations	147,275	145,102.85	4.41	7.08

2023 GHG emissions reported for marine operations include mobilization and all vessels used in the survey (primary, chase, support vessels etc.). 2023 GHG Emissions reported for onshore operations include mobilization and all vehicles (ATV/UTV, passenger vehicles, pick-up trucks, seismic vibrators etc.). 2023 LiDAR buoy GHG emissions are generated by the vessels that were used for deploying the buoy and performing maintenance at sea.

GHG Emissions are calculated in Persefoni (3rd party carbon accounting system) by deriving daily fuel consumption figures into GHG emissions. Marine and onshore field emission calculations are based on fuel emission factors from UK DEFRA – Conversion Factors 2023, using IPCC Fourth Assessment Report (AR4) for global warming potential.

2023 Field GHG emissions – carbon intensity

	Size/length	Unit	CO_2e (mt)	CO_2 (mt)	CH_4 (mt)	N_20 (mt)
2D marine operations (Scope 3)	14,276.65	km	0.59	0.58	<.01	<.01
3D marine operations (Scope 3)	53,537.20	sq km	3.37	3.32	<.01	0.04
OBN/OBC marine operations (Scope 3)	7,613.00	sq km	13.09	12.92	<.01	0.17
Onshore operations (Scope 3)	351.00	sq km	5.01	4.94	<.01	0.07
OBN/OBC proprietary marine operations (Scope 1)	10,970.52	sq km	6.94	6.84	<.01	0.09

Offshore Manager and vessel Captain aboard the Olympic Artemis.

3. Facilities

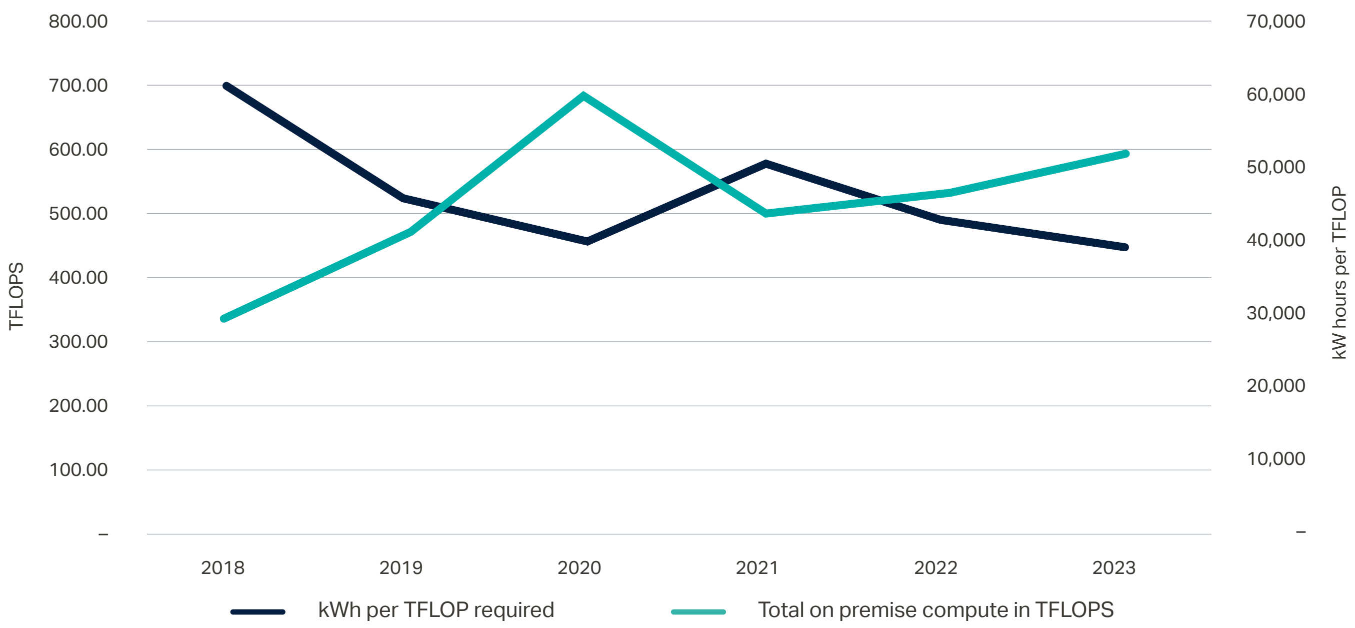
In 2021, TGS set an ambition to be net zero in its Scope 2 emissions by 2030. TGS has made significant progress in its Scope 2 emissions, with a 33% reduction in Scope 2 emissions since 2020. TGS has also reduced its GHG emissions intensity per square foot from 2022 to 2023, 51 $kgCO_2e$ per sq ft to 28 $kgCO_2e$ per sq ft. Further, despite the increase in facilities and inclusion of a manufacturing facility in 2023, TGS energy usage remained relatively flat between 2022 (25MWh) to 2023 (26MWh) and well below its 2020 (36MWh) and 2021 (29MWh) levels. This is in large part due to the transition to more energy efficient equipment in our data centers and transitioning our Houston headquarters to solar power and renewable energy sources. In 2024, TGS will reassess emission baselines and targets due to the significant growth and development the organization has undergone since 2020.

Energy consumption for data processing and high-performance computing is responsible for the bulk of the GHG emissions related to the generation of purchased energy (Scope 2), with our Houston data centers comprising 94% of Scope 2 emissions and 91% of kWh usage. As a result of this, over 99% of TGS GHG emissions and 95% of kWh usage occurs in TGS U.S. facilities.

In 2023, TGS on-premise compute capabilities increased by 11% due to the integration of the ION assets acquired at the end of 2022; however, overall energy use and GHG emissions remained relatively flat through 2023. The chart illustrates how on-premise compute capability measured in teraflops (TFLOPS) has evolved from 2018-2023 (left axis). The right axis shows an overall trending decrease in the amount of kWh required to run 1 teraflop for a year. In 2023, TGS data center achieved 445.98 kWh/Tflop trending downward from 2022 (489.31 kWh/Tflop) and 2021 (578.89 kWh/Tflop). As the graph portrays, TGS is becoming more energy efficient in our compute capabilities at our on-premise data centers.

In 2022, TGS transitioned its Houston headquarters to 100% renewable energy by installing 15 solar arrays covering the employee parking lot and supplemented with renewable energy provided by the Texas power grid. Any excess energy produced by TGS solar arrays is sent back to the Texas energy grid, thereby providing energy security to the residents of Texas. In 2023, the Houston headquarters used 1.67 GWh of energy, of which 869 MWh was produced by the solar installation and the remainder was provided as renewable energy through the Texas power grid.

Efficiency in compute over time



The TGS Houston Operational Headquarters landmark solar energy parking canopy in Houston, Texas. Consisting of 1,700 modules, the installation is projected to boast an annual output of 929,034-kilowatt hours of energy – creating a unique approach to achieving the Company's net-zero targets.

4. EU taxonomy

The EU Taxonomy Regulation (Regulation (EU) 2020/852) requires TGS to disclose revenue, capital expenditure and operating expenditures related to environmentally sustainable activities. The Taxonomy Regulation's classification system is broken down into six environmental objectives and activities that have the potential to contribute to one of the six objectives are taxonomy-eligible:

- Climate change mitigation
- Climate change adaptation
- Transition to circular economy
- Pollution prevention and control
- Protection and restoration of biodiversity and ecosystems
- Sustainable use and protection of water and marine resources

Those activities that are actually environmentally sustainable are considered taxonomy-aligned. To be taxonomy-aligned, the activity must fulfill the three criteria sets: (1) substantial contribution to one of the environmental objectives; (2) no significant harm respective to five environmental targets; and (3) compliance with minimum social and governance requirements. In accordance with the Taxonomy Regulation, TGS is reporting on the following environmental objectives for 2023:

Underground Permanent Geological Storage of CO_2 (CCM 5.12): TGS acquires, processes and licenses subsurface geophysical data and provides software solutions through Carbon Axiom for the purpose of identifying underground permanent storage for captured CO_2 in appropriate underground geological formations onshore and offshore, thus meeting the technical screening criteria under 5.12 (underground permanent geological storage of CO_2) for climate change mitigation. This activity meets the Do No Significant Harm (DNSH) criteria with respect to each data acquisition project. TGS conducts environmental impact assessments, taking into account and mitigating against any potential biodiversity, pollution or other environmental impacts, as it does with any other acquisition operation in the policies and procedures outlined below. Finally, the operations are conducted in accordance with TGS workforce, health and safety, compliance and human rights policies, as well as the TGS Supplier Code of Conduct. Thus, the TGS acquisition, processing and licensing of subsurface geophysical data and related software solution, Carbon Axiom, for the purpose of identifying underground permanent storage for captured CO_2, is considered Taxonomy-aligned. TGS OpEx was USD 3.255 million, CapEx was USD 464 million, and revenues were USD 8.241 million in relation to these activities in 2023.

Computer Programming, Consultancy and Related Activities (CCA 8.2): TGS provides asset management software and IT solutions for wind farms and solar installations. The solutions provide real-time performance indicators and advanced analytics to improve performance, increase production ratios and allow for faster responses to non-performance. The software reduces operational risk and increases efficiency and asset utilization, thus meeting the technical screening criteria and DNSH criteria under 8.2 (computer programing, consultancy and related activities) for climate change adaptation. TGS OpEx was USD 1.493 million, CapEx was USD 241 million, and revenues were USD 2.669 million in relation to these activities in 2023.

Close to Market Research, Development and Innovation (CCA 9.2): As noted above, TGS launched a new business model in the offshore wind industry aimed at collecting wind and metocean data using solar-powered floating LiDAR buoys, which is then licensed to prospective offshore wind developers via a new software platform, Wind Axiom, to aid them in planning, bidding and installing their potential offshore wind farms. This new business model and solution meets the technical screening criteria of 9.2 (close to market research, development and innovation) for climate change adaption, as well as the DSNH criteria. Finally, the operations are conducted in accordance with TGS workforce, health and safety, compliance, human rights policies, as well as TGS Supplier Code of Conduct. In 2023, TGS launched five offshore wind LiDAR buoy data acquisition campaigns and licensed data to customers through its Wind Axiom platform. TGS CapEx was USD 8.360 million and revenues were USD 4.476 million in relation to these activities in 2023.

Note on exposure to nuclear and fossil gas related activities

Nuclear energy related activities		
1.	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	No
2.	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	No
3.	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	No
Fossil gas related activities		
4.	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	No
5.	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	No
6.	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	No

Proportion of turnover from products or services associated with taxonomy-aligned economic activities – disclosure covering year 2023

Financial year n	**2023**			**Substantial contribution criteria**						**DNSH criteria**									
Economic Activities	**Code(s)**	**Turnover**	**Proportion of turnover, year n**	**Climate change mitigation**	**Climate change adaptation**	**Water and marine resources**	**Circular economy**	**Pollution**	**Biodiversity and ecosystems**	**Climate change mitigation**	**Climate change adaptation**	**Water and marine resources**	**Circular economy**	**Pollution**	**Biodiversity and ecosystems**	**Minimum safeguards**	**Taxonomy-aligned proportion of turnover year n-1[1]**	**Category (enabling activity)**	**Category (transitional activity)**
		(USD in thousands)	%	Y;N;N/EL	Y;N;N/EL	Y;N;N/EL	Y;N;N/EL	Y;N;N/EL	Y;N;N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. Taxonomy-eligible activities																			
A.1 Environmentally sustainable activities (taxonomy-aligned)																			
Underground permanent storage of CO_2 (provision of geophysical data for carbon capture and storage)	CCM 5.12	8,241	1%	Y	N	N/EL	N/EL	N/EL	N/EL	–	Y	Y	N/A	Y	Y	Y	–		
Computer programming & consultancy (asset management software for wind farms and solar installations)	CCA 8.2	2,669	0%	N	Y	N/EL	N/EL	N/EL	N/EL	N/A	–	N/A	N/A	N/A	N/A	Y	–		
Close to market research, development and innovation (multi-client floating LiDAR data acquisition)	CCA 9.2	4,476	1%	N	Y	N/EL	N/EL	N/EL	N/EL	Y	–	Y	Y	Y	Y	Y	–		
Turnover of environmentally sustainable activities (taxonomy-aligned) (A.1)		15,386	2%	1%	1%	0%	0%	0%	0%								–		
Of which enabling			0%	0%	0%	0%	0%	0%	0%										
Of which transitional			0%	0%															
A.2 Taxonomy-eligible but not environmentally sustainable (not-taxonomy-aligned)																			
				Y;N;N/EL	Y;N;N/EL	Y;N;N/EL	Y;N;N/EL	Y;N;N/EL	Y;N;N/EL										
Tunover of taxonomy-eligible but not environmentally sustainable (not taxonomy-aligned) (A.2)		0	0%	0%	0%	0%	0%	0%	0%										
A. Turnover of taxonomy eligible activities (A.1+A.2)		15,386	2%	1%	1%	0%	0%	0%	0%										

B. Taxonomy-non-eligible activities

Turnover of taxonomy non-eligible activities	778,911	98%
Total (A+B)	**794,297**	**100%**

[1] As this is the first year reporting EU Taxonomy numbers, TGS does not yet have comparison numbers.

Proportion of CapEx from products or services associated with taxonomy-aligned economic activities – disclosure covering year 2023

Financial year n	**2023**			**Substantial contribution criteria**						**DNSH criteria**									
Economic activities	**Code(s)**	**Turnover**	**Proportion of turnover, year n**	**Climate change mitigation**	**Climate change adaptation**	**Water and marine resources**	**Circular economy**	**Pollution**	**Biodiversity and ecosystems**	**Climate change mitigation**	**Climate change adaptation**	**Water and marine resources**	**Circular economy**	**Pollution**	**Biodiversity and ecosystems**	**Minimum safeguards**	**Taxonomy-aligned proportion of turnover year n-1**[1]	**Category (enabling activity)**	**Category (transitional activity)**
		(USD in thousands)	%	Y;N;N/EL	Y;N;N/EL	Y;N;N/EL	Y;N;N/EL	Y;N;N/EL	Y;N;N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. Taxonomy-eligible activities																			
A.1 Environmentally sustainable activities (taxonomy-aligned)																			
Underground permanent storage of CO_2 (provision of geophysical data for carbon capture and storage)	CCM 5.12	464	0%	Y	N	N/EL	N/EL	N/EL	N/EL	–	Y	Y	N/A	Y	Y	Y	–		
Computer programming & consultancy (asset management software for wind farms and solar installations)	CCA 8.2	241	0%	N	Y	N/EL	N/EL	N/EL	N/EL	N/A	–	N/A	N/A	N/A	N/A	Y	–		
Close to market research, development and innovation (multi-client floating LiDAR data acquisition)	CCA 9.2	8,360	2%	N	Y	N/EL	N/EL	N/EL	N/EL	Y	–	Y	Y	Y	Y	Y	–		
CapEx of environmentally sustainable activities (taxonomy-aligned) (A.1)		9,065	2%	0%	2%	0%	0%	0%	0%								–		
Of which enabling			0%	0%	0%	0%	0%	0%	0%										
Of which transitional			0%	0%															

A.2 Taxonomy-eligible but not environmentally sustainable (not taxonomy-aligned)

		Y;N;N/EL	Y;N;N/EL	Y;N;N/EL	Y;N;N/EL	Y;N;N/EL	Y;N;N/EL	
CapEx of taxonomy-eligible but not environmentally sustainable (not taxonomy-aligned) (A.2)	0	0%	0%	0%	0%	0%	0%	0%
A. CapEx of taxonomy eligible activities (A.1+A.2)	9,065	2%	0%	2%	0%	0%	0%	0%

B. Taxonomy non-eligible activities

CapEx of taxonomy non-eligible activities	526,674	98%
Total (A+B)	**535,739**	**100%**

[1] As this is the first year reporting EU Taxnomy numbers, TGS does not yet have comparison numbers.

Proportion of OpEx from products or services associated with taxonomy-aligned economic activities – disclosure covering year 2023

Financial year n	2023			Substantial contribution criteria						DNSH criteria									
Economic activities	**Code(s)**	**Turnover**	**Proportion of turnover, year n**	**Climate change mitigation**	**Climate change adaptation**	**Water and marine resources**	**Circular economy**	**Pollution**	**Biodiversity and ecosystems**	**Climate change mitigation**	**Climate change adaptation**	**Water and marine resources**	**Circular economy**	**Pollution**	**Biodiversity and ecosystems**	**Minimum safeguards**	**Taxonomy-aligned proportion of turnover year n-1[1]**	**Category (enabling activity)**	**Category (transitional activity)**
		(USD in thousands)	%	Y;N;N/EL	Y;N;N/EL	Y;N;N/EL	Y;N;N/EL	Y;N;N/EL	Y;N;N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. Taxonomy-eligible activities																			
A.1 Environmentally sustainable activities (taxonomy-aligned)																			
Underground permanent storage of CO_2 (provision of geophysical data for carbon capture and storage)	CCM 5.12	3,255	1%	Y	N	N/EL	N/EL	N/EL	N/EL	–	Y	Y	N/A	Y	Y	Y	–		
Computer programming & consultancy (asset management software for wind farms and solar installations)	CCA 8.2	1,493	0%	N	Y	N/EL	N/EL	N/EL	N/EL	N/A	–	N/A	N/A	N/A	N/A	Y	–		
Close to market research, development and innovation (multi-client floating LiDAR data acquisition)	CCA 9.2	0	0%	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	N/A	N/A	N/A	N/A	N/A	N/A	N/A	–		
CapEx of environmentally sustainable activities (taxonomy-aligned) (A.1)		4,748	2%	1%	1%	0%	0%	0%	0%								–		
Of which enabling			0%	0%	0%	0%	0%	0%	0%										
Of which transitional			0%	0%															

A.2 Taxonomy-eligible but not environmentally sustainable (not taxonomy-aligned)

		Y;N;N/EL	Y;N;N/EL	Y;N;N/EL	Y;N;N/EL	Y;N;N/EL	Y;N;N/EL	
OpEx of taxonomy-eligible but not environmentally sustainable (not taxonomy-aligned) (A.2)	0	0%	0%	0%	0%	0%	0%	0%
A. OpEx of taxonomy eligible activities (A.1+A.2)	4,748	2%	1%	1%	0%	0%	0%	0%

B. Taxonomy non-eligible activities

OpEx of taxonomy non-eligible activities	303,511	98%
Total (A+B)	**308,259**	**100%**

[1] As this is the first year reporting EU Taxonomy numbers, TGS does not yet have comparison numbers.

C. BIODIVERSITY & ECOSYSTEMS

TGS is committed to protecting the biodiversity and ecosystems in the areas in which we live and work by conducting its operations in a sustainable and responsible manner. Our organization strives to lead the industry in minimizing its potential impacts on biodiversity and ecosystems to as low as reasonably practicable. We are dedicated to the continual improvement of environmental programs and standards across the industry. We recognize that our field activities may have an impact on biodiversity and ecosystems through clearing of brush when creating paths for onshore geophysical surveys, vessels potentially introducing non-native species to an area, major spills to the environment, or disruption of wildlife sensitive areas and migration paths.

As part of TGS operational planning and environmental strategy, the environmental policy prohibits geophysical surveying activities over World Heritage Sites and other protected areas, and we work to minimize potential impacts on biodiversity and ecosystems by incorporating climate and other environmental risk assessments into business and operational strategies. Our policy states that we will monitor and measure our performance against approved environmental plans throughout the life cycle of each project, ensuring compliance with applicable laws, regulations and guidance from trade associations. All spills to the environment must be properly remediated and tracked within the TGS QHSE reporting and monitoring system (Insite). TGS also actively supports the UN Global Compact and the UN Sustainable Development Goals (SDGs), including those related to marine life and biodiversity.

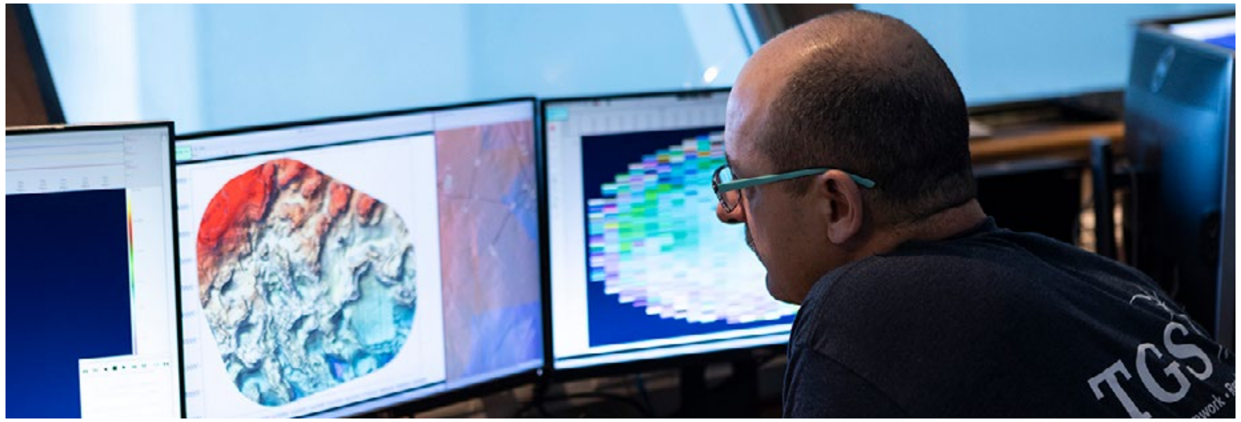
TGS material biodiversity metrics relevant to our performance and actions discussed in the following sections below may be found in the Sustainability Metrics in Appendix I to this Report.

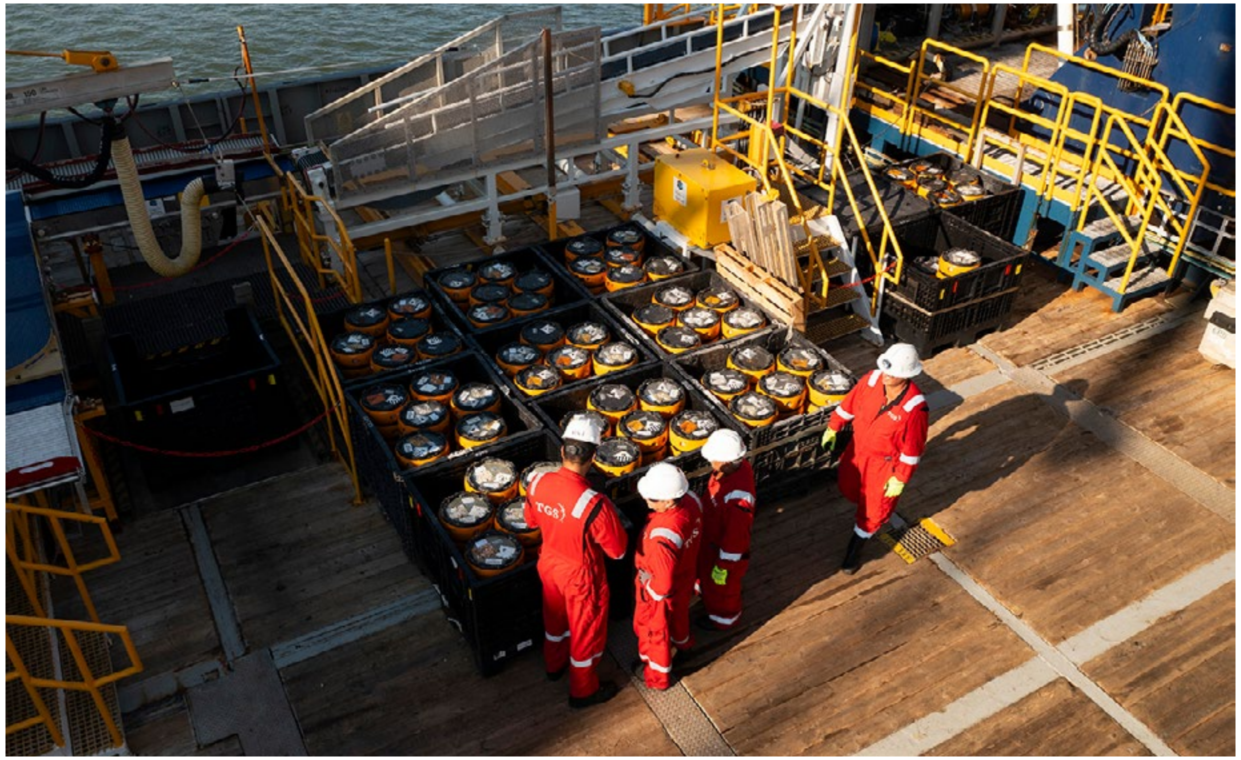
1. Marine operations

As noted above in our materiality chart, TGS recognizes that if proper mitigation measures are not imposed or enforced, seismic operations and the towing of acoustic arrays through the marine environment, as well as the placement of ocean bottom nodes on the seabed, have the potential to disrupt or impact biodiversity and ecosystems. The possibility that our marine operations could disrupt marine mammal migration paths, spawning groups or other ecologically sensitive locations is identified as being material and thus must be properly mitigated. Further, while the vessels operating for TGS are built with primary and secondary spill containment systems and TGS has not recorded a recordable quantity spill (RQ) since 2014, we recognize that a potential spill to the environment could have negative impacts on biodiversity and ecosystems. Both the geophysical industry and TGS impose stringent measures to effectively lessen or negate potential impacts on biodiversity and ecosystems.

When planning and designing surveys, TGS commissions environmental impact assessments (EIAs) to identify marine mammal migration paths, spawning grounds, sanctuary areas or other ecologically sensitive locations that may be present in and around the survey area. TGS engages with stakeholders, such as fisheries and local communities, to understand their concerns and ensure ongoing communication throughout the duration of the seismic surveys. During the acquisition phase of a survey, TGS employs protected species observers (PSOs) and utilizes passive acoustic monitoring (PAM) to ensure that our field operations do not have a negative effect on cetaceans, turtles, marine mammals, etc. TGS also employs both third party and full time HSE Advisors who are tasked with managing all aspects of health, safety and the environment onboard their respective vessels, ensuring that full compliance with all environmental regulations and permit stipulations is achieved.

To ensure compliance with the International Convention for the Prevention of Pollution from Ships (MARPOL), the Company requires all vessel contractors to report all spills to TGS, regardless of quantity and substance, and whether the spill entered the marine environment or was contained onboard a vessel. TGS has consistently met its goal of zero reportable quantity spills to the marine environment in our offshore operations since 2014, with 2023 being no exception. TGS requires all vessel contractors to comply with all applicable environmental laws and regulations and undergo audits from the International Marine Contractors Association or Offshore Vessel Inspection Database (IMCA or OVID). These audits are conducted by trained and accredited third-party auditors and inspectors who evaluate compliance with all applicable health, safety and environmental regulations and industry requirements, and ensure that all required health, safety and environmental permits and certificates are valid. TGS also conducts additional HSE inspections and audits throughout the acquisition phase of a seismic survey. In 2023, TGS utilized 53 vessels, including seismic, support, node layout and source vessels, and each of these vessels underwent the required IMCA or OVID audits and/or HSE inspections. Of the 53 vessels utilized in 2023, 10 were leased to TGS under long-term charter agreements.





TGS crews prepare for the deployment of ocean bottom nodes on the Olympic Artemis Vessel.

2. Onshore operations

As with our marine operations, addressing and mitigating the potential disruption that onshore seismic surveys may cause to the onshore environment is a material issue to both TGS and to our stakeholders. Onshore seismic surveys have the potential to cause pollution and physical damage to the environment, and may impact biodiversity and ecosystems if these matters are not properly addressed when planning and executing the survey.

TGS engages with local communities to discuss potential environmental impacts, as TGS recognizes the importance of collaborating with local communities, stakeholders and landowners to understand their concerns and ensure minimal disturbance to their land. In planning its onshore seismic operations in Canada and the United States, TGS has continuously implemented a range of environmental mitigation measures and precautions beyond those set by law or regulation, including:

- Utilizing LiDAR imagery to identify environmentally sensitive areas, chart routes of least or minimal impact and avoid tree cutting and vegetation disturbance.
- Washing equipment to mitigate the potential spread of invasive species.
- Abiding by any potential timing restriction related to wildlife migration periods.
- Blocking certain access points to recreational traffic within the survey area to allow vegetation to regenerate.
- Carrying out reclamation programs to rehabilitate areas disturbed by vehicles operations.

TGS requires documented audits of field equipment and HSE procedures for all new surveys to ensure that all equipment is in proper working order and that HSE procedures adequately mitigate potential impacts. Every spill, regardless of the amount or substance, must be reported to TGS, and properly remediated and disposed of properly. There were no reportable quantity spills in 2023 during TGS onshore geophysical surveying activities.

3. Sustainable Seas Initiative

TGS supports EnerGeo's Sustainable Seas Initiative, which is a marine debris removal and reporting initiative. In 2023, over eight metric tons (just under 18,000 pounds) of debris were removed from the marine environment through TGS marine geophysical surveys. This initiative is an industry-wide effort to remove and collect ocean debris and fishing gear while conducting marine seismic surveys, with the goal of creating and promoting a healthier marine environment and ecosystem. This debris is removed from the marine environment to reduce the harm it presents to ocean life, such as turtles, birds, mammals or fish. Since 2021, TGS has required all vessels on TGS projects to report their marine debris removal efforts to EnerGeo and TGS, on a project-by-project basis, resulting in a total of 17 metric tons (~37,400 pounds) of marine debris and pollution recovered since then.

A TGS crew member sorts through marine debris recovered onboard a seismic vessel.

BATTERY RECYCLING

7.8 metric tons (17,256 lbs)

Lithium metal batteries recycled by TGS in 2023

3.1 metric tons (6,945 lbs)

Lithium-ion batteries recycled by TGS in 2023

D. RESOURCE USE

TGS nodal technology is powered by either lithium metal/lithium primary (single use) or lithium-ion (rechargeable) batteries. The type of battery used in a nodal system is dependent on the node technology, water depth, geophysical targets and survey duration. The nodes are either placed on the seafloor by a remotely operated vehicle (ROV) or deployed on a rope system that tethers the nodes together along the sea floor. The placement of the nodes is conducted in accordance with permit requirements, ensuring that all nodes are placed away from archaeological sites, chemosynthetic communities, or subsea infrastructure. While on the seafloor, the nodes record seismic reflections from acoustic sources towed by a vessel. The nodes are recovered from the sea floor upon survey completion, and the data is downloaded and processed to generate a 3D cube of the subsurface geology. Lithium-ion batteries are housed and transported in nodes that are designed to be compliant with regulations on the shipment of lithium-ion batteries (UN, IMO, ICAO, US-DOT). Lithium metal batteries are handled and transported separately from the node housing and in accordance with lithium battery shipping requirements and regulations. When they are not recording data, the batteries are safely stored in locations that meet firefighting and detection, humidity and temperature, proper venting, and lithium battery storage requirements.

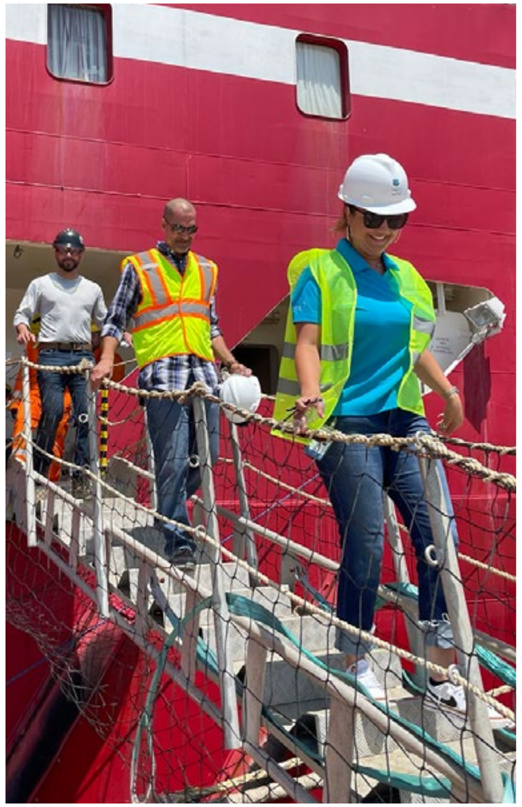
Lithium batteries can be considered hazardous waste due to their potential ignitability, reactivity and impact to the environment. Battery waste management procedures and safety data sheets outlining proper storage and handling, lithium battery hazards, risks and mitigations and transport procedures are stored in the TGS management system. TGS ensures that all of its node batteries are properly recycled and disposed of in compliance with local or national regulations. Battery waste management procedures and safety data sheets outlining proper storage and handling, lithium battery hazards, risks and mitigations, and transport procedures are stored in the TGS management system. In TGS field operations, waste management plans are developed for each project and recyclable materials are segregated and properly disposed of in accordance with permit stipulations and/or local requirements.

Onshore, recycling bins for paper and cardboard, glass, plastic, batteries and print toner cartridges are available in all TGS offices, and employees are encouraged to follow proper recycling procedures.

TGS also endeavors to recycle or repurpose the lithium metal and lithium-ion batteries that supply power to its ocean bottom nodes. Repurposing batteries that can no longer be used for OBN operations on the global battery market extends the usefulness of an existing cell and reduces the need for new cells to be created. In 2023, TGS recycled 7.8 metric tons (17,256 lbs) of lithium metal batteries and 3.1 metric tons (6,945 lbs) of lithium-ion batteries and sold 1.5 metric tons of lithium metal batteries to a battery repurposing company for reuse in the global battery market for a different purpose.

A TGS ZXPLR ocean bottom node.







III. People

TGS is committed to providing a safe, healthy and sustainable workplace and operational environment in which employees, contractors, suppliers, customers, and all others are treated with dignity, decency and respect. TGS consistently strives to conduct its business in accordance with United Nations Guiding Principles on Business and Human Rights and the 10 principles set forth in the United Nations Global Compact. TGS is committed to respecting all internationally recognized human rights standards, including the International Bill of Human Rights, and the International Labor Organization Declaration on Fundamental Principles and Rights at Work.

A. WORKFORCE

Due to the acquisitions by TGS in 2022, the TGS workforce underwent significant growth and change in composition. The workforce doubled in size and approximately 15% of the workforce is based offshore on OBN crews acquiring data around the world. Our office-based workforce are considered salaried, full-timed employees and are predominantly based in the United States (46%), Norway (13%) and the United Kingdom (18%), with other key offices being located in Australia (2%) and Brazil (2%). In addition to the inorganic growth, TGS had significant organic growth as 72 new employees were recruited into the organization, 32% of which were female. Finally, TGS voluntary turnover continues to trend downward in 2023 at 9%, with overall turnover for 2023 being 15%.

TGS respects national and local laws on freedom of association in the communities in which we do business, and the right of all people to join or not join a trade union to bargain collectively. Two percent of our workforce, specifically our Brazilian employees, were covered by a collective bargaining agreement in 2023. In addition, TGS employees in Norway are represented through work councils which review and are consulted on policy and other changes impacting employees in that office.

TGS material workforce metrics relevant to our performance and actions discussed in section III.A may be found in the Sustainability Metrics in Appendix I to this Report.

1. Culture and engagement

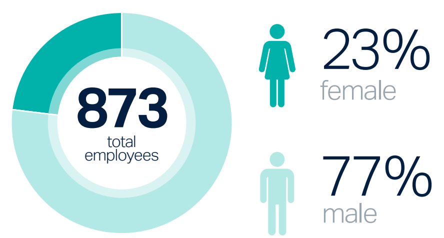
TGS culture is based upon passion, performance and teamwork, and played a critical part in 2023 as we integrated the organization. To promote autonomy and drive results, TGS believes in a relatively flat organizational structure with 83% of the office-based organization within four levels of the CEO, and only 19% of the organization holds management positions. The CEO and leadership teams continued to hold regular town hall sessions with the workforce to reinforce the culture and facilitate communication flow within the Company. Global Knowledge Shares and OneTGS sessions are held on a weekly basis via Teams to introduce departments, groups or discuss recent projects or achievements in an open forum across the organization. In addition, each office hosts regular local office-wide sessions to recognize employee tenure and achievements, discuss project successes or troubleshoot problems. The Company focused on in-person planning and team building sessions this year as new teams were integrating and being built, as well as engagement activities that brought together people and their families at holiday parties and family picnics.

In October 2023, TGS conducted its first engagement survey in two years using a third-party provider. Eighty-nine percent of employees participated in the survey (versus a participation benchmark of 78%), and the overall engagement score was 67% favorable (v. a favorable benchmark of 69%). While this is within the margin of being at benchmark, these results, both at a global level and then broken down by department and office location, allow the Company to develop meaningful action plans. Progress on those action plans will be measured through pulse surveys conducted throughout 2024 before another engagement survey is conducted in Q3 2024.

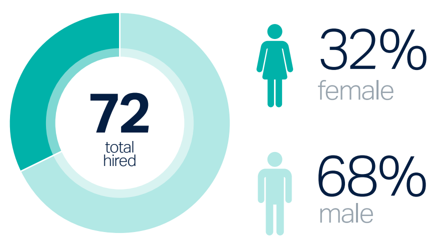
2. Diversity, equity and inclusion

TGS is committed to improving diversity, and in particular gender diversity, within the organization as well as working with other organizations to ensure women are given equal opportunity for development and advancement. The energy information and technology industries historically lean towards employee bases that are more male than female. TGS is committed to being a representative workforce of the future. This is reflected in our new hire gender ratios and leadership ratios. As an organization, TGS is committed to increasing the female representation within STEM and leadership positions. For this reason, we've started tracking and reporting the ratio for trending and comparison purposes. To ensure leadership is committed to fostering diversity and inclusion, the TGS long-term incentive program includes DEI gender diversity targets. In 2023, TGS also encouraged local employee groups led by employees, aimed at fostering connections and inclusion across departments.

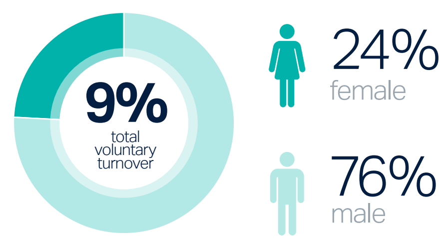
GLOBAL WORKFORCE



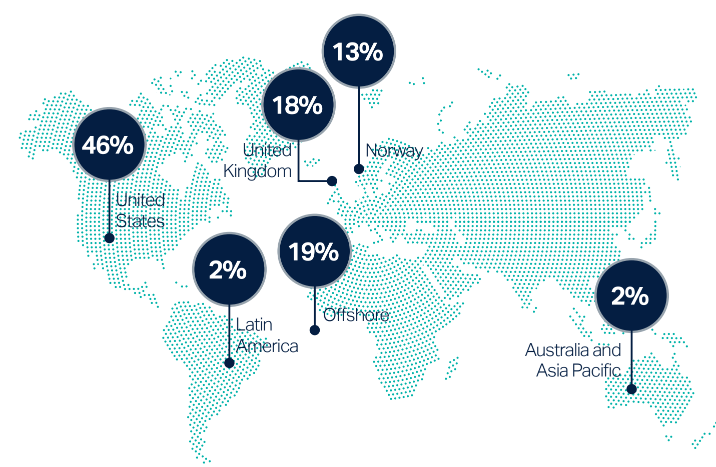
NEW HIRES



VOLUNTARY TURNOVER



GLOBAL WORKFORCE



3. Compensation and total rewards

TGS is committed to compensating its employees fairly and in accordance with all applicable labor laws. The TGS compensation philosophy is set forth in the TGS Remuneration Policy. To ensure pay equity, the TGS compensation structure is based upon a salary structure aligned to standard job classifications and updated annually to account for changes in market conditions. Employee compensation includes base salary, insurance and retirement benefits programs and a profit-sharing bonus plan based on the Company's performance and, in certain cases, stock-based, long-term incentive awards.

Since the TGS profit-sharing bonus plan is a key component of employee compensation, in 2023, TGS added a Business Unit-based strategic component to the profit sharing component of its bonus plan. The strategic component is based upon key performance indicators specific to an employee's business unit. The TGS long-term incentive program continues to incorporate sustainability metrics, such as health and safety, environmental and DEI targets. More information regarding TGS remuneration practices, governance, and implementation may be found in the TGS Remuneration Policy.

The raw average female total cash compensation as a percentage of male total cash compensation at TGS, without considering position, geographical pay differences or department, is 86% (up from 79% in 2022). When looking at all management positions, women's salary is 92% compared to men's salary, and in STEM-related positions it is 84%.

TGS provides market competitive health benefits and pension, as well as paid parental leave and income protection, taking into account what is provided by local law and local market conditions. For example, in the United States, where over 50% of TGS employees currently reside and where social protection is not provided by law, TGS provides medical and dental benefits to employees that are considered above the market 90th percentile. Further, for U.S. employees in 2023, TGS paid 100% of employee healthcare coverage and U.S. employees receive short-term and long-term disability. In other jurisdictions where some social protection is provided by law, like the UK, TGS will supplement with additional benefits, like medical, dental, and additional pension benefits.

With respect to parental leave for U.S. employees, where government-paid support is not provided, all new parents are able to take advantage of the program which allows for up to 12 weeks of 100% paid time off for the care of, and bonding with, a new child, either newborn or adopted. When combined with paid time off through insurance, birth mothers are able to take a full 16 weeks of 100% paid time off. In the U.S. during 2023, we had 10 employees (three female, seven male) take advantage of this leave, representing ~2% of the local workforce. In Norway, TGS follows the statutory parental leave of 49 weeks (15 reserved for each parent) with 100% coverage or 59 weeks (19 reserved for each parent) with 80% coverage. In Norway during 2023, 4 employees (1 female, 3 male) took advantage of this leave, representing ~4% of the local workforce.

TGS pays >99% employees adequate wages as defined under the ESRS and the lowest salary is significantly above the national minimum wages in each of the countries where TGS has offices. The average employee base compensation to the CEO's base compensation in 2023 was 7.1x and the average employee total compensation to the CEO's total compensation was 11x.

EMPLOYEE COMPENSATION

7.1x

CEO's base compensation to the average employee base compensation

11x

CEO's total compensation to the average employee total compensation

4. Performance and professional development

At the start of the year, TGS conducts an annual Performance Development Plan (PDP) process to empower employees and managers to focus on meaningful performance and development conversations throughout the year, and ensure employees continue to develop the necessary skills to grow and set goals around personal growth and alignment with corporate strategy. In addition to an overall employee rating, employees are evaluated against six core competencies: communication, technical and job-specific knowledge, project and task management, teamwork and leadership, business acumen and understanding, and passion and motivation. The six core competencies provide a framework for managers and employees to evaluate performance and development needs, leading to targeted development goals and training opportunities. The organization had a 99% PDP completion rate for employees.

In 2023, TGS revamped its learning and development program to provide employees with a more comprehensive platform of tools to aid in their advancement. The new learning and development platform launched in July 2023 and provides employees with online courses to support technical learning, in-person courses to aid in soft-skills development (presentation skills, conflict resolution, managerial skills), custom course design for departments and managers to address key areas like project management, as well as corporate training (compliance and QHSE). This new learning and development program also supports the needs of our offshore crews who have their own set of training and certification requirements that they need to maintain. In 2023, TGS provided 17,020 hours of training to employees throughout the year, which is 19.5 hours per employee.

In 2023, TGS expanded its internship program by 18% (from 11 to 13 interns) and recruited interns in the United Kingdom, as well as the United States. This program helps TGS identify and recruit strong junior talent at universities and in graduate programs to in-demand technology positions within the Data & Analytics, Research & Development, and New Energy teams. Development for interns included structured mentorship with identified subject matter experts in relevant departments and each intern was assigned a project that could potentially have a lasting, positive impact on Company business. This program continues to provide a pipeline of talent with 100% of interns accepting jobs with TGS when offered jobs post-graduation.

> *"I enjoyed talking with different people to learn about the industry's future direction. Such conversations are invaluable because they foster growth, innovation and collaboration, which can be instrumental in shaping one's career."*

IMAGING DAS INTERN



TGS interns visit Fulmar Explorer Vessel in Galveston.

5. Remediation and channels to raise concerns

TGS expects the workplace to be free of unlawful bias, prejudice and harassment, and for employment decisions to be made on merit and not on the basis of race, color, national origin, religion, sex, disability or any other status protected by law. The TGS Code of Conduct and employee handbooks prohibit discrimination and harassment including sexual harassment, in the workplace. Employees are empowered to let the offender know their inappropriate behavior is not tolerated and are to report the violation to the Compliance Department, HR Department, TGS Compliance hotline (anonymously if preferred) or their manager. Managers and TGS leaders have an obligation to lead by example and demonstrate appropriate behavior, ensure their teams understand and abide by TGS policies on discrimination and harassment, and report inappropriate behavior to the Compliance department for investigation and remediation. Each year, employees undergo training on TGS policies prohibiting discrimination, harassment, bullying and retaliation in the workplace, as well as explaining how to report incidents of misconduct. These trainings also educate employees on how to promote a diverse and more inclusive working environment and help them understand unconscious bias. As part of this training, each employee must certify that they have read and understood the rules and discrimination and harassment policies outlined in the TGS Code of Conduct.

TGS provides multiple avenues for internal and external stakeholders to report potential discrimination and harassment concerns or seek advice, including the TGS publicly available compliance hotline, which allows for anonymous reporting. In accordance with the TGS Whistleblower Policy and Code of Conduct, investigation into these matters is overseen by the TGS Compliance Officer, and retaliation is expressly prohibited against those who report or cooperate in an investigation. All reported potential incidents alleging discrimination and harassment are investigated and addressed based upon the findings of the subsequent investigation. In 2023, TGS had no material incidents of discrimination or harassment resulting in fines or penalties against the company, or that were grounds for termination of employment.

B. HUMAN RIGHTS

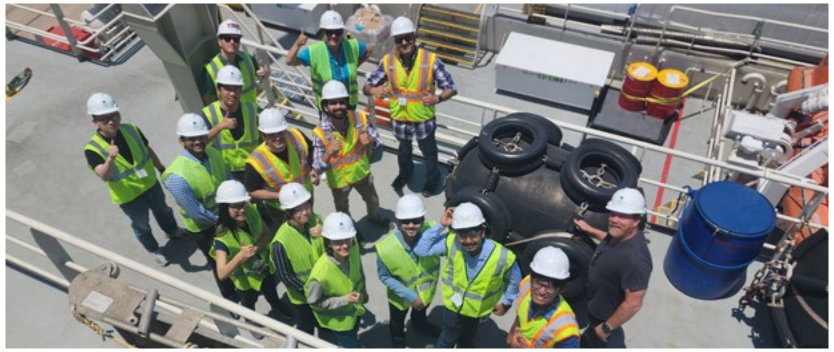
TGS is committed to respecting fundamental human rights while providing decent working conditions and avoiding infringements on the human rights of its employees, employees in its value chain and others. TGS is also committed to addressing the adverse impacts of human rights in accordance with the Norwegian Transparency Act, the United Nations Guiding Principles on Business and Human Rights and the UN Universal Declaration of Human Rights. TGS also respects the International Bill of Human rights and the International Labor Organization's Declaration on Fundamental Principles and Rights at Work and undertakes to operate in recognition of the freedom, the rights, the dignity and the worth of the human person and promotion of equality irrespective of gender, race or religion.

The TGS Statement of Values and Code of Conduct define the expectations of ethical behavior of the TGS Board of Directors, employees, vendors and suppliers and will not use forced labor or child labor or tolerate human trafficking in any of its offices, operations or supply chain. As set forth in The TGS Modern Slavery Act Transparency Statement, Supplier Code of Conduct and Human Rights policy, each available on www.tgs.com, TGS sets policies at the Group level, applicable to employees and suppliers providing services on behalf of the Company. TGS is committed to ensuring that there is no modern slavery, child labor or human trafficking in its operations or supply chain. Understanding and preventing human rights abuses in the workplace and supply chain is a key part of TGS annual compliance training for all employees.

TGS analyzes human rights and modern slavery risks within the organization and our supply chain. TGS employees are highly skilled and educated, and predominantly based in offices. Further, the offshore crews must undergo multiple levels of certification and training, and there are mandated rotation periods set by law and industry for the health and safety of the crew. As such, given the criteria for the jobs and industry mandates in operations, TGS considers the risk of severe human rights abuses in its workforce to be low.

With respect to our supply chain, TGS conducts due diligence on suppliers providing services with a high-risk potential for human rights violations in our operations, such as those providing labor services and/or providing supplies/services from regions with known areas of human rights violations, in accordance with the process set forth in the OECD Guidelines for Multinational Enterprises and OECD Due Diligence Guidance for Responsible Business Conduct. This due diligence process includes: (i) evaluating their labor, QHSE, business conduct practices to identify and assess any adverse impacts; (ii) ensuring their understanding of human rights and labor laws and willingness to prevent, mitigate or remediate any adverse impacts; (iii) entering into contracts with sufficient provisions outlining their human rights obligations and requirements to abide by the TGS Supplier Code of Conduct, Human Rights and QHSE policies, applicable labor and human rights laws with the right to terminate and seek indemnification for failure to do so; and (iv) monitoring their performance to ensure compliance. More information on the supplier due diligence process may be found in section IV.E.

TGS internal and external stakeholders, including suppliers, can report potential non-compliance with the law or the TGS Code of Conduct, including modern slavery or human rights abuses through the TGS hotline, which is publicly available and allows for anonymous reporting, as well as to the TGS Compliance department. No incidents of human rights abuses, including child labor, forced labor or human trafficking, were reported in 2023. TGS material human rights metrics relevant to our performance and actions discussed in this section may be found in the Sustainability Metrics in Appendix I to this Report.



C. HEALTH & SAFETY

TGS is committed to providing a safe, healthy and sustainable workplace for our employees, contractors, vendors and clients. Our workforce is our greatest asset, and we are committed to minimizing the risks to people who may encounter or subsequently be affected by our activities. As noted in the table below, safeguarding the health and safety of our workforce is critical to TGS success as several impacts, risks, and opportunities have been identified as being material to the company. TGS management continually strives to eliminate risk and reduce hazards, but successful operations can only be achieved through the full cooperation and commitment of all TGS employees, service providers, and contractors. TGS material health and safety metrics relevant to our performance and actions discussed in section III.C may be found in the Sustainability Metrics in Appendix I to this Report.

1. Health and safety policies and procedures

a. QHSE management system

TGS defines safe operating procedures and guidelines in its QHSE Management System (QHSE-MS) which is designed to meet or exceed all appropriate legal requirements and, in the absence of any defined standards, to meet or exceed industry-wide best operating practices. The QHSE-MS scope covers all of TGS operations and applies to all employees and contractors providing services on behalf of the company. At the onset of the TGS acquisition of Magseis Fairfield, a QHSE-MS integration and implementation plan was developed to outline a framework for merging the two systems, and they were successfully merged and implemented during Q4 of 2023. In 2023, the TGS QHSE-MS underwent one internal audit by a third party ISO auditor, one external annual ISO surveillance audit by a third-party auditor to verify that the Acquisition Business unit (certified under ISO9001:2015, 14001:2015, and 45001:2018) and the QHSE-MS continues to meet ISO requirements, and one external supplier QHSE-MS audit through MagnetJQS. TGS also actively engages with relevant trade associations, such as the EnerGeo Alliance and the International Association of Oil & Gas Producers (IOGP), as well as competent governmental authorities, to develop, implement, and continuously update and improve our QHSE standards and system. Lastly, TGS Canada Land Operations division received 90% on the Government of Alberta's Certificate of Recognition, making it the seventh consecutive year in a row that TGS has scored 90% or higher on an external audit of its health and safety program.

b. Operations

Prior to commencing field operations, TGS engages with its service providers, suppliers, clients and subcontractors in producing and reviewing project QHSE-related documents, including HSE project plans, hazard assessments, crew HSE plans and emergency preparedness documents. Emergency response and crisis management procedures for field operations are outlined in the TGS QHSE-MS, and quarterly tabletop drills are conducted by the TGS Operational Emergency Response Teams (OEMT) in the U.S., UK and Norway to ensure readiness in case of an emergency or crisis situation.

TGS monitors and assesses QHSE performance on field operations by tracking and reviewing leading and lagging HSE indicators and targets. The Operations HSE department ensures that adequate details on incidents and other operational HSE events are captured in the TGS QHSE management software (Insite), and that root causes, action items and lessons learned are identified and properly communicated. TGS requires that all near-miss and high-potential (HIPO) events are reported to identify and share lessons learned, to ensure adequate mitigation measures were implemented, and to safeguard personnel and equipment. For multi-client operations acquired by a marine or land geophysical acquisition contractor, TGS assists and participates in incident investigations. QHSE performance is tracked and cataloged through the TGS QHSE management software (Insite), allowing TGS to continuously monitor its QHSE performance across all of its field operations. Upon completion of a survey, TGS reviews all aspects of a project's QHSE performance to identify and discuss areas for improvement, lessons learned, and QHSE improvement opportunities. QHSE statistics and performance are reviewed with the senior management team on a quarterly basis and on a weekly basis with the Acquisition Business unit's management team.

In 2023, TGS achieved full compliance with vessel QHSE audit requirements, and the TGS Marine Assurance department ensured that all outstanding action items were properly rectified before the start of acquisition. Additionally, TGS conducted a QHSE-MS audit of one of its field contractors in Q1 2023 to verify that its procedures and approach to managing QHSE on field operations were aligned with industry standards and TGS expectations.

c. Channels for reporting QHSE incidents

The VP of QHSE provides QHSE information, training and resources to employees through regularly scheduled safety meetings, inspections and audits, lunch and learn opportunities and Company-wide communications. All employees and contractors are empowered to intervene and STOP any operation or activity that they feel is unsafe or hazardous, with the knowledge that such action will be fully supported by management. All employees are required to complete an annual training course that outlines how to report incidents, and all incidents and near misses are captured in the TGS QHSE management software (Insite). Line managers are responsible for investigating all incidents and near misses, and the investigation must be proportional to the severity of the actual or potential outcome to ensure that proper root causes, and recommended corrective or preventative actions, are properly identified.

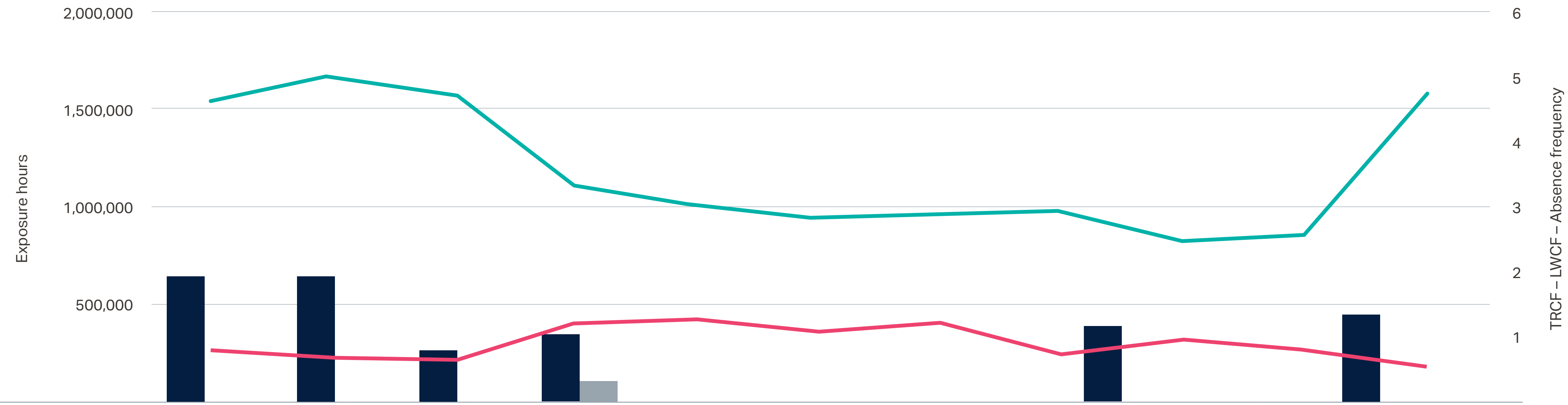
2. TGS workplace and field operations

TGS Employees: TGS recorded 1,566,440 office exposure hours and there were no lost workday cases (LWC), or recordable injuries reported for TGS employees in the office or in the field.

TGS conducted its field operations with a combination of TGS employees (proprietary marine nodal operations), established marine and onshore geophysical acquisition contractors, service providers and suppliers. All were selected based on their experience, technology, sustainability, commitment to the environment, HSE performance and operational track record. In 2023, TGS field operations accounted for 7,341,235 total exposure hours and 264,183 miles driven (425,161 km).

2023 saw a significant increase in total exposure hours, particularly for field operations (227% increase from 2022) where the addition of Magseis Fairfield's operations and activities increased our field exposure hours. TGS captured 10 recordable injuries (vs. 4 in 2022), none of which were sustained by a TGS field-based employee. For marine operations, this included two lost workday injuries, two restricted work cases and five medical treatment cases. One medical treatment case was recorded on an onshore acquisition project and there were no motor vehicle accidents (MVAR = 0.0). In 2023, TGS achieved an annual combined TRCF and LWCF of 1.12 and 0.22, respectively, meeting its 2023 TRCF target of <6.0 (2022 TRCF = 1.62, LWCF = 0.0).

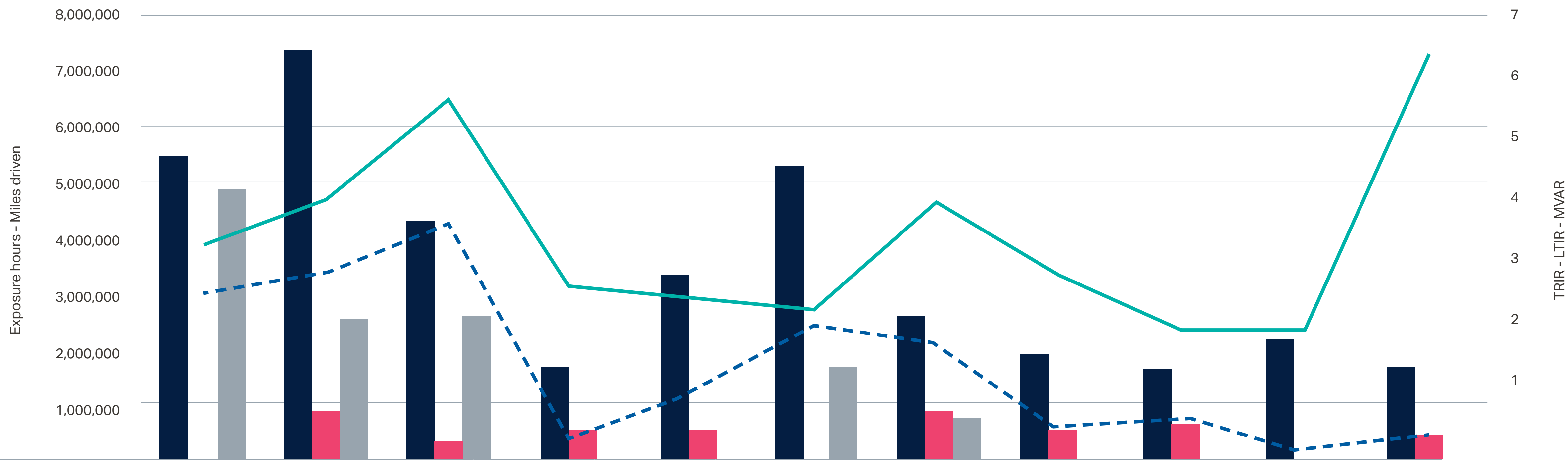
Employee HSE statistics: 2013 – 2023



	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
TRCF	0.65	1.81	0.64	0.91	0	0	0	1.03	0	1.19	0
LTIR	0	0	0	0.18	0	0	0	0	0	0	0
Exposure hours	1,544,897	1,661,075.61	1,562,934.24	1,103,829	991,765	937,044	954,685	966,411	812,142	839,324.42	1,566,440
Sick days taken	1,327	1,193	1,040	1,536	1,421	1,135	1,311	752	862	724	810
Absence frequency	0.69	0.57	0.53	1.11	1.15	0.97	1.1	0.62	0.85	0.690272303	0.41

Total Recordable Case Frequency (TRCF) & Lost Workday Case Frequency (LWCF) are calculated per 1 million exposure hours. TGS tracks eight hours of exposure per day and per employee.

Field crew and contractor HSE statistics: 2013 – 2023



	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
TGS TRCF	4.72	6.45	3.71	1.34	2.84	4.6	2.18	1.55	1.33	1.79	1.36
TGS LWCF	0	0.64	0.15	0.34	0.35	0	0.65	0.31	0.44	0	0.27
MVAR	4.21370944	2.118458767	2.155247765	0	0	1.324945545	0.500435128	0	0	0	0
Exposure hours	3,812,190	4,646,905	6,466,839.83	2,975,591.55	2,821,187	2,607,162	4,590,692.15	3,232,980.98	2,258,284.46	2,240,400	7,341,234
Miles	2,847,819	3,304,289	4,175,854	235,736	1,022,689	2,264,244	1,998,261	424,940	581,457	7,839	264,183

Total Recordable Injury Rate (TRIR) and Lost Time Injury Rate (LTIR) are calculated per 1 mil. exposure hours. Motor Vehicle Accident Rate (MVAR) is calculated per mil. miles driven. TGS records 24 hours of exposure for marine crews, and 12 hours of exposure for onshore crews.

TGS participated in the 2023 Hess Houston Corporate 5K at Memorial Herman Park on 19 October 2023 with employees running alongside 8,000 other participants from over 200 other companies to benefit the Memorial Park Conservancy.

D. COMMUNITIES

TGS conducts operations around the world and aims to positively impact the local communities in which we live and operate by promoting economic development and energy security, and by providing jobs, training and other local resources. TGS recognizes the importance of working with local communities, indigenous people, fishing communities, landowners and other stakeholders when conducting operations around the globe. This includes taking into account local issues and concerns, respecting local laws, traditions and customs, and remediating any negative impacts caused by our operations.

TGS aforementioned policies and procedures on the environment, QHSE, discrimination and harassment, human rights, and business conduct (discussed below) apply equally to TGS employees and service providers when engaging with local communities, indigenous people and other external stakeholders on TGS operations. For TGS onshore and offshore projects, TGS identifies the relevant local stakeholders, whether that is local communities, indigenous people, fishing communities or landowners and creates an engagement plan specific to that project. Where TGS provides resources and training to communities, TGS has due diligence and compliance policies that must be followed to ensure that the programs and funds are provided to the intended groups and communities for the intended purpose.

External stakeholders may provide feedback on a particular project through designated commercial channels or throughout the permitting process for that project. The permitting process for projects has designated feedback mechanisms for affected stakeholders to raise concerns about a particular project's impact on a local community. The TGS compliance hotline is also publicly available for external stakeholders to report alleged non-compliance with the law (e.g., potential human rights abuses) by TGS or its contractors for TGS to investigate and remediate. Each incident reported to TGS through its hotline is investigated and addressed based upon the findings of that investigation. Finally, TGS requires its contractors on projects to abide by TGS policies and procedures and to report any non-compliance to TGS.

TGS is also committed to supporting local, nonprofit community organizations and charities that focus their services on people and are dedicated to (i) providing access to healthcare, medical services and helping to fight disease; (ii) assisting underprivileged, underrepresented or at-risk communities or groups; (iii) providing humanitarian aid or disaster relief; (iv) addressing environmental issues; or (v) promoting geophysics and geoscience educational experiences to children. TGS also actively supports reputable charitable programs and organizations that serve people in need in countries where TGS has offices or projects by providing ongoing financial donations, as well as encouraging employees to donate their time and energy to help those in society who are less fortunate. In 2023, TGS held events throughout its offices to collect food or other items of need and raise funds for various charitable organizations, as well as provide donations to charitable organizations in recognition of employees' support and efforts.

E. CUSTOMERS

TGS is responsible for ensuring it provides customers quality products and world class customer service. Through constant customer engagement and feedback, we aim to understand our customer expectations and continuously strive to meet those expectations.

TGS works with our customers to ensure we are aligned on our sustainability policies and standards in our operations, and we actively participate in customer due diligence processes and audits. Through industry groups and consortia, TGS collaborates with customers on sustainability, technology and commercial initiatives. TGS holds customer symposia to discuss commercial strategies, technological efficiencies, feedback on projects and opportunities for future collaboration.

Customer feedback is critical to TGS being able to provide quality products and services, and TGS obtains customer feedback in a variety of ways. Prior to initiating the project, TGS ensures the client has a full and complete understanding of TGS commercial, technical and operational capabilities, QHSE policies and practices, human rights and labor practices, business conduct and compliance program, and cybersecurity program as part of the client's due diligence process. Throughout project planning and execution, TGS holds regular meetings with key client groups to ensure the projects are progressing as planned and adjusting based upon feedback. Post-project completion, TGS will solicit feedback and hold sessions with the client to identify areas for improvement and areas of success.

In the event the client has concerns about the quality of TGS product or services, those can be raised through the commercial channels and at the various meetings throughout the project. In addition, as with all external stakeholders, concerns relating to non-compliance with the law or policy by TGS or its contractors on a project may be raised directly to TGS Compliance or Legal departments or to TGS compliance hotline for TGS to investigate and remediate. Each incident reported to TGS through its hotline is investigated and addressed based upon the findings of that investigation.

1. Technology and innovation

TGS believes in collaboration with other geologists, geoscientists, data scientists and engineers to encourage innovation within our industry and within the Company.

TGS capitalized USD 22.2M (USD 12.1M in 2022) corresponding to 2.8% of net revenues (IFRS). TGS hosted, sponsored and/or presented virtually or in-person at over 88 geoscience and engineer industry events designed to share advancements in imaging, data analytics, geoscience, well data technologies and solutions for the energy transition. Significant events included the National Association of Petroleum Engineers (NAPE) Summit, the combined annual meeting and conference for the Society of Exploration Geophysicists (SEG) and American Association of Petroleum Geologists (AAPG), and the European Association of Geoscientists and Engineers (EAGE) Annual Meeting. TGS works with academia and universities around the world to provide data to further their research; and in 2023, TGS supported research projects and consortia at Stanford University, The University of Texas at Austin, University of Alberta, Colorado School of Mines, Delft University of Technology, University of Bergen, Aarhus University, University of Oslo and the University of Leeds.

TGS exhibiting at WindEurope Conference in London.

IV. Business conduct

A. OVERVIEW

TGS is committed to complying with all applicable laws, including fair competition and antitrust, export controls and trade sanctions, anti-corruption and anti-bribery, and insider trading. We engage in ethical and fair business practices with our clients, partners, suppliers and other third parties. In return, TGS expects the highest levels of personal conduct and fair dealing from all its employees, the Board of Directors, partners and any third parties retained on behalf of the Company. TGS believes in competition and endeavors to not take an unfair advantage in a business situation by acting illegally or unethically, or by abusing or misusing confidential information.

B. GOVERNANCE

The Audit Committee is comprised of three members of the TGS Board of Directors, all independent from TGS, who are responsible for overseeing the TGS compliance program, internal controls and risk management, as well as financial reporting and accounting. The TGS EVP, People & Sustainability, serves as the TGS Compliance Officer and oversees the TGS Compliance Department. The Compliance Officer, along with the CFO and EVP, Legal, all report to the CEO, sit on the Executive Leadership Team, and participate in regular leadership meetings, annual planning sessions and departmental business reviews. The Compliance Officer attends and participates in the Audit Committee meetings, along with the CFO and General Counsel, and provides quarterly reports to the Board on the TGS compliance program. The Compliance Officer is also responsible for managing the TGS Code of Conduct and the Compliance hotline, and oversees the Director of IT and Data Security, who is responsible for the TGS cybersecurity program. The TGS CFO is responsible for overseeing the TGS finance department and developing and implementing the TGS tax strategy, as well as TGS accounting, financial reporting and internal controls. The TGS EVP, Legal, General Counsel and Corporate Secretary is responsible for managing the TGS legal department and advising the Company on the legal risks related to its undertakings, as well as serving as Corporate Secretary and managing the Company's corporate governance.

C. CODE OF CONDUCT & WHISTLEBLOWER POLICY

The TGS Code of Conduct, which is approved by the Board and applies globally to all TGS operations, sets the standard of responsible conduct and fair business practices for every TGS employee and serves as the Company's ethical roadmap to ensure all employees perform their duties with honesty, integrity, and in accordance with the law. As part of the TGS Code of Conduct, TGS does not permit political donations or campaign contributions to be made on behalf of the Company or in the name of the Company. As such, TGS made no political donations or campaign contributions in 2023.

Employees are educated on compliance risks, as well as on TGS policies and procedures, and on key topics within our Code of Conduct, through in-person workshops and mandatory e-learning sessions that employees must complete each year. TGS annual 2023 compliance training included components on anti-corruption and anti-bribery, trade controls and sanctions, human rights and modern slavery, as well as discrimination and harassment.

As set forth in the TGS Whistleblower Policy, TGS provides employees and external stakeholders, including customers, suppliers, partners, or others, the TGS Compliance hotline, which is publicly available and allows for anonymous reporting, to report potential non-compliance. In addition, the TGS dedicated Compliance Officer and compliance department advises business units and employees on compliance matters and is available for employees and suppliers to seek advice regarding compliance with the TGS Code of Conduct and compliance program.

The TGS Code of Conduct expressly prohibits retaliation against those who report or cooperate in an investigation. All reported potential violations of the law and Code of Conduct are investigated, including discrimination and harassment, insider trading, conflicts of interest, financial fraud and corruption issues. All reports are addressed based upon the findings of the subsequent investigation, and the findings are reported internally. TGS had no material issues of non-compliance with the TGS Code of Conduct nor did TGS receive any fines or penalties related to any violations of laws or regulations related to human rights, insider trading, antitrust and anti-competition, corruption, trade controls or sanctions, or financial fraud in 2023.

TGS material business conduct metrics relevant to our performance and actions discussed in section III.C-G may be found in the Sustainability Metrics in Appendix I to this Report.

September 1, 2023

TGS

TGS Whistleblower Policy

TGS is committed to creating an environment where employees and contractors (collectively "**Employees**") feel comfortable and confident to ask questions, seek advice and raise concerns within the company. This policy outlines a procedure for Employees to report actions that an employee suspects violates the TGS Code of Conduct, a law, or any other regulation.

If an Employee suspects that an Employee or TGS has engaged in any action that violates the TGS Code of Conduct, any applicable law, regulation, or any other action that constitutes a fraudulent practice, the employee is expected to immediately report such information. TGS recognizes that raising potential issues is not always easy, and therefore, TGS has provided several avenues for you to report concerns:

- Notify your manager or your manager's supervisor if you become aware of any activity you think is a violation of the Code of Conduct or applicable law
- Contact TGS' Compliance Department via email, phone, or in-person (**compliance@tgs.com** or **(713) 860-2201**)
- Report your concern, anonymously if preferred, to the TGS Hotline which is available here: **www.tgs.ethicspoint.com**

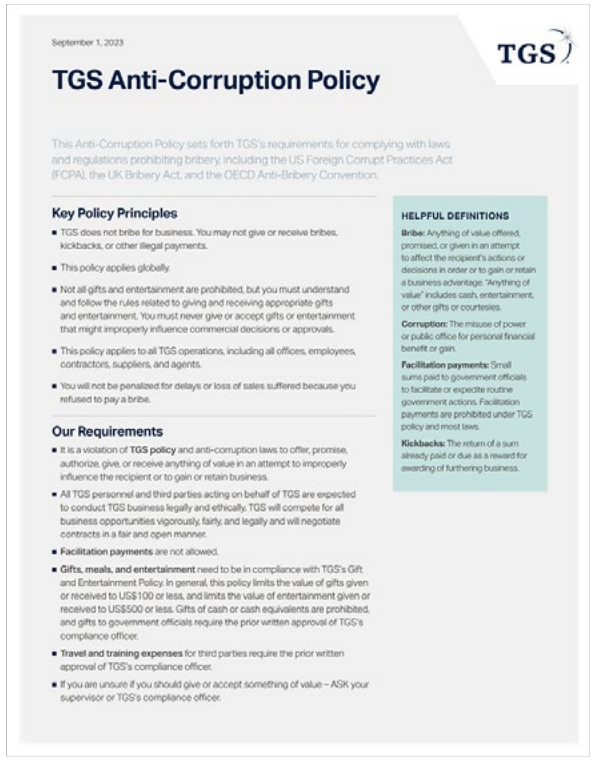
All reports will be followed up promptly, and an investigation will be conducted under the Compliance Department's supervision. TGS expects its Employees to cooperate in the investigation of suspected violations. The Compliance Department will not, to the extent practical and appropriate under the circumstances and the law, disclose the identity of anyone who reports a suspected violation or who participates in an investigation. Because failure to report criminal activity can itself be understood to condone the crime, we emphasize the importance of reporting. Failure to report knowledge of wrongdoing may result in disciplinary action against those who fail to report.

TGS will not tolerate any form of retaliation directed against any person who raises a concern in good faith about a possible violation of the Code of Conduct or the law, even if the report does not turn out to be an actual violation, or who cooperates in any related investigation or proceeding. Any threat or act of retaliation against TGS Employees will be treated as a serious violation of the Code of Conduct. Acting in good faith means that you have made a sincere report in a responsible manner through any of the channels listed above.

All reports made, along with any related information, will be kept strictly confidential in accordance with applicable laws and TGS policies. Any personal data collected as part of a report will be processed in accordance with the TGS Privacy Policy. Relevant documentation that must be shared with the Board of Directors for the purposes of annual compliance reporting will be anonymized unless otherwise required under applicable laws.

Employees will be trained on this policy and TGS' prohibition against retaliation in accordance with this policy.

Energy Starts With Us
TGS.com



September 1, 2023

TGS

TGS Anti-Corruption Policy

This Anti-Corruption Policy sets forth TGS's requirements for complying with laws and regulations prohibiting bribery, including the US Foreign Corrupt Practices Act (FCPA), the UK Bribery Act, and the OECD Anti-Bribery Convention.

Key Policy Principles

- TGS does not bribe for business. You may not give or receive bribes, kickbacks, or other illegal payments.
- This policy applies globally.
- Not all gifts and entertainment are prohibited, but you must understand and follow the rules related to giving and receiving appropriate gifts and entertainment. You must never give or accept gifts or entertainment that might improperly influence commercial decisions or approvals.
- This policy applies to all TGS operations, including all offices, employees, contractors, suppliers, and agents.
- You will not be penalized for delays or loss of sales suffered because you refused to pay a bribe.

Our Requirements

- It is a violation of **TGS policy** and anti-corruption laws to offer, promise, authorize, give, or receive anything of value in an attempt to improperly influence the recipient or to gain or retain business.
- All TGS personnel and third parties acting on behalf of TGS are expected to conduct TGS business legally and ethically. TGS will compete for all business opportunities vigorously, fairly, and legally and will negotiate contracts in a fair and open manner.
- **Facilitation payments** are not allowed.
- **Gifts, meals, and entertainment** need to be in compliance with TGS's Gift and Entertainment Policy. In general, this policy limits the value of gifts given or received to US$100 or less, and limits the value of entertainment given or received to US$500 or less. Gifts of cash or cash equivalents are prohibited, and gifts to government officials require the prior written approval of TGS's compliance officer.
- **Travel and training expenses** for third parties require the prior written approval of TGS's compliance officer.
- If you are unsure if you should give or accept something of value – ASK your supervisor or TGS's compliance officer.

HELPFUL DEFINITIONS

Bribe: Anything of value offered, promised, or given in an attempt to affect the recipient's actions or decisions in order or to gain or retain a business advantage. "Anything of value" includes cash, entertainment, or other gifts or courtesies.

Corruption: The misuse of power or public office for personal financial benefit or gain.

Facilitation payments: Small sums paid to government officials to facilitate or expedite routine government actions. Facilitation payments are prohibited under TGS policy and most laws.

Kickbacks: The return of a sum already paid or due as a reward for awarding of furthering business.

TGS had no material issues of non-compliance with the TGS Code of Conduct nor did TGS receive any fines or penalties related to any violations of laws or regulations related to human rights, insider trading, antitrust and anti-competition, corruption, trade controls or sanctions, or financial fraud in 2023.

D. ANTI-CORRUPTION & ANTI-BRIBERY PROGRAM

TGS recognizes that preventing bribery and corruption in its operations is essential in today's business environment. TGS works to ensure that its employees, as well as partners and third parties, understand and are sensitive to the legal requirements that apply to the Company's operations. These include the U.S. Foreign Corrupt Practices Act, the U.K. Bribery Act, relevant sections of the Norwegian Penal Code, the OECD Convention on Combating Bribery of Foreign Public Officials in International Business, and the anti-bribery and anti-corruption laws of the various countries in which TGS operates or conducts projects.

TGS has a variety of policies and procedures to ensure compliance with anti-corruption laws, including the TGS Anti-corruption Policy and Supplier Code of Conduct, as well as procedures that address training and social welfare provided as part of government obligations, engagement of high-risk third parties, giving or receiving gifts or entertainment. The TGS Anti-corruption policy expressly prohibits bribery, kickbacks and other illegal payments, as well as facilitation payments and political contributions on behalf of the Company.

TGS conducts a risk-based analysis that assesses the potential anti-corruption risks of projects. This analysis includes a review of the scope of the project; the countries in which it will take place; the use of any partners, consultants, suppliers or vendors; and the necessary mitigation measures to combat the corruption risk. Only a small portion of TGS revenues (<1%) derive from projects located in the 20 countries ranked lowest by Transparency International in its Corruption Percentage Index.

TGS conducts due diligence on partner and third-party relationships (based upon various risk factors including geographic location and nature of services) at the outset of the relationship and updates the information on a regular basis throughout the relationship and incorporates compliance provisions in the agreements that prohibit bribery and corruption. The Company continues to require these third parties to certify their compliance with the TGS Anti-corruption Policy and complete online anti-corruption training. TGS also reviews payments made by these third parties on a quarterly basis. TGS had no reported anti-corruption violations by its international agents in 2023.

Only a small portion of TGS revenues (<1%) derive from projects located in the 20 countries ranked lowest by Transparency International in its Corruption Percentage Index.

E. SUPPLY CHAIN MANAGEMENT

Supply chain management is critical to TGS success and TGS operates in accordance with the OECD Guidelines for Multinational Enterprises and the Norwegian Transparency Act. To ensure our supply chain understands TGS priorities and incorporates similar priorities into its business, TGS maintains a Supplier Code of Conduct that addresses (i) business and ethics integrity, (ii) health, safety and the environment and (iii) labor and human rights and expects its suppliers to share TGS commitment to these issues.

As previously noted in the Human Rights section III.B, TGS conducts a risk-based due diligence approach with respect to its supply chain that takes into account the scope of services, where the services are to be performed, and the nature of the third party. As part of this risk-based approach, TGS evaluates a supplier's compliance, health and safety, environmental, human rights, or other practices to ensure they are aligned with TGS policies and procedures and are sufficient for the scope of services to be performed.

TGS focuses its supplier due diligence on offshore seismic operators, vessel providers, onshore and offshore crew providers, environmental impact assessment providers, onshore seismic operators, and customs' brokers. Those suppliers operating in areas or providing services with known human rights violations, corruption, health and safety issues, or other legal risks are subjected to a more rigorous due diligence process. As part of its due diligence process, TGS requires suppliers to disclose their policies and procedures, including those pertaining to human rights, health and safety, business conduct, and other key areas, and identify any investigations, lawsuits or violations related to those topics involving the supplier. TGS works with partners and third parties to stress the importance of operating sustainably, ethically and in compliance with the law and TGS policies and incorporates compliance language into our contracts with third parties in proportion to the risk and nature of services to be provided. TGS contractually requires suppliers to comply with the laws applicable to TGS, including human rights, labor and anti-corruption laws, as well as TGS policies such as the Supplier Code of Conduct, to ensure their supply chains do the same in their work for TGS, and to notify TGS of any potential or actual violation of these laws. TGS has the contractual right to audit a supplier or vendor to ensure compliance with the law and the contract as well as the right to terminate for violation of these laws or TGS policy. Finally, high-risk third parties, suppliers and vendors also complete a certification of compliance on an annual basis that addresses their compliance with their contract with TGS, the law, including human rights, labor and modern slavery laws, and TGS policies, specifically TGS Supplier Code of Conduct, human rights, anti-corruption and QHSE policies.

In the event a third party fails to operate in accordance with TGS policies, procedures, or the law, TGS will implement suitable measures to cease, prevent or mitigate the third party's actions, which may include termination of the relationship, remediation, and other viable options available under the law. TGS had no cause to terminate a supplier for failure to comply with the law, the TGS Supplier Code of Conduct or TGS human rights policies in 2023.

COMPLIANCE DEPARTMENT

Conducts due diligence to evaluate and assess the risk and mitigation steps needed in relation to corruption and bribery risk, human rights and human trafficking risks, reputation and business conduct. This may include evaluating the companies' corporate records, policies and procedures, understanding of relevant laws, conducting public record and litigation searches and third-party investigations depending upon the potential risks identified by services to be provided by that supplier.

QHSE DEPARTMENT

Conducts due diligence to evaluate and assess the risk and mitigation steps needed in relation to the health and safety risks related to the services the supplier will be providing on behalf of TGS. This may include evaluating the supplier's policies and procedures, providing additional QHSE training, and ensuring that they have sufficient insurance in relation to the services to be provided.

FINANCE DEPARTMENT

Evaluates the supplier from a credit, tax, and commercial standpoint to ensure the supplier understands the financial risk and advises on any mitigation measures that may be needed.

LEGAL DEPARTMENT

Ensures that there is a contract in place with appropriate compliance, QHSE, legal and finance provisions prior to any services being provided. This includes obligations to comply with the law, TGS policies and procedures, as well as audit and indemnification rights for failure to comply.

F. CYBERSECURITY PROGRAM

The TGS Board of Directors and Leadership Team oversee TGS cybersecurity strategy and receive periodic reports on TGS data security efforts and any notable information security incidents from the TGS Cybersecurity department. In 2023, the Cybersecurity Strategy was presented to the Board of Directors. In addition, the Board was provided guidance on the expected evolution of the cyber threat landscape over the next several years with particular attention paid to the rapid development of generative AI. TGS cybersecurity risks and strategy are evaluated annually as part of the TGS annual risk enterprise program.

TGS aligns its cybersecurity practices with the NIST Cybersecurity Framework. Annual assessments are conducted to evaluate the current maturity state and aid in the development of the cybersecurity program. The Company promotes cybersecurity awareness and education throughout the organization through training and special in-person sessions for employees on the topics of data sensitivity, spear phishing, strong password practices, fraud, etc. In 2023, TGS conducted a third-party Penetration Test and Vulnerability Assessment and incorporated the results and subsequently recommended corrective actions into the Company's Cybersecurity Roadmap. Quarterly Anti-Phishing campaigns continued throughout the year to measure the effectiveness of the security training and awareness program, the results of which are shared with senior leadership. Our Prediktor business unit successfully renewed their ISO 27001 certification in December, indicating its commitment to compliance with international information security standards. TGS also continues to maintain a robust cyber insurance program. Due to TGS cybersecurity efforts, the Company was not materially impacted by any cybersecurity incidents in 2023.

G. TAX MANAGEMENT

As part of its global operations, TGS is exposed to different kinds of taxes, including income taxes, withholding taxes, sales taxes, customs and social security taxes, and is committed to complying with the letter and spirit of tax laws and regulations in the countries in which it operates. The TGS Tax policy is set by the Board and managed by the Finance department's tax manager who reports to the CFO, participates in Audit Committee meetings and engages with external and local tax consultants who are independent from our auditors, when necessary. Given that TGS operates globally and conducts projects in different jurisdictions, TGS assesses the different tax risks as part of the project approval process so that the Company understands its exposure to these risks, including double taxation, and structures each project to optimize tax consequences. TGS does not use tax havens or offshore tax centers, nor do we transfer value created to lower tax jurisdictions solely for a more favorable tax regime.

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Appendix I: Sustainability Metrics

General

Section I

CATEGORY	METRIC	UNIT	2023
Board	Board members	number	**7**
	Employee representatives on Board	number	**0**
	Independent Board members	percentage	**7**
	Women on board	percentage	**43%**
Revenue	Percentage of revenue by region: Latin America revenue	percentage	**30%**
	Percentage of revenue by region: North America revenue	percentage	**34%**
	Percentage of revenue by region: Europe revenue	percentage	**17%**
	Percentage of revenue by region: Africa, Middle East revenue	percentage	**10%**
	Percentage of revenue by region: Asia & Australia revenue	percentage	**8%**
	Percentage of revenue by region: Other	percentage	**0%**
Tax	Tax by country: Norway	USD millions	**24.0**
	Tax by country: Guyana	USD millions	**15.1**
	Tax by country: U.S.	USD millions	**6.6**
	Tax by country: UK	USD millions	**3.0**
	Tax by country: Brazil	USD millions	**16.7**
	Tax by country: Australia	USD millions	**3.1**
	Tax by country: Canada	USD millions	**2.7**
	Tax by country: Nigeria	USD millions	**6.6**
	Tax by country: Other	USD millions	**1.2**

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Environment: Climate Change

Section II.A

CATEGORY	METRIC	UNIT	2023	2022	2021	2020
CO_2e emissions	Scope 1	thousands of metric tons	**76.102**	<1	<1	<1
	Scope 2 (location based)	thousands of metric tons	**9.738**	9.776	11.113	12.562
	Scope 2 emission by country: U.S.	thousands of metric tons	**9.6**	9.7	11.03	11.795
	Scope 2 emission by country: UK	thousands of metric tons	**<1**	<1	<1	<1
	Scope 2 emission by country: Norway	thousands of metric tons	**<1**	<1	<1	<1
	Scope 2 emission by country: Brazil	thousands of metric tons	**<1**	<1	<1	<1
	Scope 2 emission by country: Canada	thousands of metric tons	**<1**	<1	<1	<1
	Scope 2 emission by country: Australia	thousands of metric tons	**<1**	<1	<1	<1
	Scope 2 emission by country: Other	thousands of metric tons	**<1**	<1	<1	<1
	Total scope 1 and 2	thousands of metric tons	**85.84**	9.78	11.113	12.9
	Scope 3, category 4: Upstream transportation and distribution	thousands of metric tons	**290.502**	119.870	133.488	147.275
	Total tracked scope 3	thousands of metric tons	**290.502**	119.870	133.488	147.275
Emissions intensity	GHG emissions' intensity – scope 1 and 2	metric tons of CO_2e per employee	**98.32**	not available	not available	not available
	GHG emissions' intensity – scope 1, 2 and 3	metric tons of CO_2e per employee	**431**	not available	not available	not available
	GHG emissions' intensity – scope 1 and 2	thousands of metric tons of CO_2e per USD (000s) revenue	**.1081**	not available	not available	not available
	GHG emissions' intensity – scope 1, 2 and 3	thousands of metric tons of CO_2e per USD (000s) revenue	**.4738**	not available	not available	not available
Energy consumption	Total energy consumption	thousands of MWh	**27.543**	not available	not available	not available
	Purchased energy consumption	thousands of MWh	**25.873**	25.329	28.564	33.634
	Renewable energy	thousands of MWh	**1.67**	not available	not available	not available
Energy intensity	Total energy consumption intensity	thousands of MWh per employee	**0.03**	not available	not available	not available

Environment: Biodiversity

Section II.B

CATEGORY	METRIC	UNIT	2023	2022	2021	2020
Sites	Sites owned, leased or managed near biodiversity sensitive areas	number	**0**	0	0	0
Spills	Total reportable spills: All operations (onshore and offshore)	number	**0**	0	0	0
	Total reportable spills: Marine operations	number	**0**	0	0	0
	Total reportable spills: Onshore operations	number	**0**	0	0	0
Marine debris	Marine debris and discarded fishing gear removed during operations	metric tons	**8.07**	5.5	3.4	0

Environment: Waste & Resource Use

Section II.C

CATEGORY	METRIC	UNIT	2023	2022	2021	2020
Waste	Total waste recycled	Kilogram	**10,976**	not available	not available	not available

People: Global Workforce

Section III.A

CATEGORY	METRIC	UNIT	2023	2022	2021	2020
TGS global workforce	TGS global workforce	number	**873**	578	443	462
	Permanent employees	number	**867**	not available	not available	not available
	Temporary employees	number	**6**	not available	not available	not available
	Non-guaranteed-hours employees	number	**0**	not available	not available	not available
	Global workforce percentage by country: United States	percentage	**46%**	not available	67%	63%
	Global workforce percentage by country: Norway	percentage	**13%**	not available	8%	9%
	Global workforce percentage by country: United Kingdom	percentage	**18%**	not available	19%	18%
	Global workforce percentage by country: Offshore	percentage	**19%**	not available	0	0
	Global workforce percentage by country: Latin America	percentage	**2%**	not available	3%	3%
	Global workforce percentage by country: Australia and Asia Pacific	percentage	**2%**	not available	2%	2%
	Global workforce percentage: All management positions	percentage	**19%**	not available	not available	not available
	Global workforce percentage: Top management positions (max 2 levels from CEO)	percentage	**6%**	not available	not available	not available
	Global workforce percentage: Middle management positions	percentage	**8%**	not available	not available	not available
	Global workforce percentage: Junior management positions	percentage	**5%**	not available	not available	not available
	Employee engagement score	number	**67**	not available	not available	78
New hires	New hires: Total	number	**72**	62	47	49
	New hires by age: Less than 30 years old	percentage of new hires	**25%**	23%	11%	12%
	New hires by age: Between 30 and 50 years old	percentage of new hires	**54%**	55%	57%	69%
	New hires by age: Older than 50 years	percentage of new hires	**21%**	23%	32%	18%
	New hires by age: Average	number of years	**39.1**	not available	not available	not available
	New hires by gender	male percentage / female percentage	**68% / 32%**	65% / 34%	68% / 32%	65% / 35%
Employee turnover	Employee turnover: Total	number	**129**	not available	not available	not available
	Employee turnover: Voluntary	number	**75**	not available	not available	not available
	Employee turnover: Total	percentage	**15%**	not available	not available	not available
	Employee turnover: Voluntary	percentage	**9%**	10%	10%	11%
	Employee turnover by gender: Total	male percentage / female percentage	**76% / 24%**	not available	not available	not available
	Employee turnover by gender: Voluntary	male percentage / female percentage	**73% / 27%**	74% / 26%	60% / 40%	not available

People: Global Workforce (continued)

CATEGORY	METRIC	UNIT	2023	2022	2021	2020
Employee tenure	Tenure with Company: < 1 year	percentage	**8%**	not available	not available	not available
	Tenure with Company: 1 to <5 years	percentage	**33%**	not available	not available	not nvailable
	Tenure with Company: 5 to <10 years	percentage	**20%**	not available	not available	not available
	Tenure with Company: 10 to <15 years	percentage	**18%**	not available	not available	not available
	Tenure with Company: 15 to <20 years	percentage	**11%**	not available	not available	not available
	Tenure with Company: ≥20 years	percentage	**11%**	not available	not available	not available
	Global Workforce Tenure: Average	number of years	**9.1**	10	not available	not available
DEI: Gender	Women in global workforce	percentage	**23%**	27%	27%	29%
	Female permanent employees	percentage	**23%**	not available	not available	not available
	Female temporary employees	percentage	**33%**	not available	not available	not available
	Female non-guaranteed hours employees	percentage	**0%**	not available	not available	not available
	Management positions by gender (junior, middle and top)	male percentage / female percentage	**78% / 22%**	not available	not available	not available
	Executive Team by gender	male percentage / female percentage	**78% / 22%**	71% / 29%	63% / 38%	66% / 33%
	Junior management positions by gender (i.e., first level of management)	male percentage / female percentage	**87% / 13%**	not available	not available	not available
	Middle management positions by gender	male percentage / female percentage	**76% / 24%**	not available	not available	not available
	Top management positions by gender (max 2 levels from CEO)	male percentage / female percentage	**71% / 29%**	not available	not available	not available
	Revenue-generating managers by gender (e.g. sales)	male percentage / female percentage	**65% / 35%**	not available	not available	not available
	STEM-related positions by gender	male percentage / female percentage	**83% / 17%**	not available	not available	not available
DEI: Age	Global workforce percentage by age: Less than 30 years old	percentage	**5%**	7%	2%	3%
	Global workforce percentage by age: Between 30 to 50 years old	percentage	**56%**	56%	57%	70%
	Global workforce percentage by age: Older than 50 years	percentage	**39%**	38%	40%	37%
	Global workforce age: Average	number of years	**46.7**	not available	48	not available
DEI: Race	U.S. workforce race: Asian	percentage of U.S. workforce	**24%**	29%	31%	not available
	U.S. workforce race: Black or African American	percentage of U.S. workforce	**4%**	3%	3%	not available
	U.S. workforce race: Hispanic or Latino	percentage of U.S. workforce	**8%**	9%	9%	not available
	U.S. workforce race: White (not Hispanic or Latino)	percentage of U.S. workforce	**49%**	47%	46%	not available
	U.S. workforce race: American Indian or Alaska Native	percentage of U.S. workforce	**0%**	<1%	<1%	not available
	U.S. workforce race: Two or more races	percentage of U.S. workforce	**1%**	<1%	<1%	not available
	U.S. workforce race: Not disclosed	percentage of U.S. workforce	**13%**	10%	10%	not available
DEI training	Global workforce participation in annual compliance training: Diversity and Inclusion	percentage	**98.5%**	100%	100%	not available
Training and development	Annual performance review process participation	percentage of U.S. workforce	**99%**	99%	not available	not available
	Training and development	hours	**17,020**	2,330	not available	not available
	Average training hours per employee	hours per employee	**19.5**	21.6	18.6	5.8

People: Remuneration

Section III.A

METRIC	UNIT	2023
Pay gap: Global workforce	average pay between female and male employees as a percentage of male employees	86%
Pay gap: U.S. workforce	average pay between female and male employees as a percentage of male employees	81%
Pay gap: UK workforce	average pay between female and male employees as a percentage of male employees	84%
Pay gap: Norway workforce	average pay between female and male employees as a percentage of male employees	69%
Pay gap: Workforce excluding management positions	average pay between female and male employees as a percentage of male employees	84%
Pay gap: All management positions	average pay between female and male employees as a percentage of male employees	92%
Pay gap: Top management positions (max 2 levels from CEO)	average pay between female and male employees as a percentage of male employees	86%
Pay gap: Middle management positions	average pay between female and male employees as a percentage of male employees	82%
Pay gap: Junior management positions	average pay between female and male employees as a percentage of male employees	75%
Pay gap: Revenue-generating functions	average pay between female and male employees as a percentage of male employees	79%
Pay gap: STEM-related positions	average pay between female and male employees as a percentage of male employees	84%
CEO total remuneration compared to average employee total remuneration	ratio	11x
CEO base salary compared to median employee base salary	ratio	7.1x
Global workforce paid adequate wages	percentage	>99%
Global workforce covered against loss of income	percentage	100%

People: Family and Parental Leave

Section III.A

METRIC	UNIT	2023
Global workforce entitled to take family-related leave	percentage	100%
Entitled employees who took family-related leave overall	percentage	16%
Entitled employees who took family-related leave by gender	male percentage / female percentage	63% / 38%
Entitled employees who took family-related leave by country (with more than 50 employees): United States	male number / female number	7 / 3
Entitled employees who took family-related leave by country (with more than 50 employees): Norway	male number / female number	3 / 1
Entitled employees who took family-related leave by country (with more than 50 employees): United Kingdom	male number / female number	0 / 2
Entitled employees who took family-related leave with Company 12 months later	percentage	94%
Minimum number of weeks of family-related leave: Global	number	12 weeks
Minimum number of weeks of paid parental leave: Primary caregiver (United States)	number	16 weeks
Minimum number of weeks of paid parental leave: Secondary caregiver (United States)	number	12 weeks

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People: Health & Safety

Section III.B

CATEGORY	METRIC	UNIT	2023	2022	2021	2020
Health and Safety	Percentage of data coverage as percentage of employee work hours for injury and illness	percentage	**100%**	100%	100%	100%
	Percentage of data coverage as percentage of contractor work hours for injury and illness	percentage	**100%**	100%	100%	100%
QHSE Management System	Global workforce covered by QHSE Management System	percentage	**100%**	100%	100%	100%
	Global workforce covered by audited QHSE Management System	percentage	**100%**	100%	100%	100%
	Global workforce participation in annual QHSE training	98.5 percent	**98.5%**	99%	100%	100%
	Total hours QHSE training: Company (employees and contractors)	hours	**10,032**	not available	not available	not available
	Total Hours of QHSE Training: Field Crews (Offshore and Land Operations Employees + Contractors)	hours	**9,470**	not available	not available	not available
Fatalities	Fatalities: Employees	number	**0**	0	0	0
	Fatalities: Contractors	number	**0**	0	0	0
	Fatalities: Company (employees and contractors)	number	**0**	0	0	0
	Fatalities: Fatal accident rate	per 100 million work hours	**0**	0	0	0
Exposure hours	Total exposure hours: Employees	hours	**1,566,440**	839,324	812,141.851	966,411.19
	Total exposure hours: Contractors	hours	**7,341,235**	3,079,724.42	2,258,284.46	3,232,980.98
	Total exposure hours: Company Total	hours	**8,907,675**	3,919,049	3,070,426.311	4,199,392.17
Total recordable case frequency	Total recordable cases: Company (employees and contractors)	per million work hours	**10**	5	3	6
	Total recordable case frequency rate: Company (employees and contractors)	per million work hours	**1.12**	1.62	0.98	1.43
	Total recordable case frequency rate: Employees	per million work hours	**0**	1.19	0	1.03
	Total recordable case frequency rate: Contractors	per million work hours	**1.36**	1.79	1.33	1.55
Lost time incident	Total lost time incidents/injuries: Company (employees and contractors)	per million work hours	**2**	0	1	1
	Total lost time incident/injuries rate: Company (employees and contractors)	per million work hours	**0.22**	0	0.33	0.24
	Total lost time incident/injuries rate: Employees	per million work hours	**0**	0	0	0
	Total lost time incident/injuries rate: Contractors	per million work hours	**0.27**	0	0.44	0.31
	Total days lost due to work-related injuries and accidents: Company (employees and contractors)	days	**52**	NA	NA	NA
Lost days	Total days lost due to work-related injuries and accidents: Employees	days	**0**	0	0	0
	Total days lost due to work-related injuries and accidents: Contractors	days	**52**	NA	NA	NA
Sick days	Total sick days: Employees	days	**810**	724	862	752
Motor vehicle accidents	Motor vehicle accident rate: Company (employees and contractors)	per million miles	**0**	0	0	0
	Total miles	miles	**456,330**	7,839	581,457	424,940

People: Human Rights

Section III.C

METRIC	UNIT	2023
Forced labor, human trafficking or child labor incidents: Value chain	number	**0**
Fines, penalties or compensation paid related to discrimination incidents	USD	**0**
Forced labor, human trafficking or child labor incidents: Global workforce	number	**0**
Fines, penalties or compensation paid related to forced labor, human trafficking or child labor incidents	USD	**0**

Business Conduct

Section III.C

CATEGORY	METRIC	UNIT	2023
Code of Conduct	Global workforce participation in annual compliance training: Code of Conduct and Anticorruption	percentage	**98.5%**
	Number of reported incidents	number	**5**
	Confirmed incidents of corruption or bribery	number	**0**
	Fines or penalties for violation of anticorruption or antibribery laws	USD millions	**0**
	Net Revenue in countries with 20 lowest rankings on transparency international CPI	USD millions	**<1%**
	Fines or penalties for violation of antitrust or fair competition laws	USD millions	**0**
	Legal proceedings for outstanding or late payments to suppliers	number	**0**
	Financial and in-kind contributions to political campaigns	USD millions	**0**
Cybersecurity	Fines or penalties for data security breaches	USD millions	**0**
Supply chain	Total suppliers with spend	number of suppliers	**1,751**
Trade associates	Financial contributions to trade and industry associations	USD millions	**0.5**

Appendix II: GRI Index with ESRS References

Statement of use	TSG ASA has reported the information cited in this GRI content index for the period January 1, 2023 – December 31, 2023, with reference to the GRI Standards.
GRI 1 used	GRI 1: Foundation 2021
Point of contact	Questions regarding this report may be directed to compliance@tgs.com

GRI DISCLOSURE	ESRS REFERENCE	LOCATION
2-1 Organizational details		I.A; Annual Report
2-2 Entities included in the organization's sustainability reporting	ESRS 2 BP-1	I.D.3
2-3 Reporting period, frequency and contact point		Appendix II
2-4 Restatements of information	ESRS 2 BP-2	I.D.3
2-5 External assurance		I.B
2-6 Activities, value chain and other business relationships	ESRS 2 SBM-1	I.A; I.D.2; Annual Report
2-7 Employees	ESRS 2 SBM-1; S1-6	III.A; Appendix I
2-9 Governance structure and composition	ESRS 2 GOV-1; G1	I.D.1; II.A; IV.B
2-10 Nomination and selection of the highest governance body		Corporate Governance Report sec 7-8
2-11 Chair of the highest governance body		Corporate Governance Report sec 7-8
2-12 Role of the highest governance body in overseeing the management of impacts	ESRS 2 GOV-1; GOV-2; SBM-2; G1	I.D
2-13 Delegation of responsibility for managing impacts	ESRS 2 GOV-1; 2 GOV-2; G1-3	I.D
2-14 Role of the highest governance body in sustainability reporting	ESRS 2 GOV-5; IRO-1	I.D
2-16 Communication of critical concerns	ESRS 2 GOV-2; G1-1; G1-3	I.D.1; IV.C; Appendix I
2-17 Collective knowledge of the highest governance body	ESRS 2 GOV-1	I.D.1; II.A; IV.B
2-18 Evaluation of the performance of the highest governance body		Corporate Governance Report sec 9
2-19 Remuneration policies	ESRS 2 GOV-3; E1	I.D.1; III.A.3; Remuneration Policy
2-21 Annual total compensation ratio	ESRS S1-16	III.A.3; Appendix I
2-23 Policy commitments	ESRS 2 GOV-4; MDR-P; S1-1, S2-1, S3-1, S4-1, G1	III.A; III.B; III.C; IV.C-G.
2-24 Embedding policy commitments	ESRS 2 GOV-2, MDR-P, S1-4, S2-4, S3-4, S4-4, G1-1	III.A.5; III.B; III.C; IV.C-G

GRI Index with ESRS References (continued)

GRI DISCLOSURE	ESRS REFERENCE	LOCATION
2-25 Processes to remediate negative impacts	ESRS S1-1, S2-1, S3-1, S4-1	II.B.2; II.C.1-2; II.D; III.A.5; III.B; III.C; IV.C; IV.E
2-26 Mechanisms for seeking advice and raising concerns	ESRS S1-3, S2-3, S3-3, S4-3, G1-1	III.A.5; III.B; III.D; III.E; IV.C
2-27 Compliance with laws and regulations	ESRS 2 SMB-3, E2-4, S1-17, G1-4	III.A.5; III.B; III.C; IV; Appendix I
2-29 Approach to stakeholder engagement	ESRS 2 SMB-2, S1-1, S1-1, S2-1, S2-2 S3-1, S3-2, S4-1, S4-2	I.D.2
2-30 Collective bargaining agreements	ESRS S1-8	III.A; Appendix I
3-1 Process to determine material topics	ESRS 2 BP-1, IRO-1	I.D
3-2 List of material topics	ESRS 2 SBM-3	I.D.3.
3-3 Management of material topics	ESRS 2 SBM-1, SBM-3, MDR-P, MDR-A, MDR-M, MDR-T	II.B-D; III.A-E; IV.C-G
201-2 Financial implications and other risks and opportunities due to climate change	ESRS SBM-3, ESRS E1-3	II.B
205-1 Operations assessed for risks related to corruption	ESRS G1-3	IV.D
205-2 Communication and training about anti-corruption policies and procedures	ESRS G1-3	IV.D; Appendix I
205-3 Confirmed incidents of corruption and actions taken	ESRA G1-4	IV.D; Appendix I
206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices		IV.C; Appendix I
207-1 Approach to tax		IV.G
207-2 Tax governance, control and risk management		IV.G
207-4 Country-by-country reporting		Appendix I
302-1 Energy consumption within the organization	ESRS E1-5	II.B.3; Appendix I
302-3 Energy intensity	ESRS E1-5	Appendix I
304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	ESRS E4-5	II.C; Appendix I
304-2 Significant impacts of activities, products and services on biodiversity	ESRS E4-5	II.C; Appendix I
305-1 Direct (Scope 1) GHG emissions	ESRS E1-4, E1-6	II.B.2; Appendix I
305-2 Energy indirect (Scope 2) GHG emissions	ESRS E1-4, E1-6	II.B.3; Appendix I
305-3 Other indirect (Scope 3) GHG emissions	ESRS E1-4, E1-6	II.B.2; Appendix I
305-4 GHG emissions intensity	ESRS E1-6	Appendix I
306-2 Management of significant waste-related impacts	ESRS E5-2, E5-5	II.D; Appendix I
306-3 Waste generated	ESRS E5-5	II.D; Appendix I
306-4 Waste diverted from disposal	ESRS E5-5	II.D; Appendix I
401-1 New employee hires and employee turnover	ESRS S1-6	III.A; Appendix I
401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	ESRS S1-11	III.A.3

GRI Index with ESRS References (continued)

GRI DISCLOSURE	ESRS REFERENCE	LOCATION
401-3 Parental leave	ESRS S1-15	III.A.3; Appendix I
403-1 Occupational health and safety management system	ESRS S1-1	III.C
403-2 Hazard identification, risk assessment, and incident investigation	ESRS S1-3	III.C
403-3 Occupational health services		III.C
403-4 Worker participation, consultation, and communication on occupational health and safety		III.C
403-5 Worker training on occupational health and safety		III.C; Appendix I
403-6 Promotion of worker health		III.C
403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	ESRS S2-4	III.C
403-8 Workers covered by an occupational health and safety management system	ESRS S1-14	III.C; Appendix I
403-9 Work-related injuries	ESRS S1-4	III.C; Appendix I
403-10 Work-related ill health	ESRS S1-4	III.C; Appendix I
404-1 Average hours of training per year per employee	ESRS S1-13	III.A.4; Appendix I
404-2 Programs for upgrading employee skills and transition assistance programs	ESRS S1-1	III.A.4
404-3 Percentage of employees receiving regular performance and career development reviews	ESRS S1-13	III.A.4; Appendix I
405-1 Diversity of governance bodies and employees	ESRS GOV-1; S1-6; S-19; S1-12	III.A; Appendix I
405-2 Ratio of basic salary and remuneration of women to men	ESRS S1-16	III.A.3; Appendix I
406-1 Incidents of discrimination and corrective actions taken	ESRS S1-17	III.A.4; Appendix I
408-1 Operations and suppliers at significant risk for incidents of child labor	ESRS S1-1, S2-1	III.B; Appendix I
409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	ESRS S1-1, S2-1	III.B; Appendix I
413-1 Operations with local community engagement, impact assessments and development programs	ESRS S3-2, S3-3, S3-4	III.B; III.D
413-2 Operations with significant actual and potential negative impacts on local communities	ESRS 2 SBM-3, ESRS S3	III.D
415-1 Political contributions	ESRS G1-5	IV.C; Appendix I

Appendix III: External Assurance Report

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To the Management of TGS ASA

Independent Limited Assurance Report on the Sustainability Report 2023

Scope of the engagement

We have been engaged by the management of TGS ASA ("TGS") to provide an independent assurance report in respect of TGS' 2023 Sustainability Report ("the Report") included in TGS' Annual Report 2023.

We have performed the assurance engagement to obtain limited assurance that the Report is prepared, in all material respects, with reference to the Global Reporting Initiative ("GRI") Standards and the reporting criteria as described in the section "Reporting Principles & Standards" in the Report. The scope of our limited assurance engagement excludes future events or the achievability of the objectives, targets and expectations of TGS.

The scope also excludes information contained in webpages referred to in the Report unless specified in this limited assurance report. The scope of the engagement does not cover assurance over TGS' ESRS reporting.

Conclusion

Our conclusion has been formed on the basis of, and is subject to, the matters outlined in this limited assurance report.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusions.

Based on the procedures performed and the evidence obtained nothing has come to our attention, to indicate that the Report is not presented, in all material respects, with reference to the GRI Standards and the applied reporting criteria as described in the section "Reporting Principles & Standards" in the Report.

Management's responsibilities

Management is responsible for the preparation of the Report, and the information and assertions contained within it, is with reference to the GRI Standards and the reporting criteria as described in the section "Reporting Principles & Standards" in the Report.

Management is also responsible for such internal control as management determines is necessary to enable the preparation of a Report that is free from material misstatement, whether due to fraud or error, and for preventing and detecting fraud and for identifying and ensuring that TGS complies with laws and regulations applicable to its activities.

Our independence and quality control

We are independent of the Company as required by relevant laws and regulations in Norway and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Our firm applies International Standard on Quality Management (ISQM) 1, Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements, issued by the IAASB. This standard requires the firm to design, implement and operate a system of quality management, including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Auditor's responsibilities

Our responsibility is to perform a limited assurance engagement and to express a conclusion based on the work performed.

We conducted our engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000 (revised) – "Assurance Engagements other than Audits or Reviews of Historical Financial Information", issued by the International Auditing and Assurance Standards Board. The standard requires that we plan and perform the engagement to obtain limited assurance about whether the Report is free from material misstatement.

Procedures performed

A limited assurance engagement consists of making inquiries, primarily of persons responsible for the preparation of information presented in the Report, and applying analytical and other evidence gathering procedures, as appropriate. The procedures selected depend on our understanding of the Report and other engagement circumstances, and our considerations of areas where material misstatements are likely to arise. Our procedures included:

- A risk analysis, including a media search, to identify relevant sustainability issues for the entity in the reporting period;
- Inquiries of management to gain an understanding of the entity's processes for determining the material issues for the entity's key stakeholder groups;
- Interviews with relevant staff at the corporate and business unit level responsible for providing the information in the Report;
- Reviewing relevant internal and external documentation, on a limited test basis, in order to determine the reliability of the Report;
- Comparing the information presented in the Report to corresponding information in the relevant underlying sources to determine whether all the relevant information contained in such underlying sources has been included in the Report;
- Reading the information presented in the Report to determine whether it is in line with our overall knowledge of, and experience with, the sustainability performance of the entity;
- Comparing the information presented in the report to the GRI Standards and the applied reporting criteria as described in the section "Reporting Principles & Standards" in the Report;
- An assessment of the GRI index as provided on TGS' webpages.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement, and consequently the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained has a reasonable assurance engagement been performed.

Inherent limitations

Due to the inherent limitations of any internal control, it is possible that errors or misstatements in the information presented in the Report may occur and not be detected. Our engagement is not designed to detect all weaknesses in the internal controls over the preparation of the Report, as the engagement has not been performed continuously throughout the period and the procedures performed were undertaken on a test basis.

Oslo, 20 March 2024
KPMG AS

Dave Vijfvinkel
State Authorised Public Accountant

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