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TGS EARNINGS RELEASE

3rd QUARTER 2021 RESULT

3rd QUARTER 2021 FINANCIAL HIGHLIGHTS

IFRS (all amounts in USD 1,000 unless specified otherwise)	Q3 2021	Q3 2020 ¹	YTD 2021	YTD 2020 ¹
Operating revenues	199,778	58,232	457,380	176,556
Operating profit (EBIT)	35,554	-89,661	89,338	-244,519
- Operating profit margin	18%	-154%	20%	-138%
Net income	19,126	-70,264	49,726	-178,573
EPS (fully diluted) (USD)	0.16	-0.60	0.42	-1.53
Organic multi-client investments in new projects	56,299	53,911	125,519	269,616
Inorganic multi-client investments	0	0	5,000	15,000
Amortization and impairment of multi-client library	127,032	125,465	276,096	320,715
Multi-client library net book value	800,535	1,061,983	800,535	1,061,983
Free cash flow (after multi-client investments)	5,679	4,484	107,931	-4,375
Cash balance	198,120	179,819	198,120	179,819
Return on average capital employed ²	4%	-15%	4%	-15%

Segment reporting ³ (all amounts in USD 1,000 unless specified otherwise)	Q3 2021	Q3 2020 ¹	YTD 2021	YTD 2020 ¹
Operating revenues	60,937	80,551	189,375	328,459
- Pre-funding revenues	22,402	17,383	61,814	138,605
- Late sales	33,322	60,658	113,970	178,417
- Proprietary revenues	5,213	2,510	13,590	11,437
EBITDA	28,473	62,228	111,931	244,077
Operating profit	-27,746	-27,932	-72,326	-130,915
- Operating profit margin	-46%	-35%	-38%	-40%
Amortization and impairment of multi-client library	51,490	86,055	169,755	359,014
Multi-client library net book value	584,465	763,192	584,465	763,192
Pre-funding rate	40%	32%	49%	51%
Return on average capital employed ²	-12%	-6%	-12%	-6%

"The market conditions for multi-client seismic data continue to be challenging. E&P companies' 2021 budgets do not allow for much spending beyond what was committed at the start of the year, meaning that the recent oil price increases so far have had little impact on spending levels. However, with the increasing oil price combined with low cost of exploration related services, the value proposition of exploration is approaching all-time-high levels, and we are starting to see some early signs of a recovery," says Kristian Johansen, CEO of TGS. "I'm pleased with the progress seen in our New Energy Solutions business, where we expect to generate approximately USD 10 million of pro-forma revenues this year."

¹ Foreign exchange losses have been restated with USD 0.9 million in Q3 2020 and with USD 29.0 million YTD Q3 2020. Refer to note 2 of the interim financial statements for more details.

² 12 months trailing.

³ Revenues of projects in progress recognized on a Percentage of Completion basis. Please refer to note 4 of the interim financial statements for more details.

Q3 HIGHLIGHTS – SEGMENT REPORTING

- Segment revenues were USD 60.9 million in Q3 2021, down 24% from USD 80.6 million in Q3 2020.
- Late sales in Q3 2021 were USD 33.3 million, down 45% from USD 60.7 million in Q3 2020.
- New investments of USD 56.3 million were supported by prefunding of USD 22.4 million (40% of the investments) during Q3 2021. This compares to USD 53.9 million in investments with pre-funding of USD 17.4 million (32% of the investments) in Q3 2020.
- Q3 2021 EBITDA was USD 28.5 million, down 54.2% from USD 62.2 million in Q3 2020. Other operating costs were higher than the quarterly run rate due to settlement of legal matters. Underlying recurring costs were in line with previous quarters.
- TGS' backlog amounted to USD 46.8 million at the end of Q3 2021 compared to USD 77.5 million at the end of Q2 2021 and USD 102.1 million at the end of Q3 2020.
- Free cash flow (cash flow from operations after organic investments in the multi-client library) was USD 5.7 million in Q3 2021 compared to USD 4.5 million in Q3 2020.
- Cash balance at 30 September 2021 was USD 198.1 million, supporting a dividend payment of USD 0.14 per share and the ongoing USD 20 million share buyback program.

FINANCIALS – IFRS REPORTING

The discussion and analysis in this section is based on IFRS reporting, where revenue recognition generally is postponed until project completion. This implies that prefunding committed prior to start-up of the project and late sales committed in the work-in-progress phase are not recognized until delivery of the data to the customer. For internal reporting purposes, TGS also prepares accounts (segment reporting) where sales committed prior to completion of the project are recognized on a Percentage of Completion basis. These accounts are further elaborated in the "FINANCIALS – SEGMENT REPORTING" section further below.

Operating revenues and operating profit

Revenues amounted to USD 199.8 million in Q3 2021, an increase of 243.1% from USD 58.2 million in Q3 2020. Revenues from projects completed and delivered during the quarter amounted to USD 163.3 million in 2021.

Amortization and impairments of the multi-client library amounted to USD 127.0 million in Q3 2021 versus USD 125.5 million in Q3 2020. Of this, first day impairments (defined in the APM section) amounted to USD 80.3 in Q3 2021 and USD 47.0 million in Q3 2020. No other impairments were recorded in either Q3 2021 or Q3 2020. See note 6 of the interim financial statements for further details.

Personnel costs were USD 14.8 million compared to USD 12.2 million in Q3 2020. The increase is attributable to severance payments related to the right-sizing of the organization. Other operating expenses amounted to USD 16.8 million compared to USD 5.1 million in Q3 2020. The increase is primarily attributable to expense credits accrued in Q3 2020 and settlement of the civil matters in October 2021, both in relation to litigation matters involving transactions with Skeie Energy (refer to note 8 of the interim financial statements for further details).

Depreciation increased to USD 4.7 million in Q3 2021 from USD 4.1 million in Q3 2020, which is in line with the increase in the net book value for buildings, machineries and equipment.

Operating profit amounted to USD 35.6 million in Q3 2021 compared to USD -89.7 million in the same quarter of last year. When comparing Q3 2021 with the same quarter of last year, the improvement in operating profit is primarily due to the increase in revenue of USD 141.5 million.

Financial items and profit before tax

Net financial items for Q3 2021 totaled USD -0.9 million compared to USD -2.5 million in Q3 2020 (after adjustments to comparative figures; see note 2 of the interim financial statements for more details.). Net financial items in Q3 2021 consist primarily of exchange gains and losses of USD -1.3 million.

Profit before tax was USD 34.6 million in Q3 2021 compared to losses of USD -92.2 million in Q3 2020.

Tax and net income

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

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

The tax expense for Q3 2021 was USD 15.5 million (USD -21.9 million in Q3 2020), corresponding to a tax rate of 45% and 24%, respectively. The increase in tax rate in Q3 2021 results from activity in jurisdictions with higher tax rates (primarily Latin America).

Net income amounted to USD 19.1 million in Q3 2021, compared to USD -70.3 million in Q3 2020. This corresponds to a fully diluted EPS of USD 0.16 versus USD -0.60 in Q3 2020.

Balance sheet

As of 30 September 2021, TGS had a cash balance of USD 198.1 million, an increase of USD 2.4 million from 31 December 2020 (USD 195.7 million). Interest-bearing debt was zero at the end of Q3 2021 compared to USD 2.5 million at the end of Q4 2020, resulting in a net cash balance of USD 198.1 million (USD 193.2 million in 31 December 2020).

The net book value of the multi-client library was USD 800.5 million as of 30 September 2021, compared to USD 946.3 million as of 31 December 2020. The decrease is primarily related to lower level of investments compared to amortization.

Total equity as of 30 September 2021 was USD 1,256.4 million, corresponding to 71.2% of total assets. On 31 December 2020, total equity amounted to USD 1,265.8 million (62.8% of total assets).

Cash flow

Free cash flow (cash flow from operations after organic investments in the multi-client library) was USD 5.7 million for Q3 2021 compared to USD 4.5 million in Q3 2020. Net cash flow from operations for the quarter totaled USD 48.3 million, compared to USD 62.0 million in Q3 2020. Net decrease in cash for Q3 2021 was USD -24.0 million (decrease of USD 16.7 million in Q3 2020). Cash outflows related to organic investments in the multi-client library were USD 42.7 million, compared to USD 57.5 million in Q3 2020.

FINANCIALS – SEGMENT REPORTING

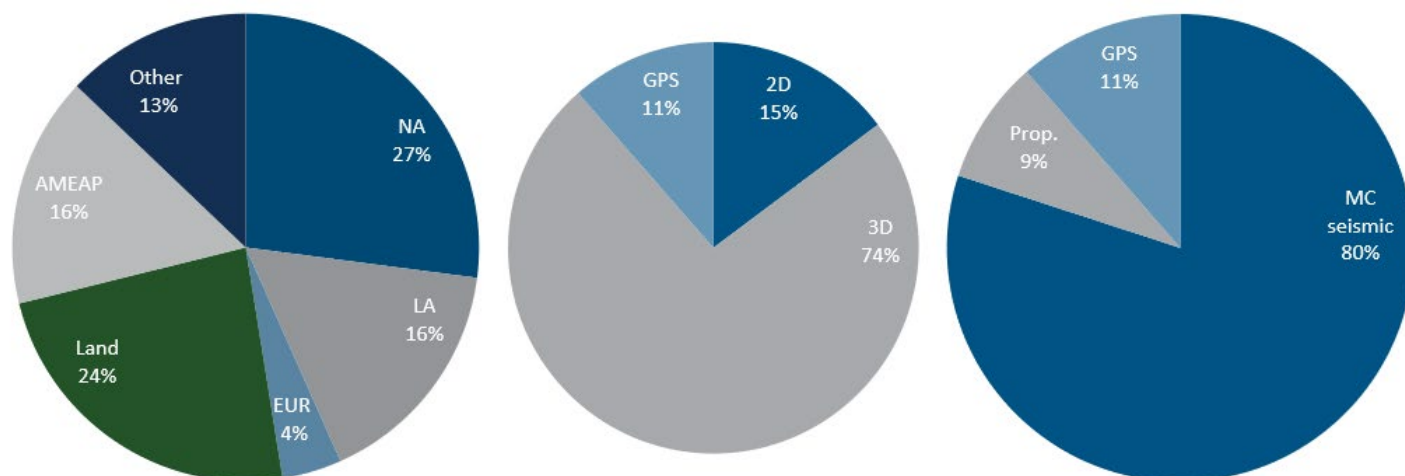
For internal reporting purposes TGS uses segment reporting, with revenues from projects-in-progress recognized based on Percentage of Completion (POC), as opposed to the IFRS accounts where revenue recognition is deferred until project completion and delivery to the customer. The discussion and analysis in this section are based on segment reporting.

Operating revenues

Operating revenues for Q3 2021 amounted to USD 60.9 million, a decrease of 24.4% from USD 80.6 million in Q3 2020. Prefunding revenues totaled USD 22.4 million in the quarter (USD 17.4 million in Q3 2020), which funded 39.8% (32.2% in Q3 2020) of the USD 56.3 million (USD 53.9 million in Q3 2020) of organic investments in the multi-client library.

Late sales for the quarter amounted to USD 33.3 million, a decrease of 45.1% compared to the USD 60.7 million recorded in Q3 2020. Proprietary contract revenues increased by 107.7% to USD 5.2 million from USD 2.5 million in Q3 2020.

Revenue distribution



Source: TGS

EBITDA, amortization and operating profit

After subtracting operating costs as described in the IFRS section (which remain unchanged under segment reporting), EBITDA (Earnings Before Interest, Tax, Depreciation and Amortization) totaled USD 28.5 million in Q3 2021, compared to USD 62.2 million in Q3 2020, a decrease of 54.2%.

Amortization and impairment of the multi-client library amounted to USD 51.5 million in Q3 2021, down from USD 86.1 million in Q3 2020. TGS reported no impairments in Q3 2021 or Q3 2020.

Operating profit in Q3 2021 amounted to USD -27.7 million (margin of -45.5%), compared to USD -27.9 million (margin of -34.7%) in Q3 2020.

Multi-client library

Organic multi-client investments amounted to USD 56.3 million in Q3 2021, 4.4% higher than the USD 53.9 million invested in Q3 2020.

The net book value of the multi-client library was USD 584.5 million as of 30 September 2021, compared to USD 763.2 million as of 30 September 2020.

Backlog

TGS' backlog amounted to USD 46.8 million at the end of Q3 2021, compared to USD 77.5 million at the end of Q2 2021 and USD 102.1 million at the end of Q3 2020. The pipeline of project opportunities has improved at the backlog is expected to increase going forward.

DIVIDEND AND SHARE BUYBACKS

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

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

The Board of Directors has resolved to maintain the dividend at USD 0.14 per share in Q4 2021. The dividend will be paid in the form of NOK 1.17 per share on 18 November 2021. The share will trade ex-dividend on 4 November 2021. In Q3 2021, TGS paid a cash dividend of USD 0.14 per share (NOK 1.25 per share).

In February 2021, the Board of Directors authorized a share repurchase program of up to USD 20 million. The share repurchase program will remain in place until the TGS' annual general meeting in May 2022, or such earlier time as the maximum number of shares has been acquired or the Board resolves to terminate the program. Any repurchased shares will be held in treasury and, subject to approval by a general meeting, thereafter be canceled. Repurchased shares may also be used, *inter alia*, to satisfy obligations under incentive programs and/or in connection with small acquisitions. It is expected that shares will primarily be repurchased in the open market on the Oslo Stock Exchange. The share repurchases will be conducted based on the authorization to acquire treasury shares granted at the annual general meeting.

In Q3 2021, TGS acquired 603,420 own shares for a total amount of USD 6.6 million under this program. As of 30 September 2021, the total value of shares bought back under the share repurchase program is USD 12.7 million.

OPERATIONAL HIGHLIGHTS

In mid-August, TGS commenced a new Ocean Bottom Node (OBN) seismic survey on the Norwegian Continental Shelf (NCS). The survey is being acquired over two seasons in the NOAKA area, between Oseberg and Alvheim in the Norwegian North Sea, containing both held and open acreage. This region has seen significant Infrastructure-Led Exploration (ILX) activity in recent years and includes the development of the NOAKA field, with recoverable reserves of more than 500 million barrels of oil equivalents.

In Asia Pacific, TGS secured pre-funding for a 6,400 square kilometer multi-client 3D survey in the Sarawak Basin, offshore Malaysia in partnership with PGS and Schlumberger. The survey, which is scheduled to commence in November, is the first phase of a multi-year contract awarded by Petronas in 2020 through competitive bidding to acquire and process up to 105,000 square kilometers of multi-client 3D data over a 5-year period in the Basin.

TGS also commenced a new seismic survey in the MSGBC Basin, offshore Mauritania, adding to the successes of the North-West Africa Atlantic Margin (NWAAM) 2D campaign. The survey, NWAAM 2021, will comprise 7,500 kilometers of seismic data, with a modern broadband acquisition set-up. The project is being undertaken using the vessel BGP Pioneer and has the full support of the Mauritanian Ministry of Hydrocarbons.

In Eastern Canada, TGS completed, in partnership with PGS, a successful seismic acquisition season offshore Newfoundland. The newly acquired data provides 3D data coverage to complement the existing 2D grid, enhancing geological and geophysical insights to explorers in the region. Most recently, over 9,900 square kilometers were acquired for the Cape Anguille 3D project. A fast track volume will be delivered before the end of the year, with the final volume to be delivered in Q1 2022. This survey is essential for assessing potential prospects identified from the comprehensive existing 2D library in the region. A lease round is scheduled in this area for November 2022. Two additional multi-client programs were completed, including the Lewis Hills 3D Phase 2 survey, which provides a contiguous 3D tie from the Northern Orphan Basin to the Jeanne d'Arc Basin. This survey provides unmatched long offset GeoStreamer® data to provide additional insights of the highly prospective Newfoundland offshore region. Jeanne d'Arc 3D Phase 2 was also successfully acquired, providing previously unimagined geophysical and geological knowledge of this basin.

Onshore North America, in the Powder River Basin, Wyoming, TGS completed recording for the 475 square kilometers Voyager 3D multi-client survey. Final products are expected to be completed in late Q1 2022.

In Brazil, TGS continued acquisition on the Santos multi-client 3D phase 4 survey offshore Brazil. The survey is located in the western portion of the Santos Basin and works as a northwest extension of the existing TGS Santos 3D. This modern, high-quality data coverage will further enhance geological understanding of the area and enable E&P companies to maximize the potential for deepwater discoveries in one of the world's most prolific exploration basins. In addition, TGS continued the acquisition of Pelotas 2D phase 3 offshore Brazil, which is located in the Pelotas Basin and works as an extension of the existing TGS Pelotas 2D data.

In the Gulf of Mexico, final products are available for TGS' Declaration Refocus dataset, which provides a new standard in data quality and imaging using TGS DM FWI model building technology. The data brings new insight to the most prospective area in the US Gulf of Mexico to help clients drive exploration and development planning.

TGS' Geologic Products and Services Division (GPS) continued to add to its inventory of multi-client products in the quarter. The well data library grew with the addition of approximately 2,019 new digital well logs, 2,231 new enhanced digital well logs, 5,678 new validated well headers and 65,622 directional surveys.

TGS' Interpretive Products division also added to its inventory of multi-client products in the quarter. TGS finalized delivery of the Mexico Facies Map Browser (FMB) to the CNH (Mexican Authority) and continues efforts on the North West Europe FMB 2021 (to be delivered by the end of Q1 2022). This off-the-shelf interpretation tool provides insights that support both conventional oil and gas exploration and regional carbon storage assessment across the UK and Norway Continental Shelf.

TGS' New Energy Solutions announced it expanded its coverage of numerical weather prediction (NWP) model data. The latest model covers a 400,000 square kilometers area off the East Coast US, selected to inform and enhance wind resource assessment in the New York Bight Proposed Sale Notice areas. This wind energy model has been produced in collaboration with Vaisala, a global leader in weather, environmental, and industrial measurements, to create a higher resolution dataset than publicly available, with coverage over the key offshore wind industry focus areas in the US coast. TGS also announced two new technology pilot projects for carbon capture and storage (CCS) and offshore wind in collaboration with Magseis Renewables AS, a wholly owned subsidiary of Magseis Fairfield ASA. The first project will utilize high-resolution 3D seismic acquisition in Norway at a carbon storage area to demonstrate technology for detailed imaging of the full section from the seabed to the target storage reservoir. The second project will utilize ultra-high-resolution 3D seismic acquisition in Denmark over a wind farm with known near seabed challenges to demonstrate applying a high-frequency source coupled with TGS' data processing technologies. Both tests will combine TGS' proprietary imaging software and Magseis Fairfield's XHR acquisition configurations to demonstrate geophysical solutions that deliver the resolution needed at the cost level indicated by offshore wind and CCS players.

OUTLOOK

The market conditions for multi-client seismic data continue to be challenging. Budgets that were set by E&P companies at the beginning of 2021 do not provide for much spending beyond amounts already committed at that point, meaning that the recent oil price increases so far have had little impact on spending levels. However, the current oil price significantly enhances the value proposition of exploration for new oil and gas resources. As such, there should be room for considerable increase in spending on exploration-related data and services as E&P companies enter a new budget cycle with lower levels of legacy commitments, although overall spending is likely to remain low in 2022.

We are seeing some positive signals of improvement lately. The frequency of licensing rounds globally is on the rise again, following an effective freeze of acreage awards during the pandemic. Furthermore, the order inflow has improved. Over the past four months, TGS has committed to new projects, all of which are supported by significant customer commitments, with a combined investment value of close to USD 55 million, with further projects in the pipeline. Finally, the oil price has continued to increase, meaning that both oil companies' cash flows and attractiveness of new investments are improving. Although oil companies continue to prioritize debt repayments, shareholder returns and energy transition related investments, a higher oil price should eventually materialize in increased exploration investments.

TGS is continuing to make progress in the development of its New Energy Solutions (NES) business. The main focus so far has been on CCS and wind energy, and several new products have been launched over the past few months. The development of the digital platform that will form the basis for the NES offering is progressing as planned, with commercial launch expected in the first half of 2022. 4C Offshore, the leading market intelligence provider for offshore wind energy acquired by TGS earlier this year, continues to perform well with year-over-year growth of 44% in order inflow year-to-date. In total pro-forma revenues for NES (including 4C Offshore for all of the year) is likely to be close to USD 10 million for 2021. For 2022, the goal is for NES to represent 5-10% of total revenues of the Group.

2021 financial guidance remains as follows:

- Multi-client investments of between USD 150 - 180 million
- Continued sector outperformance on cash flow and ROACE
- Industry-leading distribution to shareholders

Oslo, 28 October 2021

The Board of Directors of TGS ASA



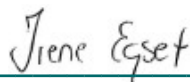
Henry H. Hamilton III
Chairman



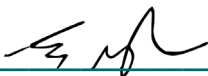
Mark S. Leonard
Director



Wenche Agerup
Director



Irene Egset
Director



Christopher Finlayson
Director



Grethe Kristin Moen
Director



Svein Harald Øygard
Director



Kristian Johansen
Chief Executive Officer



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INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(All amounts in USD 1,000s unless noted otherwise)	Note	Q3 2021	Q3 2020 Restated ¹	2021 YTD	2020 YTD Restated ¹
Revenues	4	199,778	58,232	457,380	176,556
Cost of goods sold - proprietary and other		850	1,027	3,128	4,502
Amortization and impairment of multi-client library	5, 6	127,032	125,465	276,096	320,715
Personnel costs		14,826	12,242	40,629	46,037
Other operating expenses		16,788	5,053	33,686	33,844
Depreciation, amortization and impairment		4,728	4,106	14,503	15,978
Total operating expenses		164,224	147,893	368,042	421,075
Operating profit	4	35,554	-89,661	89,338	-244,519
<i>Financial income and expenses</i>					
Financial income		99	89	583	1,091
Financial expenses		224	-1,285	-4,006	-2,978
Net exchange gains/(losses)	2	-1,260	-1,305	-5,824	7,157
Net financial items		-937	-2,501	-9,247	5,271
Profit before taxes		34,617	-92,162	80,091	-239,248
Taxes ²		15,490	-21,897	30,365	-60,674
Net income		19,126	-70,264	49,726	-178,573
EPS USD		0.16	-0.60	0.43	-1.53
EPS USD, fully diluted		0.16	-0.60	0.42	-1.53
Other comprehensive income:					
Exchange differences on translation of foreign operations		-	-15,626	-	-28,240
Other comprehensive income/(loss) for the period, net of tax		-	-15,626	-	-28,240
Total comprehensive income for the period		19,126	-85,890	49,726	-206,814

¹ Foreign exchange losses have been restated with USD 0.9 million in Q3 2020 and with USD 29.0 million YTD Q3 2020. Exchange differences on translation of foreign operations were adjusted by USD -0.9 million in Q3 2020 and with USD -15.8 million in YTD Q3 2020. Reference is made to note 2 for further explanations.

² Tax expense includes estimated expenses in certain jurisdictions.



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INTERIM CONSOLIDATED BALANCE SHEET

	Note	2021 30-Sep	2020 30-Sep	2020 31-Dec
(All amounts in USD 1,000s)				
			Restated ¹	
Goodwill	6, 7	303,964	288,377	288,377
Multi-client library	5, 6	800,535	1,061,983	946,263
Other intangible non-current assets		24,662	17,732	17,396
Deferred tax asset		90,863	101,879	88,624
Buildings		2,571	1,990	2,257
Machinery and equipment		17,898	28,686	25,349
Right of use asset	6	39,153	51,776	48,690
Sublease asset		1,395	1,423	965
Other non-current assets		16,796	7,277	19,471
Total non-current assets		1,297,838	1,561,123	1,437,392
Accounts receivable	6	98,613	211,984	168,746
Accrued revenues		59,723	63,672	108,737
Other receivables		109,518	74,743	104,819
Cash and cash equivalents		198,120	179,819	195,716
Total current assets		465,975	530,217	578,017
TOTAL ASSETS		1,763,813	2,091,340	2,015,409
Share capital		4,080	4,217	4,082
Other equity		1,252,363	1,270,274	1,261,759
Total equity	3	1,256,443	1,274,491	1,265,841
Long-term debt		-	2,500	-
Other non-current liabilities		3,432	864	757
Lease liability		36,260	47,575	44,551
Deferred taxes		63,081	25,866	29,100
Total non-current liabilities		102,772	76,805	74,408
Short-term debt		-	-	2,500
Accounts payable and debt to partners		138,163	114,973	116,028
Taxes payable, withheld payroll tax, social security		30,840	22,871	11,691
Deferred revenue		205,684	520,707	484,693
Other current liabilities		29,912	81,493	60,248
Total current liabilities		404,599	740,044	675,160
TOTAL EQUITY AND LIABILITIES		1,763,813	2,091,341	2,015,409

¹ Affected by restatements in foreign exchange losses and in exchange differences on translation of foreign operations. Reference is made to note 2 for further explanations.



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INTERIM CONSOLIDATED STATEMENT OF CASH FLOW

	Note	Q3 2021	Q3 2020	2021 YTD	2020 YTD
(All amounts in USD 1,000s unless noted otherwise)					
Cash flow from operating activities:					
Received payments from customers		77,575	109,447	287,372	466,585
Payments for salaries, pensions, social security tax		-11,942	-16,297	-33,106	-54,061
Payments of other operational costs		-12,189	-18,684	-39,157	-64,475
Paid taxes		-5,094	-12,491	-14,532	-41,567
Net cash flow from operating activities¹		48,349	61,975	200,578	306,481
Cash flow from investing activities:					
Investments in tangible and intangible assets		-8,169	-4,068	-8,541	-33,080
Investments in multi-client library	5	-42,670	-57,491	-92,647	-310,856
Investments through mergers and acquisitions	7	1,071	-	(23,304)	-15,000
Interest received		99	107	583	747
Net cash flow from investing activities		-49,669	-61,452	-123,909	-358,189
Cash flow from financing activities:					
Interest paid		224	-991	-4,006	-2,340
Dividend payments	3	-16,350	-16,186	-49,229	-73,129
Repayment of interest bearing debt		-	-	(2,500)	-
Purchase of own shares	3	-6,574	-	-12,706	-6,601
Net cash flow from financing activities		-22,700	-17,177	-68,441	-82,070
Net change in cash and cash equivalents					
Cash and cash equivalents at the beginning of period		223,400	198,483	195,716	323,408
Net unrealized currency gains/(losses)		-1,260	-2,010	-5,824	-9,812
Cash and cash equivalents at the end of period		198,120	179,819	198,120	179,818
1) Reconciliation					
Profit before taxes		34,617	-92,162	80,091	-239,248
Depreciation/amortization/impairment	5,6	131,761	129,571	290,599	336,693
Changes in accounts receivables and accrued revenues		23,919	-16,708	119,454	48,708
Unrealized currency gains/(losses)		0	2,010	-	9,812
Changes in other receivables		-32,233	-8,166	-26,045	-12,561
Changes in other balance sheet items		-104,620	59,921	-248,988	204,644
Paid taxes		-5,095	-12,491	-14,532	-41,567
Net cash flow from operating activities		48,349	61,975	200,579	306,481

² Reconciliations adjusted due to exchange gain/loss adjustments in the statement of comprehensive income, see note 2 for further explanations.



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INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the nine months ending 30 September 2021

(All amounts in USD 1,000s)	Share Capital	Treasury Shares	Share Premium	Other Paid-In Capital	Currency Translation Reserve	Retained Earnings	Total Equity
Opening balance 1 January 2021	4,082	-1	416,877	45,248	-22,233	821,868	1,265,841
Net income	-	-	-	-	-	49,726	49,726
Total comprehensive income	-	-	-	-	-	49,726	49,726
Purchase of own shares	-	-31	-	-	-	-12,675	-12,706
Cancellation of treasury shares held	-1	1	-	-	-	-	-
Distribution of treasury shares	-	0	-	-	-	238	238
Cost of equity-settled long term incentive plans	-	-	-	-	-	2,573	2,573
Dividends	-	-	-	-	-	-49,229	-49,229
Closing balance as of 30 September 2021	4,080	-31	416,877	45,248	-22,233	812,501	1,256,443

For the nine months ending 30 September 2020

(All amounts in USD 1,000s)	Share Capital	Treasury Shares	Share Premium	Other Paid-In Capital	Currency Translation Reserve ¹	Retained Earnings ²	Total Equity
Opening balance 1 January 2020	4,127	-49	416,877	45,248	-22,233	1,101,834	1,545,805
Net income	-	-	-	-	-	-178,573	-178,573
Other comprehensive income	-	-	-	-	-15,626	-	-15,626
Total comprehensive income	-	-	-	-	-15,626	-178,573	-194,199
Purchase of own shares	-	-7	-	-	-	-6,594	-6,601
Distribution of treasury shares	-	0	-	-	-	165	165
Cancellation of treasury shares held	-54	54	-	-	-	-	-
Cost of equity-settled long term incentive plans	9	-	-	-	-	2,440	2,449
Dividends	-	-	-	-	-	-73,129	-73,129
Closing balance as of 30 September 2020	4,082	-1	416,877	45,248	-37,859	846,143	1,274,490

¹ Other comprehensive income has been adjusted by USD -15.8 million in relation to foreign exchange differences. Reference is made to note 2 for further explanations.

² Net income has been adjusted by USD 29.0 million in relation to foreign exchange gains/losses. Reference is made to note 2 for further explanations.



Energy starts with us.

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS

Note 1 General information

TGS ASA (TGS or the Group) is a public limited company listed on the Oslo Stock Exchange. The address of its registered office is Askekroken 11, 0277 Oslo, Norway.

Note 2 Basis for Preparation

The condensed consolidated interim financial statements of TGS have been prepared in accordance with International Financial Reporting Standards (IFRS) IAS 34 Interim Financial Reporting as approved by EU and additional requirements in the Norwegian Securities Trading Act. The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with TGS' annual report for 2020, which is available at www.tgs.com.

The same accounting policies and methods of computation are followed in the interim financial statements as compared with the annual financial statements for 2020.

The Group reported in Q1 2020 net currency losses related to an internal merger receivable of 13.3 million, which should have been eliminated. Comparative figures year-to-date Q3 2020 in this interim report have been restated to reflect this. For more details, see note 9 of the Q4 2020 interim report, which is available at www.tgs.com.

As also disclosed in note 9 of the Q4 2020 interim report, the Group reported in Q1 to Q3 2020 foreign exchange losses related to TGS Brazil's intercompany loan denominated in USD. As TGS Brazil is considered to have USD as its functional currency, such foreign exchange effects should not have been recognized. Total foreign exchange losses recognized in Q3 2020 were USD -0.9 million USD - 15.8 million YTD Q3 2020. The Group has retrospectively corrected these in the comparative figures of this interim report.

Note 3 Share capital and equity

Ordinary shares	Number of shares
1 January 2021	117,303,399
Cancellation of treasury shares	-50,100
30 September 2021	117,253,299

Treasury shares	Number of shares
1 January 2021	75,000
Net change in period	950,995
30 September 2021	1,025,995

In Q1 2021, the Board resolved to launch a USD 20 million share buyback program expiring at the 2022 Annual General Meeting. The program was based on the authorization by the 2020 Annual General Meeting, which was renewed by the 2021 Annual General Meeting on 11 May 2021. As of 30 September 2021, the total value of shares bought back is USD 12.7 million.

The net change in treasury shares during 2021 comprises the repurchase of 1,010,995 own shares, less 9,900 treasury shares distributed to Board members in Q2 and cancellation of 50,100 treasury shares in Q3.

The Annual General Meeting also renewed the Board of Directors' authorizations to repurchase shares and distribute quarterly dividends on the basis of the 2020 financial statements. The authorizations are valid until the Group's Annual General Meeting in 2022, but no later than 30 June 2022.

The Board of Directors has resolved to maintain the dividend at USD 0.14 per share in Q4 2021. The dividend will be paid in the form of NOK 1.17 per share on 18 November 2021. The share will trade ex-dividend on 4 November 2021.

In Q3 2021, TGS paid a cash dividend of USD 0.14 per share (NOK 1.25 per share).

Largest Shareholders as of 30 September 2021	Country	Account type	No. of shares	Share
1. The Northern Trust Comp, London Br	United Kingdom	NOM	13,498,114	11.5 %
2. State Street Bank and Trust Comp	United States		12,445,564	10.6 %
3. FOLKETRYGDFONDET	Norway	NOM	9,353,546	8.0 %
4. The Bank of New York Mellon SA/NV	The Netherlands	NOM	8,507,076	7.3 %
5. RBC INVESTOR SERVICES TRUST	Canada	NOM	5,674,281	4.8 %
6. JPMorgan Chase Bank, N.A., London	United States	NOM	4,394,821	3.7 %
7. PARETO AKSJE NORGE VERDIPAPIRFOND	Norway	NOM	2,379,545	2.0 %
8. State Street Bank and Trust Comp	United States		2,088,559	1.8 %
9. J.P. Morgan Bank Luxembourg S.A.	Luxembourg	NOM	1,708,419	1.5 %
10. State Street Bank and Trust Comp	United States	NOM	1,649,346	1.4%
10 largest			61,699,271	53%
Total Shares Outstanding *			116,227,304	100%

* Total shares outstanding are net of treasury shares held per 30 September 2021.

Average number of shares outstanding for Current Quarter *	
Average number of shares outstanding during the quarter	116,580,676
Average number of shares fully diluted during the quarter	117,723,607

* Shares outstanding net of treasury shares per 30 September 2021 (1.025.995 TGS shares), composed of average outstanding TGS shares during the quarter.

Share price information	
Share price 30 September 2021 (NOK)	92.80
USD/NOK exchange rate end of period	8.78
Market capitalization 30 September 2021 (NOK million)	10,881

Note 4 Segment information

TGS reports segment information based on the information reported to the management. Segment revenues related to multi-client pre-funded contracts are measured by applying the percentage-of-completion method to estimated total contract revenues. As such, the timing and assessment of amortization will follow the timing of revenue recognition. Management believes segment reporting provides useful information as to the value generated by the Group relative to the related activities and resources employed.

(USD 1,000)	North America	Latin America	Europe & Russia	Land	Africa, Middle East & Asia/Pacific	Other segments / Corporate costs	Segment reporting consolidated	Adjustment	IFRS reporting
Q3 2021									
External revenues	16,500	9,910	2,517	14,426	9,733	7,850	60,937	138,842	199,778
Operating profit	1,118	-6,318	6,461	681	-374	-29,313	-27,746	63,300	35,554
Q3 2020									
External revenues	17,264	27,376	7,808	446	20,263	7,393	80,551	-22,319	58,232
Operating profit	-6,030	529	-4,188	-14,205	11,067	-15,105	-27,932	-61,729	-89,661
YTD 2021									
External revenues	48,265	55,282	9,250	31,008	17,992	27,577	189,375	268,005	457,380
Operating profit	5,912	-9,513	1,963	3,979	-6,485	-68,183	-72,326	161,665	89,338
YTD 2020									
External revenues	45,158	126,874	32,721	53,752	43,217	26,736	328,459	-151,903	176,556
Operating profit	-38,929	-15,791	-11,618	-8,022	13,429	-69,983	-130,914	-113,604	-244,518

There are no intersegment revenues between the reportable operating segments.

The Group does not allocate all cost items to its reportable operating segments during the year. Unallocated cost items are reported as "Other segments/Corporate costs".

Impact on Income Statement

(All amounts in USD 1,000s)	Q3 2021 As reported	Performance obligations met during the quarter	In progress projects	Q3 2021 Segment
Revenues	199,778	-163,304	24,463	60,937
Amortization and impairment of multi-client library	127,032	-86,984	11,442	51,490
Income before tax	34,617	-250,288	35,905	-28,683
Taxes	15,490	-14,904	-3,424	-2,838
Net income	19,126	-265,192	32,481	-25,845

Impact on Balance Sheet

(All amounts in USD 1,000s)	30-Sep-21 As reported	Adjustments	30-Sep-21 Segment
Multi-client library	800,535	-216,070	584,465
Deferred tax asset	90,863	-33,029	57,834
Total non-current assets	1,297,838	-249,099	1,048,739
Accrued revenues	59,723	60,732	120,455
Total current assets	465,975	60,732	526,707
Equity	1,256,443	10,914	1,267,357
Deferred taxes	63,081	-24,672	38,409
Total non-current liabilities	102,772	-24,672	78,100
Accounts payable and debt to partners	138,163	2,821	140,983
Deferred revenues	205,684	-177,430	28,253
Total current liabilities	404,599	-174,610	229,989

The above adjustments to the multi-client-library reflect the net effects from different amortization and impairment principles between IFRS and segment figures (i.e. sales-based amortizations are recognized for in-progress projects under segment reporting). Further, the adjustments to accrued and deferred revenues reflect the net effects to the balance sheet of different timing of revenue recognition.

Note 5 Multi-client library

(Numbers in USD millions)	Segment Q3 2021	IFRS Q3 2021	Segment Q3 2020	IFRS Q3 2020	Segment YTD 2021	IFRS YTD 2021	Segment YTD 2020	IFRS YTD 2020
Opening balance net book value	579.8	871.4	788.5	1,126.7	623.9	946.3	830.8	1,091.3
Other changes to MCL	-	-	6.8	6.8	-	-	6.8	6.8
Non-operational investments	-	-	-	-	5.0	5.0	15.0	15.0
Operational investments	56.3	56.3	53.9	53.9	125.5	125.5	269.6	269.6
Amortization and impairment	-51.5 -	127.0 -	86.1 -	125.5 -	169.8 -	276.1 -	359.0 -	320.7
Closing net book value	584.5	800.5	763.2	1,062.0	584.5	800.5	763.2	1,062.0
Net MC revenues	55.7	194.6	78.0	55.7	175.8	443.8	317.0	165.1
Change in MC revenue	-29%	249%	-70%	-66%	-45%	169%	-40%	-38%
Change in Operational MC investment	4%	4%	-64%	-64%	-53%	-53%	-4%	-4%
Amort. in % of net MC revs.	92%	65%	110%	225%	97%	62%	113%	194%
Change in net book value	-23%	-25%	-14%	-6%	-23%	-25%	-14%	-6%
Contract Revenues	5.2	5.2	2.5	2.5	13.6	13.6	11.4	11.4

Note 6 Evaluation of estimates and assumptions

Multi-client library and goodwill

TGS reviews the carrying value of its multi-client libraries and goodwill when there are events and changes in circumstances that indicate that the carrying value of these assets may not be recoverable. Even though there remains an uncertainty concerning the current market situation, TGS has not identified any new impairment triggers warranting an updated impairment test following the detailed process performed in Q4 2020; refer to note 9 to the consolidated financial statements included in the 2020 Annual Report for further details regarding testing performed and principles applied. Goodwill is tested annually for impairment, as per IAS 36.

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

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

Management has evaluated the carrying amount of the net assets of the Group in respect of the market capitalization, changes in interest rates and assumptions applied in the WACC, as well as the developments and expected developments in the Brent Oil Price. The developments through Q3 2021 did not reveal any new factors considered to trigger an impairment analysis. Following internal reporting from TGS segments, evidence available does not indicate that the economic performance of multi-client libraries or the related sales forecasts are worse, or significantly changed, from the assumptions utilized in the impairment tests during the preceding quarter.

First day impairments

First day impairment amounted to USD 80.3 in Q3 2021 and USD 47.0 million in Q3 2020, and first day impairment amounted to USD 135.0 million YTD Q3 2021 and USD 59.0 million YTD Q3 2020.

Expected credit losses

The Group has updated its measurement of expected credit losses. A total allowance for expected credit losses of USD 0.9 million has been recognized in the quarter.

Note 7 Related parties

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

Note 8 Contingent liabilities

Civil matters – DNB

Reference is made to note 24 to the consolidated financial statements included in the 2020 Annual Report, which includes a detailed description of claims against TGS and various other parties by DNB, who accepted liability under Norwegian law pursuant to its status as a pledgee for alleged unwarranted tax refunds received by Skeie Energy. The trial in the matter was scheduled to commence before the Oslo District Court on 19 October 2021, but prior to commencement, the parties agreed to settle the matter. The settlement remains subject to dismissal of the lawsuit, which will occur once all payments have been made pursuant to the settlement agreement. An accrual for the amount agreed to be paid by TGS has been recorded as Other operating expenses.

Tax exposure

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

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

DEFINITIONS – ALTERNATIVE PERFORMANCE MEASURES

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

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.

Prefunding percentage

The prefunding percentage is calculated by dividing the multi-client prefunding revenues by the operational investments in the multi-client library, excluding investments related to projects where payments to the vendors are contingent on sales (risk-sharing investments). The prefunding percentage is considered as an important measure as it indicates how the Group's financial risk is reduced on multi-client investments.

EBITDA

EBITDA means earnings before interest, taxes, amortization and depreciation. 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.

	Q3 2021 Segment	Q3 2021 IFRS	Q3 2020 Segment Restated ¹	Q3 2020 IFRS Restated ¹
(All amounts in USD 1,000s)				
Net income	-25,845	19,126	-24,868	-70,264
Taxes	-2,838	15,490	-5,564	-21,897
Net financial items	937	937	2,501	2,501
Depreciation, amortization and impairment	4,728	4,728	4,106	4,106
Amortization and impairment of multi-client library	51,490	127,032	86,055	125,465
EBITDA	28,473	167,315	62,228	39,910

	YTD 2021 Segment	YTD 2021 IFRS	YTD 2020 Segment Restated ¹	YTD 2020 IFRS Restated ¹
(All amounts in USD 1,000s)				
Net income	-66,390	49,726	-97,240	-178,573
Taxes	-15,183	30,365	-28,405	-60,674
Net financial items	9,247	9,247	-5,271	-5,271
Depreciation, amortization and impairment	14,503	14,503	15,978	15,978
Amortization and impairment of multi-client library	169,755	276,096	359,014	320,715
EBITDA	111,931	379,937	244,077	92,174

¹ Q3 2020 and YTD 2020 have been adjusted. Reference is made to note 2 for further explanations.

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.

	30-Sep-21 Segment	30-Sep-21 IFRS	30-Sep-20 Segment Restated ¹	30-Sep-20 IFRS Restated ¹
(All amounts in USD 1,000s)				
Equity	1,267,357	1,256,443	1,435,614	1,274,491
Interest bearing debt	-	-	2,500	2,500
Cash	198,120	198,120	179,819	179,819
Net interest bearing debt	-198,120	-198,120	-177,319	-177,319
Capital employed	1,069,237	1,058,323	1,258,295	1,097,173
Average capital employed	1,163,766	1,077,748	1,307,251	1,177,287
Operating profit (12 months trailing)	-138,236	40,862	-71,949	-174,938
ROACE	-12%	4%	-6%	-15%

Free cash flow (after MC investments)

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

(All amounts in USD 1,000s)	Q3 2021	Q3 2020	YTD 2021	YTD 2020
Cash flow from operational activities	48,349	61,975	200,578	306,481
Investments in multi-client library	-42,670	-57,491	-92,647	-310,856
Free cash flow (after MC investments)	5,679	4,484	107,931	-4,375

First day impairments

In accordance with IFRS no amortization is recognized on ongoing projects 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. At this point in time after revenue is recognized, recognition of impairment may be necessary in the event the recoverable value (present value of expected late sales) is lower than the net book value of the survey.

Backlog

Backlog is defined as the total value of future revenue based on segment reporting from signed customer contracts.

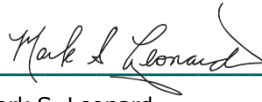
¹ Balances as of 30 September 2021 have been adjusted. Reference is made to note 2 for further explanations.

Oslo, 28 October 2021

The Board of Directors of TGS ASA



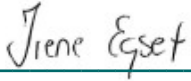
Henry H. Hamilton III
Chairman



Mark S. Leonard
Director



Wenche Agerup
Director



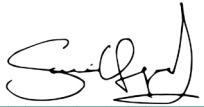
Irene Egset
Director



Christopher Finlayson
Director



Grethe Kristin Moen
Director



Svein Harald Øygard
Director



Kristian Johansen
Chief Executive Officer