Energy starts with us.

TGS EARNINGS RELEASE
1st QUARTER 2021 RESULTS
1st QUARTER 2021 FINANCIAL HIGHLIGHTS

IFRS (all amounts in USD 1,000 unless specified otherwise)	Q1 2021	Q1 2020 [3]
Operating revenues	**185,741**	**52,168**
Operating profit (EBIT)	**68,602**	**-57,916**
- Operating profit margin	37%	-111%
Net income	**42,568**	**-30,308**
EPS (fully diluted) (USD)	**0.36**	**-0.26**
Organic multi-client investments in new projects	36,566	138,306
Inorganic multi-client investments	0	15,000
Amortization and impairment of multi-client library	89,122	80,832
Multi-client library net book value	**893,707**	**1,163,768**
Free cash flow (after multi-client investments)	83,890	1,142
Cash balance	**253,531**	**248,370**
Return on average capital employed[1]	-15%	7%

Segment reporting[2] (all amounts in USD 1,000 unless specified otherwise)	Q1 2021	Q1 2020 [3]
Operating revenues	**74,836**	**152,060**
- Pre-funding revenues	25,332	83,278
- Late sales	44,750	62,944
- Proprietary revenues	4,754	5,838
EBITDA	**51,257**	**125,538**
Operating profit	**-20,035**	**-19,415**
- Operating profit margin	-27%	-13%
Amortization and impairment of multi-client library	66,855	142,224
Multi-client library net book value	**593,564**	**841,884**
Pre-funding rate	69%	60%
Return on average capital employed[1]	-16%	17%

"Despite a substantial increase in the oil price over the past six months, exploration spending remains muted. Our clients are indicating that their strong cash flow will mainly be directed at dividends, share buybacks and deleveraging balance sheets. While we remain cautiously optimistic for a pick-up in activity towards the end of the year, we expect our near-term organic multi-client investments to be lower, partly due to use of supplier risk-sharing and JVs. As a result, we continue to add high volumes of data to our library and generate strong cash flow," says TGS' CEO Kristian Johansen. "Our New Energy Solutions initiative is progressing rapidly, and we are excited to announce 4C Offshore as the first acquisition in the renewable area. The acquisition fits perfectly with our ambition to become the leading global provider of energy data and insights to support decision-making processes across the energy value chain."

[1] 12 months trailing.
[2] 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.
[3] Foreign exchange gains/losses Q1 2020 have been adjusted with USD 26.2 million. Please refer to note 2 of the interim financial statements for more details.

Q1 HIGHLIGHTS – SEGMENT REPORTING

- Segment revenues were USD 74.8 million in Q1 2021, down 50.8% versus USD 152.1 million in Q1 2020.
- Late sales recognized in the quarter were USD 44.8 million, down 28.8% from USD 62.9 million in Q1 2020.
- Operating expenses (excluding cost of goods sold) for Q1 2021 were USD 22.3 million, down 7.9% from Q1 2020, demonstrating the company's flexibility to respond to changing market conditions. Cost of goods sold was USD 1.3 million in Q1 2021 versus USD 2.3 million in Q1 2020.
- New investments of USD 36.6 million were supported by prefunding of USD 25.3 million (69.3%) during Q1 2021. This compares to USD 153.3 million in investments (of which USD 15.0 million was inorganic) with pre-funding of USD 83.3 million (60.2%) in Q1 2020.
- Q1 2021 EBITDA was USD 51.3 million, down 59.2% from USD 125.5 million in Q1 2020.
- TGS' backlog amounted to USD 81.7 million at the end of Q1 2021, down 7.2% compared to USD 88.9 million at the end of Q4 2020. Backlog at the end of the quarter decreased 48.9% from backlog of USD 160.0 million at the end of Q1 2020.
- Free cash flow (cash flow from operations after investments in the multi-client library) was USD 83.9 million for Q1 2021 compared to USD 1.1 million in Q1 2020. Free cash flow is up 195.5% versus USD 28.4 million in Q4 2020.
- Cash balance at 31 March 2021 was USD 253.5 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 are 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 185.7 million in Q1 2021, an increase of 256% from USD 52.2 million in Q1 2020. Revenues from projects completed during the quarter increased by USD 142.7 million compared to Q1 last year, while proprietary revenues decreased by USD 1.1 million. Late sales were USD 28.9 million, a reduction of 21.8% from the same period last year.

Amortization and impairments of the multi-client library amounted to USD 89.1 million in Q1 2021 versus USD 80.8 million in Q1 2020. See note 6 of the interim financial statements for further details.

Personnel costs were USD 14.1 million, an increase of 4.1% compared to USD 13.5 million in Q1 2020. The increase relates mainly to lower capitalization of internal resources to the multi-client library and higher costs related to the company's bonus and long-term incentive programs. Other operating expenses amounted to USD 8.2 million, compared to USD 10.7 million in Q1 2020. The decrease is mainly due to the cost reduction program announced on 8 April 2020.

Depreciation increased to USD 4.4 million in Q1 2021 from USD 2.7 million in Q1 2020. This is a result of lower capitalized depreciation to the multi-client library in Q1 2021 compared to Q1 2020.

Operating profit amounted to USD 68.6 million in the quarter compared to USD -57.9 million in the same quarter of last year. The change is due primarily to the increase in revenues of USD 133.6 million in Q1 2021 as compared to Q1 2020.

Financial items and profit before tax

Net financial items for Q1 2021 totaled USD -4.1 million compared to USD 12.8 million in Q1 2020 (after adjustments to comparative figures, see note 2 of the interim financial statements for more details.). Net financial items in Q1 2021 mainly consist of net foreign exchange losses of USD –3.2 million.

Pre-tax profit was USD 64.5 million in Q1 2021 compared to USD -45.1 million in Q1 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 method makes it difficult to predict tax charges on a quarterly or annual basis.

TGS' corporate income tax rate is a weighted average rate primariliy based on the tax rates of Norway (22% in 2021), Brazil (34% in 2021) and the US (21% in 2021).

The tax expense for Q1 2021 was USD 21.9 million (USD -14.8 million in Q1 2020), corresponding to a tax rate of 34% and 33% for Q1 2021 and Q1 2020, respectively. The relatively high tax rate in Q1 2021 is primarily driven by profits derived from higher tax jurisdictions in Latin America. The tax rate in Q1 2020 was mainly attributable to utilization of unrecognized tax losses carried forward in certain entities within the TGS group.

Net income amounted to USD 42.6 million in Q1 2021, compared to USD -30.3 million in Q1 2020. This corresponds to a fully diluted EPS of USD 0.36 versus USD -0.26 in Q1 2020.

Balance sheet

As of 31 March 2021, TGS had a cash balance of USD 253.5 million, an increase of USD 57.8 million from 31 December 2020 (USD 195.7 million). Interest-bearing debt decreased to zero in Q1 2021 compared to USD 2.5 million in Q4 2020, resulting in a net cash balance of USD 253.5 million (USD 193.2 million in Q4 2020).

The net book value of the multi-client library was USD 893.7 million as of 31 March 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 31 March 2021 was USD 1,291.1 million, corresponding to 68.7% of total assets. On 31 December 2020, total equity amounted to USD 2,015.4 million (62.8% of total assets).

Cash flow

Free cash flow (cash flow from operations after investments in the multi-client library) was USD 83.9 million for Q1 2021 compared to USD 1.1 million in Q1 2020. Net cash flow from operations for the quarter totaled USD 108.9 million, compared to USD 146.4 million in Q1 2020. Net increase in cash for Q1 2021 was USD 61.0 million (decrease of USD 68.9 million in Q1 2020). Cash outflows related to investments in the multi-client library were USD 25.1 million, compared to USD 145.3 million in Q1 2020.

FINANCIALS – SEGMENT REPORTING

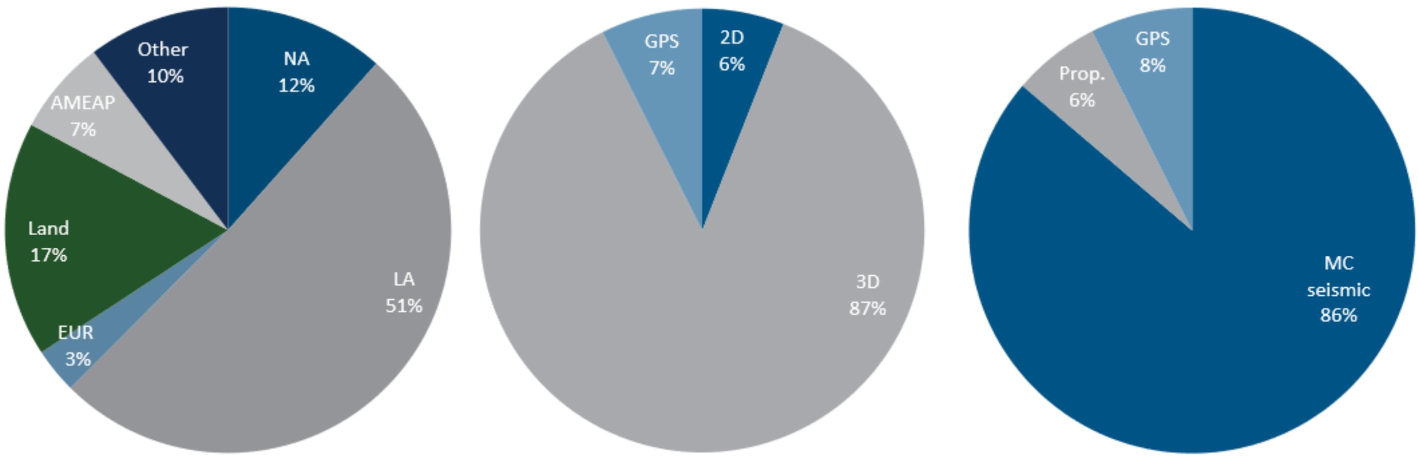
For internal reporting purposes TGS uses segment reporting, with revenues from projects-in-progress recognized based on Percentage of Completion (POC), as opposed to the IFRS accounts where revenue recognition is deferred until project completion and delivery to the customer. The discussion and analysis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

Operating revenues

Operating revenues for Q1 2021 amounted to USD 74.8 million, a decrease of 50.8% from USD 152.1 million recognized in Q1 2020. Prefunding revenues totaled USD 25.3 million in the quarter (USD 83.3 million in Q1 2020), which funded 69.3% (60.2% in Q1 2020) of the USD 36.6 million (USD 138.3 million in Q1 2020) of organic investments in the multi-client library.

Late sales for the quarter amounted to USD 44.8 million, a decrease of 28.9% compared to the USD 62.9 million recorded in Q1 2020. Proprietary contract revenues decreased by 18.6% to USD 4.8 million from USD 5.8 million in Q1 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 51.3 million in Q1 2021, compared to USD 125.5 million in Q1 2020, a decrease of 59.2%.

Amortization and impairment of the multi-client library amounted to USD 66.9 million in Q1 2021, down from USD 142.2 million in Q1 2020. TGS reported no impairments in Q1 2021 or Q1 2020.

Operating profit in Q1 2021 amounted to USD -20.0 million (margin of -26.8%), compared to USD -19.4 million (margin of -12.8%) in Q1 2020.

Multi-client library

Organic multi-client investments amounted to USD 36.6 million in Q1 2021, 73.6% lower than the USD 138.3 million invested in Q1 2020.

The net book value of the multi-client library was USD 593.6 million as of 31 March 2021, compared to USD 841.9 million as of 31 March 2020.

Backlog

TGS' backlog amounted to USD 81.7 million at the end of Q1 2021, down 8.1% compared to USD 88.9 million at the end of Q4 2020. Backlog at the end of the quarter decreased 48.9% from backlog of USD 160.0 million at the end of Q1 2020.

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 the Group and the market.

The Board of Directors has resolved to maintain the dividend at USD 0.14 per share in Q2 2021. The dividend will be paid in the form of NOK 1.15 per share on 2 June 2021. The share will trade ex-dividend on 19 May 2021. In Q1 2021 TGS paid a cash dividend of USD 0.14 per share (NOK 1.18 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 company's 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 Q1 2021, TGS acquired 160,000 own shares for a total amount of USD 2.7 million under this program.

OPERATIONAL HIGHLIGHTS

During Q1 2021, TGS completed a number of key surveys. In Onshore North America, Canton, Gloss Mountain and Kuukpik phase II were delivered to clients. The Canton and Gloss Mountain 3D datasets cover approximately 2,895 square kilometers in the Major, Woods, and Blane counties in the Anadarko Basin in Oklahoma. The Kuukpik phase II dataset is a 632 square kilometer extension of 1,606 square kilometers purchased in 2020, covering the North Slope region of Alaska. In Europe, the Utsira OBN survey was also delivered to clients. The Utsira survey covers 1,584 square kilometers and is the Norwegian North Sea's first multi-client OBN survey. In Latin America, final deliverables of the Potiguar 3D survey were completed. The survey covers 10,470 square kilometers of the Potiguar basin offshore the equatorial margins of Brazil. Data from the coast of Senegal was also made available in Q1. The available data covers the north, south and OUP areas of Senegal, areas which have yet unexplored deep-water potential in this emerging world-class hydrocarbon basin.

Two 3D vessels were operating for TGS during parts of Q1 2021. In Argentina, acquisition of the 17,800 square kilometer Malvinas 3D multi-client survey was completed. Data covering the highly prospective Malvinas basin has been acquired over two seasons with final data expected Q1 2022. The Espirito Santo 3D multi-client survey, covering 1,347 square kilometers of the Espirito Santo basin offshore Brazil, commenced in Q1 and completed acquisition on April 12th. The survey has been acquired in partnership with COSL. Fast-track data is expected Q4 2021 and the survey will be processed using Dynamic Matching Full Wave Inversion (DM-FWI).

In the U.S. Gulf of Mexico, TGS continued permitting for new OBN acquisition surveys in Q1 and is pleased to announce that, despite the U.S. regulators decision to pause new oil and gas leases, the permits were granted by the BOEM on 16 April 2021. Prefunding opportunities to support further acquisition are being pursued.

Onshore North America, TGS continued permitting activities for the Voyager 3D multi-client survey in the Powder River Basin, Wyoming. Recording of data is expected to be completed in December 2021.

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 3,057 new digital well logs, 4,752 new enhanced digital well logs and 6,469 new validated well headers.

In supporting clients' ESG initiatives, TGS has begun to include vent and flare datasets for its U.S. Well Performance Data. This data will help customers track, benchmark, and mitigate venting and flaring, and is expected to be available in the market starting Q3 2021. Mitigating venting and flaring supports the wellhead gas emission focus of the Biden Administration's environmental agenda.

Also in Q1 2021, TGS announced the formation of a new business unit, New Energy Solutions, to provide data-driven insights and solutions for more sustainable and renewable energy systems. For this purpose, TGS has developed Pathfinder map applications that allow customers to interactively analyze and interrogate a diverse range of data to discover and maximize opportunities in New Energy across the globe. The following three Pathfinder applications were launched and continue to be developed with further data:

1. The Carbon Storage app allows customers to explore the relationship between global carbon emitters and the suitability of potential CCS hubs through a review of existing geologic resources.
2. The Geothermal app uses Artificial Intelligence and TGS' extensive well database to provide site screening and investment decision support for geothermal energy resources.
3. The Wind Energy app visualizes global wind resources in combination with geospatial and infrastructure information to improve the understanding of an area's energy output potential.

A CCS-related 3D data sale in Q1 also resulted in a funded reprocessing project to assist clients with an optimized dataset that can be used as a baseline for future 4D CCS monitoring purposes

At the end of February, TGS launched its New Energy e-Newsletter, a service that monitors breaking news events associated with the world's Energy Transition, collating headlines from multiple sources to provide an easy-to-consume daily email briefing. Both the Pathfinder apps and the newsletter enjoy a growing following.

OUTLOOK

Despite a substantial increase in the oil price over the past six months, exploration spending remains muted. While most of the larger E&P companies have generated additional cash flow as result of higher oil prices, they have prioritized dividends, share buybacks and deleveraging their own balance sheets with the incremental cash generated. Consequently, the market for subsurface data and insights is likely to remain challenging in the near term, which in turn influences the risk level of the multi-client investments we will pursue for the remainder of this year. As a result, we expect to continue to use risk-sharing and joint venture arrangements and seek appropriate levels of prefunding for projects started in the current market. For Q2 2021, we expect an investment of approximately USD 30 million, and this reduction versus our original plan will influence our annual guidance below.

Oil and gas is expected to remain the dominant source of energy globally for several decades, still accounting for 45-50% of total energy supply in 2040 according to IEA. As the currently producing fields are declining at a rapid rate and much of the discovered but undeveloped resources in the ground are expensive and challenging to develop, exploration for new resources is likely to recover in the longer-term. With the world's largest library of subsurface data combined with a solid financial capacity, TGS is well-positioned to benefit from such development.

TGS is progressing as planned in the execution of the New Energy Solutions (NES) business plan (as presented at the Capital Markets Day on 12 February 2021). The acquisition of 4C Offshore Ltd. announced today establishes TGS as one of the leading providers of market intelligence and research services related to offshore wind. Together with several ongoing organic initiatives, this represents an important step in the realization of TGS' vision of establishing the leading ecosystem for data and insights to support decision-making processes in industries related to the energy transition. Going forward, TGS will continue combining the development of relevant products from the vast subsurface data library with acquisitions and partnerships to populate the "above-surface" part of the offering.

Based on the above, 2021 financial guidance is revised to:

- Multi-client investments of between USD 150 - 180 million (previously USD 200 – 230 million)
- Continued sector outperformance on cash flow and ROACE
- Industry-leading distribution to shareholders

Oslo, 11 May 2021

The Board of Directors of TGS-NOPEC Geophysical Company ASA

Henry H. Hamilton III
Chairman

Mark S. Leonard
Director

Wenche Agerup
Director

Irene Egset
Director

Torstein Sanness
Director

Vicki Messer
Director

Christopher Finlayson
Director

Kristian Johansen
Chief Executive Officer

ABOUT TGS

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

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

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All statements in this earnings release other than statements of historical facts are forward-looking statements, which are subject to a number of risks, uncertainties and assumptions that are difficult to predict, and are based upon assumptions as to future events that may not prove accurate. These factors include TGS' reliance on a cyclical industry and principal customers, TGS' ability to continue to expand markets for licensing of data, and TGS' ability to acquire and process data products at costs commensurate with profitability. Actual results may differ materially from those expected or projected in the forward-looking statements. TGS undertakes no responsibility or obligation to update or alter forward-looking statements.

INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(All amounts in USD 1,000s unless noted otherwise)	Note	Q1 2021	Q1 2020 Restated[1]
Revenues	4	**185,741**	**52,168**
Cost of goods sold - proprietary and other		1,294	2,337
Amortization and impairment of multi-client library	5, 6	89,122	80,832
Personnel costs		14,051	13,529
Other operating expenses		8,234	10,656
Depreciation, amortization and impairment		4,438	2,729
Total operating expenses		**117,139**	**110,083**
Operating profit	4	**68,602**	**-57,916**
Financial income and expenses			
Financial income		13	454
Financial expenses		-925	-746
Net exchange gains/(losses)		-3,178	13,090
Net financial items		**-4,090**	**12,798**
Profit before taxes		**64,512**	**-45,118**
Taxes[2]		21,943	-14,810
Net income		**42,568**	**-30,308**
EPS USD		**0.36**	**-0.26**
EPS USD, fully diluted		**0.36**	**-0.26**
Other comprehensive income:			
Exchange differences on translation of foreign operations		-	-13,790
Other comprehensive income/(loss) for the period, net of tax		-	-13,790
Total comprehensive income for the period		**42,568**	**-44,098**

[1] Foreign exchange gains/losses in Q1 2020 were adjusted by USD 26.2 million, and exchange differences on translation of foreign operations were adjusted by USD -12.9 million in the same period. Reference is made to note 2 for further explanations.

[2] Tax expense includes estimated expenses in certain jurisdictions.

INTERIM CONSOLIDATED BALANCE SHEET

(All amounts in USD 1,000s)	Note	2021 31-Mar	2020 31-Mar Restated[1]	2020 31-Dec
Goodwill	6	288,377	288,377	288,377
Multi-client library	5, 6	893,707	1,163,768	946,263
Other intangible non-current assets		17,615	13,457	17,396
Deferred tax asset		76,254	21,708	88,624
Buildings		2,413	3,217	2,257
Machinery and equipment		22,499	31,943	25,349
Right of use asset	6	44,557	35,188	48,690
Sublease asset		1,708	1,978	965
Other non-current assets		15,716	11,092	19,471
Total non-current assets		**1,362,845**	**1,570,728**	**1,437,392**
Accounts receivable	6	48,675	210,348	168,746
Accrued revenues		111,474	88,350	108,737
Other receivables		102,179	80,163	104,819
Cash and cash equivalents		253,531	248,370	195,716
Total current assets		**515,858**	**627,231**	**578,017**
TOTAL ASSETS		**1,878,703**	**2,197,959**	**2,015,409**
Share capital		4,082	4,127	4,082
Other equity		1,287,061	1,449,196	1,261,759
Total equity	3	**1,291,143**	**1,453,323**	**1,265,841**
Long-term debt		-	2,500	-
Other non-current liabilities		781	829	757
Lease liability		41,372	27,963	44,551
Deferred taxes		33,661	3,993	29,100
Total non-current liabilities		**75,813**	**35,286**	**74,408**
Short-term debt		-	-	2,500
Accounts payable and debt to partners		93,188	130,063	116,028
Taxes payable, withheld payroll tax, social security		10,175	34,460	11,691
Deferred revenue		363,886	433,450	484,693
Other current liabilities		44,497	111,377	60,248
Total current liabilities		**511,747**	**709,350**	**675,160**
TOTAL EQUITY AND LIABILITIES		**1,878,703**	**2,197,959**	**2,015,409**

[1] Measurement period adjustments for the Spectrum purchase price allocation were finalized during Q3 2020. Also, deferred taxes in the same period were reduced by USD 13.3 million. Reference is made to note 2 for further explanations.

INTERIM CONSOLIDATED STATEMENT OF CASH FLOW

(All amounts in USD 1,000s)	Note	2021 Q1	2020 Q1
Cash flow from operating activities:			
Received payments from customers		136,243	219,121
Payments for salaries, pensions, social security tax		-10,559	-21,422
Payments of other operational costs		-12,412	-30,628
Paid taxes		-4,328	-20,630
Net cash flow from operating activities [1]		**108,943**	**146,441**
Cash flow from investing activities:			
Investments in tangible and intangible assets		-372	-7,214
Investments in multi-client library	5	-25,053	-145,299
Investments through mergers and acquisitions		-	-15,000
Interest received		13	454
Net cash flow from investing activities		**-25,412**	**-167,059**
Cash flow from financing activites:			
Interest paid		-925	-746
Dividend payments	3	-16,411	-40,889
Repayment of interest bearing debt		-2,500	-
Purchase of own shares	3	-2,702	-6,601
Net cash flow from financing activites		**-22,538**	**-48,236**
Net change in cash and cash equivalents		**60,993**	**-68,854**
Cash and cash equivalents at the beginning of period		195,716	323,408
Net unrealized currency gains/(losses)		-3,178	-6,185
Cash and cash equivalents at the end of period		**253,531**	**248,370**
1) Reconciliation			Restated[2]
Profit before taxes		64,512	-45,118
Depreciation/amortization/impairment	5,6	93,560	83,561
Changes in accounts receivables and accrued revenues		117,334	25,666
Unrealized currency gains/(losses)		-	6,185
Changes in other receivables		-584	29,704
Changes in other balance sheet items		-161,551	67,072
Paid taxes		-4,328	-20,629
Net cash flow from operating activities		**108,942**	**146,441**

[2] Reconciliation adjusted due to exchange gain/loss adjustments in the statement of comprehensive income; see note 2.

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the three months ending 31 March, 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	-	-	-	-	-	42,568	**42,568**
Total comprehensive income	**-**	**-**	**-**	**-**	**-**	**42,568**	**42,568**
Purchase of own shares	-	-5	-	-	-	-2,697	**-2,702**
Cost of equity-settled long term incentive plans	-	-	-	-	-	1,846	**1,846**
Dividends	-	-	-	-	-	-16,411	**-16,411**
Closing balance as of 31 March 2021	**4,082**	**-6**	**416,877**	**45,248**	**-22,233**	**847,175**	**1,291,143**

For the three months ending 31 March, 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**	**416,878**	**45,248**	**-22,233**	**1,101,834**	**1,545,806**
Net income	-	-	-	-	-	-30,308	**-30,308**
Other comprehensive income	-	-	-	-	-13,790	-	**-13,790**
Total comprehensive income	**-**	**-**	**-**	**-**	**-13,790**	**-30,308**	**-44,098**
Purchase of own shares	-	-7	-	-	-	-6,593	**-6,601**
Cost of equity-settled long term incentive plans	-	-	-	-	-	2,119	**2,119**
Dividends	-	-	-	-	-	-43,903	**-43,903**
Closing balance as of 31 March 2020	**4,127**	**-56**	**416,878**	**45,248**	**-36,023**	**1,023,149**	**1,453,323**

[1] Other comprehensive income has been adjusted by USD -12.9 million in relation to foreign exchange differences. Reference is made to note 2 for further explanations.

[2] Net income has been adjusted by USD 26.2 million in relation to foreign exchange gains/losses. Reference is made to note 2 for further explanations.

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS

Note 1 General information

TGS-NOPEC Geophysical Company 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 balance sheet presented as at 31 March 2020 is retrospectively restated for measurement period adjustments to the Spectrum purchase price allocation being made in Q3 2020. The PPA was finalized in Q3 2020. For more information, see note 3 to the 2020 Annual Report which is available at www.tgs.com.

As disclosed in note 9 of the Q4 2020 interim report, the Group reported in Q1 to Q3 2020 foreign exchange losses related to TGS Brasil's intercompany loan denominated in USD. As TGS Brasil is considered to have USD as its functional currency, such foreign exchange effects should not have been recognized. Total foreign exchange losses recognized in Q1 2020 were USD 12.9 million, and the Group has retrospectively corrected these in the comparative figures of this interim report. Further, 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 for Q1 2020 have been restated in this interim report. For more details, see note 9 of the Q4 2020 interim report which is available at www.tgs.com.

Note 3 Share capital and equity

Ordinary shares	Number of shares
1 January 2021	**117,303,398**
Net change in period	-
31 March 2021	**117,303,398**

Treasury shares	Number of shares
1 January 2021	**75,000**
Net change in period	160,000
31 March 2021	**235,000**

In Q1 2021, the Board resolved to launch a USD 20 million share buyback program expiring at the Annual General Meeting 2022. The full program is contingent on renewed authority to buy back shares at the 2021 Annual General Meeting.

The net change in treasury shares during Q1 2021 comprises the repurchase of 160,000 own shares, which were repurchased by TGS for a total considerationof USD 2.7 million.

The Annual General Meeting held 12 May 2020 renewed the Board of Directors' authorizations to repurchase shares and distribute quarterly dividends on the basis of the 2019 financial statements. The authorizations are valid until the Company's Annual General Meeting in 2021, but no later than 30 June 2021.

The Board of Directors has resolved to maintain the dividend at USD 0.14 per share in Q2 2021. The dividend will be paid in the form of NOK 1.15 per share on 2 June 2021. The share will trade ex-dividend on 19 May 2021.

In Q1 2021, TGS paid a cash dividend of USD 0.14 per share (NOK 1.18 per share).

Largest Shareholders as of 31 March 2021	Country	Account type	No. of shares	Share
1. State Street Bank and Trust Comp	United States	NOM	13,806,039	11.8 %
2. FOLKETRYGDFONDET	Norway		9,718,616	8.3 %
3. The Bank of New York Mellon SA/NV	The Netherlands	NOM	8,507,076	7.3 %
4. The Northern Trust Comp	United Kingdom	NOM	6,973,123	5.9 %
5. RBC INVESTOR SERVICES TRUST	Canada	NOM	5,041,788	4.3 %
6. JPMorgan Chase Bank	United States	NOM	4,267,174	3.6 %
7. State Street Bank and Trust Comp	United States	NOM	2,911,122	2.5 %
8. PARETO AKSJE NORGE VERDIPAPIRFOND	Norway		2,454,545	2.1 %
9. Morgan Stanley & Co. LLC	United States	NOM	1,478,762	1.3 %
10. State Street Bank and Trust Comp	United States	NOM	1,469,667	1.3%
10 largest			**56,627,912**	**48%**
Total Shares Outstanding *			**117,068,398**	**100%**

* Total shares outstanding are net of treasury shares held per 31 March 2021.

Average number of shares outstanding for Current Quarter *	
Average number of shares outstanding during the quarter	117,173,156
Average number of shares fully diluted during the quarter	118,284,319

* Shares outstanding net of treasury shares per 31 March 2021 (235,000 TGS shares), composed of average outstanding TGS shares during the quarter.

Share price information	
Share price 31 March 2021 (NOK)	136.25
USD/NOK exchange rate end of period	8.5
Market capitalization 31 March 2021 (NOK million)	15,983

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
Q1 2021									
External revenues	8,660	38,089	2,458	12,779	5,157	7,693	74,836	110,904	185,740
Operating profit	-6,760	7,188	-3,500	7,048	-3,801	-20,210	-20,035	88,637	68,602
Q1 2020									
External revenues	7,478	63,241	14,955	42,900	12,622	10,864	152,060	-99,892	52,168
Operating profit	-18,248	3,857	-2,317	11,357	1,381	-15,446	-19,416	-38,500	-57,916

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)	Q1 2021 As reported	Performance obligations met during the quarter	In progress projects	Q1 2021 Segment
Revenues	**185,741**	**-156,949**	**46,045**	**74,836**
Amortization and impairment of multi-client library	89,122	-42,238	19,971	66,855
Income before tax	**64,512**	**-199,188**	**66,016**	**-24,125**
Taxes	21,943	-30,758	6,389	-2,426
Net income	**42,568**	**-229,946**	**72,405**	**-21,699**

Impact on Balance Sheet

(All amounts in USD 1,000s)	31-Mar-21 As reported	Adjustments	31-Mar-21 Segment
Multi-client library	893,707	-300,144	593,564
Deferred tax asset	76,254	-24,051	52,202
Total non-current assets	**1,362,845**	**-324,195**	**1,038,650**
Accrued revenues	111,474	113,269	224,743
Total current assets	**515,858**	**113,269**	**629,128**
Equity	**1,291,143**	**62,763**	**1,353,906**
Deferred taxes	33,661	5,485	39,146
Total non-current liabilities	**75,813**	**5,485**	**81,298**
Accounts payable and debt to partners	93,188	54,346	147,534
Deferred revenues	363,886	-333,520	30,367
Total current liabilities	**511,747**	**-279,174**	**232,574**

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 is 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 Q1 2021	IFRS Q1 2021	Segment Q1 2020	IFRS Q1 2020
Opening balance net book value	**623.9**	**946.3**	**830.8**	**1,091.3**
Non-operational investments	0.0	0.0	15.0	15.0
Operational investments	36.6	36.6	138.3	138.3
Amortization and impairment	-66.9	-89.1	-142.2	-80.8
Closing net book value	**593.6**	**893.7**	**841.9**	**1,163.8**
Net MC revenues	70.1	181.0	146.2	46.3
Change in MC revenue	-52%	291%	40%	-51%
Change in Operational MC investment	-74%	-74%	266%	266%
Amort. in % of net MC revs.	95%	49%	97%	174%
Change in net book value	-29%	-23%	21%	39%
Contract Revenues	31.5	31.5	5.8	5.8

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 the consolidated financial statements, note 9 in the 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 Q1 2021 did not reveal any new factors considered to trigger an impairment analysis, and market capitalization exceeds the net assets in the Group. 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.

(USD 1,000)	North America	Latin America	Europe & Russia	Land	Africa, Middle East & Asia/Pacific	Other	IFRS reporting
Q1 2021							
Impairment	-	-	-	-	-	-	-
Q1 2020							
Impairment	3,235	843	6,028	-	-	-	10,106

The above table does not include first-day impairments, which amounted to USD 37.4 million for Q1 2021 and USD 4.7 million for Q1 2020.

Expected credit losses

The Group has updated its measurement of expected credit losses. A total allowance for expected credit losses of USD 1.5 million has been recognized in the quarter, which is a net increase in the allowance of USD 0.2 million since Q4 2020.

Note 7 Related parties

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

Note 8 Contingent liabilities

Civil matters – Skeie Energy

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. TGS has not identified any new information that changes its assessment made in conjunction with the Group's consolidated financial statements for the year ended 31 December 2020, which is reflected in Note 24 and concludes no contingent reserve is necessary.

Tax exposure

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

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

Note 9 Other information

TGS has, as of February 2021, a net receivable of USD 6.8 million from Axxis Geo Solutions ASA ("AGS"), which is secured by collateral in the underlying assets in both AGS and its subsidiary Axxis Multi Client AS. AGS filed for court protected reconstruction on 16 February 2021, and on 7 April 2021, AGS presented a final proposal for a reconstruction of the company. On the 29 April 2021, AGS announced that the reconstruction plan was approved and on 30 April 2021, AGS announced that a private placement raising approximately NOK 144.5 million was completed pending the debt conversion as outlined in the reconstruction plan being approved, and the reconstruction plan becoming legally binding and enforceable pursuant to the Reconstruction Act § 52. As a result of the reconstruction and the collateral arrangement securing the receivable, TGS does not consider any reserve against its receivable from AGS necessary.

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.

(All amounts in USD 1,000s)	Q1 2021 Segment	Q1 2021 IFRS	Q1 2020 Segment Restated[1]	Q1 2020 IFRS Restated[1]
Net income	-21,699	42,568	-678	-30,308
Taxes	-2,426	21,943	-5,940	-14,810
Net financial items	4,090	4,090	-12,798	-12,798
Depreciation, amortization and impairment	4,438	4,438	2,729	2,729
Amortization and impairment of multi-client library	66,855	89,122	142,224	80,832
EBITDA	**51,257**	**162,162**	**125,538**	**25,645**

[1] Q1 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.

(All amounts in USD 1,000s)	31-Mar-21 Segment	31-Mar-21 IFRS	31-Mar-20 Segment Restated[1]	31-Mar-20 IFRS Restated[1]
Equity	1,353,906	1,291,143	1,562,742	1,453,323
Interest bearing debt	0	0	2,500	2,500
Cash	253,531	253,531	248,370	248,370
Net interest bearing debt	-253,531	-253,531	-245,870	-245,870
Capital employed	**1,100,375**	**1,037,612**	**1,316,872**	**1,207,453**
Average capital employed	1,208,623	1,122,532	1,092,534	1,014,496
Operating profit (12 months trailing)	-197,445	-166,478	184,923	71,854
ROACE	**-16%**	**-15%**	**17%**	**7%**

Free cash flow (after MC investments)

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

(All amounts in USD 1,000s)	Q1 2021	Q1 2020
Cash flow from operational activities	108,943	146,441
Investments in multi-client library	-25,053	-145,299
Free cash flow (after MC investments)	**83,890**	**1,142**

Backlog

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

[1] Q1 2020 have been adjusted. Reference is made to note 2 for further explanations.

Responsibility Statement

We confirm to the best of our knowledge that the condensed interim financial statements for the period 1 January to 31 March 2021 has been prepared in accordance with IAS 34 – Interim Financial Reporting as adopted by EU, and additional requirements found in the Norwegian Securities Trading Act, Norwegian Accounting Act, and gives a true and fair view of the Group's consolidated assets, liabilities, financial position and result for the period. We also confirm to the best of our knowledge that the financial review gives a true and fair view of important events that have occurred during the first three months of the financial year and their impact on the interim financial statements, any major related parties transactions, and a description of the principal risks and uncertainties for the remaining nine months of the financial year.

Oslo, 11 May 2021

The Board of Directors of TGS-NOPEC Geophysical Company ASA

Henry H. Hamilton III
Chairman

Mark S. Leonard
Director

Wenche Agerup
Director

Irene Egset
Director

Torstein Sanness
Director

Vicki Messer
Director

Christopher Finlayson
Director

Kristian Johansen
Chief Executive Officer