



## Q4 2021 Financial Results

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# Forward-looking Statements

All statements in this presentation other than statements of historical fact, 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 for any reason.

# Highlights

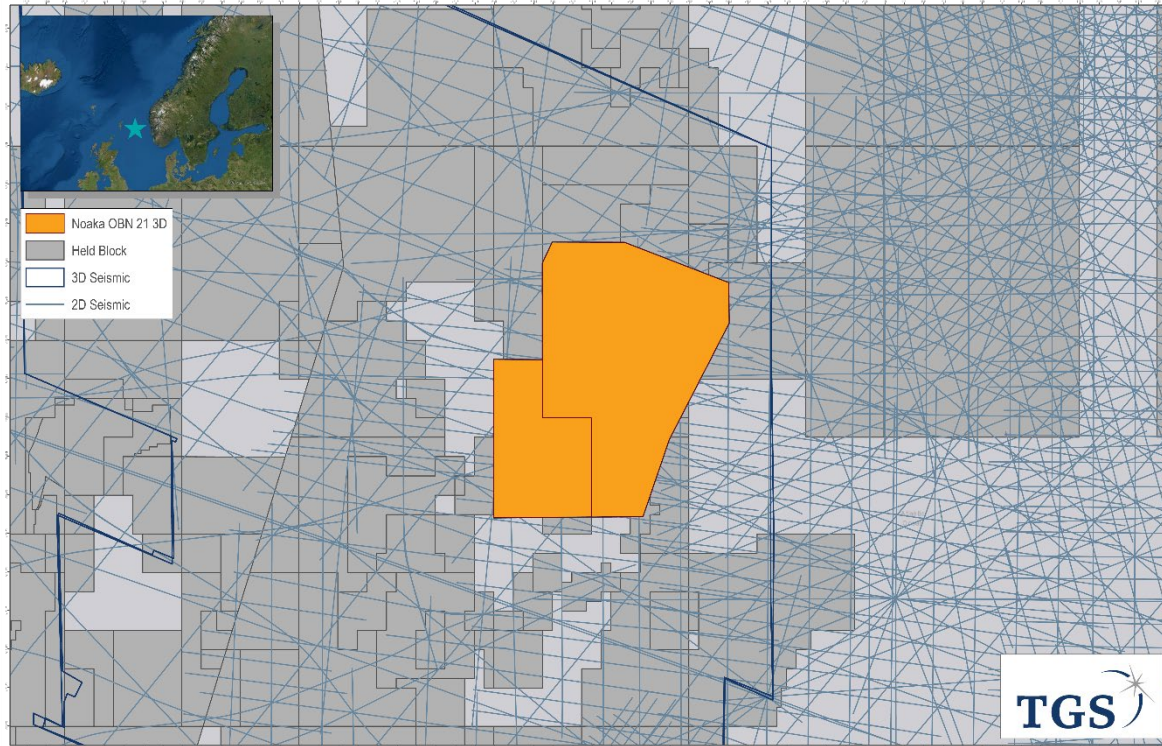
- Q4 2021 net revenues of USD 120 million (segment)
  - Late sales USD 83 million
  - Pre-funding USD 25 million
  - Proprietary sales 12 million
- Strong Q4 2021 order inflow of more than USD 160 million
  - Backlog at USD 90 million end of Q4 2021 compared to USD 47 million end of Q3 2021
- Robust financial position – net cash of USD 215 million
  - Quarterly dividend of USD 0.14 per share (USD 16 million)
  - Buy-backs of USD 3 million
- Several signs of improving market conditions



# Operational Highlights

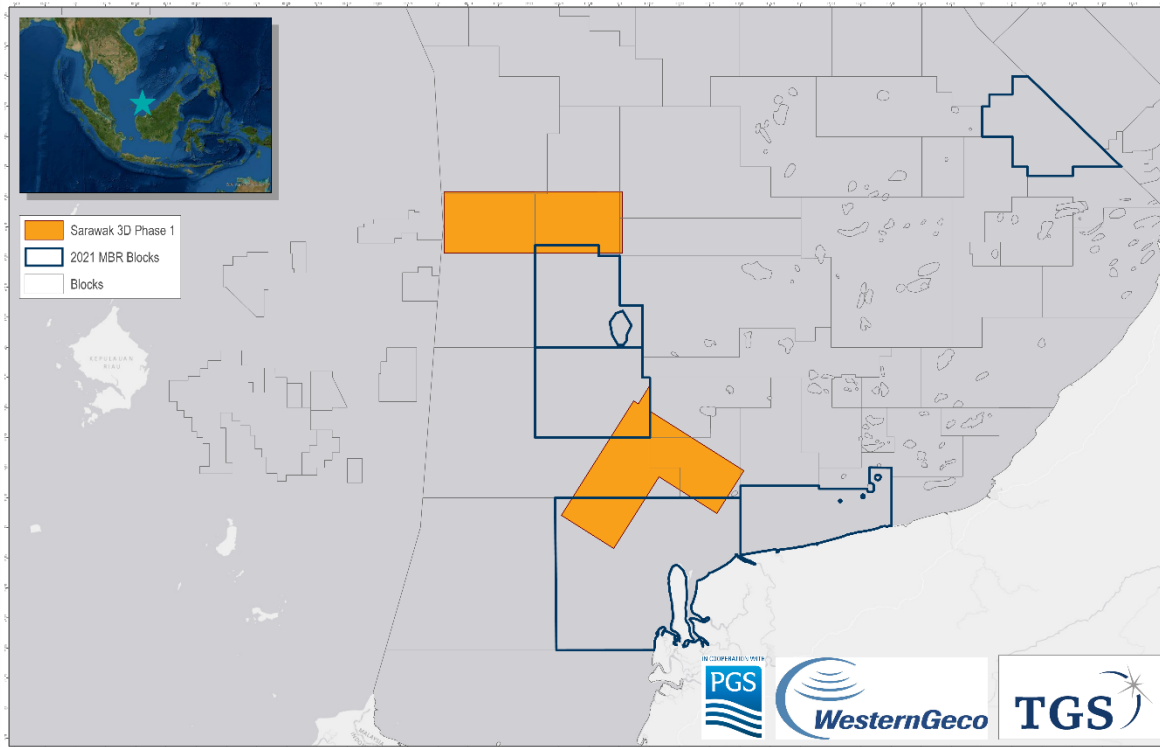
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# Investment Activity – Europe



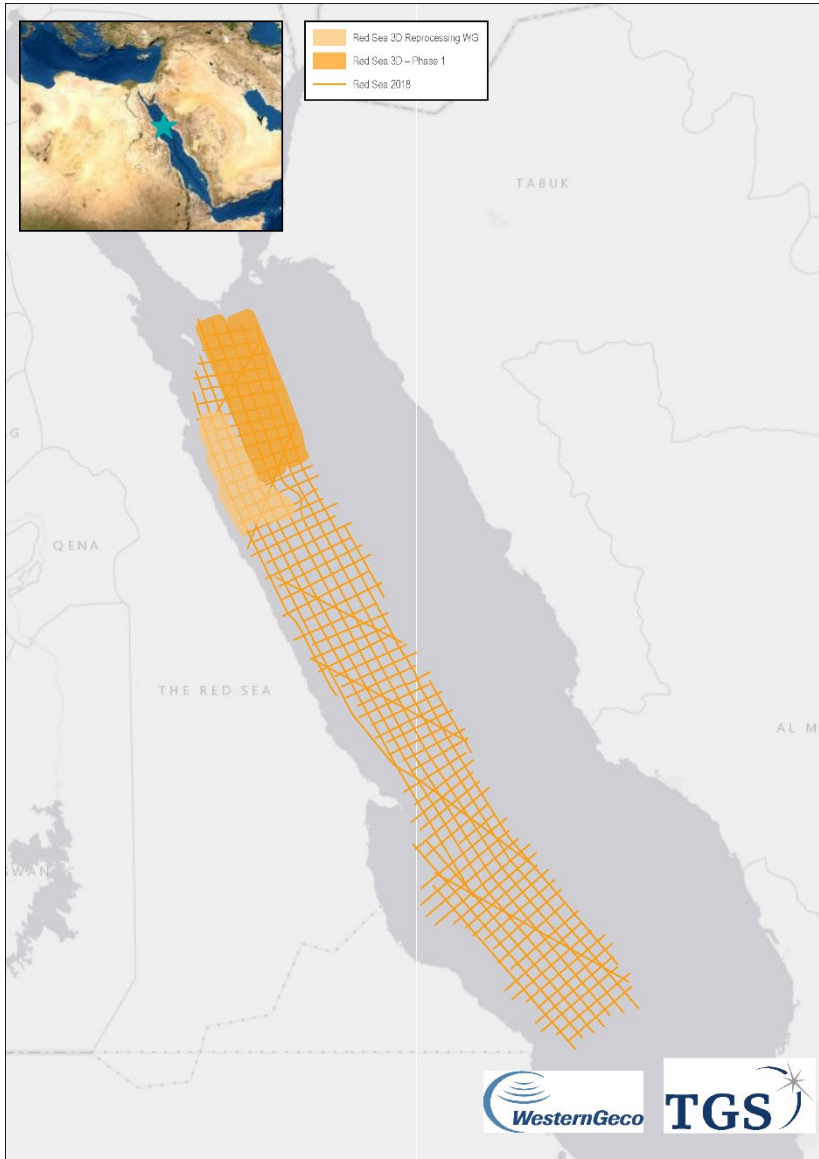
- The NOAKA OBN is part of TGS' strategy to provide next generation seismic data in ILX area of the NCS
- First season of NOAKA OBN completed in October 2021
  - TGS successfully acquired approximately 300 sq km or 2/3 of the full program
- Data is in processing and will be delivered in October 2022
- TGS is committed to complete the acquisition over the remaining area in 2022

# Investment Activity – Asia Pacific



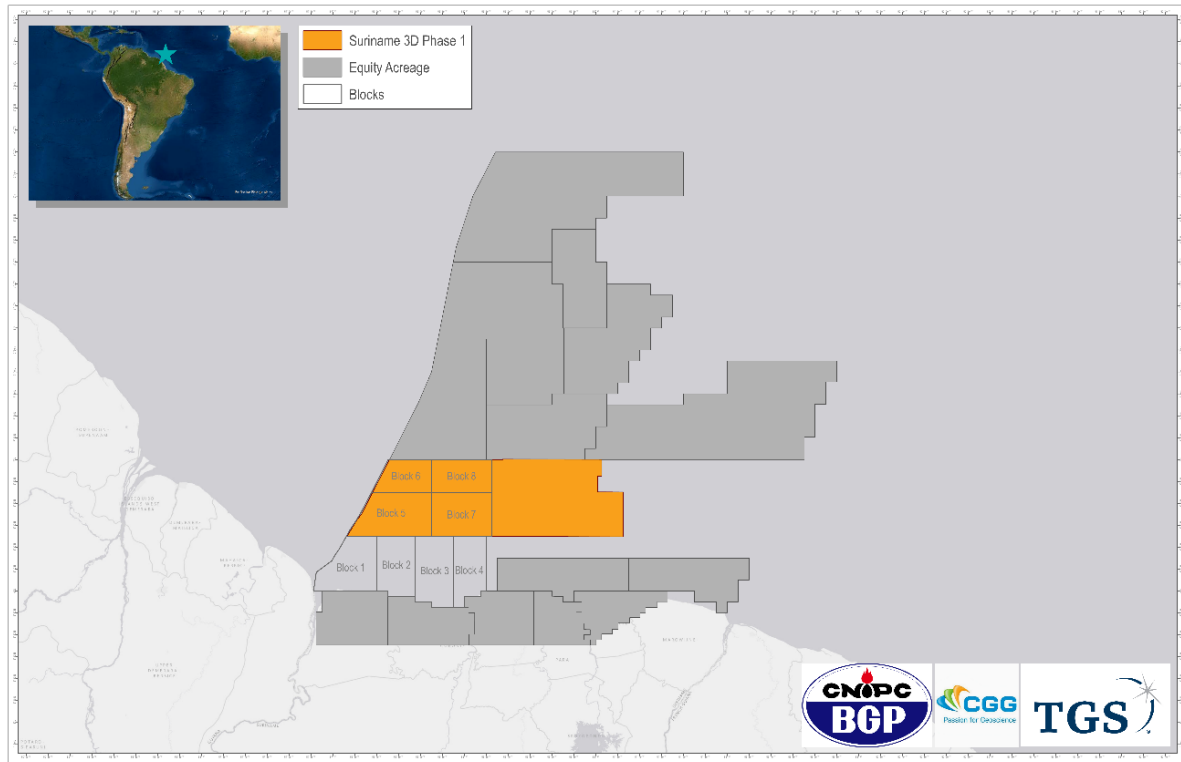
- Significant growth in energy demand expected in Asia Pacific region over coming decades
- Sarawak Phase 1 3D commenced late October 2021 and will cover an area of up to 8,609 sq km in partnership with TGS, Schlumberger and PGS
- 9,024 sq km broadband 3D reprocessing project crossing the border of Timor-Leste and Australia continued in Q4 2021
- Increased E&P interest stimulates new seismic activity with three new projects already announced in 2022
  - >120,000 kms regional 2D-cubed reprocessing project in East Java Sea, Indonesia
  - 6,500 kms broadband 2D reprocessing project in Natuna Basin, Indonesia
  - >250,000 kms regional 2D-cubed reprocessing project in India announced this morning

# Investment Activity – Africa



- Red Sea 3D commenced December 2021 and will cover an area of approximately 6,000 sq km in partnership with Schlumberger
- Gas demand for local energy needs and export market driving activity in Egypt
- Multiple IOCs active in region that also benefits from a stable investment environment and regular licensing rounds
- Acquisition expected to complete in March 2022 with final data available in Q4 2022

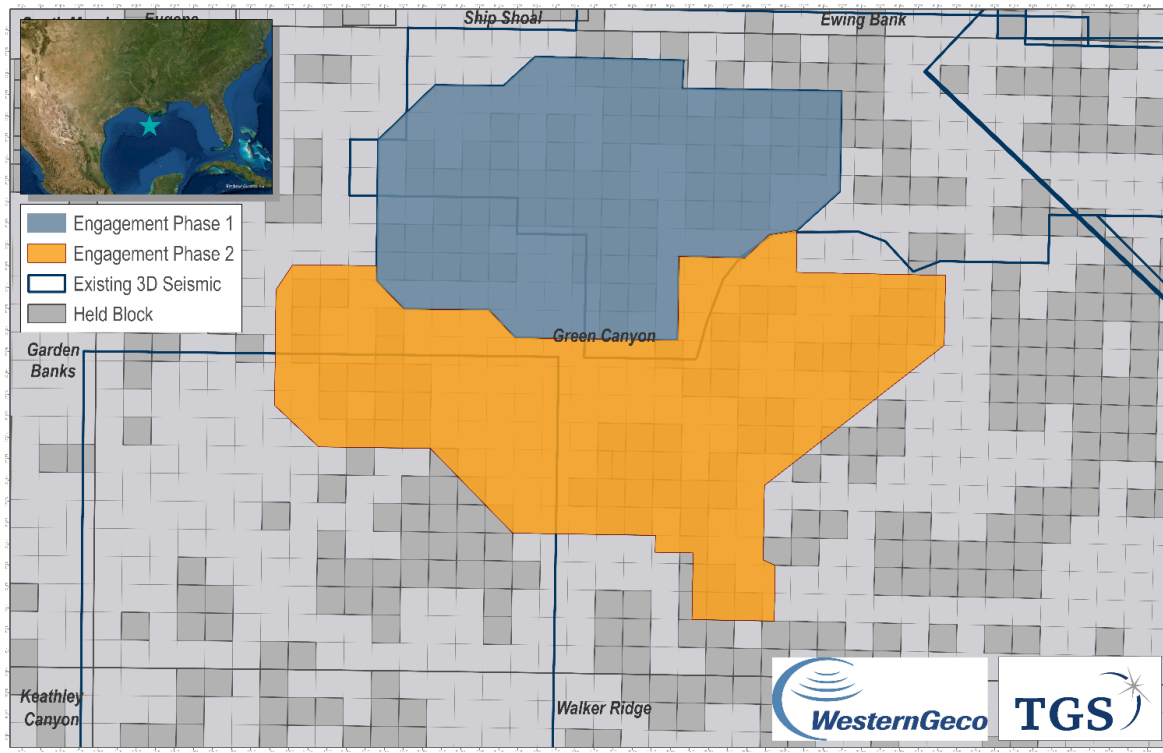
# Investment Activity – Latin America



- Multi-client 3D survey in Suriname in a consortium with CGG and BPG
- Phase 1 includes 11,100 sq km of new 3D and 3,000 sq km reprocessing
- Potential for additional phases subject to client interest
- Suriname's offshore acreage includes 3 blocks recently awarded and current open acreage offered in the 2023 bid round
- Data available in H1 2022



# Investment activity – U.S. Gulf of Mexico

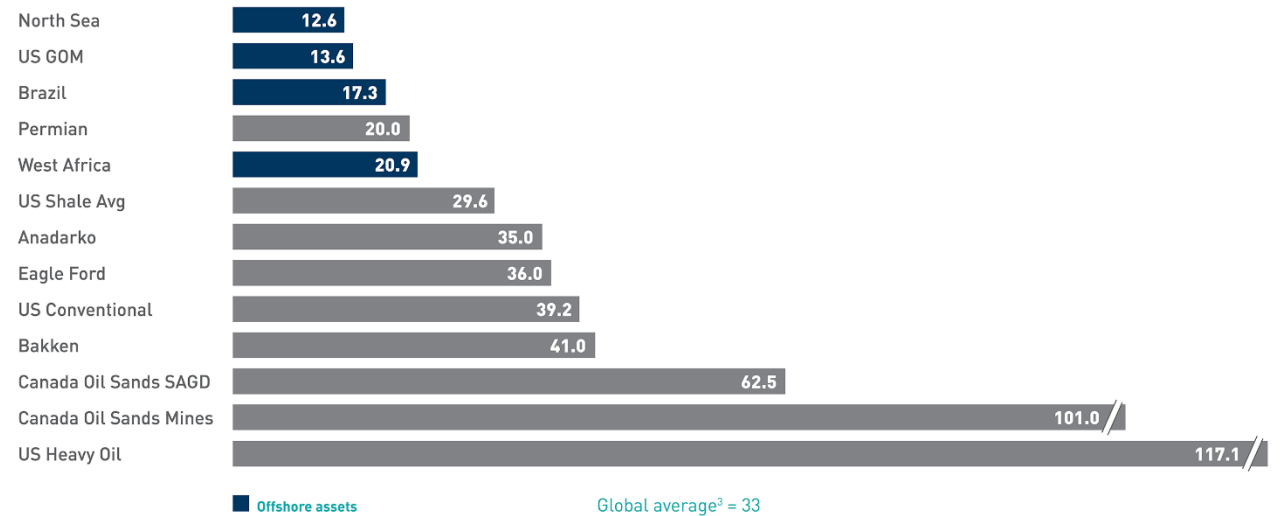


- Engagement 2 is the next phase GoM Ocean Bottom Node (OBN) survey (continuing Amendment and Engagement I).
- Data acquisition began in 2021 and will complete March 2022.
- The combination of ultra-long offset OBN data and Full Waveform Inversion, is proving to be very popular with GOM operators, helping execute their development and Infrastructure Led Exploration (ILX) plans.
- GOM development and ILX remain strong focus for IOCs and small independents.

# Status US GoM Lease Sales

- Lease Sale 257 held on November 17, 2021, has been formally vacated by the judge
- Interior to carry out New National Environmental Policy Act (NEPA) analysis and then go through the lease sale process again
  - Key issue is to prove consequences of shifting production from GoM to elsewhere
- Lease sale 257 falls within the 2017-2022 leasing program expiring 30 June 2022
- The announcement of a new 5-Year Plan (2022-2027) likely delayed because of the timeline to adhere to the statutory and regulatory requirements

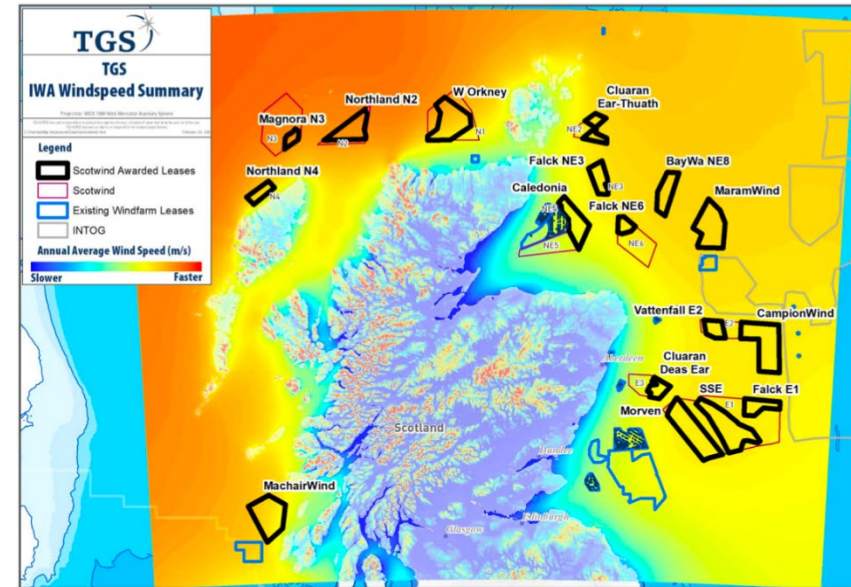
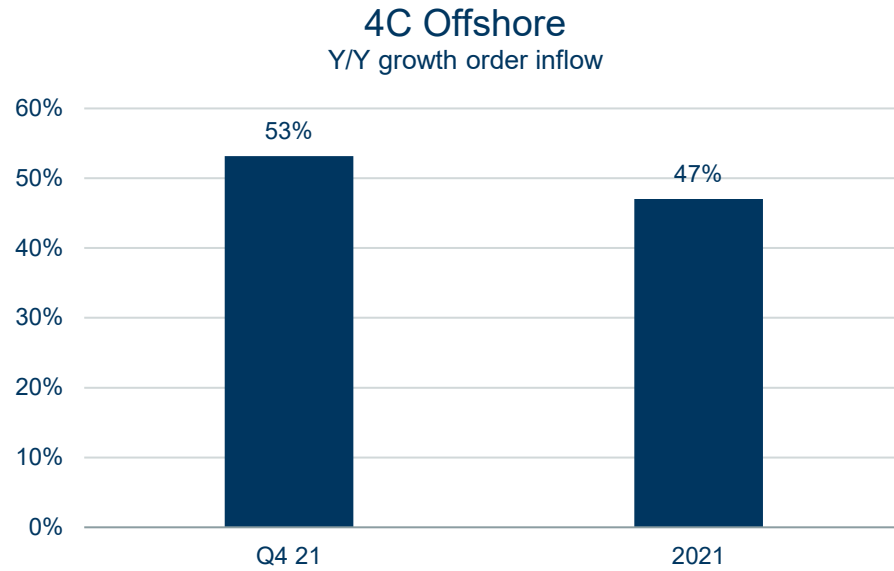
US GOM GHG emission<sup>1</sup> vs other basins



1. GHG emission intensity<sup>1</sup>, kgCO2e/bbl

Source: McKinsey, IEA

# Progressing on New Energy Solutions Strategy



- 4C Offshore continue to outperform expectations – growth of 53% order inflow in Q4 21
- Completed the Southern USA CO<sub>2</sub> storage atlas in collaboration with Canadian Discovery Ltd.
- Launching the Integrated Wind Atlas application, a wind developer tool for site screening of offshore lease areas
- Commercialized DAS VSP processing solutions for 4D reservoir and Carbon storage monitoring, with a first 4D project awarded by a supermajor

# TGS' Industry-Leading ESG Performance

NEW

#1

**Sustainalytics  
ESG Risk Rating**  
#1 in our industry,  
and subindustry  
Strong ESG risk  
management

*\*As of September 2021*

Top  
10%

**State Street  
Global Advisors**  
Rated as a "Leader"  
in the top 10% of our  
industry

*\*As of August 2021*

A

**The Governance  
Group**  
Among Top 15  
companies on Oslo  
Stock Exchange

*\*As of September 2021*

A

**MSCI  
ESG Rating**  
Above industry  
average in each  
ESG category

*\*As of September 2021*



*Since 2016, TGS has been committed to the UN Global Compact corporate responsibility initiative and its principles in the areas of human rights, labour, environment, and anti-corruption*

In support of

**WOMEN'S  
EMPOWERMENT  
PRINCIPLES**

Established by UN Women and the  
UN Global Compact Office



Supporters of



# Financials



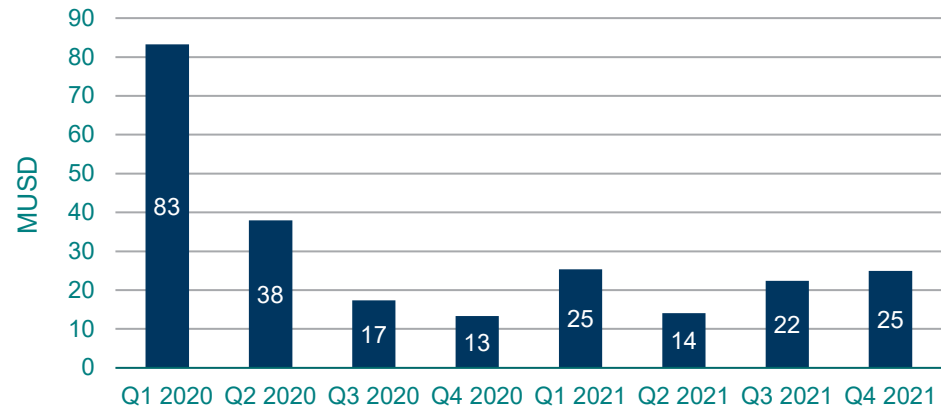
# Segment and IFRS reporting

- The accounting standard IFRS 15 regarding revenue recognition implemented from 1 January 2018
  - Recognition of revenues related to multi-client projects postponed until projects are delivered to customers
  - No amortization until completion of the project
  - No impact on sales from the library of completed surveys
- Segment reporting
  - TGS has continued to report results in accordance with the old practices as part of Segment reporting
  - Revenues recognized in accordance with Percentage of Completion
- From the financial year of 2022 TGS intend to discontinue Segment reporting
  - Alternative Performance Measures will be introduced to ensure consistency and transparency

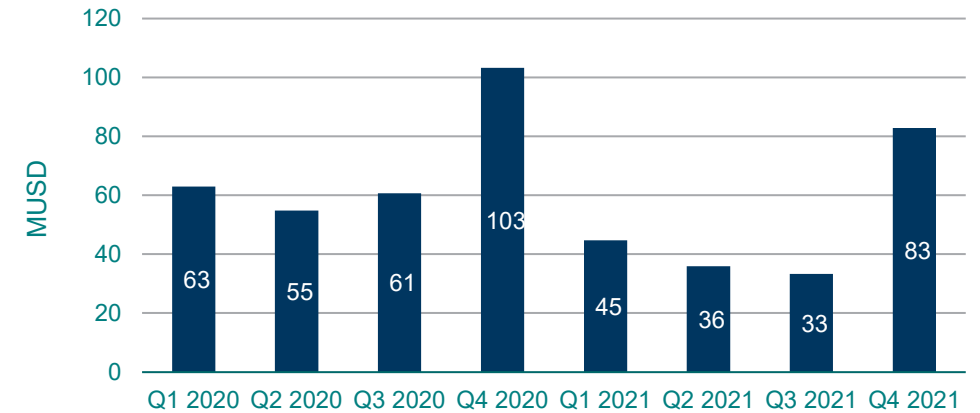
# Net Revenues

Segment reporting

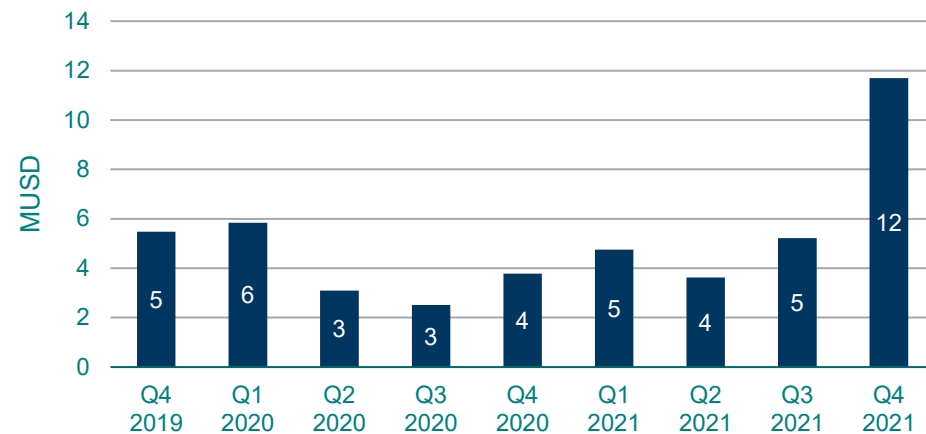
## Pre-funding revenues



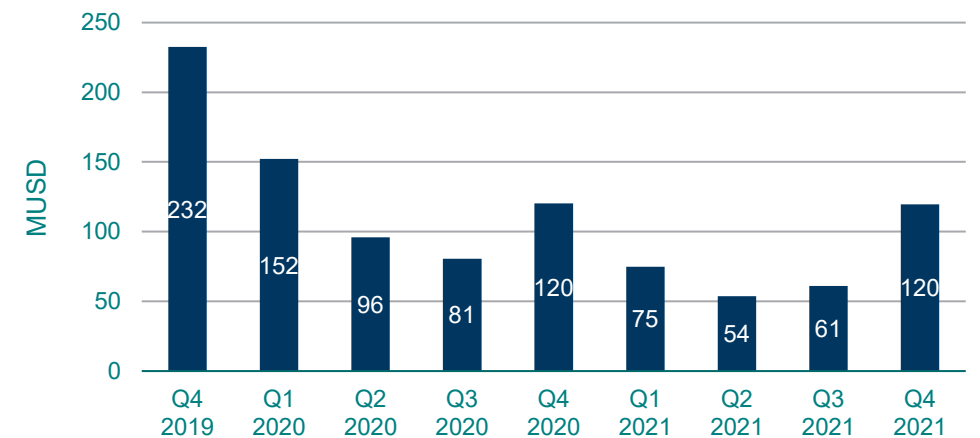
## Late sales



## Proprietary revenues



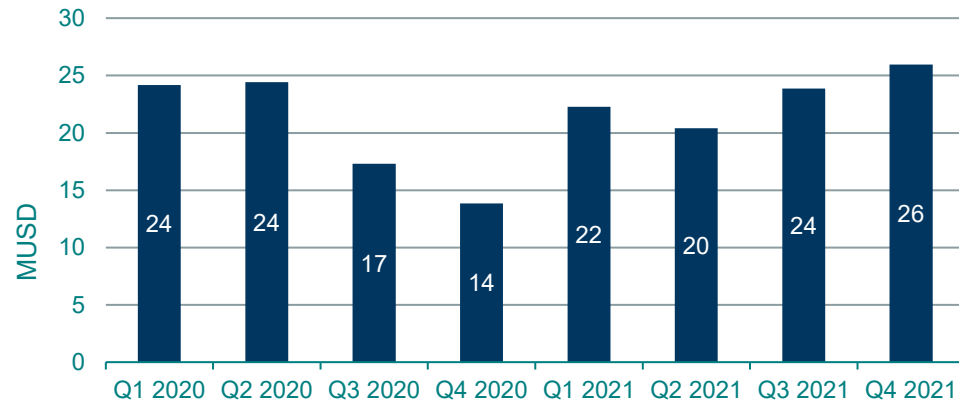
## Total revenues



# Operating expenses, operating result and MC investments

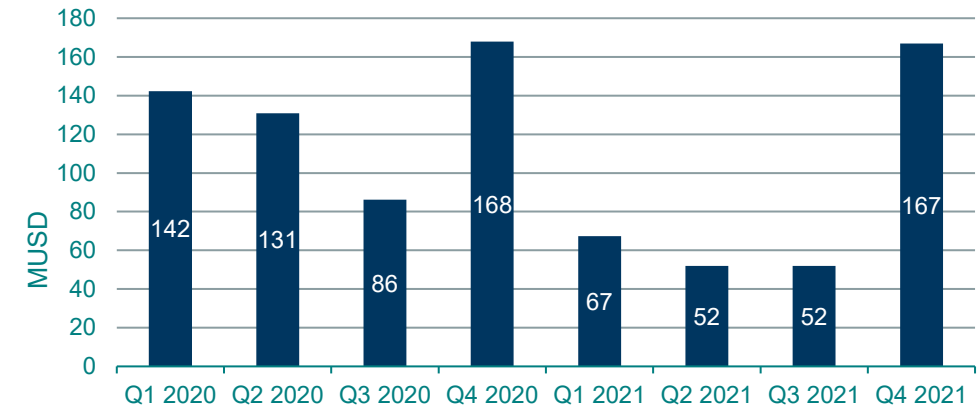
Segment reporting

## Operating expenses<sup>1</sup>

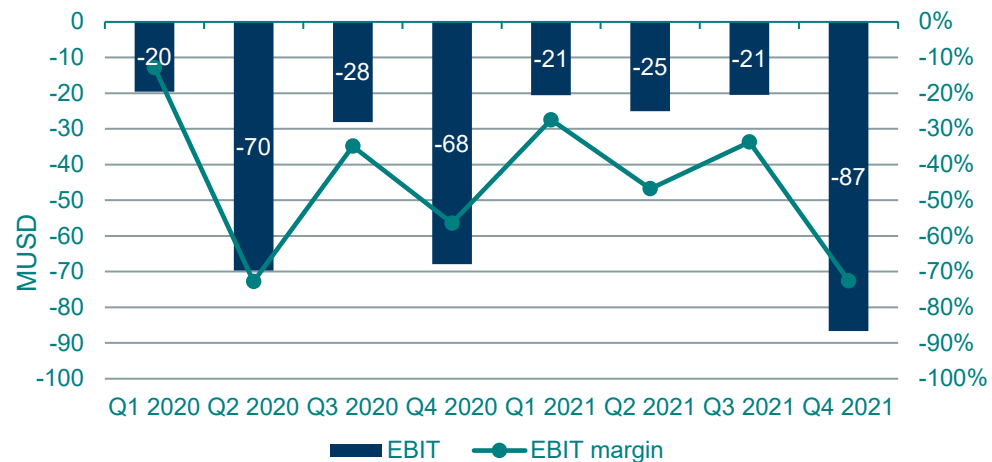


1. Personnel costs and other operating expenses ex. non-recurring items

## Amortization and impairments

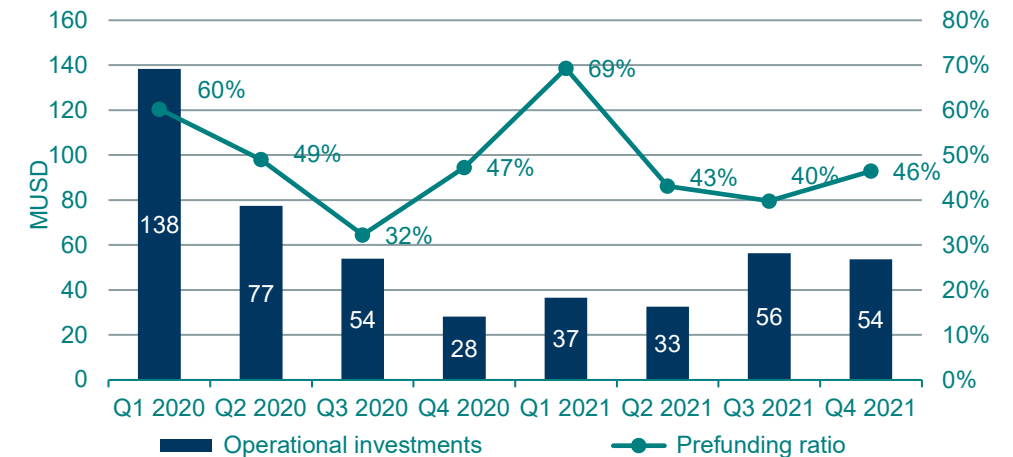


## Operating result



2. Operating result ex. non-recurring items

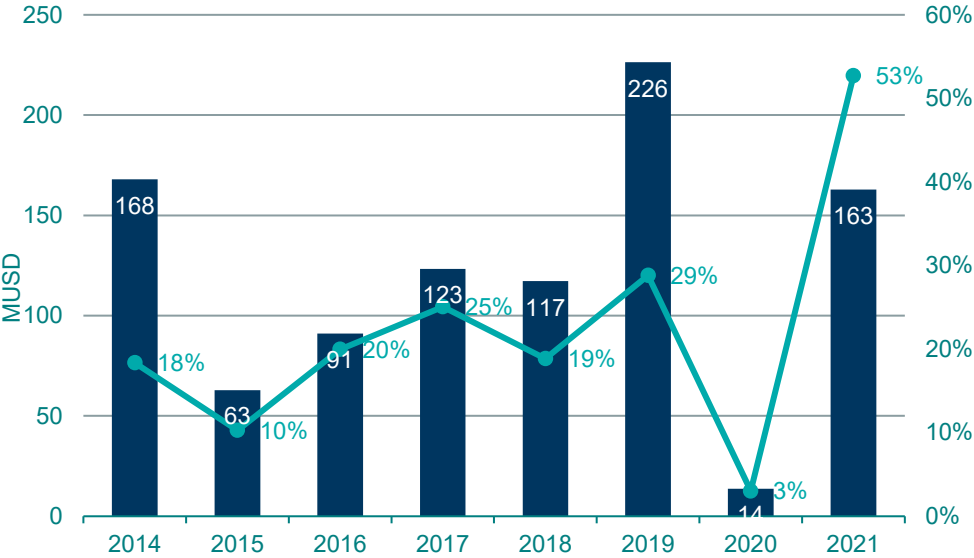
## Multi-client investments and pre-funding





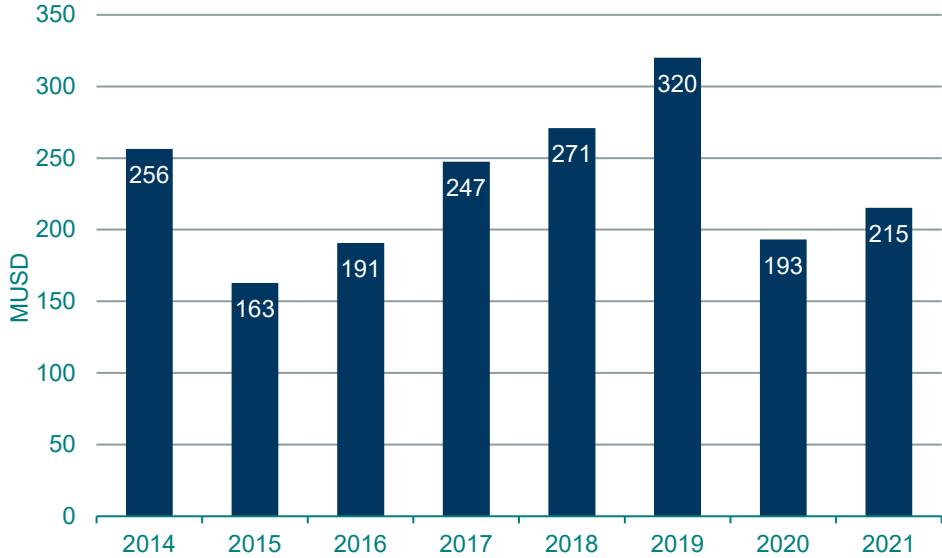
# Strong cash flow and robust balance sheet

**Free Cash Flow (FCF)<sup>2</sup> and FCF Conversion rate<sup>2</sup>**



- 1. Operating cash flow minus organic multi-client investments
- 2. Free cash flow divided by revenues

**Net cash**



# Restatement of prior period accounts

- TGS has substantial activity in Latin America following the acquisition of Spectrum in 2019
- Latin America is subject to complex tax and regulatory framework
- Following a thorough review TGS has found it advisable to amend parts of the historical accounting practices related to Latin America
- A restatement of prior periods' accounts have been necessary to reflect the changed practices
  - Limited restatement impact on 2021 Segment accounts
- Total negative impact on 2021 segment equity opening balance of USD 19 million (USD 22 million IFRS)

*Please refer to Note 9 in the Interim Financial Statement for Q4 2021 for more information*



# Income Statement

Segment reporting

(MUSD)		Q4 2021	Q4 2020	Change
<b>Net operating revenues</b>		<b>119.5</b>	<b>120.3</b>	<b>-1%</b>
Cost of goods sold		8.5	2.5	236%
Personnel cost		14.2	7.8	82%
Other operational costs		12.7	6.0	111%
<b>EBITDA</b>	<b>70%</b>	<b>84.0</b>	<b>103.9</b>	<b>-19%</b>
Amortization of multi-client library		167.0	167.9	-1%
Depreciation		4.8	4.0	20%
<b>Operating result</b>	<b>-73%</b>	<b>-87.7</b>	<b>-67.9</b>	<b>29%</b>
Financial income		1.9	0.1	1727%
Financial expenses		-2.3	-0.3	620%
Exchange gains/losses		-15.3	-2.9	428%
<b>Result before taxes</b>	<b>-87%</b>	<b>-103.4</b>	<b>-71.0</b>	<b>46%</b>
Tax cost	16%	-16.7	-23.1	-28%
<b>Net income</b>	<b>-73%</b>	<b>-86.7</b>	<b>-48.0</b>	<b>81%</b>
EPS (USD)		-0.66	-0.36	
EPS fully diluted (USD)		-0.66	-0.36	

# Balance Sheet

Segment reporting

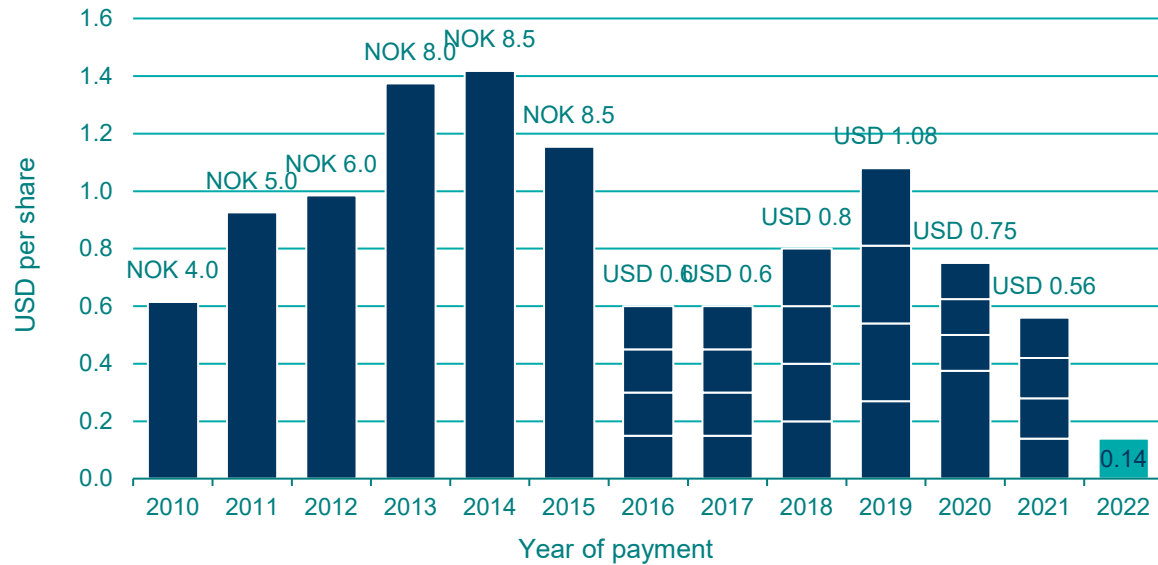
Balance sheet	Q4 2021	Q4 2020	Change
Goodwill	304.0	288.4	5%
Multi-client library	506.5	646.7	-22%
Deferred tax asset	71.1	44.8	59%
Other non-current assets	89.8	114.1	-21%
<b>Total non-current assets</b>	<b>971.4</b>	<b>1,094.0</b>	<b>-11%</b>
Cash and cash equivalents	215.3	195.7	10%
Other current assets	269.5	471.5	-43%
<b>Total current assets</b>	<b>484.8</b>	<b>667.3</b>	<b>-27%</b>
<b>TOTAL ASSETS</b>	<b>1,456.2</b>	<b>1,761.2</b>	<b>-17%</b>
<b>Total equity</b>	<b>1,141.8</b>	<b>1,374.3</b>	<b>-17%</b>
Deferred taxes	32.0	39.2	-18%
Non-current liabilities	35.7	45.3	-21%
<b>Total non-current liabilities</b>	<b>67.7</b>	<b>84.5</b>	<b>-20%</b>
Taxes payable, withheld payroll tax, social security	65.2	39.8	64%
Other current liabilities	181.5	262.7	-31%
<b>Total current liabilities</b>	<b>246.7</b>	<b>302.5</b>	<b>-18%</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>1,456.2</b>	<b>1,761.2</b>	<b>-17%</b>

# Cash Flow Statement

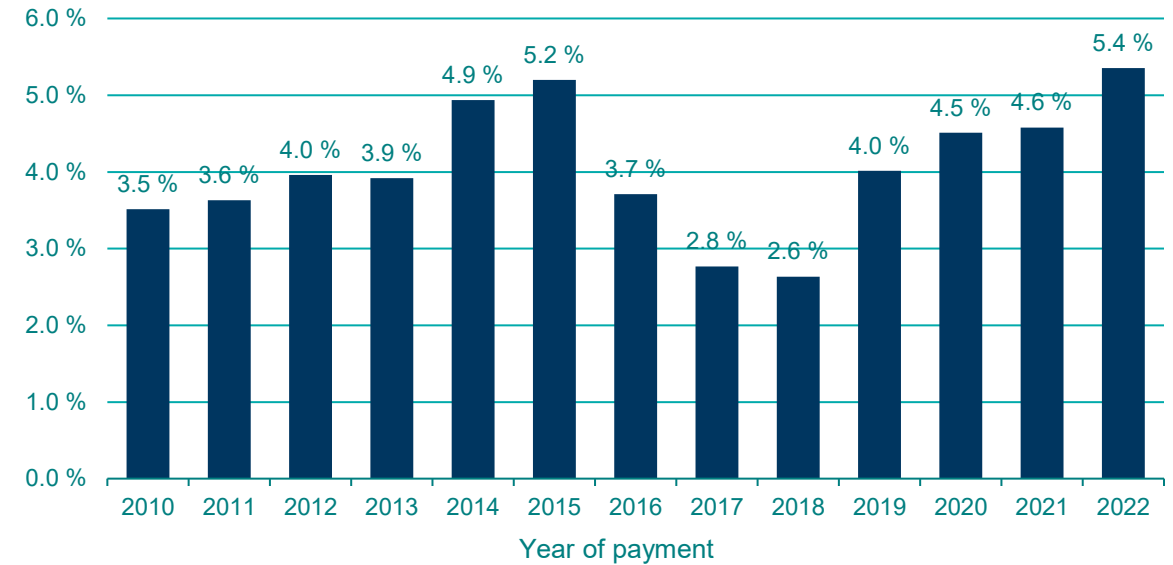
	Q4 2021	Q4 2020	Change
<i>(All amounts in USD 1,000s unless noted otherwise)</i>			
<b><i>Cash flow from operating activities:</i></b>			
Received payments from customers	151,497	115,866	31%
Payments for salaries, pensions, social security tax	-10,736	-15,279	-30%
Payments of other operational costs	-24,044	-19,785	22%
Paid taxes	353	-22,127	-102%
<b>Net cash flow from operating activities<sup>1</sup></b>	<b>117,071</b>	<b>58,676</b>	<b>100%</b>
<b><i>Cash flow from investing activities:</i></b>			
Investments in tangible and intangible assets	-5,038	-2,120	138%
Investments in multi-client library	-62,183	-30,290	105%
Investments through mergers and acquisitions	-11,000	-	0%
Interest received	1,942	106	1732%
<b>Net cash flow from investing activities</b>	<b>-76,279</b>	<b>-32,304</b>	<b>136%</b>
<b><i>Cash flow from financing activities:</i></b>			
Interest paid	-2,356	-556	324%
Dividend payments	-16,295	-14,654	11%
Purchase of own shares	-2,983	-	0%
<b>Net cash flow from financing activities</b>	<b>-21,634</b>	<b>-15,210</b>	<b>42%</b>
<b><i>Net change in cash and cash equivalents</i></b>			
Cash and cash equivalents at the beginning of period	198,120	179,819	10%
Net unrealized currency gains/(losses)	-1,949	4,735	-141%
<b>Cash and cash equivalents at the end of period</b>	<b>215,329</b>	<b>195,716</b>	<b>10%</b>

# Dividends and Share Buybacks

Dividend per share<sup>1</sup>



Dividend yield<sup>2</sup>



- The Board has resolved to maintain the dividend to USD 0.14 per share for Q4 2021
  - Ex date 17 February 2022 – payment date 3 March 2022
- In addition, TGS acquired 308,266 own shares for a total amount of USD 3.0 million in Q4 21. The total value of shares bought back under the current share repurchase program is USD 15.7 million
- TGS has paid out more than USD 1.1 bn of dividends since 2010

1. Quarterly dividends defined in USD from 2016. Annual dividends defined in NOK prior to 2016, converted to USD with the FX rate at ex-dividend dates

2. Average yield at the time of announcement of dividends

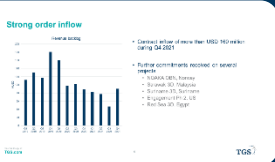
# Market Outlook

The background is a solid teal color. On the right side, there is a pattern of overlapping hexagons, creating a honeycomb-like structure. The hexagons are slightly offset from each other, giving a 3D effect. The color of the hexagons is a lighter shade of teal compared to the background.

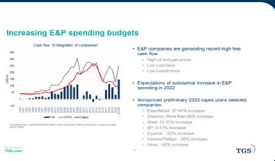
# Several signs of improving market conditions



High oil and gas prices



Improved order inflow



Increasing E&P spending budgets



Exploration economics at attractive levels

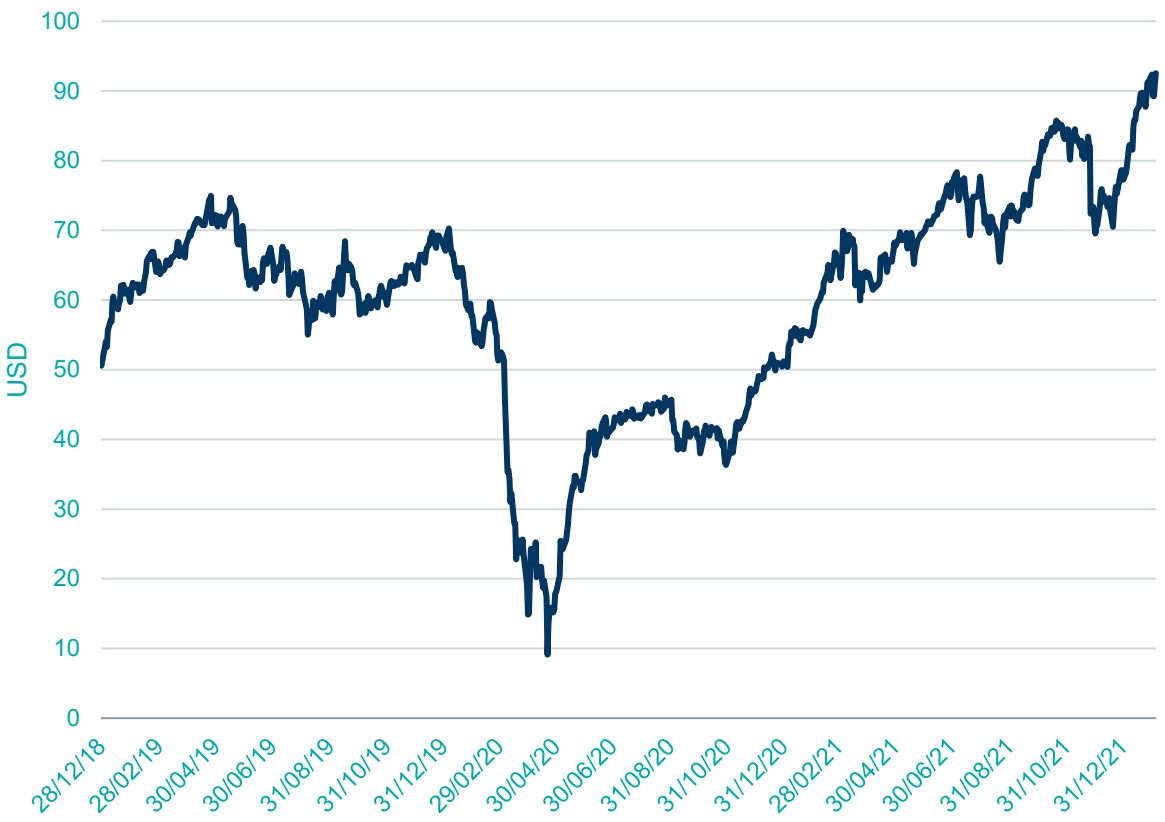


Improving license round activity

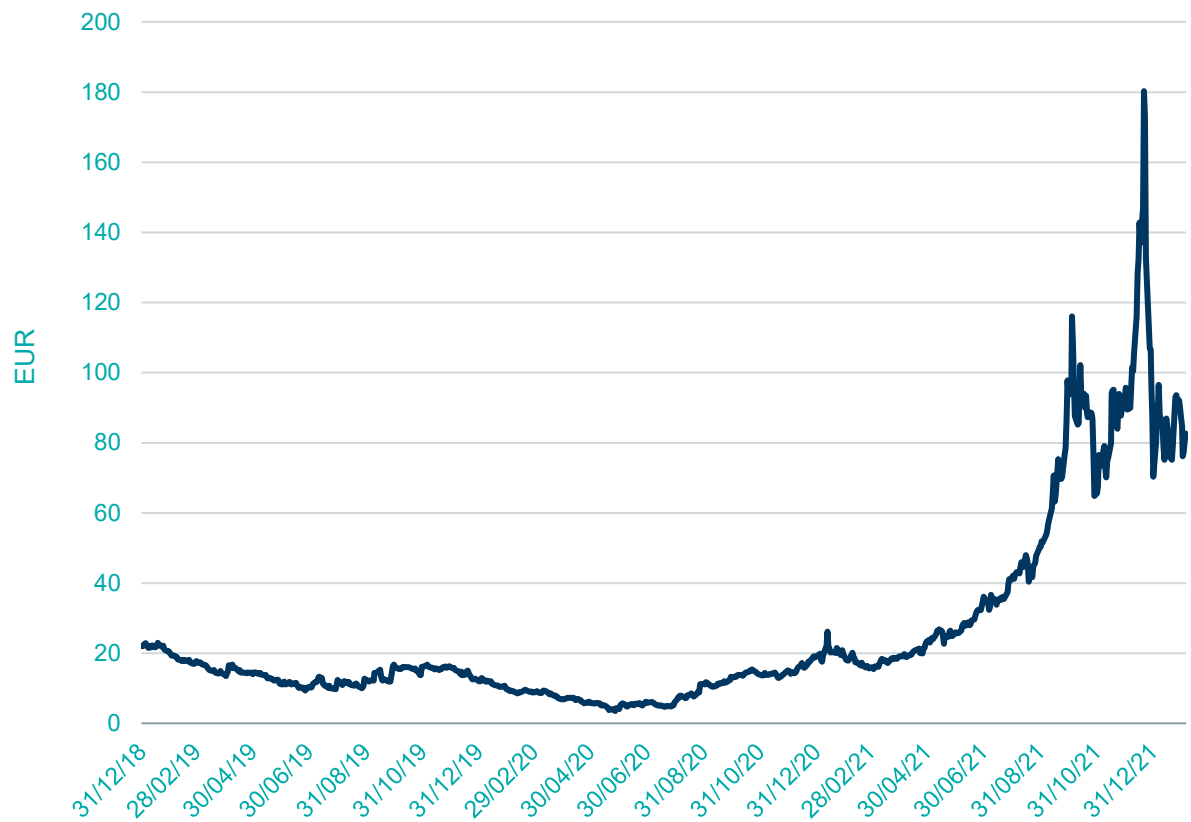


# High oil and gas prices

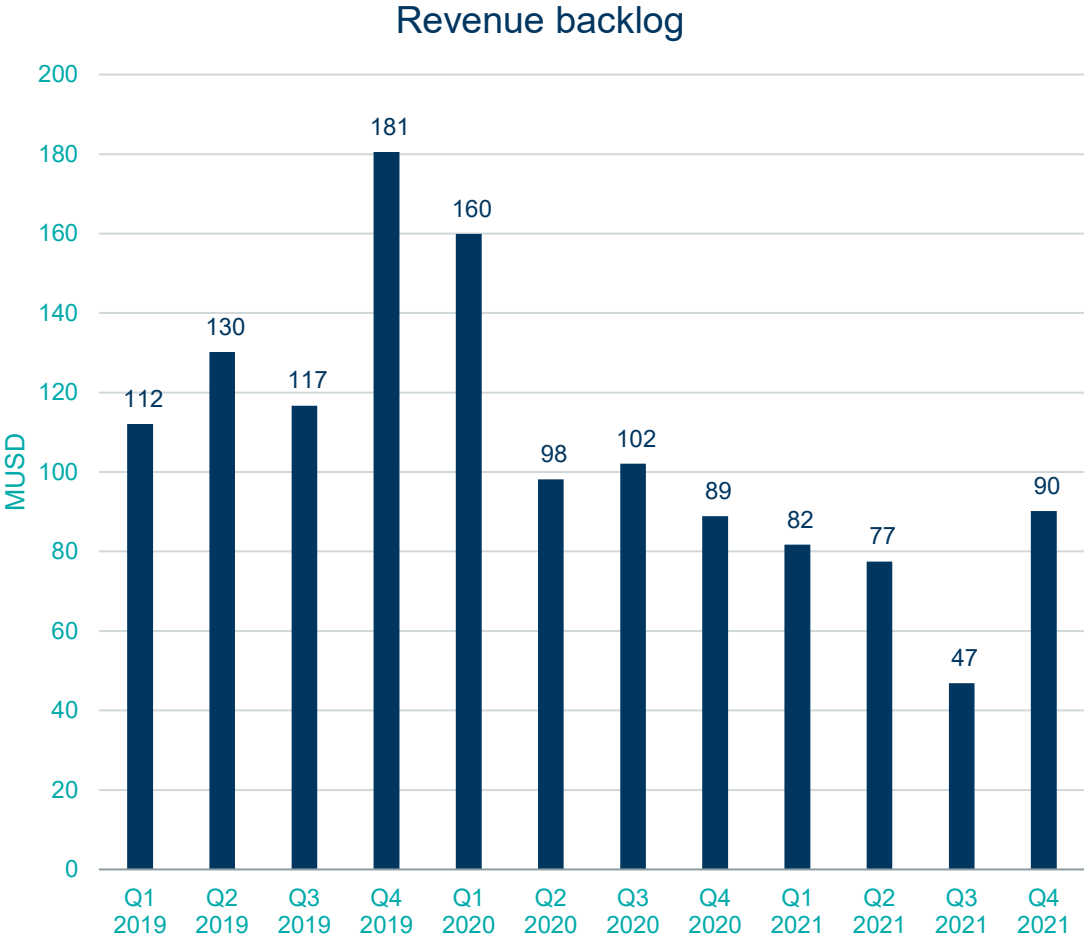
### Brent oil price



### Dutch TTF Natural Gas



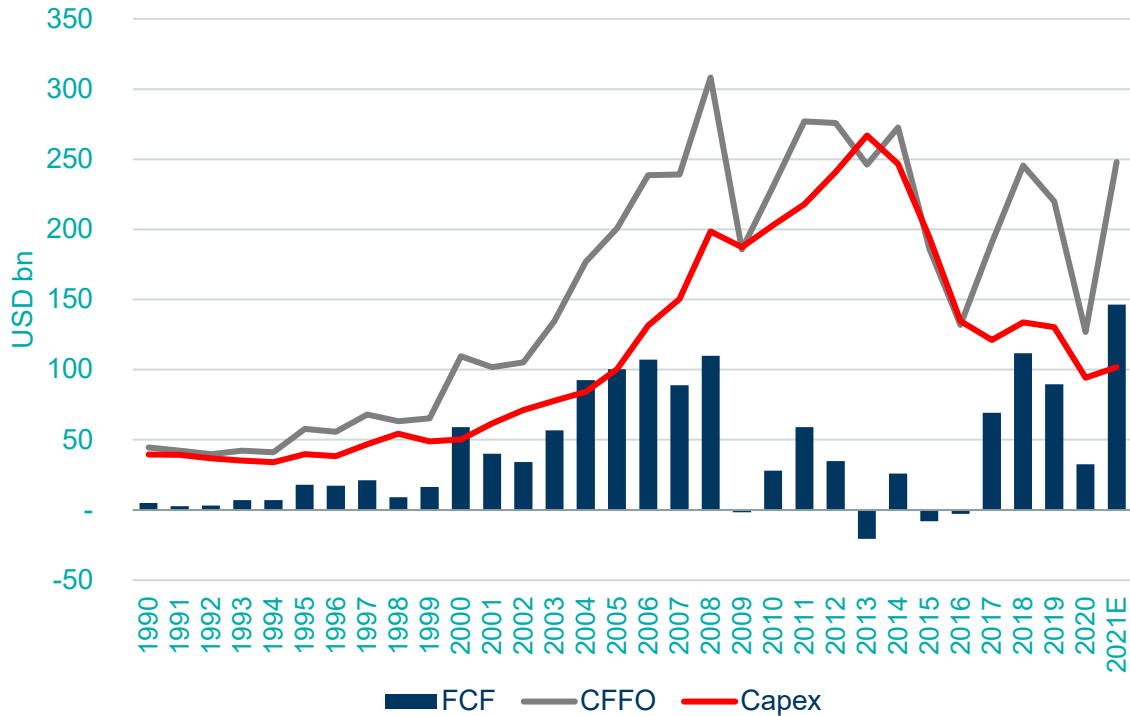
# Strong order inflow



- Contract inflow of more than USD 160 million during Q4 2021
- Further commitments received on several projects
  - NOAKA OBN, Norway
  - Sarawak 3D, Malaysia
  - Suriname 3D, Suriname
  - Engagement Ph 2, US
  - Red Sea 3D, Egypt

# Increasing E&P spending budgets

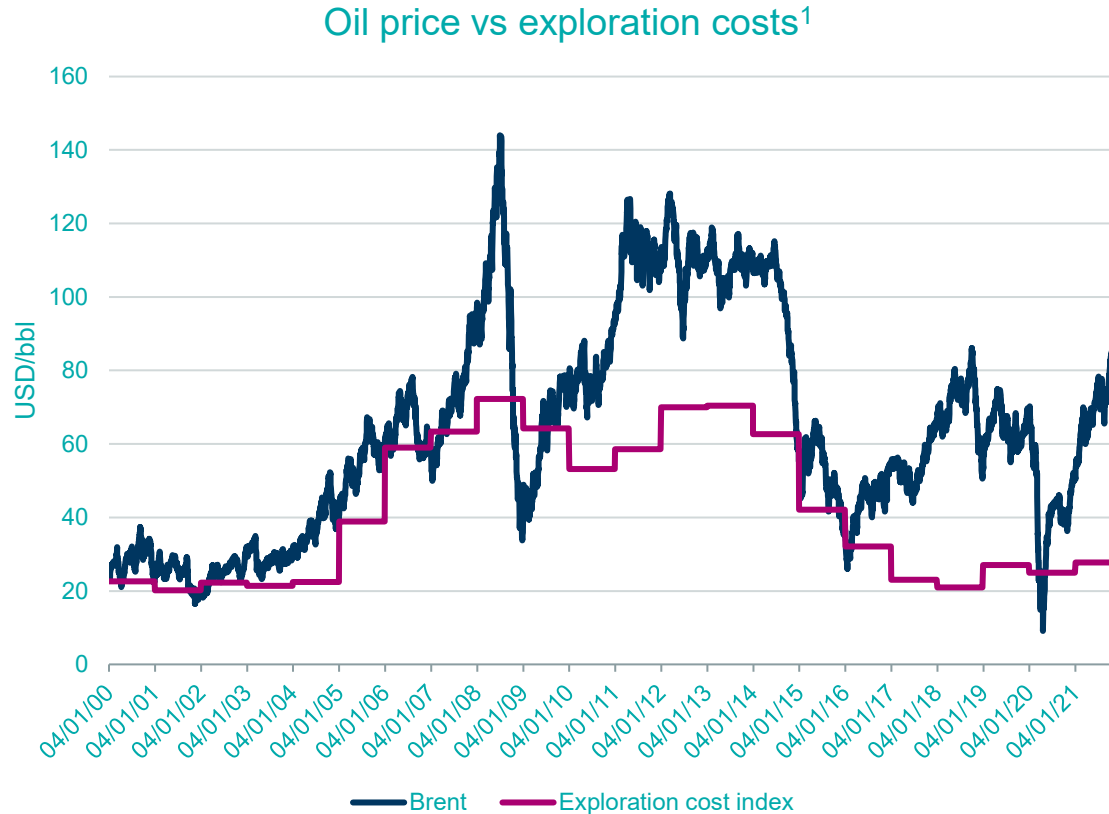
Cash flow 10 integrated oil companies<sup>1</sup>



1. ExxonMobil, Total, ConocoPhillips, Shell/(BG), Repsol, Chevron, ENI, Equinor, Petrobras. 2021E based on consensus estimates  
Source: Carnegie

- E&P companies are generating record-high free cash flow
  - High oil and gas prices
  - Low cost base
  - Low investments
- Expectations of substantial increase in E&P spending in 2022
- Announced preliminary 2022 capex plans selected companies:
  - ExxonMobil: 27-45% increase
  - Chevron: More than 20% increase
  - Shell: 15-35% increase
  - BP: 9-17% increase
  - Equinor: ~23% increase
  - ConocoPhillips: ~36% increase
  - Hess: ~42% increase

# Exploration economics at attractive levels



1. Exploration costs indexed – 90% drilling rig rates / 10% seismic vessel cost

Source: ABGSC, EIA, TGS

- E&P spending yet to recover from pandemic related cuts conducted in 2020
- Value proposition of exploration at attractive levels
  - High oil price
  - Low cost of exploration related services
- Continued challenging market conditions in the near-term, but signs of through being reached
  - High oil price – strong oil company cash flow
  - Declining share of legacy commitments in E&P spending going forward – more room for discretionary spending
  - Licensing round activity recovering
  - Pipeline of potential new projects improving
  - Historical low supply of new multi-client data due to low investments

# Improving License Round Activity

## North America

### **US GOM:**

- Lease Sale 258 – H1 2022 (close)

### **Canada:**

- Flemish Pass/Grand Banks/Jeanne d'Arc - Q4 2022 (close)

## Latin America

### **Brazil:**

- Permanent Offer 3 – H1 2022 (open)

### **Suriname:**

- Shallow Water Central/East – 2023 (close)

### **Argentina:**

- Offshore Round 2 – 2023 (close)

### **Trinidad:**

- Deep Water Bid Round – H1 22 (close)

## Europe

### **Norway:**

- 2021 APA round – Q1 2022 (offers)
- 2022 APA round – Q2 2022 (open)

## Africa

### **Angola:**

- 2021 round – May 2022 (awards)
- 2023 round – 8 blocks
- 2025 round – 10 blocks

### **Gabon:**

- 12<sup>th</sup> Round – Q1 2022 (awards)
- Open Door

### **Gambia:**

- Block A1 Round – 28 Jun 2022 (close)

### **Lebanon**

- 2022 Round – 15 Jun 2022 (close)

### **Liberia:**

- Open Door until 31 May

### **Mozambique**

- 6<sup>th</sup> Round - Aug 2022 (close)

### **Sierra Leone**

- Open Door

### **Somalia:**

- 1<sup>st</sup> round – Jun 2022 (close)

## Asia-Pacific

### **Australia:**

- 2020 Acreage Release – Q1 2022 (awards)
- 2021 Acreage Release – 3 Mar 2022 (close)
- 2021 CCS Acreage Release – 10 Mar 2022 (close)

### **India**

- Bid Round VII – 15 Feb (close)

### **Indonesia:**

- 2021 2<sup>nd</sup> round – H1 2022 (close)

### **Malaysia:**

- 2022 MBR round – Q2 2022 (close)

### **Timor-Leste:**

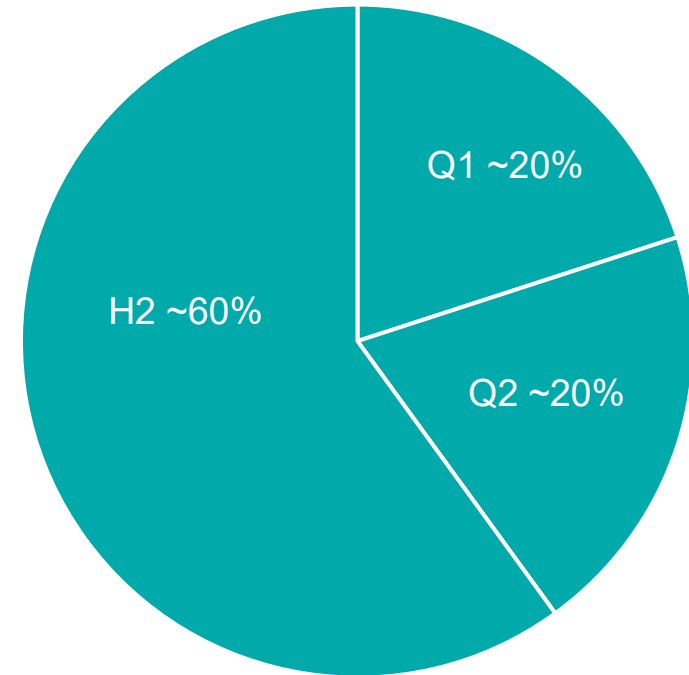
- 2<sup>nd</sup> round – Mar 2022 (close)

Overview is showing scheduled rounds only and is not exhaustive. Several countries, particularly in Africa and Latin America, are planning rounds over the next couple of years

# Guidance 2022

- Multi-client investments of approximately USD 200 million, with a pre-funding rate higher than in 2021
- Continued outperformance on cash flow and ROACE
- Industry-leading distribution to shareholders

Indicative distribution of 2022 multi-client investments



# Summary

- Q4 2021 net revenues of USD 120 million (segment)
  - Late sales USD 83 million
  - Pre-funding USD 25 million
  - Proprietary sales 12 million
- Strong Q4 2021 order inflow of more than USD 160 million
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# Questions & Answers

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# Appendix



# Income Statement

IFRS

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Cost of goods sold		8.5	2.5	236%
Personnel cost		14.2	7.8	82%
Other operational costs		12.7	6.0	111%
<b>EBITDA</b>	<b>66%</b>	<b>69.2</b>	<b>126.5</b>	<b>-45%</b>
Amortization of multi-client library		165.2	147.3	12%
Depreciation		4.8	4.0	20%
<b>Operating result</b>	<b>-96%</b>	<b>-100.8</b>	<b>-24.8</b>	<b>307%</b>
Financial income		1.9	0.1	1727%
Financial expenses		-2.3	-0.3	620%
Exchange gains/losses		-1.9	-2.9	-33%
<b>Result before taxes</b>	<b>-99%</b>	<b>-103.1</b>	<b>-27.9</b>	<b>270%</b>
Tax cost	17%	-17.2	-11.0	57%
<b>Net income</b>	<b>-82%</b>	<b>-85.9</b>	<b>-16.9</b>	<b>408%</b>
EPS (USD)		-0.74	-0.14	412%
EPS fully diluted (USD)		-0.74	-0.14	412%

# Balance Sheet

IFRS

Balance sheet	Q4 2021	Q4 2020	Change
Goodwill	304.0	288.4	5%
Multi-client library	704.9	965.6	-27%
Deferred tax asset	80.2	88.6	-9%
Other non-current assets	89.8	114.1	-21%
<b>Total non-current assets</b>	<b>1,178.9</b>	<b>1,456.7</b>	<b>-19%</b>
Cash and cash equivalents	215.3	195.7	10%
Other current assets	220.0	369.0	-40%
<b>Total current assets</b>	<b>435.3</b>	<b>564.7</b>	<b>-23%</b>
<b>TOTAL ASSETS</b>	<b>1,614.2</b>	<b>2,021.4</b>	<b>-20%</b>
<b>Total equity</b>	<b>1,112.3</b>	<b>1,243.7</b>	<b>-11%</b>
Deferred taxes	32.2	29.1	11%
Non-current liabilities	35.7	45.3	-21%
<b>Total non-current liabilities</b>	<b>68.0</b>	<b>74.4</b>	<b>-9%</b>
Taxes payable, withheld payroll tax, social security	65.2	31.7	105%
Other current liabilities	368.8	671.5	-45%
<b>Total current liabilities</b>	<b>434.0</b>	<b>703.3</b>	<b>-38%</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>1,614.2</b>	<b>2,021.4</b>	<b>-20%</b>

# Reconciliation Between Segment and IFRS

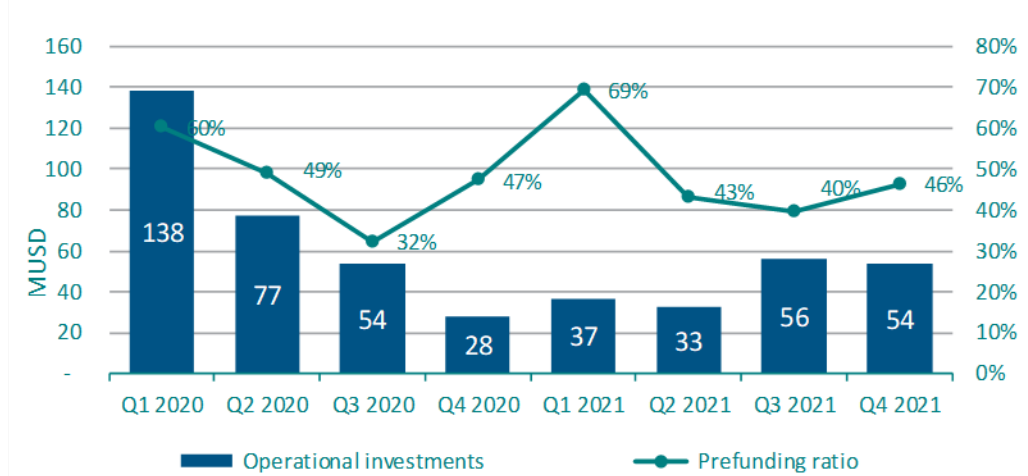
(All amounts in USD 1,000s)	Q4 2021 IFRS	Performance obligations met during the quarter	In progress projects	Q4 2021 Segment
<b>Revenues</b>	<b>104,661</b>	<b>-39,890</b>	<b>54,731</b>	<b>119,503</b>
Amortization and impairment of multi-client library	165,236	-33,522	35,271	166,985
Exchange gains/loss	-1,949	-	-13,394	-15,343
<b>Income before tax</b>	<b>-103,106</b>	<b>-6,368</b>	<b>6,066</b>	<b>-103,408</b>
Taxes	-17,212	-4,225	4,731	-16,707
<b>Net income</b>	<b>-85,894</b>	<b>-2,143</b>	<b>1,335</b>	<b>-86,701</b>

(All amounts in USD 1,000s)	31 Dec 2021 IFRS	Adjustments	31 Dec 2021 Segment
Multi-client library	704,868	-198,350	506,518
Deferred tax asset	80,235	-9,130	71,105
<b>Total non-current assets</b>	<b>1,178,880</b>	<b>-207,480</b>	<b>971,401</b>
Accrued revenues	32,551	49,508	82,060
<b>Total current assets</b>	<b>435,294</b>	<b>49,508</b>	<b>484,802</b>
<b>Equity</b>	<b>1,112,262</b>	<b>29,575</b>	<b>1,141,837</b>
Deferred taxes	32,226	-266	31,960
<b>Total non-current liabilities</b>	<b>67,955</b>	<b>-266</b>	<b>67,688</b>
Accounts payable and debt to partners	71,669	14,828	86,497
Deferred revenues	238,169	-202,109	36,060
<b>Total current liabilities</b>	<b>433,958</b>	<b>-187,280</b>	<b>246,678</b>

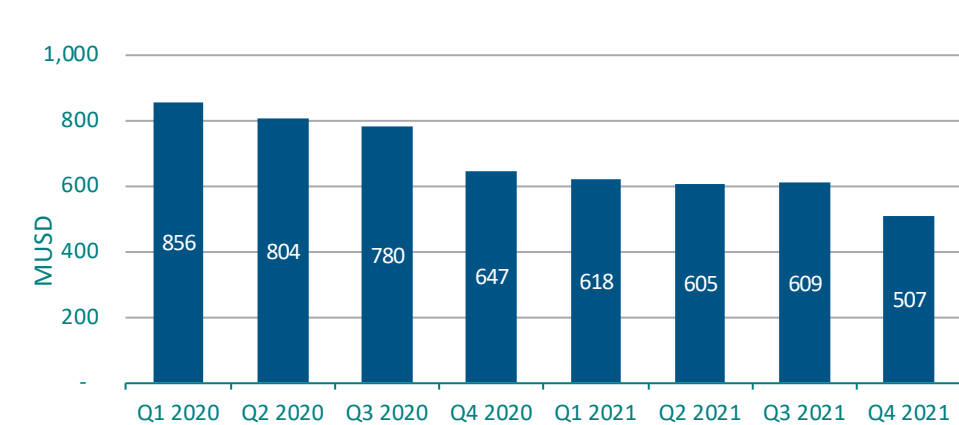
# Multi-Client Library

Segment reporting

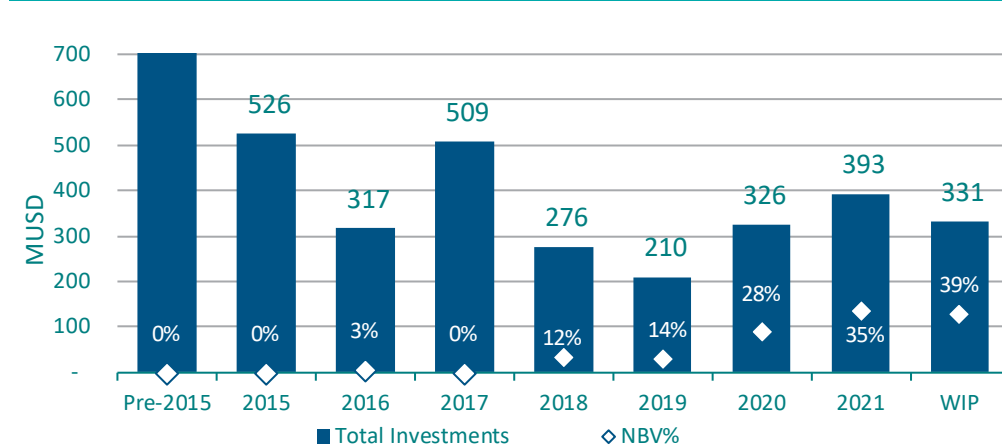
## Operational investments and prefunding ratio



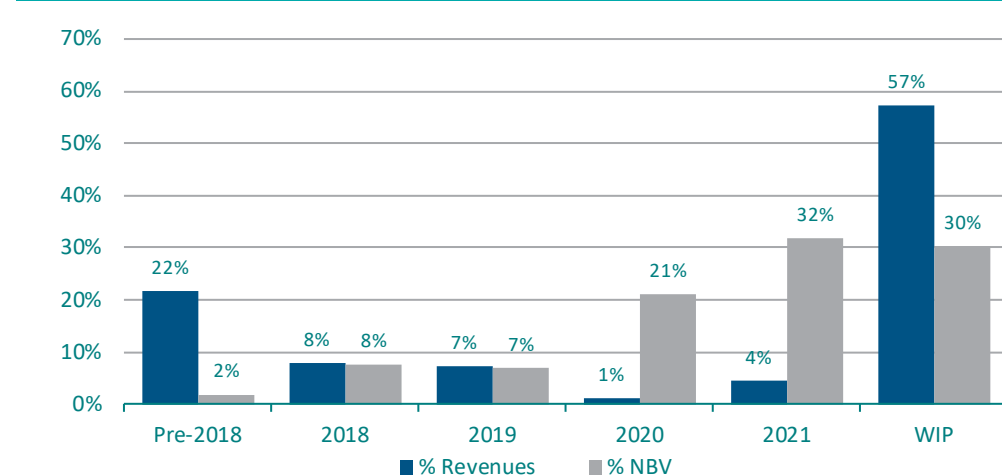
## Net Book Value - Multi-Client Library



## Investments and NBV by year of completion <sup>1)</sup> Q4 2021



## Net Revenues and NBV by year of completion Q4 2021



1. Operational multi-client seismic investments