



Q3 2020 Financial Results



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29 October 2020

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

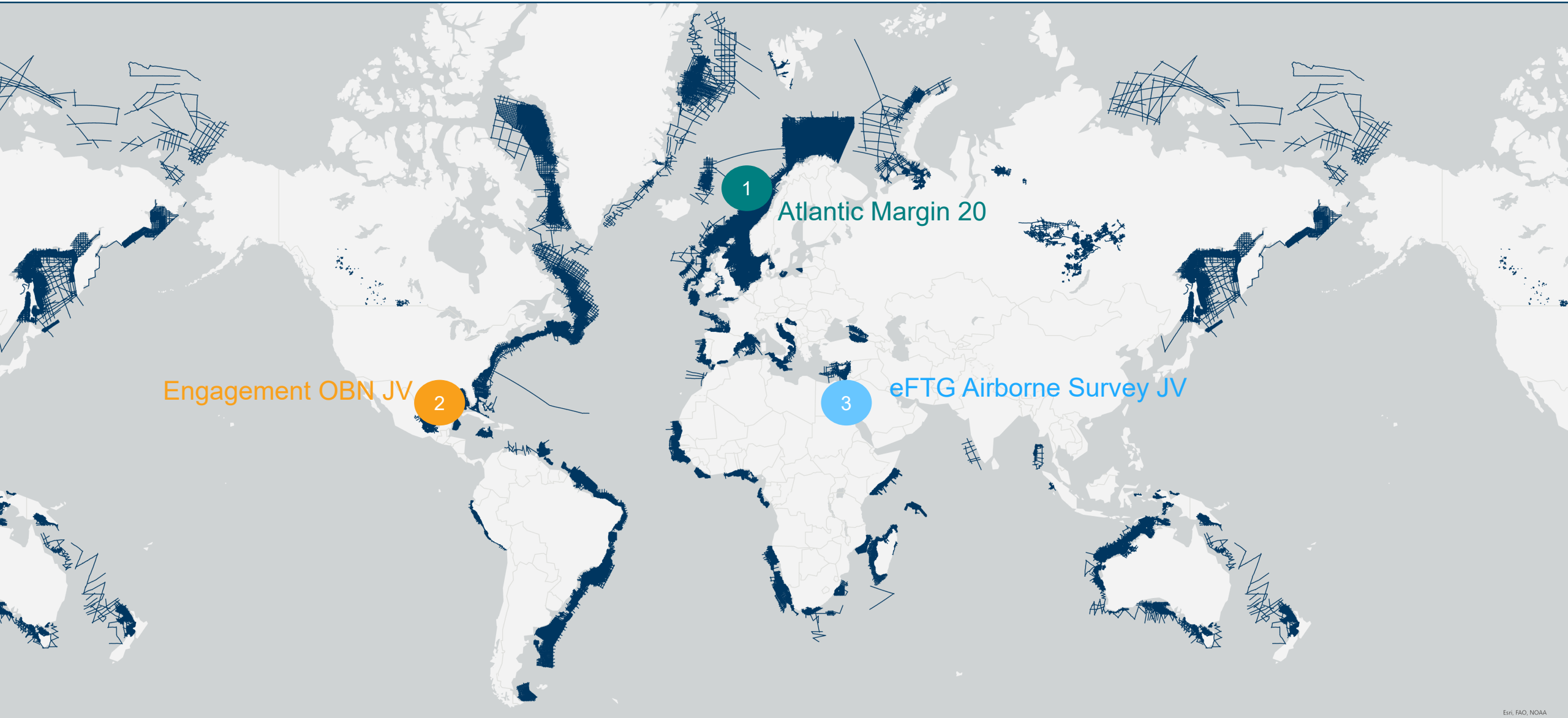
- Q3 2020 net revenues of USD 80.6 million
 - Late sales USD 60.7 million
 - Pre-funding USD 17.4 million
- Costs and capex re-set to reflect challenging market conditions
 - Q3 2020 Personnel and Other operational costs down 64% y/y
 - Forward run-rate reduced ~40% compared to 2019 pro-forma
- Dividend maintained at USD 0.125 per share
 - Supported by strong balance sheet and cash generation capabilities
- Weak market conditions expected to continue into 2021
 - COVID-19 continues to cause uncertainty in oil market





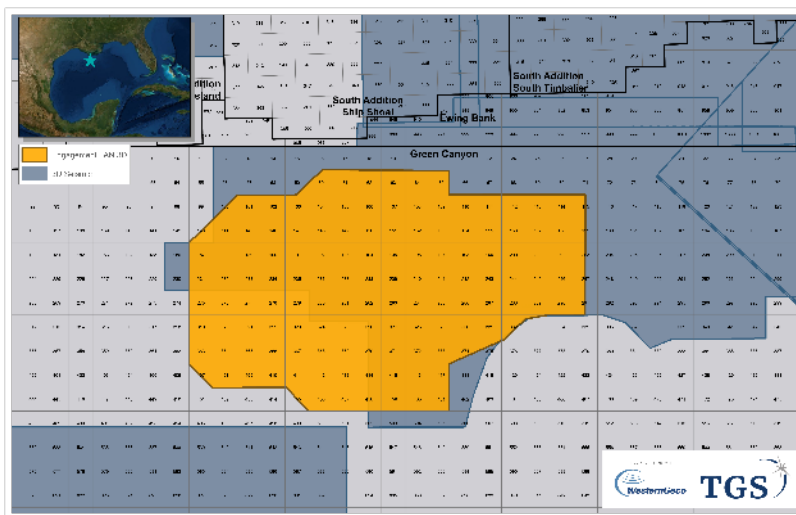
Operational Highlights

Q3 2020 Operational Highlights



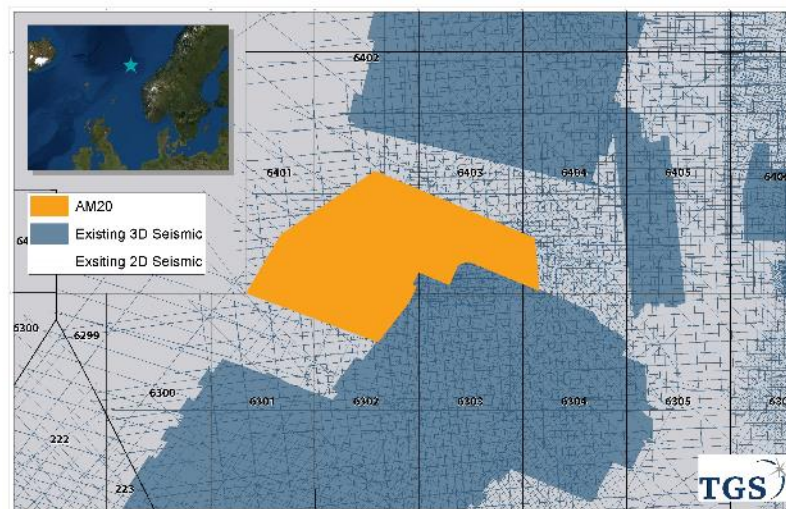
Esri, FAO, NOAA

Key Projects in Q3 2020



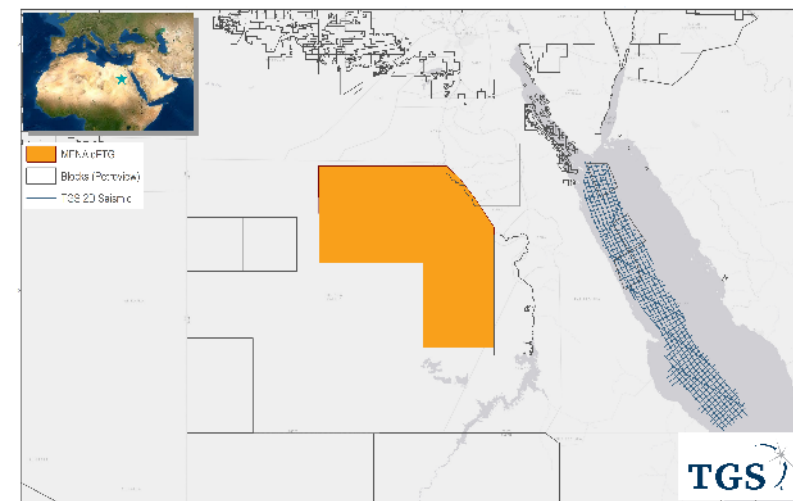
ENGAGEMENT – U.S. GOM

- Project completed in September 2020
- Highly pre-funded project following the very successful Amendment Phase 1 project in Mississippi Canyon in 2019
- Engagement's combined OBN data and full-waveform inversion data, positions TGS as the leading player in the region with an unmatched data offering



AM20 3D – Offshore Norway

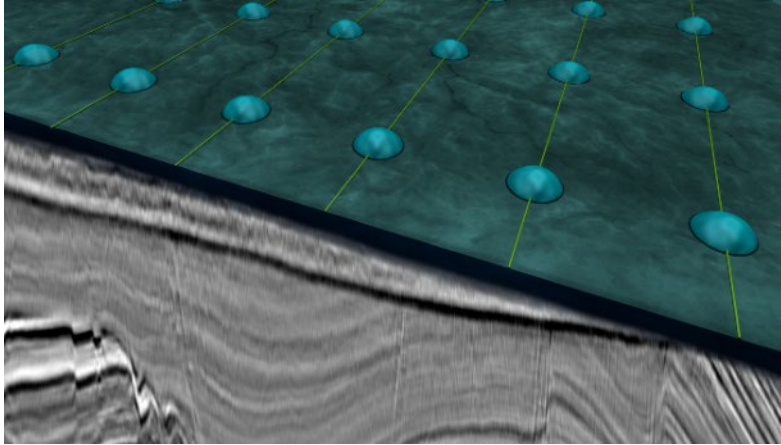
- Completed acquisition of Atlantic Margin OBN survey
- The survey was designed to enhance efficiencies and combine OBN data with 3D data to enhance imaging
- Benefits include cost-efficient OBN acquisition solutions to enhance geological understanding and modeling within key license blocks



eFTG SURVEY – Onshore MENA

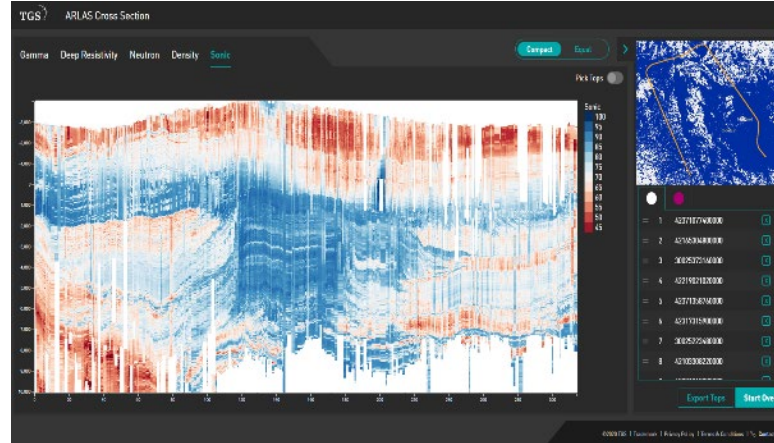
- The Enhanced Full Tensor Gravity Gradiometry (eFTG) technology used for data acquisition, is being applied for the first time in the Middle East and North Africa (MENA)
- The first-ever multi-year survey covers 120,000 km² to provide high-quality data both onshore and offshore in preparation for upcoming bid rounds

Key R&D Achievements



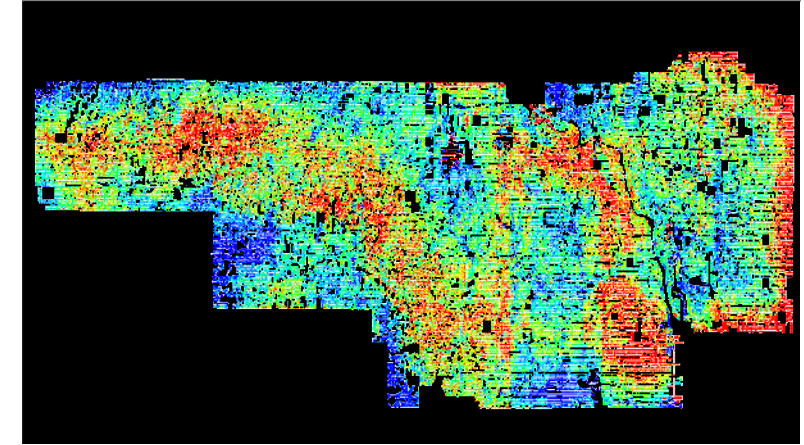
OBN Tests

- 11-day, industry supported, test of two different low frequency source technologies, as part of our continued investment in OBN projects in the US GOM.
- Deployment of sparse node concept in connection with the AM20 survey in Norway to enhance efficiencies and combine the recorded OBN data with conventional 3D streamer data to improve imaging.
- The tests are critical in building improved velocity models with FWI and optimizing and expanding future applications.



ARLAS Cross Section Tool

- An evolution from the TGS ARLAS engine, this first of its kind tool allows users to generate an arbitrary geologic cross-section.
- It also allows users to gain unique subsurface insights by combining ML-based well log prediction with powerful visualization.
- Despite the challenges of the pandemic, this was a successful collaborative effort from several teams.



Augmented Quality Assurance (AQuA) Toolkit

- AQuA enables systematic statistics and map-based visualization of multiple seismic quality attributes.
- It also improves efficiency and quality control for imaging projects:
 - Reduces time to QC data
 - Systematically checks quality improvement at each step and throughout the life of the project
 - No quality “surprises” at the conclusion of the project

Recent ESG Highlights



Increasing recognition

- Received an A- rating in The Governance Group's annual Top 100 ESG ranking for OSE listed companies



Improving emission measuring

- Established systems for accurately measuring environmental footprint of all surveys
- Improved tracking of internally generated emissions



Boosted supply chain oversight

- Implemented new Human Rights policy and Supplier Code of Conduct
- Tighter follow up of vendors on ESG factors



Visit tgs.com/about-us/sustainability to learn more about our commitment to Sustainability.

Growing Interest for Alternative Uses of TGS Products

- Increased interest for TGS data and capabilities for non-Oil & Gas purposes
- Ongoing projects and discussions related to:
 - Carbon Capture and Storage (CCS)
 - Wind energy
 - Geothermal energy
 - Deep Sea Minerals (DSM)
- Several product development projects directed towards CCS, renewables and DSM initiated





Financials

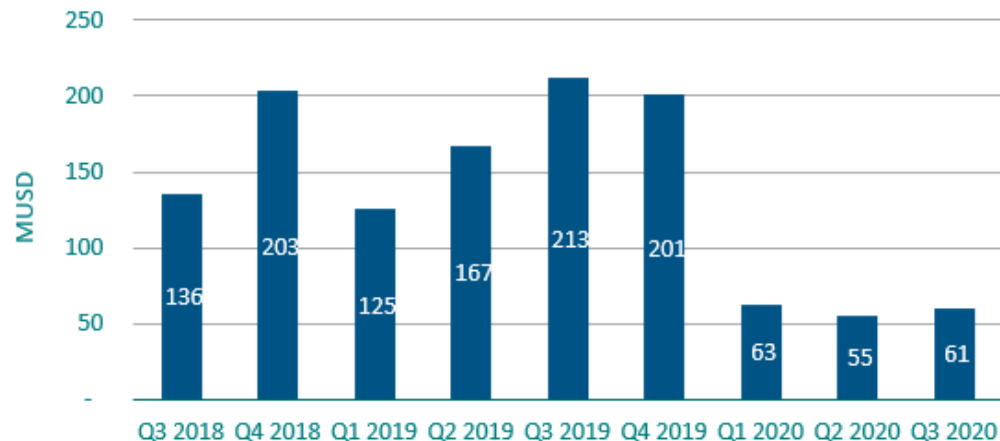
IFRS 15

- The accounting standard IFRS 15 regarding revenue recognition implemented from 1 January 2018
- Implications for TGS
 - 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
- Internal reporting
 - TGS will continue to use the previous percentage-of-completion-method for internal segment and management reporting (referred to as *Segment Reporting*)
 - Provides the best picture of the performance and value creation of the business
- External reporting
 - Two sets of accounts: *Segment Reporting* and *IFRS Reporting*
 - Main focus in external communication will be on *Segment Reporting*

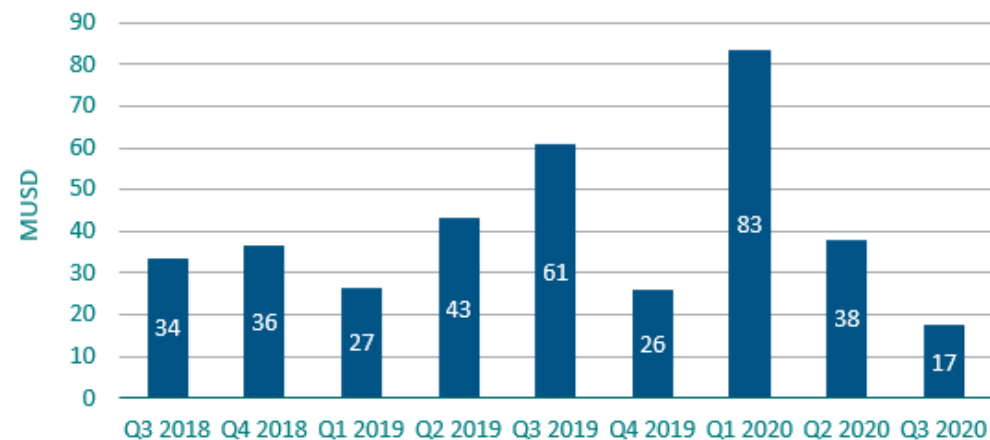
Net Revenues

Pro-forma (incl. Spectrum)

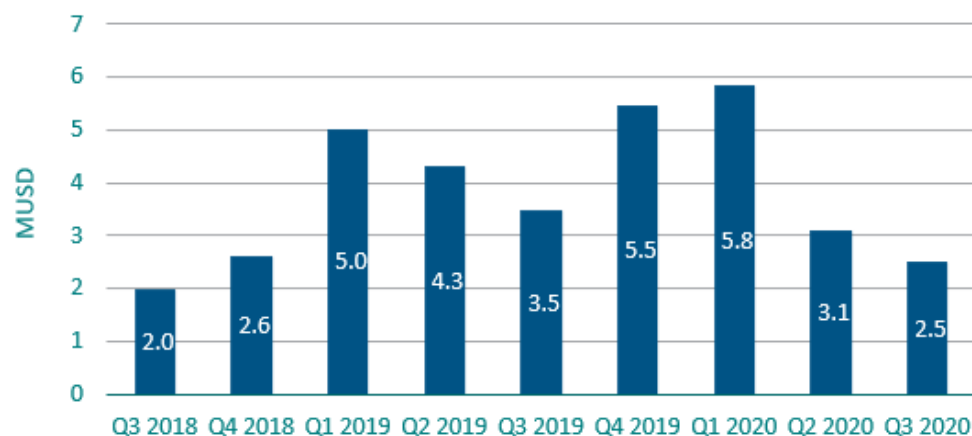
Late sales



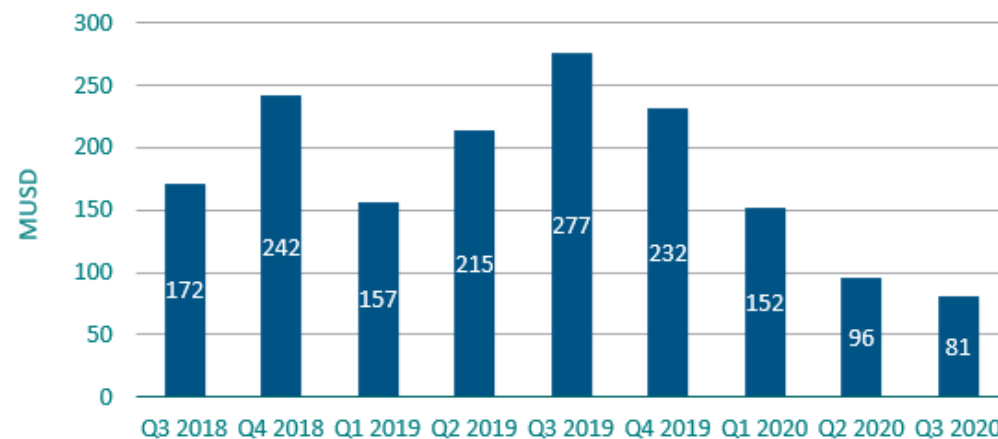
Pre-funding revenues



Proprietary revenues



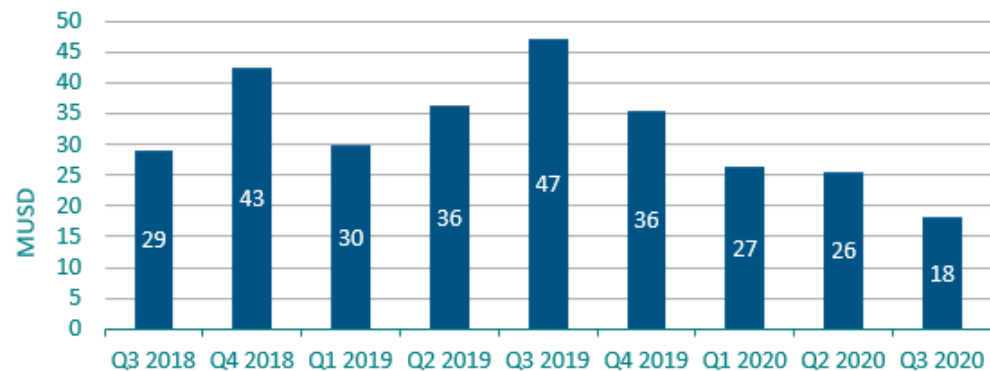
Total Revenues



Operating Expenses, EBIT, MC Investments

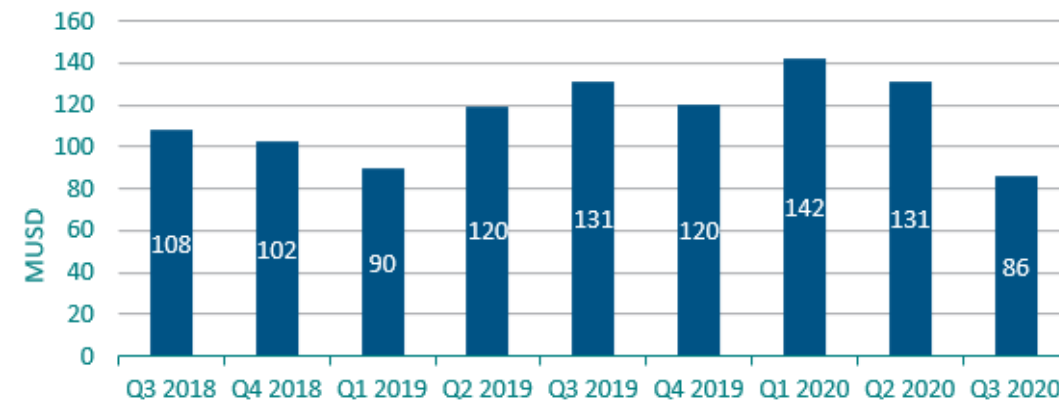
Pro-forma (incl. Spectrum)

Operating Cost¹⁾

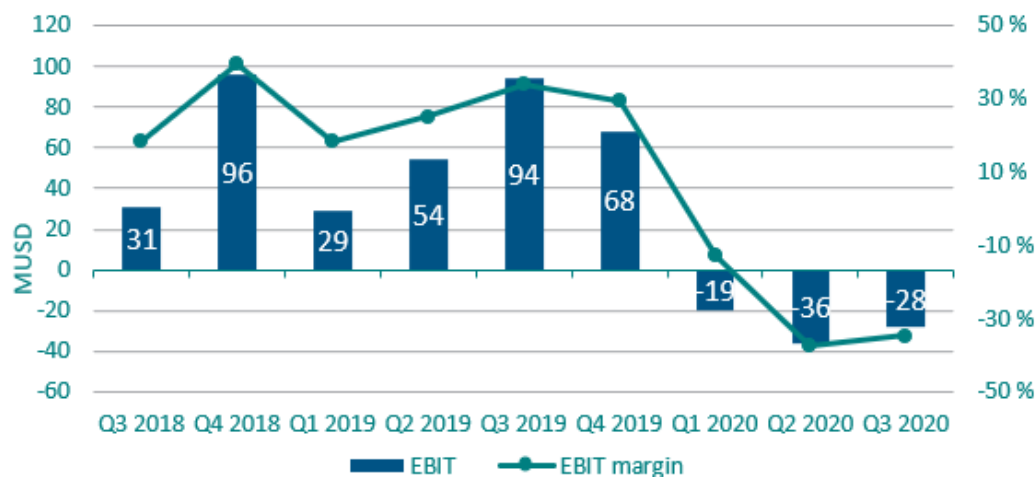


1. Personnel costs and other operating expenses excluding reported non-recurring items

Amortization and Impairments - Multi-Client Library

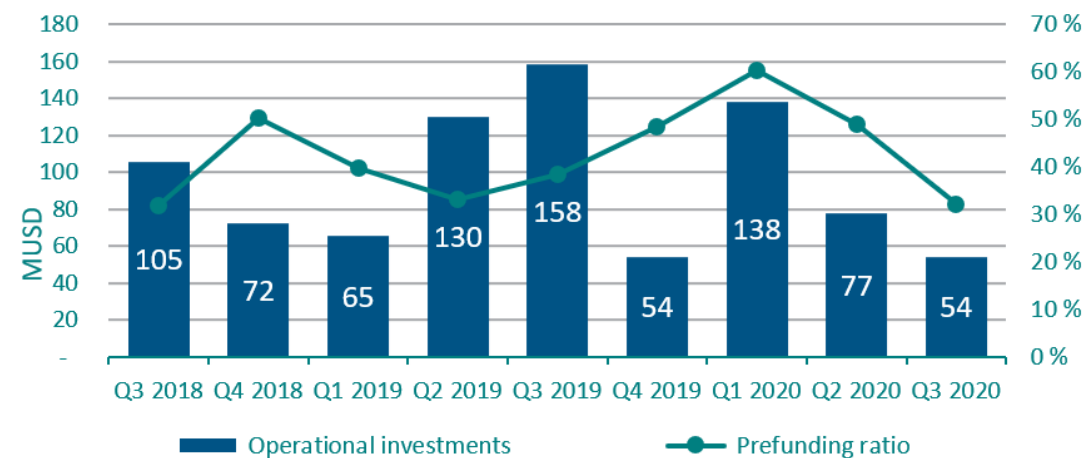


Earnings Before Interest & Taxes²⁾



2. Earnings before interest and taxes excluding reported non-recurring items

Operational investments and prefunding ratio



Income Statement

Pro-forma (incl. Spectrum)

(MUSD)		Q3 2020	Q3 2019	Change
Net operating revenues		80.6	276.7	-71%
Cost of goods sold		1.0	0.1	762%
Personnel cost		12.2	33.2	-63%
Other operational costs		5.1	14.5	-65%
Cost of stock options		0.0	0.0	n/a
EBITDA	77%	62.2	228.9	-73%
Amortization of multi-client library		86.1	130.9	-34%
Depreciation		4.1	4.2	-2%
Operating result	-35%	-27.9	93.9	-130%
Financial income		-0.2	0.9	-123%
Financial expenses		-1.0	-1.0	2%
Exchange gains/losses		-2.2	-2.8	-19%
Result before taxes	-39%	-31.4	91.0	n/a
Tax cost	18%	-5.6	18.2	n/a
Net income	-32%	-25.8	72.8	n/a
EPS (USD)		-0.19	0.58	
EPS fully diluted (USD)		-0.19	0.57	

Balance Sheet

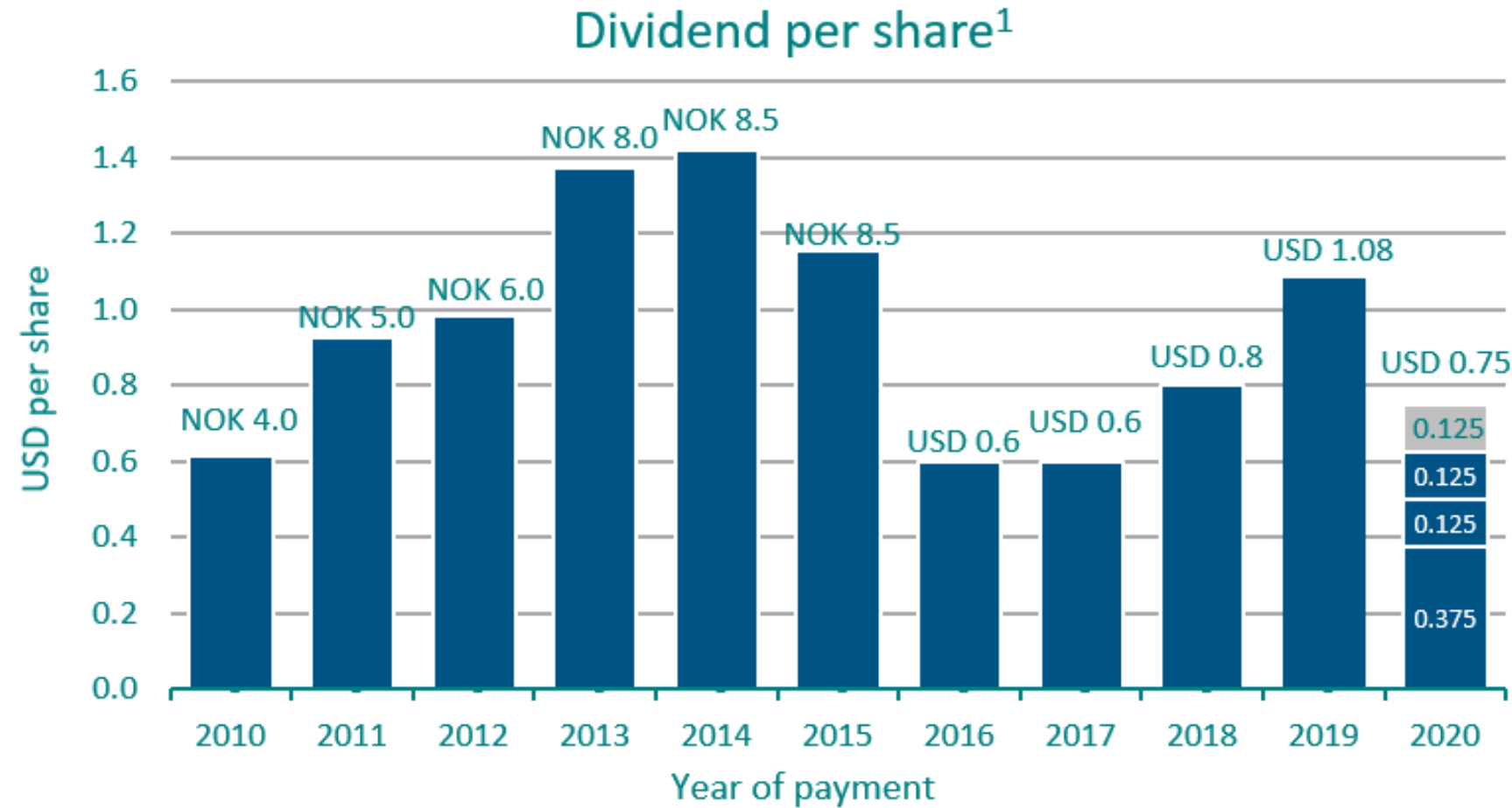
Balance sheet	Q3 2020	Q3 2019	Change
Goodwill	288.4	288.4	0%
Multi-client library	763.2	888.5	-14%
Deferred tax asset	44.9	20.2	123%
Other non-current assets	108.9	82.3	32%
Total non-current assets	1,205.4	1,279.4	-6%
Cash and cash equivalents	179.8	265.5	-32%
Other current assets	451.9	584.5	-23%
Total current assets	631.7	850.0	-26%
TOTAL ASSETS	1,837.1	2,129.3	-14%
Total equity	1,422.3	1,618.8	-12%
Deferred taxes	43.8	55.4	-21%
Non-current liabilities	50.9	32.3	58%
Total non-current liabilities	94.7	87.7	8%
Taxes payable, withheld payroll tax, social security	22.9	53.7	-57%
Other current liabilities	297.2	369.1	-19%
Total current liabilities	320.1	422.8	-24%
TOTAL EQUITY AND LIABILITIES	1,837.1	2,129.3	-14%

Cash Flow Statement

Pro-forma (incl. Spectrum)

(MUSD)	Q3 2020	Q3 2019	Change
Received payments	109.4	131.1	-16 %
Payments for operational expenses	-35.0	-48.8	-28 %
Paid taxes	-12.5	-11.8	6 %
Net cash flow from operating activities	62.0	70.5	-12 %
Investment in tangible fixed assets	-4.1	-6.4	-36 %
Investments in multi-client library	-57.5	-106.1	-46 %
Investments through mergers and acquisitions	0.0	14.6	-100 %
Interest income	0.1	-0.1	n/a
Net Cash Flow from investing activities	-61.5	-98.0	-37 %
Net change in loans	0.0	-16.2	-100 %
Interest expense	-1.0	0.3	-478 %
Payment of dividends	-16.2	-30.1	-46 %
Purchase of own shares	0.0	-11.6	n/a
Net cash flow from financing activities	-17.2	-57.7	-70 %
Net unrealized currency gains/(losses)	-2.0	-3.6	n/a
Net change in cash and cash equivalents	-18.7	-88.8	-79 %

Dividends



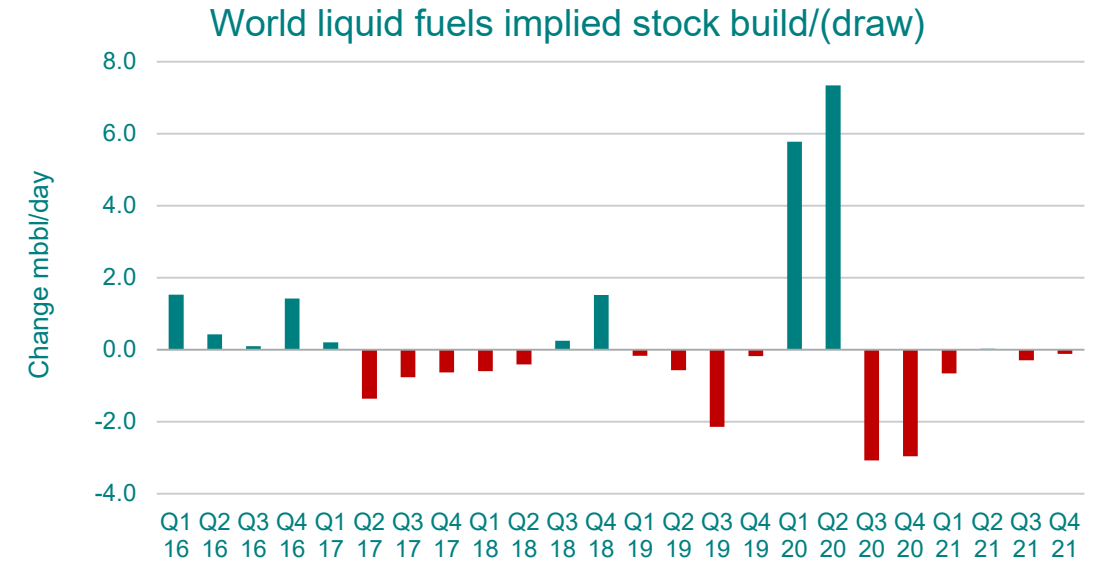
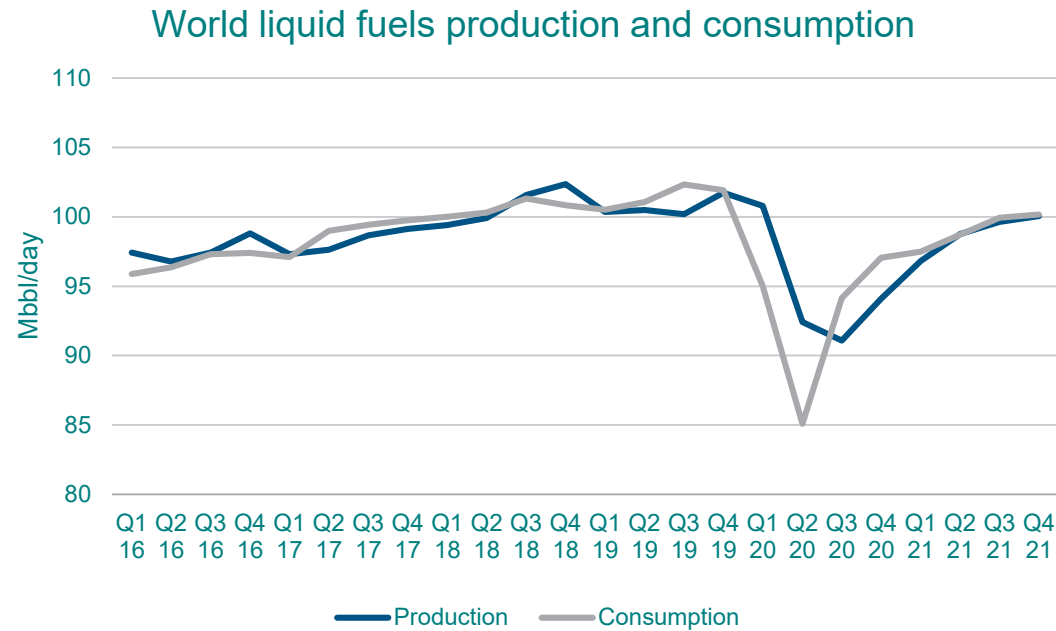
- The Board has resolved to maintain the dividend of USD 0.125 per share in Q4 2020
- Ex date 5 November 2020 – payment date 19 November 2020

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

The background is a dark, abstract composition featuring a network of small, light-colored dots connected by thin lines, creating a web-like structure. Overlaid on this are several translucent, multi-colored geometric shapes, primarily triangles and polygons, in shades of blue, green, and red. These shapes are layered and semi-transparent, giving a sense of depth and complexity. The overall effect is reminiscent of a digital or scientific visualization, such as a molecular model or a data network.

Outlook

COVID Continues to Cause Uncertainty in the Oil Market

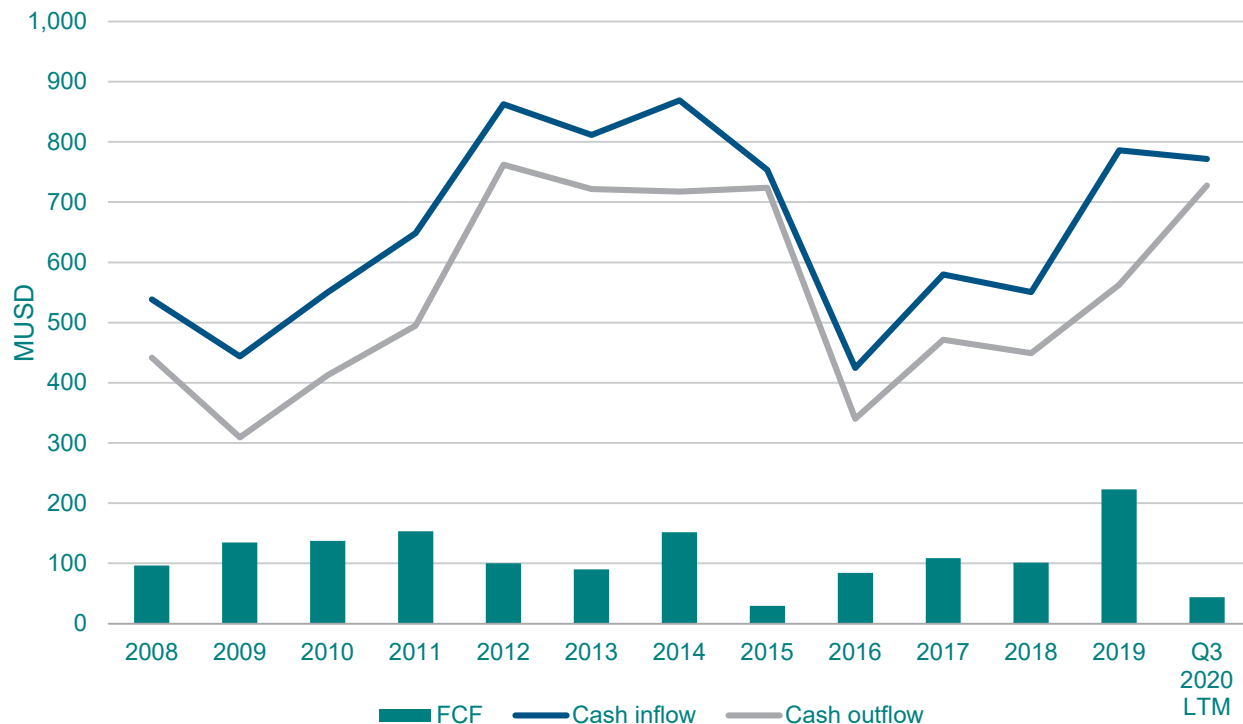


Source: EIA Short-Term Energy Outlook October 2020

- The worsened COVID-19 situation seen in many countries has brought forecasts for oil demand down
- Global production expected to gradually recover in line with OPEC+ deal
- A balanced market expected for 2021 – but inventory levels are high

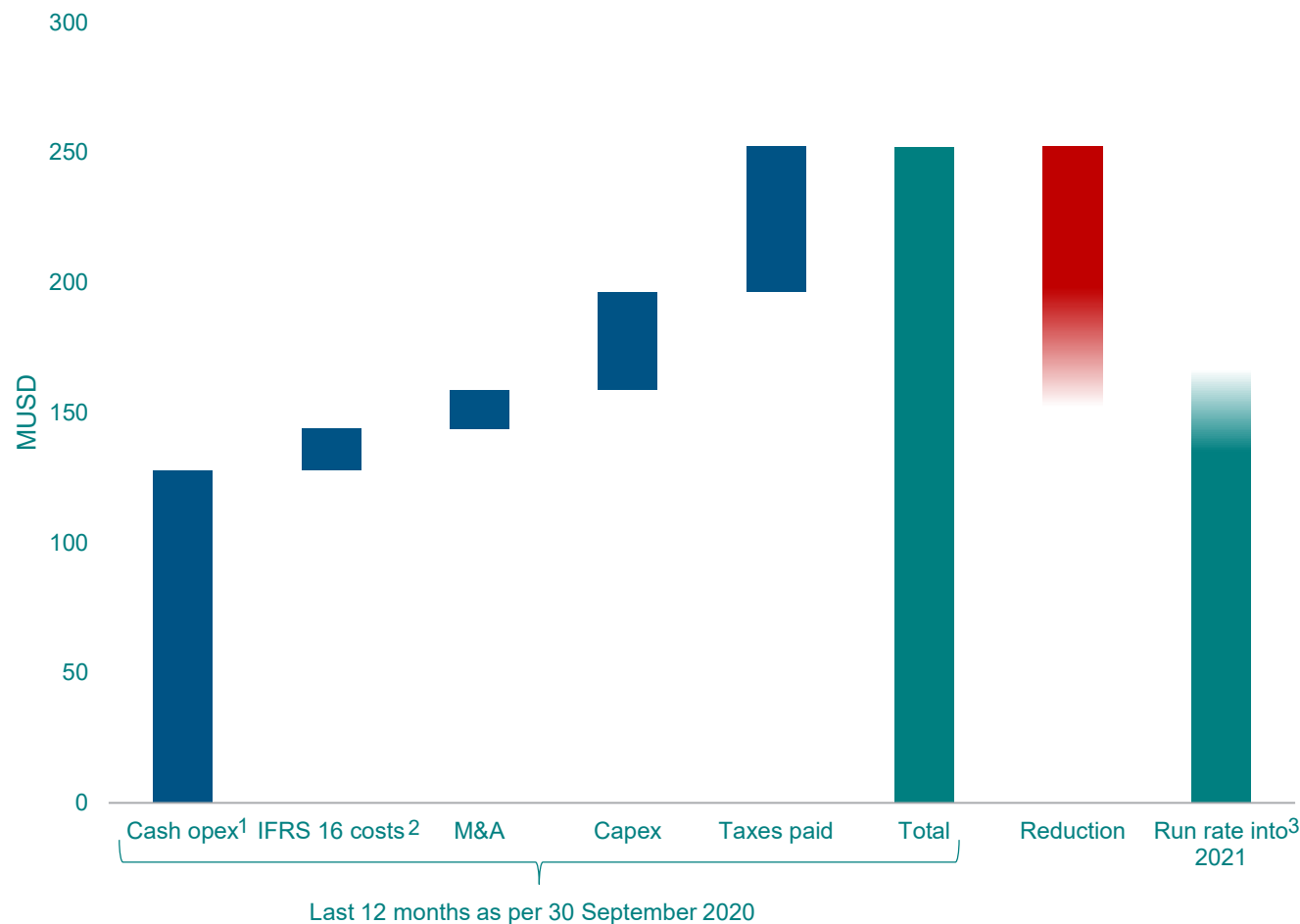
Business Model with Counter-Cyclical Qualities

Free cash flow
12 months



- Lean and adjustable cost base
- Asset-light – few capital commitments
- Counter-cyclical investment philosophy – unit cost of investments correlated with cycles
- Track-record of creating robust cash flow under all cyclical conditions
 - Allows for continued dividend payments even during down-cycles

Further strengthening of cash flow capacity



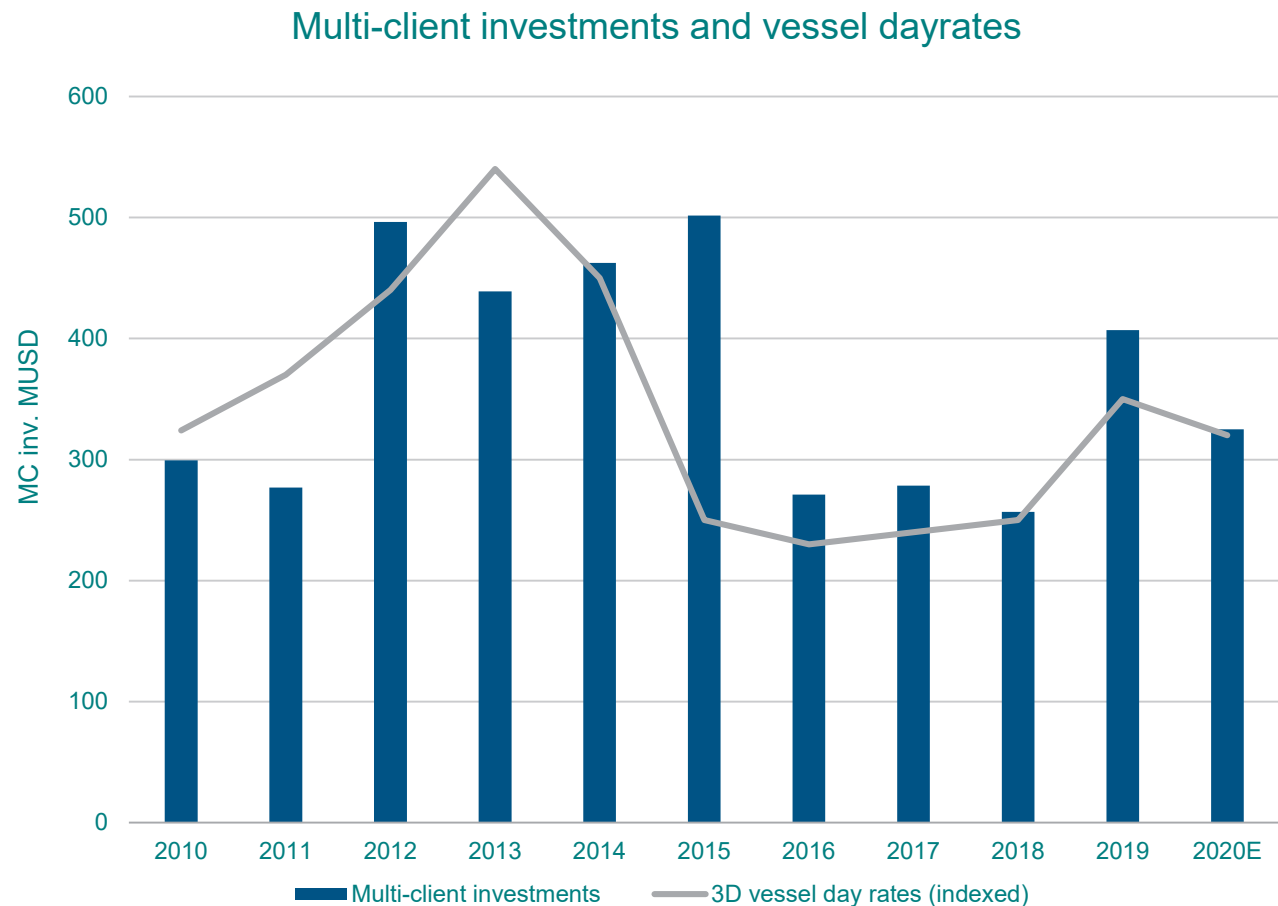
- Costs and capex re-set to reflect market conditions
- Significant cost cutting measures implemented during 2020 – full impact from Q4
- Cash opex run rate:
 - ~40% lower than 2019 pro-forma
 - ~30% lower LTM as of Q3 20

1. Personnel costs + Other operational costs

2. Lease expenses booked as depreciation and interest expense in accordance with IFRS 16

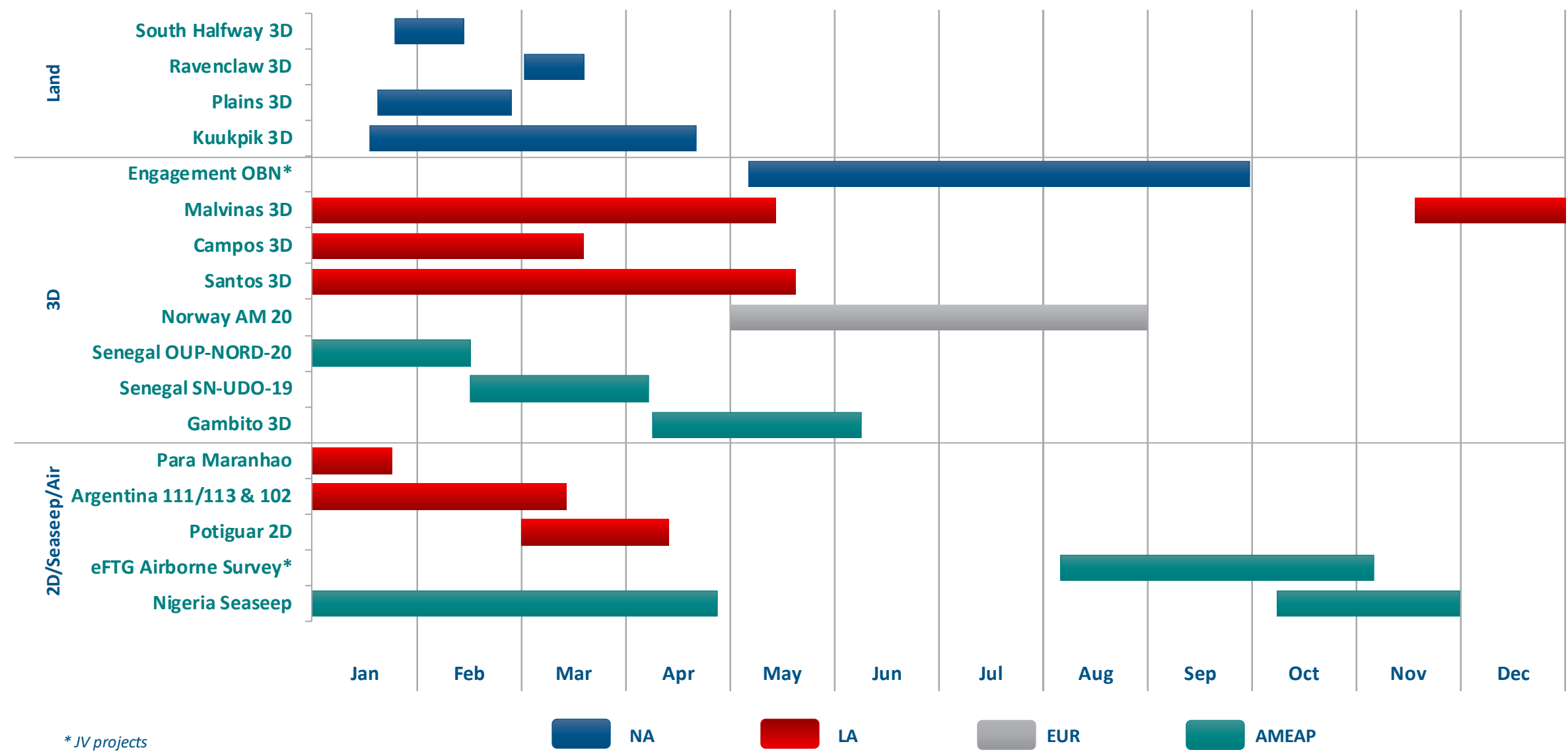
3. Preliminary indication for 2021 run rate, subject to several risks and uncertainties

Preliminary 2021 Investment Considerations

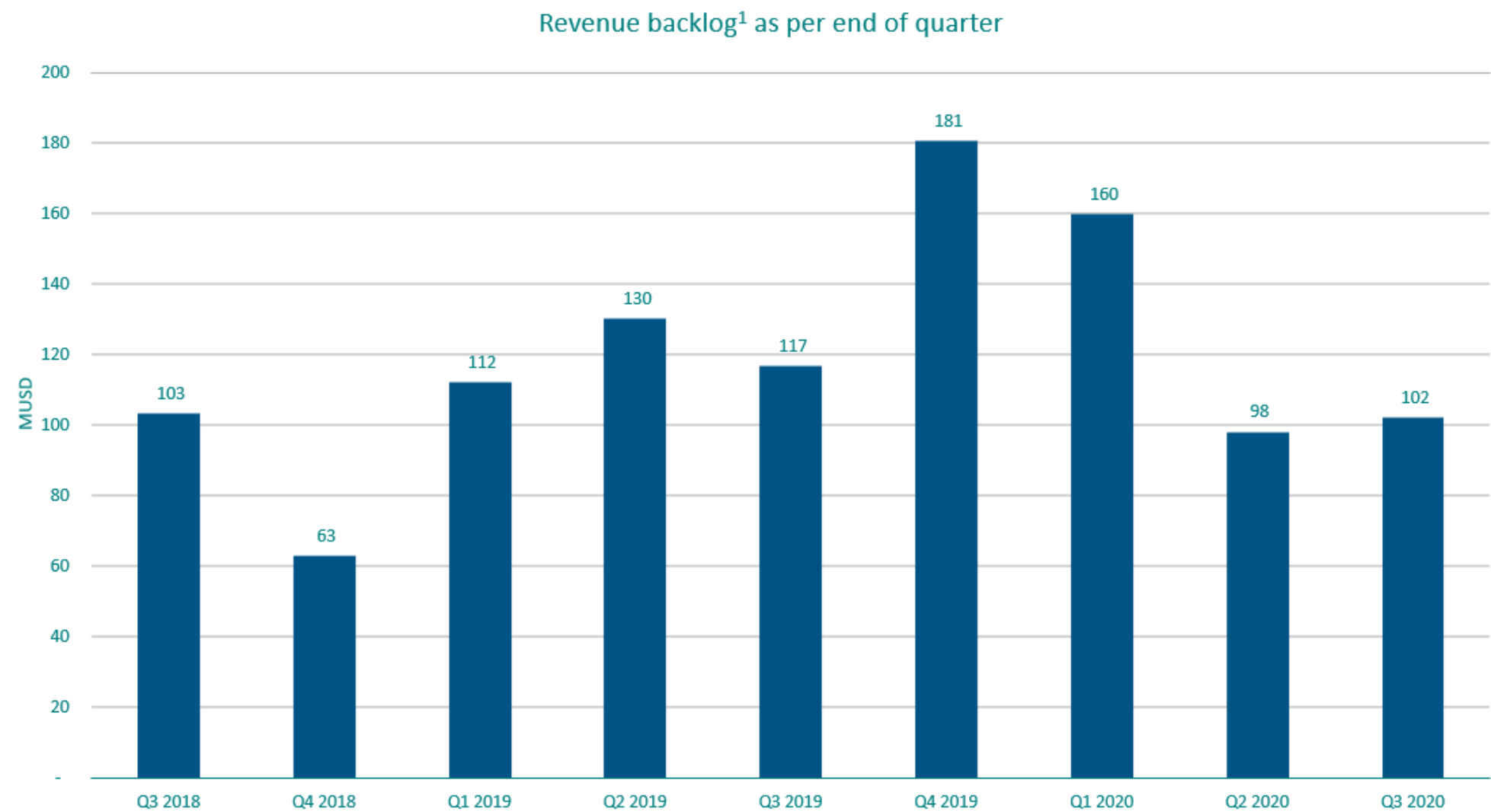


- Counter-cyclical investment strategy – planning for upholding investment data volumes through the downturn
- Monetary value of multi-client investments likely to be reduced in 2021
 - Lower vessel day rates leading to lower unit cost
 - More investments through risk share arrangements
 - More focused investment strategy

2020 Project Schedule



Backlog



1. Sales committed by customers but not yet recognized in the Segment Reporting accounts

Summary

- Q3 2020 net revenues of USD 80.6 million
 - Late sales USD 60.7 million
 - Pre-funding USD 17.4 million
- Q3 2020 Costs and capex re-set to reflect challenging market conditions
 - Q3 2020 Personnel and Other operational costs down 64% y/y
 - Forward run-rate reduced ~40% compared to 2019 pro-forma
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Appendix

Income Statement

IFRS

(MUSD)		Q3 2020	Q3 2019	Change
Net operating revenues		58.2	162.1	-64%
Cost of goods sold		1.0	0.1	762%
Personnel cost		12.2	28.7	-57%
Other operational costs		5.1	10.4	-51%
EBITDA	69%	39.9	122.9	-68%
Amortization of multi-client library		125.5	63.8	97%
Depreciation		4.1	3.8	7%
Operating result	-154%	-89.7	55.2	-262%
Financial income		0.1	1.1	-92%
Financial expenses		-1.3	-0.8	53%
Exchange gains/losses		-2.2	-1.4	59%
Result before taxes	-160%	-93.1	54.1	-272%
Tax cost	24%	-21.9	13.8	-259%
Net income	-122%	-71.2	40.3	-277%
EPS (USD)		-0.61	0.36	-267%
EPS fully diluted (USD)		-0.60	0.36	-266%

Balance Sheet

IFRS

Balance sheet	Q3 2020	Q3 2019	Change
Goodwill	288.4	288.4	0%
Multi-client library	1,062.0	1,124.7	-6%
Deferred tax asset	106.3	20.6	416%
Other non-current assets	108.9	82.3	32%
Total non-current assets	1,565.6	1,516.0	3%
Cash and cash equivalents	179.8	265.5	-32%
Other current assets	346.0	574.8	-40%
Total current assets	525.8	840.2	-37%
TOTAL ASSETS	2,091.3	2,356.2	-11%
Total equity	1,261.2	1,520.0	-17%
Deferred taxes	39.2	40.1	-2%
Non-current liabilities	50.9	32.3	58%
Total non-current liabilities	90.1	72.5	24%
Taxes payable, withheld payroll tax, social security	22.9	44.3	-48%
Other current liabilities	717.2	719.4	0%
Total current liabilities	740.0	763.8	-3%
TOTAL EQUITY AND LIABILITIES	2,091.3	2,356.2	-11%

Reconciliation

Segment Reporting/IFRS

Impact on Income Statement

(All amounts in USD 1,000s)	Q3 2020 As reported	Adjustments	Q3 2020 Segment
Net revenues	58,232	22,319	80,551
Amortization and impairment of multi-client library	125,465	-39,410	86,055
Total operating expenses	147,893	-39,410	108,483
Taxes	-21,897	16,333	-5,564
Net income	-71,205	45,396	-25,809

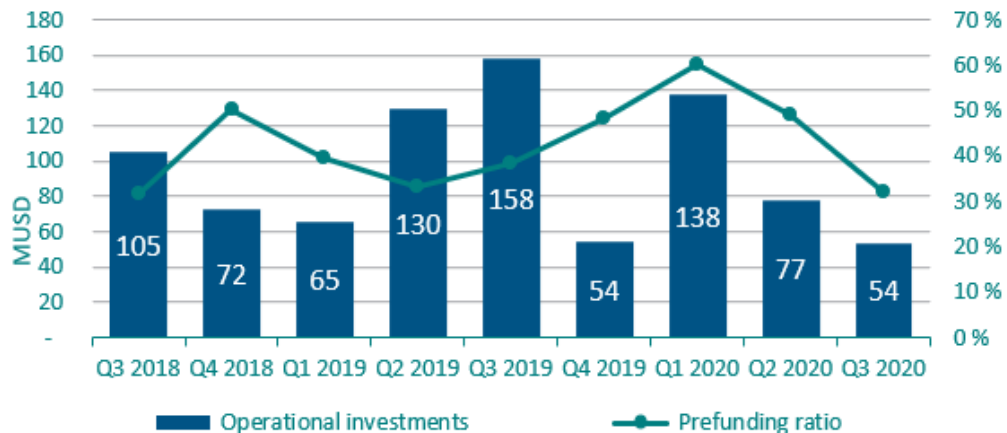
Impact on Balance Sheet

Multi-client library	1,061,983	-298,790	763,192
Deferred tax asset	106,327	-61,396	44,931
Total non-current assets	1,565,571	-360,187	1,205,384
Accrued revenues	63,673	183,923	247,595
Total current assets	525,770	183,923	631,699
Equity	1,261,200	161,123	1,422,323
Deferred taxes	39,157	4,613	43,769
Total non-current liabilities	90,096	4,613	94,709
Accounts payable and debt to partners	114,973	73,322	188,295
Other current liabilities	602,200	-493,316	108,884
Total current liabilities	740,044	-419,994	320,051

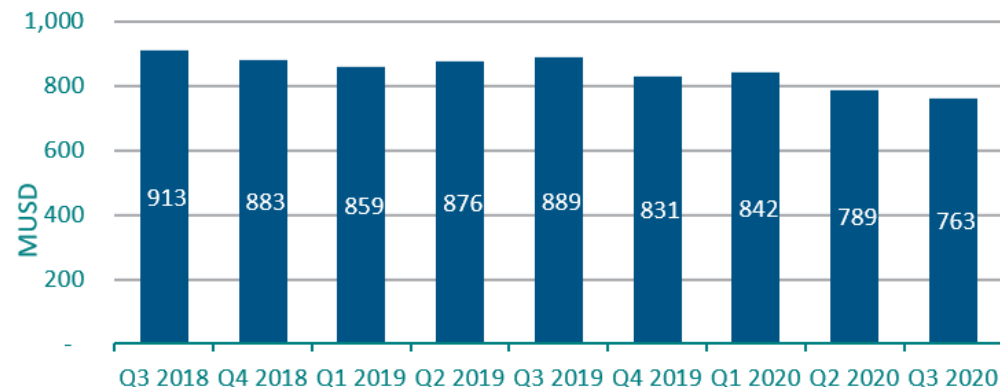
Multi-Client Library

Pro-forma (incl. Spectrum)

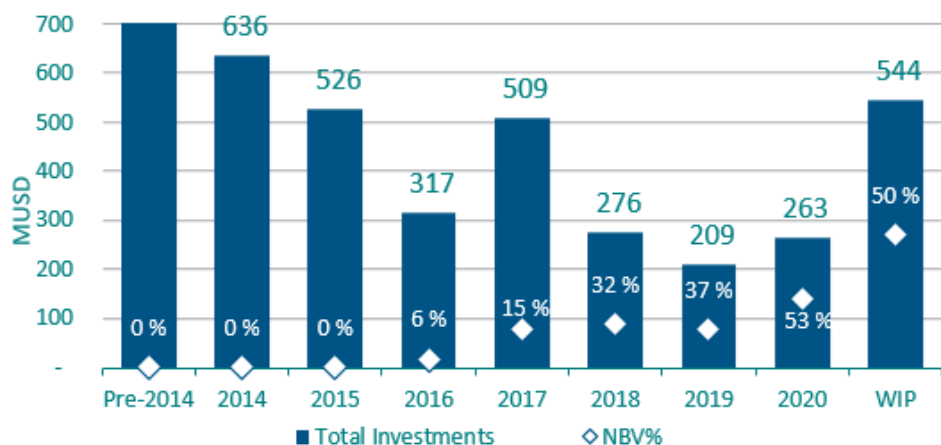
Operational investments and prefunding ratio



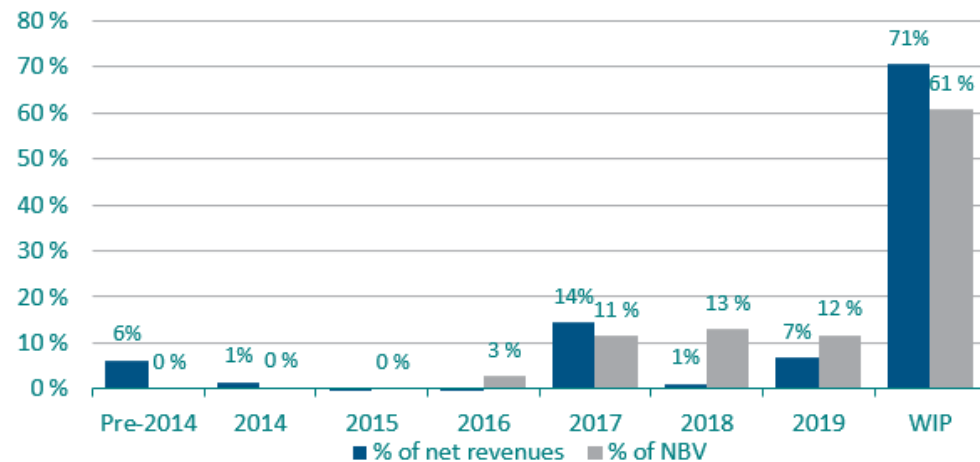
Net Book Value - Multi-Client Library



Investments and NBV by year of completion ¹⁾ Q3 2020



Net Revenues and NBV by year of completion ¹⁾ Q3 2020

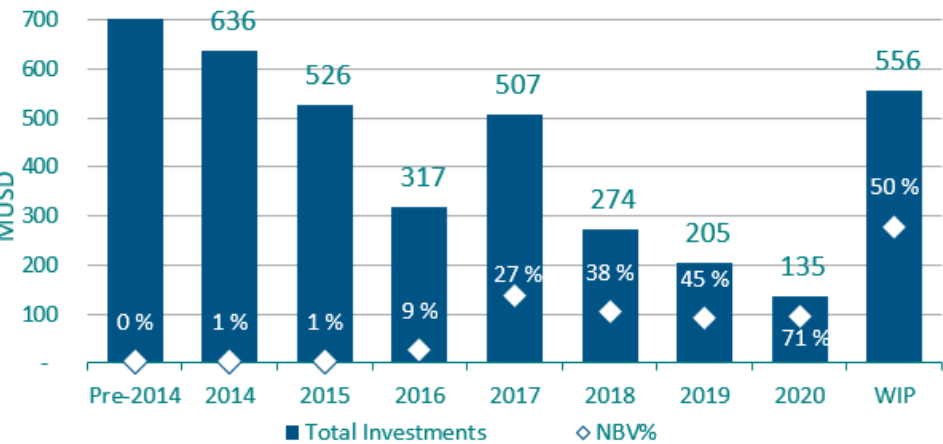


1. Operational multi-client seismic investments

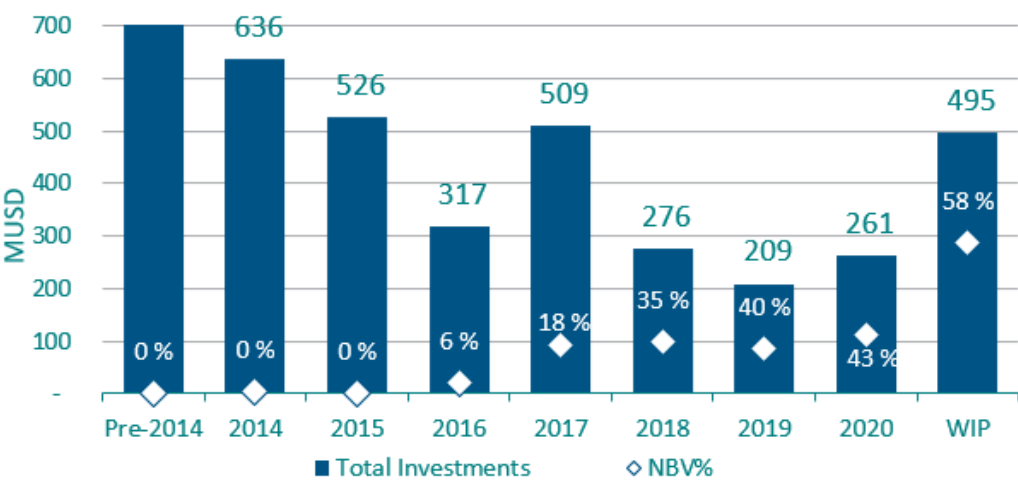
Multi-Client Library – Investments and NBV by year of completion

Pro-forma (incl. Spectrum)

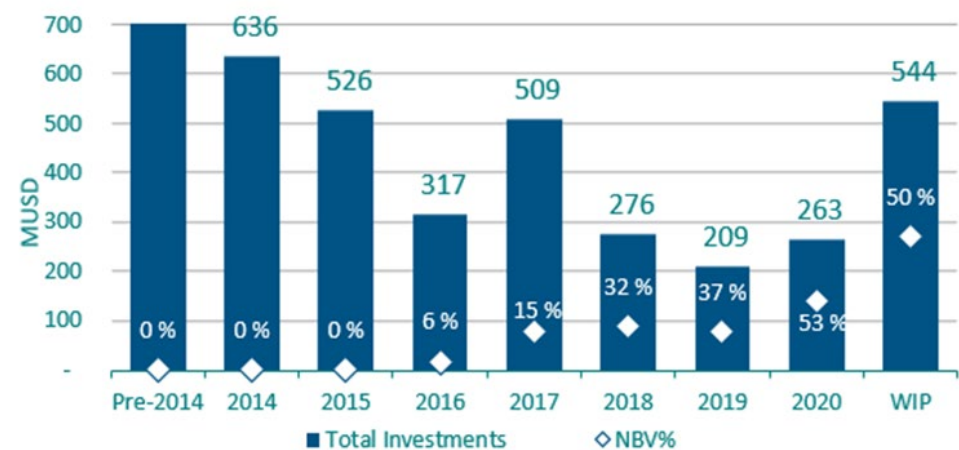
Investments and NBV by year of completion ¹⁾ Q1 2020



Investments and NBV by year of completion ¹⁾ Q2 2020



Investments and NBV by year of completion ¹⁾ Q3 2020

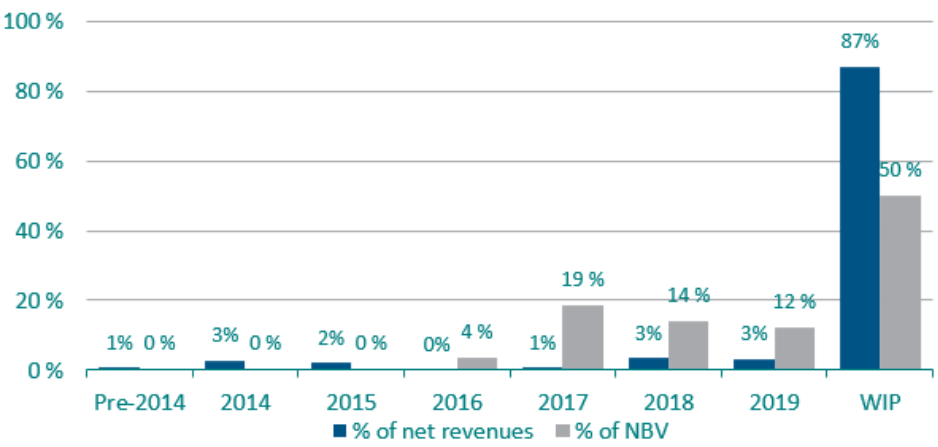


1. Operational multi-client seismic investments

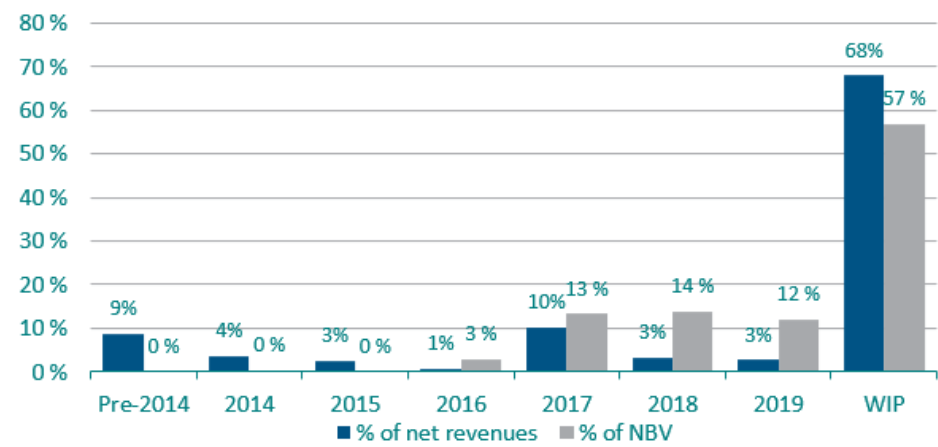
Multi-Client Library – Net revenues and NBV by year-of-completion

Pro-forma (incl. Spectrum)

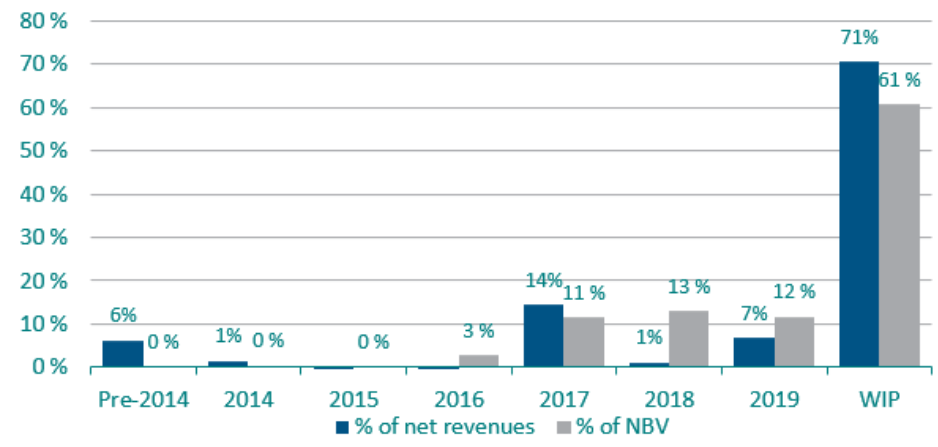
Net Revenues and NBV by year of completion ¹⁾ Q1 2020



Net Revenues and NBV by year of completion ¹⁾ Q2 2020



Net Revenues and NBV by year of completion ¹⁾ Q3 2020



1. Operational multi-client seismic investments

Thank you

