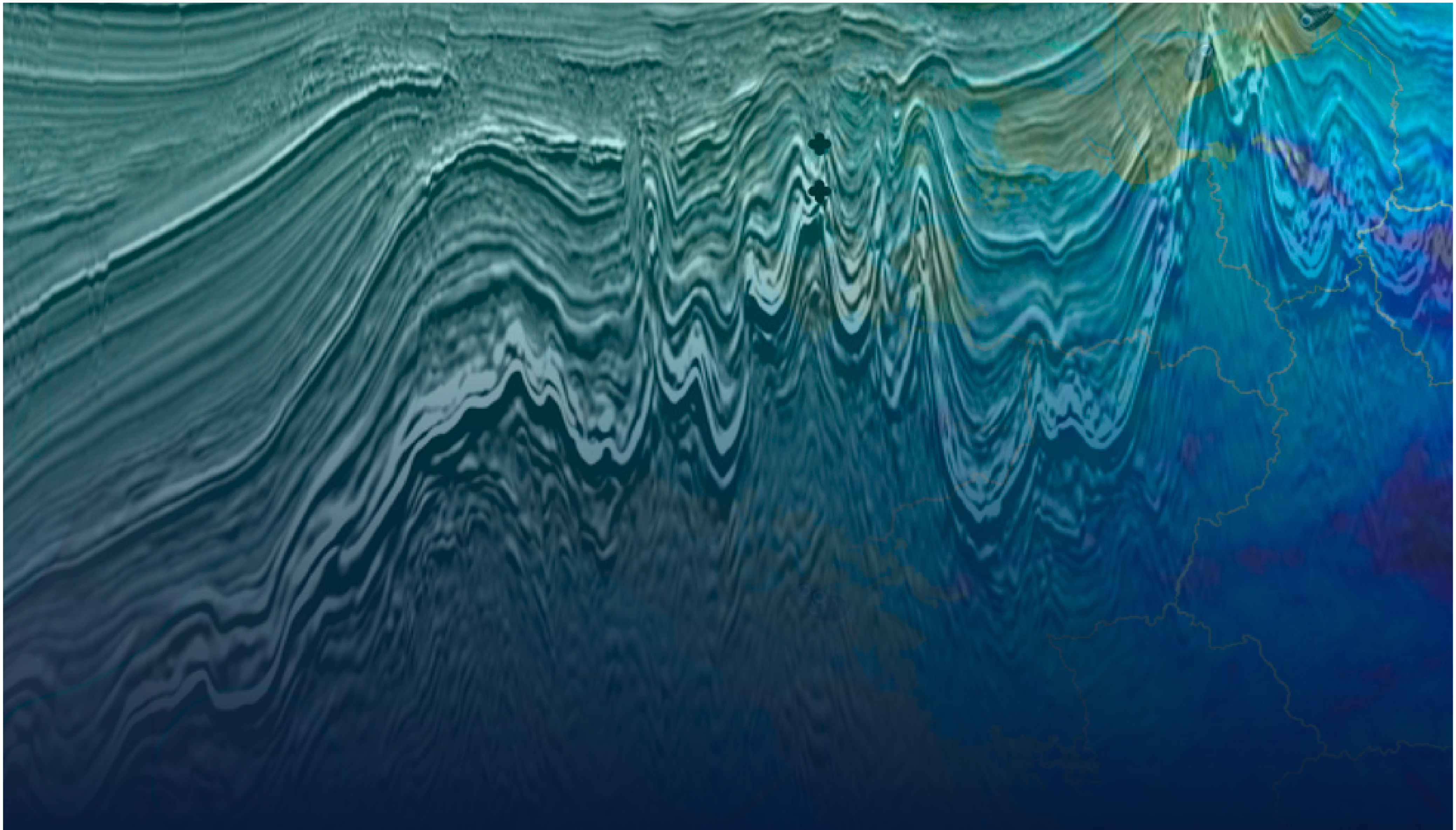

Annual Report 2022

TGS

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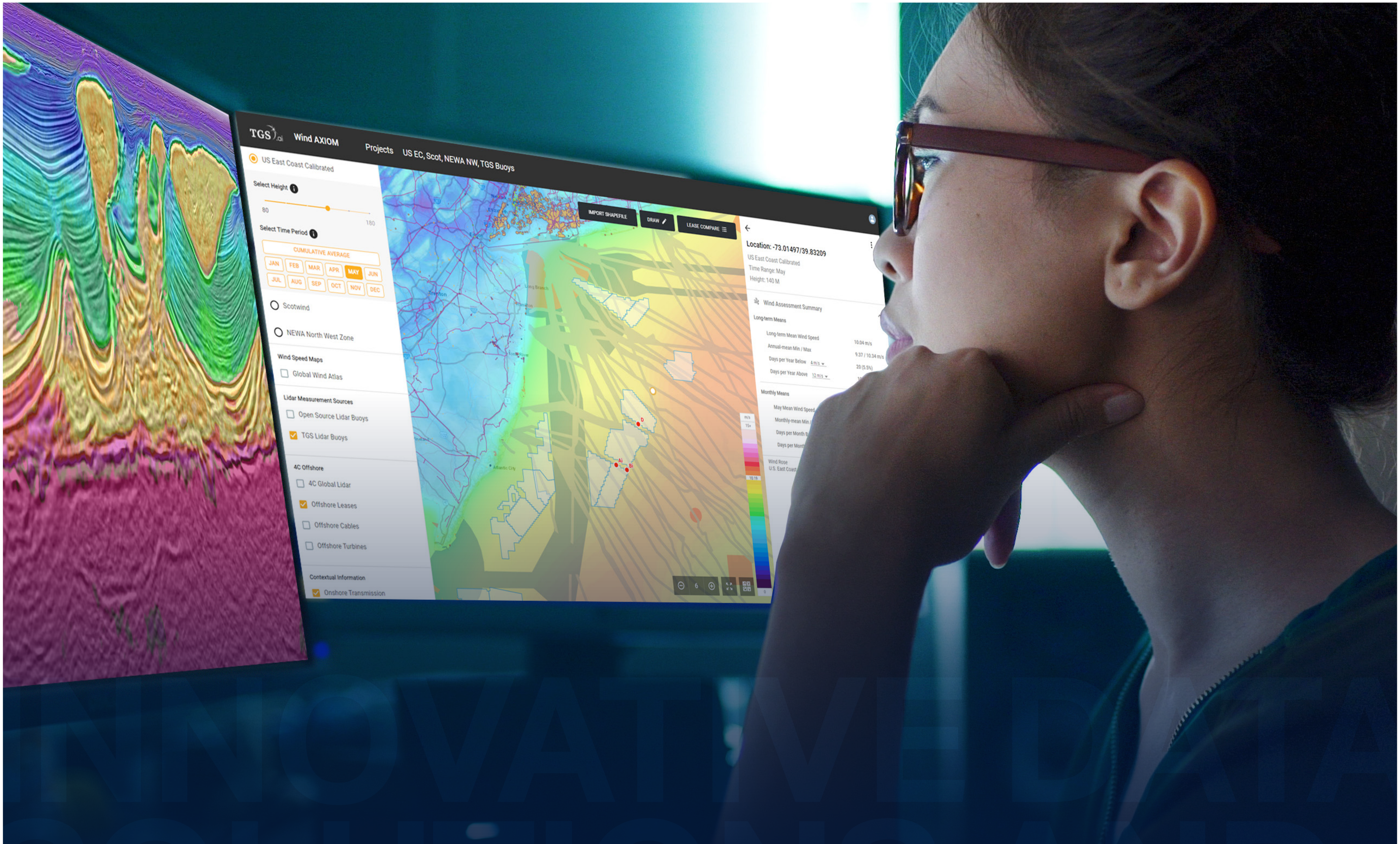


Our Vision

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

INNOVATIVE DATA SOLUTIONS AND INTELLIGENCE

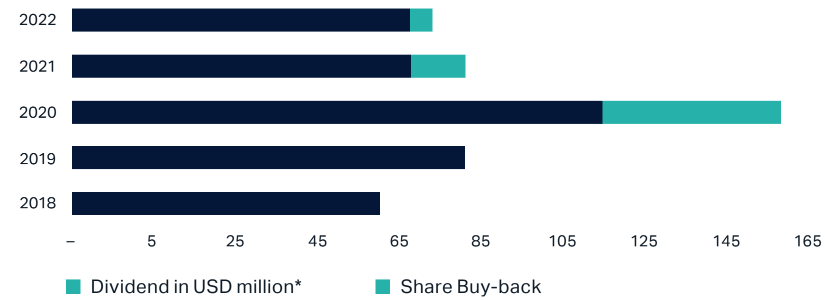
TGS

Multi-Client Library

All amounts in USD thousands	2022	2021	2020	2019	2018
Opening net book value	**704,868**	965,551	1,102,630	870,495	799,015
Investments in new projects	**223,391**	182,178	316,129	339,527	256,922
Amortization	**(373,263)**	(458,861)	(468,209)	(290,897)	(270,781)
Adjustments related to implementation of IFRS 15	**–**	–	–	–	78,832
Ending net book value	**575,337**	**704,868**	**965,551**	**1,102,630**	**870,495**
POC Early Sales Rate (%) on operational investments[1]	**61%**	78%	87%	98%	76%

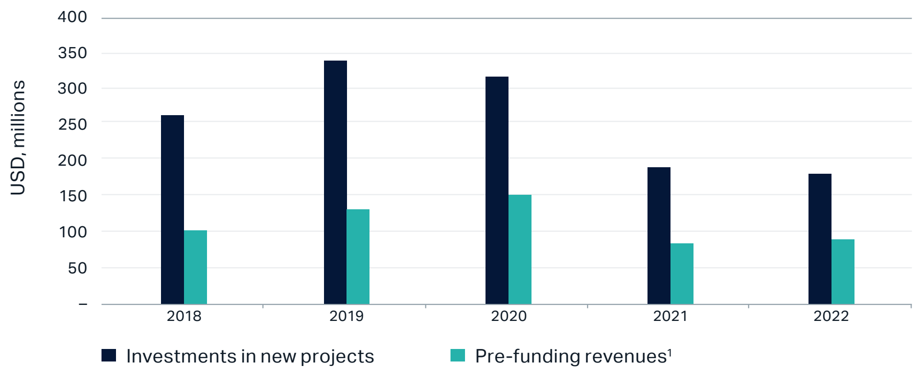
[1] POC Early Sales Rate is based on POC revenue reporting, as further described in APM section.

Cash Distribution to Shareholders

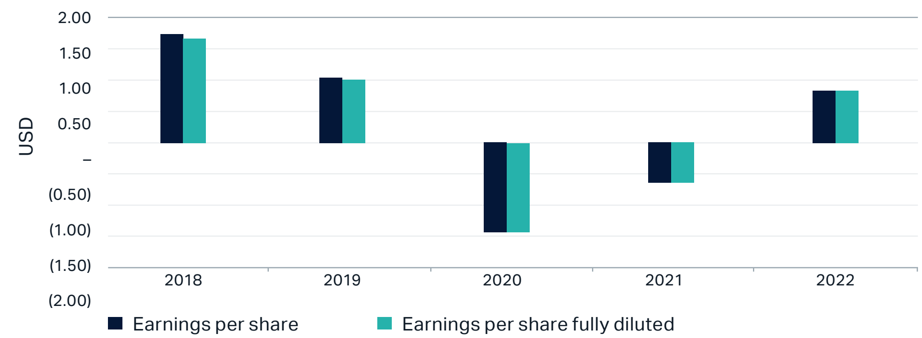


* Dividend payments in the year

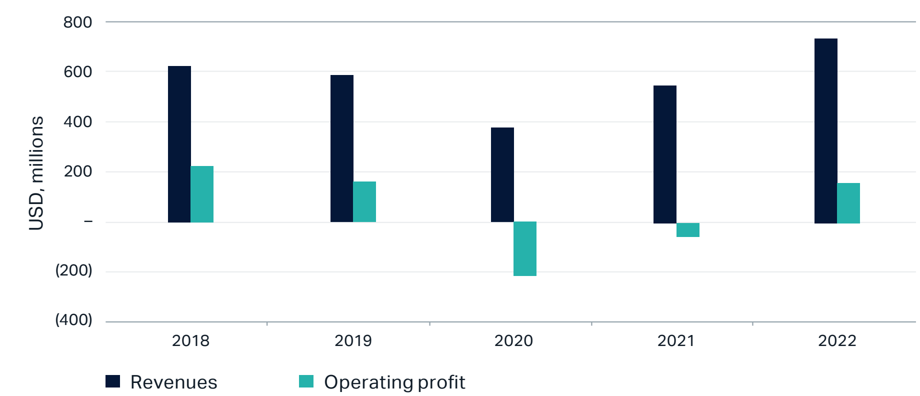
Multi-Client Investments and Pre-Funding Revenues



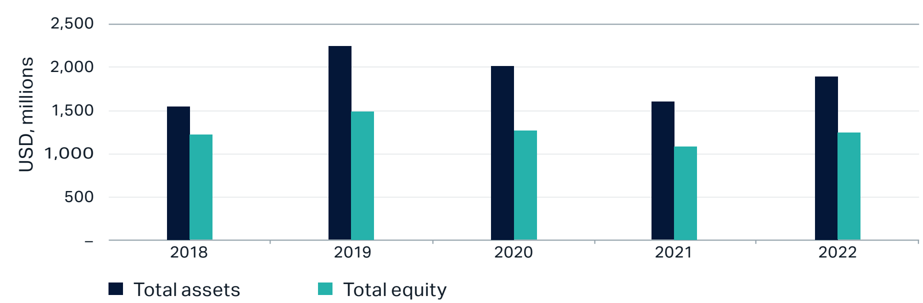
Earnings Per Share



Revenues and Operating Profit



Total Assets and Equity



2022 Financial Highlights

(All amounts in USD 1,000s unless noted otherwise)

	2022	2021	2020	2019	2018
Revenue	**716,633**	518,689	360,001	585,610	614,239
Operating result	**132,034**	(72,331)	(228,919)	128,998	230,025
Pre-tax profit	**128,865**	(85,087)	(223,389)	131,211	236,771
Net income	**87,967**	(75,985)	(167,498)	113,111	178,800
Operating result margin	**18%**	-14%	-64%	22%	37%
Net income margin	**12%**	-15%	-47%	19%	29%
Return on average capital employed[1]	**13%**	-7%	-20%	12%	24%
Earnings per share	**0.75**	(0.65)	(1.43)	1.05	1.75
Earnings per share fully diluted	**0.74**	(0.65)	(1.43)	1.03	1.73
Total assets	**1,838,897**	1,629,827	2,008,818	2,211,080	1,582,044
Shareholders' equity	**1,239,763**	1,115,328	1,268,657	1,527,521	1,232,606
Equity ratio	**67%**	68%	63%	69%	78%
Share buy-back	**7,015**	15,689	6,601	43,413	–
Dividend per share (paid in year)	**USD 0.56**	USD 0.56	USD 0.75	USD 1.08	USD 0.80

[1] Return on average capital employed = EBIT/Average capital employed. Capital employed = Equity + Net interest-bearing debt

Letter to Shareholders

A more diversified TGS is well placed to benefit from growing demand across our global energy data business.

KRISTIAN JOHANSEN
CHIEF EXECUTIVE OFFICER

2022 was a transformative year for TGS as we strengthened our market-leading position through profitable growth, three M&A transactions, further expansion in the renewable space and continued progress in our ESG efforts. 2022 also marked an inflection point for the energy industry. While the industry is familiar with supply disruptions and price volatility, last year was somewhat unique. After eight years of underinvestment, a confluence of economic, geopolitical and international trade factors exacerbated the issue of energy security and triggered a readjustment in the broader energy market. Looking ahead, we believe the market fundamentals support a strong multi-year upcycle for all energy sources. A more diversified TGS is well placed to benefit from growing demand across our global energy data business, including both oil and gas subsurface data and new energy data and solutions.

TGS' flexible business model and financial strength mean that we can make counter-cyclical investments and then capitalize on these in a recovering market. TGS reported revenue growth of 38% in 2022, an EBIT margin of 18% and strong cash flow allowed TGS to pay a dividend of USD 66 million (equal to USD 0.56 per share) and partly finance M&A transactions with cash. In May 2023, the Board will propose to the AGM authorization to pay further quarterly dividends for the following 12 months and renewal of authorization

Letter to Shareholders

to repurchase shares. TGS' ambition of returning the Company's value creation to shareholders remains firm.

In 2019 we launched a new strategy that helped steer the company through an unprecedented downcycle. While our goal was to continue increasing our multi-client market position, particularly in the South Atlantic and more mature basins such as the U.S. Gulf of Mexico, we also targeted diversification, utilizing our core skills in data to build a position in the renewable sector. Despite the volatile and challenging market conditions, TGS has continued to successfully pursue these strategic priorities through the downturn and into the current growth environment. Five highly successful acquisitions have supplemented organic growth: Spectrum and Ion in our multi-client data business, Magseis Fairfield in the Ocean Bottom Node space, and 4C and Prediktor in wind and solar, respectively.

These acquisitions have only been possible because of the strong financial position that TGS has been able to maintain through the cycle. Our financial strength derives from our flexible business model and financial discipline, and we believe that this will remain extremely important in the future. In addition, a low debt burden gives us the ability to respond quickly to opportunity; this is a clear differentiator compared to many of our competitors in the oilfield service sector!

Looking ahead, we believe we are at an early phase of a structural upcycle in energy. Recent demand concerns related to regional economic slowdowns and higher interest rates are expected to be offset by China's recovery from COVID-19. As a result, oil and gas demand is expected to grow by 1.9 million barrels per day in 2023, according to the International Energy Agency (IEA). On the supply side, the combination of a gradual production decline in Russia, slow growth in US production and expectations of flat supply from Saudi are indications that the market will remain tight. Our clients earned record profits in 2022, providing solid cash flow to fund their strategies in 2023. And while energy companies are now facing a "trilemma" of concerns – energy security, energy affordability and energy sustainability – they have also been given a clear mandate to increase focus on securing supply in the short term while transitioning to cleaner energy in the long term.

> Thanks to our people, TGS has become a leading energy data and intelligence company.

The combination of a tight energy market, healthy balance sheets on the client side, and recent consolidation and efficiency gains on the service side indicate higher growth and improved profitability for our sector going forward. With the acquisition of Magseis Fairfield in 2022, TGS has broadened its addressable seismic market and gained a strong market position in what represents the highest growth segment of our industry. As our clients increase their focus on costs and cycle times in the exploration and production of oil and gas, an increasing portion of demand for geophysical data is driven by infrastructure-led exploration (ILX) and production monitoring (4D seismic). Combining Magseis Fairfield's leading position in the Ocean Bottom Node (OBN) market with TGS' multi-client and data processing capabilities creates a unique offering of superior quality products and services across the value chain.

While our subsurface data business for oil and gas remained the main source of profit generation in 2022, the energy transition has highlighted new opportunities for TGS to grow and diversify our business further. Combining our industry-leading subsurface data library with the Company's unique expertise in big data and analytics, data management, international business development and client relationships, we are uniquely positioned to enter new business areas where data is key to making business-critical decisions. The 2021 acquisition of the UK-based company 4C Offshore marked TGS' entry into the rapidly growing offshore wind data and intelligence market. Following this acquisition, TGS organically developed and launched a wind data analytics platform, Wind AXIOM. The platform, consisting of various types of proprietary and public data combined with data analytics and AI/ML algorithms, allows developers, investors, financial institutions and suppliers to assess and identify suitable areas for offshore wind development. In 2022, the platform was further strengthened by adding proprietary data collected from several LiDAR buoys strategically positioned along the US East Coast.

TGS' acquisition of Prediktor in 2022 has further accelerated our ambitions of becoming an integrated provider of all types of energy data. Prediktor has already installed its production optimization software on some of the largest solar plants in the world and will, under TGS ownership, target increased market presence in this rapidly growing market, which is essential to reach the world's climate targets. Our strategy is to build a complete ecosystem on a digital platform of high-quality data and applications supporting decision

Letter to Shareholders

making for companies invested in the energy transition. We remain committed to bringing innovative ideas and opportunities through our unique data and intelligence to help solve the world's evolving energy needs.

Since 2016, TGS has been committed to the UN Global Compact corporate responsibility initiative and we continue to support these actions. In 2022, we progressed further in several areas as part of our ongoing commitment to sustainability. We are particularly proud to be part of the OBX ESG Index, which is a selection of 40 blue-chip companies listed in Norway that demonstrate the best ESG practices. Internationally, we received strong ratings from both Sustainalytics and State Street Global Advisors for our ESG performance. After formally adopting the United Nations' Women's Empowerment Principles in January 2021, TGS is also honored to be part of the 2023 Bloomberg Gender Equality Index for the third consecutive year. We are encouraged by the 50% increase in female hires since 2020 and aim to continue to grow this further in the future. TGS remains fully committed to safeguarding and maintaining the environment in which we operate and live, while also providing a safe and healthy workplace for our employees and contractors. I encourage you to read our 2022 Sustainability Report for more details on our efforts.

The employees of TGS are strong ambassadors of our core values of quality, service, integrity and growth. Thanks to our people, TGS has become a leading energy data and intelligence company. Our employees' dedication, passion and teamwork are what make TGS such a great company. I believe that this is recognized by our clients, who continue to trust TGS to deliver their data and intelligence needs. I want to thank our clients for their ongoing business.

Finally, I would like to thank our shareholders for your confidence and investment in TGS. We are excited by the opportunities ahead of us and will continue to deliver lasting value to our owners.

Kristian Johansen
Chief Executive Officer / TGS

2022 Highlights

OFFSHORE DATA LIBRARY

Latin America

- In 2022, Brazil was still the focal point for investments at the TGS Latin America Team:
  - Completed processing of the Espirito Santo 3D, TGS' first dual-azimuth 3D survey in Brazil, covering a total area of 1,347 km^2 and providing better illumination of the underlying structures.
  - Completed Potiguar 3D Uplift delivering 10,500 km^2 of reprocessed data with better pre-volcanic section image as a result of the applied Interbed Multiple Elimination and Dynamic Matching FWI.
  - Announced pre-funding for the Santos Sul Multi-client 3D project in the southwest Santos Basin offshore Brazil (in Partnership with PGS). The survey will cover more than 15,000 km^2 of both open acreages made available by ANP via the new Permanent Offer mechanism ("POR") and the exploration blocks recently awarded in the 17th Concession bid round and 3rd Cycle of the POR.
  - Completed Campos 3D 661-715 Upgrade covering an area of 1,740 km^2 of the Campos 3D Merge Survey, providing an improved velocity model and imaging to the area.
  - Completed the processing of the Pelotas 2D Phase 3 Survey, which added 9,400 km of new Broadband 2D data to complete the regional coverage of our already extensive 2D coverage in the Pelotas basin.
  - Commenced the reprocessing of Foz do Amazonas Phase 1 3D Survey (in partnership with CGG), which upgrades the 11,400 km^2 of 3D data acquired in 2015 and processed in 2016 with the same new imaging technology that will be applied to the new Foz do Amazonas 3D Phase 2 to generate a seamless 3D Survey in the basin.
  - Announced pre-funding for the Foz do Amazonas Phase 2 3D Survey, which will cover an additional 11,500 km^2 of new 3D data in the frontier basin of Foz do Amazonas (in partnership with CGG). The Survey will broaden the region's 3D coverage and deliver additional high-quality data essential for the exploration efforts in the basin.
- In Suriname, TGS continued the 3D Data expansion plan (in consortium with BGP and CGG):
  - Completed the acquisition of 11,600 km^2 of the Suriname 3D Phase 1 Survey and made available the Fast Track over the whole area while continuing the processing of the full integrity data set. This survey allows block holders to comply with work commitments while allowing TGS to secure future licenses for partners or regional viewing. It includes open acreage that will be available in future shallow water bidding rounds.
  - Completed the full reprocessing of 2,400 km^2 of 3D data over open acreage that will be available in future shallow water rounds.
  - Completed the acquisition of the Suriname 3D Phase 2 (Shallow Water) Survey adding 1,700 km^2 of 3D data to the already extensive Suriname new 3D coverage. This data set will be available in the shallow water before future bidding rounds.
  - Commenced the Fast Track Reprocessing of Suriname Phase 3 Survey (Deep Water) covering 4,000 km^2 of data located over open acreage included in the deep water round opened in November 2022.
  - Commenced the acquisition of Suriname Phase 3 Survey (Deep Water), which adds 1,800 km^2 of new 3D data covering open areas in the shallow water and held blocks in the deep water offshore Suriname.
  - Commenced the reprocessing of 1,600 km of 2D data that ties key wells and will offer key tools in processing all the Suriname data while improving the 2D data quality to the newest imaging standards.
- In Argentina, TGS processed 17,800 km^2 of the newly acquired Malvinas 3D Survey. This data enables block holders to comply with their work commitments while offering TGS additional opportunities for future sales to future partners or for regional viewing.
- In Uruguay, TGS commenced reprocessing the Tannat 3D PSDM Repro, a data reprocessing program offshore Uruguay. The program comprises 25,000 km^2, covering blocks in the active Uruguay Licensing Round.

2022 Highlights

U.S. Gulf of Mexico

- Completed acquisition and processing of Engagement Phase II in Q1, further extending the footprint of OBN data into Green Canyon in partnership with SLB.
- Commenced acquisition of Amendment Phase II in Q4, a continuation of the ultra-long offset OBN project in partnership with SLB.
- Commenced the acquisition of Engagement Phase III, extending Engagement Phase II south, in partnership with SLB.

East Coast Canada

- Completed the Cameron Canyon 3D survey acquisition in partnership with PGS, covering approx. 6,700 km^2, expanding the coverage over the 2022/23 November licensing round.
- Completed the reprocessing of Lewis Hills 3D in partnership with PGS, providing contiguous 3D coverage from Jeanne d 'Arc basin through Flemish Pass to Orphan Basin.
- Completed the processing of Cape Anguille 3D, covering the 2022/24 licensing rounds in partnership with PGS.

Africa Middle East

- Completed the 3D seismic survey in the Red Sea, Egypt, in partnership with Schlumberger. This represents the second phase of new acquisition for partners in this region. Data is acquired with long offsets and processed using a Pre-Stack Depth Migration (PSDM). Final products are anticipated in mid-2023 to ensure availability ahead of future regional license rounds.
- Agreement with the National Oil Company of Liberia ("NOCAL") to reprocess over 5,100 km^2 of 3D seismic data offshore Liberia basin. The survey enables optimal imaging of the main targets in the Cretaceous reservoirs to reveal the latest insights into the prospectivity of the Liberia Basin. In 2022 the Liberia Petroleum Regulatory Authority (LPRA) extended its invitation to direct exploration licensing negotiations for all offshore blocks over the Harper and Liberia basins.

Europe

- Acquired its third OBN survey in the North Sea. The NOAKA fields are one of the largest developments on the Norwegian Continental Shelf (NCS), with recoverable reserves of more than 500 million barrels of oil equivalents. The area has witnessed significant Infrastructure-Led Exploration (ILX) activity. The NOAKA22 survey comprises an additional 318 km^2 of multi-client OBN data located within the APA area between Oseberg and Alvheim in the Norwegian North Sea.
- Completed a new seismic reprocessing project comprising 3,500 km^2 of data in the Greater Catcher area designed to secure exploration success in the Western Margins of the Central North Sea. Initially acquired in 2011 and 2012, data will be reprocessed using a fully comprehensive broadband PSTM processing flow with a focus on maintaining the AVO character of the data to allow for an inversion-based Quantitative Interpretation (QI) workflow. Highlights of the flow include TGS' leading inversion-based deghosting technique, comprehensive shallow water demultiple routines and a high-fidelity migration algorithm.
- Completed the 2022 NOAKA Ocean Bottom Node (OBN) seismic survey on the Norwegian Continental Shelf (NCS). This extended the total coverage acquired to 475 km^2. This included the completion of the NOAKA21 survey, which commenced in 2021. With estimated recoverable reserves of over 500 million barrels of oil, this area, located within the APA area between Oseberg and Alvheim in the Norwegian North Sea area, has witnessed significant Infrastructure-Led Exploration (ILX) activity in recent years. The NOAKA fields are one of the most significant developments on the NCS, with further prospectivity anticipated.
- Jointly awarded the acquisition and imaging of a dense ocean bottom node (OBN) multi-client seismic survey in the Sleipner Area of the Norwegian Continental Shelf (NCS). Located south of the Utsira OBN in the North Sea, it will span a further 1,201 km^2 area under receivers (AUR) to increase the coverage in the region to 3,278 km^2. Covering a mature part of the North Sea that includes the Sleipner East, Sleipner West, Gina Krog, Volve and Utgard fields, as well as the surrounding Infrastructure-Led Exploration (ILX) areas. TGS will apply its experience and technical expertise, providing valuable insight into

2022 Highlights

enhanced exploration opportunities across this part of the NCS. Due to commence in June 2023.

Asia Pacific

- Commenced a broadband 2D regional seismic data reprocessing project covering the offshore Natuna Basin, Indonesia. The project encompasses both West and East Natuna, as well as Natuna D Alpha, the largest undeveloped gas field in Southeast Asia. Over 6,500 km of 2D field data will be reprocessed, comprising Pre-Stack Time Migration (PSTM) and Pre-Stack Depth Migration (PSDM) with Full Wave Inversion (FWI).
- Completed and delivered an East Coast India seismic reprocessing project to support the country's license round schedule. This survey encompasses over 250,000 line kilometers of existing 2D data across an area of over half a million square kilometers and will use the TGS proprietary 2D-cubed technology to create a single, conformable, easily accessible dataset designed to encourage and assist exploration offshore India.
- Undertook the 3,363 km^2 Tarakan Basin 3D seismic data processing project in Indonesia. The goal is to enhance understanding of the hydrocarbon prospectivity of the basin by applying a modern comprehensive broadband PSTM and PSDM processing workflow in an area that has seen successes in the Parang and Badik oil discoveries. This high-end processing will include Dynamic Matching Full Wave Inversion (DM FWI), tomography and modern demultiple methods to address key imaging challenges associated with the complex shallow overburden.
- Commenced a new 3D reprocessing project offshore Peninsular Malaysia, the first stage of which will cover a 16,957 km^2 area. The program comprises 36 3D seismic surveys of varying vintages covering a key part of the Malay Basin. It will be processed through a high-end comprehensive broadband workflow which includes FWI, Q-Migration and Q-Tomo. This survey represents the only access to a modern regional scale dataset to evaluate the Malay Basin.
- Began acquisition of the Capreolus Phase 2 3D seismic survey comprising 4,500 km^2 of multi-client seismic data located in the Beagle Sub-Basin, an underexplored area on Australia's Northwest Shelf. This area has seen renewed exploration interest since the discoveries at Dorado and, more recently, the Pavo discovery in the adjacent Bedout Sub-Basin. This is the only seismic acquisition activity currently approved to take place offshore Australia during 2023.

ONSHORE DATA LIBRARY

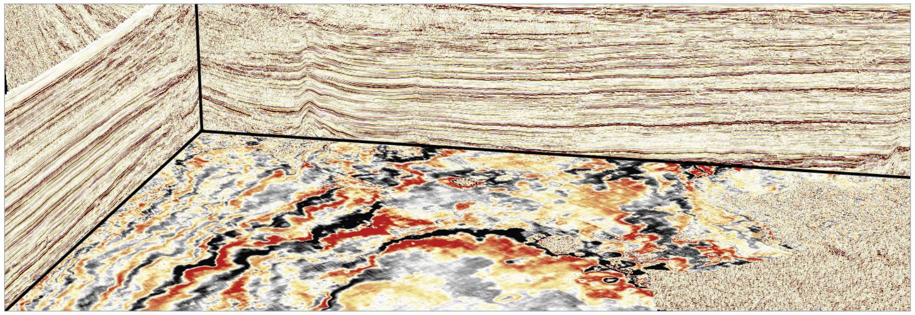
United States

- Acquired Voyager 3D 2021, with final products delivered in Q3 2022. This project is complete, and all final products are available to Industry.
- Continued to expand position in the Permian Basin with the addition of the Beyond Far East 3D project, a new seismic program in the Midland Basin that encompasses approx. 85 sq. mi. in Mitchell County, Texas. The survey expands the Eastern boundary of the Midland Basin. It is designed to assist in evaluating and developing the multiple zone potential, including the emerging Wolfcamp D. Acquisition is expected to start late Q1 2023, with final products to be delivered in Q4 2023.
- Added reprocessing of the West Kermit 3D to its investments with the recent success of FWI processing in the region. TGS' West Kermit 3D lies in an area of the Permian Basin with difficult subsurface imaging challenges. This modern processing technique will provide a 'reservoir analysis ready' product with broad bandwidth, true amplitude and a consistent, phase-stabilized wavelet. The project began in Q4 2022, and a high-quality FWI product for West Kermit is expected by Q2 2023.

Canada

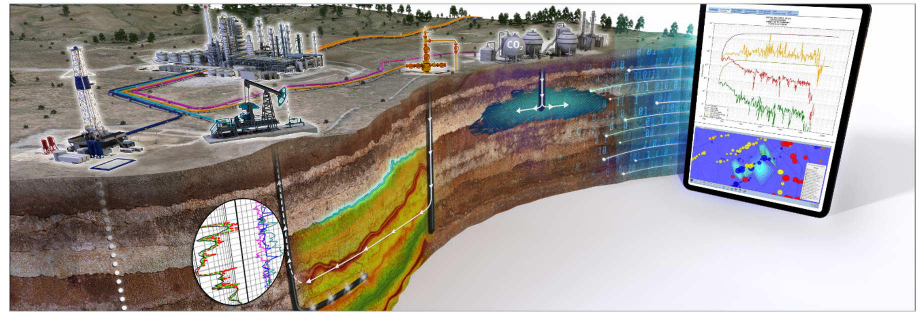
- Secured participant investment for the acquisition of Swanson 3D, adding over 100 km^2 of high-quality seismic data and complementing the extensive 3D seismic coverage within the core area of the Montney Basin. This area of Northeast British Columbia will cover areas belonging to five distinct First Nations stakeholders, all of which have endorsed the Swanson 3D project and will also play a pivotal role in the project's execution.
- Entered and advanced Joint Venture discussions with First Nations in Northeast British Columbia. Once finalized, these Joint Ventures will strengthen TGS' competitive advantage in the project approval process and provide seismic pricing resilience for 3D data recorded over First Nations' acreage.

2022 Highlights



IMAGING

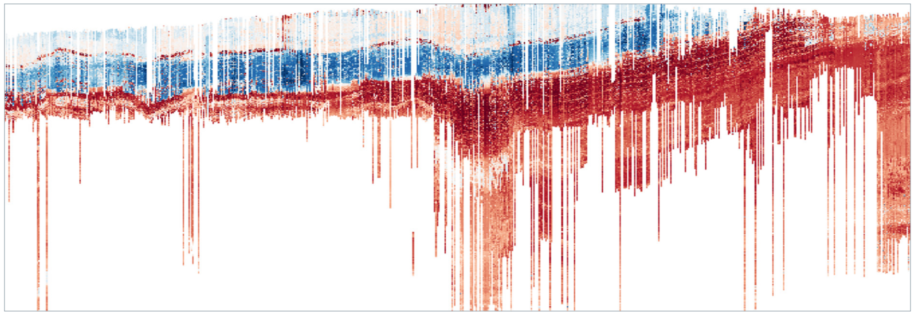
- Successfully integrated legacy ION staff into TGS operations to significantly enhance imaging experience and capabilities.
- Switched from processing software development to ION software stack to create a modern software package. Software Development and R&D are now focused on combining the best tools and algorithms from all available sources into one comprehensive package.
- Developed a Distributed Acoustic Sensing (DAS) processing service with several commercial projects in 2022 for imaging and modeling studies.
- Significant upgrades in Depth Imaging capabilities:
  - Successful application of FWI on complex onshore projects.
  - Advancements in node processing with several commercial projects and FWI model-building workflows.
  - Upgrades on the FWI toolkit and improvements on DM-FWI with a roadmap to develop Elastic FWI in 2023.
- Achieved positive growth in the proprietary market with a focus on umbrella contracts and repeat business.



WELL DATA PRODUCTS

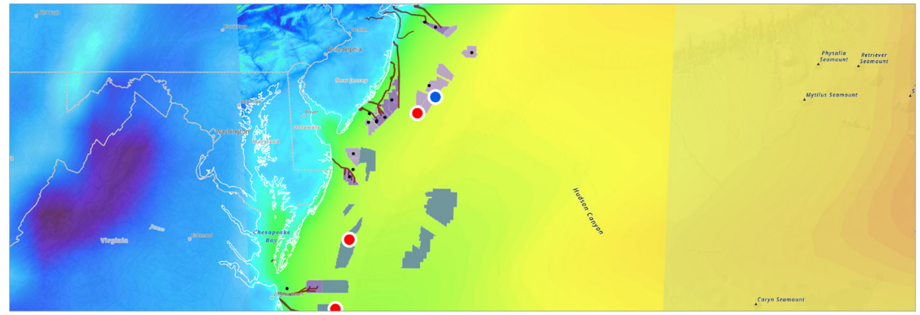
- Partnered with the American Institute of Formation Evaluation to jointly provide the largest analyzed library of commercial historical drill stem tests in the U.S.
- Added access to derivative standardized well data from the Neuquén Basin in Argentina's Mendoza Province and Brazil's offshore basins.
- Announced strategic partnership with NRGX Technologies Ltd. to jointly provide an easy solution to scrutinizing well data quality when accessing TGS log subscriptions. This partnership allows TGS to utilize the NRGX LAS WORX log viewer within R360TM, the TGS portal to the world's largest well log database.
- Expanded the world's largest digital well log data collection by adding 110,000 domestic digital Log ASCII Standard (LAS) wells, enhanced digital LAS+ well logs, raster logs, Validated Well Headers and ARLAS as well as directional surveys and production data.

2022 Highlights



DATA & ANALYTICS

- Released Versal with partners CGG and PGS. Versal is the world's first unified data ecosystem where clients can access and evaluate all their multi-client seismic data and entitlements in one place. In September 2022, SLB joined Versal as a participating data vendor.
- Introduced MDIO, an innovative open-source solution for managing multidimensional energy data designed to reduce cloud storage costs and efficiently handle complex datasets, including seismic and wind data. MDIO enhances the capability to exploit the TGS data library for ML modeling through integration with Learnseis, a proprietary Machine Learning software specializing in seismic data processing and interpretation.
- Built a commercial Data Management as a Service platform utilizing scalable serverless cloud technology and MDIO. TGS utilized its extensive data management experience to design and implement a service for the ingestion, quality control, storage, cataloging and fulfillment of multi-client and proprietary data.
- Released a Well Document Viewer in our R360 platform that allows users to filter by document type and perform keyword searches on over 77 million pages of U.S. Well documents that cover over 2 million well systems.
- Implemented Modern OAuth 2.0 security protocols on TGS' R360 and Longbow applications to protect both TGS and client data.
- Automated the creation of Directional Surveys by implementing OCR and AI to capture and composite well paths while ensuring quality using stringent validations of calculated and reported offsets.



NEW ENERGY SOLUTIONS

- Launched the world's first multi-client offshore wind measurement campaign, deploying a floating LiDAR buoy in the New York Bight area off the U.S. East Coast. The project was designed to enhance and further validate TGS' expansive high-resolution coverage of numerical weather prediction (NWP) model data by including highly sought-after floating LiDAR wind and metocean measurements for successful bidders in the NYB Wind Lease Sale and other interested parties.
- Established the Wind AXIOM offshore wind site feasibility platform, a worldwide insights tool to evaluate energy production and major cost influences for new offshore wind projects. It leverages complex numerical weather prediction (NWP) model data and other commercial and physical environment inputs to streamline processes and maximize value during pre-assessment. The TGS Floating LiDAR and Metocean Buoy Campaigns are designed to complement and add quality to the existing wind data in the platform.
- Expanded the Carbon AXIOM platform coverage into the shallow waters of the Gulf of Mexico and onshore Gulf Coast U.S. Carbon AXIOM is a subsurface classification dataset designed as a prospecting and technical assessment tool for unlocking potential carbon dioxide (CO_2) storage opportunities in depleted reservoirs and saline aquifers.
- The U.S. Inflation Reduction Act (IRA) stimulated CCS developments and led to the licensing of subsurface data to several CCS stakeholders in the U.S. and Europe.
- Acquired Prediktor, a leading provider of asset management and real-time data management solutions to renewable and energy asset owners. Prediktor counts some

2022 Highlights

of the world's leading renewable energy producers among its clients. In 2022, the company supported 7 GW of renewable energy assets (mainly PV solar), with a solid pipeline of further installations. The asset management solutions help clients manage operational risks and optimize asset performance by monitoring projects, forecasting energy production, recommending actions and automating decision-making.

- Made TGS' first renewable energy venture investment by acquiring a 10% equity stake in NASH Renewables. NASH is a start-up developing innovative Software-as-a-Service (SaaS) solutions for the prospecting, construction and operations of wind energy projects. Its AI software solutions will enable wind asset developers and investors to pivot their decision-making processes on optimizing output during periods of high energy demand rather than pursuing the highest possible annual production volume.
- Significantly expanded the coverage of Wind AXIOM, the data and insights platform for offshore wind development. Wind AXIOM now incorporates widely accepted ERA5, NEWA and GWA wind resource data. ERA5's native model levels allow the viewing and downloading of data across eight different heights from 10m up to 205m. This enhancement accompanied the strategic launch of new subscription packages to complement the user's analytical needs along the wind development life cycle.
- Signed a strategic cooperation agreement with SAND Geophysics and Norwegian Geotechnical Institute (NGI) to provide early-phase ground condition and geohazard evaluations for offshore wind farm development. Through their combined geoscience expertise, the companies will conduct detailed desktop studies utilizing relevant subsurface data to identify existing and upcoming site evaluation opportunities in both mature and frontier markets.
- 4C Offshore continues to grow from strength to strength. Subscription sales saw an increase in revenue of 35% in 2022, and over 400 companies now subscribe globally.
- The Cable consultancy business of 4C Offshore acquired a new contract supporting Xlinks, one of the most ambitious renewable power projects globally. This project seeks to combine a large onshore wind farm solar farm and large-scale battery storage. The plan is to ship 3.6 GW of power for an average of 22 hours per day from Morocco to the UK.

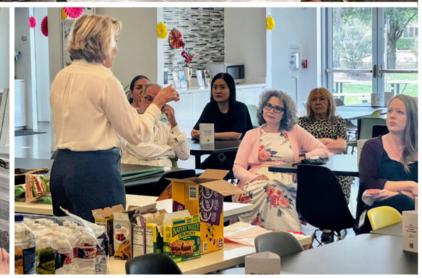
ASSET MANAGEMENT / DATA MANAGEMENT

- New deliveries of asset management systems to existing Solar photovoltaic (PV) clients, among them a large-scale solar park (>500MW) in Brazil.
- Important new deals closed:
  - Enterprise data management license agreement with an O&G operator company
  - Portfolio of asset management systems to two new solar park operators
  - Enhanced asset management product offering within new tools for business intelligence, reporting and ticketing functionality with Field Service Management integration.
  - Enhanced data management product offering with an improved toolchain for automated mapping and contextualization of real-time data streams.
  - Finalized implementation of an Information Security Management System and achieved external ISO 27001 certification to secure the trust of being a supplier of strategic systems to operators of critical infrastructure.

This is TGS

Leading energy data and intelligence




This is TGS

WORLD'S LEADING ENERGY DATA COMPANY

TGS is a leading energy data and intelligence company, recognized for its robust multi-client business model and vast subsurface data collection.

TGS employs nearly 1,000 employees, with its corporate headquarters in Oslo, Norway, and its operational headquarters in Houston, Texas, U.S.A. The Company's other main offices are in the UK, Brazil and Australia, with additional employees located in other cities around the globe. The Company's stock is traded on the Oslo Stock Exchange and is part of the OBX Index of the 25 most liquid shares on the exchange.

TGS' primary business is providing energy data and intelligence to companies and investors across energy markets. TGS offers the world's largest global energy data library, including seismic data, magnetic and gravity data, multi-beam and coring, digital well log and production data, wind energy data, data to identify CCS opportunities, and other types of renewable data. And, with the recent acquisition of Magseis Fairfield, TGS is now also the world's leading OBN provider. In addition, TGS also offers specialized services such as advanced processing and analytics, data management and cloud-based data applications and solutions.

A BRIEF HISTORY

TGS was founded in Houston in 1981 and built the dominant 2D multi-client data library in the Gulf of Mexico over time. The Company expanded further into North America and West Africa and upgraded to a substantial 3D portfolio in the Gulf of Mexico. Also, in 1981, NOPEC was founded in Oslo and began building an industry-leading, multi-client 2D database in the North Sea, with additional operations in Australia and the Far East. In 1997, NOPEC went public on the Oslo Stock Exchange. In 1998, the companies merged to form TGS-NOPEC Geophysical Company (TGS), creating a winning combination for investors, customers and employees. Since then, TGS has set the standard for geoscience and subsurface data worldwide and, more recently, expanding into other energy markets like renewables.

This is TGS

WE ARE ENERGY DATA

For over 40 years, TGS has built a strong foundation as a global leader in providing diverse energy data and insights to meet the industry – where it's at and where it's headed. The Company's proven technology and innovation, robust business model and obsession with customer service position us to continue to lead the way in oil and gas opportunities and undertake long-term investments in industries that look to reduce carbon emissions.

The competitive advantages and core strengths of innovation, people, expertise, quality data and superior service allow TGS to provide the right energy data at the right time so that our customers can make the best data-driven decisions.

Before taking on energy investment risks, companies look for clarity and confidence through subsurface data. TGS geological, geophysical and engineering data coupled with analytical competencies provide valuable exploration insights, superior imaging of the subsurface and potential operational challenges ahead of drilling programs or infrastructure development. In addition, TGS' multi-client approach offers ease and flexibility for operators at a substantially lower cost than other models.

Forward-looking, the Company's vast energy data library and technical expertise support renewable energy development. Coupling this with machine learning, compute power, cloud-based applications and strategic partnerships, offers the same superior data solutions and insights for new energy investments as for oil and gas investments.

OUR COMPETITIVE ADVANTAGES

Multi-client Approach

Last year, nearly 90% of our revenues came from multi-client data sales. This is a large part of our core business, and our entire Company is intensely focused on developing the best multi-client projects to maximize returns and achieve long-term profitable growth. Our culture drives achievement where all employees have common goals and share in our success through profit-related bonuses.

Asset-Light

TGS does not own acquisition vessels. Our relatively asset-light business model affords flexibility where procurement and scale are key. Our asset-light business model allows us to execute only those multi-client projects that meet our investment criteria and align with client goals. We only access these resources when needed and are free to use the most appropriate vendors and technologies to tackle specific imaging and intelligence challenges. Even our OBN Acquisition business line utilizes an asset-light approach through vessel and crew chartering, leaving less exposure towards vessel and crew utilization. TGS remains asset-light, which means low overheads and high stability, regardless of industry cycles.

Quality Processing

While most acquisition is outsourced, we process data in-house. This is how we ensure our customers get the highest quality seismic data. To learn more about our processing services, visit: https://www.tgs.com/seismic/imaging-and-processing

Sustainability

TGS is committed to a sustainable future. To review our position on transparency, people and operations, and review our most recent sustainability report and ESG report card, visit: https://www.tgs.com/sustainability

ROI Discipline

TGS typically targets between 1.5 and 2.5 times the investment, depending on each project's inherent risk. We require high pre-funding levels on projects with lower targeted returns to ensure the investment remains attractive.

Renowned Data Collection

TGS has the world's largest and best-performing multi-client data library. The data library produces an ongoing revenue stream and is further leveraged by creating unique insights using data analytics techniques. In addition, we are committed to developing solutions and applications to enhance data accessibility and data management and empower business decisions.

This is TGS

Active Portfolio Management

The multi-client business is a portfolio business. Some projects may underperform, and others exceed expectations. A 3D project is a significant financial undertaking, and TGS has the means to invest in a broad portfolio of projects to balance risks and rewards.

Geographic Diversity

TGS has a truly global data collection with diverse data types to serve the energy industry's expanding needs. We strive to build and maintain leadership positions around the world. Our oil and gas data covers various exploration plays, including deepwater, pre-salt geologies, the Arctic and North America onshore. Our new energy data and solutions support the evolving energy evolution and companies looking to meet their carbon reduction goals. This diversity gives us significant stability and business continuity in the face of shifting markets, regional economic strain and geopolitical challenges.

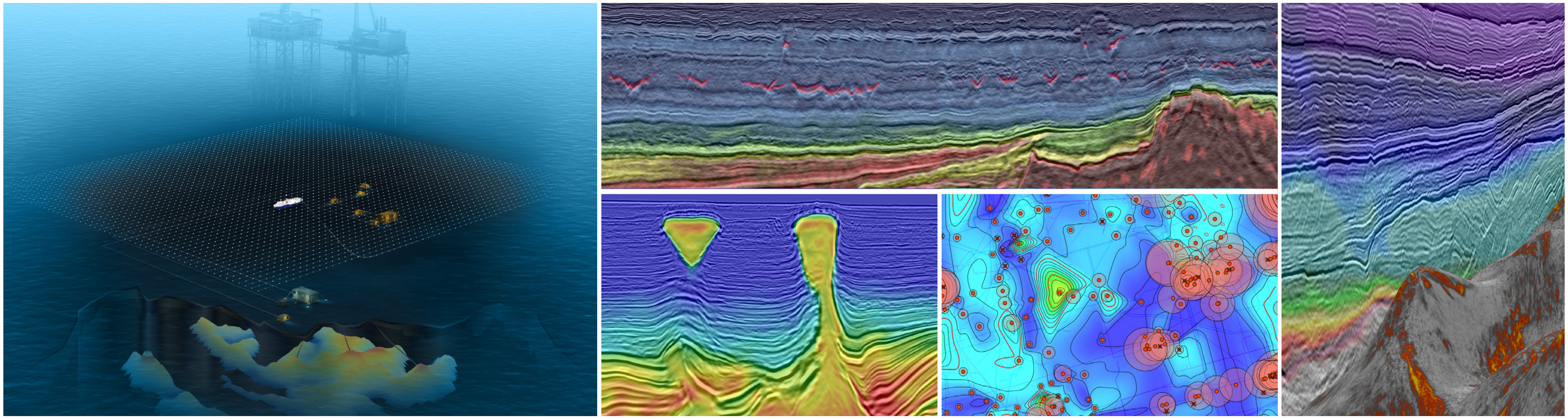
Superior Team

Our most important competitive advantage comes from our people. Our global team's outstanding work, from data scientists to geoscientists, has made TGS the world's leading energy data provider. Our people are the reason TGS continues to deliver superior project quality and financial performance year after year.

Strategic Acquisitions

While most of our growth has been organic, we have also expanded our business through acquisitions. These opportunities have allowed us to expand our energy data library – adding new processing capabilities and data types to our library. TGS will also purchase other multi-client libraries when the price is attractive and where we see strong potential returns.

This is TGS



Core Product Lines

GEOPHYSICAL DATA

For 40 years, TGS has provided global multi-client seismic data to energy companies. Over that time, we have built experience in exploration areas worldwide, established a vast global database, and become the leading multi-client data provider. We offer the most current data acquired and imaged with the latest technologies. To learn more, click here.

GEOLOGICAL DATA

TGS also offers well data products, interpretive studies and services to enhance geological knowledge and enable energy companies to find and develop hydrocarbons. We have the industry's most extensive global collection of digital well logs, and our U.S. library has expanded to include nationwide production data, directional surveys and a custom well file database. Additionally, we offer clients robust data-application integration with advanced platforms, interfaces and adapters. To learn more, click here.

IMAGING SERVICES

TGS deploys the latest processing technologies to deliver the imaging products energy companies require. We invest substantially in developing new proprietary technologies and workflows, which we use to provide imaging solutions directly to clients and to process our own global multi-client database.

TGS offers 2D and 3D seismic imaging solutions in depth and time domains and have experience with marine streamers (NAZ, WAZ, Coil), land, ocean bottom nodes, transition zone, multi-component and 4D time-lapse data processing. Our imaging teams also have direct access to our extensive well log database to calibrate seismic and well data.

Recent advancements in FWI (Full Waveform Inversion) technology have opened the possibility of establishing detailed property field updates and providing a step change in imaging quality for onshore and offshore data. Our proprietary algorithms and workflows are key differentiators. To learn more, click here.

OBN ACQUISITION

In January 2023, TGS completed the acquisition of Magseis Fairfield, the global OBN acquisition and technology leader. The OBN business model is based on proprietary technology differentiation coupled with the industry's most experienced people. These hold the potential to significantly improve subsurface imaging, allowing our customers to make data-driven field development decisions while delivering efficiency and safety and reducing project costs and emissions. This has made OBN an increasingly attractive option among the various seismic survey technologies and puts TGS in a position to increase the addressable market. To learn more, click here.

Executive Management

KRISTIAN JOHANSEN | CHIEF EXECUTIVE OFFICER

Kristian joined TGS in 2010 as Chief Financial Officer and became Chief Operating Officer in early 2015 before being appointed Chief Executive Officer in March 2016. Prior to joining TGS, he was the Executive Vice President and CFO of EDB Business Partner in Oslo (now Tietoevry). Kristian also has experience from executive and board positions in the construction, banking and oil industries. He currently serves on the board of directors for the National Ocean Industries Association (NOIA) and is the Chairman of the EnerGeo Alliance. A native of Norway, Kristian earned his undergraduate and master's degrees in business administration from the University of New Mexico in 1998 and 1999.

SVEN BØRRE LARSEN | CHIEF FINANCIAL OFFICER

Sven served as CFO of TGS from 2015 until 2019, when he assumed the position of Head of Strategy and M&A. He took on the role of Interim CFO in August 2021, and the role was made permanent in February 2022. Before joining TGS in 2015, Sven was CFO of Prosafe, the world's leading owner and operator of semisubmersible accommodation vessels for the offshore oil and gas industry. He was also CFO of Prosafe Production, one of the world's leading FPSO contractors. Sven holds an M.S. degree in business specializing in finance from Bodo Graduate School of Business in Norway.

WHITNEY EATON | EVP PEOPLE & SUSTAINABILITY

Whitney joined TGS in 2014 as Corporate Compliance Director and was appointed to Vice President, Compliance, in August 2019. She gained additional responsibility for TGS' ESG program before becoming Executive Vice President, Compliance and ESG, in February 2021. Her background includes almost 15 years of legal experience, with significant knowledge on implementing and managing holistic corporate compliance programs. She received her JD degree from the University of Richmond School of Law and her BA in Public Communication with University Honors from American University.

JAN SCHOOLMEESTERS | EVP DIGITAL ENERGY SOLUTIONS

Jan joined TGS with the acquisition of Spectrum where he had been the COO since 2011, responsible for global operations and executing the company's strategic growth plan. Prior to Spectrum, he served 16 years at PGS in various technical, operational and commercial leadership roles, including regional responsibility for the Asia Pacific business. Jan holds a master's degree in earth sciences and a Ph.D. in geophysics from Delft University of Technology.

TANA POOL | EVP LEGAL

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

Executive Management

WILL ASHBY | EVP EASTERN HEMISPHERE

Will joined TGS in 2011 with the acquisition of Stingray Geophysical. He has served TGS in a number of leadership roles including M&A, Finance, Investor Relations, HR and Marketing. Will had executive responsibility for the North America business from January 2019 until moving to the role of Executive Vice President, Eastern Hemisphere in March 2021. Will has over 23 years of experience in the oil & gas industry, having worked with BP, QinetiQ and a number of start-up E&P services companies. Will received M.A. (with honors) and B.A. (with honors) degrees in geography from the University of Oxford in 1997.

DAVID HAJOVSKY | EVP WESTERN HEMISPHERE

David joined TGS in 2017 as Director of Business Development in Western Hemisphere. In 2018 he took on the role of VP Latin America and oversaw the unit during the integration of Spectrum post-merger. David's latest assignment was VP of Africa, Mediterranean, Middle East and Asia Pacific before assuming the role of EVP Western Hemisphere in 2021. Prior to joining TGS, he spent nearly 9 years with PGS based in Houston, working in both the Onshore and Marine groups. David received his MBA (with distinction) from Robert Gordon University in 2011 and his B.S. degree in microbiology from the University of Texas in 2005.

CAREL HOOIJKAAS | EVP ACQUISITION

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

JOSEF HEIM | EVP IMAGING

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

Board of Directors

CHRISTOPHER FINLAYSON | CHAIR

Mr. Finlayson, a geologist and petroleum engineer by training, has 40 years of technical and commercial experience in the oil and gas industry. He joined Shell in 1977 and during his career held various leadership roles in exploration and production and liquefied natural gas around the world. Mr. Finlayson served as the Chief Executive Officer and Executive Director of the BG Group plc from 2013 to 2014, after joining BG Group in 2010. During periods between 2014 and 2022, Mr. Finlayson served as chairman of the board of two exploration and production companies – Siccar Point Energy Ltd. (acquired in 2022) and InterOil Corporation (acquired in 2017). He currently serves on the board of directors for Lloyds Register Group Limited and Abu Dhabi National Energy Company PJSC (TAQA), which is listed on the Abu Dhabi Securities Exchange. Mr. Finlayson is a Fellow of the Energy Institute. He was first elected as a Director of TGS in 2019 and as Chair in 2022.

MARK S. LEONARD | DIRECTOR

Mr. Leonard is currently the President of Leonard Exploration, Inc. He retired in 2007 from Shell Oil Company after 28 years of service. During his tenure at Shell, Mr. Leonard held a number of executive positions including Director of New Business Development in Russia/CIS, Director of Shell Deepwater Services, Director of Shell E&P International Ventures and Chief Geophysicist for Gulf of Mexico. Mr. Leonard serves on the board of a privately held company and various nonprofit boards. He was first elected as a Director of TGS in 2009.

IRENE EGSET | DIRECTOR

Ms. Egset currently serves as the Chief Financial Officer of Posten Norge, joining in 2019. From 2008 to 2018, she served in various financial leadership roles with Statkraft, joining as CFO of the Solar Power Unit in 2008, transferring to Statkraft Wind Power and Technologies (WPT) in 2010, and most recently serving as Executive Vice President and CFO of Statkraft from 2016 to 2018. From 2005 to 2008, she was a financial manager for J.F. Knudtzen, and from 2000 to 2005, she served as controller for Nera SatCom. Ms. Egset held a variety of financial roles at Statoil (now Equinor) from 1992 to 2000. She began her career in 1988 as a financial manager for Ulstein Elektro (part of the Ulstein Group). Ms. Egset serves as a board member for three privately held companies. She was first elected as a Director of TGS in 2019.

GRETHE KRISTIN MOEN | DIRECTOR

Ms. Moen has 40 years of experience in leadership positions within the oil, gas and energy industry, 25 years of which (1982–2007) were with Equinor (Statoil) and four years (2007–2011) with Shell Europe. From 2011 to 2013, Ms. Moen served as Vice President of Petoro AS, a Norwegian state-owned oil company, managing the State Direct Financial Interest in Joint Ventures (SDFI/SDØE), and from 2013 to January 2021, she served as CEO of Petoro. Ms. Moen serves on the board of directors of OKEA ASA, which is listed on the Oslo Stock Exchange, and two privately held companies. She was first elected as a Director of TGS in 2021.

SVEIN HARALD ØYGARD | DIRECTOR

Mr. Øygard is a business owner, investor and independent advisor, with substantial expertise in the finance and energy industries. From 1983 to the mid-1990s, Mr. Øygard worked within the Norwegian Ministry of Finance, including as Deputy Minister, and held various other roles within the Norwegian Parliament. From the mid-1990s, Mr. Øygard held various prominent positions within McKinsey Company, with a focus on the global oil and gas industry. In 2009, Mr. Øygard served as the Interim Central Bank Governor of the Icelandic Central Bank. From mid-2016, he has been co-owner and Chairman of DBO Energy, a Brazilian oil and gas company that plans to merge with Maha Energy in early 2023. He is also the co-founder of two private companies focused on energy transition in Brazil, and serves on the Board of several other privately held companies. Mr. Øygard serves as chairman of the board of Norwegian Air Shuttle ASA, which is listed on the Oslo Stock Exchange, and he was recently elected as the chairman of the board of New DOF ASA, formerly DOF Services AS, which resulted from the financial restructuring of DOF ASA. He was first elected as a Director of TGS in 2021.

Board of Directors' Report

A strong balance sheet combined with robust cash generation capacity provides us with flexibility to continue to pay dividends to shareholders at the same time as we pursue selected strategic inorganic investment opportunities.

2022 Board of Directors' Report

TGS ASA and its subsidiaries ("TGS" or "the Group") provide scientific data and intelligence to companies active in the energy sector. In addition to a global, widespread and diverse energy data library, TGS offers specialized services such Ocean Bottom Node ("OBN") data acquisition, advanced processing and analytics alongside cloud-based data applications and solutions. TGS operates globally and is presently active in North and South America, Europe, Africa, Middle East, Asia and Australia. The corporate headquarters of TGS are in Oslo, Norway. Its primary subsidiary, TGS-NOPEC Geophysical Company, is based in Houston, Texas, U.S.A. TGS also has regional offices in London (UK), Rio (Brazil), Perth (Australia), Calgary (Canada), Woking (UK) and Fredrikstad (Norway), plus smaller offices elsewhere depending on project and sales activity.

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

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

MERGERS AND ACQUISITIONS

Building scale in the multi-client business is a key priority, as it helps bring down the unit costs of the products and positions the Group for further business development opportunities. TGS has therefore done several acquisitions of multi-client assets over the years, the latest example being ION Geophysical's multi-client assets and data processing business, conducted in 2022. The ION assets were acquired in an auction process conducted in connection to the Chapter 11 bankruptcy pending in the United States Bankruptcy Court for the Southern District of Texas. The transaction closed on 31 August 2022.

As a larger portion of oil and gas companies' exploration spending has been directed towards mature areas close to existing infrastructure, access to and control of advanced data acquisition technologies have become more important. To further strengthen the Group's position in relation to infrastructure-led exploration and production seismic, TGS acquired Magseis Fairfield ASA ("MSFF"), the global leader in Ocean Bottom Node data acquisition in 2022. TGS announced its intention to launch a voluntary offer for MSFF on 29 June 2022, which resulted in the acquisition of 75% of the outstanding shares effective 11 October 2022. TGS gained control of the remaining shares through a mandatory cash offer and a subsequent compulsory acquisition, completed in January 2023.

In 2021, TGS announced its ambition of creating an energy industry gateway providing integrated solutions for data and actionable insights to facilitate decision making, project development and asset performance management across energy project life cycles and markets, with particular focus on renewable energy and carbon capture and storage (CCS), in addition to oil and gas. To supplement organic initiatives, TGS has conducted acquisitions of leading companies within selected niches. After acquiring 4C Offshore, a leading provider of high-quality market intelligence for the offshore wind industry, in 2021, TGS completed the acquisition of Prediktor AS ("Prediktor") in 2022. Prediktor is a leading provider of asset management and real-time data management solutions to energy asset owners, with a particular focus on renewable energy. The transaction closed on 1 July 2022.

CHANGES TO ACCOUNTING PRINCIPLES

No new IFRS standards or amendments, or IFRIC interpretations, that are effective from 1 January 2022 had impact on the consolidated financial statements of TGS. The Group has not early adopted any standards, interpretations or amendments that have been issued but are not yet effective. There are no IFRS standards or amendments or IFRIC interpretations that are not yet effective that the Group currently expects will have a material impact on TGS' financial statements going forward.

FINANCIAL RESULTS, FINANCIAL POSITION AND CAPITALIZATION

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

Revenues in 2022 amounted to USD 716.6 million, up 38% compared to the USD 518.7 million recognized in 2021. The increase is driven by a sharp increase in sales of completed data ("Late sales"), as well as growth in revenues related to sales of services ("Proprietary revenues") resulting from the consolidation of MSFF from 11 October 2023. Recognition of revenues from customer commitments made prior to completion of a project ("Early sales") were significantly down compared to 2021, as fewer larger projects came to completion during the year.

2022 Board of Directors' Report

Operating profit for 2022 was USD 132.0 million, corresponding to a margin of 18%, compared to an operating loss of USD 72.3 million (-14% margin) in 2021. In 2022, amortization and impairments of the multi-client library were USD 373.3 million versus USD 458.9 million in 2021. Of this, impairments (excluding accelerated amortization) accounted for USD 19.3 million, compared to USD 71.3 million in 2021. Accelerated amortization, which are impairments charged when recognition of sales causes the value of estimated remaining sales to fall below the book value of the relevant survey, amounted to USD 201.7 million in 2022 versus USD 213.2 million in 2021. Straight-line amortization for 2022 totaled USD 152.2 million, down from USD 174.3 million in 2021. The reduction is partly caused by the impairments recognized in 2021 and partly by a lower level of investments in new projects during the past two years.

Net financial items amounted to USD -3.2 million in 2022 compared to USD -12.8 million in 2021. The increase was primarily caused by net exchange gains of USD 1.7 million versus a loss of USD 8.9 million in 2021.

Net profit before taxes was USD 128.9 million versus a loss of USD 85.1 million in 2021.

Tax costs amounted to USD 40.9 million in 2022 (gain of USD 9.1 million in 2021), corresponding to an effective tax rate of 32% (11% in 2021). The high tax rate in 2022 was mainly caused by more profits coming from high-tax jurisdictions, as well as currency exchange movements.

Net profit after tax was USD 88.0 million versus a loss of USD 76.0 million in 2021.

At year-end 2022, cash and cash equivalents amounted to USD 188.5 million, a decrease from USD 215.3 million at the end of 2021.

TGS held current assets of USD 513.8 million and current liabilities of USD 505.0 million on 31 December 2022. Goodwill increased to USD 384.6 million at the end of 2022 from USD 304.0 million at the end of the prior year. The increase is attributable to the acquisition of Prediktor, which was concluded in July, and MSFF, which was consolidated from October.

As of 31 December 2022, total equity amounted to USD 1,239.8 million (USD 1,115.3 million in 2021), corresponding to an equity ratio of 67% (68% in 2021). The increase in equity was due to a combination of the net profit generated during the year and the capital raised in connection with the MSFF transaction.

TGS is listed on the Oslo Stock Exchange. It had a market capitalization of USD 1.7 billion as of 31 December 2022.

TGS issued 8.7 million new shares in 2022 related to the acquisition of MSFF, while 1.4 million treasury shares were canceled during the year. The Board does not anticipate issuing any new shares in 2023 other than shares issued as part of employee long-term incentive programs or unless necessary to finance the acquisition of a target business or a major business opportunity.

CASH FLOW FROM OPERATIONS, INVESTMENTS, FINANCING AND DIVIDENDS

TGS had cash flow from operating activities of USD 343.2 million in 2022, compared to USD 328.3 million in 2021. Operating cash flow is significantly higher than the operating result as non-cash expenses in the form of amortization and impairments of the multi-client library are the Group’s largest expense item.

Net negative cash flow from investing activities amounted to USD 272.7 million in 2022, versus USD 200.2 million in 2021. Cash flow from investing activities included cash investments in the multi-client library of USD 200.9 million, compared to USD 154.8 million in 2021.

TGS has paid quarterly dividends since 2016. The Annual General Meeting held on 11 May 2022 resolved to renew the Board of Directors’ authorization to distribute quarterly dividends.

In 2022, TGS paid dividends of USD 0.56 per share (USD 66.1 million in total), the same as in 2021 (USD 65.5 million in total). In addition, in 2022 the Group repurchased 0.5 million own shares for a total of USD 7.0 million. In 2021, the Group repurchased 1.3 million own shares for a total of USD 15.7 million.

A total number of 1.4 million treasury shares held by the Group were canceled following the decision of the Annual General Meeting on 11 May 2022.

On 9 February 2023, TGS announced that the Board of Directors resolved to pay a quarterly dividend of USD 0.14 in Q1 2023, maintaining the same quarterly run-rate for dividends as in 2022. The quarterly dividend was paid on 2 March 2023.

2022 Board of Directors' Report

TGS had a cash balance of USD 188.5 million on 31 December 2022, down from USD 215.3 million a year earlier. The reduction is caused by a combination of higher organic multi-client investments, M&A activity and direct shareholder return through dividends and share buy-backs. Through the acquisition of MSFF, TGS took over USD 44.5 million of interest-bearing debt, meaning that the net cash position was USD 144 million at year-end 2022 (USD 215.3 million at year-end 2021).

Shareholders' Value Metrics	2022	2021
Revenues (MUSD)	716.6	518.7
Operating Profit (MUSD)	132.0	(72.3)
Operating Margin	18%	(14%)
Earnings Per Share Fully Diluted (EPS) (USD)	0.74	(0.65)
Net Multi-Client Revenues/Average Net Book Value Ratio of Multi-Client Library	99%	59%
Return on Average Capital Employed (ROACE)	13%	-7%
Free Cash Flow before M&A and Cash Flow from Financing (MUSD)	125.0	162.2
Shareholders Equity/Total Assets	67%	68%

OPERATIONS

TGS reports three categories of revenues: early sales, late sales and proprietary revenues.

Early sales are revenues from customer commitments made prior to completion of a multi-client project and are recognized at the point of completion when the performance obligations are met. In 2022, early sales decreased to USD 257.3 million from USD 353.8 million in 2021, as fewer projects came to completion during the year. To better measure the value creation in the business, TGS uses revenues measured in accordance with Percentage of Completion (POC) as an Alternative Performance Measure (APM). In 2022, early sales measured in accordance with POC amounted to USD 136.0 million, down from USD 144.0 million in 2021. The reduction was caused by multi-client investments on average having a lower degree of pre-commitments from customers (61% in 2022 versus 79% in 2021).

Late sales, which are sales of completed data from the multi-client library, amounted to USD 374.1 million, an increase of 167% from the USD 140.4 million recognized in 2021.

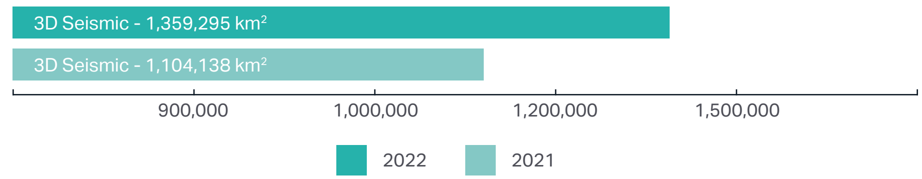
The increase was driven by improved exploration activity among oil and gas companies, as well as transfer fees related to M&A transactions among customers.

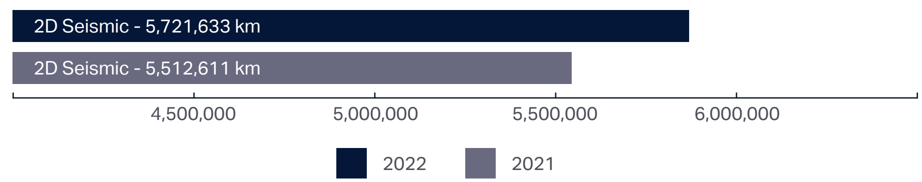
Proprietary revenues, which relate to sales of services, were USD 85.2 million 2021 compared to USD 24.5 million in 2021. The majority of the increase is attributable to the inclusion of MSFF ASA from 11 October 2022.

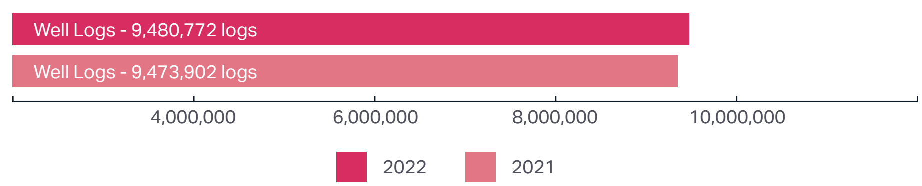
Total revenues amounted to USD 716.6 million, up 38% compared to the USD 518.7 million recognized in 2021. POC revenues amounted to USD 595.4 million, up 93% from USD 308.9 million in 2021.

MULTI-CLIENT DATA LIBRARY

TGS' data library is one of the industry's most comprehensive multi-client resources, encompassing a wide range of geophysical, geological, gravity, magnetic and bathymetry







data. The data amounts, as illustrated in the chart below, increased substantially in 2022, mainly because of the acquisition of ION's data library.

With a net book value of USD 575.3 million (USD 704.9 million in 2021), TGS' library of multi-client seismic data represented 31% (43% in 2021) of total assets as of 31 December 2022.

In 2022, organic investments in the multi-client library were USD 223.6 million (USD 182.2 million in 2021). In addition, inorganic investments in multi-client assets amounted to USD 20.3 million (USD 16.0 million in 2021).

Amortization and impairments of the multi-client library were USD 373.3 million in 2022 versus USD 458.9 million in 2021. Of this, impairments accounted for USD 19.3 million, compared to USD 71.3 million in 2021.

RISK MANAGEMENT AND INTERNAL CONTROL

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

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

Through the acquisition of MSFF, TGS became a leading provider of OBN data acquisition services. This means that TGS is exposed to operational risks, such as bad weather, equipment failure or accidents. Although these risks are partly being mitigated in the customer contracts, they could have a material negative impact on profitability if materializing.

TGS is exposed to financial risks such as currency, liquidity and credit risk. The operational exposure to currency risk is low as significant portions of revenues earned and costs incurred are in USD. However, as significant parts of the Group`s taxes are calculated and paid in NOK and BRL, fluctuations between the NOK/BRL and the USD result in currency exchange gains or losses. From 2016, the quarterly dividend payments have been linked to USD, which has reduced the NOK exposure significantly.

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

Liquidity risk arises from a lack of correlation between free cash flow and financial commitments. As of 31 December 2022, TGS held current assets of USD 513.8 million, of which cash and cash equivalents represented USD 188.5 million, and current liabilities were USD 505.0 million. Through the MSFF transaction, TGS took over USD 44.7 million of interest-bearing debt. As the loan contained a "change-of-control" clause, which was waived by the banks until 31 March 2023, the loan was characterized as a current liability in the balance sheet on 31 December 2022. TGS has since entered a USD 125 million revolving facility that will be used to repay the USD 44.7 million.

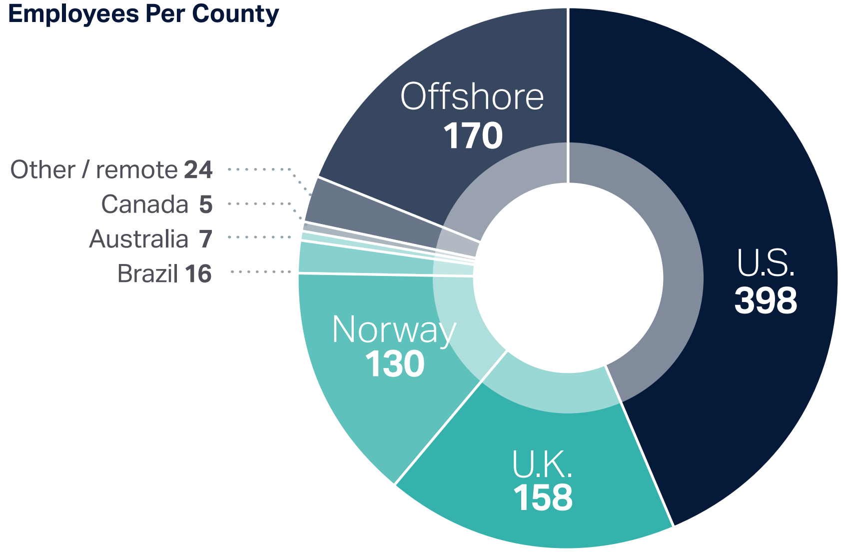
The Board considers the liquidity risk of the Group to be low. TGS is exposed to credit risk through sales and receivables and uses its best efforts to manage this risk by monitoring receivables and implementing credit checks and other actions as deemed appropriate. In addition, excess cash is placed in either bank deposits or financial instruments that have a minimum rating of "investment grade."

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

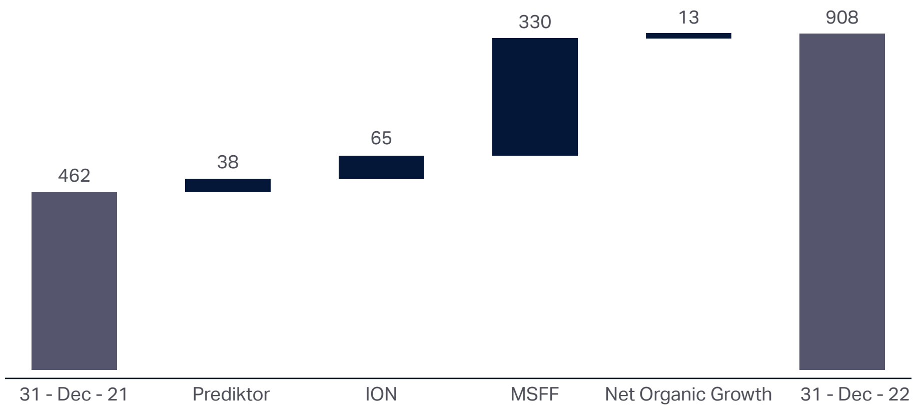
TGS is exposed to different types of climate-related risks, which are addressed by the Board's sustainability strategy. Please refer to the Sustainability report for more details.

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

Employees Per County



Development in Number of Employees



ORGANIZATION, WORKING ENVIRONMENT AND EQUAL OPPORTUNITY

TGS' global workforce increased 97% from year-end 2021 to year-end 2022, primarily as a result of the acquisitions completed during the year.

At year-end 2022 TGS had 908 employees compared to 471 at the same time the year before. The Parent Company had 34 employees as of 31 December 2022.

The Board considers the working environment in the Group to be good. The Board and Management believe that the diversity of our employees is a core strength of TGS, and employees of diverse gender, ethnicity and nationality are provided with equal opportunity and treated fairly within the Group. Please refer to the Sustainability report for more details about the workforce.

HEALTH, SAFETY AND ENVIRONMENTAL

TGS is fully committed to safeguarding and maintaining the environment in which we operate and live, while also providing a safe and healthy workplace for our employees, contractors, vendors and clients. TGS manages and monitors these activities through the active implementation of a comprehensive HSE Management System that is built around industry standards, corporate policies and procedures. TGS' HSE Management System is designed to ensure that all Group operations are conducted in the absence of significant risk, which is achieved by continuously identifying and controlling hazards which may arise through any aspect of the Group's operations.

TGS understands the importance and value of working with local governments, regulatory authorities and non-government organizations and strives to establish effective communication with all relevant stakeholders to help identify, understand and mitigate environmental risks associated with geophysical research activities.

TGS complies with relevant laws and local regulations, while also working closely with several industry associations to investigate and implement ways to mitigate the potential impact from seismic operations on the environment.

Additionally, TGS works with vessel owners and seismic contractors to ensure compliance with TGS' Sustainability Program, which includes tracking and reporting of carbon emissions, achieving zero reportable quantity spills to the environment, and reporting marine debris removal efforts to EnerGeo's Ghost Net Initiative. In 2022, TGS recovered 5.5 metric tons of marine debris through its offshore operations.

Each year, TGS promotes a top-down message of health and safety by requiring that each member of TGS' executive management conduct at least one HSE facility inspection and one field visit. In 2022, all members of TGS' Executive Management team participated in field engagements, both onsite and via startup or closeout meetings, and completed all executive HSE facility inspections. TGS also achieved full compliance with vessel HSE audit requirements and ensured that all outstanding items were properly addressed. Employees completed one HSE training module in 2022 (99.8% training compliance) that included training on office emergency preparedness and response.

In 2022, TGS continued to monitor the pandemic, ensuring that mitigation measures were aligned with national guidance from health authorities and that employees were given adequate support, information and resources for managing COVID-19. For TGS' field operations, operational COVID-19 plans were reviewed by TGS and updated throughout the life cycle of each project, ensuring that adequate measures were implemented while also focusing on managing the well-being of field contractors.

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

SUSTAINABILITY AND CORPORATE SOCIAL RESPONSIBILITY

Ensuring that TGS' business operates sustainably and provides sustainable solutions for our customers continues to be high on the Board of Directors' agenda.

In 2022, TGS continued implementing the Board's sustainability strategy by making progress on its Scope 1 and 2 emissions reductions targets, making a positive biodiversity impact in its operations and advancing health and safety and human rights practices in its own workforce and that of its supply chain. In addition, TGS focused on ways to provide products and services to help our customers address their sustainability initiatives and diversified into providing commercial solutions for renewables industry.

TGS is committed to minimizing and mitigating the potential disruption to the marine and onshore environment and climate that may be caused by its operations. Proper project planning and management, as well as coordination with our vendors, partners and local communities, play a significant role in ensuring that our operations and activities do not have a detrimental impact to the environment.

Please refer to the Sustainability Report, included as a separate section of this Annual Report and on TGS' website at www.tgs.com, for more information. The report has been prepared in accordance with the Norwegian Accounting Act, section 3-3c, and the Board of Directors believes that the Group complies with the reporting requirements.

BOARD STRUCTURE AND CORPORATE GOVERNANCE

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

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

2022 Board of Directors' Report

No material transactions other than the remuneration disclosed in Note 12 of the Consolidated Financial Statements have occurred in 2022 between the TGS and its management, directors or shareholders.

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

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

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

SALARY AND OTHER COMPENSATION

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

The members of the Board of Directors do not participate in any bonus plan, profit-sharing plan or stock incentive plan. In recent years, the directors' compensation has been composed of both a fixed fee and a number of restricted TGS shares. The remuneration is not related to the Group's financial result.

Reference is made to Note 12 of the Consolidated Financial Statements for details on the remuneration for 2022.

SIGNIFICANT LITIGATION

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

OUTLOOK

Global demand for energy is likely to continue to grow in the long term. To progress the transition towards a less carbon-intensive energy market, strong growth in renewable energy is needed over the next decades. However, in most realistic energy transition scenarios, there will be a continued need for hydrocarbons for the foreseeable future. It is therefore essential that the oil and gas that are still needed are explored for and produced in the most sustainable manner possible. With the steps taken towards diversifying its offering, as well as further strengthening of the multi-client portfolio, TGS is well positioned to capitalize on these trends and support the long-term evolution of the energy markets, while maintaining energy security and affordability.

Global exploration and production (E&P) spending has recovered rapidly from the historical low levels experienced under the COVID-triggered downturn in 2020 and 2021. Despite the strong recovery seen in 2022, exploration spending remains well below historical averages. As economics of exploration remain favorable and as E&P companies are generating historical high cash flow, the demand for exploration data is set to continue to grow in 2023. Meanwhile, supply remains relatively inflexible due to high cost of capital for most suppliers in the industry. As such, the Board is optimistic that the industry is set for a multi-year upcycle that may last well beyond 2023, provided that energy prices do not fall substantially from current levels.

2022 saw a surge in demand for TGS' products, resulting in 167% growth in TGS' late sales of vintage data compared to 2021. Through its extensive data offering, TGS is well positioned to continue to benefit from an improved spending cycle. Since the summer of 2022, the Group has experienced strong growth in customer commitments for new projects, meaning that organic multi-client investments are likely to grow more than 50% in 2023.

2022 Board of Directors' Report

The market for acquisition of OBN data is also expected to benefit from the growth in E&P companies' spending. Based on contracts already awarded, further contract opportunities in the pipeline and available supply capacity, the global mid-to-deep water OBN market is expected to grow significantly in 2023.

Through its Digital Energy Solutions (DES) business, TGS is providing energy data, insights and software through digital platform solutions. Offerings directed towards renewable energy, such as wind and solar, are growing rapidly. The Board believes that the market for digital energy data and insights will continue to grow at a double-digit rate over the coming years and that TGS is well positioned to take part in this growth.

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

EVENTS AFTER THE BALANCE SHEET DATE

After taking ownership of 75% of the outstanding shares of MSFF, in October 2022, TGS acquired the remaining shares in January 2023.

On 9 February 2023, TGS signed the agreement for a new Revolving Credit Facility of USD 125 million to replace the previous USD 100 million facility. The new facility will be used to repay the interest-bearing debt of USD 44.5 million in MSFF and to provide financial flexibility for any extraordinary organic or inorganic investments. The loan has a three-year maturity with no amortization.

On 9 February 2023, the Board of Directors resolved to pay a quarterly dividend of the NOK equivalent of USD 0.14 per share (NOK 1.46) to shareholders. The dividend payment was made on 2 March 2023.

ANNUAL RESULT OF THE PARENT COMPANY AND ALLOCATION OF RESULT

In 2022, revenues of the Group's Parent Company TGS ASA increased by 29% to USD 260.8 million from USD 202.8 million in 2021, mainly as a result of the sharp growth in late sales of multi-client data. 2022 operating profit amounted to USD 99.3 million compared to an operating loss of USD 37.4 million in 2021. The improvement is partly due to the higher revenues and partly due to lower amortization and impairments of the multi-client library. Net income for 2022 was USD 29.7 million compared to a loss of USD 38.7 million in 2021. The Board proposes that the Parent Company's net income is allocated fully to Other Equity.

24 March, 2023

Christopher Finlayson Chair	**Mark S. Leonard** Director	**Grethe Kristin Moen** Director
Irene Egset Director	**Svein Harald Øygard** Director	**Kristian Johansen** Chief Executive Officer

CONFIRMATION FROM THE BOARD OF DIRECTORS AND CEO

We confirm, to the best of our knowledge, that the financial statements for the period 1 January to 31 December 2022 have been prepared in accordance with current applicable accounting standards and give a true and fair view of the assets, liabilities, financial position and profit or loss of the entity and the Group taken as a whole. We also confirm that this report of the Board of Directors with references to the notes to the accounts and the Corporate Governance section of the Annual Report includes a true and fair review of the development and performance of the business and the position of TGS, together with a description of the principal risks and uncertainties facing the Group.

TGS Financials

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

Consolidated Statement of Comprehensive Income

(All amounts in USD 1,000s unless noted otherwise)

	Note	2022	2021
Revenues	4,6,20,27	716,633	518,689
Cost of goods sold – proprietary and other	5	37,527	11,625
Straight-line amortization of the multi-client library	9,20	152,247	174,276
Accelerated amortization of the multi-client library	9,20	201,701	213,249
Impairment of the multi-client library	9,10,20	19,314	71,336
Personnel costs	12	86,407	54,870
Other operating expenses		53,843	46,410
Depreciation, amortization and impairment	7,8,9	33,561	19,255
Total operating expenses		**584,599**	**591,021**
Operating profit/(loss)		**132,034**	**(72,332)**
Financial income	28	2,396	2,525
Financial expenses	28	(8,508)	(6,362)
Gains/(losses) from JV	28	1,251	0
Net exchange gains/(losses)	28	1,692	(8,918)
Net financial items		**(3,169)**	**(12,756)**
Profit/(loss) before taxes		**128,865**	**(85,088)**
Taxes	29	40,898	(9,103)
Net income		**87,967**	**(75,985)**
Other comprehensive income *Other comprehensive income to be reclassified to profit or loss in subsequent periods*			
Other comprehensive income, net of tax		(306)	–
Total comprehensive income/(loss) for the period		**87,661**	**(75,985)**
Net income attributable to the owners of the Parent		87,796	(75,985)
Net income attributable to non-controlling interests		171	-
		87,967	(75,985)
Total comprehensive income attributable to the owners of the Parent		87,490	(75,985)
Total comprehensive income attributable to non-controlling interests		171	–
		87,661	**(75,985)**
Earnings per share (USD)	14	0.75	(0.65)
Earnings per share, diluted (USD)	14	0.74	(0.65)

Consolidated Balance Sheet - Assets

As of 31 December (All amounts in USD 1,000s unless noted otherwise)

	Note	2022	2021
Assets			
Non-current assets			
Goodwill	3,9,10	384,649	303,964
Intangible assets: Multi-client library	3,9,10	575,337	704,868
Other intangible assets	9,10	65,805	25,477
Deferred tax assets	29	82,196	95,888
Buildings	7	4,474	3,057
Machinery and equipment	7	140,625	16,462
Right-of-use asset	8	59,619	35,770
Sublease asset	8	672	1,258
Other non-current assets	19,26	11,711	7,791
Total non-current assets		**1,325,087**	**1,194,533**
Current assets			
Accounts receivable	18,21	142,781	113,513
Accrued revenues	18,21	97,538	32,551
Other receivables	21	78,463	73,901
Inventory	11	6,575	0
Cash and cash equivalents	16	188,452	215,329
Total current assets		**513,810**	**435,294**
Total assets		**1,838,897**	**1,629,827**

Consolidated Balance Sheet - Equity & Liabilities

As of 31 December (All amounts in USD 1,000s unless noted otherwise)

	Note	2022	2021
Equity and liabilities			
Equity			
Paid-in capital			
Share capital	15	4,259	4,086
Treasury shares	15	(18)	(38)
Share premium		537,583	416,878
Other paid-in equity		45,248	45,248
Total paid-in capital		**587,073**	**466,174**
Other equity		648,834	649,161
Equity attributable to owners of the Parent		1,235,907	1,115,335
Non-controlling interests		3,856	(7)
Total equity		**1,239,763**	**1,115,328**
Liabilities			
Non-current liabilities			
Other non-current liabilities	18	42,408	2,706
Lease liability	8	28,609	33,022
Deferred tax liability	29	23,130	32,059
Total non-current liabilities		**94,148**	**67,787**
Current liabilities			
Short-term debt	18,23	44,748	0
Accounts payable and debt to partners	18,22	72,862	71,669
Taxes payable, withheld payroll tax, social security and VAT	22,29	77,223	77,941
Lease liability	8	38,350	10,782
Deferred revenue	4,22	126,462	238,169
Other current liabilities	22	145,341	48,151
Total current liabilities		**504,986**	**446,712**
Total liabilities		**599,134**	**514,499**
Total equity and liabilities		**1,838,897**	**1,629,827**

24 March 2023

Christopher Finlayson
Chair

Mark S. Leonard
Director

Grethe Kristin Moen
Director

Irene Egset
Director

Svein Harald Øygard
Director

Kristian Johansen
Chief Executive Officer

Consolidated Statement of Changes in Equity

As of 31 December (All amounts in USD 1,000s unless noted otherwise)

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

	Share Capital (par value at NOK 0.25)	Treasury Shares	Share Premium	Other Paid-in Capital	Foreign Currency Translation Reserve	Retained Earnings	Total	Non-controlling Interest	Total Equity
Opening balance 1 January 2021	4,082	(2)	416,878	45,248	(22,233)	824,690	1,268,663	(7)	**1,268,656**
Net income	–	–	–	–	–	(75,985)	(75,985)	–	**(75,985)**
Total comprehensive income	**–**	**–**	**–**	**–**	**–**	**(75,985)**	**(75,985)**	**–**	**(75,985)**
Purchase of own shares	–	(38)	–	–	–	(15,651)	(15,689)	–	**(15,689)**
Distribution of treasury shares	–	–	–	–	–	238	238	–	**238**
Cancellation of treasury shares held	(1)	1	–	–	–	–	–	–	**-**
Cost of equity-settled long-term incentive plans	5	–	–	–	–	3,627	3,632	–	**3,632**
Dividends	–	–	–	–	–	(65,524)	(65,524)	–	**(65,524)**
Balance 31 December 2021	**4,086**	**(38)**	**416,878**	**45,248**	**(22,233)**	**671,394**	**1,115,335**	**(7)**	**1,115,328**

Consolidated Statement of Cash Flow

As of 31 December (All amounts in USD 1,000s unless noted otherwise)

	Note	2022	2021
Cash flow from operating activities			
Profit before taxes		**128,865**	(85,088)
Depreciation/amortization/impairment		**406,824**	478,116
Changes in accounts receivables and accrued revenues		**(45,467)**	131,727
Changes in other receivables		**33,061**	15,632
Changes in other balance sheet items	29	**(165,094)**	(197,865)
Paid taxes		**(15,036)**	(14,179)
Net cash flow from operating activities		**343,153**	**328,343**
Cash flow from investing activities			
Investments in tangible and intangible assets		**(23,663)**	(13,579)
Investments in multi-client library		**(200,888)**	(154,830)
Investments through mergers and acquisitions		**(54,563)**	(34,304)
Interest received		**6,396**	2,525
Net cash flow from investing activities		**(272,718)**	**(200,188)**
Cash flow from financing activities			
Net change in short-term loans		**0**	(2,500)
Interest paid	15	**(5,608)**	(6,362)
Dividend payments		**(66,136)**	(65,524)
Repayment of lease liabilities		**(20,599)**	(10,695)
Purchase of own shares		**(7,015)**	(15,689)
Net cash flow from financing activities		**(99,358)**	**(100,770)**
Net change in cash and cash equivalents		**(28,923)**	27,385
Cash and cash equivalents at the beginning of the period	16	**215,329**	195,716
Net unrealized currency gains/(losses)		**2,047**	(7,773)
Cash and cash equivalents at the end of the period	**16**	**188,452**	**215,329**

Notes to Consolidated Financial Statements

1. GENERAL ACCOUNTING POLICIES

General Information

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

TGS ASA and its subsidiaries ("TGS" or "the Group") provide multi-client geoscience data to oil and gas exploration and production companies worldwide. In addition to extensive global geophysical and geological data libraries that include multi-client seismic data, magnetic and gravity data, digital well logs, production data and directional surveys, TGS also offers advanced processing and imaging services, interpretation products and data integration solutions. During 2021 TGS also established an offering of data, insights and software directed towards energy transition-related industries, such as wind, solar and geothermal energy, as well as Carbon Capture and Storage (CCS) and deep-sea mineral exploration. The consolidated financial statements of TGS were authorized by the Board of Directors on 24 March 2023.

Basis of Preparation

The consolidated financial statements of TGS have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union (EU) in effect as of 31 December 2022 and consist of the consolidated statement of comprehensive income, the consolidated balance sheet, the consolidated cash flow statement, the consolidated statement of changes in equity and notes to the consolidated financial statements. The consolidated financial statements have been prepared on a historical cost basis. The financial statements of the subsidiaries have been prepared for the same reporting year as the Parent Company, using consistent accounting policies.

Summary of Significant Accounting Policies

Principles of Consolidation

Companies Consolidated

The consolidated financial statements comprise the financial statements of the Parent Company and its subsidiaries as of 31 December 2022. Control is achieved when TGS is exposed, or has rights, to variable returns from its involvement with the investee and can affect those returns through its power over the investee. Specifically, TGS controls an investee if and only if TGS has:

- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee),
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns.

Consolidation of a subsidiary begins when TGS obtains control over the subsidiary and ceases when TGS loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the statement of comprehensive income from the date TGS gains control until the date TGS ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the Parent Company and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of TGS are eliminated in full through consolidation.

If TGS loses control over a subsidiary, the Group derecognizes the related assets (including goodwill), liabilities, non-controlling interest and other components of equity while any resulting gain or loss is recognized in profit or loss. Any retained investment is accounted for in accordance with the applicable IFRS.

Presentation Currency

TGS presents its consolidated financial statements in USD. The majority of TGS' revenues and expenses are denominated in USD, and USD is the functional currency for all material entities in TGS, including the Parent Company. The financial statements of the Parent Company are presented separately in this Annual Report.

Foreign Currency

Transactions in foreign currency are translated to the functional currency using the exchange rates prevailing at the dates of the transactions. Monetary assets and liabilities in non-functional currencies are translated into functional currency spot rate of exchange ruling at the date of the balance sheet. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in non-functional currencies are recognized within profit and loss.

Revenue from Contracts with Customers

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

Early Sales

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

Late Sales

Revenue for sale of finished data is recognized at a point in time, generally upon delivery of the final processed data (i.e., when the client has gained access to the data under a binding agreement). Through the binding agreement, the customer is granted a non-exclusive license to use the finished data. Sales of finished data are presented as part of late sales revenue together with sales of unfinished data in cases where the relevant survey had already commenced when the contract was entered into.

Revenue Sharing Arrangements

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

Revenue from Sale of Equipment

The Group provides the sale of nodes to external customers, where each sale is defined as a customer contract. The sales contracts normally include one performance obligation which is fulfilled upon the delivery of an agreed number of nodes in accordance with the agreed specifications. Revenue is recognized at the point in time when the control of the goods is transferred to the customer, which occurs when the products have been shipped to a contractually agreed location, and the risks of obsolescence and loss have been transferred to the customer.

Proprietary Contracts

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

Royalty Income

Royalty income is recognized when the subsequent sale related to the royalty occurs.

Other Services Revenue

Customer contracts for other marine geophysical services are similar in nature and terms to the proprietary contract sales. Revenue is recognized over time as the Group satisfies the performance obligation and is entitled to the compensation under the contract. Lease income is recognized on a straight-line basis over the lease period. The revenue is measured at the transaction price as agreed under the contract.

Notes to Consolidated Financial Statements

Cost of Goods Sold (COGS) – Proprietary Contracts and Other

Cost of goods sold consists of direct costs related to proprietary contract work and other services revenue in which revenue is recognized over time. COGS also consists of costs related to delivery of geoscientific data.

Multi-Client Library

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

Straight-line Amortization

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

Accelerated Amortization of Seismic Data

No amortization is recognized until the point in time when the license is transferred to the customer, which would typically be upon completion of processing of the survey and granting of access to the finished survey or delivery of the finished data. When a project is completed and after pre-funding is recognized, recognition of accelerated amortization may be necessary in the event recoverable value (present value of expected Late Sales) is lower than net book value of the survey (capitalized cost of the survey).

Following the adoption of the straight-line amortization policy for completed surveys, recognition of accelerated amortization of a library may be necessary in the event that sales on a survey are realized disproportionately sooner within that survey's useful life.

Amortization Policy on Seismic Data Purchased from Third Parties

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

Similarly, with acquired seismic data, accelerated amortization of the library may be necessary in the event that sales on a survey are realized disproportionately sooner within that survey's useful life.

Amortization Policy on Well Data Products

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

Impairment Evaluation Multi-Client Library

When there are indicators that the net book value may not be recoverable, the library is tested for impairment on the individual cash generating unit (CGU). Any impairment of the multi-client library is recognized immediately and presented as "Impairment of the multi-client library" in the statement of profit or loss.

For further information about impairment, see "Impairment of Non-Financial Assets" below.

Joint Arrangements

A joint arrangement is a contractual arrangement providing that TGS and other parties undertake an economic activity that is subject to joint control (i.e., when the strategic, financial and operating policy decisions relating to the activities of the joint arrangement require the unanimous consent of the parties sharing control). Joint arrangements are classified as joint operations or joint ventures, depending on the rights to the assets and obligations for the liabilities of the parties to the arrangements. If the parties to the joint arrangement have rights to the net assets of the arrangement, the arrangement is a joint venture. However, if the parties have rights to the assets and obligations related to the liabilities of the arrangement, the arrangement is a joint operation. Interests in joint ventures are accounted for using the equity method.

Notes to Consolidated Financial Statements

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

Variable Payment Arrangements

For certain multi-client library projects, TGS may enter into arrangements whereby the supplier of goods or services is paid on a variable basis, often linked to future license revenue on that project. In such cases, the supplier has no rights or obligations to the multi-client library and therefore has no control over it.

After the underlying project is completed, TGS recognizes the fair value of the variable payments in the initial cost of the asset at the date of acquisition and recognizes a corresponding accrued project cost. The accrual will be made in the currency in which the supplier payments will eventually be made and will be re-assessed periodically.

Other Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets in a business combination is its fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses, if any.

Internally generated intangibles, excluding capitalized development costs, are not capitalized and the related expenditure is expensed in the period in which the expenditure is incurred.

Intangible assets with finite life are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. The straight-line amortization method is used for most intangible assets as this best reflects the consumption of the assets.

Research and Development Costs

Research costs are expensed as incurred. Development expenditures on an individual project are recognized as an intangible asset when TGS can demonstrate:

- It is technically feasible to complete the product so that it will be available for use;
- Management intends to complete the product and use it;
- There is an ability to use the software product;
- It can be demonstrated how the product will generate future economic benefits;

Adequate technical, financial or other resources to complete the development and to use the product are available; and

The expenditure attributable to the product during its development can be reliably measured.

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortization and accumulated impairment losses. Amortization of the asset begins when development is complete, and the asset is available for use. It is amortized over the period of expected future benefit.

Business Combinations and Goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at fair value at the acquisition date, and the amount of any non-controlling interest in the acquiree. For each business combination, the acquirer measures the non-controlling interest in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition costs incurred are expensed and included in administrative expenses.

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

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

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

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

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

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

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

Tangible Non-Current Assets

Tangible non-current assets are presented at historical cost less accumulated depreciation and accumulated impairment losses. Purchases which are expected to have a technical and economic life of more than one year are capitalized as tangible non-current assets. Depreciation begins when the assets are available for use. Tangible non-current assets held for sale are stated at the lower of book value and presumed market value and are not subject to depreciation.

Impairment of Non-Financial Assets

TGS assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, TGS estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal and its value-in-use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value-in-use, the estimated future cash flows calculated in USD are discounted to their present value using a post-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

TGS bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of TGS' CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year.

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

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

Provisions and Contingencies

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

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

Contingent liabilities are possible obligations as a result of a past event where the existence of the liability depends on the occurrence, or not, of a future event. An existing obligation, in which it is not likely that the entity will have to dispose economic benefits, or where the obligation cannot be measured with sufficient reliability, is also considered a contingent liability. Contingent liabilities are not recognized in the financial statements, but if material, disclosed in the accompanying notes. A contingent asset is not recognized in the financial statement but disclosed if there is a certain degree of probability that it will be an advantage of TGS.

Income Taxes

Current Income Tax

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

Deferred Tax

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

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

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

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

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

Notes to Consolidated Financial Statements

Deferred tax relating to items recognized outside profit or loss is recognized outside profit or loss. Deferred tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity.

The Parent Company pays its tax obligation in NOK and the fluctuations between the NOK and the USD impact the financial items. TGS' legal entities that do not have their tax base in USD are exposed to changes in the USD/tax base-currency rates. Effects within the current year are classified as tax expense.

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

Inventories

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

Share-Based Payments

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

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

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

Financial Assets

A financial asset is any contract which gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

IFRS 9 contains three principal classification categories for financial assets: measured at amortized cost, fair value through other comprehensive income (FVOCI) and fair value through profit or loss (FVTPL).

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at FVTPL, transaction costs.

The Group's financial assets are trade and other receivables, and cash and cash equivalents. Based on the nature of these assets and how they are managed, the Group has evaluated that these qualify for classification as measured at amortized cost.

Financial Liabilities

The Group has financial liabilities measured at amortized cost. Financial liabilities at amortized cost comprise largely of accounts payable and debt to partners, taxes and some minor amounts of non-current liabilities and long-term debt. These obligations are initially recognized at fair value less transaction costs, and subsequently measured at amortized cost through using the effective interest method. The Group has no financial liabilities at FVTPL.

Borrowings

Interest-bearing debt is recognized initially at fair value less transaction costs. Subsequent to initial recognition, interest-bearing debt is stated at amortized cost with any difference between cost and redemption value being recognized in the income statement over the period of the borrowings on an effective interest basis.

Impairment of Financial Assets

The Group recognizes an allowance for expected credit losses (ECLs) for all debt instruments not held at FVTPL as well as for contract assets. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

Loss allowances are deducted from the gross carrying amount of the financial asset. The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. Receivables are written off if the customer goes bankrupt, collection by a debt collector has been unsuccessful for a period and in other concrete cases. However, financial assets that are written off could still be subject to enforcement activities.

Pensions

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

Leases

As a Lessee

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

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

The lease payments included in the measurement are comprised of:

- Fixed lease payments (including in-substance fixed payments), less any lease incentives receivable;
- Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- Amount expected to be payable by TGS under residual value guarantees;
- The exercise price of a purchase option, if TGS is reasonably certain to exercise that option;
- Payments of penalties for terminating the lease, if the lease term reflects TGS exercising an option to terminate the lease.

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

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

The Group measures the right-of-use asset at cost, less any accumulated depreciation and impairment losses, adjusted for any remeasurement of lease liabilities. The cost of the right-of-use asset comprises the amount of the initial measurement of the lease liability recognized, any lease payments made at or before the commencement date, less any incentives received, and any initial direct costs incurred by the Group. In addition, the right-of-use asset is affected by an estimate of the costs to be incurred by the Group in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred to produce inventories.

The Group applies the depreciation requirements in IAS 16 Property, Plant and Equipment in depreciating the right-of-use asset, except that the right-of-use asset is depreciated from the commencement date to the earlier of the lease term and the remaining useful life of the right-of-use asset. The Group applies IAS 36 Impairment of Assets to determine whether the right-of-use asset is impaired and to account for any impairment loss identified.

Some property leases contain extension options exercisable by the Group. The Group seeks to include extension options in new leases to provide operational flexibility. The extension options held are exercisable only by the Group and not by the lessors. The Group assesses at the lease commencement date whether it is reasonably certain to exercise the extension options. The Group reassesses whether it is reasonably certain to exercise the options if there is a significant event or significant change in circumstances within its control.

As a Lessor

For contracts where the Group acts as a lessor, it classifies each of its leases as either an operating lease or a finance lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership of an underlying asset.

The Group sub-leases some of its right-of-use assets. On transition to IFRS 16, the right-of-use assets related to a financial sub-lease are de-recognized from the right-of-use asset and presented as a sub-lease asset and measured at fair value at that date. The Group assessed the classification of the sub-lease contracts with reference to the right-of-use asset rather than the underlying asset and concluded that they are finance leases under IFRS 16.

Cash and Cash Equivalents

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

Treasury Shares

TGS' equity instruments that are reacquired (treasury shares) are recognized at cost and deducted from equity. No gain or loss is recognized in profit or loss on the purchase, sale, issue or cancellation of TGS' own equity instruments. Any difference between the carrying amount and the consideration, if reissued, is recognized in the retained earnings.

Dividends

A dividend approved by TGS' shareholders is recognized as a liability in TGS' financial statements. A corresponding amount is recognized directly in equity.

Cash Flow Statement

The cash flow statement is compiled using the indirect method.

Changes in Accounting Policy and Disclosures

No standards, amendments, IFRSs or IFRIC interpretations that are effective from 1 January 2022 had impact on the consolidated financial statements of TGS. The Group has not early adopted any standards, interpretations or amendments that have been issued but are not yet effective. There are no IFRSs or IFRIC interpretations that are not yet effective that the Group currently expects will have a material impact on TGS' financial statements going forward.

2. SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

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

Notes to Consolidated Financial Statements

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

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

Impairment Evaluation of Multi-Client Data Library

TGS performed impairment reviews and determined the value-in-use of the multi-client library during 2022. The Group estimated value-in-use based on discounted estimated future sales forecasts. The underlying factors that drive the estimated sales forecast include the number of oil and gas exploration and production (E&P) companies operating in the area that would be interested in the data, overall E&P spending, expectations regarding hydrocarbons in the area, whether licenses will be awarded in the future, expected farm-ins to licenses, relinquishments, etc. Local corporate tax rates and sales costs are applied. Changes in these estimates could materially affect the estimated future sales forecasts.

Further, the Weighted Average Cost of Capital (WACC) is used to discount such sales forecasts. The key judgment involved in the determination of WACC is the country-specific risk premiums which impact the value of WACC used for particular library projects.

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

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

Impairment Evaluation of Goodwill

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

Estimating the value-in-use requires estimated future cash flows for that CGU as well as an appropriate discount factor to apply. To do so, management consider variables such as estimated future revenues, margins and estimated long-term growth as the key drivers for the basis of the value-in-use calculations. Future cash flows also depend on general development in E&P spending, the number of market participants and technological developments.

For details about goodwill and impairment, see Note 10.

Deferred Tax Assets, Liabilities and Uncertain Tax Positions

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

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

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

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

For details about deferred tax assets, see Note 29.

Contingent Liabilities

The preparation of the financial statements has required TGS to make judgment, estimates and assumptions that affect the reported amounts of liabilities and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount in future periods.

For a description of contingent liabilities, see Note 26.

Obsolete Stock

The assessment of obsolete and slow-moving inventory in order to determine inventory write-downs is subject to Management's judgment. The selling price in the market must be estimated, and there is a risk that the actual selling price may turn out to be different than the amount estimated by management.

For a description of inventory, refer Note 11.

Measurement of Fair Values

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

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

Level 1: Quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2: Other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3: Techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

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

- Share-based payments – Note 13
- Financial instruments – Note 18
- Acquisition of subsidiary – Note 3 and Note 25

3. BUSINESS COMBINATIONS AND ASSET ACQUISITIONS

Business Combinations

On 29 June 2022, TGS announced its intent to launch a recommended voluntary exchange offer, through a combination of TGS common shares and cash, for all outstanding shares of Magseis Fairfield ASA ("Magseis"), which was formally launched on 24 August 2022. Upon expiration of the offer period on 28 September 2022, approximately 75% of the Magseis shareholders had accepted the offer, with settlement completed on 11 October 2022. TGS launched a mandatory cash offer for the remaining shares on Magseis on 10 November 2022. When the mandatory offer period lapsed on 21 December 2022, another 22% of shareholders accepted the offer, taking TGS' ownership up to 97%.

Magseis is the leading global provider of ocean bottom seismic (OBS) technology and data acquisition projects. The company has a flexible business model with full-scale node operations, as well as lease and sale models for its node inventory. The Marine Autonomous Seismic System "MASS" nodes and the range of Z-nodes, combined with handling systems and source technology, enables market-leading deployment speed and highly cost-efficient acquisition of data with high quality.

In accordance with IFRS 3, it is a choice if non-controlling interest should be measured at fair value or share of net assets. In this transaction, non-controlling interest has been valued to share of net assets.

Notes to Consolidated Financial Statements

The fair value of the identifiable assets and liabilities of Magseis as at the date of acquisition were:

(All amounts in USD millions)	Fair value recognized on acquisition[1]
Assets	
Other intangible assets	32.7
Multi-client library	4.2
Property, plant and equipment	120.9
Right-of-Use asset	26.2
Accounts receivable	42.6
Cash	31.9
Other current assets	41.2
	299.7
Liabilities	
Lease liabilities	26.2
Trade payables	24.4
Short-term interest-bearing debt	44.5
Other current liabilities	62.3
Current tax payables	4.0
Deferred tax liability	3.4
	164.8
Total identifiable net assets at fair value	**134.9**
Goodwill arising on acquisition	69.2
Minority share to be excluded	33.2
Purchase consideration transferred	**170.8**

[1] The fair value recognized on acquisition for the Magseis PPA has been adjusted from Q4 2022 earnings release.

The fair value of the goodwill represents the excess purchase price after all the identifiable assets, liabilities and obligations are recognized. The goodwill arising from the acquisition consists mainly of synergies from combining the operations of TGS and Magseis, assembled workforce and deferred tax of USD 3.4 million.

In the period from 11 October 2022 to 31 December 2022, the acquired Magseis contributed with net revenues of USD 54.1 million and profit before tax amounting to USD 1.6 million. This is reflected in the consolidated statement of comprehensive income for TGS. If the acquisition had been completed as of 1 January 2022, management estimates that consolidated net revenue for the 12 months ended 31 December 2022 would have been USD 970 million, and consolidated profit (before tax and financial items) for the same period would have been USD 99 million. These amounts have been determined by applying TGS' principles and assume that the fair value arising on the date of acquisition would have been the same if the acquisition had occurred on 1 January 2022.

(All amounts in USD millions)	
Purchase price	
Share consideration	125.3
Cash paid	45.6
Net cash flow on acquisition	**170.8**
Analysis of cash flows on acquisition	
Net cash acquired	31.9
Cash paid	-45.6
Net cash flow on acquisition	**-13.7**

TGS incurred acquisition-related costs of USD 3.0 million, consisting of legal fees and due diligence costs. USD 1.6 million have been included in operating expenses and USD 1.4 million have been recorded in equity.

On 1 July 2022, TGS announced the acquisition of Prediktor AS ("Prediktor"), a leading provider of asset management and real-time data management solutions to energy asset owners, with a particular focus on renewable energy. Prediktor is another important building block for realizing TGS' vision of creating an energy industry gateway providing integrated solutions for data and actionable insights to facilitate decision making, project development and asset performance management across energy project life cycles and markets.

Notes to Consolidated Financial Statements

As the transaction was effective from 1 July 2022, the sales and costs from Prediktor's operations for the period 1 July 2022 to 31 December 2022 are reflected in the consolidated financial statements of TGS. The fair value of the goodwill, USD 11.5 million, represents the excess purchase price after all the identifiable assets, liabilities and obligations are recognized. Goodwill can be explained by the value associated with the skills and know-how of Prediktor's employees, new customers and potential extensions of existing relationships. The other major fair value adjustments relate to the value of the technology and customer relations.

Asset Acquisitions

On 1 July 2022, TGS announced that it had been named the successful bidder in the auction process for the offshore multi-client assets and the data processing business of ION Geophysical Corporations ("ION"). These assets were acquired in connection to the Chapter 11 bankruptcy pending in the United States Bankruptcy Court for the Southern District of Texas.

The transaction closed on 31 August 2022. The acquisition of the ION assets adds to TGS' multi-client offering in frontier areas, particularly in Latin America and Africa, and further enhances the company's position as a leading data processing house. The acquisition also included ION's assets associated with the Gemini low-frequency source.

As the transaction was effective from 31 August 2022, the sales and costs from the acquired offshore multi-client assets and the data processing business for the period 31 August 2022 to 31 December 2022 are reflected in the consolidated financial statements of TGS. The purchase price is mainly allocated to the multi-client library (USD 16.1 million) and receivables (USD 9.9 million). Most of the value of the multi-client library was reduced with accelerated amortization, triggered by late sales, recorded in September 2022.

The accounting for all of the above transactions will be revised to the extent new information is obtained within one year of the date of acquisitions relating to facts or circumstances that existed at the date of acquisition and that require adjustments to the above amounts or relating to additional provisions that existed at the date of acquisition.

4. REVENUE FROM CONTRACTS WITH CUSTOMERS

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

Revenue type - 2022	Revenue
Early Sales	257,272
Late Sales	374,132
Proprietary	85,230
Total	**716,633**

Revenue type – 2021[1]	Revenue
Early Sales	353,777
Late Sales	140,384
Proprietary	24,528
Total	**518,689**

1) 2021 revenue by type reclassifies Well Data subscription revenue to Late Sales, as opposed to previously reported Early Sales.

Notes to Consolidated Financial Statements

Payment Terms

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

Other Terms

The Group's refund liability, return liability and warranties are considered limited, and the Group has not recognized any such liabilities in the consolidated balance sheet.

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

Performance obligations unsatisfied at year-end	2022	2021
Expected to be realized within 12 months	408,664	268,301
Expected to be realized after 12 months	158,011	55,962
Total	**566,675**	**324,262**

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

Receivables, contract assets and contract liabilities	31.12.2022	31.12.2021
Accounts Receivables	142,781	113,513
Accrued unbilled revenue (Contract asset)	97,538	32,551
Accounts payable and debt to partners	(72,862)	(71,669)
Deferred revenue (Contract liabilities)	(126,462)	(238,169)[1]

Contract liabilities[1]	2022	2021
At 1 January	(238,169)	(441,341)
Deferred during the year	(136,929)	(93,510)
Recognized as revenue during the year	194,908	296,682
Effect of change from gross to net	53,728	
At 31 December	**(126,462)**	**(238,169)**
Whereof current	(106,672)	(238,169)
Whereof non-Current	(19,790)	–

[1)] Contract liabilities are presented gross in 2021.

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

Notes to Consolidated Financial Statements

5. COST OF GOODS SOLD

The increase in cost of goods sold is driven by the acquisition of Magseis Fairfield ASA in Q4 2022.

Cost of good sold	2022	2021
Charter hire and other vessel costs	30,370	11,625
Service and consumables	5,895	–
Other cost of sales	1,262	–
Total cost of goods sold	**37,527**	**11,625**

6. SEGMENT INFORMATION

TGS has previously prepared its internal management reporting based on the principles applied prior to the implementation of IFRS 15, Revenue from Customer Contracts. This method recognized Early Sales revenue on a percentage of completion basis, and related amortization of multi-client library based upon the ratio of aggregated capitalized survey costs to forecasted sales. From January 1, 2022, the Group has changed this, and now applies IFRS 15 as the measurement basis for its monthly management reporting.

TGS reports monthly management information to the executive management based on defined operating business units. Where appropriate, these operating business units are aggregated into reportable segments that form the basis of the monthly management reporting. In 2022, management reassessed its reportable segments and now reports five overall business units: Western Hemisphere (WH), Eastern Hemisphere (EH), Digital Energy Solutions (DES), Data Acquisition and Other Business Units. WH consists of North America, Latin America and Land. In EH, TGS groups Europe, Africa & Middle East, Asia Pacific and Interpretative Products. The business in EH and WH is multi-client related. DES consists of three parts: Well Data Products (WDP), New Energy Solutions (NES) and Data Analytics (D&A). In Q4 2022, TGS acquired Magseis, the global leading provider of ocean bottom seismic (OBS) technology and data acquisition projects, and will form a new business unit in TGS named Data Acquisition. The scope of the new Data Acquisition business unit is to continue to be the OBN market leader with safe, efficient and profitable acquisition of proprietary OBN projects. In addition, the business unit will be responsible for the delivery of OBN and towed streamer multi-client projects to the Eastern and Western Hemispheres. The segments that are aggregated and form "Other Business Units" include Imaging (processing of data), Global Services and G&A. The Group does not allocate all cost items to its reportable business units during the year. Unallocated cost items are reported as G&A.

Notes to Consolidated Financial Statements

(All amounts in USD 1,000s)	Western Hemisphere	Eastern Hemisphere	Digital Energy Solutions	Data Acquisition	Other	Total
2022						
Operating revenues	**467,713**	**151,217**	**31,457**	**53,851**	**12,395**	**716,633**
Straight-line amortization	(94,545)	(42,446)	(15,612)	198	157	(152,247)
Accelerated amortization/ impairment	(186,339)	(34,677)	–	–	–	(221,016)
Other operating cost	(13,090)	(18,350)	(25,808)	(47,282)	(106,807)	(211,337)
Operating profit	**173,739**	**55,744**	**9,962**	**6,767**	**(94,255)**	**132,033**
2021[1]						
Operating revenues	**380,545**	**108,222**	**26,142**	**–**	**3,780**	**518,689**
Straight-line amortization	(104,142)	(52,499)	(17,635)	–	–	(174,276)
Accelerated amortization/ impairment	(227,925)	(56,661)	–	–	–	(284,584)
Other operating cost	(2,535)	(14,588)	(25,095)	–	(89,942)	(132,160)
Operating profit	**45,943**	**(15,525)**	**(16,588)**	**–**	**(86,162)**	**(72,331)**

[1] 2021 figures are reallocated from prior year annual report groupings due to new reportable segment structure.

Notes to Consolidated Financial Statements

7. TANGIBLE NON-CURRENT ASSETS

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

[1] Acquisition of Prediktor and Magseis

[2] Reclassification from Buildings to Machinery and Equipment

[3] Capitalized directly as multi-client library, and is not part of the depreciation charges recognized in the Statement of Comprehensive Income

[4] Mainly leasehold improvements

2021	Machinery and Equipment	Buildings[5]	Total
Cost as of 1 January 2021	144,388	7,931	152,319
Addition through business combination[1]	288	–	288
Reclassification[2]	–	–	-
Additions	3,394	1,387	4,781
Disposals[3]	(3,189)	-	(3,189)
Cost as of 31 December 2021	**144,880**	**9,318**	**154,199**
Accumulated depreciation as of 1 January 2021	119,039	5,674	124,713
Reclassification[2]	45	(45)	-
Depreciation for the year	7,989	491	8,480
Addition through business combination[1]	126	–	126
Accumulated depreciation on disposals	(2,336)	14	(2,323)
Capitalized to the multi-client library[4]	3,555	127	3,682
Accumulated depreciation as of 31 December 2021	**128,418**	**6,261**	**134,679**
Net book value as of 31 December 2021	**16,463**	**3,057**	**19,520**

[1] Acquisition of 4C Offshore

[2] Reclassification from Buildings to Machinery and Equipment

[3] Gains on disposals during the year were recognized by 0.2 million

[4] Capitalized directly as multi-client library, and is not part of the depreciation charges recognized in the Statement of Comprehensive Income

[5] Mainly leasehold improvements

Notes to Consolidated Financial Statements

8. LEASES

Leases as a lessee

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

Right-of-use asset	Office leases	Data centers	Vessels	Total
Balance 1 January 2022	21,619	14,151		35,770
Addition through business combination	8,054		18,225	26,278
Additions	3,604	0	14,371	17,974
Impairments	0	0		0
Adjustments	861	(2,432)		(1,571)
Depreciation	(3,927)	(6,956)	(7,950)	(18,833)
Balance 31 December 2022	**30,210**	**4,763**	**24,645**	**59,619**

Sub-lease asset	Office leases	Data centers	Vessels	Total
Balance 1 January 2021	1,258	0	0	1,258
Balance 31 December 2022	**672**	**0**	**0**	**672**

Right-of-use asset	Office leases	Data centers	Vessels	Total
Balance 1 January 2021	26,974	21,715		48,690
Additions	516	0		516
Impairments	(1,162)	0		(1,162)
Adjustments	(708)	0		(708)
Depreciation	(4,002)	(7,564)		(11,566)
Balance 31 December 2021	**21,619**	**14,151**		**35,770**

Sub-lease asset	Office leases	Data centers	Vessels	Total
Balance 1 January 2021	965	0	0	965
Balance 31 December 2021	**1,258**	**0**	**0**	**1,258**

Notes to Consolidated Financial Statements

Amounts recognized in profit or loss	2022	2021
Interest on lease liability	1,776	1,595
Expense related to short-term leases	14,784	11,632
Expense related to leases of low-value asset, excluding short-term leases of low-value assets	1,842	2,628
Variable lease payments	727	1,512
Depreciation charge for the year[1]	13,732	5,845

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

Amounts recognized in the statement of cash flow	2022	2021
Total cash outflow for leases	20,599	10,695

Some leases include extension options exercisable near the end of the lease term. The Group assesses at lease commencement date whether it is reasonably certain to exercise the extension options. The Group reassesses whether it is reasonably certain to exercise the options if there is a significant event or significant changes in circumstances within its control. The following table sets out a maturity analysis of lease payables, showing the undiscounted lease payments to be paid after reporting date.

Maturity analysis – lease payables	2022	2021
Less than one year	38,405	12,819
One to five years	25,024	23,003
More than five years	7,477	10,911
Total undiscounted lease payments	70,906	46,734
Discount effect	(3,947)	(2,929)
Lease liability as of 31 December	**66,959**	**43,804**

Lease liability	2022	2021
Current	38,350	10,782
Non-current	28,609	33,022
Lease liability as of 31 December	**66,959**	**43,804**

Leases as a Lessor

The Group sub-leases office spaces that are not in use by the Group. The following table sets out a maturity analysis of lease receivables, showing the undiscounted lease payments to be received after reporting date.

Maturity analysis – lease receivables	2022	2021
Less than one year	420	612
One to two years	260	436
Two to three years	22	260
Three to four years	0	22
Total undiscounted lease receivables	**702**	**1,329**
Unearned finance income	(30)	(72)
Net investment in the lease as of 31 December	**672**	**1,257**

Notes to Consolidated Financial Statements

9. INTANGIBLE ASSETS

2022

Acquisition Cost and Depreciation	Goodwill	Multi-Client Library	Multi-Client Library in Progress	Other Intangible Assets	Total
Cost as of 1 January 2022	354,578	5,421,467	353,967	122,537	6,252,548
Additions through business combinations and asset acquisitions	80,686	20,341	–	41,285	142,312
Additions[1]	–	71,004	152,387	12,090	235,481
Transfers	–	315,982	(315,982)	–	–
Cost as of 31 December 2022	**435,264**	**5,828,793**	**190,372**	**175,912**	**6,630,341**
Accumulated amortization and impairment as of 1 January 2022	50,615	5,044,387	26,179	97,060	5,218,241
Amortization for the year	–	152,247	–	9,882	162,129
Accelerated amortization/Impairment for the year	–	204,269	16,747	–	221,016
Transfers		25,129	(25,129)		
Accumulated amortization on disposals	–	–	–	–	–
Capitalized to the multi-client library[2]	–	–	–	3,165	3,165
Accumulated amortization and impairment as of 31 December 2022	**50,615**	**5,426,031**	**17,797**	**110,107**	**5,604,550**
Net book value as of 31 December 2022	**384,649**	**402,762**	**172,575**	**65,805**	**1,025,791**
Useful life		4 to 7 years		3 to 15 years	

1) Additions to other intangible assets are internally developed software.

2) Capitalized directly as multi-client library and is not part of the depreciation charges recognized in the Statement of Comprehensive Income.

Notes to Consolidated Financial Statements

2021

Acquisition Cost and Depreciation	Goodwill	Multi-Client Library	Multi-Client Library in Progress	Other Intangible Assets	Total
Cost as of 1 January 2021	338,991	5,015,337	561,919	105,451	6,021,697
Addition through business combinations	15,587	–	–	7,181	22,768
Additions[1]	–	17,193	180,984	9,905	208,083
Transfers	–	388,936	(388,936)	–	–
Cost as of 31 December 2021	**354,578**	**5,421,467**	**353,967**	**122,537**	**6,252,548**
Accumulated amortization and impairment as of 1 January 2021	50,615	4,590,875	20,829	88,055	4,750,375
Amortization for the year	–	176,362	–	5,713	182,076
Accelerated amortization/Impairment for the year	–	277,149	5,349	–	282,498
Capitalized to the multi-client library[2]	–	–	–	3,292	3,292
Accumulated amortization and impairment as of 31 December 2021	**50,615**	**5,044,387**	**26,179**	**97,060**	**5,218,241**
Net book value as of 31 December 2021	**303,964**	**377,080**	**327,788**	**25,477**	**1,034,307**
Useful life		4 to 7 years		3 to 7 years	

1) Additions to other intangible assets are internally developed software.

2) Capitalized directly as multi-client library and is not part of the depreciation charges recognized in the Statement of Comprehensive Income.

Notes to Consolidated Financial Statements

10. IMPAIRMENT EVALUATION OF MULTI-CLIENT LIBRARY, GOODWILL AND OTHER INTANGIBLE ASSETS

Multi-Client Library

TGS performs impairment reviews and determines the value-in-use of the multi-client library during each financial year. The Company estimates value-in-use based on discounted estimated future sales forecasts. For the multi-client library, the value-in-use has been determined based on revenue and cash flow projections from financial estimates prepared by management.

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.

TGS is operating in a global industry. TGS' customers are operating on a global scale, and the market for TGS' products is global. However, many local aspects affect the risk of the various cash generating units (CGUs) across the world, as each survey is considered a CGU. Based on this, TGS applies a country risk premium to determine the post-tax weighted average cost of capital (WACC) of all CGUs. The WACC varies between 9.3% to 23.5% for all the CGUs throughout the Group. The significant difference is due to the country risk added for specific surveys in the multi-client library. The WACC unadjusted country specific risk is 9.3%. The average WACC weighted according to CGU net book value is 11.9% post tax and 15.9% pre-tax. At year-end 2021, TGS used a WACC between 8.2% to 15.2% for all the CGUs throughout the Group, with a WACC unadjusted country specific risk of 8.2%. The change of WACC from 2021 to 2022 is mainly due to variances in country-specific risk and risk-free rate.

The table below shows the impairment charges recognized for the multi-client library in the year, including accelerated amortization as IFRS requires prefunding revenues to be recognized upon delivery while no amortization charges are recognized at this point.

Impairment of Multi-Client Library	2022	2021	2022 Value-in-Use	WACC
Eastern Hemisphere	34,677	57,427	252,412	12.42%
Western Hemisphere	186,339	227,156	527,416	11.63%
Total	**221,016**	**284,584**	**779,829**	**11.91%**

[2] Country risk source, Damodaran's annual January 2023 update

Of total impairment charges for 2022, USD 201.7 million is accelerated amortization (USD 213.2 million in 2021).

The impairment review is sensitive to multiple inputs, such as expected sales forecasts and WACC. A change in expected sales forecast can significantly impact the impairment review for a CGU. The impact will depend on the current value-in-use and carrying value of the relevant CGU. A change in WACC will also impact the impairment review, while other inputs are considered not to have a significant impact. The following provides a sensitivity analysis as to these inputs:

- 10% reduction of sales forecast would lead to increased impairment of USD 10.8 million
- 20% reduction of sales forecast would lead to increased impairment of USD 34.8 million
- 2.5% increase in WACC would lead to increased impairment of USD 4.2 million
- 5% increase in WACC would lead to increased impairment of USD 9.8 million

Management does not see any other reasonable changes in the key assumptions that could cause additional impairments as of 31 December 2022.

Goodwill

In accordance with IFRS, TGS tests goodwill for impairment annually at year-end, or more frequently if there are indications that goodwill might be impaired. A group of CGUs should be impaired if the carrying amount is higher than the recoverable amount. The recoverable amount is the higher amount of the fair value and the value-in-use of a CGU. The carrying amount is the carrying amount of all PPE, intangibles, multi-client library, net working capital and goodwill allocated to the CGUs.

Notes to Consolidated Financial Statements

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

Specification of Goodwill	Western Hemisphere[1]	Eastern Hemisphere[1]	Digital Energy Solutions	Data Acquisition	Total
Net book value as of 1 January 2022	169,817	95,117	39,030	–	303,964
Addition through business combination[2]	–	–	11,469	69,216	80,685
Impairment	–	–	–	–	–
Net book value as of 31 December 2022	**169,817**	**95,117**	**50,499**	**69,216**	**384,649**
WACC post-tax	10.76%	10.55%	8.78%	9.26%	

1) Goodwill for Imaging has been allocated to Western Hemisphere and Eastern Hemisphere based on proportion of revenues.

2) Acquisition of Prediktor and Magseis

Based on the impairment testing performed, no impairments have been recognized during 2022 (2021: USD 0 million).

In assessing value-in-use, the estimated future cash flows both from the current multi-client library and expected future investments are discounted to their present value using a post-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. The post-tax rate is calculated based on the local tax rates in the relevant tax jurisdictions and applying an average of the relevant country risks for the groups of CGUs as specified in the table above. TGS bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of TGS' CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year. Currently a long-term growth rate of 0% is applied.

The impairment calculations are most sensitive to the changes in the forecasted sales, which depend on both the expected investments and expected returns of investments. These factors are mainly influenced by future E&P spending and demand for TGS' products. A change in expected sales forecast can significantly impact the impairment review for a CGU. The impact will depend on the current value-in-use and carrying value of the relevant CGU. In addition, the impairment calculations are sensitive to changes in WACC, as well as expected cost levels and expected development of working capital. The following provides a sensitivity analysis as to these inputs:

- 20% reduction of expected return of investments would not lead to impairment
- 30% reduction of expected return of investments would lead to an impairment of USD 21.7 million
- 5% reduction in sales in DES and Data Acquisition would lead to an impairment of 4.5 million
- 10% reduction in sales in DES and Data Acquisition would lead to an impairment of USD 79.7 million
- 2.5% increase in WACC would not lead to impairment
- 5% increase in WACC would lead to an impairment of USD 44 million

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

11. INVENTORIES

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

USD thousands	2022	2021
Raw materials equipment (work in progress)	2,092	0
Finished equipment	3,968	0
Battery stock	516	0
Total inventories	**6,575**	**0**

Notes to Consolidated Financial Statements

12. PERSONNEL COSTS/NUMBER OF EMPLOYEES/REMUNERATION TO EXECUTIVE MANAGEMENT, BOARD OF DIRECTORS AND AUDITORS

Personnel Costs	2022	2021
Payroll	92,251	62,479
Social Security costs	6,104	5,180
Pension costs	3,449	3,990
Other employee-related costs	5,696	5,633
Salaries capitalized to developed software	(8,955)	(10,767)
Cost of RSU/PSU	2,558	6,119
Salaries capitalized to multi-client library	(14,696)	(17,763)
Personnel Costs	**86,407**	**54,870**

The number of employees as of 31 December 2022 was 908 (inc. 330 Magseis employees) versus 471 as of 31 December 2021.

Cash Bonus Plans

In 2022, TGS had in place a Short-Term Incentive Bonus Plan that consisted of two separate components, Financial and Strategic. The Financial component was funded by allocating 3.5% of budgeted EBITDA. The Strategic component was funded by an additional fixed pool of USD 3.1 million. Employees are generally eligible to participate in the bonus plan after being employed for six months. The bonus is payable quarterly, and the amount paid is based on actual EBITDA for the quarter. An individual employee's relative share of the bonus pool is based on level of responsibility, individual contribution, performance versus previous year goals,and benchmark data. All bonuses earned in respect of the 2022 bonus plan have been paid or accrued for as of 31 December 2022. More information on the Short-Term Incentive is provided in the Group's Management Remuneration Report, published contemporaneously with the Annual Report.

In 2022 MSFF had in place a Short-Term Incentive Bonus Plan (STIP) for all employees based on defined objectives for the company as well as employees' personal objectives. The bonus is paid annually around April the following year based on being employed at the time of payout. The bonus percentage obtainable is based on both corporate objectives and individual objectives, the more senior in the organization the more weighting towards the corporate objectives and the higher the bonus can be as percentage of base salary. The bonus is calculated based on achievements and approved by the Board. The STIP for 2022 is estimated to cost USD 3.1 million and was accrued in 2022.

Notes to Consolidated Financial Statements

Executive Management Stock Incentives

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

Executive Management 2022	No. of Shares Held 31/12/2022	Incentive Stocks Awarded in 2022	Total Balance of Free-Standing Warrants Related to Unvested Incentive Stock Units
Kristian Johansen (CEO)	159,555	66,500	187,500
Sven Børre Larsen (CFO)	53,614	26,730	61,030
Jan Schoolmeesters (EVP Digital Energy Solutions)	55,802	26,730	75,330
William Ashby (EVP Eastern Hemisphere)	55,510	26,730	75,330
Tana Pool (EVP Legal)	49,022	26,730	75,330
Whitney Eaton (EVP People & Sustainability	4,165	26,730	56,830
David Hajovsky (EVP Western Hemisphere)	17,683	26,730	56,830

The tables below show total expensed compensation to executive management in 2022:

	Salary	Bonuses	Other Benefits[3]	Payments from Long-Term Incentive Plans[4]	Pension	Total Remunerations
Kristian Johansen (CEO)	587	999	109	408	17	2,120
Sven Børre Larsen (CFO)[1],	320	234	15	151	13	733
Jan Schoolmeesters (EVP Digital Energy Solutions)[1]	373	313	6	151	13	856
William Ashby (EVP Eastern Hemisphere)[2]	334	232	1	153	18	738
Tana Pool (EVP Legal)	336	245	14	150	17	762
Whitney Eaton (EVP People & Sustainability)	256	141	15	42	11	465
David Hajovsky (EVP Western Hemisphere)	298	259	18	310	12	897

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

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

Notes to Consolidated Financial Statements

The tables below show total compensation to executive management in 2021.

	Salary	Bonuses	Other Benefits[4]	Payments from Long-Term Incentive Plans[5]	Pension	Total Remunerations
Kristian Johansen (CEO)	564	73	142	586	17	1,382
Fredrik Amundsen (CFO to August 2021)[1,7]	259	15	97	156	16	543
Jan Schoolmeesters (EVP Digital Energy Solutions)[1]	442	19	19	–	14	494
William Ashby (EVP Eastern Hemisphere)[2]	310	22	147	233	22	734
Rune Eng (EVP International to February 2021)[1, 6]	49	–	1,170	–	9	1,228
Tanya Herwanger (EVP Staff & Support)[2, 8]	299	31	2	168	21	521
Tana Pool (EVP Legal)	323	20	27	216	17	603
Sven Børre Larsen (CFO from August 2021)[1, 3]	317	20	17	282	14	650
David Hajovsky (EVP Western Hemisphere from March 2021)[3]	294	26	20	60	11	411
Whitney Eaton (EVP ESG Compliance from March 2021)[3]	225	11	13	14	10	273

1) Compensation is paid in NOK, with the USD equivalent determined based on the average exchange rate during the year.

2) Compensation is paid in GBP, with the USD equivalent determined based on the average exchange rate during the year.

3) Compensation has been annualized for those serving less than a year on the Executive Team. Sven Børre Larsen was an employee of the Group during the entire 2021 and became CFO of the Group in August 2021. David Hajovsky and Whitney Eaton were employees of the company during the entire 2021 and joined the Executive Team in March 2021.

4) Other benefits include certain benefits provided to all employees (such as Company-paid life insurance and welfare insurance). Other benefits also include certain expatriate benefits for applicable executives.

5) Represents the value of shares issued during 2021 with respect to the 2018 Long-Term Incentive Plan, which vested in 2021.

6) Mr. Eng served as part of the Executive Team through February 2021.He received total termination benefits of USD 1,168 million as set forth in the table above as "Other Benefits."

7) Mr. Amundsen resigned his position as CFO in August 2021, but continued as an employee through the balance of 2021. He received termination benefits of USD 86 000 as set forth in table above under "Other Benefits."

8) Mrs. Herwanger resigned her position as EVP Staff & Support in December 2021.

Notes to Consolidated Financial Statements

The amounts set forth in the table above reflect amounts paid to the executive during the year. With respect to bonus amounts, the Short-Term Incentive Bonus Plan is paid on a quarterly basis following reporting of the quarterly results. Therefore, bonuses paid in 2021 reflect bonus amounts for the fourth quarter of 2020 and the first three quarters of 2021.

TGS awards its executive and senior leadership teams Long-Term Incentives with performance metrics measured over a three-year period. In 2022, performance share units (PSUs) were issued to the executive and senior leadership teams under the 2022 Long-Term Incentive Plan. The plan and status versus performance metrics are further described in the Management Remuneration Report. The 2022 plan is settled in TGS common shares, and each PSU represents the right to receive one common share. The total number of shares issuable is determined based upon the Group's achievement against the performance metrics, with the payout ranging from 0% to 100% of the PSUs awarded. The 2022 plan also provides for the issuance of RSUs to non-executive key employees, as further described in the 2022 Management Remuneration Report.

Termination Benefits

Current members of the Executive Management Team with employment contracts that include an entitlement to severance pay in the event of termination of employment by the Company without cause or for good reason, or termination of employment following a change-of-control include the CEO, CFO and EVP, Acquisition. In those circumstances, the CEO and CFO are each entitled to severance pay equal to 1x their highest annual base salary in effect during the three years that immediately precede the date of termination from the expiration of the notice period. The EVP, Acquisition, is entitled to severance pay equal to 1x current annual Company base salary in effect at the time of termination or 2x prior base salary as CEO of Magseis Fairfield, pro-rated as per the term of his agreement, whichever is higher. Except in the event of a change-in-control where it is paid as a lump sum, the severance pay will to be paid out over the following one-year period.

No other members of the executive management team have employment agreements providing termination benefits.

Board of Directors Fees and Other Fees

The following set forth the compensation paid to the Board of Directors.

Board of Directors Fees 2022	Director's Fee[1]	Value of Shares Received[2]	Total Remunerations
Christopher Geoffrey Finlayson (Chair of the Board)	82	41	123
Mark Leonard (Director)[3]	43	21	64
Irene Egset (Director)[3]	43	21	64
Svein Harald Øygard (Director)	37	21	58
Grethe Kristin Moen (Director)	37	21	58
Hank Hamilton (Chair of the Board until May 2022)	164	–	164
Wenche Agerup (Director until May 2022)	17	–	17

1) The table includes Directors'' fees paid during the year. Directors receive fees on a biannual basis as decided by the AGM, payable in NOK. Deviations in individual fees are related to the timing of the bi-annual payments.

2) In May 2022, each of the Directors, other than the Chairman, received 1,650 restricted shares in TGS.

3) Includes fee from being Chair of the Compensation Committee (Mr. Leonard) and the Audit Committee (Mrs. Egset).

Board of Directors Stock Ownership	No. of Restricted Shares Received During 2022	No. of Shares Held 31/12/2022
Christopher Geoffrey Finlayson (Chairman of the Board)	3,300	8,250
Mark Leonard (Director)	1,650	30,750
Irene Egset (Director)	1,650	6,600
Svein Harald Øygard (Director)	1,650	3,300
Grethe Kristin Moen (Director)	1,650	3,300

Notes to Consolidated Financial Statements

Compensation to the Members of the Nomination Committee[1]

	2022	2021
Glen Ole Rødland (Chair)	15	11
Christina Stray	5	12
Herman Kleeven (Member to May 2022)	5	11

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

Auditor's Fee

Audit and other services	2022	2021
KPMG, Deloitte and Crowe		
Statutory audit	1,589	1,448
Other attestation services	12	6
Other services	157	56
Total fees	**1,758**	**1,510**

All amounts are exclusive of VAT.

13. SHARE-BASED PAYMENTS

Since 2015, TGS has issued awards of incentive stock units to its executive management, senior leadership team and other non-executive key employees. From 2015 to 2022, TGS awarded a limited number of performance share units (PSUs) to executive management, while a limited amount of restricted share units (RSUs) were awarded to non-executive key employees other than the executive management. In 2020, 2021 and 2022, TGS awarded PSUs to members of the senior leadership team. The awards are settled in common shares of TGS, and each of the PSUs and RSUs represent the right to receive the maximum of one common share. The PSUs and the RSUs vest three years after the date of grant. During 2022, the 2019 PSU and RSU awards vested, and in 2021, the 2018 PSU and RSU awards vested.

In 2022, TGS issued a total of 341,280 PSUs to members of the executive and senior leadership teams. The actual number of shares to be received by holders of the 2022 PSUs are dependent on three performance metrics which are measured for the period 1 January 2022 through 31 December 2024 (2021 plan: 1 January 2021 through 31 December 2023):

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

The performance metrics are described in more detail in the Management Remuneration Report. The payout percentage for the PSUs will depend on the Group's achievement when all the performance metrics are fully earned, with payout ranging from 0% to 100%. If fully earned at 100% payout, a total of 341,280 PSUs would vest (2021 plan: 290,300 PSUs remaining at 31 December 2021). The fair value of the PSUs granted in 2021 is measured based on the market value at the grant date and expensed over the vesting period.

The holders of the RSUs are eligible to receive one share per RSU on the vesting date, and the fair value of the RSUs granted in 2022 is measured based on the market value of the shares on the grant day. A total of 143,800 RSUs were granted in 2022 (2021 plan: 137,500 RSUs).

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

TGS' shares are traded in NOK at the Oslo Stock Exchange. TGS' functional currency is USD and the share-based payment plans will expose TGS to currency risk in relation to the amount of costs booked with fluctuations between NOK and USD.

The fair value of share-based payments granted is estimated at the date of the grant using the Black-Scholes model, taking into account the vesting pattern of each share-based award. Fair value of the share-based award has been determined by a level 3-technique from the fair value hierarchy (see also Note 16).

Notes to Consolidated Financial Statements

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

	2022 No.	WAEP (NOK)[1]	2021 No.	WAEP (NOK)[1]
Outstanding at 1 January	**1,061,310**	**0.25**	**1,145,070**	**0.25**
Granted during the year	485,080	0.25	480,100	0.25
Adjusted quantity due to performance criteria	(131,496)		(127,200)	
Forfeited during the year	(47,550)		(189,660)	
Exercised during the year	(171,164)	.25	(247,000)	0.25
Expired during the year	–		-	
Corrected during the year	(12,000)		-	
Outstanding at 31 December	**1,184,180**	**0.25**	**1,061,310**	**0.25**

[1] The WAEP for the incentive stock units is the par value of each share of stock, which must be paid by the holder of the units.

The weighted average remaining contractual life for the long-term incentive plans outstanding on 31 December 2022 is 1.58 years (2021: 1.63 years).

The weighted average fair value of the PSUs and RSUs granted during 2022 was NOK 146.7. The weighted average fair value of the PSUs and RSUs granted during 2021 was NOK 99.8.

The RSU and PSU plan is equity-settled and the fair values are measured at grant date.

The liabilities, Social Security taxes, arising from the plans amounted to USD 0.20 million as of 31 December 2022 (2021: USD 0.14 million).

Outstanding PSUs and RSUs as of 31 December 2022:

No. of PSUs/ RSUs	Exercise dates	Holders	Price/ conditions	Granted
95,000	See below [1]	Key employees	Fair market value (FMV) of a share including expected dividends	10 August 2020
194,000	See below [2]	Executive management	Fair market value (FMV) of a share including expected dividends, adjusted for performance criteria	10 August 2020
122,300	See below [3]	Key employees	Fair market value (FMV) of a share including expected dividends	10 August 2021
290,300	See below [4]	Executive management	Fair market value (FMV) of a share including expected dividends, adjusted for performance criteria	10 August 2021
141,300	See below [5]	Key employees	Fair market value (FMV) of a share including expected dividends	9 August 2022
341,280	See below [6]	Executive management	Fair market value (FMV) of a share including expected dividends, adjusted for performance criteria	9 August 2022
1,184,180				

[1] The holders will receive maximum one share per unit on 10 August 2023.

[2] The holders will receive maximum one share per unit on 10 August 2023, subject to determination of payout percentage ranging from 0% to 100%.

[3] The holders will receive maximum one share per unit on 10 August 2024.

[4] The holders will receive maximum one share per unit on 10 August 2024, subject to determination of payout percentage ranging from 0% to 100%.

[5] The holders will receive maximum one share per unit on 9 August 2025.

[6] The holders will receive maximum one share per unit on 9 August 2025, subject to determination of payout percentage ranging from 0% to 100%.

Notes to Consolidated Financial Statements

14. EARNINGS PER SHARE

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

	2022	2021
Net profit attributable to ordinary equity holders of the Parent	87,796	(75,985)
Weighted average number of ordinary shares (excluding treasury shares) for basic earnings per share	117,815	116,740
Effect of dilution	1,121	1,101
Weighted average number of ordinary shares (excluding treasury shares) adjusted for effect of dilution	118,936	117,841
Basic earnings per share	0.75	(0.65)
Diluted earnings per share	0.74	(0.65)

15. EQUITY AND SHAREHOLDERS' AUTHORIZATIONS

Ordinary shares issued and fully paid

	Number of shares	USD
31 December 2020	**117,303,399**	**4,082**
Canceled treasury shares 30.09.2021	(50,100)	(1)
Issued 06 October 2021 for cash on vesting of PSU and RSU	187,819	5
31 December 2021	**117,441,118**	**4,086**
Cancelled treasury shares 14.07.2022	(1,367,953)	(33)
Issued 30.09.2022 for cash on vesting of PSU and RSU	127,625	3
Capital Increase 11.10.2022 (Magseis purchase)	8,726,649	203
31 December 2022	**124,927,439**	**4,259**

Treasury Shares

TGS, from time to time, buys back shares under authorizations given by the shareholders. The shares may be held in treasury, used as payment in M&A transactions, used in relation to exercise of employees' stock options or eventually canceled. As of 31 December 2022, TGS held 458 515 treasury shares, 0.37% of the total shares issued (2021: 1 334 261 shares, 1.14%). The following table shows the movement of treasury shareholdings.

	Number of shares	USD
31 December 2020	**75,000**	**2**
11 February – 13 December 2021 treasury shares bought back	1,319,261	38
11 May 2021, treasury shares distributed to Board members	(9,900)	(0)
30 September 2021 treasury shares canceled	(50,100)	(1)
31 December 2021	**1,334,261**	**38**
22 February – 20 September 2021 treasury shares bought back	502,107	13
13 May 2022, treasury shares distributed to Board members	(9,900)	(0)
14 July 2022 treasury shares canceled	(1,367,953)	(33)
31 December 2022	**458,515**	**18**

Shareholders' Authorization to the Board to Increase Share Capital in the Group and to Issue Convertible Loans

By resolution of the Annual General Meeting (AGM) held 11 May 2022, the Board is authorized to, on behalf of the Group, increase share capital of the Group by up to NOK 2,936,027 through one or more issuances of new shares or bonus issues. The subscription price and other subscription terms will be determined by the Board. The capital increase may be paid in cash, by set-off or by other contributions in kind. The authorization includes the right to incur special obligations on behalf of the Group, cf. Section 10-2 of the Norwegian Public Limited Liability Companies Act. The shareholders' pre-emptive rights pursuant to Sections 10-4, cf. Section 10-5 of the Norwegian Public Limited Liability Companies Act, to subscribe for any new shares may be deviated from by the Board. The authorization encompasses share capital increases in connection with mergers, cf. section 13-5 of the Norwegian Public Limited Liability Companies Act. The authorization is valid until the Annual General Meeting in 2023, but no later than 30 June 2023. The authorization replaces previously granted authorizations to issue new shares.

Notes to Consolidated Financial Statements

By resolution of the AGM held 11 May 2022, the Board is also granted the authorization to issue loans for a total amount of up to NOK 2,250,000,000 with the right to require shares to be issued (convertible loans). The share capital may be increased by up to NOK 2,936,027 provided that the combined number of shares that are issued pursuant to this authorization and the authorization to increase the share capital will not exceed 10% of the Group's current share capital. The subscription price and other subscription terms will be determined by the Board. The shareholders' pre-emptive rights pursuant to section 11-4 of the Norwegian Public Limited Companies Act, cf. sections 10-4 and 10-5, may be deviated from by the Board. The authorization is valid until the Annual General Meeting in 2023, but no later than 30 June 2023. The authorization replaces previously granted authorizations to issue convertible loans.

In addition, by resolution of the AGM held 11 May 2022, the issuance of maximum 550,000 shares, supported by freestanding warrants, to executives and key employees, pursuant to the TGS 2022 Long-Term Incentive Plan (2022 LTIP), was approved.

By the resolution of the AGM held 11 May 2022 The Group' share capital was reduced by NOK 341,988.25 through cancellation of 1,367,953 treasury shares held by the Group each with par value of NOK 0.25, on 14 July 2022. The Group increased the share capital by NOK 31,906.25 on 30 September 2022 and by NOK 2,181,662.25 on 11 October 2022 . The Group did not issue any convertible loans between 11 May 2022 and 31 December 2022.

Shareholders' Authorization to the Board to Buy Back Shares in the Group

By resolution of the AGM held 11 May 2022, the Board is authorized to acquire, on behalf of the Group, the Group's own shares up to 10% of the nominal value of Group's share capital, which pursuant to the current nominal value is up to NOK 2,936,027. The limitations are adjusted in the event of share consolidation, share splits and similar transactions. The lowest price to be paid per share is NOK 0.25 and the highest price to be paid per share is the volume weighted average price as quoted on the stock exchange for the five business days prior to the time of the acquisition plus 5%. The lowest price is equal to the current nominal value and shall be adjusted in the event of share consolidation, share splits and similar transactions. Acquisition and sale of the Group's own shares can take place in the manner which the Board of Directors considers to be in the Group's best interest. The authorization can be used one or several times. This authorization is valid until the AGM in 2023, however no longer than until 30 June 2023. The authorization replaces previously granted authorizations to acquire own shares.

The Group acquired 283,515 shares for treasury between 11 May 2022 and 31 December 2022 pursuant to the above authorization. After 31 December 2022, until the date of authorization of these financial statements (24 March 2023), no new shares have been acquired.

There have been no other transactions potentially involving ordinary shares between 31 December and the date of authorization of these financial statements.

Notes to Consolidated Financial Statements

Shareholders' Authorization to the Board to Distribute Dividends

The AGM held 11 May 2022 renewed the Board of Directors' authorization to distribute quarterly dividends on the basis of the 2021 financial statements. The authorization shall be valid until the Group's AGM in 2023, but no later than 30 June 2023.

- On 12 May 2022, the Board of Directors resolved to pay a quarterly dividend of the NOK equivalent of USD 0.14 per share (NOK 1.36) to the shareholders.
- On 21 July 2022, the Board of Directors resolved to pay a quarterly dividend of the NOK equivalent of USD 0.14 per share (NOK 1.36) to the shareholders.
- On 27 October 2022, the Board of Directors resolved to pay a quarterly dividend of the NOK equivalent of USD 0.14 per share (NOK 1.48) to the shareholders.
- On 9 February 2023, the Board of Directors resolved to pay a quarterly dividend of the NOK equivalent of USD 0.14 per share (NOK 1.46) to the shareholders.

The 20 Largest Shareholders as of 31 December 2022 as Registered with VPS

	Name	Country		Shares	%
1	FOLKETRYGDFONDET	Norway	Ordinary	11,032,768	8.8%
2	State Street Bank and Trust Comp	United States	Nominee	6,507,301	5.2%
3	JPMorgan Chase Bank, N.A., London	United Kingdom	Nominee	5,431,568	4.3%
4	The Northern Trust Comp, London Br	United Kingdom	Nominee	5,001,023	4.0%
5	PARETO AKSJE NORGE VERDIPAPIRFOND	Norway	Ordinary	3,264,495	2.6%
6	The Bank of New York Mellon	United States	Nominee	2,905,800	2.3%
7	JPMorgan Chase Bank, N.A., London	United Kingdom	Nominee	2,411,457	1.9%
8	State Street Bank and Trust Comp	United States	Nominee	2,072,662	1.7%
9	Fairfield MS LLC	United States	Ordinary	2,055,985	1.6%
10	AAT INVEST AS	Norway	Ordinary	1,900,000	1.5%
11	CLEARSTREAM BANKING S.A.	Luxembourg	Nominee	1,830,103	1.5%
12	BNP Paribas	Luxembourg	Nominee	1,689,937	1.4%
13	State Street Bank and Trust Comp	United States	Nominee	1,590,434	1.3%
14	Morgan Stanley & Co. Int. Plc.	United Kingdom	Nominee	1,583,305	1.3%
15	RBC INVESTOR SERVICES TRUST	Ireland	Nominee	1,574,793	1.3%
16	VEVLEN GÅRD AS	Norway	Ordinary	1,530,000	1.2%
17	Euroclear Bank S.A./N.V.	Belgium	Nominee	1,489,689	1.2%
18	HAMILTON	United States	Ordinary	1,352,400	1.1%
19	VERDIPAPIRFONDET HOLBERG NORGE	Norway	Ordinary	1,325,000	1.1%
20	JPMorgan Chase Bank, N.A., London	United Kingdom	Nominee	1,295,822	1.0%
	20 LARGEST			57,844,542	46.3%
Total number of shares, par value of NOK 0.25				**124,927,439**	**100.0%**

Notes to Consolidated Financial Statements

16. CASH AND CASH EQUIVALENTS

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

Cash and cash equivalents	2022	2021
Bank deposits	187,110	213,834
Restricted cash deposits	1,343	1,495
Total cash bank deposits	**188,452**	**215,329**

The bank deposits are mainly denominated in USD. Restricted cash deposits relate to employee tax withholdings in Norway.

17. RELATED PARTIES

No material transactions took place during 2022 or 2021 with related parties. See Note 12 for further information of the remuneration to the Board of Directors and to the executive management. See Note 3 for Business Combinations.

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

18. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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

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

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

Currency Risk

Substantial portions of TGS' revenues and costs are in US dollars ("USD"). Due to this, TGS' operational exposure to exchange rate fluctuation is low. However, as the Parent Company pays taxes in Norwegian kroner ("NOK") to Norwegian Tax Authorities, salaries to employees and dividends to shareholders in Norwegian kroner, fluctuations between the NOK and the USD impact currency exchange gains or losses on the tax expense and financial items of the consolidated accounts. A reasonably possible strengthening (weakening) of the USD against NOK at 31 December would have affected the measurement of financial instruments denominated in a foreign currency and affected profit or loss by the following amounts: For deferred tax balances calculated in NOK, a change of +10% on the NOK/USD currency exchange rate would have an impact on profit after tax of approximately USD 6.4 million (2021: USD 4.9 million).

Further, the Group also holds financial instruments denominated in BRL, which is tax payables, accrued revenues and costs, accounts receivable and accounts payable. A change of +10% on the BRL/USD currency exchange rate would have a negative impact on profit before tax of approximately USD 3.4 million (2021: USD 0.8 million). This analysis assumes that all other variables remain constant.

The Group holds cash balances in numerous currencies, arising further foreign currency exchange risk. The below table summarizes the impact on profit and loss of a 10% increase in the USD/FX rate. Note that The Group held an unusual high amount of cash in NOK at 31 December 2022 to cover the proceeds for the remaining 25% of the shares of Magseis Fairfield paid in early January 2023.

Notes to Consolidated Financial Statements

Currency	Balance in USD	Gain/(Loss) of 10% movement
ARS	567,172	56,717
AUD	812,537	81,254
EGP	2,994,213	299,421
BRL	11,142,561	1,114,256
CAD	812,583	81,258
CHF	0	0
COP	51,211	5,121
DKK	–	–
EUR	695,364	69,536
GBP	5,580,909	558,091
IDR	178	18
GHS	–	–
NGN	3,967	397
MXN	775,330	77,533
NOK	60,492,521	6,049,252
SGD	47,808	4,781
TRY	1	0
SEK	47,002	4,700
ZAR	–	–
Grand Total	**84 023 357**	**8,402,336**

Liquidity Risk

Liquidity risk arises from a lack of correlation between cash flow from operations and financial commitments. Per the balance sheet date, TGS held current assets of USD 513.8 million, of which cash and cash equivalents represented USD 188.5 million and other current assets represent USD 325.3 million. In comparison current liabilities amounted to USD 505 million. As of 31 December 2022, TGS considers the liquidity risk to be low.

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

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

2021	0–6 months	6–12 months	> 12 months	Total
Accounts payable and debt to partners	71,669	–	–	71,669
Taxes	–	77,941	–	77,941
Other non-current liabilities	–	–	2,706	2,706
Total	**71,669**	**77,941**	**2,706**	**152,316**

Credit Risk

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

TGS from time to time accepts extended payment terms on parts of firm commitments from clients. To the extent these terms do not carry an interest component to be paid by clients, the revenues recognized by TGS are discounted to reflect this element. TGS may also seek extra security from the clients in certain cases, such as pledges, overriding royalty interest agreements (ORRIs) or carried interests in an exploration license held by the client.

As of 31 December 2022, none of the outstanding accounts receivables were secured by ORRIs (2021: USD 0 million).

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

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

Capital Management

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

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

As of 31 December 2022, total equity represented 67% of total assets (2021: 68%).

It is the ambition of TGS to pay a cash dividend that is in line with its long-term underlying cash flow. When deciding the dividend amount, the TGS Board of Directors will consider expected cash flow, investment plans, financing requirements and a level of financial flexibility that is appropriate for the TGS business model.

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

Fair Value of Financial Instruments

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

The fair value of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

- Cash and cash equivalents, accounts receivables and other short-term receivables approximate their carrying amounts largely due to the short-term maturities of these instruments.
- Fair value of other financial non-current assets is evaluated by TGS based on parameters such as interest rates and the individual creditworthiness of the counterparty.
- Fair value of other financial liabilities is estimated by discounting future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities.
- Fair value of the long-term debt is determined by using the discounted cash flow method that reflects the issuer's borrowing rate as at the end of the reporting period.

Notes to Consolidated Financial Statements

31 December 2022	Financial instruments at amortized cost
Assets	
Accounts receivable	142,781
Accrued revenues	97,538
Cash and cash equivalents	188,452
Total financial assets	**428,771**
Liabilities	
Short-term debt	44,748
Trade and other payables	150,085
Other non-current liabilities	42,408
Total financial liabilities	**237,241**

31 December 2021	Financial instruments at amortized cost
Assets	
Accounts receivable	113,513
Accrued revenues	32,551
Cash and cash equivalents	215,329
Total financial assets	**361,393**
Liabilities	
Short-term debt	0
Trade and other payables	149,611
Total financial liabilities	**149,611**

Fair Value Hierarchy

TGS uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

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

19. OTHER NON-CURRENT ASSETS AND LIABILITIES

Other Non-Current Assets

Other non-current assets consist of restricted cash and investments in associated companies.

Restricted Cash

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

Other non-current assets	2022	2021
Restricted cash	6,334	4,391
Investments in associated companies	5,294	2,906
Other non-current assets	83	494
Total other non-current assets	**11,711**	**7,791**

Other non-current liabilities	2022	2021
Non-current portion of project liabilities contingent on sales	32,246	0
Provision for earnout arrangement	7,760	0
Other non-current liabilities	2,402	2,706
Total other non-current liabilities	**42,408**	**2,706**

Notes to Consolidated Financial Statements

Other Non-Current Liabilities

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

Project Liabilities Contingent on Future Sales

As of 31 December 2022, TGS has entered certain agreements with suppliers whereby a liability will arise contingent on future sales. No obligation will arise until these future sales occur. Contingent liabilities related to these agreements totaled USD 47.8 million in 2022 (2021: USD 46.8 million). These contingent liabilities were recognized in the balance sheet, USD 32.2 million as non-current and USD 15.6 million as current liabilities, based on when the sales triggering the contingencies are expected to be recognized.

Provision for Earnout Arrangement

On 2 March 2022, TGS's subsidiary Magseis Fairfield ASA (acquired 11 October 2022) executed an asset purchase agreement. This agreement included an earnout clause contingent on the use of the equipment in offshore seismic surveys. As of 31 December 2022, no projects using the equipment have been awarded and the liability recognized are based on the expected future utilization of the equipment and the payout that the earnout clause will trigger.

20. JOINT OPERATIONS

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

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

	2022	2021
Revenue joint operations (projects invoiced by TGS)	179,111	251,466
Revenue allocated to partners (projects invoiced by TGS)	(66,712)	(87,171)
Net revenue (projects invoiced by TGS)	**112,398**	**164,295**
Revenue allocated to TGS from partners (projects invoiced by partner)	84,611	32,649
Net revenue joint operations	**197,010**	**196,944**
Straight-line amortization	59,312	99,123
Accelerated amortization/Impairment	42,152	121,971
Net book value of multi-client library (joint operations) at 31 December (recognized by TGS)	**220,223**	**341,750**

21. ACCOUNTS RECEIVABLES AND OTHER CURRENT RECEIVABLES

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

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

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

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

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

Notes to Consolidated Financial Statements

	2022	2021
Accounts receivables	150,478	115,987
- Provision for impairment of accounts receivables	(7,697)	(2,474)
Accounts receivables – net	142,781	113,513
Accrued revenues	97,538	32,551
Other current assets	78,463	73,901
Total	**318,782**	**219,965**

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

	Total	Not due	< 30 days	30–60 days	60–90 days	Over 90 days
2022	248,017	223,455	14,070	2,406	195	7,890
2021	148,538	101,192	17,628	2,913	7,594	19,213

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

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

TGS also risk rates all clients. The credit risk rating is assessed in 4 levels, where risk category 1 is low risk (national oil companies, majors or supermajors, clients with superior reputation, clients with high credit rating), category 2 is medium risk (clients that do not fall into category 1 or 3), category 3 is high risk (companies with poor payment history and/or low credit rating or low transparency – regarding shareholder structure and financial information) and category 4 are receivables collected by Joint Venture partners. As of 31 December 2022, 89.8% of the TGS' customers are in category 1, 7.6% in category 2, 2.4% in category 3 and 0.1% in category 4. For amounts above 90 days, 79% are within category 1, 10% in category 2, 11% in category 3 and 1% in category 4. Provisions for accounts receivables are based on an individual assessment and calculated expected credit losses. TGS does not have a credit risk for cooperation agreements where accounts receivables are presented as gross receivables and receivables are invoiced partly on behalf of partner.

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

	2022	2021
At 1 January	2,474	2,899
Provision for receivables impairment	5,223	(424)
Receivables written off during the year as uncollectible	-	-
Amount collected	-	-
At 31 December	**7,697**	**2,474**

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

For a description of credit risk, see Note 18.

22. CURRENT LIABILITIES

	2022	2021
Accounts payable	35,331	31,477
Debt to partners	37,531	40,192
Short-term debt	44,748	-
Lease liabilities	38,350	10,782
Deferred revenue (contract liabilities)	126,462	238,169
Accrued expenses and other current liabilities	145,341	48,151
Taxes payable, withheld payroll tax, Social Security and VAT	77,223	77,941
Total current liabilities	**504,986**	**446,712**

Accounts payables are non-interest-bearing and are normally settled on 30-days terms.

Contract liabilities relate to deferred revenue. See Note 4 for further details.

Notes to Consolidated Financial Statements

23. BANK OVERDRAFT FACILITY, INTEREST-BEARING LIABILITIES AND GUARANTEES

3-Year Term Secured Revolving Credit Facility

In February 2021, TGS entered into a secured revolving credit facility of USD 100 million with an interest rate of LIBOR + 2.5% per interest period as determined by TGS and as per the defined terms of the revolving credit facility. TGS pays a commitment fee of 0.40 % of the facility per annum for the unused and uncanceled part of the facility. With respect to financial conditions, TGS must maintain (i) an equity ratio of 50% or more, (ii) a leverage ratio of no more than 1.00:1.00, (iii) EBITDA minus operational capex at zero or above and (iv) must maintain a liquidity of USD 75 million on a consolidated basis. As of 31 December 2022, TGS had not drawn any amounts under the facility and was in full compliance with all the financial covenants. The facility is secured by a lien on the assets of the parent company and subsidiaries having net revenues representing 5% or more of the group's net revenues as defined in the facility as of year-end 2022, TGS AP Investment AS, TGS-NOPEC Geophysical Company, A2D TechnologiCorp. and TGS AS. The same subsidiaries have also provided guarantees.

Interest-Bearing Liabilities

The table below discloses the Revolving Credit Facility ("RCF") Magseis had at the time of the acquisition by TGS. Due to the change of control, with TGS being the new majority shareholder, the RCF is due in full by 31 March 2023. TGS signed a new RCF on 9 February 2023. The new RCF amounts to 125 million with an interest rate of SOFR + 3.0% per annum. The financial covenants remain unchanged. The facility is expected to close prior to the Magseis facility falling due on 31 March 2023.

(All amounts in USD 1,000s)	31-Dec-22
Nominal value bank facility	45,000
Nominal value other loans	-
Subtotal nominal value	45,000
Prepaid fees bank facility	-252
Total	**44,748**
Long-term	-
Short-term	44,748

Repayment profile at balance sheet date	
2023	45,000
2024	-
Total	**45,000**

Financial Covenants Bank Facility (RCF)

- Net interest-bearing debt/Last Twelve Months (LTM) EBITDA < 1.25x. LTM EBITDA calculation is excluding IFRS 16 impacts
    - If LTM EBITDA is negative and the net interest-bearing debt is negative (i.e., net cash position), alternative cash buffer headroom calculation is applied
    - If LTM EBITDA is negative and the net interest-bearing debt is positive (i.e., net debt position), the leverage ratio is breached
- Equity Ratio > 40 percent
- Equipment loan to value: RCF debt/book value seismic equipment and assets under construction < 50 percent

TGS is in compliance with all financial covenants as of 31 December 2022.

Guarantees

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

24. COMMITMENTS

Leases

As of the end of 2022, TGS had entered commitments for three 3D vessels, two OBN crews and one 2D vessel for addressing multi-client investments. TGS has also entered commitments for four ROV node handling vessels, five source vessels and four support vessels to address planned proprietary OBN acquisition surveys. One charter for a ROV node handling vessel will expire in February 2024; all other commitments will expire in 2023. The amount committed, including contractual lease agreements, totaled USD 204 million (2021 total: USD 43 million).

Office leases and data center leases are recognized in the balance sheet. See Note 8 for more information on such lease liabilities.

Notes to Consolidated Financial Statements

25. SUBSIDIARIES AND JOINT VENTURES

Company Name	Country of Incorporation	Shareholding and Voting Power
TGS ASA	Norway	Parent Company
TGS AP Investments AS	Norway	100%
TGS AS	Norway	100%
TGS NES AS	Norway	100%
TGS Contracting AS	Norway	100%
Aceca Norge AS	Norway	100%
OBS MC Investments I AS	Norway	100%
Spectrum Geo AS	Norway	100%
Carmot Seismic AS	Norway	100%
Carmot Processing AS	Norway	100%
Prediktor AS	Norway	100%
Magseis Fairfield ASA	Norway	97%
Magseis Operations AS	Norway	100%
Magseis FF AS	Norway	100%
Magseis Renewables AS	Norway	100%
Versal AS	Norway	33%
TGS-NOPEC Geophysical Company (UK), Ltd.	UK	100%
TGS Geophysical Investments, Ltd.	UK	100%
Spectrum Geo Ltd	UK	100%
Spectrum Energy and Information Technology Ltd.	UK	100%
Aceca Ltd.	UK	100%
TGS Geophysical Company (UK) Ltd.	UK	100%
Magsurvey, Ltd.	UK	100%
4C Offshore Ltd.	UK	100%
Spectrum Information Technology Ltd.	UK	100%
Spectrum Resources Ltd.	UK	100%
Spectrum Geophysical Services Ltd.	UK	100%
Spectrum Datagraphic Systems Int'l Ltd.	UK	100%
Geoscan Ltd.	UK	100%
NS Investments One (UK) Ltd.		
Magseis FF (UK) Ltd.	UK	100%
WGP Group Ltd.	UK	100%
TGS-NOPEC Geophysical Company	USA	100%

Company Name	Country of Incorporation	Shareholding and Voting Power
A2D Technologies, Inc.	USA	100%
Parallel Data Systems, Inc.	USA	100%
Volant Solutions Inc.	USA	100%
Digital Petrodata LLC	USA	100%
TGS Alaska Company	USA	100%
TGS Mexico Contracting LLC	USA	100%
Lasser, Inc.	USA	100%
Spectrum Geo, Inc.	USA	100%
Magseis FF LLC	USA	100%
TGS do Brasil Ltda	Brazil	100%
Spectrum Geo do Brasil Servicos Geofisicos Ltda	Brazil	100%
GX Technology Sismica Do Brasil Ltda.	Brazil	100%
Magseis Tecnologia De Exploracao De Reservatorio De Petroleo Do Brasil Ltda.	Brazil	100%
GX Technology Processamento De Dados Ltda.	Brazil	70%/50%
TGS-NOPEC Geophysical Company PTY, Ltd.	Australia	100%
Spectrum Geo PTY, Ltd.	Australia	100%
Spectrum Geo Australia PTY, Ltd	Australia	100%
TGS-NOPEC Geophysical Company PTE, Ltd.	Singapore	100%
Spectrum Geo PTE, Ltd.	Singapore	100%
Magseis Singapore Services PTE, Ltd.	Singapore	100%
Geo Bridge Pte Ltd.	Singapore	50%
Magseis Malaysia Sdn. Bhd.	Malaysia	100%
TGS Canada Ltd.	Canada	100%
TGS Canada Corp.	Canada	100%
Magseis Technology AB	Sweden	100%
TGS-NOPEC Geophysical Company Moscow, Ltd.	Russia	100%
NOPEC Geophysical Company S. de R.L. de C.V.	Mexico	100%
Spectrum Geo S.A. de C.V.	Mexico	100%
Spectrum Geo Panama LLC	Panama	100%
TGS FJ Geophysical (Ghana) Ltd.	Ghana	90%
TGS-Petrodata Offshore Services Ltd.	Nigeria	49%/51%
TGS Geophysical Egypt SP	Egypt	100%
TGS Geopex Ltd.	Egypt	50%

Notes to Consolidated Financial Statements

26. CONTINGENT ASSETS AND LIABILITIES

Contingent Assets

Legal Claim

In January 2021, Magseis Fairfield ASA (now Magseis Fairfield AS, acquired by TGS 11 October 2022, referred to as Magseis Fairfield) filed an arbitration claim against Fairfield Industries Incorporated (referred to as Fairfield), claiming a breach of the Sale and Purchase Agreement between the parties for the purchase by Magseis Fairfield of certain Fairfield subsidiaries in 2018. The claim relates to a project in the Middle East that represented a significant portion of the backlog acquired by Magseis Fairfield in the transaction. The arbitration is currently scheduled to occur in June 2023. It is not possible to provide a reasonable estimate of the outcome of the arbitration process.

Contingent Liabilities

Brazil Tax Disputes

In February 2017, Spectrum Geo do Brasil Servicos Geofisicos Ltda (Spectrum Brazil), a wholly owned subsidiary of TGS, received a tax assessment for a municipal services tax (ISS) in Brazil on the basis that licenses of multi-client data are classified as a service. This specific classification is a debated topic in Brazil with several independent parties currently challenging it through the Brazilian administration and court system. As of 31 December 2022, the amounts claimed amount to BRL 68.5 million (USD 13.1 million)

Since 2017, all further ISS relating to the above is being deposited into an interest-bearing bank account in Brazil. The total accumulated amount deposited as of 31 December 2022 is BRL 33 million (USD 6.3 million) and will be used to settle any amounts owing upon resolution of this case. The deposit is presented as non-current restricted cash in the statement of financial position.

In December 2020, the tax authorities issued a tax assessment against Spectrum Brazil relating to the federal tax on importation of services (CIDE), based on a difference in opinion in the treatment of costs incurred on seismic surveys. TGS is challenging the assessment made by the tax authorities.

The preliminary rulings made on the above matters has been favorable; however, final resolutions are not expected to be reached for a number of years. As of 31 December 2022, the amounts claimed amount to BRL 31 million (USD 5.9 million).

US Tax Contingencies

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

27. GROSS AND NET REVENUES

TGS enters into multi-client contracts with other companies whereby revenue is shared proportionally and presented net (see Note 20). In some cases, TGS enters into multi-client contracts where a portion of revenue is shared with governments and/or selling agents in certain countries. The table below provides the breakdown for 2022 and 2021.

	2022	2021
Gross revenues from sales	825,911	609,425
Revenue sharing	(109,277)	(90,736)
Revenues	**716,633**	**518,689**

	2022	2021
Revenues allocated to joint operation partners	(66,712)	(87,171)
Revenue allocated to other partners	(42,565)	(3,565)
Total	**(109,277)**	**(90,736)**

Notes to Consolidated Financial Statements

28. FINANCIAL ITEMS

	2022	2021
Interest income	665	1,599
Exchange gains	60,556	40,083
Other financial income	1,731	926
Gains from JV	1,251	
Total financial income	**206,630**	**42,608**
Interest expense	(5,281)	(2,471)
Exchange loss	(58,864)	(49,001)
Other financial expenses	(3,227)	(3,891)
Total financial expenses	**(209,799)**	**(55,363)**
Net financial items	**(3,169)**	**(12,756)**

Notes to Consolidated Financial Statements

29. TAX EXPENSE

	2022	2021
Profit before taxes		
Norway	84,772	(34,073)
Outside Norway	44,092	(51,014)
Total profit before taxes	**128,864**	**(85,087)**
Current taxes		
Norway	3,332	4,090
Outside Norway	25,712	6,202
Total current taxes	**29,045**	**10,292**
Changes in deferred taxes		
Norway	5,306	(13,033)
Outside Norway	(213)	(3,848)
Changes in deferred taxes	**5,093**	**(16,882)**
Adjustments in respect of current income tax of previous years and estimates		
Norway	540	-
Outside Norway	6,220	(2,514)
Total adjustments in respect of current income tax of previous years and estimates	**6,760**	**(2,514)**
Income tax expense reported in the income statement	40,898	(9,103)

	2022	2021
Profit before taxes	128,864	(85,087)
Expected income taxes according to corporate income		
Tax cost in Norway (22% tax rate)	28,350	(18,719)
Tax cost outside Norway (tax rate different from 22%)	2,021	6,185
Adjustment in respect of current income tax of previous year	6,760	(2,514)
Change in deferred tax asset not recognized	(3,983)	-
Withholding taxes and overseas taxes	7,750	-
Non-deductible expenses	318	6,723
Currency effects	(318)	(777)
Income tax expense	**40,898**	**(9,103)**
Effective tax rate in %	32 %	11 %

Notes to Consolidated Financial Statements

Comments on Selected Line Items in the Preceding Table

Tax Rates Different from the Norwegian Tax Rate

The tax rates for subsidiaries outside Norway are different than the Norwegian tax rate of 22% (2021: 22% tax rate). The tax rates in the jurisdictions where TGS operates are between 17% and 35%.

Deferred Tax Asset Not Recognized

Deferred tax assets based on unused tax losses carried forward are not recognized when TGS cannot demonstrate that it is probable that taxable profit will be available against which the losses carried forward can be utilized. TGS has unused tax losses and deductible temporary differences of 41.9 million USD (2021: zero USD) where no deferred tax assets were recognized in the balance sheet. All of these unused tax losses sit in entities outside Norway.

Non-Deductible Expenses

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

Currency Effects

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

Tax Effect of Temporary Differences and Tax Loss Carryforwards as of 31 December	2022	2021
Differences that give rise to a deferred asset or a deferred tax liability:		
Multi-client library/well logs	(64,997)	(26,833)
Fixed assets	29,320	(1,042)
Goodwill and intangibles	(10,229)	(11,111)
Accruals	24,627	8,535
Accounts receivables	1,005	196
Other long-term items	21,949	(6,240)
Lease asset vs. Liability	1,225	661
Tax losses carried forward	86,343	65,127
Deferred revenue	10,233	33,944
Other	1,445	592
Deferred tax asset not recognized in the balance sheet	(41,855)	-
Basis deferred tax asset (liability)	59,066	63,830
Of which:		
Deferred tax asset	82,196	95,888
Deferred tax liability	23,130	32,059

Change in net deferred tax asset/(liability)	2022	2021
As of 1 January	**63,830**	**46,948**
Recognized in profit or loss	5,093	(16,882)
Changes through business combinations	329	-
As of 31 December	**59,066**	**63,830**

Notes to Consolidated Financial Statements

Comments on Selected Line Items in the Preceding Table

Recognition of Deferred Tax Assets on Tax Losses Carried Forward

Deferred tax assets are capitalized to the extent it is probable that TGS will have taxable profits and the carryforward tax losses can be utilized. Deferred tax assets on carryforward tax losses which are recognized are mainly related to Brazil, United Kingdom and Norway.

With reference to Note 26 and "other tax exposure," the Group notes uncertainties concerning the tax balances, in particular in Latin America. The information reported is based on the information available to the Group as at the date of these financial statements.

Temporary Differences of Group's Subsidiaries

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

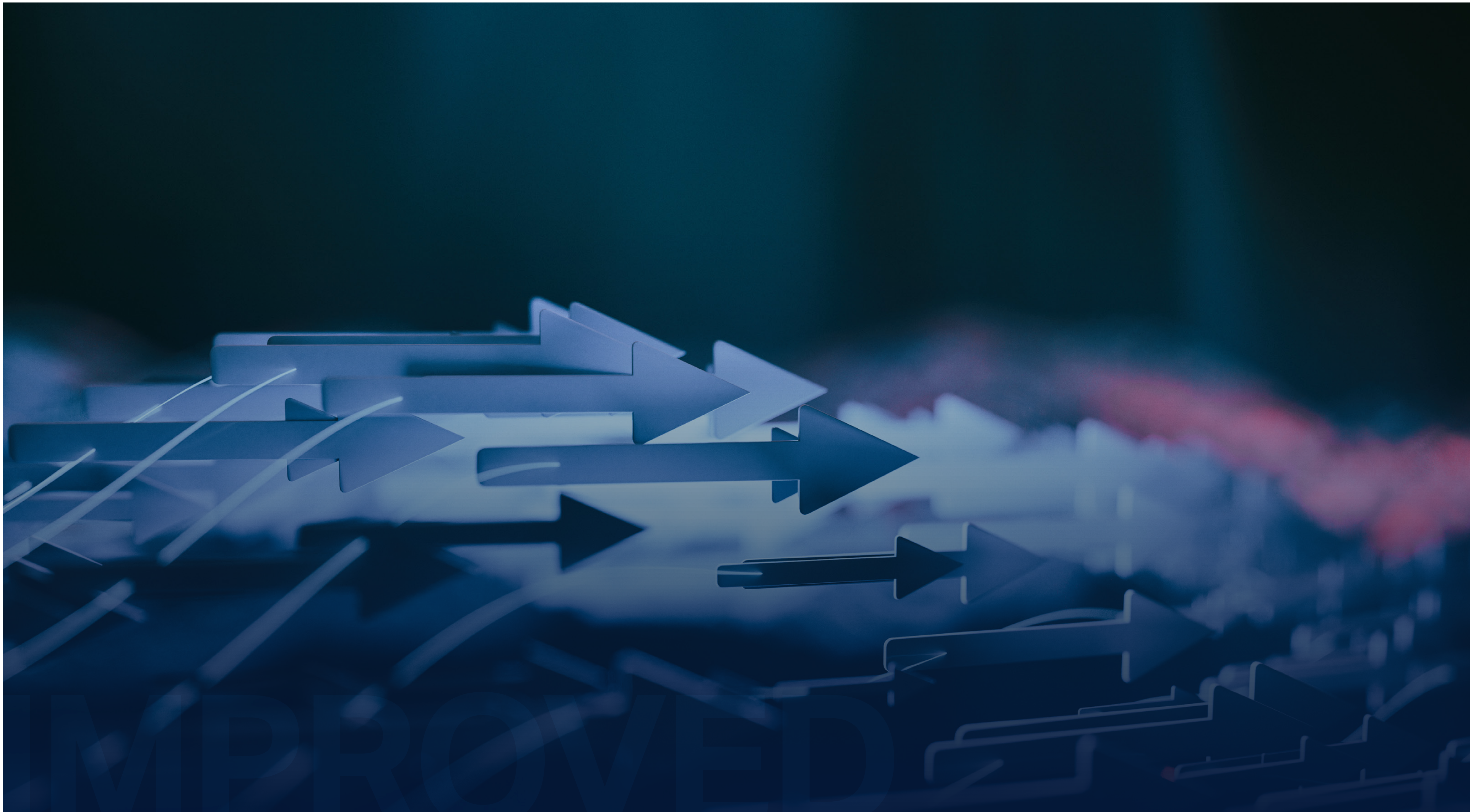
Draft Taxation Ruling in Australia

On 20 December 2017, the Australian Tax Office (ATO) released for public comment a draft taxation ruling (2017/D11 Income tax: capital allowances: expenditure incurred by a service provider in collecting and processing multi-client seismic data). The final ruling was issued 18 September 2019 (TR 2019/4). The comments made by the seismic industry to the draft tax ruling have to a significant degree been considered, and the conclusions of the final tax ruling have been adjusted compared to the draft version. TGS considers that the conclusions in the final tax ruling will not lead to a different tax position compared to the current practice. Therefore, it is not probable that there will be an outflow of resources embodying economic benefits necessary to settle an obligation, and no provisions have been made. Multi-client data will now be considered capital in nature and as such is not a deductible cost. However, seismic companies are also considered to be first users of the data, and can therefore deduct the cost of acquiring the multi-client data in the income year the expenditure was incurred.

30. EVENTS AFTER THE BALANCE SHEET DATE

In January 2023, TGS completed the acquisition of Magseis Fairfield ASA when it paid for 22% of shares that was acquired through the mandatory offer and carried out the compulsory acquisition of the remaining 2.51% shares at the offer price of 8.08 NOK per share.

On 9 February 2023, TGS amended its revolving credit facility (RCF). The revised RCF amounts to 125 million with an interest rate of SOFR + 3% per annum. The financial covenants remain unchanged.



Alternative Performance Measures

High operational leverage combined with a lean cost structure and flexible business model positions TGS well to show improved financial performance in a better market.

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 net revenues.

Percentage-of-completion (PoC) Revenues and PoC Early Sales Revenues

PoC Revenues are measured by applying the percentage-of-completion method to Early sales, added to Late sales and Proprietary sales. PoC Early Sales Revenue is measured by applying the percentage-of-completion method to Early sales only. This is based on the principles applied prior to the implementation of IFRS 15, Revenue from Customer Contracts, on 1 January 2018.

PoC Early Sales Rate (%)

PoC Early sales rate (%) means PoC Early Sales Revenue as a percentage of organic multi-client investments in new projects, an important measure for TGS as it provides indication of the prefunding levels for projects in progress.

All amounts in USD 1,000s	2022	2021
Operating revenues	716,633	518,689
PoC Revenue Early Sales	136,002	143,965
Performance obligations met during the year	(257,272)	(353,777)
PoC Revenue	595,363	308,877
PoC Early Sales Rate (%)	61%	79%

EBITDA

EBITDA means Earnings before interest, taxes, amortization, depreciation and impairments. TGS uses EBITDA because it is useful when evaluating operating profitability as it excludes amortization, depreciation and impairments related to investments that occurred in the past. Also, the measure is useful when comparing the Group's performance to other companies.

All amounts in USD 1,000s	2022	2021
Net income	87,967	(75,985)
Taxes	40,898	(9,103)
Net financial items	(3,169)	(12,756)
Depreciation, amortization and impairment	33,561	19,255
Amortization and impairment of multi-client library	373,263	458,861
EBITDA	**538,857**	**405,784**

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 December 2022	31 December 2021
Equity	1,239,763	1,115,328
Interest-bearing debt	44,748	-
Cash	188,452	215,329
Net interest-bearing debt	(143,704)	(215,329)
Capital employed	1,096,059	899,999
Average capital employed	**998,029**	**987,720**
Operating profit	132,033	(72,331)
ROACE	**13%**	**-7%**

Free Cash Flow (after Organic MC Investments)

Free cash flow (after organic 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 can generate after investing the cash required to maintain or expand the multi-client library.

Alternative Performance Measures

All amounts in USD 1,000s	31 December 2022	31 December 2021
Cash flow from operational activities	343,152	328,344
Organic investments in multi-client library	(200,888)	(154,830)
Free cash flow (after organic MC investments)	**142,264**	**173,514**

Multi-Client Net Revenues/Average Net Book Value Ratio

The ratio is defined as the net revenues from multi-client revenues divided by the average of the opening and closing balance of the multi-client library.

All amounts in USD 1,000s	2022	2021
Early Sales	257,272	353,777
Late Sales	374,132	140,384
Multi-client net revenues	**631,404**	**494,161**
Opening balance multi-client library	704,868	965,551
Closing balance multi-client library	575,337	704,868
Average net book value	640,102	835,210
Multi-client net revenues/average net book value ratio	**0.99**	**0.59**

Backlog

Backlog is defined as the total value of future net revenues from signed customer contracts.

Yield

Yield is defined as the dividend per share divided by the share price at the time of the dividend announcement. The 2021 dividend yield is annualized based on the weighted yield at the time of announcement of quarterly dividends.

Parent Company Financials

TGS has a large and diversified portfolio of energy data covering a range of different data types in most of the important geographical areas.

Income Statement

(All amounts in USD 1,000s unless noted otherwise)

	Note	2022	2021
Revenue	**18**	**260,805**	**202,778**
Revenue		**260,805**	**202,778**
Cost of goods sold – proprietary and other		8,089	7,800
Amortization of the multi-client library	3	63,864	72,039
Impairment of the multi-client library	3	54,839	117,075
Personnel costs	5	8,984	9,860
Other operating expenses	14	24,156	31,774
Depreciation, amortization and impairment	2,3,4	1,562	1,629
Total operating expenses		**161,494**	**240,177**
Operating profit/(loss)		**99,311**	**(37,400)**
Financial income	16	2,301	1,863
Financial expenses	16	18,981)	(3,814)
Exchange gains/(losses)	16	(47,871)	(12,939)
Net financial items		**(64,550)**	**(14,890)**
Profit before taxes		**34,761**	**(52,290)**
Tax expense	17	5,074	(13,606)
Net income		**29,686**	**(38,684)**
Other comprehensive income			
Other comprehensive income to be reclassified to profit or loss in subsequent periods			
Other comprehensive income, net of tax			
Total comprehensive income/(loss) for the period			
Provision for dividend			
To/(from) other equity	7	29,686	(38,684)
Total allocated		**29,686**	**(38,684)**

Balance Sheet

(All amounts in USD 1,000s unless noted otherwise)

Assets	Note	2022	2021
Non-current assets			
Intangible non-current assets			
Multi-client library	3	238,295	297,392
Deferred tax asset	17	219	173
Total intangible non-current assets		**238,514**	**297,565**
Tangible non-current assets			
Right-of-use assets	4	4,078	4,393
Buildings, machinery and equipment	2	3,357	4,120
Total tangible non-current assets		**7,435**	**8,513**
Financial non-current assets			
Investments in subsidiaries	8	336,426	113,912
Total financial non-current assets		**336,426**	**113,912**
Total non-current assets		**582,375**	**419,991**
Current assets			
Receivables			
Accounts receivable	10	3,411	22,250
Accrued revenues	10	21,555	17,036
Current receivables group companies	11	493,748	536,514
Other receivables	10	1,685	4,284
Total receivables		**520,399**	**580,084**
Cash and cash equivalents	9	62,624	32,982
Total current assets		**583,023**	**613,066**
Total assets		**1,165,398**	**1,033,056**

Balance Sheet

(All amounts in USD 1,000s unless noted otherwise)

Equity and Liabilities	Note	2022	2021
Equity			
Paid-in capital			
Share capital	6, 7	4,258	4,085
Treasury shares held	6, 7	(18)	(38)
Share premium	7	154,600	115,959
Other reserves	7	1,138	(13,120)
Total paid-in capital		**159,979**	**106,886**
Retained earnings		29,686	0
Total equity		**189,665**	**106,886**
		-	
Liabilities			
Non-current liabilities			
Long-term lease liability	4	3,720	4,508
Other non-current liabilities	20	-	49
Deferred tax	17	53,054	47,985
Total non-current liabilities		**56,774**	**52,542**
Current liabilities			
Accounts payable and debt to partners		6,272	14,477
Current liabilities group companies	11	798,276	772,302
Taxes payable	17	37	22
Social Security, VAT and other duties	401	6,598	
Lease liability	4	507	543
Other current liabilities	12	113,467	79,686
Total current liabilities		**918,959**	**873,629**
Total liabilities		**975,733**	**926,171**
Total equity and liabilities		**1,165,398**	**1,033,057**

Oslo, 24 March 2023

Christopher Finlayson
Chair

Mark S. Leonard
Director

Grethe Kristin Moen
Director

Irene Egset
Director

Svein Harald Øygard
Director

Kristian Johansen
Chief Executive Officer

Statement of Cash Flow

(All amounts in USD 1,000s unless noted otherwise)

	Note	YTD 2022	YTD 2021
Cash flow from operating activities			
Profit before taxes		34,761	(52,290)
Depreciation/amortization/impairment		120,266	190,743
Changes in accounts receivables and accrued revenues		38,759	13,619
Changes in other receivables		(1,958)	704
Changes in other balance sheet items		22,911	58,174
Paid taxes		0	729
Net cash flow from operating activities		**214,739**	**211,679**
Cash flow from investing activities			
Investments in tangible and intangible assets		(484)	(154)
Investments in multi-client library		(45,817)	(88,151)
Investments through mergers and acquisitions	7	(48,308)	(21,897)
Interest received		2,301	1,862
Net cash flow from investing activities		**(92,308)**	**(108,340)**
Cash flow from financing activities			
Net change in short-term loans			
Interest paid		(18,981)	(2,222)
Dividend payments	3	(66,136)	(65,524)
Repayment of lease liabilities		(658)	(675)
Purchase of own shares	3	(7,015)	(15,684)
Net cash flow from financing activities		**(92,790)**	**(84,105)**
Net change in cash and cash equivalents		**29,641**	**19,234**
Cash and cash equivalents at the beginning of period		32,982	13,748
Cash and cash equivalents at the end of period		**62,624**	**32,982**

Notes to Parent Company Financials

1. GENERAL ACCOUNTING POLICIES

General Information

TGS ASA (TGS or the Company) is a public limited company incorporated in Norway on 21 August 1996. The address of its registered office is Askekroken 11, 0217 Oslo, Norway. The Company is listed on the Oslo Stock Exchange ("TGS").

The Company's financial statements were authorized by the Board of Directors on 24 March 2023.

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

The Company, as used in these financial statements, is the Parent Company under the Consolidated Financial Statements also included in this Annual Report.

Reporting Currency

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

General Accounting Policies

The financial statements are prepared in accordance with the Norwegian Accounting Act and regulation on simplified application of international accounting standards. This is the first year the Company applied the simplified application. The comparison numbers are also modified in accordance with the regulation on simplified application of international accounting standards. The notes are an integral part of the financial statements.

Significant Accounting Judgments, Estimates and Assumptions

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

Impairment Evaluation of Multi-Client Data Libraries

TGS performed impairment reviews and determined the value-in-use of the multi-client library during 2022. The Company estimated value-in=use based on discounted estimated future sales forecasts. The underlying estimates that form the basis for the sales forecast depend on variables such as the number of oil and gas exploration and production (E&P) companies operating in the area that would be interested in the data, the overall E&P spending, expectations regarding hydrocarbons in the sector, whether licenses to perform exploration in the sectors exist or will be given in the future, expected farm-ins to licenses, relinquishments, etc. Changes in these estimates may potentially affect the estimated amount of future materially. The revenue estimates are evaluated on a regular basis and impairments are recognized in the period they occur.

Provision for Impairment Losses of Accounts Receivables

The Company has made provisions for impairment losses of specific accounts receivables deemed uncollectible. When assessing the need for provisions, the Company uses all available information about the various outstanding receivables, including the payment history and the credit quality of the actual companies.

Share–Based Payments

The Company measures the share-based payment plans granted to employees by reference to the fair value of the equity instruments at the date at which they are granted (equity-settled transactions) or at the end of each reporting period (cash-settled transactions) in accordance with IFRS 2. Estimating fair value requires an appropriate valuation model to value the share-based instruments. The values are dependent on the terms and conditions of the granted share-based instruments. This also requires determining the appropriate assumptions in the valuation models including the expected life of the instruments, volatility and dividend yield.

Notes to Parent Company Financials

Contingent Liabilities

The preparation of the financial statements has required TGS to make judgments, estimates and assumptions that affect the reported amounts of liabilities and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount in future periods.

Summary of Significant Accounting Policies

Revenue from Contracts with Customers

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

Early Sales

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

Late Sales

Revenue for sale of finished data is recognized at a point in time, generally upon delivery of the final processed data (i.e., when the client has gained access to the data under a binding agreement). Through the binding agreement the customer is granted a non-exclusive license to use the finished data. Sales of finished data are presented as part of late sales revenue together with sales of unfinished data in cases where the relevant survey had already commenced when the contract was entered into.

Revenue Sharing Arrangements

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

Revenue from Sale of Equipment

The Group provides the sale of nodes to external customers, where each sale is defined as a customer contract. The sales contracts normally include one performance obligation which is satisfied upon the delivery of an agreed number of nodes in accordance with the agreed specifications. Revenue is recognized at the point in time when the control of the goods is transferred to the customer, which occurs when the products have been shipped to a contractually agreed location, and the risks of obsolescence and loss have been transferred to the customer.

Proprietary Contracts

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

Royalty Income

Royalty income is recognized when the subsequent sale related to the royalty occurs.

Other Services Revenue

Customer contracts for other marine geophysical services are similar in nature and terms to the proprietary contract sales. Revenue is recognized over time as the Group satisfies the performance obligation and is entitled to the compensation under the contract. Lease income is recognized on a straight-line basis over the lease period. The revenue is measured at the transaction price as agreed under the contract.

Notes to Parent Company Financials

Cost of Goods Sold (COGS) – Proprietary Contracts and Other

Cost of goods sold consists of direct costs related to proprietary contract work and other services revenue in which revenue is recognized over time. COGS also consists of costs related to delivery of geoscientific data.

Multi-Client Library

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

Straight-Line Amortization

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

Accelerated Amortization of Seismic Data

No amortization is recognized until the point in time when the license is transferred to the customer, which would typically be upon completion of processing of the survey and granting of access to the finished survey or delivery of the finished data. When a project is completed and after pre-funding is recognized, recognition of accelerated amortization may be necessary in the event recoverable value (present value of expected Late Sales) is lower than net book value of the survey (capitalized cost of the survey).

Following the adoption of the straight-line amortization policy for completed surveys, recognition of accelerated amortization of a library may be necessary in the event that sales on a survey are realized disproportionately sooner within that survey's useful life.

Amortization Policy on Seismic Data Purchased from Third Parties

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

Amortization Policy on Well Data Products

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

Impairment Evaluation Multi-Client Library

When there are indicators that the net book value may not be recoverable, the library is tested for impairment on the individual cash generating unit (CGU). Any impairment of the multi-client library is recognized immediately and presented as "Impairment of the multi-client library" in the statement of profit or loss.

For further information about impairment, see "Impairment of Non-Financial Assets" below.

Joint Arrangements

A joint arrangement is a contractual arrangement providing that The Company and other parties undertake an economic activity that is subject to joint control (i.e., when the strategic, financial and operating policy decisions relating to the activities of the joint arrangement require the unanimous consent of the parties sharing control). Joint arrangements are classified as joint operations or joint ventures, depending on the rights to the assets and obligations for the liabilities of the parties to the arrangements. If the parties to the joint arrangement have rights to the net assets of the arrangement, the arrangement is a joint venture. However, if the parties have rights to the assets and obligations related to the liabilities of the arrangement, the arrangement is a joint operation. Interests in joint ventures are accounted for using the equity method.

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

Variable Payment Arrangements

For certain multi-client library projects, the Company may enter into arrangements whereby the supplier of goods or services is paid on a variable basis, often linked to future license revenue on that project. In such cases, the supplier has no rights or obligations to the multi-client library and therefore has no control over it.

After the underlying project is completed, the Company recognizes the fair value of the variable payments in the initial cost of the asset at the date of acquisition and recognize a corresponding accrued project cost. The accrual will be made in the currency in which the supplier payments will eventually be made and will be re-assessed periodically.

Tangible Non-Current Assets and Principles of Depreciation

Tangible non-current assets are presented at historical cost less accumulated depreciation and impairment charges. If an indication of impairment exists, an impairment test is performed. If the fair value of a tangible non-current asset is lower than book value, the asset will be written down to the higher of fair value less cost to sell and value-in-use. Depreciation is determined in light of the asset's economic life. Purchases which are expected to have a technical and economic life of more than one year are capitalized as tangible non-current assets. Depreciation begins when the assets are available for use.

Exchange Rate Adjustments

Transactions in foreign currency are translated at the rate applicable on the transaction date. Monetary assets, receivables and liabilities are translated at the exchange rate on the balance sheet date. Changes to exchange rates are recognized in the income statement as they occur during the accounting period.

Research and Development Costs

Research costs are expensed as incurred. Development expenditures on an individual project are recognized as an intangible asset when the Company can demonstrate:

- It is technically feasible to complete the product so that it will be available for use;
- Management intends to complete the product and use it;
- There is an ability to use the software product;
- It can be demonstrated how the product will generate future economic benefits;
- Adequate technical, financial or other resources to complete the development and to use the product are available; and
- The expenditure attributable to the product during its development can be reliably measured.

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortization and accumulated impairment losses. Amortization of the asset begins when development is complete, and the asset is available for use. It is amortized over the period of expected future benefit.

Provisions and Contingencies

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

If the effect of the time value of money is material, provisions are discounted using a pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

Contingent liabilities are possible obligations as a result of a past event where the existence of the liability depends on the occurrence, or not, of a future event. An existing obligation, in which it is not likely that the entity will have to dispose economic benefits, or where the obligation cannot be measured with sufficient reliability, is also considered a contingent liability. Contingent liabilities are not recognized in the financial statements, but if material, disclosed in the accompanying notes. A contingent asset is not recognized in

Notes to Parent Company Financials

the financial statement but disclosed if there is a certain degree of probability that it will be an advantage of the Company.

Income Taxes

Current Income Tax

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

Deferred Tax

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

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

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

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

The Company pays its tax obligation in Norwegian Kroner (NOK), and the fluctuations between the NOK and the USD impact the financial items. Exchange rate fluctuations related to the basis for current year income tax expense are classified as tax expense.

Share-Based Payments

Key employees of the Company receive remuneration in the form of share-based payment, whereby employees render services as consideration for Performance Share Units (PSUs) and Restricted Share Units (RSUs).

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

The cost of equity-settled transactions is recognized, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award (the vestin g date). The cumulative expense recognized for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of equity instruments that will ultimately vest. The income statement expense or credit for a period represents the movement in cumulative expense recognized at the beginning and end of that period.

No expense is recognized for awards that do not ultimately vest.

Pensions

The Company operates defined-contribution plans in Norway. Contributions are expensed to the income statement as they become payable.

Leases – TGS as Lessee

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

The Company measures the lease liability at the present value of the lease payments for the right to use the underlying asset during the lease term that are not paid at the commencement date, by using the Group's incremental borrowing rate. The lease term

Notes to Parent Company Financials

represents the non-cancellable period of the lease, together with periods covered by an option either to extend or to terminate the lease when The Company is reasonably certain to exercise this option.

The lease payments included in the measurement are comprised of:

- Fixed lease payments (including in-substance fixed payments), less any lease incentives receivable;
- Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- Amount expected to be payable by TGS under residual value guarantees;
- The exercise price of a purchase option, if TGS is reasonably certain to exercise that option;
- Payments of penalties for terminating the lease, if the lease term reflects TGS exercising an option to terminate the lease.

The Company does not include variable lease payments in the lease liability. Instead, The Company recognizes these variable lease expenses in profit or loss.

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

The Company measures the right-of-use asset at cost, less any accumulated depreciation and impairment losses, adjusted for any remeasurement of lease liabilities. The cost of the right-of-use asset comprises the amount of the initial measurement of the lease liability recognized, any lease payments made at or before the commencement date, less any incentives received, and any initial direct costs incurred by the Group. In addition, the right-of-use asset is affected by an estimate of the costs to be incurred by the company in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred to produce inventories.

The Company applies the depreciation requirements in IAS 16 Property, Plant and Equipment in depreciating the right-of-use asset, except that the right-of-use asset is depreciated from the commencement date to the earlier of the lease term and the remaining useful life of the right-of-use asset. The Company applies IAS 36 Impairment of Assets to determine whether the right-of-use asset is impaired and to account for any impairment loss identified.

Some property leases contain extension options exercisable by the Company. The Company seeks to include extension options in new leases to provide operational flexibility. The extension options held are exercisable only by the Company and not by the lessors. The Company assesses at the lease commencement date whether it is reasonably certain to exercise the extension options. The Company reassesses whether it is reasonably certain to exercise the options if there is a significant event or significant change in circumstances within its control.

Cash and Cash Equivalents

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

Accounts Receivable and Other Receivables

Receivables are measured at cost less any amounts expected to be uncollectible. Sales with deferred payments due to be settled more than twelve months or later are presented as non-current receivables.

Investments in Subsidiaries and Associated Companies

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

Dividends, group contributions and other distributions from subsidiaries are recognized in the same year as they are recognized in the financial statement of the provider. If dividends/ group contributions exceed withheld profits after the acquisition date, the excess amount

Notes to Parent Company Financials

represents repayment of invested capital, and the distribution will be deducted from the recorded value of the acquisition in the balance sheet for the Parent Company.

Dividends

A dividend approved by TGS' shareholders is recognized as a liability in TGS' financial statements. A corresponding amount is recognized directly in equity.

Financial Instruments

Financial instruments are valued at the lower of historical cost and market value.

Loans are recognized at the amount received, net of transactions costs. The loans are thereafter recognized at amortized costs using the effective interest rate method.

Treasury Shares

TGS' equity instruments that are reacquired (treasury shares) are recognized at cost and deducted from equity. No gain or loss is recognized in profit or loss on the purchase, sale, issue or cancellation of TGS' own equity instruments. Any difference between the carrying amount and the consideration, if reissued, is recognized in the share premium.

Cash Flow Statement

The cash flow statement is compiled using the indirect method.

2. TANGIBLE NON-CURRENT ASSETS

2022

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

1) Profit on disposals during the year was USD 0.

Notes to Parent Company Financials

2021

Acquisition cost and depreciation	Machinery and Equipment
Cost as of 1 January 2021	**10,801**
Additions	154
Disposals	417
Cost as of 31 December 2021	**10,538**
Accumulated depreciation as of 1 January 2021	**5,712**
Depreciation for the year	1,121
Accumulated depreciation on disposals[1]	415
Accumulated depreciation as of 31 December 2021	6,418
Net book value as of 31 December 2021	**4,120**
Straight-line depreciation percentage	14% – 33.3%
Useful life	3 – 7 years

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

3. INTANGIBLE NON-CURRENT ASSETS

2022

Acquisition cost and depreciation	Multi-Client Library	Total
Cost as of 1 January 2022	**3,282,971**	**3,282,971**
Additions	59,606	59,606
Cost as of 31 December 2022	**3,342,577**	**3,342,577**
Accumulated amortization as of 1 January 2022	2,985,578	2,985,578
Amortization for the year	63,864	63,864
Impairment for the year	54,839	54,839
Accumulated amortization and impairment as of 31 December 2022	3,104,282	3,104,282
Net book value as of 31 December 2022	**238,295**	**238,295**
Useful life	4 – 7 years[1]	

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

2021

Acquisition cost and depreciation	Multi-Client Library	Total
Cost as of 1 January 2021	**3,208,133**	**3,208,133**
Additions	74,838	74,838
Cost as of 31 December 2021	**3,282,971**	**3,282,971**
Accumulated amortization as of 1 January 2021	2,796,464	2,796,464
Amortization for the year	72,039	72,039
Impairment for the year	117,075	117,075
Accumulated amortization and impairment as of 31 December 2021	2,985,578	2,985,578
Net book value as of 31 December 2021	**297,392**	**297,392**
Useful life	4 – 7 years[1]	

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

Notes to Parent Company Financials

4. LEASES

Leases as a Lessee

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

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

Right-of-use asset	Total
Balance at 1 January 2021	4,902
Additions	0
Impairments	0
Adjustments	0
Depreciation	508
Balance at 31 December 2021	**4,393**

Amounts recognized in profit or loss	2022	2021
Interest on lease liability	125	134
Expense related to short-term leases	102	19
Expense related to leases of low-value asset, excluding short-term leases of low-value assets	400	601
Variable lease payments	189	46
Depreciation charge for the year	**533**	**508**

Amounts recognized in the Statement of Cash Flow 2022	2022	2021
Total cash outflow for leases	658	675

Maturity analysis –lease payables 2022	2022	2021
Less than one year	631	644
One to five years	2,525	2,573
More than five years	1,578	2,251
Total undiscounted lease payments	4,735	5,468
Discount effect	(508)	(417)
Lease liability as of 31 December	**4,226**	**5,051**

Lease liability	**2022**	**2021**
Current	507	543
Non-current	3,720	4,508
Lease liability as of 31 December	**4,226**	**5,051**

Notes to Parent Company Financials

5. SALARIES/NUMBER OF EMPLOYEES/BENEFITS/EMPLOYEE LOANS/PENSIONS

As of 31 December 2022, the Company had 34 employees: 22 male employees and 12 female employees.

	2022	2021
Payroll	7,217	7,556
Social Security costs	1,043	1,165
Pension costs	304	352
Other employee-related costs	463	844
Salaries capitalized	(44)	(57)
Personnel costs	**8,984**	**9,860**
Number of employees at 31 December	34	35
Average number of employees	34	38

As of 31 December 2022, the Company had 34 employees: 22 male employees and 12 female employees.

The Company operates defined contribution plans in Norway.

The plans fulfill the requirements of the Norwegian law.

Auditor Fees	2022	2021
KPMG		
Statutory audit	362	466
Other attestation services	12	6
Other services outside the audit scope	128	51
Total fees	**502**	**523**

All amounts are exclusive VAT

Information about remuneration of the Board of Directors and the executive management is included in Note 12 to the consolidated financial statements.

For information about share-based payment plans, see Note 13 to the consolidated financial statements.

6. SHARE CAPITAL AND SHAREHOLDER INFORMATION

The share capital of TGS ASA as of 31 December 2022 was USD 4,258,116.11, NOK 31,231,859.75 consisting of 124,927,439 ordinary shares at NOK 0.25 per share. The Company's shares have equal voting rights.

For information of treasury shares, shareholders' authorization and the 20 largest shareholders, see Note 15 to the consolidated financial statements.

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

Notes to Parent Company Financials

7. EQUITY RECONCILIATION

Equity Reconciliation	Share Capital	Treasury Shares	Share Premium	Other Reserves	Retained Earnings	Total Equity
Balance 1 January 2022	**4,085**	**(38)**	**115,959**	**(13,120)**	**0**	**106,886**
Purchase of own shares	–	(13)		(7,001)		(7,015)
Treasury shares distributed	–	0	–	149		150
Cancellation of treasury shares held	(33)	33			–	–
Cost of equity-settled long-term incentive plans	3	–	–	2,228	-	2,231
Capital increase	203		106,155	18,882		125,240
Acquisition of Magseis ASA			(1,378)			(1,378)
Quarterly dividends resolved and paid[1]	**–**	**–**	**(66,136)**	**–**	**–**	**(66,136)**
Profit/(loss) for the year	–	–		–	29,686	29,686
Balance 31 December 2022	**4,258**	**(18)**	**154,600**	**1,138**	**29,686**	**189,665**

1 The Annual General Meeting held 11 May 2022 authorized the Board of Directors to distribute quarterly dividends based on the 2021 statements. The authorization shall be valid until the Company's next Annual General Meeting.

On 8 February 2023, the Board of Directors resolved to pay quarterly dividend of the NOK equivalent of USD 0.14 per shares (NOK 1.46) to the shareholders.

Equity Reconciliation	Share Capital	Treasury shares	Share premium	Other Reserves	Retained Earnings	Total Equity
Balance 31 December 2020 NGAAP	**4,082**	**(2)**	**230,975**	**12,517**	**0**	**247,572**
Transition to simplified IFRS				(25,637)		(25,637)
Balance 1 January 2021	4,082	(2)	230,975	(13,120)	0	221,935
Purchase of treasury shares	–	(38)	(15,651)			(15,689)
Treasury shares distributed	–	0	238			238
Cancellation of treasury shares held	(1)	1	–	–	–	–
Cost of equity-settled long-term incentive plans	5	-	4,606		-	4,612
Quarterly dividends resolved and paid	–	–	(65,526)	–	–	(65,526)
Profit/(loss) for the year	–	–	(38,684)	–	–	(38,684)
Balance 31 December 2021	**4,085**	**(38)**	**115,959**	**(13,120)**	**0**	**106,886**

Notes to Parent Company Financials

8. INVESTMENTS IN SUBSIDIARIES

As of 31 December 2022, the Parent Company had the following investments in subsidiaries:

Included in the Balance Sheet as:	Registered Office	Shareholding and Voting Power	Book Value
TGS NES AS	Oslo, Norway	100%	184
TGS AP Investments AS	Oslo, Norway	100%	51,752
TGS Contracting AS	Oslo, Norway	100%	4,219
TGS AS	Oslo, Norway	100%	17,744
Magseis Fairfield ASA[1]	Oslo, Norway	97%	219,894
Aceca Ltd.	Surbiton, UK	100%	162
TGS Geophysical Investments Ltd.	Surbiton, UK	100%	100
TGS Geophysical Company (UK) Ltd.	Surbiton, UK	100%	–
TGS-NOPEC Geophysical Company PTY Ltd	Perth, Australia	100%	0
TGS-NOPEC Geophysical Company PTE Ltd	Singapore	100%	–
TGS do Brasil Ltda.	Rio de Janeiro, Brazil	90%	9,900
TGS Canada Corp.	Calgary, Canada	100%	32,471
TGS-NOPEC Geophysical Company Moscow Ltd	Moscow, Russia	100%	–
Nopec Geophysical Company, S. de R.L. de C.V.	Mexico City, Mexico	90%	–
Balance sheet value			**336,426**

[1]See Note 3 Business Combination in Group.

The Parent Company has direct or indirect 100% voting rights in TGS do Brasil Ltda. and Nopec Geophysical Company, S. de R.L. de C.V.

9. RESTRICTIONS ON BANK ACCOUNTS

As of 31 December 2022, USD 1.3 million of cash and cash equivalents are restricted to meet the liability arising from payroll taxes withheld (2021: USD 1.5 million).

10. ACCOUNTS RECEIVABLE AND OTHER RECEIVABLES

Accounts receivable, including accrued revenues, is stated in the balance sheet at net realizable value and totaled USD 24.9 million as of 31 December 2022 (2021: USD 39.3 million). The Company has made a bad debt provision of USD 0.4 million in 2022 (2021: USD 0 million). The Company expects to collect the stated balance of receivables as of 31 December 2022. Realized losses on trade receivables in 2022 amounted to USD 0 million (2021: USD 0 million). Prepayments to suppliers and other short-term receivables totaled USD 1.7 million as of 31 December 2022 (2021: USD 4.3 million).

Notes to Parent Company Financials

11. CURRENT RECEIVABLES AND LIABILITIES GROUP COMPANIES

	2022		2021	
Company	**Receivables**	**Liabilities**	**Receivables**	**Liabilities**
TGS AP Investments AS	37,610	–	40,742	–
Aceca Norge AS	–	955	–	5,343
TGS NES AS[1]	40,106	–	22,069	–
Prediktor AS	1,176	–	–	–
TGS AS	398,129	–	468,624	–
TGS-NOPEC Geophysical Company	–	659,895	–	607,375
A2D Technologies Inc.	–	72,621	–	67,131
TGS Geophysical Company (UK) Ltd.	–	5,167	–	48,554
TGS-NOPEC Geophysical Company PTY Ltd	3,833	–	–	16,371
TGS-NOPEC Geophysical Company Pte	–	355	–	–
TGS AP Investments AS Sucursal Arg.	10,282	–		
TGS-Petrodata Off Svc Ltd.	703	–		
TGS Geophysical Egypt SP		3,192		
TGS Geophysical Ghana Ltd.	4	–		
OBS MC Investments I AS	–	8,962	–	6,840
TGS Moscow	–	–	356	–
TGS Canada Corp.		23,007	29	–
TGS do Brasil Ltda.	887	–	1,036	–
TGS Geo. Inv. Ltd.		100		
TGS CGG Master JV		2,353		
Nopec Geo. Company, S. de R.L. de C.V.	360	–	360	–
Calibre Seismic Company		10		
Carmot Seismic AS	–	3,959	834	–
Spectrum Geo Inc	55	–	45	–
Spectrum Geo Ltd	71	–	–	11,046
Spectrum Geo Australia Pty Ltd	–	47	–	6,113
Spectrum Geo Pty Ltd	–	382	–	189
Spectrum Geo AS	–	17,179	–	1,861
Spectrum Geo S.A.de C.V. (Mexico)	24	–	22	–
Spectrum Pte Ltd (Singapore)	–	93	–	1,480
Spectrum Geo CH AS	–	–	2,399	
Spectrum Geo do Brasil Servicos	312	–		
Spectrum ASA Sucursal Argentina	197	–		
Total	**493,748**	**798,276**	**536,515**	**772,302**

[1] Realized losses on intercompany receivables in 2022 amounted to USD 0.402 million (2021: USD 0 million).

Notes to Parent Company Financials

12. OTHER CURRENT LIABILITIES

	2022	2021
Deferred revenues	56,974	68,642
Accrued project costs	4,680	4,737
Other accruals[3]	51,813	6,308
Total other current liabilities	**113,467**	**79,686**

[3] The increase of USD 49 million in other accruals in 2022 is related to purchase of the shares from the mandatory offer that was paid in January 2023.

13. GUARANTEES

Parent Company Guarantee

Regarding the issuing of the Annual Financial Statements of TGS AP INVESTMENTS AS SUCURSAL ARGENTINA (hereinafter "the Branch"), Branch of TGS AP INVESTMENTS AS, as of the fiscal year ended December 31st, 2021, TGS AP INVESTMENTS AS, as Headquarters of the Branch, has the firm commitment to grant the financial support that may be necessary to guarantee the continuity of the Branch's operations for a period of twelve months from the date of this letter and as long as it keeps the status of your Branch. A letter of financial support was also given to TGS AS and TGS NES AS in relation to the issuing of the Annual Financial Statements for the fiscal year ended December 31, 2021.

Bank Guarantees

As of 31 December 2022, the company has seven active guarantees on behalf of the Company in different currencies to the amount to 55.8 million converted to USD.

14. COMMITMENTS AND CONTINGENCIES

Contingent Rent Agreements

As of 31 December 2022, there were no deferred parts of contingent rent agreements, which are contingent on future sales (2021: USD 0 million).

15. RELATED PARTIES

No material transactions took place during 2022 with related parties, other than operating business transactions between the companies in the TGS Group. All companies within TGS are 100% owned, directly or indirectly, by the Company, except for Magseis Fairfield ASA (97%), Calibre Seismic Company (50%), Spectrum Geopex Egypt Ltd (50%), TGS-Petrodata Offshore Services Ltd (49%) and TGS FJ Geophysical (Ghana) Ltd. (90%) which is owned by one of the subsidiaries. Business transactions between the entities of TGS were performed according to arm's length principles. The main business transactions can be aggregated as follows:

	2022	2021
Data processing costs	13,603	15,150
Brokerage fees	8,716	5,095
Management fees	7,588	13,630

For information about intercompany interest income and expense, see Note 16.

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

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

Notes to Parent Company Financials

16. FINANCIAL ITEMS

Financial income/expense	2022	2021
Interest income	516	396
Interest income subsidiaries	1,784	1,466
Exchange gain	4 4,469	3,127
Other financial income	1,266	1
Total financial income	**49,538**	**4,990**
Interest expense	(1,592)	(140)
Interest expense subsidiaries	(16,716)	(2,216)
Exchange loss	(52,340)	(16,066)
Other financial expenses	(1,938)	(1,458)
Total financial expense	**(114,088)**	**(19,880)**
Net financial items	**(64,550)**	**(14,890)**

In February 2021, TGS entered into a secured revolving credit facility of USD 100 million with an interest rate of LIBOR + 2.5% per interest period as determined by TGS and as per the defined terms of the revolving credit facility. TGS pays a commitment fee of 0.40% of the facility per annum for the unused and uncanceled part of the facility. As of 31 December 2022, TGS had not drawn any amounts under the facility and was in full compliance with all the financial covenants. For more information, see Note 23 in Group Financials.

Notes to Parent Company Financials

17. TAX EXPENSE

Current tax	2022	2021
Profit/(loss) before taxes	34,761	(52,290)
Permanent differences	3,175	7,658
Changes in temporary differences	22,681	(15,491)
Currency exchange effects on base for current tax	(11,237)	(17,213)
Basis for current tax	**49,380**	**(77,336)**
Total tax expense for the year		
Deferred tax – changes	5,074	(13,606)
Adjustment in respect of current income tax of previous year	-	-
Tax effect of group relief	-	-
Total tax expense for the year	**5,074**	**(13,606)**
Effective average tax rate	15%	26%
Specification of basis for deferred taxes		
Temporary differences		
Multi-client library	21,303	5,505
Accruals	(10,210)	(10,818)
Other	(565)	451
Merger receivable[1]	320,572	358,643
Tax loss carried forward	(89,945)	(135,666)
Total	**241,155**	**218,115**
Deferred tax liability/(asset) based on temporary differences	53,054	47,985
Withholding taxes carried forward	(219)	(173)
Deferred tax liability/(asset) recognized	**52,835**	**47,812**
Explanation of total tax expense versus nominal tax rate on pre-tax profit		
Tax calculated using nominal tax rate on pre-tax profit	7,647	(11,504)
Effect of permanent differences	699	1,685
Effect of Group Contribution	-	-
Exchange gain/loss reported as tax expense	(3,272)	(3,787)
Total tax expense recorded in income statement	**5,074**	**(13,606)**

[1]Receivable from merger with TGS AS. See Note 3 in Group Financials.

Notes to Parent Company Financials

18. GROSS AND NET REVENUES

TGS enters into multi-client contracts with other companies whereby revenue is shared proportionally and presented net. In some cases, TGS enters into multi-client contracts where a portion of revenue is shared with governments in certain countries. The table below provides the breakdown for 2022 and 2021.

	2022	2021
Gross revenues from sales	299,765	253,270
Revenues allocated to other parties	(38,960)	(50,492)
Revenues	**260,805**	**202,778**

19. FINANCIAL RISK MANAGEMENT

Currency Risk

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

Liquidity Risk

Liquidity risk arises from lack of correlation between cash flow from operations and financial commitments. As of balance sheet date, the Company held current assets of USD 538 million, of which cash and cash equivalents represents USD 62,6 million, and current liabilities of USD 873,9 million, of which debt to subsidiaries represents USD 753,2 million. As of 31 December 2022, TGS considers the liquidity risk to be low.

Credit Risk

All placements of excess cash are either bank deposits or in financial instruments that at minimum carry an "investment grade" rating. The Company's clients are oil and gas companies. The Company is exposed to credit risk through sales and uses best efforts to manage this risk. The maximum exposure to credit risk at the reporting date is the carrying value of the financial assets, the carrying value of the account receivables and other short-term receivables. TGS considers the concentration of risk with respect to trade receivables as low due to the Company's credit rating policies and because the clients are mainly large oil and gas companies, considered to be financially sound.

From time to time, the Company accepts extended payment terms on parts of firm commitments from clients. To the extent these terms do not carry an interest compensation to be paid by clients, the revenues recognized by the Company are discounted to reflect this element.

20. OTHER NON-CURRENT ASSETS AND LIABILITIES

Other non-current assets comprise account receivables with extended payment terms and loans.

TGS has an interest-bearing loan to Skeie Energy AS. The loan has a total value of gross USD 21.1 million (net to TGS of USD 8.7 million). The loan has been fully provided for and is recognized at USD 0 million as of 31 December 2022 (31 December 2021: USD 0 million).

21. CONTINGENT ASSETS AND LIABILITIES

The company has no material contingent assets or contingent liabilities on the balance sheet day.

22. EVENTS AFTER THE BALANCE SHEET DATE

In January 2023, TGS completed the acquisition of Magseis Fairfield ASA when it carried out the compulsory acquisition of the remaining 2.51% shares at the offer price of 8.08 NOK per share.

On 9 February 2023, TGS amended its revolving credit facility (RCF). The revised RCF amounts to 125 million with an interest rate of SOFR + 3% per annum. The financial covenants remain unchanged.

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To the General Meeting of TGS ASA

Independent Auditor's Report

Report on the Audit of the Financial Statements

Opinion

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

- the financial statements of the parent company TGS ASA (the Company), which comprise the balance sheet as at 31 December 2022, the income statement, statement of other comprehensive income and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and
- the consolidated financial statements of TGS ASA and its subsidiaries (the Group), which comprise the consolidated balance sheet as at 31 December 2022, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion

- the financial statements comply with applicable statutory requirements,
- the financial statements give a true and fair view of the financial position of the Company as at 31 December 2022, and its financial performance and its cash flows for the year then ended in accordance with simplified application of international accounting standards according to section 3-9 of the Norwegian Accounting Act, and
- the consolidated financial statements give a true and fair view of the financial position of the Group as at 31 December 2022, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the EU.

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

Basis for Opinion

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

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

We have been the auditor of the Company for 5 years from the election by the general meeting of the shareholders on 8 May 2018 for the accounting year 2018.

Key Audit Matters

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

Revenue recognition

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

The key audit matter	*How the matter was addressed in our audit*
For the year ended 31 December 2022, the Group reported revenues of USD 717 million, of which USD 257 million pertained to early sales, USD 374 million to late sales and USD 85 million to proprietary revenues. For early sales, customers commit to purchasing licenses from TGS prior to the acquisition and processing of data or after commencement of a survey but prior to data being ready for delivery. Under IFRS 15, revenue from these contracts is recognized at a point in time upon delivery of the finished multi-client data license to the customer. Revenue recognition in accordance with IFRS 15 can be complex and there is a risk revenue may be recognized in the incorrect period due to several factors including but not limited to: • The magnitude of individual contracts, contracts with multiple deliveries and performance obligations; • The assessment as to the timing of the fulfilment of performance obligations; • The fulfilment of significant performance obligations in the period close to year-end. Revenue recognition for early sales contracts under IFRS 15 was considered to be a key audit matter due to the complexity and significance of individual contracts.	Our audit procedures in this area included: • Evaluating management's processes and controls over revenue recognition; • Assessing the consistency in application of the Group's revenue recognition principles across the Group under IFRS 15; • Assessing the appropriateness of the timing of revenue recognition in accordance with IFRS 15 based on the deliveries of multi-client data from a sample of contracts pertaining to early and late sales of unfinished and finished data; • Testing of a sample of accrued and deferred revenue balances to confirm existence and accuracy of the balances; • Testing of multi-client revenue recognized subsequent to period end to assess the completeness of the revenue recognized in the period; • Review of significant contracts entered into during the period to assess accuracy of accounting treatment; • Assessing the adequacy and appropriateness of the disclosures in the financial statements related to revenues from contracts with customers.

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Impairment assessment of the multi-client library and goodwill

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

The key audit matter	*How the matter was addressed in our audit*
As at 31 December 2022 the Group has reported a multi-client library balance of USD 575 million, and a goodwill balance of USD 385 million. Management uses judgment in determining whether the carrying amount of the multi-client library and goodwill exceeds the recoverable amount by making assumptions related to expected discounted future cash flows. There is significant inherent uncertainty in forecasting future sales of the multi-client library which is impacted by the overall exploration and production spending within the oil and gas industry, interest in specific regions, whether licenses to perform exploration in the various regions exist or will be awarded in the future, changes in the geo-political environment and other factors. For goodwill there are additional uncertainties related to future investments, cashflows expected to be generated from those investments, and the long-term growth rate. Changes in key assumptions impacting future cashflows, together with the discount rate can significantly impact impairment assessments and conclusions. Due to the potential impact on the financial statements given the significance of the multi-client library and goodwill balances and the judgment required when assessing future market conditions and the other key factors included in the forecasting of future sales, the assessment of the carrying amount of the multi-client library and goodwill is considered to be a key audit matter. An impairment of USD 19 million was recorded in 2022 related to the multi-client library. No impairment was recorded against goodwill.	Our audit procedures in this area included: • Inspecting management's impairment indicator assessment and considering whether further indicators should have been assessed based on our knowledge of the business, its operating environment, industry knowledge, current market conditions and other information obtained during the audit; • For those multi-client libraries where impairment triggers are identified, and for the goodwill balances, assess the key assumptions of the cash flow forecasts, including; • Performing retrospective reviews to assess accuracy of management's estimates; • Testing sensitivity of movement in key assumptions; • Inspecting supporting documents and assessing the basis for key assumptions; • Challenging management on the forecasted cash flows, underlying market assumptions, approved budgets, and other factors which could affect forecasts; • Assessing the accuracy of management's calculations for those libraries subject to impairment testing; • Evaluating, with assistance from our valuation specialists, the discount rates applied and the mathematical accuracy of the models used to calculate the recoverable amounts; • Evaluating the adequacy and appropriateness of the disclosures in the financial statements with particular reference to the disclosures describing the inherent uncertainty in the estimates and the related sensitivities.

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Acquisition of Magseis Fairfield ASA

Refer to the consolidated financial statements Note 1 General Accounting Policies and Note 3 Business Combinations & Asset Acquisitions.

The key audit matter	*How the matter was addressed in our audit*
On 11 October 2022, the group acquired 75% of the shares in Magseis Fairfield ASA (Magseis), which was accounted for as a business combination in accordance with IFRS 3. IFRS 3 requires the Group to measure the identifiable assets acquired and the liabilities assumed at their fair values. The acquired business consists of a number of areas of operations with global spread. The assets acquired include property, plant and equipment primarily related to ocean-bottom nodes (OBN) and intangible fixed assets pertaining to technology and multi-client libraries. There is inherent uncertainty in the assumptions used for estimating fair values of the OBN assets and intangible assets including the multi-client library acquired. Future sales are dependent on a number of macro-economic factors related to oil and gas exploration activity which in turn is driven by oil prices and more recently, increased focus on energy security as well as developments in technology within the sector. The calculation of goodwill is performed based on the residual fair value not allocated to identified assets and liabilities. The purchase price of Magseis' net assets was USD 171 million consisting of USD 135 million for the net assets acquired, resulting in recognition of USD 69 million in goodwill and non-controlling interests of USD 33 million. USD 121 million was allocated to property, plant and equipment. The figures presented are preliminary and may be subject to adjustments until one year from the acquisition date or earlier if all information is received. Due to the significance of the transaction and the judgement involved in measurement of the fair values acquired, primarily the property, plant and equipment (primarily OBN), this is considered a key audit matter.	Our audit procedures in this area included: • Reading and understanding the offer document dated 24 August 2022 and other relevant documents to establish the date of the acquisition in order to obtain external confirmation of the purchase price and to identify other factors pertaining to the transaction which may impact the financial statements; • Comparing share price information used by management to external market sources, and the calculation of the cash consideration per the offer document to determine the purchase price; • Examining key assumptions in determining the fair values of the net assets acquired and assessing the reasonableness of these assumptions also taking into consideration the expected synergies resulting from the transaction; • Engaging our own valuation specialists to assist us in critically challenging the valuation methodology applied and calculations made by the group in the allocation of the purchase price; • Assessing the valuation of the identified assets by challenging management on the valuation methods applied and key assumptions, including the consideration of potential revenue streams, including underlying market assumptions, approved budgets, and other factors which could affect forecasts; • Assessing the completeness of liabilities identified and the assessments of fair value prepared by management through inquiry and specific audit procedures over selected account balances; • Evaluating the adequacy and appropriateness of the disclosures in the financial statements.

Other Information

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

In connection with our audit of the financial statements, our responsibility is to read the Board of

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

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

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

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error. We design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's and the Group's internal control.

- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's and the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company and the Group to cease to continue as a going concern.

- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves a true and fair view.

- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

Report on Other Legal and Regulatory Requirements

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

Opinion
As part of the audit of the financial statements of TGS ASA we have performed an assurance engagement to obtain reasonable assurance about whether the financial statements included in the annual report, with the file name "549300NUPLAXPB0WYH90-2022-12-31-en", have been prepared, in all material respects, in compliance with the requirements of the Commission Delegated Regulation (EU) 2019/815 on the European Single Electronic Format (ESEF Regulation) and regulation pursuant to Section 5-5 of the Norwegian Securities Trading Act, which includes requirements related to the preparation of the annual report in XHTML format, and iXBRL tagging of the consolidated financial statements.

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

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

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

prepared in compliance with the ESEF Regulation.

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

Oslo, 24 March 2023
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Julie Berg
State Authorised Public Accountant

Corporate Governance

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

Corporate Governance

1. IMPLEMENTATION AND REPORTING ON CORPORATE GOVERNANCE

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

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

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

Code of Conduct

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

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

Corporate Social Responsibility

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

2. BUSINESS

TGS provides scientific data and intelligence to companies active in the energy sector. In addition to a global, extensive and diverse energy data library, TGS offers specialized services such as Ocean Bottom Node (OBN) data acquisition, advanced processing and analysis alongside cloud-based data applications and solutions. Recently, TGS expanded its business objectives to include OBN data acquisition capabilities and related technology and equipment through the acquisition of Magseis Fairfield ASA.

The business objective of TGS defined in the Company's Articles of Association states that the principal business of the Company is in the provision of data, information and knowledge, including associated products and services, to the energy industry. In line with the Company's recent expansion of its business objectives as described above, the Company will ask the Annual General Meeting (AGM) to approve a modification to the Company's Articles of Association to reflect that the principal business area of the company is the provision of data, information and knowledge, together with technology, services and products, to the energy industry. The Company's Articles of Association are published in the Corporate Governance section of the Investor Center on the TGS website, and further information about TGS' operations may be found in the Board of Directors' Report and the Annual Report for 2022, as well as the TGS website.

3. EQUITY AND DIVIDENDS

As of 31 December 2022, total equity amounted to USD 1,240 million (including a share capital of USD 4.26 million). This corresponds to an equity ratio of 67%, which the Board considers to be satisfactory. The adequacy of the Company's capital is monitored closely with respect to the Company's objectives, strategy and risk profile.

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

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

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

The Board is currently authorized to buy back up to 10% of the nominal value of the Company's share capital. In addition, the Board has authorization to increase the Company's share capital or issue convertible bonds for up to 10% of the Company's share capital, which authorization is currently NOK 2,936,027, for the purposes of potential acquisitions, organic growth and to strengthen the Company's balance sheet. The authorizations are valid until the 2023 AGM, but no later than 30 June 2023. In accordance with past practice, new authorizations to increase the share capital for certain business purposes, issue convertible bonds and acquire own shares will be proposed for separate votes at the next AGM. When a proposed resolution encompasses share capital increases and/or the issuance of convertible bonds or the acquisition of the Company's own shares for various purposes, the Company does not find it practical to hold separate votes on each element of the proposals. This deviates from the Recommendation No. 3 under the Code of Practice where it is recommended that when the AGM considers mandates to the Board for the issuance of shares for different purposes, each mandate should be considered separately by the meeting.

For further information on these shareholder authorizations, please refer to Note 13 of the Consolidated Financial Statements, which are included in the Company's Annual Report for 2022 available on the TGS website.

4. EQUAL TREATMENT OF SHAREHOLDERS AND TRANSACTIONS WITH RELATED PARTIES

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

TGS may, from time to time, buy back shares under authorizations given by the AGM. Such shares may, inter alia, be held in treasury or canceled, used as transaction consideration or to settle employees' long-term incentive programs. The Company held 458,515 treasury shares on 31 December 2022. When applicable, transactions involving the Company's own shares are carried out through the Oslo Stock Exchange or at prevailing stock exchange prices if carried out in any other way.

During 2022, the Company increased its share capital by NOK 2,213,568.50 in connection with (i) the issuance of 8,726,649 consideration shares under the recommended voluntary exchange offer by the Company to acquire all shares in Magseis Fairfield ASA and (ii) the issuance of shares pursuant to the Company's long-term incentive programs. For further information, refer to Note 13 of the Company's Consolidated Financial Statements. In addition to shares issued in connection with the acquisition of Magseis Fairfield ASA and the Company's long-term incentive programs, the Board may, from time to time, issue new shares under authorizations given by the AGM. For such issuances, the Board may depart from the preemptive right of existing shareholders if justified by the interest of the Company and the shareholders. A justification will be publicly disclosed should the Board choose to authorize a waiver of its preemptive rights in connection with a share issue.

Any transaction with close associates is required to be conducted on market terms. Information about transactions with related parties is also disclosed in Note 15 of the Consolidated Financial Statements. The Board has implemented guidelines to ensure that employees inform their manager and/or the Board if they have a material interest, directly or indirectly, in any agreement entered into by the Company.

5. FREELY NEGOTIABLE SHARES

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

6. GENERAL MEETINGS

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

The 2023 AGM will be held on 10 May 2023. The notices for the AGM and any EGM and all supporting documentation are made available on the Company's website no later than three weeks in advance of the meeting. The notice is also mailed (post or email) to registered shareholders.

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

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

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

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

The last AGM was on 11 May 2022, the minutes from which are available on the Company's website.

7. NOMINATION COMMITTEE

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

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

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

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

8. BOARD OF DIRECTORS: COMPOSITION AND INDEPENDENCE

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

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

The members of the Board balance experience from the geoscience industry and the general energy industry with broader industrial, financial and management experience.

A biography of each Board member can be found in the Annual Report and on the TGS website.

Information on shares in TGS held by members of the Board can be found in Note 10 of the Consolidated Financial Statements.

9. THE WORK OF THE BOARD OF DIRECTORS

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

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

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

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

The Board conducted a total of ten meetings in 2022. Irene Egset and Grethe Moen were each unable to attend one of the meetings, and Wenche Agerup, a member of the Board until May 2022, was unable to attend two meetings. All other directors (including former directors) attended all meetings. In addition, certain matters are, when deemed appropriate, considered by the Board in writing.

Board Committees

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

Audit Committee

The Audit Committee is appointed by the Board, and its primary responsibility is to supervise the Company's internal controls over financial reporting and to ensure the independence and quality of performance of the Company's external auditor. Further, the responsibility of the committee is to ensure that the annual accounts provide a fair and accurate picture of the financial results and financial condition of the Company in accordance with generally accepted accounting practices. The Audit Committee receives reports on the work of the external auditor and the results of the audit, including the significant risks in the financial statements and the treatment thereof in the audit report, as well as auditor's assessment of internal control weaknesses. The Audit Committee charter, updated in February 2021, incorporates the requirements of the new Auditors Act and reflects the enhanced role of the Audit Committee in respect of financial reporting, internal control and risk management and auditor interaction, consistent with the general description set forth in this paragraph. With effect from the 2022 AGM, the members of the Audit Committee are:

- Irene Egset, Chair
- Christopher G. Finlayson
- Svein Harald Øygard

The Audit Committee conducted a total of five meetings in 2022, and all members (including former members) attended all meetings during the period of time they served on the Board.

Compensation Committee

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

The members of the Compensation Committee with effect from the 2022 AGM are:

- Mark Leonard, Chair
- Christopher G. Finlayson
- Grethe Moen

The Compensation Committee conducted a total of six meetings in 2022. All members (including former members) attended all meetings during the period of time they served on the Board.

Risk Management and Internal Control

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

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

The Company's Audit Committee oversees the routines related to financial risk management, financial reporting and related internal controls. The Audit Committee receives regular reports from management regarding the assessment of the internal control environment pertaining to financial reporting and proposed changes and improvements. The Company continually assesses the adequacy of the internal control systems in place, with specific focus throughout 2020 and 2021 on changes in the internal control systems resulting from the increase in size and complexity of the Company following the merger with Spectrum ASA concluded in August 2019. Particular focus in 2021 also included further formalization of the internal control framework over financial reporting and structured monitoring activities over the effectiveness of key controls.

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

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

11. REMUNERATION OF THE BOARD OF DIRECTORS

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

In recent years, the directors' compensation has comprised both a fixed fee and an amount of restricted TGS common shares. The remuneration is not related to the Company's financial results. Note 12 of the Consolidated Financial Statements details the directors' remuneration for 2022. TGS believes the remuneration reflects the Board's responsibility, expertise, time commitment and the complexity of the Company's activities.

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

12. REMUNERATION OF EXECUTIVE PERSONNEL

Pursuant to the NPLLCA, section 6-16a, the Board prepares guidelines for executive remuneration. In accordance with this, TGS has prepared a Management Remuneration Policy that is released alongside the Annual Report and is available for download at the TGS website.

Corporate Governance

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

In addition, pursuant to the section 6-16b of the NPLLCA, the Board has prepared a report on senior executive remuneration results and assessments during 2022. The Executive Management Remuneration Report is released alongside the Annual Report and is available for download at the TGS website.

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

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

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

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

13. INFORMATION AND COMMUNICATIONS

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

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

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

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

14. TAKEOVERS

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

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

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

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

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

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

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

15. AUDITOR

The Board of Directors has determined the procedure for the external auditor's regular reporting to the Board. The auditor attends at least one meeting each year with the Audit Committee of the Board and the Board of Directors in executive session where the Company's management is not represented. In addition, the auditor participates at meetings of the Board relating to the preliminary annual financial statements. If there are any significant changes from the preliminary accounts, the auditor will also participate in the meeting that approves the annual financial statements. The audit engagement partner is also present in all Audit Committee meetings and, in 2022, the auditor participated in all Audit Committee meetings.

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

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

The auditor's fee is determined at the AGM. Refer to Note 12 of the Consolidated Financial Statements for auditor's compensation for 2022.

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

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

Investor Relations

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

TGS

Investor Relations

TGS SHAREHOLDER FACTS

Symbol: TGS

Listing: Oslo Stock Exchange

ADR: TGSGY (traded on the U.S. over-the-counter-market)

Analyst coverage: 10 firms, for list see www.tgs.com

Average daily trading volume in 2022: 496,424 shares

Shareholder Facts	2022	2021	2020	2019	2018
Market Value at 31 December (USD 1000s)	1,654,148	1,113,490	1,821,570	3,617,189	2,421,840
Shareholder Equity at 31 December (USD 1000s)	1,239,763	1,115,328	1,374,270	1,611,574	1,200,102
Shares Outstanding 31 December	124,927,439	117,441,118	117,303,399	118,906,778	102,345,890
Of which Treasury Shares 31 December	496,424	1,334,261	75,000	1,742,100	116,180
Volume Traded on the OSE	125,595,223	79,876,573	117,026,183	103,220,804	95,527,192
Average Daily Trading Volume	496,424	316,971	466,240	414,541	380,586
Share Price at 31 December (NOK)	131.0	84.6	132.7	267.1	194.2
Share Price High (NOK at close)	172.5	162.0	237.6	281.6	208.5
Share Price Low (NOK at close)	86.3	77.7	85.0	194.6	157.7
Earnings per Share (Fully Diluted)	0.75	(0.65)	(1.43)	1.03	1.73
Dividend per Share (paid in year) (USD)	0.56	0.56	0.75	1.08	0.60
Yield (% closing price at day of announcement)*	4.36%	4.58%	4.51%	4.02%	2.77%
Market Price/Earnings per Share (P/E)	17.72	Neg.	Neg.	29.53	12.92
Market Price/Equity per Share (P/B)	1.33	1.00	1.44	2.33	1.86
Enterprise Value/Operating Profit (EV/EBIT)	11.44	Neg.	Neg.	14.65	8.77

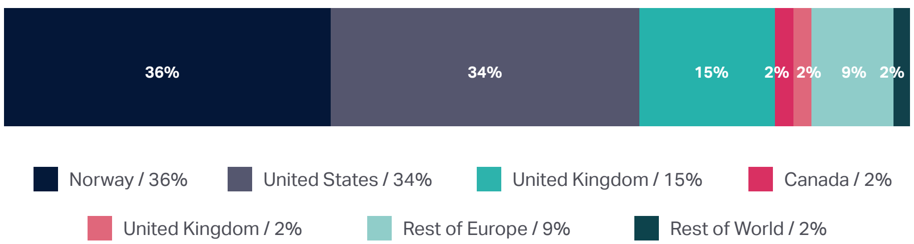
* Average annualized yield at the day of announcement of quarterly dividends

Investor Relations

DISTRIBUTION OF SHARE HOLDINGS*

TGS Shareholder Composition

TGS Institutional Shareholder Composition



*Based on location of beneficial owners at 31/12/2022

Source: NASDAQ Advisory Services

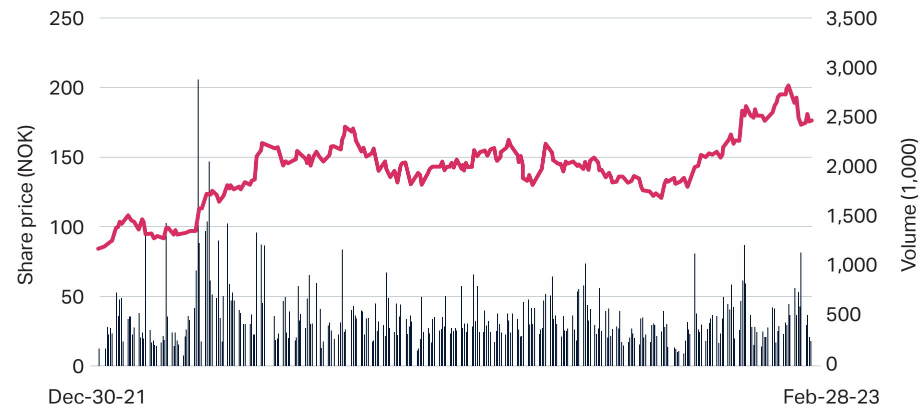
Stock Performance

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

During 2022, the TGS share price increased 56% (63% adjusted for dividends), closing at NOK 131.0 (30 December 2022).

The TGS share had a volatile development during 2022. It peaked intra-day at NOK 178.3 on 8 June. It then mostly traded in the band of NOK 130 to NOK 160 until December, when it dipped slightly below before recovering at the very end of the year. So far in 2023 it has traded significantly up. Year-to-date (23 March 2023) it is up 34% (35% adjusted for dividends).

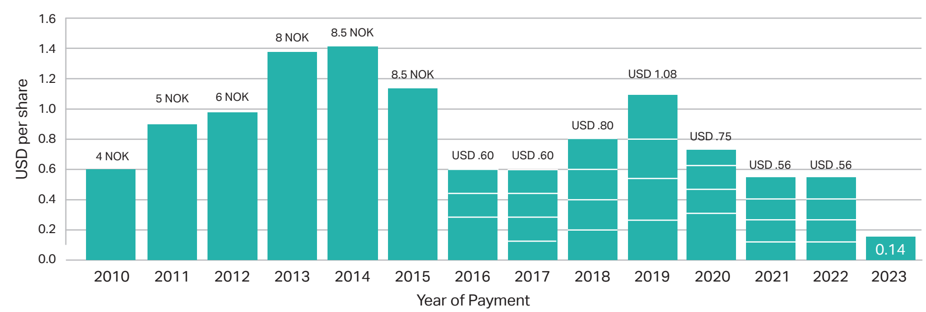
TGS Share Price and Trading Volumes



Capital Distribution to Shareholders

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

Dividend per Share* (2010-2022)



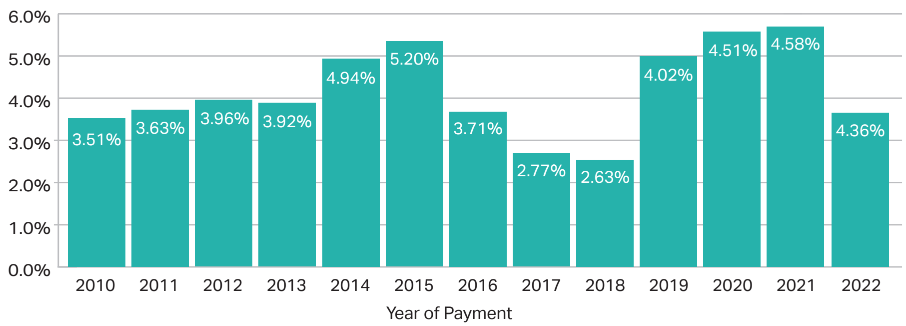
*Quarterly dividends defined in USD from 2016. Historical NOK dividends converted to USD using FX rate on ex-dividend date.

Investor Relations

It is the ambition of TGS to pay a cash dividend that is in line with its long-term underlying cash flow. When deciding the dividend amount, the TGS Board of Directors will consider expected cash flow, investment plans, financing requirements and a level of financial flexibility that is appropriate for the TGS business model.

In addition to paying a cash dividend, TGS may also buy back its own shares as part of its plan to distribute capital to shareholders. In 2022 the Company spent USD 7.0 million repurchasing shares.

Dividend Yield* (2010-2022)



*2016–2022 Dividend Yield annualized based on the weighted yield at the time of announcement of quarterly dividends.

From 2016, TGS started paying quarterly dividends in accordance with the resolution made by the Annual General Meeting on 6 May 2015 and renewed on 12 May 2022. The aim is to keep a stable quarterly dividend through the year, but the actual level paid will be subject to continuous evaluation of the underlying development of the Company and the market.

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

In 2022, TGS paid quarterly dividends of USD 0.14 in each of the quarters, amounting to USD 0.56 per share (NOK 5.50 per share) for the year, and repurchased 502,107 shares at an average price of NOK 133.9 per share.

On 9 February 2023 TGS announced that the Board of Directors had resolved to pay a quarterly dividend of USD 0.14 in Q1 2023, the same as the quarterly run-rate during 2022. The quarterly dividend was paid on 2 March 2023.

Investor Relations at TGS

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

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

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

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

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

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

COMMITTED TO SUSTAINABLE GROWTH

Sustainability Report

TGS

Sustainability Report




1. OUR COMMITMENT TO SUSTAINABILITY

1.1 What TGS Believes

TGS provides data, intelligence, ocean bottom nodes (OBN) acquisition services, advanced processing, analytics, cloud-based data applications, and other specialized services and solutions to energy companies across the energy spectrum, whether it is oil and gas, carbon capture and storage, or wind development. By investing in multi-client projects worldwide, TGS has the world's largest integrated subsurface data library that includes seismic data, magnetic and gravity data, multibeam and coring data, digital well logs, and production data from deepwater offshore to conventional and unconventional plays worldwide. We have a global presence to support our customers in any market with our corporate headquarters in Oslo, Norway; our operational headquarters in Houston, Texas, USA; and with additional offices located in Brazil, Australia, United Kingdom and Canada. Because of TGS' global presence and business model, sustainability is an integral part of how we operate and essential to our prosperity, and the prosperity of our stakeholders.

2022 was a year of growth for TGS, both organically and through the acquisition of several companies and assets as part of its strategy to provide data and insights across the energy spectrum. TGS expanded its Digital Energy Solutions group and acquired Prediktor, a Norwegian company with 40 employees that is a leading provider of asset management and real-time data management solutions to renewable and energy asset owners. TGS also strengthened its multi-client library, data processing and imaging capabilities, and acquisition technology with the acquisition of the multi-client and processing assets of ION Geophysical Corporation, including over 637,000 kilometers of 2D and over 317,000 kilometers of 3D multi-client seismic data, its proprietary imaging software and technology, and Gemini Extended Frequency Source technology and equipment. TGS also acquired Magseis Fairfield, the industry leader in OBN acquisition and technology, which will become a new business unit within TGS in 2023, and create a unique offering of superior imaging quality and operational efficiency across the energy value chain, with leading OBN and multi-client capabilities. TGS' New Energy Solutions business unit also launched several new projects, including Wind Axiom, a new insight platform to help wind developers explore high-value areas, prepare bids and develop leases, as well as the first multi-client offshore wind measurement campaign in the New York Bight area. This campaign is the first of many planned by TGS aimed at providing floating LiDAR wind measurements, data and insights on a subscription basis to customers within the region.

Sustainability Report

TGS' workforce underwent significant change in 2022 as a result of this activity. In addition to the 40 new employees from Prediktor, TGS hired over 60 former ION employees as well as 60 organic hires throughout 2022. As a result, TGS' workforce grew by over 30% in 2022 from 443 people at the end of 2021 to 578 people at the end of 2022. Therefore, a key focus for the organization centered around integration and development of a common culture focused on performance, results and teamwork. In addition, TGS began the integration of Magseis Fairfield at the start of 2023, and an additional 330 onshore and offshore employees will join the workforce in 2023.

Looking forward to 2023, TGS will focus on re-evaluating its ESG strategy in light of the diversified business, larger workforce, and wider customer and stakeholder base. This will include conducting a new ESG materiality exercise and updating of its ESG strategy to reflect those results.

1) While TGS gained financial control over the operations and workforce of Magseis Fairfield in Q4 2022, TGS did not initiate the integration until early 2023 after the completion of the purchase of the remaining Magseis Fairfield shares in January 2023. As such, information relating to the 2022 operations and workforce are not incorporated into this report but will be included in the 2023 report.

1.2 Governance and Risk Management

TGS' sustainability strategy is embedded in the overall corporate strategy and is overseen by the Board of Directors. TGS' Leadership Team, which includes the Executive Vice President of People and Sustainability, is responsible for implementing TGS' sustainability strategy and incorporating this strategy into company and department goals. TGS' Leadership Team and the Board of Directors hold sessions throughout the year to discuss the various risks that impact our business and to evaluate sustainability risks and opportunities.

TGS evaluates sustainability risks as part of the annual enterprise risk management process, which is a multi-tiered process that seeks input from key employees across the organization, the Leadership Team and the Board of Directors. Through this process, we understand (i) where further action may be needed if a risk's materiality, impact or probability of occurring increases (i.e., cybersecurity, macroeconomic event), and (ii) where our risk management efforts are effective because of decreasing materiality, impact or probability scores. TGS relies upon policies, procedures and guidelines, as well as targeted action plans with key performance indicators, to measure progress in mitigating risks. Additionally, each investment decision or significant commercial project undertaken by TGS incorporates risk analyses that evaluate key operational, health and safety, environmental, compliance and other risks prior to review and approval by TGS' Leadership. Each of these processes, along with our corporate governance principles, provides the necessary underpinnings for monitoring risk and incorporating sustainability within our organization and operations.

In 2022, the Board held sustainability strategy sessions as part of its annual strategy meeting to focus on TGS' efforts to diversify its data and service offerings to serve other industries such as wind, solar, carbon capture and storage. These sessions considered carbon accounting of TGS' operations, health and safety practices, and improving gender diversity in the workforce. The Board receives regular reports on TGS' sustainability efforts as well as updates on the Company's data security program, the compliance program which includes anticorruption and human rights, the operational and workforce health and safety program, employee engagement and HR efforts. Finally, TGS includes sustainability targets relating to health and safety and emissions reduction into its long-term incentive plan, as well as in the 2022 employee profit-sharing plan (see TGS' 2022 Management Remuneration Report).

Sustainability Report

1.3 Materiality and Stakeholder Engagement

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

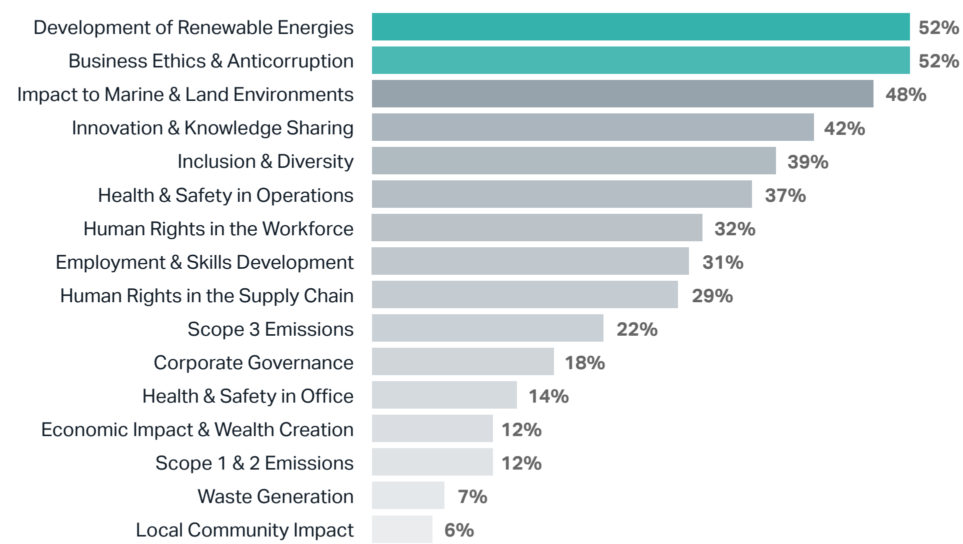
TGS is a strong proponent of working with local governments, regulatory authorities and non-government organizations to help identify, understand and mitigate potential risks associated with its geophysical activities. TGS supports the EnerGeo Alliance (formerly the International Association of Geophysical Contractors, hereinafter referred to as "EnerGeo") financially and by actively engaging in committees, workgroups and projects throughout the year. TGS also participates in the National Ocean Industries Association (NOIA) and its Environmental, Social and Governance (ESG) Program. TGS will continue these efforts as well as look to collaborate with other organizations and stakeholders to promote sustainable practices.

In 2022, TGS continued a customer feedback process to capture feedback from internal and external customers on its imaging performance on both multi-client and proprietary projects, which is critical to monitoring and assessing customer satisfaction on the products and services provided by TGS. Performance is rated based upon five key performance indicators: People, Turnaround Time, Technology, Quality Control and Operational Innovation. The customer sets the weight of each indicator.

TGS engages with its employees through global quarterly meetings, annual risk assessments, and strategy sessions to assist in our materiality determination.

Finally, in 2021, TGS conducted an internal assessment with the Board, Leadership and key employees across all departments and offices to understand which sustainability issues they consider significantly material to TGS' operations. As part of this assessment, these individuals are also asked to consider, based upon their experiences with the following stakeholders, how important our customers, shareholders, local communities or local governments, and NGOs may consider the issue to be in determining whether to do business with or invest in TGS. The results of this survey help define our sustainability strategy by assessing the materiality of each of these issues to TGS' business and commercial success. The chart ranks each sustainability topic based upon the percentage of respondents who selected the issue as "significantly material" to TGS' business and commercial success.

Due to the acquisitions of Magseis Fairfield, Prediktor and ION assets and resulting changes to TGS' workforce and commercial operations, TGS will conduct a new materiality assessment in 2023 and obtain insights from stakeholders. The results from that assessment and stakeholder feedback will be incorporated into TGS' ESG strategy going forward.



Sustainability Report

1.4 Supply Chain

Supply chain management is critical to TGS' success as TGS did not own or operate vessels or seismic equipment, nor did it employ the crews utilized in our operations in 2022. TGS operates in accordance with the OECD Guidelines for Multinational Enterprises and the Norwegian Transparency Act. To ensure our supply chain understands TGS' priorities and incorporates similar priorities into its business, TGS maintains a Supplier Code of Conduct that addresses (i) business and ethics integrity, (ii) health, safety and the environment and (iii) labor and human rights. In addition, TGS conducts a risk-based due diligence approach with respect to its supply chain that takes into account the scope of services, where the services are to be performed, and the nature of the third party. As part of this risk-based approach, TGS may evaluate a third party's compliance, health & safety, environmental, human rights, cybersecurity or other practices to ensure they are aligned with TGS' policies and procedures and sufficient for the scope of services to be performed. The third-party due diligence process is overseen by TGS' Compliance Officer in relation to ensuring compliance with human rights and the law, and its VP of QHSE, with respect to compliance with health, safety and environmental practices, both of whom are part of TGS' leadership and report to the Board on a quarterly basis.

Given the nature of TGS' operations, key areas of focus in evaluating third parties include providing a safe and healthy work environment in marine and onshore operations and ensuring compliance with the law, including anticorruption, labor and human rights laws, when engaging in operations in areas that present a higher risk. TGS focuses its due diligence on offshore seismic operators, vessel providers, onshore and offshore crew providers, environmental impact assessment providers, onshore seismic operators, customs brokers, business development consultants, and local partners and third parties in higher risk jurisdictions. TGS works with partners and third parties to stress the importance of operating sustainably, ethically and in compliance with the law and TGS policies, and incorporates compliance language into our contracts with third parties in proportion to the risk and nature of services to be provided. In the event a third party fails to operate in accordance with TGS' policies, procedures or the law, TGS will implement suitable measures to cease, prevent or mitigate the third party's actions, which may include termination of the relationship, remediation and other viable options available under the law. How we manage our suppliers with respect to each of these issues is discussed in more detail throughout this report.

As a result of the acquisition of Magseis Fairfield and diversification of TGS' business, the Company anticipates changes to the composition of its supply chain going forward. These changes will include different types of suppliers and vendors, such as node manufacturers, and variations in the risk profiles of TGS' operations as it relates to its supply chain. As a result, the Company will evaluate its expanded supply chain and modify its policies and procedures as needed to ensure it is adequately addressing any new or enhanced ESG, HSE and human rights risks.

Sustainability Report

1.5 UN Sustainable Development Goals

TGS remains committed to the UN Global Compact, its universal sustainability principles and the Sustainable Development Goals (SDGs). TGS remains dedicated to incorporating the Global Compact's principles on human rights, labor, environment and anti-corruption into our strategy, culture and operations. In addition, TGS has identified the following SDGs as being aligned with our business practices and the following chart highlights some of the actions taken in 2022 to support these SDGs.

50% ↑
FEMALE NEW HIRES
SINCE 2020

5 GENDER EQUALITY

- Signatory to the UN's Women's Empowerment Principles and included on the Bloomberg Gender Equality Index in 2023 for the third year in a row
- Over 50% increase in female new hires since 2020
- 35% decrease in female voluntary turnover

8 DECENT WORK AND ECONOMIC GROWTH

- TGS met its total recordable injury rate targets for both land (TRIR = 0.0) and marine (TRIR = 1.79) seismic operations. The target was to achieve a TRIR <9.0 per 1,000,000 exposure hours.
- TGS achieved full compliance with vessel and land crew HSE audit requirements
- The average tenure of a TGS employee is 10 years and over 80% of positions for director and above are filled through internal candidates

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

- TGS further increased the number of hours of training per employee in 2022 to 21.6 (from 18.6 in 2021 and 5.8 in 2020)
- Capitalized research & development spending corresponded to approximately 1.7% of net revenues
- TGS hosted, sponsored and/or presented virtually or in-person at over 105 geoscience and engineer industry events designed to share advancements in imaging, data analytics, geoscience, well data technologies and solutions for the energy transition – notably carbon capture, geothermal and wind energy

13 CLIMATE ACTION

- 13% decrease in scope 1 and 2 emissions between 2022 and 2021 and 21% decrease from 2020
- 12% decrease in kwh usage in our data centers despite the same on-premise compute power as in 2021 due to adoption of more energy-efficient equipment
- Transitioned TGS' Houston headquarters to fully renewable energy sources by installing a solar panel parking array and supplementing with renewable energy from the TGS power grid

14 LIFE BELOW WATER

- TGS tracks all spills to the environment, regardless of quantity or substance. In 2022, there were zero Reportable Quantity (RQ) spills to the marine or land environments during seismic operations. Reportable Quantity spill thresholds are set by local or national agencies and depend on the type of substance released, and where it was released
- Removed 5.5 metric tons of debris as part of EnerGeo's Ghost Net Initiative and require all vessel contractors to track and report as part of this initiative

17 PARTNERSHIPS FOR THE GOALS

- Active participant in EnerGeo and assisted in establishing industry standards on carbon accounting in seismic operations as well as other safe, environmentally sound and sustainable practices and removed over 5.5 metric tons of discarded fishing gear and marine debris from the ocean in 2022
- Worked with Freedom Solar and the RMR Group to install 15 solar arrays covering 210 parking spaces at TGS' Houston headquarters, which is estimated to reduce carbon dioxide emissions by 1.4 million pounds annually

21% ↓
SCOPE 1 AND 2 EMISSIONS
FROM 2020

Sustainability Report

1.6 Business Ethics

TGS is committed to complying with all applicable laws, including fair competition and antitrust, export controls and trade sanctions, anticorruption and anti-bribery, and insider trading. We engage in ethical and fair business practices with our clients, partners, suppliers and other third parties. In return, TGS expects the highest levels of personal conduct and fair dealing from all its employees, the Board of Directors, partners and any third parties retained on behalf of the Company. TGS believes in competition and endeavors to not take an unfair advantage in a business situation by acting illegally, unethically or by abusing or misusing confidential information.

Governance. TGS' Compliance Officer reports to the Board of Directors, provides updates on at least a quarterly basis and participates in the Audit Committee meetings. The Compliance Officer sits on the Executive Leadership Team and participates in regular leadership meetings, annual planning sessions and departmental business reviews. The TGS Code of Conduct sets the standard of responsible conduct and fair business practices for every TGS employee and serves as the Company's ethical roadmap to ensure all employees perform their duties with honesty, integrity, and in accordance with the law.

Employee Awareness. Employees are educated on compliance risks as well as TGS policies and procedures, on key topics within our Code of Conduct, through in-person workshops and mandatory e-learning sessions that employees must complete each year. In 2022, 100% of TGS employees completed the Code of Conduct training and certified their compliance to TGS' Code of Conduct. This training includes components on anticorruption and anti-bribery, trade controls and sanctions, human rights and modern slavery, as well as discrimination and harassment. In 2021, TGS assessed employee understanding of their obligations by conducting an employee-wide compliance assessment that focused on TGS employees' (i) perception of TGS' compliance program and the ethical leadership of TGS; (ii) understanding and daily enactment of TGS' Code of Conduct and compliance program; (iii) perception of TGS' compliance challenges; and (iv) willingness and comfort with reporting concerns. 71% of employees participated in the assessment, and the results were predominately favorable, with over 95% of participants agreeing that:

- TGS values compliance and conducting business in an ethical manner.
- Their manager provides a good example of ethical business behavior.
- TGS' compliance program is effective in ensuring TGS is compliant with the law and ethics.
- Employees receive appropriate training and guidance on the compliance risks relevant to TGS and their jobs.
- TGS provides sufficient reporting channels to raise concerns regarding non-compliance.
- Employees know where to go if they have questions about the Code of Conduct or TGS' compliance program.

Due to the acquisitions of Magseis Fairfield, Prediktor and ION assets and resulting changes to TGS' workforce and commercial operations, TGS will conduct a new compliance assessment in 2023 following the integration to ensure the workforce continues to maintain a strong understanding of TGS' compliance program.

Reporting. TGS provides multiple avenues for TGS' internal and external stakeholders to report potential non-compliance, raise concerns and seek advice, including TGS' publicly available compliance hotline that allows anonymity, and a dedicated Compliance Officer and department to advise business units and employees on compliance matters. TGS' Code of Conduct expressly prohibits retaliation against those who report or cooperate in an investigation. All reported potential violations of the law and Code of Conduct are investigated, including discrimination and harassment, insider trading, conflicts of interest, financial fraud and corruption issues. All reports are addressed based upon the findings of the subsequent investigation, and the findings are reported internally. In 2022, one matter was reported directly or indirectly to the Compliance Officer, compared to five in 2021. The predominant reporting method continues to be directly to the Compliance department, which is supported by the responses to the 2021 Compliance Assessment in which 78% of respondents indicated that they were comfortable raising compliance matters directly to the Compliance department and over 90% feel comfortable raising concerns regarding non-compliance without fear of retaliation. TGS had no significant issues of non-compliance with any laws or regulations, including those related to human rights, insider trading, antitrust and anticompetition, corruption, trade controls or sanctions, or financial fraud and did not receive any fines or penalties for non-compliance with the aforementioned compliance laws or regulations in 2022.

Sustainability Report

1.7 Anticorruption Efforts

TGS recognizes that preventing bribery and corruption in its operations is essential in today's business environment. TGS works to ensure that its employees, as well as partners and third parties, understand and are sensitive to the legal requirements that apply to the Company's operations. These include the U.S. Foreign Corrupt Practices Act, the U.K. Bribery Act, the OECD Convention on Combating Bribery of Foreign Public Officials in International Business, and the anti-bribery and anticorruption laws of the various countries in which TGS operates or conducts projects.

Employee Awareness. TGS has a variety of policies and procedures to ensure compliance with anticorruption laws, including TGS' Anticorruption Policy and Supplier Code of Conduct, as well as procedures that address training and social welfare provided as part of government obligations, engagement of high-risk third parties, giving or receiving gifts or entertainment. TGS' Anticorruption policy expressly prohibits bribery, kickbacks and other illegal payments, as well as facilitation payments and political contributions on behalf of the Company. In 2022, all TGS employees received anticorruption training through their annual Code of Conduct training, and TGS had no confirmed instances of corruption in 2022 (same as 2021).

Project Management. TGS conducts a risk-based analysis that assesses the potential anticorruption risks of projects. This analysis includes a review of the scope of the project; the countries in which it will take place; the use of any partners, consultants, suppliers or vendors; and the necessary mitigation measures to combat the corruption risk. Only a small portion of TGS' revenues (<1%) derive from projects located in the 20 countries ranked lowest by Transparency International in its Corruption Percentage Index.

Third-Party Management. In 2022, TGS conducted due diligence on partner and third-party relationships (based upon various risk factors including geographic location and nature of services) at the outset of the relationship and updated the information on a regular basis throughout the relationship and incorporated compliance provisions in the agreements that prohibit bribery and corruption. The Company continued to require these third parties to certify their compliance with TGS' Anticorruption policy and complete online anticorruption training. TGS also reviewed payments made by these third parties. All of TGS' international agents were assigned anticorruption training and a compliance certification. TGS had no reported anticorruption violations by its international agents in 2022.

1.8 Cybersecurity

TGS' Board of Directors and Leadership Team oversee TGS' cybersecurity strategy and receive periodic reports on TGS' data security efforts and any notable information security incidents from TGS' Cybersecurity department. TGS' cybersecurity risks and strategy are evaluated on an annual basis as part of TGS' annual risk enterprise program.

TGS aligns its cybersecurity practices with the NIST Cybersecurity Framework. Annual assessments are conducted to evaluate the current maturity state and aid in the development of the cybersecurity program. The company promotes cybersecurity awareness and education throughout the organization through training and special in-person sessions for employees on the topics of data sensitivity, spear phishing, strong password practices, fraud, etc. In 2022, TGS grew its Cybersecurity team to strengthen its capabilities around Incident Detection & Response, Vulnerability Management, Identity & Access Management and other areas. The frequency of Anti-Phishing campaigns increased to quarterly to measure the effectiveness of the security training and awareness program, the results of which are shared with senior leadership. TGS completed multiple acquisitions in 2022, which were successfully integrated into our security program. One of those acquisitions, Prediktor, obtained ISO 27001 certification in December, indicating their commitment to compliance with international information security standards.
TGS also continues to maintain a robust cyber insurance program. As a result of TGS' cybersecurity efforts, the company was not impacted by many high-profile cybersecurity events of 2022 (Log4Shell, Spring4Shell, Google Chrome Zero-Day, ProxyNotShell, etc.).

Sustainability Report

1.9 Tax

As part of its global operations TGS is exposed to different kinds of taxes, including income taxes, withholding taxes, sales taxes, customs and social security taxes, and is committed to complying with the letter and spirit of tax laws and regulations in the countries in which it operates. TGS' Tax policy is set by the Board and managed by the Finance department's tax manager who reports to the CFO, participates in Audit Committee meetings and engages with external and local tax consultants who are independent from our auditors, when necessary. Given that TGS operates globally and conducts projects in different jurisdictions, TGS assesses the different tax risks as part of the project approval process so that the company understands its exposure to these risks, including double taxation, and structures the project to optimize tax consequences. TGS does not use tax havens or offshore tax centers, nor do we transfer value created to lower tax jurisdictions solely for a more favorable tax regime. TGS paid USD 36.2 million in taxes in 2022, and below is a summary of the taxes paid in 2022 in TGS' key jurisdictions.

Country (All amounts are in USD 1,000s unless noted otherwise)	Taxes Paid in 2022*
Norway	(21,978)
United States	390
United Kingdom	1,553
Brazil	(11,445)
Canada	(2,048)
Singapore	2
Australia	(1,828)
Qatar	(5)
Guyana	(812)

*Included in these amounts are (i) payment of income tax following the 2021 income tax filing; (ii) prepayments of 2022 taxes; and (iii) indirect taxes. The amounts in parentheses represent taxes paid and the positive amounts are tax credits received.

1.10 Looking Forward

In 2023, TGS will reassess and update its policies and procedures to ensure they address the compliance, anticorruption, cybersecurity and other governance risks as well as work to educate and train employee to ensure consistent governance and understanding of TGS' policies and practices following the three acquisitions. TGS will continue to ensure business ethics and cybersecurity remain a priority for the company in 2023 through the frameworks established above. This includes identifying and managing these risks through risk assessments, training and awareness campaigns, monitoring of information systems, oversight of projects and operations in regions that present a higher risk of corruption, while ensuring that employees and other stakeholders are empowered to raise concerns through the various channels provided by the organization.

Sustainability Report

2. ENVIRONMENT

2.1 New Energy Solutions

In 2022, TGS advanced its New Energy Solutions business. This group is working closely with TGS' Data & Analytics and Well Data Products business units as part of our Digital Energy Solutions group to create an ecosystem that supports the full project life across the energy value chain with data, insights and software solutions. As a result of these efforts, TGS launched several new projects, including Wind Axiom, a new insight platform to help wind developers explore high-value areas, prepare bids and develop leases, as well as the first multi-client offshore wind measurement campaign in the New York Bight area. This campaign is the first of many planned by TGS aimed at providing floating LiDAR wind measurements, data and insights on a subscription basis to customers within the region.

TGS also intends to grow and develop this business through partnerships and inorganic growth. As part of the growth strategy, in May 2021 TGS acquired 4C Offshore Ltd., which offers a broad suite of data, analytics and services for the offshore wind industry, and, in June 2022, Prediktor, which offers asset management and real-time data management solutions to renewable and energy asset owners. These acquisitions provide TGS with the capability to offer key data and insights for the development and operations of offshore wind farms as well as asset and data management services to solar farms and other energy asset owners.

Sustainability Report

2.2 Climate Impact

2.2.1 TGS' Climate-related Strategy

TGS has been a supporter of the "Task Force on Climate-related Financial Disclosures" (TCFD, set up by the Financial Stability Board) since 2020. The following chart addresses the financial impacts of climate risks and opportunities. Below are TGS' status and goals with respect to climate risk outlined in accordance with the TCFD framework:

GOVERNANCE | STRATEGY | RISK MANAGEMENT | METRICS AND TARGETS

TGS Board Oversight

TGS' Board of Directors oversees TGS' strategy and efforts in assessing the financial, business and operational risks, and opportunities associated with climate change on TGS. The risks and opportunities related to climate change and its impact on TGS, either directly or indirectly, and the energy industry, oil price, customer behavior and technology advancement are all considered by the Board as part of the annual risk enterprise assessment. The Board also holds annual strategy sessions in which it evaluates TGS' business strategy considering changes to the industry, market conditions, customer behavior and technology brought on by the impact of climate change. The Board also receives regular operational updates that highlight the impact climate risk has on operations, as there are changes in environmental legislation, increased reporting requirements and greater need for stakeholder engagement. Finally, the Compensation Committee reviews and approves climate goals and objectives related to executive compensation and TGS' employee bonus plan.

TGS Leadership's Role

TGS' EVP, People and Sustainability, is responsible for overseeing TGS' sustainability strategy which includes assessment of the climate-related risks and opportunities and putting in place a strategy to reduce Scope 1 and 2 emissions. TGS' VP Operations Support & Special Delivery and VP of QHSE are responsible for measuring emissions in operations and working with business units to develop and design surveys with minimal environmental impact. TGS' EVP Digital Energy Solutions is responsible for providing products and services that assist our customers in addressing their climate impact through carbon capture and storage and transitioning to other energy sources like wind or geothermal. Finally, TGS' entire Leadership Team participates in the annual risk assessment and strategy sessions, implements the action plans related to these exercises, and assesses and evaluates all relevant risks, including the impact of climate change, on projects and corporate strategy.

TGS' strategy to address climate impact is influenced by the following key factors: impact of market conditions and the oil price, shifts in customer behavior, advancements in technology and changes in legislation and policy. TGS regularly reviews and adjusts its strategy to mitigate and account for the impact of these key factors. In 2021, TGS modified its strategy to diversify its business and revenue stream to serve carbon capture and storage, deep sea mining, geothermal energy, wind energy and solar energy. This adjusted strategy addresses the potential financial impact to the changes in oil and gas exploration and provides business opportunities for new revenue streams, products and services. TGS aims to achieve this strategy through both organic and inorganic growth.

Risks

Short-term (3–5 years) risks include increased environmental legislation and permitting requirements, changing customer behavior, uncertainty in the market. Medium-term (5–10 years) risks include carbon pricing mechanisms, mandates and regulations on existing products and services, transition to lower-emissions operations, technology advancements.

Opportunities

Short- and medium-term (5–10 years) opportunities include access to new markets and expansion of data and service offerings.

Sustainability Report

GOVERNANCE | STRATEGY | RISK MANAGEMENT | METRICS AND TARGETS

Risks and opportunities are identified, assessed and managed at the overall corporate level, department level and project level. These risk assessments analyze changes in our industry and market, customer behavior, environmental legislation and industry practices, and developments in technology.

Identifying Risks

Climate-related risks are identified at a corporate level through the annual risk assessment process which includes consideration of the energy industry, energy mix, oil price, customer behavior, technology advancement, and legal and regulatory changes. The impacts of climate-related risks are assessed as part of the project development and management process to understand the impact local rules or regulations may have on permitting, address concerns to local communities and environments with respect to project impact, assessing technology solutions. These are identified through environmental impact assessments (EIAs), site surveys, public or social consultations, engaging with environmental consultants, participation and membership in industry trade organizations (e.g., EnerGeo, IOGP), project-specific hazard assessments and consultation with regulators and permitting agencies.

Managing Risks

TGS commissions EIAs to understand potential impacts on the environment it may operate in. TGS also employs protected species observers (PSOs) and utilizes passive acoustic monitoring (PAM) on its operations to ensure our operations do not have a detrimental effect on the environment in which we operate. TGS employs various other environmental mitigation measures including conducting soft starts or ramp-ups and placing buffer zones around environmentally sensitive areas. TGS also coordinates with relevant stakeholders (i.e., customers, local communities, government agencies, industry trade organizations, partners, suppliers, etc.) to ensure we are addressing concerns and mitigating risks as appropriate.

Integrated Risk Management

Risk management is integrated throughout the organization at the corporate level, department level and project level. TGS' annual risk enterprise program incorporates environmental and climate-related risks, as well as TGS' mitigation measures. TGS' Board and Leadership Team also look at the climate-related risks and opportunities as part of its regular strategy sessions to ensure that TGS' short-term and long-term strategies account for all relevant risks and opportunities. TGS also receives regular feedback from its stakeholders, including investors and clients, and incorporates such feedback into how TGS manages its climate-related risk.

Sustainability Report

GOVERNANCE STRATEGY RISK MANAGEMENT METRICS AND TARGETS

2022

Scope 1 emissions: < 1 mt CO_2e

- The above accounts for total Scope 1 emissions over which TGS has financial control

Scope 2 emissions: 9,776.1 mt CO_2e

- The above accounts for total Scope 2 emissions over which TGS has financial control

Scope 3 emissions (operations): 119,870 mt CO_2e

- The above accounts for emissions derived from fuel consumption by our vendors
  for our marine and onshore seismic operations in 2022

Targets

Scope 1 and 2 short-term CO_2e target: remain below the baseline levels established in 2020 (12,355 mt CO_2e) and aim for a 10% reduction year-over-year

- Combined Scope 1 and 2 emissions for 2022 is 9,776.43 mt CO_2e, which is a 13% decrease from 2021 and a 21% decrease from 2020

Scope 1 and 2 long-term target: Net Zero CO_2e emissions by 2030

TGS follows the Greenhouse Gas Protocol in classifying, deriving and calculating its emissions. The Scope 1 emissions calculations are based on UK DEFRA – Conversion Factors 2021 using a distance-based calculation, and using IPCC Fourth Assessment Report (AR4) for global warming potential. Scope 2 emissions calculations are based upon the IEA International Electricity Factors (2020), UK DEFRA – Conversion Factors (2021), US EPA – eGRID 2019 Sub Region and US EPA – Emissions Factor Hub 2020. Scope 3 marine and onshore field emission calculations are based on fuel emission factors from UK DEFRA – Conversion Factors 2021, using IPCC Fourth Assessment Report (AR4) for global warming potential.

Sustainability Report

2.2.2 Scope 1 and 2 Emissions

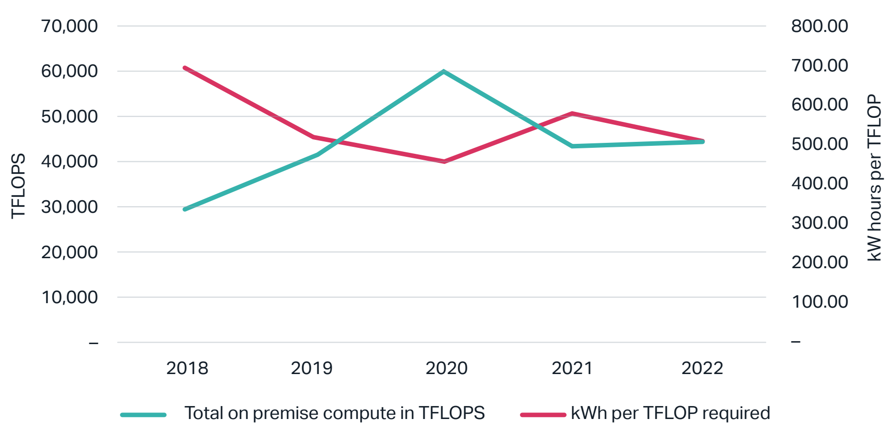
TGS leases office space for our employees in the United States, United Kingdom, Norway, Brazil, Australia and Canada, and does not operate or own vessels, manufacturing plants or factories. TGS' Scope 1 emissions are not material to our overall emissions and are solely related to two vehicles maintained by the company for local deliveries in Houston and Oslo. TGS does not consider the impact of either our water usage or waste from our office operations to be material; however, recycling bins for paper and cardboard, glass, plastic, batteries and print toner cartridges are available in TGS offices, and employees are encouraged to follow proper recycling procedures. In 2022, TGS' Houston Operational Headquarters (which is the Company's largest office with approximately two-thirds of the workforce) composted 13 tons of waste and recycled 2.2 tons of trash, diverting a total of 15 tons of waste (36% of total waste) from being deposited in a landfill.

Scope 1 Emissions[1]	CO_2e (mt)	CO_2 (mt)	CH_4 (kg)	N_2O (kg)
2020 (Baseline)	337.75	337.12	.45	.18
2021[2]	.67	.66	0	0
2022	.33	.32	0	0

[1] TGS Scope 1 emissions include all its operations except for the Magseis Fairfield acquisition. Relevant emissions data related to this acquisition will begin to be incorporated into TGS' reporting in 2023. The acquisitions of ION and Prediktor did not have a material impact on TGS' Scope 1 emissions.

Neither TGS' Scope 1 nor Scope 2 emissions contain significant NOx, SOx, persistent organic pollutants (POP), volatile organic compounds (VOC) or hazardous air pollutants (HAP), and as such they are not included in the above calculations.

[2] The drop in Scope 1 emissions in 2021 is due to TGS no longer owning the Bedford office facility.



Energy usage in our offices and data centers makes up TGS' Scope 2 emissions. Energy consumption for data processing and high-performance computing are responsible for the bulk of the emissions related to the generation of purchased energy (Scope 2), with our Houston data centers comprising 94% of Scope 2 emissions and 91% of kwh usage. As a result of this, over 99% of TGS emissions and 96% of kwh usage occurs in TGS' U.S. offices and data centers.

Scope 2 Emissions[1]	kwh	CO_2e (mt)
2020 Total (Baseline)	**33,634,278**	**12,558.61**
Offices	3,645,301	1,378.58
Data Centers	29,988,977	11,517.51
2021 Total	**28,564,309**	**11,215.16**
Offices	2,420,961	769.67
Data Centers	26,143,348	10,466.16
2022 Total	**25,329,072**	**9,776.1**
Offices	2,253,363	626.15
Data Centers	23,075,709	9,149.3

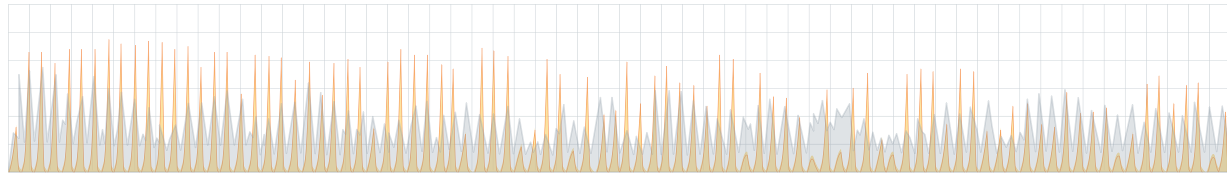
[1] TGS Scope 2 emissions include all its offices and data centers except for those leased or maintained by Magseis Fairfield. Relevant emissions data related to this acquisition will begin to be incorporated into TGS' reporting in 2023. The acquisitions of ION and Prediktor did not have a material impact on TGS' Scope 2 emissions.

Neither TGS' Scope 1 nor Scope 2 emissions contain significant NOx, SOx, persistent organic pollutants (POP), volatile organic compounds (VOC) or hazardous air pollutants (HAP), and as such they are not included in the above calculations.

As the above chart shows, there was an 11% decrease in kwh usage between 2021 and 2022 and a 13% decrease in CO_2e emissions. Office emissions dropped by 19% while data center emissions dropped by 13%. The data center emissions decrease is notable because our on-premise compute remained flat from 2021 to 2022. The chart below illustrates how on-premise compute capability measured in teraflops (TFLOPS) has evolved from 2018–2022 (left axis). The right axis shows an overall trending decrease in the amount of kWh required to run 1 teraflop for a year. As the graph portrays, TGS is becoming more energy efficient in our compute capabilities at our on-premise data centers.

Sustainability Report

Data from TGS' solar panel project dashboard showing CO_2 offsets and energy production and consumption during a 3-month period



TGS also transitioned its Houston headquarters to 100% renewable energy in 2022 by installing 15 solar arrays covering 210 spaces in the employee parking lot that are comprised of 1,650 modules that produce over 900,000 kilowatt hours of energy annually and supplementing with renewable energy provided by the Texas power grid. Any excess energy produced by TGS' solar arrays is also provided back to the Texas energy grid, thus helping provide energy security to residents of Texas. This office now joins TGS' Oslo headquarters and Rio office as being powered by renewable energy.

POWER EQUIVALENT	MONEY SAVED	CO_2 OFFSET EQUALS	CO_2 OFFSET
16.1 Homes' energy use for one year	$26K	317,517 Miles driven by avg. gasoline-powered passenger vehicle	2,115 Tree seedings grown for 10 years

Sustainability Report

2.2.3 Scope 3 Emissions – Operations

TGS tracks emissions generated through its field operations, the majority of which are generated by marine seismic vessels. These emissions are classified as Scope 3 emissions (purchased goods and services) because TGS' field operations are acquired by geophysical contractors that specialize in land, marine and airborne geophysical operations. Tracking, reporting and developing a strategy to reduce and/or offset these emissions is a critical part of both TGS' and the industry's sustainability strategy. As one of the largest buyers of seismic acquisition capacity, TGS has a unique opportunity to influence and contribute to ongoing industry efforts to standardize GHG emission tracking and reporting, but our strategy requires coordination with our contractors who own or operate the equipment and field crews.

Industry Collaboration. TGS participates in, and contributes to, the EnerGeo's marine emissions working group, which is a collective effort supported by marine seismic contractors and E&P companies to define industry standards and guidance for the seismic industry on carbon emissions recording and reporting. This working group published an EnerGeo factsheet in 2021 that outlined the industry's strategy towards understanding and defining emissions in marine geophysical operations, including our ambitions towards successfully managing, tracking and reporting on GHG emissions. In August 2022, EnerGeo's working group published a comprehensive guidance document that set the standards for collecting, tracking and calculating emissions in the marine geophysical industry. TGS is aligned with the newly released marine emissions guidance and will continue to support EnerGeo on developing similar resources for onshore geophysical operations.

Marine Operations. TGS contractually requires all marine contractors to report their carbon emissions and the factors used to derive emissions from fuel consumption. As illustrated in the following charts, the type of survey and field operations directly impact the carbon emissions of a project. The majority of TGS' 2022 Scope 3 emissions are from marine seismic projects, which are categorized as either 2D, 3D or nodal (OBC/OBN). While TGS did not acquire 2D marine surveys in 2022, these types of surveys use smaller vessels that tow less in-sea equipment, resulting in a lower carbon footprint than other marine seismic acquisition methods. 3D or nodal seismic surveys require a combination of larger vessels and additional in-sea equipment, which accounts for a higher emissions output per square kilometer (2.81 mt CO_2e/km^2 for 3D and 11.26 mt CO_2e/km^2 for nodal surveys). The other factors that impact the fuel consumption of a marine survey include weather and sea state, ocean currents, fuel type, survey design, transit time during mobilization periods, and the type and amount of in-sea seismic equipment being towed.

In 2022, TGS announced the world's first multi-client offshore wind measurement campaign, launching an advanced floating LiDAR system (FLS) buoy in the New York Bight area off the U.S. East Coast. Compared to emissions generated through marine seismic operations, emissions related to the deployment and maintenance of the FLS buoys are significantly lower and accounted for 0.02% of all reported 2022 marine emissions (0.17 mt CO_2e/day).

Onshore Operations. TGS' field contractors track their fuel consumption data based upon the fuel types and field equipment, which may include helicopters, seismic vibrators, ATV/UTVs, passenger vehicles, etc. A 3D land survey involves laying out a patch of data recording nodes in the ground and using seismic vibrators or other conventional seismic sources to generate a 3D cube of subsurface data. In these types of surveys, fuel consumption and emissions are impacted by the size of the survey, the equipment and vehicles used, the local environment and geography, and use of helicopters for equipment transport, scouting or portable heli-drilling. While TGS did not acquire any onshore seismic data in 2022, fuel consumed by passenger vehicles utilized during field permitting and surveying activities was collected and is reported, below.

2022 Scope 3 Survey Emissions - Summary by Project Type[1]	CO_2e (mt)	CO_2 (mt)	CH_4 (mt)	N_20 (mt)
3D Marine Seismic	99,778.71	98,427.86	24.86	1,325.98
FLS Buoy	27.96	27.58	0.01	0.37
OBN/OBC Marine Seismic	20,060.65	19,789.06	5.00	266.59
Subtotal Marine Operations	119,867.32	118,244.50	29.86	1,592.94
Subtotal Land Operations	2.75	2.74	0.01	0.01
Total 2022 Scope 3 Emissions	**119,870.07**	**118,247.24**	**29.87**	**1,592.95**

2022 emissions reported for marine operations include mobilization and all vessels used in the survey (primary, chase, support vessels, etc.). 2022 emissions reported for land operations are related to driving passenger vehicles for conducting surveying and permitting activities, as no onshore seismic data was acquired during 2022.

2022 FLS buoy emissions, which account for 0.02% of all marine operational emissions (CO_2e), are generated by the vessels that were used for deploying the buoy and performing maintenance at sea.

Emissions are calculated in Persefoni (3rd-party carbon accounting system) by deriving daily fuel consumption figures into emissions. Scope 3 marine and onshore field emission calculations are based on fuel emission factors from UK DEFRA – Conversion Factors 2021, using IPCC Fourth Assessment Report (AR4) for global warming potential

[1)] TGS Scope 3 survey emissions include all its operations except for the Magseis Fairfield acquisition. Relevant emissions data related to this acquisition will begin to be incorporated into TGS' reporting in 2023. The acquisitions of ION assets and Prediktor did not have a material impact on TGS' Scope 3 survey emissions.

Sustainability Report

2022 Scope 3 Survey Emissions - Intensity Figures by Survey Type

	Distance/ Area Acquired	Unit	CO_2e (mt/unit)	CO_2 (mt/unit)	CH_4 (kg/unit)	N_20 (kg/ unit)
2D Marine Seismic	None in 2022	km	–	–	–	–
3D Marine Seismic	35,549.93	sq km	2.81	2.77	0.70	37.30
OBN/OBC Marine Seismic	1,782.08	sq km	11.26	11.10	2.80	149.59
3D Land Seismic	0.00	sq km	–	–	–	–

2.3 Marine Operations

TGS is committed to protecting marine and coastal ecosystems while ensuring that our marine seismic contractors share this commitment. As noted above in our materiality chart, this issue is material to both TGS and to our stakeholders. TGS recognizes that if proper mitigation measures are not imposed or enforced, seismic operations and the towing of acoustic arrays through the marine environment has the potential to disrupt or impact the marine environment through possible unplanned spills, pollution or disruption of marine mammal migration paths, spawning groups or other ecologically sensitive locations. Both the geophysical industry and TGS impose stringent measures to effectively lessen or negate these potential impacts to the environment.

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

Audits and Reporting. To ensure compliance with the International Convention for the Prevention of Pollution from Ships (MARPOL), the Company requires all vessel contractors to report all spills to TGS, regardless of quantity and substance, and whether the spill entered the marine environment or was contained onboard a vessel. TGS has consistently met its goal of zero Reportable Quantity spills to the marine environment in our offshore operations since 2014, with 2022 being no exception. TGS requires all vessel contractors to comply with all applicable environmental laws and regulations and undergo audits from the International Marine Contractors Association or Offshore Vessel Inspection Database (IMCA or OVID). These audits are conducted by trained and accredited third-party auditors and inspectors, evaluate compliance with all applicable health, safety and environmental regulations and industry requirements, and ensure that all required health, safety and environmental permits and certificates are valid. TGS also conducts additional HSE inspections and audits throughout the acquisition phase of a seismic survey. In 2022, TGS chartered 34 vessels, including seismic, support, node layout and source vessels, and each of these vessels underwent the required audits and/or HSE inspections.

Ghost Net & Marine Debris Removal Initiative. TGS supports EnerGeo's Ghost Net & Marine Debris Removal Initiative (GNI) and removed a total of 5.5 metric tons (12,125 lbs.) of debris from the marine environment through its 2022 operations. This initiative is an industry-wide effort to remove and collect ocean debris and fishing gear while conducting marine seismic surveys, with the goal of creating and promoting a healthier marine environment and ecosystem. This debris is removed from the marine environment to reduce the harm it presents to ocean life such as turtles, birds, mammals or fish. Since 2020, TGS requires all vessels on TGS projects to report their marine debris removal efforts to EnerGeo and TGS on a project-by-project basis.

2.4 Land Operations

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

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

- Utilizing high-resolution imagery and LiDAR data during pre-planning stages to help identify environmentally sensitive areas, chart routes of least or minimal impact and avoid tree cutting and vegetation disturbance.
- Washing equipment to mitigate the potential spread of noxious plants or invasive species.
- Planning operations away from riparian areas to minimize potential impacts on aquatic areas.
- Working with biologists around designated wildlife-sensitive areas and abiding by any potential timing restriction related to wildlife migration periods.
- Completing archaeological reviews of proposed survey areas prior to starting operations and ensuring that archaeologists clear off-road access to protect cultural resources.
- Minimize fuel consumption and emissions by utilizing accommodations near the project area and reducing crew exposure hours.
- Blocking certain access points to recreational traffic within the survey area to allow vegetation to regenerate naturally and working exclusively on foot in designated areas to maintain a zero-impact footprint on the environment.
- Utilizing existing train access and roads to minimize surface disruption and compaction and suspending vehicle operations during wet ground conditions to prevent surface deformation.
- Maintaining regulatory compliance throughout continuous state and federal inspections.
- Reducing waste, promoting recycling practices, burning or burying all biodegradable solid domestic waste without contaminating water bodies during operations.
- Carrying out reclamation programs to rehabilitate areas disturbed by vehicles operations.

Audits and Reporting. TGS requires documented audits of field equipment and HSE procedures for all new surveys to ensure that all equipment is in proper working order and that HSE procedures adequately mitigate potential impacts. Every spill, regardless of the amount or substance, must be reported to TGS, cleaned up and properly disposed of. TGS tracks all spills through its HSE management software system, and there were no Reportable Quantity spills in 2022 during TGS' onshore permitting and surveying operations.

2.5 Looking Forward

In 2023, TGS will continue its efforts to minimize its potential climate and environmental impacts. TGS has set the target of ensuring its Scope 1 and Scope 2 emissions remain below the 2020 baseline levels and to achieve its overall goal of Net Zero in Scope 1 and 2 emissions by 2030. TGS will continue its collaboration with the industry to develop unified carbon accounting standards for seismic operations.

The Company will continue with several key initiatives in both its marine and offshore operations and ensure that its contractors abide by TGS' environmental standards. This will include requiring participation in EnerGeo's Ghost Net Initiative (GNI) for marine acquisition projects, aiming for zero Reportable Quantity spills to the environment during seismic operations, requiring documented audits for each project and/or vessel. TGS will continue to track its marine field emissions and will also integrate and track emissions generated through Magseis Fairfield's nodal operations in 2023. Further, TGS will continue to explore options to optimize survey design and planning, while continuing to analyze the emissions data that we continue to collect.

Sustainability Report

3. PEOPLE

3.1 Investing in Human Capital

TGS' workforce largely consists of highly educated, office-based workers in the fields of geoscience, geophysics, technology, business and data sciences. TGS predominantly utilizes contractors for its offshore and onshore seismic operations, data analytics and technological software development, and imaging services. Given the composition of TGS' workforce and contractors, TGS focuses on ensuring it provides a workplace free from discrimination; the right to freedom of association and to collective bargaining; a safe and healthy working environment; grievance mechanisms for employees, contractors and third parties; total compensation that is market competitive; and training and development opportunities for our employees. Given the different composition of this workforce, TGS will reassess its human rights and workforce programs in 2023 to ensure it is properly addressing its workforce's needs and concerns.

TGS' Board of Directors oversees TGS' workforce and health and safety practices. TGS' Executive Vice President, People and Sustainability is responsible for managing and implementing TGS' workforce strategy, including recruitment, retention, total compensation, training and development, diversity and inclusion, prevention of discrimination and harassment, and ensuring compliance with local labor laws. The EVP, People and Sustainability, sits on TGS' Executive team and participates in each of the TGS Board of Directors' Compensation Committee meetings. TGS' Vice President of QHSE is part of TGS's broader Leadership Team and is responsible for managing and implementing TGS' health and safety program for its workforce and in its operations. TGS' VP of QHSE reports to the Board on a quarterly basis as well as presents to the Board during its annual strategy session.

TGS was largely in a period of transition through 2022 with a strong focus on business and cultural integration given the significant organic and inorganic growth to the workforce in 2022. To measure progress during the period of transition with the acquisition of Prediktor and hiring of employees from ION, TGS conducted short surveys throughout the year on specific topics, such as integration, leadership, communication and resource needs. The results were largely positive and areas of improvement identified to be addressed as appropriate. TGS will conduct a more detailed Employee Engagement Survey in 2023 following the completion of the integration of the Magseis Fairfield workforce.

In 2022, the Company focused on maintaining and further developing TGS' culture in light of the need to integrate so many new employees. Engagement activities returned to pre-COVID levels with regular employee gatherings for breakfast, lunch and snack information sharing sessions, holiday parties and other culture-building events. Additionally, the CEO and leadership teams continued to hold regular townhall sessions both by department and company-wide to continue to reinforce the culture and facilitate communication flow within the company. TGS continued to invest in technology to facilitate communication across the global offices and among employees with hybrid working schedules. Employee support programs [like the external Employee Assistance Program (EAP)] remained in effect to help ensure employee wellbeing.

Employee Statistics	2022	2021	2020	2019
Total # of Employees at Year-End	578	443	462	666
New Hires	62	47	49	64
Employee Turnover	10%	10%	11%	8%

Employee Tenure	2022	2021	2020	2019
Less than 5 years with TGS	38%	37%	33%	28%
5 to 10 years with TGS	19%	23%	31%	33%
10 to 20 years with TGS	32%	29%	27%	31%
More than 20 years with TGS	11%	11%	10%	8%

Sustainability Report

3.1.1 Diversity and Equality

TGS strives to promote and maintain a work environment in which our people are treated with dignity, decency and respect, as outlined in TGS' Commitment to Diversity and Inclusion published in 2021. TGS expects the workplace to be free of unlawful bias, prejudice and harassment, and that employment decisions should be made on merit and not on the basis of race, color, national origin, religion, sex, disability or any other status protected by law. TGS also commits to being transparent in its progress and ensuring Board and Leadership oversight of its diversity and inclusion efforts. TGS' policies against discrimination and harassment in the workplace are also reiterated in TGS' Code of Conduct and local employee handbooks. Employees may report violations in accordance with the reporting procedures outlined above. Finally, all TGS employees receive annual training on TGS' policies prohibiting discrimination, harassment, bullying and retaliation in the workplace and how to promote a diverse and more inclusive working environment.

TGS respects national and local laws on freedom of association in the communities in which we do business and the right of all people to join or not join a trade union to bargain collectively. 2.8% of our workforce was covered by a collective bargaining agreement in 2022. The decrease in percentage is due to relatively flat headcount in our Brazil office while the TGS employee population as a whole grew.

TGS is committed to improving diversity, and in particular gender diversity, within the organization as well as working with other organizations to ensure women are given equal opportunity for development and advancement. The energy, energy information and technology industries historically lean towards employee bases that are more male than female. TGS is committed to being a representative workforce of the future. This is reflected in our new hire gender ratios and leadership ratios. As an organization, TGS is committed to increasing the female representation within STEM and leadership positions. For this reason, we've started tracking the ratio for trending and comparison purposes.

2022 Age Total Workforce

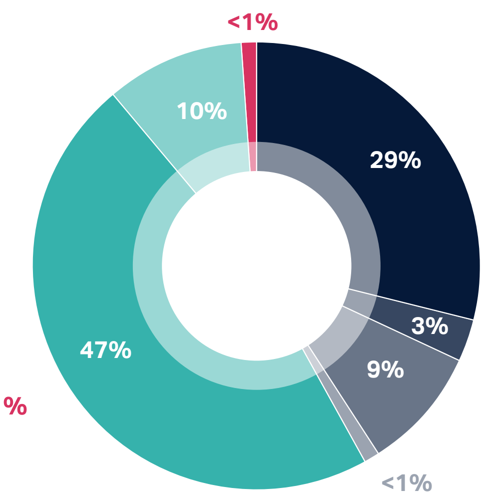
7%
>30 y/o
New Hires **23%**
Management **1%**

56%
30 - 50 y/o
New Hires **55%**
Management **56%**

38%
50+ y/o
New Hires **23%**
Management **44%**

2022 U.S. Workforce By Race

Asian **29%**
Black or African American **3%**
Hispanic or Latino **9%**
Two or More Races **<1%**
White (not Hispanic or Latino) **47%**
Not Disclosed **10%**
American Indian or Alaska Native **<1%**



57% of TGS' workforce is located in the U.S., and we are working to understand and improve the racial diversity of our U.S. workforce.

2022 Employee Gender Breakdown

72%
New Hires **65%**
Promotions **78%**
Voluntary Turnover **74%**
2021 / Male **73%** / New Hires **68%**
2020 / Male 71% / New Hires 65%

27%
New Hires **34%**
Promotions **22%**
Voluntary Turnover **26%**
2021 / Female **27%** / New Hires **32%**
2020 / Female 29% / New Hires 35%

	Male	Female
Board of Directors	**60%**	**40%**
Executives	**71%**	**29%**
Senior Leaders	**64%**	**36%**
Middle Managers	**71%**	**29%**
Individual Contributors	**73%**	**27%**

TGS

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As part of the plan to increase gender diversity, TGS has implemented a new Parental Leave policy in the United States that more closely aligns with international policies. In the U.S., all new parents are able to take advantage of the program which allows for up to 12 weeks of 100% paid time off for the care of and bonding with a new child. When combined with paid time off through insurance, birth mothers are able to take a full 16 weeks of 100% paid time off. In the U.S. during 2022, we had 7 employees (3 female, 4 male) take advantage of this leave, representing ~2% of the local workforce. In Norway, TGS follows the statutory parental leave of 49 weeks (15 reserved for each parent) with 100% coverage or 59 weeks (19 reserved for each parent) with 80% coverage. In Norway during 2022, 3 employees (2 female, 1 male) took advantage of this leave, representing ~4% of the local workforce. Finally, TGS is part of the 2023 Bloomberg Gender Equality Index for the third year in a row and has formally adopted the United Nation's Women's Empowerment Principles. TGS continues to be encouraged by the increase in female hires in 2021 and 2022 as compared to 2019 as well as the decrease in voluntary turnover among women in the organization. TGS will need to re-assess and modify its strategy aimed at increasing gender diversity in light of the addition of offshore employees as part of TGS' workforce in 2023, as this has largely been a male-dominated profession.

Understanding the average age and tenure of our workforce helps ensure we are continuing to be an attractive company for those just starting out in the job market. The average age of a TGS employee is 46 and the average age of the TGS Executive and Senior Leadership team is 49.

3.1.2 Training and Development

In 2022, TGS maintained the focus on employee engagement through training and development. The Company provides departmental cross-training opportunities to employees and continues to ensure its employees receive technical training and have opportunities to improve their imaging and geoscience skills. This year, employees across all divisions participated in over 6,760 hours of in-house geological and imaging courses and lunch-and-learn sessions and 963 hours of software training. TGS also provided additional professional development training opportunities for all employees through an external training partner, offering a diverse range of training and development programs developed by top universities and companies. Our employees were encouraged to use this platform through the inclusion of a training and development goal in their 2022 Performance Development Plan. A total of 171 unique courses were taken, accruing over 2,330 hours of training. Additional online professional certificate courses were provided in partnership with Google. Informal opportunities through attendance at relevant conferences and workshops are also encouraged. The number of hours of training per employee increased slightly from 18.6 in 2021 to 21.6 in 2022.

During the summer of 2022, TGS launched a revamped Internship Program to help identify and recruit strong junior talent into the organization. This program was mostly focused on in-demand technology positions within the Data & Analytics and Research & Development teams. Development for interns included structured mentorship with identified subject matter experts in relevant departments and each intern was assigned a project that could potentially have a lasting, positive impact to company business. There were 11 interns of whom two of the top performers became employees. In 2023, the intention is to continue to expand the program with a broader global presence and internships in more departments.

TGS redesigned the Performance Development Plan (PDP) process for the 2021–2022 cycle (completed in 2022) with the intent to empower employees and managers to focus on meaningful performance and development conversations, ensure employees continue to develop the necessary skills to grow, and set goals around personal growth and alignment with corporate strategy. Six core competencies have been identified as essential development areas and have been incorporated into the PDP process: communication, technical and job-specific knowledge, project and task management, teamwork and leadership, business acumen and understanding, and passion and motivation. These competencies provide a framework for managers and employees to evaluate performance and development needs in a more focused manner, leading to more targeted development goals and training. The organization had a greater than 99% PDP completion rate for employees.

TGS is committed to a stable workforce that is developed over time. Over 90% of the workforce in Norway is full-time. TGS believes that the investment in employees is reflected in two key statistics: average tenure and percent of senior-level positions filled with internally trained and developed employees.

10.49 Years

Average Employee Tenure

81%

Director and above positions filled internally

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3.1.3 Compensation

TGS is committed to compensating its employees fairly and in accordance with all applicable labor laws. TGS' compensation philosophy is based upon market conditions that are reviewed on an annual basis by the Compensation Committee of the Board of Directors. Employee compensation includes base salary, insurance and retirement benefits programs, and a profit-sharing bonus plan based on the Company's performance and, in certain cases, stock-based, long-term incentive awards.

As TGS' profit-sharing bonus plan is a key component of employee compensation, TGS incorporated a strategic component in addition to profitability component in the 2022 profit-sharing bonus. The strategic component is based upon key performance indicators linked to emissions reduction, health and safety, and advancements in our Imaging Performance and Digital and New Energy Solutions. TGS' long-term incentive program continues to incorporate sustainability metrics, such as health and safety and emissions targets (see TGS' 2022 Executive Remuneration Report).

TGS' lowest salary is significantly above the national minimum wages. The table below shows TGS' CEO is paid between 8.98 to 11.73 times the median target compensation in each of TGS' main offices. The below compensation analysis only includes employees who have base salary and 2022 bonus targets, and as such, excludes new hires or employees who were not bonus eligible in 2022.

	Norway	U.S.	UK
Median TGS Target Compensation	$120,864	$152,090	$116432
TGS CEO Pay Multiple	11.30x	8.98x	11.73x

The raw average female total cash compensation as a percentage of male total cash compensation at TGS, without taking into account position, geographical pay differences or department, is 79%. The following charts provide a more detailed gender compensation analysis by department and by position within TGS, without taking into account geographical pay differences in compensation. These charts only include employees who have base salary and 2022 bonus targets, and as such, excludes new hires or employees who were not bonus eligible in 2022, to provide a more precise comparison.

Department	Percentage of Workforce	Percentage Female	Average Female Total Cash Compensation as a % of Average Male Total Cash Compensation
Digital Energy Solution	22%	34%	75%
Multi-client	15%	35%	83%
Imaging	39%	14%	86%
Operations	7%	20%	109%
Corporate, Staff and Support	17%	57%	80%

Management Level	Percentage of Workforce	Percentage Female	Average Female Total Cash Compensation as a % of Average Male Total Cash Compensation
Executive	2%	33%	60%
Senior Leader	3%	36%	97%
Middle Manager	20%	31%	83%
Individual Contributor	76%	28%	73%

3.2 Health and Safety

3.2.1 Integrating Health and Safety into TGS

TGS is committed to providing a safe, healthy and sustainable workplace for our employees, contractors, vendors and clients; and as noted at the outset of this report, safe and healthy operations are considered a significant material issue to TGS and its stakeholders. TGS management continually strives to eliminate risk and reduce hazards, but successful operations can only be achieved through the full cooperation and commitment of all TGS employees and contractors.

Governance. TGS promotes a top-down message of health and safety and each member of TGS' Executive Management conducts at least one HSE facility inspection and one field visit per year. In 2022, TGS executives achieved 100% participation and completion. TGS also actively engages with relevant trade associations and authorities to develop,

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implement and update our HSE standards. TGS' VP of QHSE is responsible for managing and implementing TGS' HSE-Management System (HSE-MS) and reports directly to senior management, providing quarterly updates to both TGS Leadership and the Board of Directors.

Employee and Contractor Awareness. The VP of QHSE provides HSE information, training and resources to employees through regularly scheduled safety meetings, internal inspections and audits, HSE review meetings and general company-wide communications. TGS requires all employees and contractors to be accountable for, and committed to, their own health and safety, as well as for those they work with. Employees and contractors are empowered to intervene and STOP any operation or activity that they feel is unsafe or hazardous, with the knowledge that such action will be supported by management. All employees completed one HSE training module during 2022 (99.8% training compliance) covering workplace safety. At the beginning of 2022, TGS' VP of QHSE reinstated the office HSE representative program, assigning one employee per TGS office location to assist with quarterly office inspections, incident investigations, HSE training opportunities, identifying workplace hazards, etc. Additionally, TGS' internal HSE webpage was revamped in 2022, providing company-wide access to a range of HSE information including access to TGS' HSE-Management System, travel safety information, contact information for TGS' HSE representatives, etc. Finally, during the summer of 2022, TGS' HR and HSE departments kicked off the 2nd inaugural "TGS Around the World Challenge" to create a fun and engaging event for its employees, while focusing on health benefits and safe practices. Like the inaugural challenge in 2021, the 2022 challenge involved employees tracking individual distances achieved through various exercise types (hiking, running, cycling, kayaking, etc.), with the goal of traveling a total of 33,239 km from Perth, Australia to Rio de Janeiro, Brazil, making stops at each TGS office location around the world.

HSE-Management System. TGS defines safe operating procedures and guidelines in its HSE- Management System (HSE-MS) designed to meet or exceed all appropriate legal requirements and, in the absence of any defined standards, to meet or exceed industry-wide best operating practices. In 2022, TGS completed a full update of its HSE-Management System, providing access to the documents to all of its employees through TGS' internal HSE webpage. Additionally, TGS' VP of QHSE provided all TGS employees with information about the HSE-MS, outlining its purpose, how it's organized and where to find information. Lastly, TGS' Canada Land Operations division received 95% on the Government of Alberta's Certificate of Recognition, marking the 6th consecutive year in a row that TGS has scored 90% or higher on an external audit of its health and safety program.

Contractor Management. TGS engages with its subcontractors in reviewing a range of HSE-related documents, including HSE project plans, hazard assessments, crew HSE plans and emergency preparedness documents. TGS monitors and assesses contractor performance by tracking and reviewing a range of leading and lagging HSE indicators to ensure adequate and correct incident information was collected and the situation remedied. TGS requires contractors to report all near-miss and high-potential events to identify and share lessons learned, ensure adequate mitigation measures were implemented, and to safeguard personnel and equipment. Where necessary, TGS assists and participates in incident investigations. HSE performance is tracked and catalogued through TGS' HSE-MS software application, allowing TGS to continuously monitor its contractors' performance over time. Upon completion of a survey, TGS reviews all aspects of HSE performance to identify and discuss areas for improvement, lessons learned and additional hazards identified during the acquisition phase. HSE statistics and performance are reviewed with the senior management team on a quarterly basis. In 2022, TGS achieved full compliance with vessel HSE audit requirements, and TGS Project and HSE Managers ensured that all outstanding action items were properly rectified before the start of acquisition. Additionally, TGS conducted HSE-MS audits of its field contractors to verify that their procedures and approach to managing HSE on field operations were aligned with industry standards and expectations.

3.2.2 COVID-19 Related Efforts

Office Operations. At the onset of the COVID pandemic in 2020, TGS enacted its business continuity plan and established global and local response teams, with oversight from members of the Executive team, to monitor the pandemic and implement a successful response strategy. In 2022, TGS' COVID response teams continued to monitor guidance from health and government authorities and adapted their local response plans accordingly. TGS continued to encourage its employees to stay home when feeling ill, while continuing to provide its employees with access to cleaning supplies, hand sanitation stations, etc.

Field Operations. Prior to commencing field operations, TGS continued to liaise closely with marine and onshore contractors regarding their COVID travel and mitigation plans, while ensuring clients and other relevant stakeholders were kept abreast of TGS' actions

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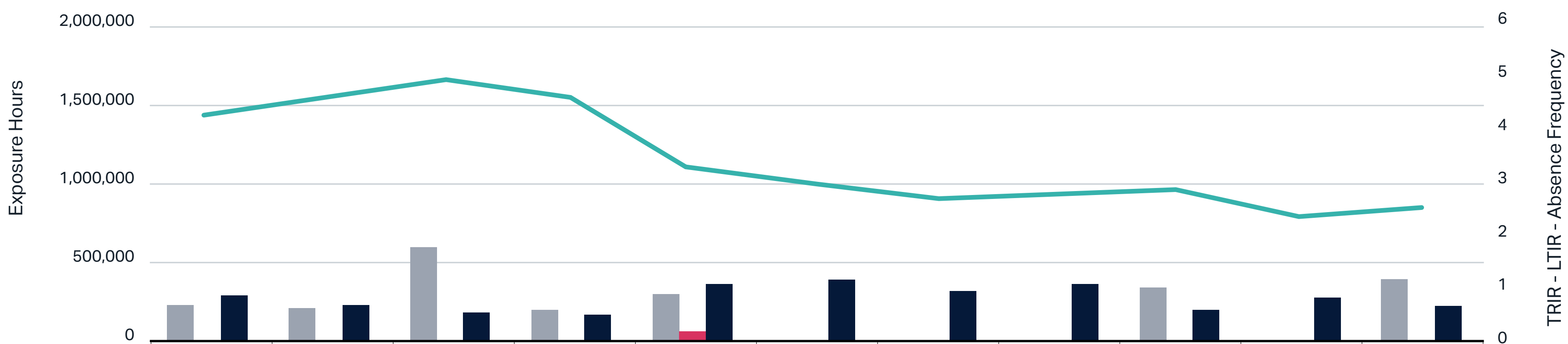
regarding COVID. Contractors progressively relaxed their COVID mitigation strategies throughout 2022, easing or lifting in-country quarantine periods, pre-board testing requirements and other restrictions. Instead, vessel contractors focused on adequately responding to COVID situations identified onboard, on isolating positive cases and providing care, and on enforcing enhanced COVID mitigation measures during and after crew changes.

3.2.3 2022 Health and Safety Key Performance Indicators

Employees. There were no lost time incidents reported for TGS employees in 2022 (LTIR = 0). There was 1 medical treatment case (MTC) involving a trip & fall incident in a TGS employee parking lot, resulting in an annual TRIR of 1.19. The number of sick days taken and the sickness absence frequency values showed a decrease from 2021 to 2022, which is possibly due to employees choosing to work from home when feeling mildly ill.

TGS Employee HSE Statistics: 2012-2022[1]



	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
TIRIR	0.69	0.65	1.81	0.64	0.91	0.00	0.00	0.00	1.03	0.00	1.19
LTIR	0.00	0.00	0.00	0.00	0.18	0.00	0.00	0.00	0.00	0.00	0.00
Absence Frequency	0.60	0.69	0.57	0.53	1.11	1.15	0.97	1.10	0.62	0.85	0.69
Exposure Hours	1,439,769	1,544,897	1,661,076	1,562,934	1,103,829	991,465	937,044	954,685	966,411	812,142	839,324
Sick Days Taken	1,620	1,327	1,193	1,040	1,536	1,421	1,135	1,311	752	862	724

Total Recordable Injury Rate (TRIR) & Lost Time Injury Rate (LTIR) are calculated per 1 mil. exposure hours

[1] Employee HSE statistics include exposure hours related to all TGS employees (including Prediktor and ION) except for the Magseis Fairfield employees. That data will begin to be incorporated into TGS' reporting in 2023

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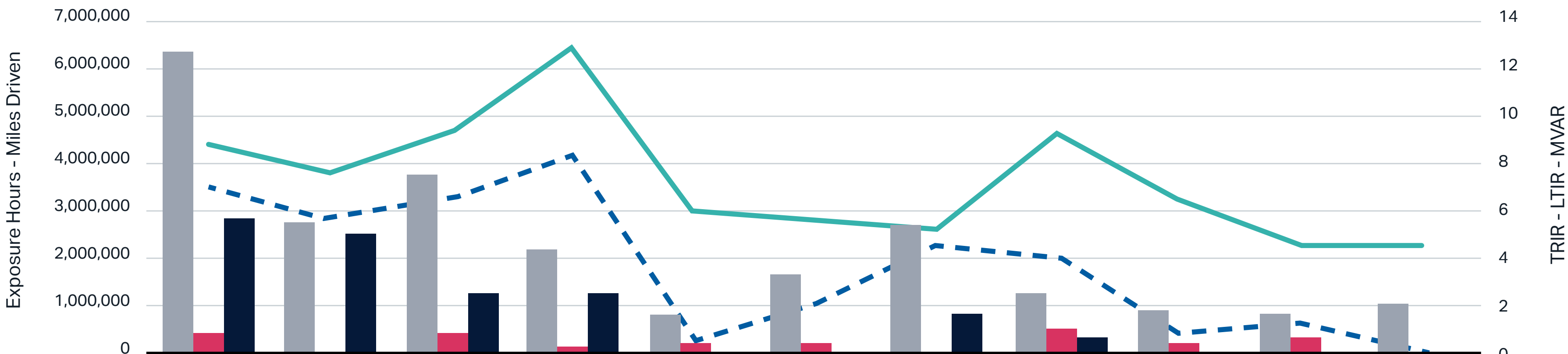
Contractors. In 2022, TGS operated with several established marine and onshore seismic contractors, all of which were selected based on their experience, technology, sustainability, commitment to the environment, HSE performance and track record.

Field Contractor HSE Statistics: 2012-2022[1]



	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
TRIR	10.91	4.72	6.45	3.71	1.34	2.84	4.60	2.18	1.55	1.42	1.79
LTIR	0.68	0.00	0.64	0.15	0.34	0.35	0.00	0.87	0.31	0.47	0.00
MVAR	4.88	4.21	2.12	2.16	0.00	0.00	1.32	0.50	0.00	0.00	0.00
Exposure Hours	4,395,645	3,812,190	4,646,905	6,466,840	2,975,592	2,821,187	2,607,162	3,232,981	3,232,981	2,258,284	2,240,400
Miles	3,484,994	2,847,819	3,304,289	4,175,854	4,175,854	1,022,689	2,264,244	1,998,261	419,693	574,4807	7,839

Total Recordable Injury Rate (TRIR) and Lost Time Injury Rate (LTIR) are calculated per 1 mil. exposure hours. Motor Vehicle Accident Rate (MVAR) is calculated per mil. miles driven. TGS records 24 hours of exposure for marine crews, and 12 hours of exposure for onshore and airborne crews.

[1] Contractor HSE statistics include exposure hours related to all TGS contractors except for the Magseis Fairfield contractors. That data will begin to be incorporated into TGS' reporting in 2023.

TGS tracked a similar count of contractor exposure hours in 2022 compared to 2021. No lost time incidents occurred on any TGS field operation (LTIR = 0). Three restricted work cases (RWCs) and 1 medical treatment case (MTC) were recorded for marine contractors, bringing the total number of recordable incidents to 4 for 2022 (compared to 3 for 2021). There were no incidents recorded for onshore field operations. TGS' MVAR came under the 2022 target of <2.0 for onshore operations, as there were no motor vehicle accidents recorded (MVAR = 0.0). TGS' 2022 TIR for marine and onshore operations came under the target of <9.0 (TRIR = 1.79).

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3.3 Human Rights

TGS is committed to respecting fundamental human rights, providing decent working conditions, avoiding infringing upon the human rights of others and addressing adverse human rights impacts as part of its operations in accordance with the Norwegian Transparency Act, United Nations Guiding Principles on Business and Human Rights and UN Universal Declaration of Human Rights. TGS also respects the International Bill of Human Rights and the International Labor Organization's Declaration on Fundamental Principles and Rights at Work and undertakes to operate in recognition of the freedom, the rights, the dignity and the worth of the human person and promotion of equality irrespective of gender, race or religion.

TGS' Statement of Values and Code of Conduct define the expectations of ethical behavior of TGS' Board of Directors, employees, vendors and suppliers. TGS embraces diversity and equality in its workforce and suppliers and will not use or tolerate child labor or slavery in any of its offices or operations. As set forth in TGS' Modern Slavery Act Transparency Statement, Supplier Code of Conduct and Human Rights policy (each available on www.tgs.com), TGS sets policies at the group level and is committed to ensuring that there is no modern slavery or child labor used in its operations or by its supply chain.

Materiality and Risk Management. TGS analyzes human rights and modern slavery risks within the organization and our supply chain as part of our annual corporate risk enterprise program. In 2021, TGS evaluated our employees' perception of human rights and modern slavery risks at TGS, both in the office and in the supply chain, and experience with incidents of modern slavery or violations of human rights laws in the past year. TGS will repeat this exercise in 2023 following the significant changes to the workforce and operations that occurred in 2022. As previously noted, TGS' employees are highly skilled and educated and predominantly based in offices and as such, TGS considers the risk of child labor or modern slavery in its workforce to be low. As with any company that predominantly relies upon contractors for its operations, the potential risk for human rights violations is greater within TGS' supply chain. However, given that TGS conducts its operations through a limited pool of suppliers, many of which have operated with TGS for many years, and that geophysical operations require a skilled and certified workforce, TGS feels the measures outlined below properly mitigate this risk.

Supply Chain. TGS expects its supply chain to share its commitment to human rights and modern slavery laws. As part of its due diligences process, TGS requires suppliers to disclose their policies with respect to human rights and modern slavery and management of human rights issues in its supply chain and any human rights or modern slavery investigations, lawsuits or violations involving the supplier. TGS contractually requires suppliers and vendors to comply with human rights, modern slavery and labor laws, as well as TGS' Supplier Code of Conduct and Human Rights policy, to ensure their supply chains do the same, in their work for TGS, and to notify TGS of any potential or actual violation of these laws. TGS has the contractual right to audit a supplier or vendor to ensure compliance with human rights laws as well as the right to terminate for violation of these laws or TGS' policy. Finally, high-risk third parties, suppliers and vendors also complete a certification of compliance on an annual basis that addresses their compliance with human rights, labor and modern slavery laws, TGS' Human Rights policy and Supplier Code of Conduct. TGS had no cause to audit or terminate a supplier for failure to comply with the law or TGS' human rights policies in 2022.

Reporting. TGS provides multiple avenues for TGS' internal and external stakeholders to report potential non-compliance with the law or TGS' Code of Conduct, including modern slavery or human rights abuses. These mechanisms include the TGS hotline, which allows for anonymous reporting, and TGS' prohibition of retaliation. No incidents of child labor or forced labor were reported in 2022.

Community Engagement. TGS actively supports reputable charitable programs and organizations that serve people in need in countries where TGS has offices or projects by providing ongoing financial donations, as well as encouraging employees to donate their time and energy to help those in society who are less fortunate. TGS is committed to supporting local, nonprofit community organizations and charities that focus their services on people and are dedicated to (i) providing access to healthcare, medical services and helping to fight disease; (ii) assisting underprivileged, underrepresented or at-risk communities or groups; (iii) providing humanitarian aid or disaster relief; (iv) addressing environmental issues; or (v) promoting geophysics and geoscience educational experiences to children. In 2022, TGS supported organizations that provided resources to women, children and families escaping domestic violence in the U.S., organizations that provided relief to Ukrainians and refugees impacted by the war in Ukraine, local food banks and the SEG Foundation's Geoscientists without Borders program.

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3.4 Innovation

TGS believes in collaboration with other geologists, geoscientists, data scientists and engineers to encourage innovation within our industry and within the Company.

TGS capitalized USD 12.1M (USD 11.4M in 2021) corresponding to 1.7% of net revenues (IFRS). TGS hosted, sponsored and/or presented virtually or in-person at over 105 geoscience and engineer industry events (compared to 34 in 2021) designed to share advancements in imaging, data analytics, geoscience, well data technologies and solutions for the energy transition – notably carbon capture, geothermal and wind energy. Significant events included the National Association of Petroleum Engineers (NAPE) Summit, the combined annual meeting and conference for the Society of Exploration Geophysicists (SEG) and American Association of Petroleum Geologists (AAPG) and the European Association of Geoscientists and Engineers (EAGE) Annual Meeting. TGS presented 43 technical papers (compared to 56 papers in 2021) at conferences and published in other industry publications during 2022, covering topics relevant to the industry, including key developments in acquisition and imaging technologies and the use of these technologies in different basins or regions and for the energy transition. TGS works with academia and universities around the world to provide data to further their research; and in 2021, TGS supported research projects and consortia at the Imperial College London, Memorial University of Newfoundland, Colorado School of Mines, Oklahoma State University, University of Louisiana at Lafayette, Heriot-Watt, University of Houston, Royal Holloway and Bedford New College, Oxford University, the University of Oslo and the University of Bergen.

Additionally, in conjunction with our partners CGG and PGS, TGS launched a unified ecosystem for accessing multi-client seismic data across multiple vendors called Versal. Versal is an independent, secure, cloud-based ecosystem that allows clients easy access to all their data and entitlements in one place. It will improve decision-making by reducing uncertainty and provide access to over 70% of the seismic multi-client market through a single vendor-neutral system.

Continuing TGS' commitment to innovation and social responsibility, TGS developed and open-sourced a new file format for storing SEGY called MDIO. MDIO allows for seismic data to be stored in a manner that makes it easily accessible not only for traditional data usage, but also makes the data accessible to ML/AI initiatives without having to make copies of the data. TGS has also realized a 30%+ reduction in disk space necessary for storing our data on hard disks vs storing the data in the industry standard SEGY format.

MDIO also serves as the foundation for our new suite of cloud tools. These tools take advantage of the ability to only turn on compute resources when necessary instead of the traditional method of having servers waiting for job submissions. This not only reduces TGS' need to purchase new hardware, it greatly reduces TGS' overall electrical usage for delivering data.

3.5 Looking Forward

Given the significant growth in the TGS workforce over the past year, integration along with retention of key employees will be a key focus for 2023. This includes maintaining TGS' strong culture around performance and teamwork, ensuring we create a work environment focused on inclusion, and provide multiple communication channels to share information and resources. TGS will also re-evaluate its workforce-related policies and procedures as well as compensation and benefits to ensure it remains competitive in the relevant markets and suits the needs of its workforce.

In 2023, TGS will undertake a gap analysis of its current HSE-MS against Magseis Fairfield's HSE-MS. TGS is aiming to complete this exercise by the end of Q2 2023 and will release the final management system by the end of Q3 2023. TGS intends to integrate the two management systems in a well-planned and systematic manner, with a goal to produce a final QHSE management system that is designed to ensure that all of TGS' operations are conducted safely, while meeting or exceeding industry-wide best practices and standards. TGS' Health and Safety goals for 2023 include aiming for a Total Recordable Case Frequency (TRCF, per 1,000,000 man-hours) below 6.0, taking into account TGS offices and all field operations. The Company will also continue with its update of local emergency response plans and crisis management plans. Contractor management on operations remains a key material issue and focus for TGS in 2023, and the Company has incorporated key performance indicators related to this in its 2023 employee bonus program.

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4. ABOUT THE REPORT, DATA SUMMARY AND INDEX

This Sustainability Report communicates to our investors, customers, suppliers and other stakeholders how TGS incorporates sustainable practices into our operations and strategy. This report covers the activities and operations of TGS ASA and all its wholly owned subsidiaries in 2022 with the exception of Magseis Fairfield, for the reasons noted in footnote 1. It is the opinion of the Board of Directors that this report complies with Norwegian statutory requirements for annual reporting and its obligations under the Norwegian Transparency Act. The remainder of the annual report includes additional information on TGS' business, financial and operation performance, shareholder information and corporate governance.

EU Taxonomy. TGS does not fall under the (EU) 2021/2139 (EU Taxonomy). TGS will have to report in accordance to the regulation as of the financial year 2023. TGS have for 2022 conducted an analysis of its operations and revenues to assess whether any of its activities are considered eligible activities under the EU Taxonomy. TGS specifically focused on whether any of its operations or revenue aligned with the screening criteria for climate change mitigation and climate change adaptation as defined by the EU Taxonomy. At this time, TGS does not have any activities that meet the screening criteria under Turnover KPI under the EU Taxonomy; we have not for the financial year 2022 analyzed purchased capital expenditure (e.g., leasing of office space) or operational expenditure. Thus TGS has no revenue, operational expenditures or capital expenditures to report under the Taxonomy. However, TGS will update its analysis in 2023 as the Company continues to expand and diversify its offerings into renewable energy sources and to find ways its products and services can support our customers' energy transition efforts.

Sustainability Standards. TGS uses key sustainability frameworks to guide our non-financial disclosures, with reference to the Global Reporting Initiative (GRI), Sustainability Accounting Standards Board Standards (SASB), Task Force on Climate-Related Financial Disclosures (TCFD) Recommendations, UN Sustainable Development Goals, UN Guiding Principles on Business and Human Rights Reporting Framework, IPIECA and the World Economic Forum core set of ESG metrics. We view this report to be our Communication on Progress to the United Nations (UN), and this report identifies actions taken by TGS to specifically address the UN Sustainable Development Goals material to our operations. We also engage with several third-party firms that collect and report on ESG performance including Bloomberg, CDP, S&P Global's CSA, Sustainalytics and MSCI ESG. TGS' 2022 ESG evaluations are included following the index.

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Category	Topic	Metric	Reporting Standard (SASB, GRI, UN SDG)	Section Number
Governance	Materiality	List material topics and process followed to determine material topics	GRI 3-1, GRI 3-2(a)	Section 1.3
Governance	Risk Management	Description of management systems used to identify and mitigate catastrophic and tail-end risks	EM-SV-540a.1	Section 1.2
Governance	Stakeholder Engagement	Describe approach to engaging with stakeholders	GRI 2-29	Section 1.3
Governance	Business Ethics	Reporting mechanism and number of matters reported in 2022	GRI 2-26, GRI 2-27	Section 1.6
Governance	Business Ethics	Amount of net revenue in countries that have the 20 lowest rankings in Transparency International's Corruption Perception Index	EM-SV-510a.1	Section 1.7
Governance	Business Ethics	Description of the management system for prevention of corruption and bribery throughout the value chain	"EM-SV-510a.2 GRI 205-1(b)"	Section 1.7
Governance	Business Ethics	Number of employees and third parties who have received training on TGS' Code of Conduct and anticorruption policies and procedures	GRI 205-2	Sections 1.6 and 1.7
Governance	Business Ethics	Confirmed incidents of corruption	GRI 205-3	Section 1.7
Governance	Membership Organizations	Report industry and membership organizations in which the company participates in a significant role	GRI 2-28	Section 1.3
Governance	Tax	Approach to tax, governance, control and risk management, and country-by-country report of tax	"GRI 207-1, GRI 207-2 GRI 207-4"	Section 1.9
Environmental	Affordable & Clean Energy	Efforts related to advancements in renewable energy	SDG 7	Section 2.1
Environmental	Ecological Impact	Discussion of strategy or plan to address risks and opportunities related to ecological impacts from core activities	"EM-SV-160a.2, GRI 304-2 SDG 14, SDG 15"	Sections 2.3 and 2.4
Environmental	Climate Impact	Discussion of strategy or plans to address air emissions-related risks, opportunities and impacts	"EM-SV-110a.2 SDG 13"	Section 2.2
Environmental	Climate Impact	Scope 1, Scope 2 and Scope 3 emissions and targets	"GRI 305-1, GRI 305-2 GRI 305-3, GRI 305-4 GRI 305-5, SDG 13"	Section 2.2
Social	New Employee Hire and Turnover	Report of new hires and employee turnover	GRI 401-1	Section 3.1.1
Social	Collective Bargaining Agreements	Percentage of total employees covered by collective bargaining agreements	GRI 2-30(a)	Section 3.1.1
Social	Workforce Diversity	Percentage of workforce by age, gender, tenure, and race (for US employees)	GRI 405-1	Section 3.1.1
Social	Gender Diversity	Proportion of women in managerial positions	SDG 5	Section 3.1.1
Social	Compensation	Ratio of total annual compensation of CEO to median annual total compensation and wage levels	GRI 2-21(a)	Section 3.1.3
Social	Health & Safety	Description of health and safety management systems	"GRI 403-1 EM-SV-320a.2"	Section 3.2
Social	Health & Safety	Hazard identification, risk assessment and incident investigation	GRI 403-2	Section 3.2
Social	Health & Safety	Worker participation, training and promotion of health and safety within the workforce	"GRI 403-5 GRI 403-6"	Section 3.2
Social	Health & Safety	Work-related injury and illness statistics	"GRI 403-9 EM-SV-320a.1"	Section 3.2.3
Social	Training & Development	Average hours of training per year per employee and programs for upgrading employees skills and development	"GRI 404-1 GRI 404-2"	Section 3.1.2
Social	Human Rights	Description of human rights and prevention of modern slavery including number of incidents of forced or child labor	"GRI 409-1 SDG 8"	Section 3.3
Social	Innovation	Percentage of research and development expenditure as a proportion of revenue	SDG 9	Section 3.4

*TGS does not operate wells or drills, nor do we engage in operations related to hydraulic fracturing or drilling. Therefore, the following SASB metrics within Oil & Gas - Services are not material or relevant to our operations or the services we provide: EM-SV-110a.3 (percentage of engines that meet Tier 4 compliance for non-road diesel engine emissions); EMV-SV-140a.1 and a.2 (water consumption in operations providing hydraulic fracturing, completion, drilling and/or water management services); EM-SV-150a.1 and a.2 (volume of hydraulic fracturing fluid used, percentage hazardous; strategy or plans to address chemical-related risks, opportunities and impacts); EM-SV-160a.1 (average disturbed acre per (i) oil and (ii) gas well site); EM-SV-000A (number of active rig sites); EM-SV-000.B (number of active well sites); EM-SV-000.C (total amount of drilling performed)

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To the management of TGS ASA

Independent Limited Assurance Report on TGS' 2022 sustainability reporting

Scope of the engagement

We have been engaged by the management of TGS ASA ('TGS') to provide an independent assurance report in respect of TGS's 2022 sustainability reporting ("the Report", see sections 1-4).

We have performed the assurance engagement to obtain limited assurance that the Report is prepared, in all material respects, with reference to the Global Reporting Initiative ("GRI") Standards as described in section 4 in the Report.

The scope of our limited assurance engagement excludes future events or the achievability of the objectives, targets and expectations of TGS. The scope also excludes information contained in webpages referred to in the Report unless specified in this limited assurance report.

Our conclusion

Our conclusion has been formed on the basis of, and is subject to, the matters outlined in this limited assurance report.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusions.

Based on the procedures performed and the evidence obtained nothing has come to our attention, to indicate that the Report is not presented, in all material respects, with reference to the GRI Standards as described in section 4 in the Report.

Management's responsibility

Management is responsible for the preparation of the Report, and the information and assertions contained within it, is prepared with reference to the GRI Standards as described in section 4 in the Report.

Management is also responsible for such internal control as management determines is necessary to enable the preparation of a Report that is free from material misstatement, whether due to fraud or error, and for preventing and detecting fraud and for identifying and ensuring that TGS complies with laws and regulations applicable to its activities.

Our independence and quality control

We are independent of the Company as required by laws and regulations and the International Ethics Standards Board for Accountants' Code of International Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements.

KPMG

We apply International Standard on Quality Control 1 and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Auditor's responsibility

Our responsibility is to perform a limited assurance engagement and to express a conclusion based on the work performed.

We conducted our engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000 (revised) – "Assurance Engagements other than Audits or Reviews of Historical Financial Information", issued by the International Auditing and Assurance Standards Board. The standard requires that we plan and perform the engagement to obtain limited assurance about whether the Report is free from material misstatement.

Procedures performed

A limited assurance engagement consists of making inquiries, primarily of persons responsible for the preparation of information presented in the Report, and applying analytical and other evidence gathering procedures, as appropriate. The procedures selected depend on our understanding of the Report and other engagement circumstances, and our considerations of areas where material misstatements are likely to arise. Our procedures included:

- A risk analysis, including media search, to identify relevant sustainability issues for TGS in the reporting period;
- Inquiries of management to gain an understanding of TGS's processes for determining the material issues for TGS's key stakeholder groups;
- Interviews with senior management and relevant staff at corporate level concerning sustainability strategy and policies for material issues, and the implementation of these across the business;
- Interviews with relevant staff at the corporate level responsible for providing the information and consolidating the data in the Report;
- Reviewing relevant internal and external documentation, on a limited test basis, in order to determine the reliability of the Report;
- Reading the information presented in the Report to determine whether it is in line with our overall knowledge of, and experience with, the sustainability performance of the TGS;
- Comparing the information presented in the Report to corresponding information in the relevant underlying sources to determine whether all the relevant information contained in such underlying sources has been included in the Report;
- Comparing the information presented in the Report to the GRI Standards as described on in section 4 of the Report; and
- Assessment of the GRI index

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement, and consequently the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Inherent limitations

Due to the inherent limitations of any internal control, it is possible that errors or misstatements in the information presented in the Report may occur and not be detected. Our engagement is not designed to detect all weaknesses in the internal controls over the preparation of the Report, as the engagement has not been performed continuously throughout the period and the procedures performed were undertaken on a test basis.

Oslo, 24 March 2023
KPMG AS

Julie Berg

Julie Berg
State Authorized Public Accountant

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