TGS EARNINGS RELEASE
2nd QUARTER 2021 RESULTS

2nd QUARTER 2021 FINANCIAL HIGHLIGHTS

IFRS (all amounts in USD 1,000 unless specified otherwise)	Q2 2021	Q2 2020[1]	YTD 2021	YTD 2020[1]
Operating revenues	**71,861**	**66,156**	**257,602**	**118,324**
Operating profit (EBIT)	**-14,817**	**-96,942**	**53,784**	**-154,858**
- Operating profit margin	-21%	-147%	16%	-258%
Net income	**-11,969**	**-78,001**	**30,600**	**-108,309**
EPS (fully diluted) (USD)	**-0.10**	**-0.67**	**0.26**	**-0.93**
Organic multi-client investments in new projects	32,654	77,399	69,220	215,705
Inorganic multi-client investments	5,000	0	5,000	15,000
Amortization and impairment of multi-client library	59,941	114,418	149,064	195,250
Multi-client library net book value	**871,430**	**1,126,750**	**871,430**	**1,126,750**
Free cash flow (after multi-client investments)	18,362	-10,000	102,252	-8,858
Cash balance	**223,400**	**198,483**	**223,400**	**198,483**
Return on average capital employed[2]	-8%	-3%		

Segment reporting[3] (all amounts in USD 1,000 unless specified otherwise)	Q2 2021	Q2 2020[1]	YTD 2021	YTD 2020[1]
Operating revenues	**53,602**	**95,848**	**128,438**	**247,908**
- Pre-funding revenues	14,080	37,944	39,412	121,222
- Late sales	35,898	54,814	80,648	117,759
- Proprietary revenues	3,623	3,089	8,377	8,927
EBITDA	**32,201**	**56,310**	**83,459**	**181,848**
Operating profit	**-24,545**	**-83,568**	**-44,580**	**-102,983**
- Operating profit margin	-46%	-87%	-35%	-42%
Amortization and impairment of multi-client library	51,409	130,735	118,264	272,959
Multi-client library net book value	**579,818**	**788,549**	**579,818**	**788,549**
Pre-funding rate	43%	49%	57%	56%
Return on average capital employed[2]	-12%	5%		

"Our asset-light business model, robust balance sheet and strong cash flow continue to enable us to take advantage of strategic opportunities, both in our subsurface data business and in our New Energy Solutions segment. This is despite the ongoing challenging market conditions for multi-client seismic data, which we do not see as substantially improving in the near term. However, based on dialogue with our largest customers, we remain confident that we will ultimately see a recovery of the market." says TGS' CEO Kristian Johansen.

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[1] Foreign exchange losses have been restated with USD 26.2 million in Q1 2020 and with USD 1.9 million in Q2 2020. Refer to note 2 of the interim financial statements for more details.
[2] 12 months trailing.
[3] Revenues of projects in progress recognized on a Percentage of Completion basis. Please refer to note 4 of the interim financial statements for more details.

Q2 HIGHLIGHTS – SEGMENT REPORTING

- Segment revenues were USD 53.6 million in Q2 2021, down 44.1% versus USD 95.8 million in Q2 2020.
- Late sales recognized in the quarter were USD 35.9 million, down 34.5% from USD 54.8 million in Q2 2020.
- Operating expenses (excluding cost of goods sold) for Q2 2021 were USD 20.4 million, down 46.8% from Q2 2020. Cost of goods sold was USD 1.0 million in Q2 2021 versus USD 1.1 million in Q2 2020.
- New investments of USD 37.7 million (of which USD 5.0 million was inorganic) were supported by prefunding of USD 14.1 million (43.1% of organic investments) during Q2 2021. This compares to USD 77.4 million in investments with pre-funding of USD 37.9 million (49.0%) in Q2 2020.
- The acquisition of 4C Offshore Limited was concluded on 11 May 2021 and consolidated into the accounts as of closing.
- Q2 2021 EBITDA was USD 32.2 million, down 42.8% from USD 56.3 million in Q2 2020.
- TGS' backlog amounted to USD 77.5 million at the end of Q2 2021, down 5.1% compared to USD 81.7 million at the end of Q1 2021. Backlog at the end of the quarter decreased 20.9% from backlog of USD 98.0 million at the end of Q2 2020.
- Free cash flow (cash flow from operations after organic investments in the multi-client library) was USD 18.4 million for Q2 2021 compared to USD -10.0 million in Q2 2020. The company invested USD 24.4 million of cash related to M&A transactions in Q2 2021.
- Cash balance at 30 June 2021 was USD 223.4 million, supporting a dividend payment of USD 0.14 per share and the ongoing USD 20 million share buyback program.

FINANCIALS – IFRS REPORTING

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

Operating revenues and operating profit

Revenues amounted to USD 71.9 million in Q2 2021, an increase of 8.6% from USD 66.2 million in Q2 2020. Revenues from projects completed during the quarter increased by USD 15.0 million compared to Q2 last year, while proprietary revenues increased by USD 0.5 million. Late sales were USD 25.1 million, a reduction of 28.2% from the same period last year.

Amortization and impairments of the multi-client library amounted to USD 59.9 million in Q2 2021 versus USD 114.4 million in Q2 2020, when TGS recognized USD 17.3 million in impairments. There were no impairments recognized in Q2 2021 beyond first day impairments under IFRS. See note 6 of the interim financial statements for further details.

Personnel costs were USD 11.8 million, a decrease of 42.0% compared to USD 20.3 million in Q2 2020. Other operating expenses amounted to USD 8.7 million, compared to USD 18.1 million in Q2 2020. TGS implemented a cost reduction program in April 2020, resulting in higher costs in Q2 2020 related to the implementation. In addition, operating expenses in Q2 2021 were lower than Q2 2020 due to reduced use of contractors, lower marketing, travel and office expenses, and lower costs related to the TGS Long Term Incentive Plan (LTIP).

Depreciation decreased to USD 5.3 million in Q2 2021 from USD 9.1 million in Q2 2020, which is in line with the reduction in the net book value for buildings, machineries and equipments.

Operating profit amounted to USD -14.8 million in Q2 2021 compared to USD -96.9 million in the same quarter of last year. When comparing Q2 2021 with the same quarter of last year, the improvement in operating profit is primarily due to lower amortization and impairments of the multi-client library (decrease of USD 54.4 million from Q2 2020 to Q2 2021).

Financial items and profit before tax

Net financial items for Q2 2021 totaled USD -4.2 million compared to USD -5.0 million in Q2 2020 (after adjustments to comparative figures; see note 2 of the interim financial statements for more details.). Net financial items in Q2 2021 consist primarily of financial expenses of USD 3.3 million, which are higher than in Q2 2020 due to USD 1.9 million in interest payments related to taxes in Latin America and USD 0.5 million in fees related to the renewal of the company's revolving credit facility.

Pre-tax profit was USD -19.0 million in Q2 2021 compared to USD -102.0 million in Q2 2020.

Tax and net income

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

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

The tax expense for Q2 2021 was USD -7.1 million (USD -24.0 million in Q2 2020), corresponding to a tax rate of 37% and 24% for Q2 2021 and Q2 2020, respectively. The tax rate in Q2 2021 is driven by activity in jurisdictions with higher tax rates (primarily Latin America). The tax rate in Q2 2020 was mainly attributable to utilization of unrecognized tax losses carried forward in certain entities within the TGS group.

Net income amounted to USD -12.0 million in Q2 2021, compared to USD -78.0 million in Q2 2020. This corresponds to a fully diluted EPS of USD -0.10 versus USD -0.67 in Q2 2020.

Balance sheet

As of 30 June 2021, TGS had a cash balance of USD 223.4 million, an increase of USD 27.7 million from 31 December 2020 (USD 195.7 million). Interest-bearing debt was zero at the end of Q2 2021 compared to USD 2.5 million at the end of Q4 2020, resulting in a net cash balance of USD 223.4 million (USD 193.2 million in Q4 2020).

The net book value of the multi-client library was USD 871.4 million as of 30 June 2021, compared to USD 946.3 million as of 31 December 2020. The decrease is primarily related to lower level of investments compared to amortization, and impairments recognized in 2020.

Total equity as of 30 June 2021 was USD 1,260.2 million, corresponding to 66.9% of total assets. On 31 December 2020, total equity amounted to USD 1,265.8 million (62.8% of total assets).

Cash flow

Free cash flow (cash flow from operations after organic investments in the multi-client library) was USD 18.4 million for Q2 2021 compared to USD -10.0 million in Q2 2020. Net cash flow from operations for the quarter totaled USD 43.3 million, compared to USD 98.1 million in Q2 2020. Net decrease in cash for Q2 2021 was USD 28.7 million (decrease of USD 48.3 million in Q2 2020). Cash outflows related to organic investments in the multi-client library were USD 24.9 million, compared to USD 108.1 million in Q2 2020. The company invested USD 24.4 million of cash in inorganic business opportunities through the purchase the Polarcus seismic library and the completion of the 4C transaction announced 12 May 2021.

FINANCIALS – SEGMENT REPORTING

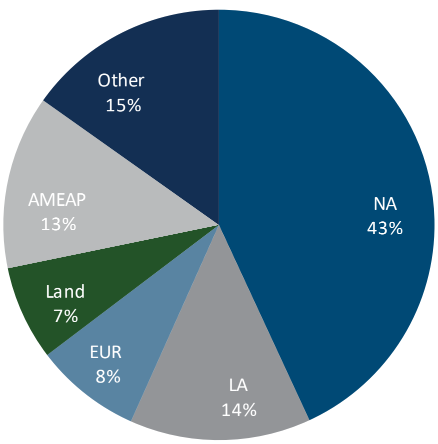
For internal reporting purposes TGS uses segment reporting, with revenues from projects-in-progress recognized based on Percentage of Completion (POC), as opposed to the IFRS accounts where revenue recognition is deferred until project completion and delivery to the customer. The discussion and analysis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

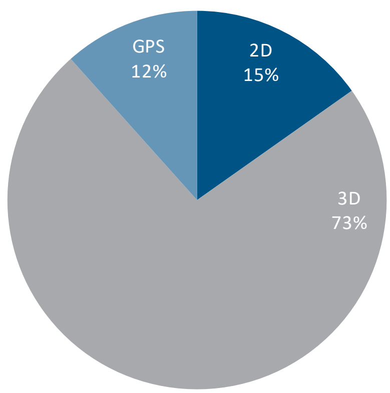
Operating revenues

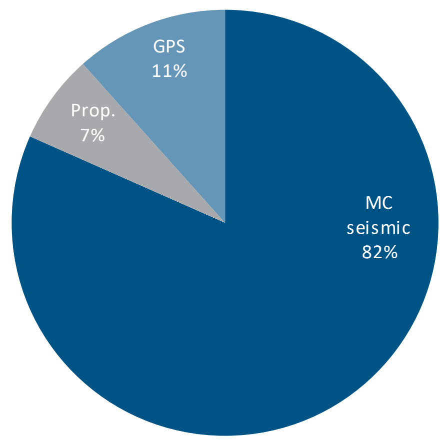
Operating revenues for Q2 2021 amounted to USD 53.6 million, a decrease of 44.1% from USD 95.8 million recognized in Q2 2020. Prefunding revenues totaled USD 14.1 million in the quarter (USD 37.9 million in Q2 2020), which funded 43.1% (49.0% in Q2 2020) of the USD 32.7 million (USD 77.4 million in Q2 2020) of organic investments in the multi-client library.

Late sales for the quarter amounted to USD 35.9 million, a decrease of 34.5% compared to the USD 54.8 million recorded in Q2 2020. Proprietary contract revenues decreased by 3.6% to USD 3.6 million from USD 3.1 million in Q2 2020.

Revenue distribution







Source: TGS

EBITDA, amortization and operating profit

After subtracting operating costs as described in the IFRS section (which remain unchanged under segment reporting), EBITDA (Earnings Before Interest, Tax, Depreciation and Amortization) totaled USD 32.2 million in Q2 2021, compared to USD 56.3 million in Q2 2020, a decrease of 42.8%.

Amortization and impairment of the multi-client library amounted to USD 51.4 million in Q2 2021, down from USD 130.7 million in Q2 2020. TGS reported no impairment in Q2 2021, while the company reported USD 29.8 million in impairments in Q2 2020.

Operating profit in Q2 2021 amounted to USD -24.5 million (margin of -45.8%), compared to USD -83.6 million (margin of -87.2%) in Q2 2020.

Multi-client library

Organic multi-client investments amounted to USD 32.7 million in Q2 2021, 57.8% lower than the USD 77.4 million invested in Q2 2020.

The net book value of the multi-client library was USD 579.8 million as of 30 June 2021, compared to USD 788.5 million as of 30 June 2020.

Backlog

TGS' backlog amounted to USD 77.5 million at the end of Q2 2021, down 12.8% compared to USD 81.7 million at the end of Q1 2021. Backlog at the end of the quarter decreased 20.9% from backlog of USD 98.0 million at the end of Q2 2020.

DIVIDEND AND SHARE BUYBACKS

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

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

The Board of Directors has resolved to maintain the dividend at USD 0.14 per share in Q3 2021. The dividend will be paid in the form of NOK 1.25 per share on 12 August 2021. The share will trade ex-dividend on 29 July 2021. In Q2 2021 TGS paid a cash dividend of USD 0.14 per share (NOK 1.15 per share).

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

In Q2 2021, TGS acquired 247,575 own shares for a total amount of USD 3.4 million under this program. As of 30 June 2021, the total value of shares bought back under the share repurchase program is USD 6,152,477.

OPERATIONAL HIGHLIGHTS

In the Gulf of Mexico, TGS announced a new OBC and NAZ imaging program, Sophies Resolve Refocus, covering 6,175 square kilometers. The program marks the next phase of high-quality imaging over the mature, hydrocarbon-producing areas of South Timbalier, Grand Isle and Ewing Bank. By applying advanced imaging techniques utilizing its proprietary Dynamic Matching FWI imaging technology, TGS will further illuminate the key subsurface structures and provide new insight into the prospectivity within the deeper sub-salt section.

Offshore East Canada, TGS announced, in partnership with PGS, a new 3D multi-client project, Lewis Hills 3D phase 2, whichincludes new acquisition of 947 square kilometers of 3D data, tying into the existing project's 2,811 square kilometers to create one contiguous dataset. The survey is positioned in the highly prospective Orphan Basin, with recent discoveries in the Flemish Pass and connecting further south to the productive Jeanne D'Arc Basin, with final fully processed stacks expected to be delivered by Q3 2022. In addition, TGS, in partnership with PGS, also announced that it has commenced acquisition of the Cape Anguille survey, which expands the TGS-PGS joint venture with an additional 10,000 square kilometers of 3D coverage offshore Newfoundland. The survey covers existing lease blocks and open acreage in the Orphan Basin. Fast Track Kirchhoff PSTM stacks are scheduled to be delivered by November 2021, with Final Kirchhoff PSTM stacks by March 2022.

Onshore North America, TGS announced a new multi-client 3D seismic survey within the Montney Basin of Northeast British Columbia, Canada. Hipp Creek will add nearly 200 square kilometers of high-quality seismic data tying into existing TGS 3D seismic coverage in the area. In the Powder River Basin, Wyoming, TGS commenced drilling activities for the Voyager 3D multi-client survey, with recording of data expected to be completed in December 2021.

Offshore Brazil, TGS commenced acquisition on the Santos multi-client 3D phase 4 survey. The survey is located in the western portion of the Santos Basin and works as a northwest extension of the existing TGS Santos 3D, covering approximately 5,000 square kilometers. This modern, high-quality data coverage will further enhance geological understanding of the area and enable E&P companies to maximize the potential for deepwater discoveries in one of the world's most prolific exploration basins. Full volume fast track data will be available in March 2022 with final data expected in October 2022. In addition, TGS commenced the acquisition of Pelotas 2D phase 3 survey, which is located in the Pelotas Basin offshore Brazil and works as an extension of the existing TGS Pelotas 2D data.

In Norway, TGS announced the release of data from the Greater Castberg Topseis seismic survey, which was acquired in partnership with CGG. This high-resolution survey has successfully imaged crucial shallow targets in an area that includes production licenses and open acreage.

In Australia, TGS completed the acquisition of three 3D multi-client seismic surveys from Polarcus covering a total of 12,200 square kilometers in prospective offshore basins.

TGS also commenced the reprocessing of Kyranis 3D, a large cross-border multi-client seismic survey covering offshore exploration blocks in both Timor-Leste and Australia. This 9,024 square kilometer survey will provide 3D broadband PSDM imaging for the first time in an area that has recently re-opened for exploration following the ratification of the Maritime Boundary Treaty.

Following the announcement of the formation of a new business unit, New Energy Solutions, TGS was active in building out its suite of energy data and intelligence product offerings through Q2, including:

1. Acquisition of 4C Offshore Limited ("4C Offshore") in May. 4C Offshore offers a broad suite of data, analytics and services for the offshore wind industry. The company provides developers, operators, asset managers, equipment providers and construction companies with key data and insights for the development and operations of offshore wind farms. Reference is made to note 7 of the interim financial statements for further details.
2. Collaboration to develop a regional CO_2 Storage Atlas. In collaboration with consultancy firm Canadian Discovery Ltd., TGS announced the development of a regional level CO_2 storage risk assessment atlas for North America. The atlas, explicitly designed for use as a screening and assessment tool for subsurface carbon sites, will consist of an interpretation data set delivered in a digital atlas format.
3. Release of a comprehensive numerical weather prediction (NWP) model to enhance wind energy knowledge and operations offshore Scotland. The wind energy model has been produced in collaboration with Vaisala to create a higher resolution dataset than publicly available, with coverage over the entirety of offshore Scotland.
4. Entering into a Memorandum of Understanding (MOU) with carbon storage experts Horisont Energi to jointly develop new Carbon Capture and Storage (CCS) technologies. The MOU between the companies signifies a unique collaborative effort to identify and develop efficient methods for both the identification and classification of CO_2 storage reservoirs and 4D monitoring

technology for the surveillance of CO_2 injection. The research will initially focus on Horisont Energi's acreage on the Norwegian continental shelf.

In addition, TGS announced a collaboration agreement with analysis and machine learning company Earth Science Analytics to share expertise and promote further innovation in data-driven geoscience. The partnership has already delivered insight through a range of unique derivative datasets for the TGS Utsira Ocean Bottom Node (OBN) survey, created through Artificial Intelligence (AI) analysis.

During the quarter, TGS also announced, in collaboration with Halliburton Company, a joint initiative to bring advanced seismic imaging to fiber optic sensing. The alliance will provide insight to determine operators' reservoir potential for oil and gas production or carbon capture. The Halliburton FiberVSP™ and Odassea™ distributed acoustic sensing solutions will now incorporate TGS's seismic imaging workflows that process the entire seismic wavefield to generate high-resolution reservoir images.

TGS' Geologic Products and Services Division (GPS) continued to add to its inventory of multi-client products in the quarter. The well data library grew with the addition of approximately 2,942 new digital well logs, 3,095 new enhanced digital well logs and 5,554 new validated well headers.

TGS also released its latest annual update of the North West Europe Facies Map Browser (FMB). This off-the-shelf interpretation tool provides insights that support both conventional oil and gas exploration, and regional carbon storage assessment, across the UK and Norway Continental Shelf.

OUTLOOK

Although oil prices are strong, exploration spending remains limited outside of commitments made prior to the downturn. E&P companies continue to prioritize deleveraging their balance sheets with the excess cash generated, and we expect this to continue until strategies are revisited and new budgets are set. Thus, the market for subsurface data and insights is expected to remain challenging in the near term, which will influence the company's appetite for risk related to multi-client investments. Investments for the second half of 2021 are expected to increase from the historical low levels of 1H 2021, as announced projects in Canada take full effect alongside ongoing acquisition in Latin America. The final investment level for 2H 2021 will depend on current client negotiations for prefunding.

Despite near-term challenges, we remain confident that demand for multi-client data will remain solid for decades. This belief is supported by positive indications of new lease sales in US Gulf of Mexico, although it is uncertain as to the potential terms of such lease sales and when they will take place. In addition, Latin America continues to be an interesting market for subsurface data in light of the ongoing 17th license round in Brazil and healthy exploration activity along the entire margin.

TGS continues the execution of the New Energy Solutions (NES) business plan (as presented at the Capital Markets Day on 12 February 2021). The acquisition of 4C Offshore announced 12 May 2021 establishes TGS as a leading provider of high-quality market intelligence data for the offshore wind industry. Furthermore, both inorganic and organic growth opportunities are being pursued for products and services across the energy transition. A majority of the initiatives are being pursued together with partners, with TGS contributing its subsurface knowledge and products.

In the current market, the pick-up in demand and timing of late sales remains uncertain. TGS is pleased to have no interest-bearing debt and a net cash position of USD 223.4 million ending Q2 2021, which facilitates the flexibility needed in the prevailing market. With the world's largest library of subsurface data combined with a solid financial capacity, TGS is well-positioned to seize organic and inorganic opportunities.

2021 financial guidance, revised Q1 2021, remains unchanged:

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

Oslo, 22 July 2021

The Board of Directors of TGS ASA

Henry H. Hamilton III Chairman	Mark S. Leonard Director	Wenche Agerup Director
Irene Egset Director	Christopher Finlayson Director	Grethe Kristin Moen Director
Svein Harald Øygard Director	Kristian Johansen Chief Executive Officer	

ABOUT TGS

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

TGS ASA is listed on the Oslo Stock Exchange (OSLO:TGS).

TGS sponsored American Depositary Shares trade on the U.S. over-the-counter market under the symbol "TGSGY".

Website: www.tgs.com

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

INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(All amounts in USD 1,000s unless noted otherwise)	Note	Q2 2021	Q2 2020 Restated[1]	2021 YTD	2020 YTD Restated[1]
Revenues	4	**71,861**	**66,156**	**257,602**	**118,324**
Cost of goods sold - proprietary and other		984	1,137	2,278	3,474
Amortization and impairment of multi-client library	5, 6	59,941	114,418	149,064	195,250
Personnel costs		11,752	20,265	25,803	33,794
Other operating expenses		8,664	18,135	16,898	28,791
Depreciation, amortization and impairment		5,337	9,143	9,775	11,872
Total operating expenses		**86,679**	**163,098**	**203,818**	**273,182**
Operating profit	4	**-14,817**	**-96,942**	**53,784**	**-154,858**
Financial income and expenses					
Financial income		471	548	484	1,002
Financial expenses		-3,305	-947	-4,230	-1,693
Net exchange gains/(losses)		-1,385	-4,627	-4,564	8,462
Net financial items		**-4,220**	**-5,026**	**-8,310**	**7,772**
Profit before taxes		**-19,037**	**-101,968**	**45,474**	**-147,086**
Taxes[2]		-7,069	-23,967	14,875	-38,777
Net income		**-11,969**	**-78,001**	**30,600**	**-108,309**
EPS USD		**-0.10**	**-0.67**	**0.26**	**-0.46**
EPS USD, fully diluted		**-0.10**	**-0.67**	**0.26**	**-0.46**
Other comprehensive income:					
Exchange differences on translation of foreign operations		-	-12,615	-	-26,404
Other comprehensive income/(loss) for the period, net of tax		-	-12,615	-	-26,404
Total comprehensive income for the period		**-11,969**	**-90,616**	**30,600**	**-134,713**

[1] Foreign exchange gains/losses in Q1 2020 were adjusted by USD 26.2 million, and foreign exchange gains/losses Q2 2020 have been adjusted with USD 1.9 million. Exchange differences on translation of foreign operations were adjusted by USD -12.9 million in Q1 2020 and with USD -1.9 million in Q2 2020. Reference is made to note 2 for further explanations.

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

INTERIM CONSOLIDATED BALANCE SHEET

(All amounts in USD 1,000s)	Note	2021 30-Jun	2020 30-Jun Restated[1]	2020 31-Dec
Goodwill	6, 7	303,811	288,377	288,377
Multi-client library	5, 6	871,430	1,126,750	946,263
Other intangible non-current assets		24,507	14,618	17,396
Deferred tax asset		80,744	69,019	88,624
Buildings		2,272	1,578	2,257
Machinery and equipment		20,191	32,064	25,349
Right of use asset	6	41,716	55,056	48,690
Sublease asset		1,528	1,704	965
Other non-current assets		17,094	9,740	19,471
Total non-current assets		**1,363,294**	**1,598,906**	**1,437,392**
Accounts receivable	6	87,279	133,989	168,746
Accrued revenues		94,669	111,750	108,737
Other receivables		115,351	119,226	104,819
Cash and cash equivalents		223,400	198,483	195,716
Total current assets		**520,699**	**563,449**	**578,017**
TOTAL ASSETS		**1,883,992**	**2,162,355**	**2,015,409**
Share capital		4,082	4,217	4,082
Other equity		1,256,150	1,359,797	1,261,759
Total equity	3	**1,260,232**	**1,364,014**	**1,265,841**
Long-term debt		-	2,500	-
Other non-current liabilities		3,510	924	757
Lease liability		39,113	49,859	44,551
Deferred taxes		34,022	9,275	29,100
Total non-current liabilities		**76,645**	**62,558**	**74,408**
Short-term debt		-	-	2,500
Accounts payable and debt to partners		103,360	126,572	116,028
Taxes payable, withheld payroll tax, social security		28,594	32,005	11,691
Deferred revenue		357,973	461,780	484,693
Other current liabilities		57,189	115,428	60,248
Total current liabilities		**547,116**	**735,785**	**675,160**
TOTAL EQUITY AND LIABILITIES		**1,883,992**	**2,162,356**	**2,015,409**

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

INTERIM CONSOLIDATED STATEMENT OF CASH FLOW

(All amounts in USD 1,000s unless noted otherwise)	Note	Q2 2021	Q2 2020	2021 YTD	2020 YTD
Cash flow from operating activities:					
Received payments from customers		73,554	138,017	209,797	357,138
Payments for salaries, pensions, social security tax		-10,604	-16,342	-21,163	-37,764
Payments of other operational costs		-14,555	-15,163	-26,967	-45,791
Paid taxes		-5,109	-8,446	-9,437	-29,076
Net cash flow from operating activities[1]		**43,286**	**98,066**	**152,229**	**244,507**
Cash flow from investing activities:					
Investments in tangible and intangible assets		-	-21,798	-372	-29,012
Investments in multi-client library	5	-24,924	-108,066	-49,977	-253,365
Investments through mergers and acquisitions	7	-24,375	-	-24,375	-15,000
Interest received		471	186	484	640
Net cash flow from investing activities		**-48,828**	**-129,678**	**-74,240**	**-296,737**
Cash flow from financing activites:					
Interest paid		-3,305	-603	-4,230	-1,349
Dividend payments	3	-16,468	-16,054	-32,879	-56,943
Repayment of interest bearing debt		-	-	-2,500	-
Purchase of own shares	3	-3,430	-	-6,132	-6,600
Net cash flow from financing activites		**-23,203**	**-16,657**	**-45,741**	**-64,892**
Net change in cash and cash equivalents		**-28,745**	**-48,269**	**32,248**	**-117,122**
Cash and cash equivalents at the beginning of period		253,531	248,370	195,716	323,408
Net unrealized currency gains/(losses)		-1,386	-1,617	-4,564	-7,802
Cash and cash equivalents at the end of period		**223,400**	**198,483**	**223,400**	**198,483**
1) Reconciliation			Restated[2]		Restated[2]
Profit before taxes		-19,037	-101,968	45,474	-147,086
Depreciation/amortization/impairment	5,6	65,278	123,561	158,838	207,122
Changes in accounts receivables and accrued revenues		-21,799	39,750	95,535	65,416
Unrealized currency gains/(losses)		-	1,617	-	7,802
Changes in other receivables		6,772	-34,099	6,188	-4,395
Changes in other balance sheet items		17,183	77,651	-144,368	144,723
Paid taxes		-5,109	-8,446	-9,437	-29,076
Net cash flow from operating activities		**43,286**	**98,066**	**152,229**	**244,506**

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

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ending 30 June 2021

(All amounts in USD 1,000s)	Share Capital	Treasury Shares	Share Premium	Other Paid-In Capital	Currency Translation Reserve	Retained Earnings	Total Equity
Opening balance 1 January 2021	**4,082**	**-1**	**416,877**	**45,248**	**-22,233**	**821,868**	**1,265,841**
Net income	-	-	-	-	-	30,600	**30,600**
Total comprehensive income	-	-	-	-	-	**30,600**	**30,600**
Purchase of own shares	-	-5	-	-	-	-6,128	**-6,132**
Cost of equity-settled long term incentive plans	-	-	-	-	-	2,803	**2,803**
Dividends	-	-	-	-	-	-32,879	**-32,879**
Closing balance as of 30 June 2021	**4,082**	**-6**	**416,877**	**45,248**	**-22,233**	**816,264**	**1,260,232**

For the six months ending 30 June 2020

(All amounts in USD 1,000s)	Share Capital	Treasury Shares	Share Premium	Other Paid-In Capital	Currency Translation Reserve [1]	Retained Earnings [2]	Total Equity
Opening balance 1 January 2020	**4,127**	**-49**	**416,878**	**45,248**	**-22,233**	**1,101,834**	**1,545,806**
Net income	-	-	-	-	-	-108,309	**-108,309**
Other comprehensive income	-	-	-	-	-12,615	-	**-12,615**
Total comprehensive income	**-**	**-**	**-**	**-**	**-12,615**	**-108,309**	**-120,924**
Purchase of own shares	-	-7	-	-	-	-6,593	**-6,601**
Distribution of treasury shares	-	0.5	-	-	-	276	**276**
Cost of equity-settled long term incentive plans	-	-	-	-	-	3,972	**3,972**
Dividends	-	-	-	-	-	-58,516	**-58,516**
Closing balance as of 30 June 2020	**4,127**	**-56**	**416,878**	**45,248**	**-34,848**	**932,664**	**1,364,014**

[1] Other comprehensive income has been adjusted by USD -14.8 million in relation to foreign exchange differences. Reference is made to note 2 for further explanations.

[2] Net income has been adjusted by USD 28.1 million in relation to foreign exchange gains/losses. Reference is made to note 2 for further explanations.

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS

Note 1 General information

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

Note 2 Basis for Preparation

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

The same accounting policies and methods of computation are followed in the interim financial statements as compared with the annual financial statements for 2020. The balance sheet presented as at 30 June 2020 is retrospectively restated for measurement period adjustments to the Spectrum purchase price allocation being made in Q3 2020. The PPA was finalized in Q3 2020. For more information, see note 3 to the 2020 Annual Report which is available at www.tgs.com.

Further, the Group reported in Q1 2020 net currency losses related to an internal merger receivable of 13.3 million, which should have been eliminated. Comparative figures year-to-date Q2 2020 in this interim report have been restated to reflect this. For more details, see note 9 of the Q4 2020 interim report, which is available at www.tgs.com.

As disclosed in note 9 of the Q4 2020 interim report, the Group reported in Q1 to Q3 2020 foreign exchange losses related to TGS Brazil's intercompany loan denominated in USD. As TGS Brazil is considered to have USD as its functional currency, such foreign exchange effects should not have been recognized. Total foreign exchange losses recognized in Q1 2020 were USD 12.9 million and USD 1.9 million in Q2 2020. The Group has retrospectively corrected these in the comparative figures of this interim report.

Note 3 Share capital and equity

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

Treasury shares	Number of shares
1 January 2021	**235,000**
Net change in period	237,675
30 June 2021	**472,675**

The Annual General Meeting of TGS held on 11 May 2021 approved that each of the Directors, other than the Chairman, should receive 1650 restricted shares in the Company as part of their compensation. The shares were transferred to the Directors on 12 May 2021. The Company has distributed the restricted shares to the Directors from its balance of treasury shares. As of 30 June 2021, TGS holds 472,675 own shares, representing 0.403% of the total outstanding shares.

In Q1 2021, the Board resolved to launch a USD 20 million share buyback program expiring at the 2022 Annual General Meeting. The program was based on the authorization by the 2020 Annual General Meeting, which was renewed by the 2021 Annual General Meeting on 11 May 2021. As of 30 June 2021, the total value of shares bought back is USD 6,152,477.

The net change in treasury shares during Q2 2021 comprises the repurchase of 247,575 own shares, which were repurchased by TGS for a total consideration of USD 3.4 million.

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

The Board of Directors has resolved to maintain the dividend at USD 0.14 per share in Q3 2021. The dividend will be paid in the form of NOK 1.25 per share on 12 August 2021. The share will trade ex-dividend on 27 July 2021.

In Q2 2021, TGS paid a cash dividend of USD 0.14 per share (NOK 1.15 per share).

Largest Shareholders as of 30 June 2021	**Country**	**Account type**	**No. of shares**	**Share**
1. State Street Bank and Trust Comp	United States	NOM	13,296,763	11.3 %
2. The Northern Trust Comp	United Kingdom		10,777,377	9.2 %
3. FOLKETRYGDFONDET	Norway	NOM	9,526,018	8.1 %
4. The Bank of New York Mellon SA/NV	The Netherlands	NOM	8,507,076	7.3 %
5. RBC INVESTOR SERVICES TRUST	Canada	NOM	5,252,079	4.5 %
6. JPMorgan Chase Bank	United States	NOM	4,377,182	3.7 %
7. State Street Bank and Trust Comp	United States	NOM	2,638,839	2.2 %
8. PARETO AKSJE NORGE VERDIPAPIRFOND	Norway		2,379,545	2.0 %
9. VERDIPAPIRFOND ODIN NORDEN	Norway	NOM	1,838,719	1.6 %
10. J.P. Morgan Bank Luxembourg S.A.	Luxembourg	NOM	1,655,919	1.4%
10 largest			**60,249,517**	**51%**
Total Shares Outstanding *			**116,830,723**	**100%**

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

Average number of shares outstanding for Current Quarter *	
Average number of shares outstanding during the quarter	116,979,592
Average number of shares fully diluted during the quarter	118,015,643

* Shares outstanding net of treasury shares per 30 June 2021 (472,675 TGS shares), composed of average outstanding TGS shares during the quarter.

Share price information	
Share price 30 June 2021 (NOK)	109.75
USD/NOK exchange rate end of period	8.6
Market capitalization 30 June 2021 (NOK million)	12,874

Note 4 Segment information

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

(USD 1,000)	North America	Latin America	Europe & Russia	Land	Africa, Middle East & Asia/Pacific	Other segments / Corporate costs	Segment reporting consolidated	Adjustment	IFRS reporting
Q2 2021									
External revenues	23,105	7,283	4,275	3,803	7,002	8,133	53,602	18,259	71,861
Operating profit	11,555	-10,383	-998	-3,750	-2,310	-18,660	-24,545	9,728	-14,817
Q2 2020									
External revenues	7,478	63,241	14,955	42,900	12,622	10,864	152,060	-99,892	52,168
Operating profit	-18,248	3,857	-2,317	11,357	1,381	-15,446	-19,416	-38,500	-57,916
YTD 2021									
External revenues	31,765	45,372	6,733	16,582	12,159	15,826	128,438	129,163	257,601
Operating profit	4,794	-3,195	-4,498	3,299	-6,111	-38,870	-44,580	29,763	-14,817
YTD 2020									
External revenues	14,956	126,482	29,910	85,800	25,244	21,728	304,120	-199,784	104,336
Operating profit	-36,496	7,714	-4,634	22,714	2,762	-30,892	-38,832	-19,084	-57,916

There are no intersegment revenues between the reportable operating segments.

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

(All amounts in USD 1,000s)	Q2 2021 As reported	Performance obligations met during the quarter	In progress projects	Q2 2021 Segment
Revenues	**71,861**	**-43,131**	**24,872**	**53,602**
Amortization and impairment of multi-client library	59,941	-46,141	37,609	51,409
Income before tax	**-19,037**	**-89,272**	**62,481**	**-28,765**
Taxes	-7,069	-1,594	-1,257	-9,919
Net income	**-11,969**	**-90,866**	**61,224**	**-18,846**

Impact on Balance Sheet

(All amounts in USD 1,000s)	30-Jun-21 As reported	Adjustments	30-Jun-21 Segment
Multi-client library	871,430	-291,612	579,818
Deferred tax asset	80,744	-22,080	58,663
Total non-current assets	**1,363,294**	**-313,692**	**1,049,601**
Accrued revenues	94,669	76,970	171,639
Total current assets	**520,699**	**76,970**	**597,669**
Equity	**1,260,232**	**55,886**	**1,316,118**
Deferred taxes	34,022	4,605	38,627
Total non-current liabilities	**76,645**	**4,605**	**81,250**
Accounts payable and debt to partners	103,360	27,368	130,728
Deferred revenues	357,973	-324,581	33,392
Total current liabilities	**547,116**	**-297,213**	**249,902**

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

Note 5 Multi-client library

(Numbers in USD millions)	Segment Q2 2021	IFRS Q2 2021	Segment Q2 2020	IFRS Q2 2020	Segment YTD 2021	IFRS YTD 2021	Segment YTD 2020	IFRS YTD 2020
Opening balance net book value	**593.6**	**893.7**	**841.9**	**1,163.8**	**623.9**	**946.3**	**830.8**	**1,091.3**
Non-operational investments	5.0	5.0	0.0	0.0	5.0	5.0	15.0	15.0
Operational investments	32.7	32.7	77.4	77.4	69.2	69.3	215.7	215.7
Amortization and impairment	-51.4	-59.9	-130.7	-114.4	-118.3	-149.0	-273.0	-195.2
Closing net book value	**579.8**	**871.4**	**788.5**	**1,126.7**	**580.0**	**871.5**	**788.5**	**1,126.7**
Net MC revenues	50.0	68.2	92.8	63.1	120.1	249.2	239.0	109.4
Change in MC revenue	-46%	8%	40%	-51%	-50%	128%	23%	-6%
Change in Operational MC investment	-58%	-58%	266%	266%	-68%	-68%	32%	32%
Amort. in % of net MC revs.	103%	88%	97%	174%	99%	60%	53%	53%
Change in net book value	-26%	-23%	21%	39%	-26%	-23%	14%	25%
Contract Revenues	3.6	3.6	3.1	3.1	8.4	8.4	8.9	8.9

Note 6 Evaluation of estimates and assumptions

Multi-client library and goodwill

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

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

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

Management has evaluated the carrying amount of the net assets of the Group in respect of the market capitalization, changes in interest rates and assumptions applied in the WACC, as well as the developments and expected developments in the Brent Oil Price. The developments through Q2 2021 did not reveal any new factors considered to trigger an impairment analysis, and market capitalization exceeds the net assets in the Group. Following internal reporting from TGS segments, evidence available does not indicate that the economic performance of multi-client libraries or the related sales forecasts are worse, or significantly changed, from the assumptions utilized in the impairment tests during the preceding quarter.

(USD 1,000)	North America	Latin America	Europe & Russia	Land	Africa, Middle East & Asia/Pacific	Other	IFRS reporting
Q2 2021							
Impairment	-	-	-	-	-	-	-
Q2 2020							
Impairment	11,412	22,619	-	5,043	422	-	39,496
YTD 2021							
Impairment	-	-	-	-	-	-	-
YTD 2020							
Impairment	14,937	23,462	6,413	5,043	422	-	50,277

The above table does not include first-day impairments, which amounted to USD 17.2 million for Q2 2021 and USD 11.1 million for Q2 2020.

Expected credit losses

The Group has updated its measurement of expected credit losses. A total allowance for expected credit losses of USD 0.8 million has been recognized in the quarter, which is a net decrease in the allowance of USD 0.6 million since Q1 2021.

Note 7 Business combinations & significant transactions

On 12 May 2021, TGS announced its acquisition of all of the equity in 4C Offshore Limited ("4C Offshore"). 4C Offshore is a leading consultancy and market research company targeting the offshore wind energy market, providing risk analysis to the marine, energy and subsea sectors. The current service offerings include data subscriptions, consultancy and bespoke reports.

As the transaction was effective from 12 May 2021, the sales and costs from the acquired company for the period 12 May to 30 June 2021 is reflected in the TGS Q2 2021 financial statements.

The fair value of the goodwill, USD 13.8 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 4C Offshore's employees, new customers, and potential extensions of existing relationships. The other major fair value adjustments relate to the value of the technology, customer relationships, trademark and deferred revenue.

The accounting for the acquisition will be revised to the extent new information is obtained within one year of the date of acquisition 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.

Note 8 Related parties

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

Note 9 Contingent liabilities

Civil matters – Skeie Energy

Reference is made to note 24 to the consolidated financial statements included in the 2020 Annual Report, which includes a detailed description of claims against TGS and various other parties by DNB, who accepted liability under Norwegian law pursuant to its status as a pledgee for alleged unwarranted tax refunds received by Skeie Energy. TGS has not identified any new information that changes its assessment made in conjunction with the Group's consolidated financial statements for the year ended 31 December 2020, which is reflected in note 24 and concludes no contingent reserve is necessary.

Tax exposure

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

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

Note 10 Other information

As of 30 June 2021 TGS has a net receivable of USD 6.1 million from Axxis Geo Solutions ASA ("AGS"), which is secured by collateral in the underlying assets in both AGS and its subsidiary Axxis Multi Client AS. The reconstruction of AGS pursuant to the final proposal dated 7 April 2021 became legally binding on the 4 June 2021 and a private placement raising approximately NOK 144.5 million and a debt conversion at a price of NOK 0.50 per share, with a total subscription price of approximately NOK 212 million, were completed and registered on the 14 June 2021. As a result of the reconstruction and the collateral arrangement securing the receivable, TGS does not consider any reserve against its receivable from AGS necessary.

DEFINITIONS – ALTERNATIVE PERFORMANCE MEASURES

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

EBIT (Operating Profit)

Earnings before interest and tax is an important measure for TGS as it provides an indication of the profitability of the operating activities.

The EBIT margin presented is defined as EBIT (Operating Profit) divided by revenues.

Prefunding percentage

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

EBITDA

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

(All amounts in USD 1,000s)	Q2 2021 Segment	Q2 2021 IFRS	Q2 2020 Segment Restated[1]	Q2 2020 IFRS Restated[1]
Net income	-18,846	-11,969	-71,693	-78,001
Taxes	-9,919	-7,069	-16,901	-23,967
Net financial items	4,220	4,220	5,026	5,026
Depreciation, amortization and impairment	5,337	5,337	9,143	9,143
Amortization and impairment of multi-client library	51,409	59,941	130,735	114,418
EBITDA	**32,201**	**50,461**	**56,310**	**26,619**

(All amounts in USD 1,000s)	YTD 2021 Segment	YTD 2021 IFRS	YTD 2020 Segment Restated[1]	YTD 2020 IFRS Restated[1]
Net income	-40,545	257,602	-72,371	319,453
Taxes	-12,345	14,875	-22,840	-72,324
Net financial items	8,310	8,310	-7,771	-3,312
Depreciation, amortization and impairment	9,775	9,775	11,872	19,932
Amortization and impairment of multi-client library	118,264	149,064	272,959	464,615
EBITDA	**83,459**	**439,625**	**181,848**	**728,365**

[1] Q2 2020 and YTD 2020 have been adjusted. Reference is made to note 2 for further explanations.

Return on average capital employed

Return on average capital employed (ROACE) shows the profitability compared to the capital that is employed by TGS, and it is calculated as operating profit divided by the average of the opening and closing capital employed for a period of time.

Capital employed is calculated as equity plus net interest-bearing debt. Net interest-bearing debt is defined as interest bearing debt minus cash and cash equivalents. TGS uses the ROACE measure as it provides useful information about the performance under evaluation.

(All amounts in USD 1,000s)	30-Jun-21 Segment	30-Jun-21 IFRS	30-Jun-20 Segment Restated[1]	30-Jun-20 IFRS Restated[1]
Equity	1,316,118	1,260,232	1,479,741	1,364,014
Interest bearing debt	0	0	2,500	2,500
Cash	223,400	223,400	198,483	198,483
Net interest bearing debt	-223,400	-223,400	-195,983	-195,983
Capital employed	**1,092,718**	**1,036,831**	**1,283,757**	**1,168,031**
Average capital employed	1,188,238	1,102,431	1,089,577	994,636
Operating profit (12 months trailing)	-138,422	-84,353	58,487	-30,031
ROACE	**-12%**	**-8%**	**5%**	**-3%**

Free cash flow (after MC investments)

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

(All amounts in USD 1,000s)	Q2 2021	Q2 2020	YTD2021	YTD 2020
Cash flow from operational activities	43,286	98,066	152,229	244,507
Investments in multi-client library	-24,924	-108,066	-49,977	-253,365
Free cash flow (after MC investments)	**18,362**	**-10,000**	**102,252**	**-8,858**

Backlog

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

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

Responsibility Statement

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

Oslo, 22 July 2021

The Board of Directors of TGS ASA

Henry H. Hamilton III
Chairman

Mark S. Leonard
Director

Wenche Agerup
Director

Irene Egset
Director

Christopher Finlayson
Director

Grethe Kristin Moen
Director

Svein Harald Øygard
Director

Kristian Johansen
Chief Executive Officer