



# 2024 Earnings Release

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Second Quarter

Energy Starts With Us

## 2<sup>nd</sup> QUARTER 2024 FINANCIAL HIGHLIGHTS

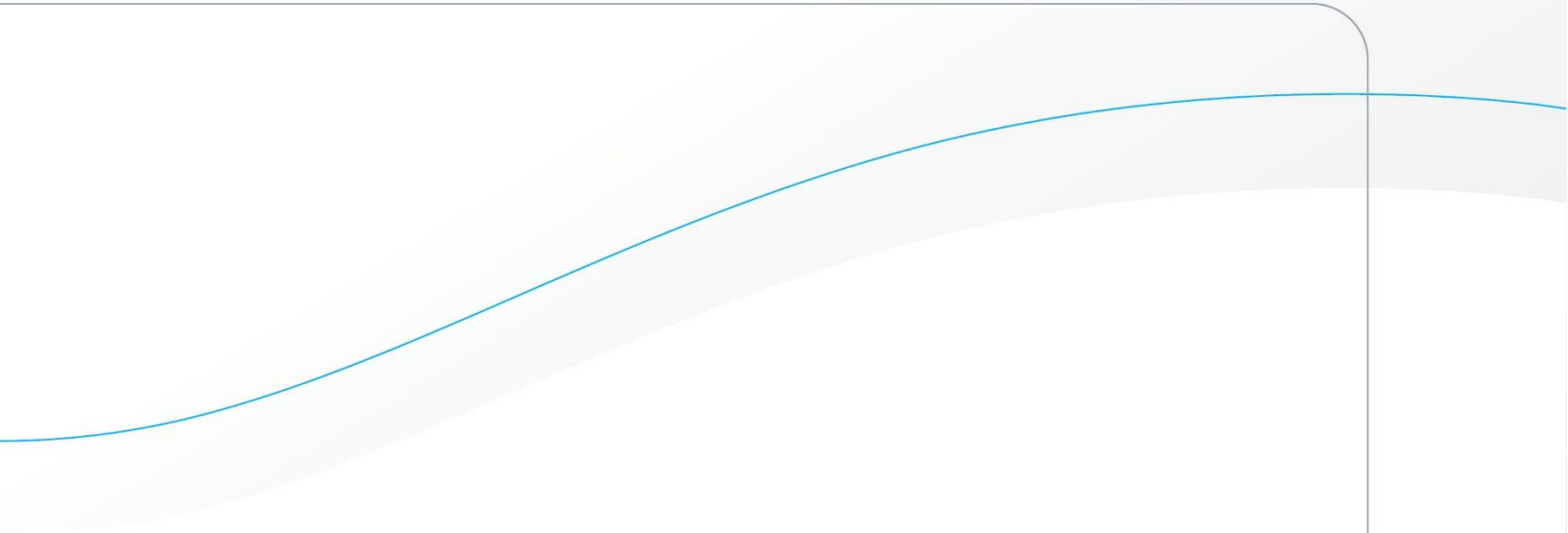
(All amounts in USD 1,000s unless noted otherwise)

| POC financials <sup>1</sup>                          | Q2 2024        | Q2 2023        | YTD 2024        | YTD 2023        |
|--|----------------|----------------|-----------------|-----------------|
| <b>POC revenues</b>                                  | <b>215,006</b> | <b>241,174</b> | <b>442,005</b>  | <b>469,977</b>  |
| - Early sales  | 48,630         | 65,998         | 126,249         | 163,556         |
| - Late sales   | 66,070         | 62,500         | 137,991         | 108,039         |
| - Proprietary sales                                  | 100,306        | 112,676        | 177,765         | 198,382         |
| <b>POC EBITDA</b>                                    | <b>121,405</b> | <b>131,948</b> | <b>264,165</b>  | <b>251,091</b>  |
| <b>POC Operating profit (EBIT)</b>                   | <b>27,626</b>  | <b>39,254</b>  | <b>67,221</b>   | <b>64,480</b>   |
| Operating margin                                     | 13%            | 16%            | 15%             | 14%             |
| Organic multi-client investments                     | 51,856         | 85,874         | 118,829         | 218,666         |
| Straight-line amortization of multi-client library   | 38,945         | 39,598         | 79,682          | 79,185          |
| POC accelerated amortization of multi-client library | 21,901         | 32,305         | 54,267          | 68,132          |
| Impairment of the multi-client library               | -              | 1,586          | -               | 1,586           |
| Free cash flow                                       | 9,541          | -34,448        | 19,704          | 71,406          |
| <b>IFRS financials</b>                               | <b>Q2 2024</b> | <b>Q2 2023</b> | <b>YTD 2024</b> | <b>YTD 2023</b> |
| Operating revenues                                   | 224,307        | 206,307        | 376,412         | 379,482         |
| Amortization and impairment of multi-client library  | 43,128         | 54,883         | 90,378          | 106,708         |
| Operating profit (EBIT)                              | 54,644         | 22,992         | 45,198          | 16,181          |
| Net Income   | 35,244         | 22,637         | 18,727          | 13,932          |
| EPS (fully diluted) (USD)                            | 0.27           | 0.18           | 0.14            | 0.11            |
| Return on average capital employed <sup>2</sup>      | 7%             | 8%             |                 |                 |

- Solid contract inflow of USD 368 million during Q2 2024 – total backlog of USD 611 million (POC)
- High POC early sales rate of 94%
- Proprietary revenues increased approximately 30% sequentially and strong operational performance
- Robust balance sheet allows for continued dividend payment - USD 0.14 per share to be paid out in Q3 2024
- PGS acquisition closed 1 July 2024 and will be consolidated and reported in Q3 2024

1) POC (Percentage-of-Completion) Financials are based on revenues measured by applying the percentage-of-completion method to Early sales and accelerated amortization. Please refer to APM section for more details.

2) 12 months trailing.



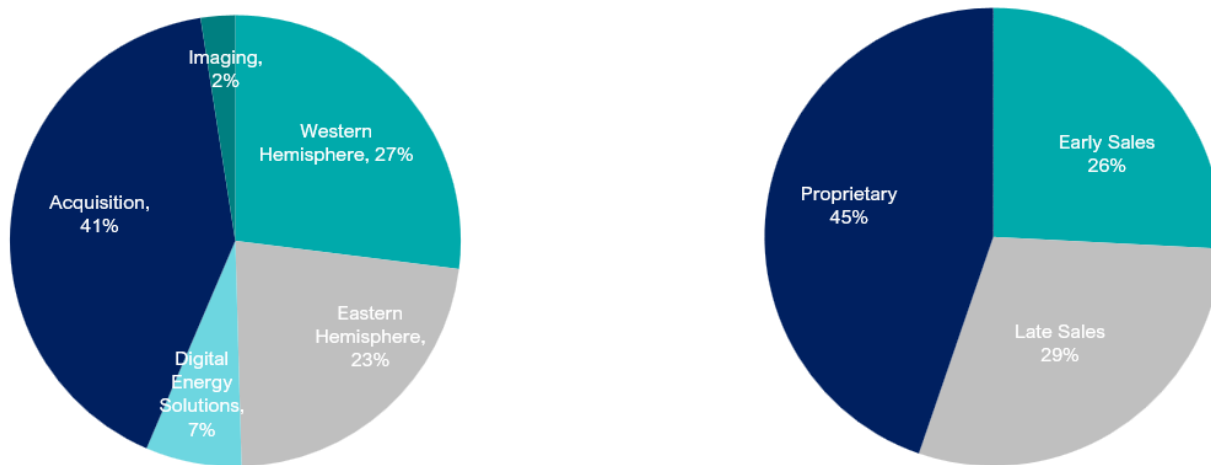
“Without any special sales events, such as licensing rounds and transfer fees, we are satisfied with the development in multi-client revenues in the quarter. Late sales increased by 6% compared to the same quarter of last year and we continued to show strong sales of ongoing surveys with an early sales rate of 94%. Proprietary revenues increased approximately 30% sequentially and our operational performance was solid for ongoing projects. Furthermore, I'm pleased to see strong order inflow in our Acquisition business in the quarter, reflecting continued growth in demand for OBN data acquisition services. By completing the merger with PGS on 1 July, TGS is perfectly positioned to support our customers' exploration ambitions and capitalize on what we think will be a multi-year upcycle.”

**KRISTIAN JOHANSEN**, CEO of TGS.

## FINANCIAL REVIEW - IFRS

Revenues amounted to USD 224.3 million in Q2 2024, an increase of 9% from USD 206.3 million in Q2 2023. Late sales amounted to USD 66.1 million in Q2 2024 versus USD 62.5 million in Q2 2023. Early sales increased to USD 57.9 million in Q2 2024 from USD 31.1 million in Q2 2023. Proprietary revenues decreased from USD 112.7 million in Q2 2023 to USD 100.3 million in Q2 2024. The Acquisition Business Unit contributed USD 92.7 million to total revenues.

## REVENUE DISTRIBUTION



Source: TGS

Personnel costs were USD 32.0 million in the quarter compared to USD 33.8 million in Q2 2023. Other operating expenses amounted to USD 19.7 million compared to USD 12.0 million in Q2 2023. Other operating expenses include USD 6.2 million of extraordinary items related to the PGS merger. Cost of sales were USD 41.9 million in Q2 2024 compared to USD 63.5 million in Q2 2023.

Amortization and impairments of the multi-client library amounted to USD 43.1 million in Q2 2024 versus USD 54.9 million in Q2 2023. Of this, straight-line amortization was USD 38.9 million (USD 39.6 million in Q2 2023) and accelerated amortization was USD 4.2 million (USD 13.7 million in Q2 2023), and impairment was USD 0 million (USD 1.6 million in Q2 2023).

Depreciation for the quarter was USD 32.9 million, compared to USD 19.2 million in Q2 2023. The increase relates to increased right-of-use assets caused by long-term vessel leases entered into during 2023 and first half of 2024.

Operating profit amounted to USD 54.6 million in Q2 2024 compared to an operating profit of USD 23.0 million in the same quarter of last year.

## **CASH FLOW**

Free cash flow was USD 9.5 million for Q2 2024 compared to USD -34.4 million in Q2 2023. Net cash flow from operations for the quarter totaled USD 89.0 million, compared to USD 56.4 million in Q2 2023. Net decrease in cash for Q2 2024 was USD 31.4 million (decrease of USD 64.4 million in Q2 2023). Cash outflows related to organic investments in the multi-client library were USD 62.4 million, compared to USD 74.7 million in Q2 2023.

## **DIVIDEND**

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 TGS and the market.

The Board of Directors has resolved to maintain the dividend at USD 0.14 per share in Q3 2024. The dividend will be paid in the form of NOK 1.51 per share on 8 August 2024. The shares will trade ex-dividend on 25 July 2024. In Q2 2024, TGS paid a cash dividend of USD 0.14 per share (NOK 1.52 per share).

## **OPERATIONAL REVIEW**

Contract inflow was USD 368 million in Q2 2024 compared to USD 198 million in Q2 2023. The contract backlog increased to USD 611 million (USD 970 million under IFRS) at the end of the quarter from USD 459 million (USD 827 million under IFRS) at the end of Q1 2024. The contract backlog at the end of Q2 2023 was USD 417 million (USD 624 million under IFRS).

Organic multi-client investments amounted to USD 52 million in the quarter compared to USD 86 million in Q2 2023. The largest multi-client projects ongoing in Q2 2024 were Penyu Basin in Malaysia and West Sulawesi in Indonesia.

The activity level in Acquisition improved compared to the preceding quarter and is expected to improve further over the coming two quarters. In Q2 2024, there were three active OBN operations in U.S. GoM, one in the North Sea and two in Africa. The two ongoing reservoir monitoring operations in the North Sea carried on as normal, and the Gemini source was operational in the Mediterranean through the quarter.

TGS' Digital Energy Solution business grew revenues by 62% in Q2 2024 compared to the same quarter of last year. The increase mainly relates to increased sales of digital well data products.

## OUTLOOK

With continued economic growth global energy demand will increase in the coming decades. The pace of adopting alternative energy sources remains insufficient to meet ambitious transition targets. Oil and gas will therefore continue to constitute a major part of the global energy mix for the foreseeable future. Rapid depletion of existing oil and gas reserves, coupled with challenges such as cost inflation, substantial environmental challenges, and political and regulatory risks associated with undeveloped reserves, underscores the necessity of sustained exploration efforts in both mature and emerging basins.

A continued high oil price bolsters energy companies' cash flows and facilitates growth in exploration spending. As high-quality data is a prerequisite for successful exploration campaigns, the new, fully integrated and larger TGS is well positioned to benefit, enhancing its position as the leading provider of geoscience data and services. The combination of TGS and PGS forms a powerhouse in the energy sector, with a full spectrum of capabilities to support energy exploration and production on a global scale. As the industry evolves, TGS is ideally situated to serve the entire energy market with more comprehensive, advanced solutions. This integration will also enable the Company to leverage a wider pool of technological resources and expertise, significantly boosting its operational efficiency, innovation and customer engagement strategies.

TGS' New Energy Solutions business is at the forefront of providing data and insights to the energy industry through a range of innovative products, digital platforms, and software solutions. With an increasing number of countries and regions unlocking acreage for renewable energy projects and offering attractive financial incentives, the demand for TGS' products that facilitate screening, decision support, and asset management is expected to continue growing in both the short and long term.

The integration planning started in Q4 2023, and TGS is well on track to deliver synergies in line with the guidance of USD 100 million per annum. A new organizational model and executive team have been put in place with a strong focus on being a long-term partner for energy companies across multiple segments and industry verticals.

**Oslo, 17 July 2024**

THE BOARD OF DIRECTORS of TGS ASA

## ABOUT TGS

TGS provides advanced data and intelligence to companies active in the energy sector. With leading-edge technology and solutions spanning the entire energy value chain, TGS offers a comprehensive range of insights to help clients make better decisions. Our broad range of products and advanced data technologies, coupled with a global, extensive and diverse energy data library, make TGS a trusted partner in supporting the exploration and production of energy resources worldwide. For further information, please visit [www.tgs.com](http://www.tgs.com)

TGS ASA is listed on the Oslo Stock Exchange (OSLO:TGS). In addition, TGS' shares and sponsored American Depository Shares trade on the OTCQX Best Market in the U.S. under the symbols "TGSNF" and "TGSGY".

## CONTACT FOR ADDITIONAL INFORMATION

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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.

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## CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

| (All amounts in USD 1,000s unless noted otherwise)        | Note | Q2 2024        | Q2 2023        | YTD 2024       | YTD 2023       |
|---|------|----------------|----------------|----------------|----------------|
| <b>Revenue</b>  | 4    | <b>224,307</b> | <b>206,307</b> | <b>376,412</b> | <b>379,482</b> |
| Cost of sales - proprietary and other                     |      | 41,896         | 63,475         | 76,852         | 121,265        |
| Straight-line amortization of the multi-client library    | 5    | 38,945         | 39,598         | 79,682         | 79,185         |
| Accelerated amortization of the multi-client library      | 5,6  | 4,183          | 13,700         | 10,696         | 25,936         |
| Impairment of the multi-client library                    | 5,6  | -              | 1,586          | -              | 1,586          |
| Personnel costs   |      | 32,042         | 33,783         | 64,506         | 65,074         |
| Other operating expenses                                  |      | 19,663         | 11,969         | 36,483         | 32,546         |
| Depreciation, amortization and impairment                 |      | 32,933         | 19,205         | 62,995         | 37,709         |
| <b>Total operating expenses</b>                           | 4    | <b>169,663</b> | <b>183,315</b> | <b>331,213</b> | <b>363,302</b> |
| <b>Operating profit/(loss)</b>                            | 4    | <b>54,644</b>  | <b>22,992</b>  | <b>45,198</b>  | <b>16,181</b>  |
| Financial income  |      | 1,404          | 1,243          | 2,584          | 3,533          |
| Financial expenses  |      | -3,796         | -3,797         | -8,132         | -9,870         |
| Net exchange gains/(losses)                               |      | -3,532         | 296            | -11,842        | -722           |
| Results from equity accounted investments                 |      | -              | -              | -              | -1,332         |
| <b>Net financial items</b>                                |      | <b>-5,924</b>  | <b>-2,259</b>  | <b>-17,390</b> | <b>-8,390</b>  |
| <b>Profit/(loss) before taxes</b>                         |      | <b>48,723</b>  | <b>20,733</b>  | <b>27,811</b>  | <b>7,790</b>   |
| Taxes   | 7    | 13,479         | -1,904         | 9,084          | -6,142         |
| <b>Net Income</b>   |      | <b>35,244</b>  | <b>22,637</b>  | <b>18,727</b>  | <b>13,933</b>  |
| Earnings per share (USD)                                  |      | 0.27           | 0.18           | 0.14           | 0.11           |
| Earnings per share, diluted (USD)                         |      | 0.27           | 0.18           | 0.14           | 0.11           |
| <b>Other comprehensive income:</b>                        |      |                |                |                |                |
| Exchange differences on translation of foreign operations |      | 107            | -27            | -117           | -86            |
| <b>Total comprehensive income for the period</b>          |      | <b>35,350</b>  | <b>22,610</b>  | <b>18,610</b>  | <b>13,847</b>  |



## CONDENSED CONSOLIDATED FINANCIAL POSITION

| (All amounts in USD 1,000s unless otherwise noted)           | Note | 30-Jun<br>2024   | 30-Jun<br>2023   | 31-Dec<br>2023   |
|--|------|------------------|------------------|------------------|
| Goodwill   | 6    | 384,649          | 384,649          | 384,649          |
| Intangible assets: Multi-client library                      | 5,6  | 781,550          | 687,310          | 753,084          |
| Other intangible assets                                      |      | 80,262           | 68,289           | 73,020           |
| Deferred tax assets  |      | 68,616           | 92,694           | 67,895           |
| Buildings, machinery and equipment                           |      | 146,650          | 146,640          | 131,970          |
| Right-of-use-asset   |      | 114,789          | 66,676           | 78,184           |
| Other non-current assets                                     |      | 21,640           | 14,612           | 24,679           |
| <b>Total non-current assets</b>                              |      | <b>1,598,157</b> | <b>1,460,869</b> | <b>1,513,479</b> |
| Accounts receivable  |      | 106,218          | 160,203          | 93,712           |
| Accrued revenues   |      | 88,762           | 86,385           | 63,217           |
| Short-term interest bearing receivable                       | 8    | 58,200           | -                | -                |
| Inventory  |      | 8,983            | 8,890            | 12,565           |
| Other current assets   |      | 80,597           | 91,639           | 76,700           |
| Cash and cash equivalents                                    |      | 125,021          | 143,921          | 196,741          |
| <b>Total current assets</b>                                  |      | <b>467,780</b>   | <b>491,037</b>   | <b>442,935</b>   |
| <b>TOTAL ASSETS</b>  |      | <b>2,065,937</b> | <b>1,951,907</b> | <b>1,956,414</b> |
| Share capital  |      | 4,400            | 4,259            | 4,406            |
| Other equity   |      | 1,256,117        | 1,210,881        | 1,271,170        |
| <b>Total equity</b>  |      | <b>1,260,517</b> | <b>1,215,140</b> | <b>1,275,576</b> |
| Long-term interest bearing debt                              | 8    | 58,200           | 45,000           | -                |
| Other non-current liabilities                                |      | 39,497           | 46,947           | 41,210           |
| Non-current lease liabilities                                |      | 43,777           | 34,553           | 41,331           |
| Deferred tax liability                                       |      | 16,144           | 21,707           | 16,426           |
| <b>Total non-current liabilities</b>                         |      | <b>157,618</b>   | <b>148,208</b>   | <b>98,967</b>    |
| Accounts payable and debt to partners                        |      | 76,106           | 124,421          | 95,049           |
| Taxes payable, withheld payroll tax, social security and VAT |      | 63,349           | 69,702           | 78,377           |
| Current lease liabilities                                    |      | 79,341           | 39,253           | 43,877           |
| Deferred revenue   |      | 314,944          | 180,628          | 276,064          |
| Other current liabilities                                    |      | 114,062          | 174,555          | 88,506           |
| <b>Total current liabilities</b>                             |      | <b>647,802</b>   | <b>588,559</b>   | <b>581,872</b>   |
| <b>Total liabilities</b>                                     |      | <b>805,420</b>   | <b>736,766</b>   | <b>680,838</b>   |
| <b>Total equity and liabilities</b>                          |      | <b>2,065,937</b> | <b>1,951,907</b> | <b>1,956,414</b> |

## CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

| (All amounts in USD 1,000s unless otherwise noted)    | Note | Q2 2024        | Q2 2023        | YTD 2024        | YTD 2023        |
|---|------|----------------|----------------|-----------------|-----------------|
| <b>Operating activities</b>                           |      |                |                |                 |                 |
| Profit before taxes                                   |      | 48,723         | 20,733         | 27,811          | 7,790           |
| Depreciation / amortization / impairment              |      | 76,062         | 74,089         | 153,373         | 144,417         |
| Changes in accounts receivable and accrued revenues   |      | -3,256         | -82,408        | -38,051         | -6,268          |
| Changes in other receivables                          |      | 11,608         | -12,239        | 2,199           | -8,187          |
| Changes in balance sheet items                        |      | -35,369        | 63,230         | 50,507          | 111,765         |
| Paid taxes  |      | -8,679         | -6,989         | -13,371         | -14,900         |
| <b>Net cash flows from operating activities</b>       |      | <b>89,089</b>  | <b>56,416</b>  | <b>182,468</b>  | <b>234,617</b>  |
| <b>Investing activities:</b>                          |      |                |                |                 |                 |
| Investments in tangible and intangible assets         |      | -18,529        | -17,212        | -41,710         | -24,785         |
| Investments in multi-client library                   |      | -62,405        | -74,711        | -123,882        | -141,627        |
| Interest received                                     |      | 1,386          | 1,059          | 2,828           | 3,201           |
| Net change in interest bearing receivables            | 8    | -              | -              | -58,200         | -               |
| <b>Net cash flows used in investing activities</b>    |      | <b>-79,548</b> | <b>-90,864</b> | <b>-220,964</b> | <b>-163,211</b> |
| <b>Financing activities:</b>                          |      |                |                |                 |                 |
| Net change in interest bearing debt                   | 8    | -              | 252            | 58,200          | 252             |
| Interest paid   |      | -2,373         | -2,064         | -6,063          | -3,854          |
| Dividend payments                                     | 3    | -18,324        | -17,620        | -36,645         | -35,046         |
| Repayment of lease liabilities                        |      | -20,208        | -10,501        | -40,440         | -22,123         |
| Acquisition of shares                                 |      | -              | -              | -               | -54,385         |
| <b>Net cash flows used in financing activities</b>    |      | <b>-40,905</b> | <b>-29,933</b> | <b>-24,948</b>  | <b>-115,156</b> |
| <b>Net change in cash and cash equivalents</b>        |      | <b>-31,364</b> | <b>-64,381</b> | <b>-63,444</b>  | <b>-43,750</b>  |
| Cash and cash equivalents at the beginning of period  |      | 159,812        | 208,006        | 196,741         | 188,452         |
| Net unrealized currency gains / (losses)              |      | -3,424         | 296            | -8,274          | -780            |
| <b>Cash and cash equivalents at the end of period</b> |      | <b>125,021</b> | <b>143,921</b> | <b>125,021</b>  | <b>143,921</b>  |

## CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

### For the six months ending June 30, 2024

| (All amounts in USD 1,000s unless noted otherwise) | Share Capital | Treasury Shares | Share Premium  | Other Paid-In Capital | Currency Translation Reserve | Retained Earnings | Non-controlling interest | Total Equity     |
|--|---------------|-----------------|----------------|-----------------------|------------------------------|-------------------|--------------------------|------------------|
| <b>Opening balance 1 January 2024</b>              | <b>4,406</b>  | <b>-16</b>      | <b>623,965</b> | <b>45,248</b>         | <b>-23,085</b>               | <b>624,590</b>    | <b>468</b>               | <b>1,275,576</b> |
| Net income   | -             | -               | -              | -                     | -                            | 18,727            | -                        | 18,727           |
| Translation effect                                 | -             | -               | -              | -                     | -117                         | -                 | -                        | -117             |
| <b>Total Comprehensive income</b>                  | <b>-</b>      | <b>-</b>        | <b>-</b>       | <b>-</b>              | <b>-117</b>                  | <b>18,727</b>     | <b>-</b>                 | <b>18,610</b>    |
| Distribution of treasury shares                    | -             | 1               | -              | -                     | -                            | 285               | -                        | 286              |
| Cancellation of treasury shares held               | -7            | 7               | -              | -                     | -                            | -                 | -                        | -                |
| Cost of equity-settled long term incentives        | -             | -               | -              | -                     | -                            | 2,690             | -                        | 2,690            |
| Dividends  | -             | -               | -              | -                     | -                            | -36,645           | -                        | -36,645          |
| <b>Closing balance as of 30 June 2024</b>          | <b>4,400</b>  | <b>-9</b>       | <b>623,965</b> | <b>45,248</b>         | <b>-23,202</b>               | <b>609,647</b>    | <b>468</b>               | <b>1,260,517</b> |

### For the six months ending June 30, 2023

| (All amounts in USD 1,000s unless noted otherwise) | Share Capital | Treasury Shares | Share Premium  | Other Paid-In Capital | Currency Translation Reserve | Retained Earnings | Non-controlling interest | Total Equity     |
|--|---------------|-----------------|----------------|-----------------------|------------------------------|-------------------|--------------------------|------------------|
| <b>Opening balance 1 January 2023</b>              | <b>4,259</b>  | <b>-18</b>      | <b>537,583</b> | <b>45,248</b>         | <b>-22,539</b>               | <b>671,373</b>    | <b>3,856</b>             | <b>1,239,763</b> |
| Net income   | -             | -               | -              | -                     | -                            | 13,932            | -                        | 13,932           |
| Translation effect                                 | -             | -               | -              | -                     | -86                          | -                 | -                        | -86              |
| <b>Total Comprehensive income</b>                  | <b>-</b>      | <b>-</b>        | <b>-</b>       | <b>-</b>              | <b>-86</b>                   | <b>13,932</b>     | <b>-</b>                 | <b>13,847</b>    |
| Distribution of treasury shares                    | -             | 1               | -              | -                     | -                            | 595               | -                        | 595              |
| Acquisition of Magseis ASA                         | -             | -               | -              | -                     | -                            | -2,031            | -3,389                   | -5,419           |
| Cost of equity-settled long term incentive plans   | -             | -               | -              | -                     | -                            | 1,401             | -                        | 1,401            |
| Dividends  | -             | -               | -              | -                     | -                            | -35,046           | -                        | -35,046          |
| <b>Closing balance as of 30 June 2023</b>          | <b>4,259</b>  | <b>-17</b>      | <b>537,583</b> | <b>45,248</b>         | <b>-22,625</b>               | <b>650,224</b>    | <b>468</b>               | <b>1,215,140</b> |

## NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS

### Note 1 General information

TGS ASA is a public limited company listed on the Oslo Stock Exchange. The address of its registered office is Askekroken 11, 0277 Oslo, Norway. References to TGS or the Group include TGS ASA and its subsidiaries, unless the context requires otherwise.

### Note 2 Basis for Preparation

The condensed consolidated financial statements of TGS have been prepared in accordance with IFRS® Accounting Standards, IAS 34 Financial Reporting as adopted by EU and additional requirements in the Norwegian Securities Trading Act. The 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 2023, which is available at [www.tgs.com](http://www.tgs.com).

The same accounting policies and methods of computation are followed in the condensed consolidated financial statements as compared with the annual financial statements for 2023. The condensed consolidated financial statements are unaudited.

### Note 3 Share capital and equity

| <b>Ordinary shares</b> | <b>Number of shares</b> |
|------------------------|-------------------------|
| 1 January 2024         | 131,280,458             |
| Net change in period   | -245,315                |
| <b>30 June 2024</b>    | <b>131,035,143</b>      |

| <b>Treasury shares</b> | <b>Number of shares</b> |
|------------------------|-------------------------|
| 1 January 2024         | 418,630                 |
| Net change in period   | -271,872                |
| <b>30 June 2024</b>    | <b>146,758</b>          |

The Annual General Meeting on 28 June 2024 renewed the Board of Directors' authorizations to distribute quarterly dividends on the basis of the 2023 financial statements. The authorizations are valid until 30 June 2025, unless renewed in a General Meeting prior to that date.

The Board of Directors has resolved to maintain the dividend at USD 0.14 per share in Q3 2024. The dividend will be paid in the form of NOK 1.51 per share on 8 August 2024. The share will trade ex-dividend on 25 July 2024.

In Q2 2024, TGS paid a cash dividend of USD 0.14 per share (NOK 1.52 per share).

| <b>Largest Shareholders as of 30 June 2024</b> | <b>Country</b> | <b>Account type</b> | <b>No. of shares</b> | <b>Share</b> |
|--|----------------|---------------------|----------------------|--------------|
| 1. FOLKETRYGDFONDET                            | Norway         | Ordinary            | 12,172,887           | 9.3 %        |
| 2. The Bank of New York Mellon                 | United States  | Nominee             | 6,701,537            | 5.1 %        |
| 3. PARETO AKSJE NORGE VERDIPAPIRFOND           | Norway         | Ordinary            | 5,710,595            | 4.4 %        |
| 4. JPMorgan Chase Bank, N.A., London           | United Kingdom | Nominee             | 4,596,488            | 3.5 %        |
| 5. BNP Paribas                                 | Spain          | Nominee             | 3,312,651            | 2.5 %        |
| 6. Brown Brothers Harriman (Lux.) SCA          | Luxembourg     | Nominee             | 3,216,756            | 2.5 %        |
| 7. The Northern Trust Comp, London Br          | United Kingdom | Nominee             | 3,149,702            | 2.4 %        |
| 8. VPF DNB AM NORSKE AKSJER                    | Norway         | Ordinary            | 2,520,656            | 1.9 %        |
| 9. VERDIPAPIRFOND ODIN NORGE                   | Norway         | Ordinary            | 2,385,555            | 1.8 %        |
| 10. Citibank, N.A.                             | Ireland        | Nominee             | 2,378,100            | 1.8 %        |
| <b>10 largest</b>                              |                |                     | <b>46,144,927</b>    | <b>35%</b>   |
| <b>Total Shares Outstanding *</b>              |                |                     | <b>130,888,385</b>   | <b>100%</b>  |

#### **Average number of shares outstanding for current quarter \***

|   |             |
|---|-------------|
| Average number of shares outstanding during the quarter   | 130,887,639 |
| Average number of shares fully diluted during the quarter | 132,093,464 |

\*Shares outstanding net of treasury shares per 30 June 2024 (146 758 TGS shares), composed of average outstanding TGS shares during the quarter.

#### **Share price information**

|   |               |
|---|---------------|
| Share price 30 June 2024 (NOK)                          | 128.20        |
| <b>Market capitalization 30 June 2024 (NOK million)</b> | <b>16,799</b> |

#### **Note 4 Segment information**

TGS reports monthly management information to the Executive Management based on defined operating business units based on the nature of the products and services sold. Where appropriate, these operating business units are aggregated into reportable segments that form the basis of the monthly management reporting. The reportable segments are divided into five overall business units: Multi-client, Digital Energy Solutions (DES), Acquisition (ACQ), Imaging and G&A. The Group does not allocate all cost items to its reportable business units during the year.

| (All amounts in USD 1,000s)           | Multi-client  | Acquisition   | Digital Energy Solutions | Imaging       | G&A            | Elimination   | Total          |
|---------------------------------------|---------------|---------------|--------------------------|---------------|----------------|---------------|----------------|
| <b>Q2 2024</b>                        |               |               |                          |               |                |               |                |
| Operating revenues                    | 111,219       | 92,687        | 21,656                   | 11,425        | -              | -12,680       | <b>224,307</b> |
| Straight-line amortization            | -35,232       | -             | -3,713                   | -             | -              | -             | <b>-38,945</b> |
| Accelerated amortization / impairment | -3,764        | -             | -419                     | -             | -              | -             | <b>-4,183</b>  |
| Cost of sales - proprietary and other | -14           | -40,445       | -1,489                   | -             | 21             | 31            | <b>-41,896</b> |
| Other operating cost                  | -6,882        | -39,878       | -12,521                  | -14,158       | -23,416        | 12,217        | <b>-84,638</b> |
| <b>Operating profit</b>               | <b>65,328</b> | <b>12,363</b> | <b>3,513</b>             | <b>-2,733</b> | <b>-23,396</b> | <b>-432</b>   | <b>54,644</b>  |
| <b>Q2 2023</b>                        |               |               |                          |               |                |               |                |
| Operating revenues                    | 85,496        | 113,955       | 16,180                   | 11,143        | -              | -20,467       | <b>206,307</b> |
| Straight-line amortization            | -35,931       | -             | -3,667                   | -             | -              | -             | <b>-39,598</b> |
| Accelerated amortization / impairment | -15,243       | -             | -42                      | -             | -              | -             | <b>-15,286</b> |
| Cost of sales - proprietary and other | -639          | -68,740       | 326                      | 6             | -42            | 5,614         | <b>-63,475</b> |
| Other operating cost                  | -6,026        | -27,637       | -13,342                  | -14,246       | -17,284        | 13,578        | <b>-64,957</b> |
| <b>Operating profit</b>               | <b>27,658</b> | <b>17,578</b> | <b>-546</b>              | <b>-3,077</b> | <b>-17,346</b> | <b>-1,274</b> | <b>22,992</b>  |

#### Note 5 Multi-client library

| (All amounts in USD millions)         | 30-Jun 2024  | 30-Jun 2023  | YTD 2024     | YTD 2023     |
|---------------------------------------|--------------|--------------|--------------|--------------|
| <b>Opening balance net book value</b> | <b>772.8</b> | <b>656.3</b> | <b>753.1</b> | <b>575.3</b> |
| Inorganic multi-client investments    | -            | -            | -            | -            |
| Organic multi-client investments      | 51.9         | 85.9         | 118.8        | 218.7        |
| Amortization and impairment           | -43.1        | -54.9        | -90.4        | -106.7       |
| <b>Closing balance net book value</b> | <b>781.5</b> | <b>687.3</b> | <b>781.5</b> | <b>687.3</b> |
| Net MC revenues                       | 124.0        | 93.6         | 198.6        | 181.1        |
| Amort. in % of net MC revs.           | 35%          | 59%          | 45%          | 59%          |

Multi-client library consists of assets from both Multi-client and Digital Energy Solution segments.

#### 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. TGS has not identified any impairment triggers in 2024. 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. These 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 oil price. The developments through Q2 2024 did not reveal any new factors considered to trigger an impairment analysis. Following internal reporting from TGS business units, 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.

#### **Note 7 Tax**

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 computation 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%), Brazil (34%) and the US (21%). The tax expense for Q2 2024 was USD 13.5 million (USD -1.9 million in Q2 2023), corresponding to a tax rate of 27.7% (-9.2% in Q2 2023).

#### **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 represent TGS' 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 8 Interest bearing liabilities**

On 9 February 2023, TGS entered into an amended and restated revolving credit facility (RCF) which provides for borrowings, on a revolving basis, of up to USD 150 million with an interest rate of SOFR +3.0% per annum. A temporary increase of USD 100 million for a period of 15 months under the RCF became effective as of 1 July 2024.

On 31 January 2024, TGS entered into a commitment of USD 60 million to refinance PGS ASA Super Senior loan, on market terms and secured on equal terms to the existing Super Senior loan. The loan agreement was signed in Q1 2024. Transaction price was at 98% and payment of USD 58.2 million was made 18 March 2024. TGS funded the payment by drawing down on the RCF and has recorded a short-term interest receivable in the balance sheet.

On 24 June 2024, with references to PGS USD 75 million loan (the “Notes”), TGS entered into agreements with the Notes holders for the assignment of the Notes at par. Payment of USD 70.3 million was made 1 July 2024. TGS funded the payment by drawing down on the RCF on 1 July 2024.

| (All amounts in USD millions)     | 30-Jun<br>2024 | 30-Jun<br>2023 |
|-----------------------------------|----------------|----------------|
| Nominal value drawn bank facility | 58,200         | 45,000         |
| <b>Total</b>                      | <b>58,200</b>  | <b>45,000</b>  |
| Long term                         | 58,200         | -              |
| Short term                        | -              | 45,000         |

#### Financial covenants bank facility (RCF)

The conditions below are only tested if Liquidity (as defined in the RCF) on the relevant testing date is below USD 100 million:

- Equity Ratio > 50 percent
- Leverage Ratio: Net interest-bearing debt/EBITDA for relevant period must be at or below 1.00
- Liquidity: The Liquidity of the group at all times must be at least USD 75 million
- Operational Capex: EBITDA minus Operational Capex must be above zero

TGS is in compliance with all financial covenants as of 30 June 2024.



### Note 9 Business combinations

On 1 July 2024, TGS announced that the TGS and PGS Merger was formally completed. The combination of the two companies is to establish the premier energy data company. Creating a stronger and more diversified geophysical company and data provider to the energy value chain, driven by technology and innovation. The combined entity will offer a robust position in all verticals: Multi-client, acquisition, imaging and new energy.

|   | 01-Jul<br>2024 |
|---|----------------|
| Purchase price allocation   |                |
| Share price TGS   | 129.6          |
| New TGS shares (million)  | 65.2           |
| Value of shares (USD million)   | 794.7          |
| Cash consideration (USD million)  | 18.2           |
| <b>Purchase price (USD million)</b>   | <b>813.0</b>   |
| PGS equity 30 June 2024   | 462.2          |
| <b>Fair value adjustments to be allocated to net assets acquired and goodwill</b> | <b>350.8</b>   |

At the date of preparation of these consolidated interim financial statements, the purchase price allocation is in the process of being determined. The analysis is expected to be completed in the next few months.

The total consideration for the PGS acquisition amounts to USD 813 million. Adjusted for PGS equity as of 30 June 2024, an amount of USD 350.8 million will be allocated as part of the purchase price allocation. The fair value adjustments currently identified in the preliminary purchase price allocation relate to the multi-client library, recognition of previously unrecognized tax losses, customer relationships, contingent liabilities, leasing and debt, the residual amount will be allocated to goodwill.

## 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.

### Early Sales

Early sales are defined as multi-client revenues committed prior to completion and delivery of a survey. Revenue is recognized at the point in time when the licenses are transferred to the customers, which would typically be upon completion of processing of the surveys and granting of access to the finished surveys or delivery of the finished data, independent of services delivered to clients during the project phase.

### Late Sales

Late sales are defined as multi-client revenues from sales of completed data. Revenue is recognized at a point in time, generally upon delivery of the final processed data to the customers.

### Proprietary Sales

Proprietary sales are defined as revenues related to services that TGS performs on behalf of customers. Revenues are recognized over time, normally on a percentage of completion basis.

### Percentage-of-completion (POC) Revenues & 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 are measured by applying the percentage-of-completion method to Early sales only.

| (All amounts in USD 1,000s)                    | Total          |
|--|----------------|
| <b>Q2 2024</b>                                 |                |
| Operating revenues                             | 224,307        |
| PoC Revenue Early Sales                        | 48,630         |
| Performance obligations met during the quarter | -57,930        |
| <b>POC Revenue</b>                             | <b>215,006</b> |
| <b>Q2 2023</b>                                 |                |
| Operating revenues                             | 206,307        |
| PoC Revenue Early Sales                        | 65,998         |
| Performance obligations met during the quarter | -31,131        |
| <b>POC Revenue</b>                             | <b>241,174</b> |

### 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.

### 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.

### EBITDA

EBITDA means earnings before interest, taxes, depreciation, and amortization. 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 2024        | Q2 2023       | YTD 2024       | YTD 2023       |
|---|----------------|---------------|----------------|----------------|
| Net income  | 35,244         | 22,637        | 18,727         | 13,932         |
| Taxes   | 13,479         | -1,904        | 9,084          | -6,142         |
| Net financial items                                 | 5,924          | 2,259         | 17,390         | 8,390          |
| Depreciation, amortization and impairment           | 32,933         | 19,205        | 62,995         | 37,709         |
| Amortization and impairment of multi-client library | 43,128         | 54,883        | 90,378         | 106,708        |
| <b>EBITDA</b>                                       | <b>130,708</b> | <b>97,080</b> | <b>198,574</b> | <b>160,597</b> |

### Straight-line Amortization

Straight-line amortization is defined as amortization of the value of completed data on a straight-line basis over the remaining useful life.

### Accelerated Amortization

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.

### POC Accelerated Amortization

Accelerated amortization of multi-client library is calculated on percentage of completion basis.

### 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 (12 months trailing) 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<br>2024   | 30-Jun<br>2023   |
|---------------------------------------|------------------|------------------|
| Equity                                | 1,260,517        | 1,215,140        |
| Interest bearing debt                 | 58,200           | 45,000           |
| Cash                                  | 125,021          | 143,921          |
| Net interest bearing debt             | -66,821          | -98,921          |
| <b>Capital employed</b>               | <b>1,193,696</b> | <b>1,116,220</b> |
| Average capital employed              | 1,154,958        | 994,358          |
| Operating profit (12 months trailing) | 82,286           | 91,951           |
| <b>ROACE</b>                          | <b>7%</b>        | <b>8%</b>        |

### Free cash flow

Free cash flow when calculated by TGS is Cash flow from operational activities minus cash from investing activities excluding impact from investing activities related to Mergers and Acquisitions.

| (All amounts in USD 1,000s)                            | Q2 2024      | Q2 2023        | YTD 2024      | YTD 2023      |
|--|--------------|----------------|---------------|---------------|
| Net cash flow from operating activities                | 89,089       | 56,416         | 182,468       | 234,617       |
| Net cash flow from investing activities                | -79,548      | -90,864        | -220,964      | -163,211      |
| Excluding Investments through mergers and acquisitions | -            | -              | 58,200        | -             |
| <b>Free cash flow</b>                                  | <b>9,541</b> | <b>-34,448</b> | <b>19,704</b> | <b>71,406</b> |

### Contract Inflow

Contract inflow is defined as the aggregate value of new customer contracts entered into in a given period

### Contract Backlog

Contract backlog is defined as the aggregate unrecognized value of all customer contracts as of a given date.

## Responsibility Statement

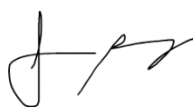
We confirm to the best of our knowledge that the condensed interim financial statements for the period 1 January to 30 June 2024 has been prepared in accordance with IAS 34 – Interim Financial Reporting as adopted by EU, and additional requirements found in the Norwegian Securities Trading Act, Norwegian 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 period of 1 January to 30 June 2024, and their impact on the interim financial statements, any major related parties transactions, and a description of the principal risks and uncertainties.

Oslo, 17 July 2024

THE BOARD OF DIRECTORS of TGS ASA



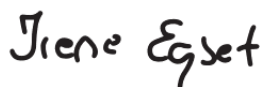
Christopher Finlayson  
Chair of Board of Directors



Luis Araujo  
Board member



Bettina Bachmann  
Board member



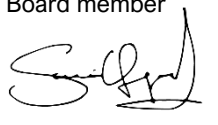
Irene Egset  
Board member



Maurice Nessim  
Board member



Grethe Kristin Moen  
Board member



Svein Harald Øygard  
Board member



Kristian Johansen  
Chief Executive Officer



Energy Starts With Us