TGS®

ANNUAL REPORT / 2020

zero or above, and (iv) a liquidity of USD 75 million on a consolidated basis. As of 31 December 2020, TGS had not drawn any amounts under the facility and was in full compliance with all of the financial covenants. The facility is secured by a lien on the assets of the Parent company and subsidiaries having net revenues representing 5% or more of the Group's net revenues as defined in the facility (as of year-end 2020, TGS AP Investment AS, TGS-NOPEC Geophysical Company, A2D Technologies Inc., TGS Geophysical Company (UK) Limited, TGS Canada Corp. and TGS AS). The same subsidiaries have also provided guarantees.

The revolving credit facility was renewed with three years in February 2021 with a revised interest rate of LIBOR + 2.5%. Financial covenants remain unchanged under the renewed facility, as well as the lien and guarantor provisions of the 2018 facility.

Guarantees

As of 31 December 2020, no new guarantees have been issued on behalf of the Group (2019: USD 0.2 million).

TGS provides from time to time parental guarantees of its subsidiaries' performance under certain projects. In addition, under section 479A of the UK Companies Act 2006, six of TGS' subsidiaries (TGS Geophysical Company (UK) Limited (Registration number: 05731700); TGS Geophysical Investments Limited (Registration number: 09281097); Spectrum Geo Limited (Registration number: 01979422); Aceca Limited (Registration number: 03672833); TGS-NOPEC Geophysical Company Limited (Registration number: 02896729); and Magsurvey Limited (Registration number: 04568744)) have claimed an exemption for audit of their statutory financial statements pursuant to guarantees issued by TGS to indemnify the subsidiaries for any losses towards third parties that may arise in the financial year ended 31 December 2020 by these subsidiaries. TGS may make an annual election to support such guarantees for each financial year.

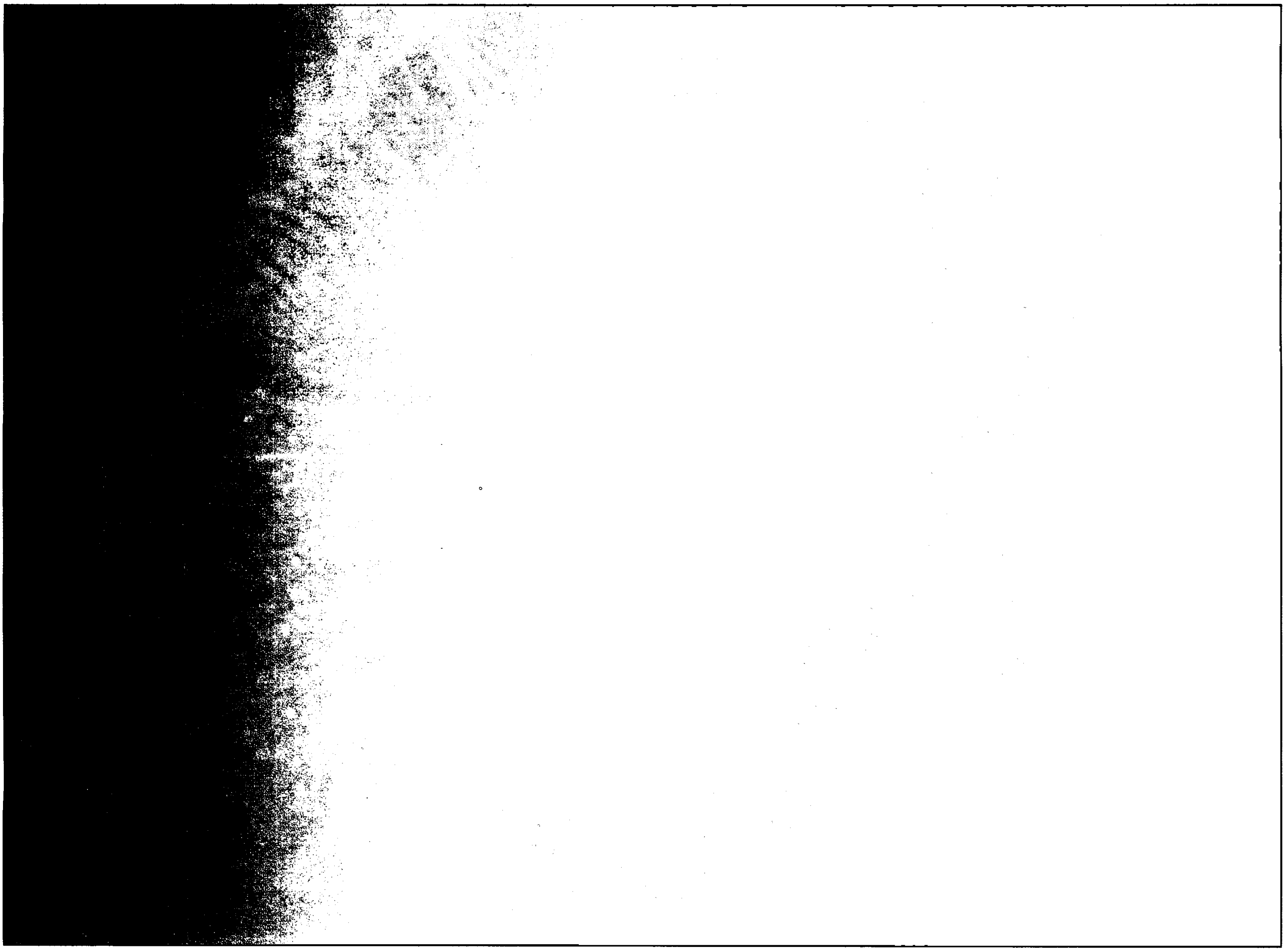
22. COMMITMENTS

Operating Leases

As of the end of 2020, TGS had entered into commitments for two 3D vessels, one 2D vessel, in addition to one commitment for land crew. All these commitments will expire in 2021, and the amount committed, including contractual lease agreements, totaled USD 22 million for marine capacity and USD 15 million for land capacity (2019 total marine and land capacity: USD 164 million). Office leases and data center leases are recognized in the balance sheet. See Note 7 for more information on such lease liabilities.

23. SUBSIDIARIES

Company Name	Country of Incorporation	Shareholding and voting power
TGS-NOPEC Geophysical Company ASA	Norway	Parent Company
TGS AP Investments AS	Norway	100%
TGS AS	Norway	100%
Maglight AS	Norway	100%
TGS Contracting AS	Norway	100%
Marine Exploration Partners AS	Norway	100%
Aceca Norge AS	Norway	100%
OBS MC Investments I AS	Norway	100%
Spectrum Geo AS	Norway	100%
Spectrum Geo CH AS	Norway	100%
Carmot Seismic AS	Norway	100%
Carmot Processing AS	Norway	100%
TGS-NOPEC Geophysical Company, Ltd.	UK	100%
TGS Geophysical Investments, Ltd.	UK	100%
Spectrum Geo Ltd.	UK	100%
Spectrum Energy & Information Technology Ltd.	UK	100%
Aceca Ltd.	UK	100%
TGS Geophysical Company (UK) Ltd.	UK	100%
Magsurvey, Ltd.	UK	100%
Spectrum Information Technology Ltd.	UK	100%
Spectrum Resources Ltd.	UK	100%
Spectrum Geophysical Services Ltd.	UK	100%
Geoscan Ltd.	UK	100%
Spectrum Datagraphic Systems International Ltd.	UK	100%
TGS-NOPEC Geophysical Company	USA	100%
A2D Technologies, Inc.	USA	100%
Parallel Data Systems, Inc.	USA	100%
Volant Solutions Inc.	USA	100%



Our Vision

/// ENERGY STARTS WITH US.

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

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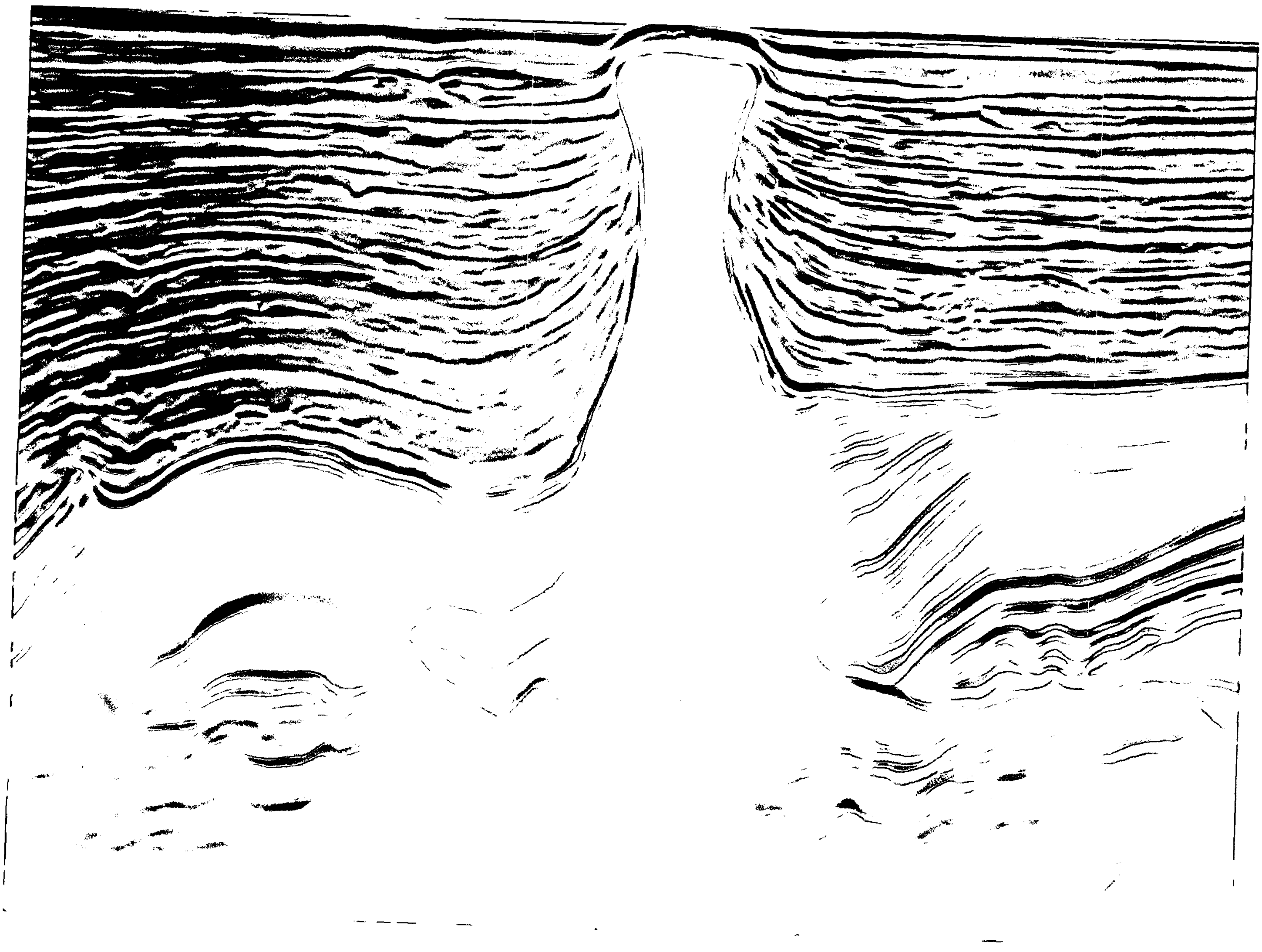


Financial Highlights

TGS' flexible, asset light business model and ability to rapidly adjust costs allow us to continue our return to shareholders even in a challenging market.

2020 Financial Highlights

(All amounts in USD 1,000s apart from EPS, ratios and dividend per share)

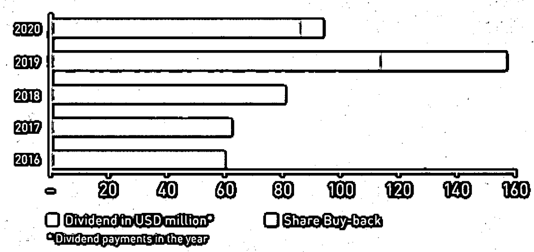
	2020	2019	2018	2017	2016
Revenue	319,453	585,610	614,239	492,181	455,991
EBIT	(264,233)	128,998	230,025	97,429	53,035
Pre-tax profit	(260,922)	131,211	236,771	99,636	52,675
Net income	(188,598)	113,111	178,800	75,594	27,653
EBIT margin	(83%)	22%	37%	20%	12%
Net income margin	(59%)	19%	29%	15%	6%
Return on average capital employed*	(23%)	12%	24%	10%	5%
Earnings per share	(1.61)	1.05	1.75	0.74	0.28
Earnings per share fully diluted	(1.61)	1.03	1.73	0.73	0.28
Total assets	2,015,409	2,199,744	1,582,044	1,424,100	1,476,575
Shareholders' equity	1,265,841	1,545,806	1,232,606	1,200,102	1,169,124
Equity ratio	63%	70%	78%	84%	79%
Share buy-back	6.6	43.4	–	–	–
Dividend per share (paid in year)	USD 0.75	USD 1.08	USD 0.80	USD 0.60	USD 0.60

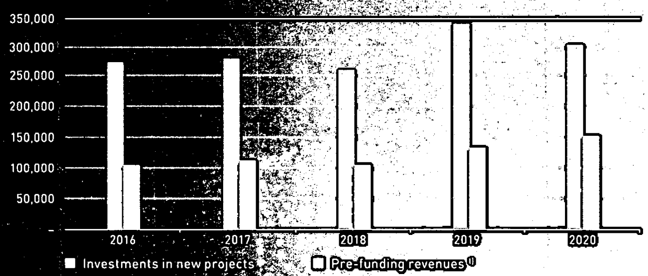
* Return on average capital employed = EBIT/Average capital employed. Capital employed = Equity + Net interest-bearing debt

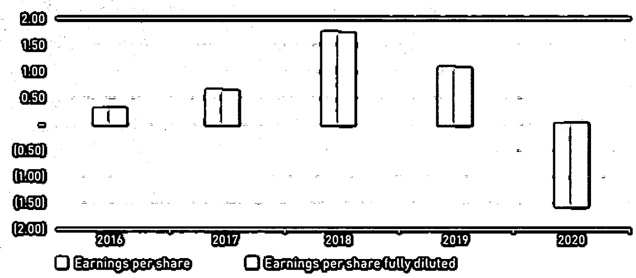
Multi-client Library

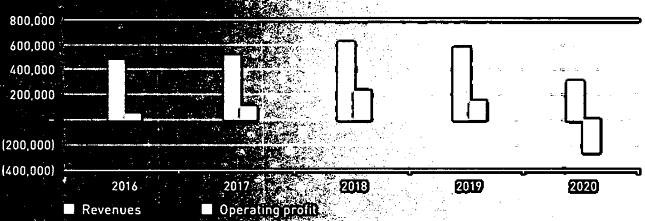
	2020	2019	2018	2017	2016
Opening net book value	1,091,294	870,495	799,015	812,399	838,916
Multi-client data purchased from third parties	15,000	183,505	6,507	9,522	0,166
Investments in new projects	304,584	339,527	256,922	279,440	271,010
Amortization and impairment	(464,615)	(302,233)	(270,781)	(302,346)	(297,693)
Adjustments related to implementation of IFRS 15	-	-	78,832	-	-
Ending net book value	946,263	1,091,294	870,495	799,015	812,399
Prefunding % on operational investments [1]	50%	39%	44%	44%	48%

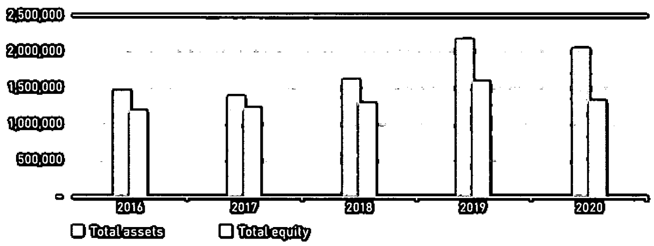
Cash Distribution to Shareholders











[1] Pre-funding revenues is based on segment reporting, see note 4 for comparison to IFRS.

Letter to Shareholders,

The COVID-19 pandemic and the subsequent drop in oil price had severe consequences for the global oil and gas industry in 2020. Our asset-light business model was tested to the extreme, and we are pleased to report that cash operating cost in Q4 was down 58% Y/Y. TGS recognizes our critical role in driving the industry's ESG priorities, and our efforts have received positive ratings from several agencies. Going forward, we are excited about leveraging our core strengths to help shape the future of energy.

The first months of 2020 clearly demonstrated how our industry can be impacted by unexpected events that have a severe impact on economic growth. The COVID-19 pandemic led to an unprecedented decline in global demand for oil and gas. As a result, the oil price saw a dramatic drop from trading in the high $60s per barrel in early January to below $20 per barrel in April. Based on discussions with our major clients and the flexibility of our asset-light business model, TGS management implemented a cost-cutting initiative from Q2 2020 with severe cuts in multi-client investments, right-sizing of the organization, and a temporary freeze of bonuses and salary reductions throughout the Company. Significantly lower cash operating cost and lower multi-client capex allowed the Company to maintain a strong balance sheet, continue its capital allocation strategy and position the Company to generate positive free cash flow going forward.

In 2020, TGS paid dividends totaling USD 88 million (equal to USD 0.75 per share). In addition, we spent USD 6.6 million repurchasing 0.3 million own shares that were cancelled in August. In February 2021, we announced a 12% increase in our quarterly dividend to USD 0.14 per share and implemented a share repurchase program of up to USD 20 million after our Q4 2020 earnings release. In May 2021, the Board will propose to the AGM authorization to pay further quarterly dividends for the following 12 months, as well as a renewal of authorization to repurchase shares. TGS' ambition of returning the Company's value creation to shareholders through a combination of quarterly cash dividends and share buybacks remain firm.

The unprecedented challenges the world has been exposed to in 2020 clearly demonstrate why sustainability is so important. Environment, Social and Governance (ESG) standards have rapidly become a prerequisite for our industry's license to operate.

At TGS, we believe ESG must be a top business priority and an integrated part of all our business decisions. We are proud to be one of the top five energy equipment and service companies in S&P Global's 2020 Corporate Sustainability Assessment and equally honored to be part of Bloomberg's Gender-Equality Index (GEI). Most recently, we launched an ambition to be net zero in our Scope 1 and 2 emissions by 2030. TGS remains fully committed to safeguarding and maintaining the environment in which we operate and live, while also providing a safe and healthy workplace for its employees and contractors. I encourage you to read our 2020 Sustainability Report for more details on our efforts.

As the dominant source of energy globally, oil and gas resources play an essential role in improving the standard of living across the globe. Over the past century, oil and gas, directly and indirectly, have played an important role in revolutionizing transportation, manufacturing, communication, agriculture and medicine. As such, the oil and gas industry continues to be vital for moving people out of poverty and improving health and life expectancy, particularly in the developing world.

At TGS, we strongly believe our core business of subsurface data, mainly targeted at oil and gas exploration, will continue to be critical for E&P companies in their efforts to find more efficient resources combined with a lower carbon footprint. According to the International Energy Association (IEA), oil and gas will still represent around 50% of the energy mix two decades from now. Our strategy for the subsurface data business remains firm despite the volatile market conditions experienced in 2020. In summary, we will continue to focus on:

- New technologies in mature basins, with our OBN surveys in the U.S. Gulf of Mexico being an example.
- Strengthen position in South Atlantic, with particular focus on Latin America where we continue to see growth opportunities and a strong market position.
- Expand the value chain in Data & Analytics and pursue new business models through the launch of a cloud-based ecosystem.
- Further improve Imaging quality to position ourselves for the client trend of more exploration around existing infrastructure.

While we are pleased to see great progress in all these areas since 2019, the energy transition has highlighted opportunities for TGS that allow us to expand our strategy further.

According to the IEA, average annual investments in renewables must be 20 times higher in the coming 20-year period compared to the past 5-year period to meet the goals of the Paris Agreement. Strong growth in carbon capture and storage (CCS) is another pre-requisite for meeting these goals, and IEA is expecting CCS investments for the next decade to grow by about 6.5% per annum.

Our new initiative called New Energy Solutions (NES) is a great example of how we can leverage our core strengths in these rapidly growing marketplaces. Our expertise in big data and analytics, data management, cloud compute, international business development and client relationships puts us in a unique position to enter new business areas where data is key to making business critical decisions.

As we look forward into 2021, we remain confident that energy companies eventually will need to increase exploration efforts to grow production levels over the longer term to meet the expected long-term growth in demand. To pursue new opportunities related to the energy transition, the same companies need high-quality data to support their decision making. TGS' unique culture, people and extensive data library assures that it will be the leading company providing energy data and information to the changing industry.

The employees of TGS are strongly committed to our core values of quality, service, integrity and growth. Thanks to our people, TGS has become one of the largest and most successful multi-client geoscientific data providers in the world. Going forward, we will be leveraging our core strengths to broaden our product offerings to the wider energy space, and we are excited to present our new vision to shape the future of energy through innovative data solutions and intelligence.

As I reflect on the past year, I'm proud of our team's dedication to advancing the Company's goals while facing head-on the challenges associated with the COVID-19 global pandemic. Our team's commitment has truly been unparalleled during this time and it makes me proud to work for such a great company.

Finally, I would like to thank our shareholders for your confidence and investment in TGS. We remain confident in our ability to deliver lasting value to our owners, and I'm looking forward to seeing most of you in person in 2021.

Kristian Johansen
Chief Executive Officer / TGS

2020 Highlights

OFFSHORE DATA LIBRARY

Latin America

- Completed acquisition of the Santos 3D program over the prospective southern Santos Basin offshore Brazil. The survey covers an area of ~23,000 square kilometers south of the high-profile discoveries of the Santos Basin. This area is included in Round 17.
- Completed processing of 3D multi-client data in the Potiguar Basin Brazil data acquired in 2019, covering ~10,350 kilometers. This area is included in Round 17.
- Commenced acquisition of the Malvinas 3D program in Argentina, in two different seasons, completing a total of 15,100 square kilometers. Acquisition will continue during Q1 of 2021 for a total coverage area of 18,000 square kilometers.
- Completed processing of the Brazil Foz do Amazonas and Pará-Maranhão multi-client 2D legacy programs. The project combines four programs, including the newly acquired Pará-Maranhão Phase 2 survey, to provide 30,000 kilometers of recently acquired long offset 2D data and 9,400 kilometers of reprocessed data covering over 480,000 square kilometers. This area is included in upcoming rounds.
- Completed a new multi-client 2D survey in the Colorado Basin of Argentina spanning ~26,000 2D kilometers, adding to the extensive 2D and 3D TGS coverage in Argentina. This area will be included in the next License Round.

North America

- Completed processing of the 2,765 square kilometers Amendment Phase 1 FWI sparse node survey in the U.S. Gulf of Mexico, using TGS' new Dynamic Matching Full-Wave Inversion (DM-FWI). TGS has pioneered this game-changing approach to seismic through applying the latest processing and compute technologies to its ultra-long offset sparse node data.
- Completed acquisition of Engagement Phase 1 FWI sparse node survey in the U.S. Gulf of Mexico in collaboration with Schlumberger. This phase extends the footprint of TGS' ultra-long offset sparse node data into the northern Green Canyon protraction area, covering over 2,940 square kilometers of highly prospective acreage close to existing infrastructure.
- In partnership with PGS, completed processing of the 2019 acquired Jeanne d'Arc 3D survey. This data spans approximately 3,660 square kilometers in East Canada and covers a mix of Exploration Licenses, Significant Discovery Licenses and open acreage.
- In partnership with PGS, completed processing of the 2019 acquired Torngat 3D survey dataset in the Labrador Sea in East Canada. This survey, of approximately 3,290 square kilometers, is the first 3D seismic ever acquired offshore Labrador.
- The TGS/PGS joint venture also completed processing of its third 3D multi-client project of the 2019 season, North Tablelands 3D. This 5,360 square kilometers survey is located in the Flemish Pass and Orphan Basin areas of Newfoundland.
- Completed the East Coast Canada Facies Map Browser and Play Fairway Analysis (ECC FMB and PFA). Using data acquired in partnership with PGS, this study offers seamless subsurface interpretation for the entire offshore East Coast Canada. In partnership with PGS and BainGeo completed Eastern Canada Crustal study, which integrates potential field data with seismic interpretation to better understand deep crustal features.
- Commenced the Eastern Delta Refocus 3D Ocean Bottom Seismic imaging program in the U.S. Gulf of Mexico. This reprocessing project, of approximately 2,250 square kilometers of data, marks the next phase of imaging over the mature, hydrocarbon producing areas of Main Pass and Viosca Knoll and will further illuminate the key subsurface structures and provide new insight into the prospectivity within the deeper Mesozoic section.
- Continued reprocessing of the 8,860 square kilometers Declaration Refocus M-WAZ project in Mississippi Canyon protraction area of the U.S. Gulf of Mexico. This project utilizes the DM-FWI technology developed by TGS in its Amendment Phase 1 project and has strong support from many E&P companies targeting the Mesozoic level, including the highly prolific Norphlet play, as well as shallower horizons.

Europe

- Completed the Atlantic Margin 2020 3D multi-client Survey in the Norwegian Sea covering approximately 5,600 square kilometers, extending the footprint of the Atlantic Margin seismic programs acquired between 2017 and 2019.
- Continued our commitment to a multiyear acquisition R&D program in our Norwegian Sea Geophysical Laboratory evaluating technologies such as sparse free-fall drop nodes for long offset and full azimuth FWI and signal apparition for high-resolution imaging of deep-sea minerals. This program now adds significantly to our ability to demonstrate applicable technologies in mature markets and new insight into challenging areas to our client base.
- Maintained our delivery of a broad range of fit for purpose technologies delivering newly processed conventional streamer data from the Southern North Sea to the West of Shetland focused on extracting maximum value through processing effort.

Africa Middle East

- Completed the multibeam and coring operation in Nigeria. The project is the country's first multi-client survey in more than ten years and the first multi-client Seep sampling study. Over 270 samples were taken, covering over 82,000 square kilometers with high res bathymetry data.
- Completed the acquisition of SN-UDO and OUP-Nord 3Ds in Senegal – increasing 3D multi-client data in the country by 40%.
- Completed processing of Jaan 3D. The final project totaled over 29,000 square kilometers and comprises 15 different discrete surveys, of 18 years of survey vintages, merged and migrated pre-stack and complemented with addition of new 3D acquisitions.
- Regained marketing rights to all geophysical data in Sierra Leone.
- Commenced the world's first multi-client airborne eFTG program onshore Egypt.
- Completed the first phase 3D acquisition in Gambia UDW, which is the country's first multi-client 3D project since 2015.
- Supported and managed three AME license rounds in Senegal, Liberia and Somalia, which covered 110,000 square kilometers of acreage.
- Reprocessed Gabon North legacy data.

ONSHORE DATA LIBRARY

United States

- Entered the Powder River Basin in 2019 and completed the Railgun 3D project in 2020, covering 695 square kilometers. TGS also agreed to acquire the Voyager 3D project comprising 542 square kilometers, with completion in 2021.
- Entered the Alaska market by purchasing 2,226 square kilometers of onshore 3D data located on the North Slope. Additionally, the Company completed a new project called the Kuukpik 3D, covering 665 square kilometers, with final processing finishing in early 2021.
- Completed two SCOOP/STACK projects previously announced in 2018 and delivered in 2020: Canton 3D (1,400 square kilometers) and Gloss Mountain 3D (1,507 square kilometers). TGS also acquired the Kingfisher 3D (715 square kilometers) from an E&P company, which is adjacent to TGS' Loyal and Hackberry Complex 3Ds. TGS now owns over 7,900 square kilometers in this prolific basin.
- Completed the Plains 3D project, spanning 250 square kilometers and located along the Permian Basin's northern shelf in Yoakum County, Texas.

Canada

- Completed the Ravenclaw 3D acquisition covering 90 square kilometers and located in the Edson area of the Alberta Deep Basin. The project included a successful test of a low-impact, directional charge for alternative sources that can reduce a project's overall operational and environmental efficiencies.
- Completed and delivered a Geological Carbon Storage Atlas in the Province of British Columbia for a major oil and gas company. The study's objective was to provide the most up-to-date understanding of geological carbon storage locations, onshore and offshore, throughout the province of British Columbia. In partnership with a local company, TGS leveraged its world-class basin evaluation expertise, subsurface data library and geological knowledge to create a carbon storage assessment framework atlas for potential storage locations.

IMAGING TECHNOLOGIES

- Deployed virtualized desktops within TGS on-premises High-Performance Computing Center in response to the COVID-19 pandemic, allowing Imaging teams to shift to working from home configurations in approximately one week. This system allowed processors to work effectively from home to deliver a vast portfolio of projects in all centers.
- To address a reduction in industry investments in exploration, TGS initiated a reorganization of the Imaging group. The reorganization emphasized reducing costs and enhancements in efficiency while preserving key skills and scale, allowing TGS to continue executing large and challenging projects. The reorganization also allowed the Imaging team to refocus on time-processing capabilities while maintaining its historic strength in depth imaging.
- Improved efficiencies of many time and depth imaging algorithms along with utilizing elastic compute capability on the cloud. During peak demand TGS was able to access multiples of our on premises capacity , facilitating higher quality and accelerated delivery opportunities.
- Delivered several key new and improved technologies, including Dynamic Matching FWI (DM-FWI) - a new technology developed to realize the Amendment OBN survey's potential and has since been deployed on towed streamer projects as well. DM-FWI enabled TGS to produce industry-leading velocity models that drive high-quality images in a way that was not possible before.
- Improved de-blending, de-ghosting, de-multiple and data domain least squares imaging.
- Launched TGSeis 3D Visualization and a quantitative quality control workflow called AQuA. When used in combination, both tools are designed to facilitate effective quality control of TGS products.
- Delivered the Amendment project in the Gulf of Mexico – a technically challenging industry-first sparse node survey that delivered a step-change in image quality.
- Actively contributed to key Imaging projects in a wide variety of basins including the GoM, E. Canada, Brazil, Argentina, W. Africa, and the UK and Norwegian North Sea.

WELL DATA PRODUCTS

- Expanded the world's largest collection of digital well log data by adding 1.8M digital Log ASCII Standard (LAS) wells, enhanced digital LAS+ well logs, raster logs, Validated Well Headers, ARLAS as well as directional surveys and production data.
- Enhanced the user experience of well data delivery portal R360 through improved map and search functionality, additional data exploration and visualization features, and upgraded account management and data access convenience features.
- Significantly expanded and enhanced the TGS Facies Map Browser covering North West Europe and Barents Sea. Version 4.5.0 was delivered on 31 March 2020 to existing clients and made available to new customers, enabling them to instantly expand their subsurface knowledge of these key regions of exploration.
- Delivered multiple global interpretive studies leveraging TGS well and seismic data.
- Added 70,000 international wells to the TGS well data collection.

DATA & ANALYTICS

- Collaborated with CGG and PGS to develop a common ecosystem that offers a single search point to access all participating vendors' multi-client data and allows our customers to interactively find, visualize and download all the subsurface assets and entitlements in one place.
- Developed and released ARLAS On Demand to allow our customers to convert their standard LAS files into ARLAS data sets with a simple interface and enable the customers to build ARLAS for their proprietary wells.
- Developed SaltNet as a Service to be used in web-based seismic interpretation platforms. The new software allows for cloud deployment of the machine learning interpretation technology in projects for internal and external clients.
- Added 14 more U.S. basins to ARLAS (Analytics Ready LAS). ARLAS is a TGS proprietary series of algorithms that utilize machine learning and the TGS well log database to calculate missing well log information from wells.

- Added basins in 2020:
    - » Ardmore
    - » Arkoma
    - » Central Basin Platform
    - » Delaware
    - » Denver
    - » Eagle Ford
    - » Haynesville
    - » Marcellus
    - » Midland
    - » Powder River
    - » San Joaquin
    - » San Juan
    - » Utica
    - » Williston
- Launched a hosting solution of our customers' proprietary well data in TGS Data Lake, which facilitates abilities for the customer to consume both licensed and proprietary well data via a single API from TGS Data Lake.
- Increased the multi-client subsurface data in TGS Data Lake from 3 petabytes (3 million gigabytes) to over 5 petabytes including post-stack seismic, gathers, well logs, production data and subsurface interpretation models.
- In partnership with Google, TGS migrated 25% of our 2020 processing workload to GCP's carbon neutral cloud.


TGS

This is TGS

/// LEADING ENERGY DATA AND INTELLIGENCE

This is TGS

TGS is a leading energy data and intelligence company, recognized for its asset-light, multi-client business model and global data collection.

TGS employs approximately 450 employees, with its corporate headquarters in Oslo, Norway, and its operational headquarters in Houston, Texas, U.S.A. The company's other main offices are located in the UK, Brazil and Australia, with additional employees located in other cities around the globe. The company's stock is traded on the Oslo Stock Exchange and is part of the OBX Index of the 25 most liquid shares on the exchange. TGS' primary business is to provide data and intelligence to companies and investors active in the energy sector. TGS offers extensive global data libraries that include seismic data, magnetic and gravity data, multibeam and coring, digital well logs and production data, and new energy solutions data. TGS also offers specialized services such as advanced processing and analytics, and cloud-based data applications and solutions.

A Brief History

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

We are Energy Data

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

Our competitive advantages and core strengths of innovation, people, expertise, quality data and superior service allow us to provide the right energy data at the right time. We provide our customers with the actionable insights they need to make the best business decisions.

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

Forward-looking, our data supports the development of renewable energy. Leveraging our historical data expertise and coupling this with machine learning, compute power, cloud-based applications and strategic partnerships, we offer the same superior data solutions and insights for new energy investments as we do for oil and gas.

Our Competitive Advantages

Focus

Last year, over 95 percent of our revenues came from multi-client data sales. This is our core business, and our entire company is intensely focused on developing the best multi-client projects to maximize returns and achieve long-term profitable growth. Our culture drives achievement where all employees have common goals and share in our success through profit-related bonuses.

Asset-Light

TGS does not own acquisition vessels and equipment. Nor do we have seismic crews on the payroll. All data acquisition activity is outsourced, which gives us the flexibility to execute only those projects that meet our investment criteria and align with client goals. We are not influenced by vessel or crew utilization targets. Instead, we only access these resources when needed, and we are free to use the most appropriate vendors and technologies to tackle specific imaging and intelligence challenges. TGS is asset-light, which means low overheads and high stability, regardless of industry cycles.

Quality Processing

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

Sustainability

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

ROI Discipline

TGS typically targets projects that will earn sales returns between 2 and 2.5 times the investment. On projects with lower targeted returns, we require high levels of pre-funding to ensure the investment remains attractive.

Renowned Data Collection

TGS has one of the largest and best performing multi-client data libraries in the world. We utilize this data resource both as an ongoing revenue stream and to leverage unique insight using data analytics techniques. In addition, we are committed to developing platforms to enhance data accessibility and empower business decisions.

Active Portfolio Management

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

Geographic Diversity

TGS has a truly global data collection with a diverse range of data types to serve the energy industry's expanding needs. We strive to build and maintain leadership positions around the world. Our oil and gas data covers a wide variety of exploration plays, including deepwater, pre-salt geologies, the Arctic and North America onshore. Our New Energy data and solutions support the evolving energy transition efforts across the globe. This diversity gives us significant stability and business continuity in the face of shifting markets, regional economic strain and geopolitical challenges.

Superior Team

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

Strategic Acquisitions

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

Core Product Lines

Geophysical Multi-client Data

For nearly 40 years, TGS has provided multi-client seismic data to energy companies globally. Over that time, we have built experience in exploration areas worldwide, established a vast global database and become the leading multi-client data provider. We offer the most current data, acquired and imaged with the latest technologies. In addition to seismic data, our geophysical library includes gravity, magnetics, seep, geothermal, controlled-source electromagnetic and multibeam data. This library generates over 89% of our segment revenues and is organized by region: North and South America, Europe and Russia, Africa –Middle East and Asia Pacific. Our multi-client success begins with a professional, geoscience and commercial approach to project development. When planning new seismic surveys, our priority is to gain thorough geological and geophysical understanding. Our experienced project developers evaluate all available seismic, gravity, magnetic and geological data to set the project objectives and optimize the survey design. We also work closely with energy companies, local governments and geoscience specialists to address each survey's specific challenges. Our process ensures we acquire the right data to meet our clients' needs.

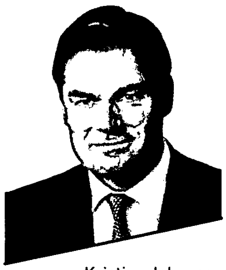
Geological Multi-client Data

TGS' Well Data Products vision is to provide a single platform to access the largest volume of high-quality digital subsurface and well performance data along with easy-to-use geoscience interpretation products. We have the industry's largest global collection of digital well logs available through our online well data portal, R360™. Additionally, our Well Performance Data now includes data in Canada and has expanded to provide previously unavailable historical production data in the U.S. prior to 1970. In 2020, we expanded the world's largest library of digital well log data by adding 1.8M digital Log ASCII Standard (LAS) wells, enhanced digital LAS+ well logs, raster logs, Validated Well Headers, ARLAS as well as directional surveys and production data.

Imaging Services

TGS employs the latest processing technologies to deliver the imaging products demanded by energy companies. We make substantial investments in developing new proprietary technologies and workflows. These investments are then used to provide imaging solutions directly to clients and to process our own global multi-client database. TGS has offerings for both 2D and 3D, including depth and time imaging, marine, land, ocean bottom cable and nodes, anisotropic imaging, transition zone, multicomponent, shear wave, 4D time-lapse and wide-azimuth (WAZ) data processing. Our Imaging teams have direct access to our well log database enabling calibration of our seismic data to the well data. Our Dynamic Matching Full Waveform Inversion (DM-FWI) technology and image-domain least squares RTM are being applied at scale on large multi-client projects. We also continue to enhance our inversion-based de-blending technology to separate seismic data acquired with simultaneous sources and continuous recording. Development of inversion-based, 3D, de-ghosting-enabled, enhanced seismic bandwidth products. These technologies enabled TGS to confidently deliver an industry first, at-scale speculative sparse Ocean Bottom Node (OBN) survey – Amendment.

Executive Management



Kristian Johansen
CEO

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

Fredrik Amundsen
CFO

Fredrik joined TGS in 2003 as Financial Controller and has since served TGS in a variety of capacities. These include Director of Finance, Director of Sales and EVP Europe and Russia before assuming the role of CFO in February 2020. Fredrik received B.A. (with honors) in business administration from Washington State University in 2001.

Will Ashby
EVP East Hemisphere

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

Whitney Eaton
EVP Compliance & ESG

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

David Hajovsky
EVP West Hemisphere

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

Tanya Herwanger
EVP Support & Staff

Tanya joined TGS in 2014 as Corporate Counsel and has held a number of roles since including cross-function roles in sales and business development and as Vice President for Africa and Middle East. Prior to joining TGS, she spent eight years with Schlumberger based in the US and in the UK. Tanya has an EMBA from the Mannheim Business School. She received her Law degree from the University of London, Queen Mary and Westfield College and professional legal qualifications from the Inns of Court School of Law in London.

Tana Pool
EVP Legal

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

Jan Schoolmeesters
EVP NES & Operations

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

Board of Directors

Hank H. Hamilton
Chairman

Mr. Hamilton served as CEO of TGS from 1995 through June 2009 He started his career as a geophysicist with Shell Offshore (1981-1987) before joining Schlumberger (1987-1995), where he ultimately held the position of VP and General Manager for all seismic product lines in North and South America. Mr. Hamilton was first elected as a Director of TGS in 1998 and as Chairman in 2009.

Wenche Agerup
Director

Ms. Agerup is currently head of Board Governance and Support in Telenor's Asia HuB in Singapore and chairs the board in Telenor Myanmar and Telenor Pakistan. She has previously held positions in Telenor as EVP Corporate Affairs and General Counsel and Head of Group Holdings. From 1997-2015 she held various positions in Norsk Hydro, including head of Corporate M&A, plant manager in Årdal and Project Director in Hydro UMC in Australia. She served as Executive Vice President Corporate Staffs and General Counsel in Norsk Hydro from 2010-2015 Ms. Agerup served as a board member of Equinor from 2015-2020.

Irene Egset
Director

Born in 1966, Irene Egset is educated from NHH, Norwegian School of Economics. Ms. Egset currently serves as Executive Vice President and CFO of Posten Norge, joining in 2019. From 2008 to 2018, she served in various financial leadership roles within Statkraft including Executive Vice President and CFO of the Statkraft group from 2016 to 2018. From 2005 to 2008, she was the CFO of J. F. Knudtzen AS, and from 2000 to 2005, she served in various roles within Nera SatCom AS. Ms. Egset held a variety of financial roles at Statoil (now Equinor) from 1992 to 2000. Ms. Egset began her career in 1988 as the financial manager of Ulstein Elektro. Ms Egset serves as board member for Vårgrønn AS, a Norway-based renewable energy company (JV between Eni and HitecVision).

Christopher Finlayson
Director

Born 1956, C. G. Finlayson is a geologist and petroleum engineer by training, with nearly 40 years of technical and commercial experience in the oil and gas industry. He received his Bachelor of Science degree with First Class Honours in physics and geology from the University of Manchester in 1977. He joined Shell in 1977 and held leadership roles in exploration and production and liquefied natural gas around the world. Mr. Finlayson joined BG Group plc in 2010.From 2013 to 2014, he served as the Chief Executive Officer. Currently, he is non-executive Chairman of Siccar Point Energy Ltd. and a board member of four other companies. Mr. Finlayson is a Fellow of the Energy Institute.

Mark Leonard
Director

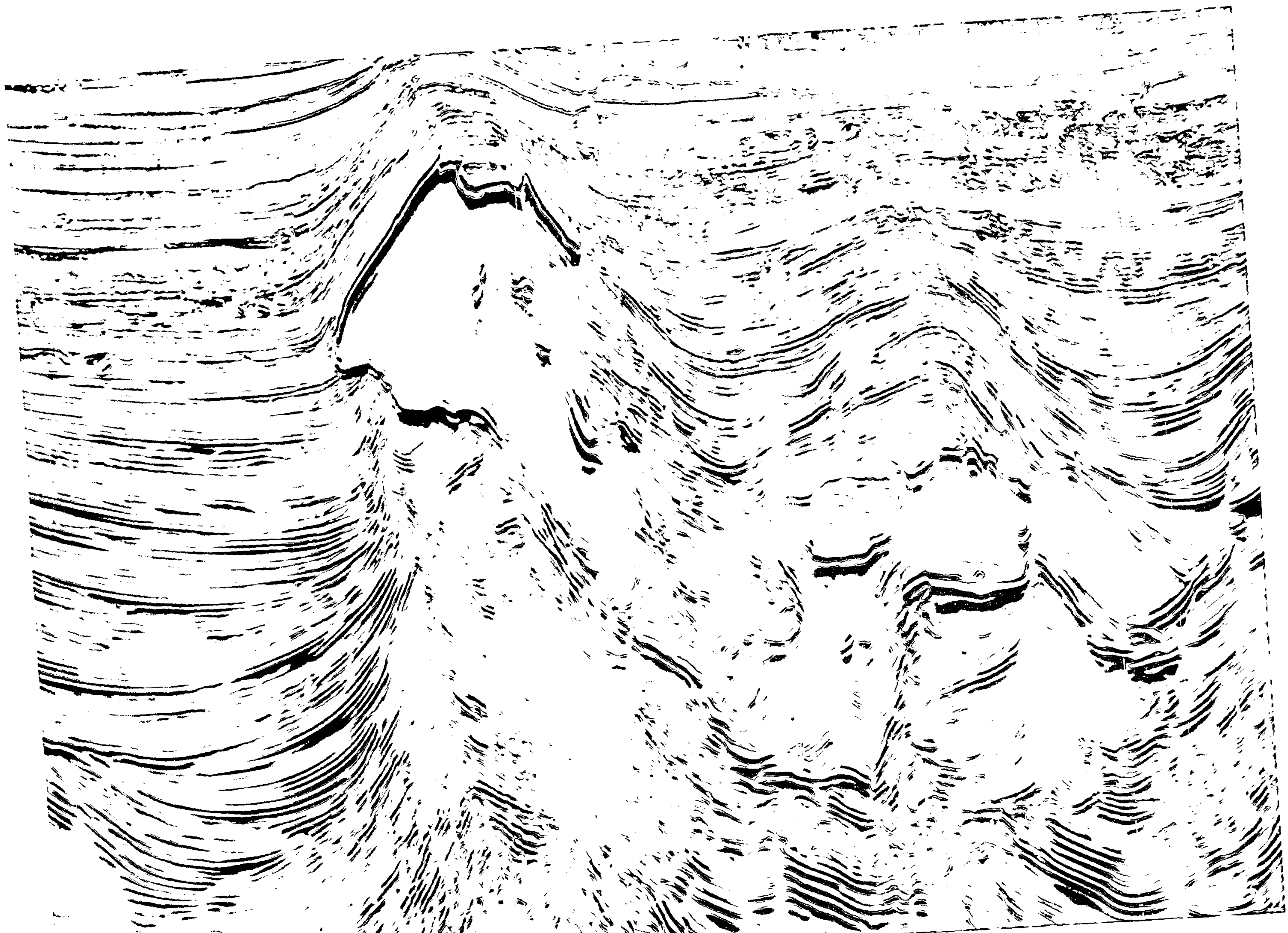
Mr. Leonard is currently the President of Leonard Exploration, Inc. He retired in 2007 from Shell Oil Company after 28 years of service. During his tenure at Shell, Mr. Leonard held a number of executive positions including Director of New Business Development in Russia/CIS, Director of Shell Deepwater Services, Director of Shell E&P International Ventures and Chief Geophysicist for Gulf of Mexico. He was first elected as a director in 2009 Mark also serves on the board of two nonprofits, the YMCA of Greater Houston and the Society of Exploration Geophysicists Foundation.

Vicki Messer
Director

Ms. Messer is currently an independent consultant. She has 32 years of geophysical industry experience in various executive, management and supervisory positions for CGG Veritas, Veritas DGC, Halliburton Energy Services/Halliburton Geophysical and Geophysical Services Inc. She was first elected as a director in 2011.

Torstein Sanness
Director

Mr. Sanness served as the Chairman of Lundin Norway from April 2015 to March 2017, when he moved to the board of International Petroleum Corp., a Lundin Group company. He previously served as the Managing Director of Lundin Norway from 2004 to 2015. From 2000 to 2004, he served as Managing Director of Det Norske Oljeselskap AS; and from 1972 to 2000, he served in various capacities for Saga Petroleum, working primarily in the exploration and development of Saga's oil and gas interests globally. Mr. Sanness serves as a board member for Panoro Energy ASA. He was first elected as a director in 2016.



Board of Director's Report

With an efficient cost base, strong balance sheet and flexible business model, TGS is in a unique position to continue enhancing its status as the world's leading multi-client geophysical company.

2020 Board of Directors Report

TGS-NOPEC Geophysical Company ASA and its subsidiaries (TGS or the Group) provide scientific data and intelligence to companies active in the energy sector. In addition to a global, extensive and diverse energy data library, TGS offers specialized services such as advanced processing and analytics alongside cloud-based data applications and solutions. TGS operates globally and is presently active in North and South America, Europe, Russia, Africa, Middle East, Asia and Australia.

The corporate headquarters of TGS is in Oslo, Norway. Its primary subsidiary, TGS-NOPEC Geophysical Company, is based in Houston, Texas, U.S.A. TGS also has regional offices in London, Rio, Perth and country specific offices elsewhere depending on project and sales activity. All financial statements in this report are presented on a going concern basis in accordance with the Norwegian Accounting Act section 3-3a, and the Board of Directors confirms that the prerequisites for a going concern assumption are indeed present.

Mergers and acquisitions

In 2020, the Group completed the integration of Spectrum ASA, which was acquired in 2019, and realized synergies in accordance with plan. In addition, the Group announced two asset purchases:

- On 6 January 2020, the Group announced the purchase of all U.S. onshore petrophysical log database and associated intellectual property from Petrophysical Solutions, Inc. These petrophysical interpretations, derived from well log and core analysis relationships in approximately 1,400 wells within key unconventional basins, were added to the TGS data library.
- On 14 January, the Group announced it had completed the purchase of four 3D seismic surveys in the North Slope region of Alaska. The seismic programs provide modern high-resolution imaging which encompass 1,606 square kilometers.

Changes to accounting principles

No new standards, amendments, IFRSs or IFRIC interpretations that are effective from 1 January 2020 had impact on the consolidated financial statements of TGS. The Group has not early adopted any standards, interpretations or amendments that have been issued but are not yet effective. There are no IFRSs or IFRIC interpretations that are not yet effective that the Group currently expects will have a material impact on TGS' financial statements going forward.

Financial results, financial position and capitalization – IFRS

Revenues in 2020 amounted to USD 319.5 million, down 45% compared to the USD 585.6 million recognized in 2019. The decrease is mainly a result of lower late sales as the COVID pandemic had an immediate impact on oil demand and subsequently our clients' spending. Under IFRS, revenues are recognized at the point of delivery of completed data to the customer, leading to more volatile results quarterly and annually. 2020 included several larger projects that remained in production into 2021, thus deferred revenue recognition under IFRS.

Operating loss for 2020 was USD 264.2 million, corresponding to a margin of -83%, compared to an operating profit of USD 129.0 million (22% margin) in 2019. In addition to the decrease in revenues described above, the lower operating profit is a result of higher amortization and impairments of our multi-client library. In 2020, amortization and impairments of the multi-client library were USD 464.6 million versus USD 302.2 million in 2019. The increase is largely explained by USD 120.0 million in impairments recognized in 2020 versus zero in 2019 (excluding first day impairments). The impairments recognized are a result of the significant volatility in the market during 2020 and includes factors such as revised sales estimates on existing surveys, COVID-19 market effects and the oil price collapse. The remaining increase is explained by higher straight-line amortization from projects that were completed during 2019 and 2020, as well as the inclusion of Spectrum from mid-August 2019.

Net financial items amounted to an expense of USD 3.3 million in 2020 (USD 2.2 million in 2019). The increase was a result of lower financial income (USD 6.7 million in interest income and USD 3.6 million in other financial income recognized in 2019) offset by exchange gain of USD 5.4 million versus a loss of USD 4.5 million in 2019, and lower financial costs related to interest expenses (USD 2.9 million 2020 versus USD 3.7 million 2019).

Net loss before taxes was USD 260.9 million (net profit before tax of USD 131.2 million in 2019). The negative profit before taxes gave a tax income of USD 72.3 million versus a tax expense of USD 18.1 million in 2019. This resulted in a net loss of USD 188.6 million, compared to net profit of USD 113.1 million in 2019.

At year-end 2020, cash and cash equivalents amounted to USD 195.7 million, down from USD 323.4 million at the end of 2019. TGS held current assets of USD 578.0 million and current liabilities of USD 675.2 million.

Goodwill has not changed since 31 December 2019, except for USD 3.6 million related to Spectrum merger measurement period adjustments presented in the interim report in Q3 2020. The changes are retrospectively adjusted to the 31 December 2019 consolidated balance sheet presented in this report.

As of 31 December 2020, total equity amounted to USD 1,265.8 million, corresponding to an equity ratio of 63% (70% in 2019). The reduction in the equity ratio was mainly caused by the impairments recognized on the multi-client library and subsequent negative results for 2020.

TGS is listed on the Oslo Stock Exchange. It had a market capitalization of USD 1.8 billion as of 31 December 2020. As of year-end, TGS was part of the OBX index consisting of the 25 most liquid stocks in Norway. TGS issued 0.3 million new shares in 2020 as part of employee long-term incentive programs. The Board does not anticipate issuing any new shares in 2021 other than shares issued as part of employee long-term incentive programs or unless necessary to finance the acquisition of a target business or a major business opportunity.

Cash flow from operations, investments, financing and dividends

TGS' operating cash flow was USD 354.7 million in 2020 compared to USD 560.6 million in 2019. Operating cash flow is significantly higher than the operating profit as non-cash expenses, in the form of amortization and impairments of our multi-client library are the Group's largest expense item.

Net negative cash flow from investing activities amounted to USD 390.5 million in 2020 versus USD 334.4 million in 2019. This included cash investments in our multi-client library of USD 341.1 million (USD 356.1 million including acquisitions), compared to USD 334.3 million in 2019 (USD 334.3 million including acquisitions).

TGS has paid quarterly dividends since 2016. The Annual General Meeting held on 12 May 2020 resolved to renew the Board of Directors' authorization to distribute quarterly dividends.

In 2020, TGS paid dividends totaling USD 87.8 million (equal to USD 0.75 per share) down from USD 114.6 million (equal to USD 1.08 per share) paid in 2019. In addition, the Group spent USD 6.6 million repurchasing 0.3 million own shares. In 2019, the Group spent USD 43.2 million repurchasing 1.6 million own shares. A total number of 1.9 million treasury shares held by the Group were cancelled in August 2020 following the decision of the Annual General Meeting on 12 May 2020.

On 11 February 2021, the Board of Directors resolved to pay a quarterly dividend equal to the NOK equivalent of USD 0.14 per share (NOK 1.18).

In addition, the Board of Directors authorized a share repurchase program of up to USD 20.0 million. The share repurchases will be conducted based on the authorization to acquire treasury shares granted at the Annual General Meeting of TGS on 12 May 2020 and is subject to renewal at the Annual General Meeting on 11 May 2021.

Including dividends and other cash flows from financing activities, TGS' net cash flow was negative USD 133.0 million in 2020, down from positive USD 52.9 million in 2019. The cash balance at year end 2020 was USD 195.7 million.

Shareholders Value Metrics	2020	2019
Revenues (MUSD)	319.5	585.6
Operating Profit (MUSD)	(264.2)	129.0
Operating Margin	(83%)	22%
Earnings Per Share Fully Diluted (EPS) (USD)	(1.61)	1.03
Net Multi-client Revenues / Average Net Book Value Ratio of Multi-client Library	30%	58%
Return on Average Capital Employed (ROACE)	(23%)	12%
Free Cash Flow from Operations after Multi-client Investments (MUSD)	(1.4)	226.4
Shareholders Equity / Total Assets	63%	70%

Operations – segment reporting

The annual report is prepared in accordance with IFRS, but for internal reporting purposes TGS uses segment reporting, where net revenue from projects-in-progress are recognized based on Percentage of Completion (POC), as opposed to the IFRS accounts where revenue recognition generally is deferred until project completion and delivery to the customer. For more details about segment reporting principles, see Note 5 of the Consolidated Financial Statements. The following review of the operations and multi-client library is based on segment reporting.

TGS reported pre-funding revenues of USD 151.9 million, up 19% from USD 127.3 million in 2019. Organic multi-client investments in new projects amounted to USD 297.8 million in 2020, compared to USD 327.6 million in 2019, as the Group quickly scaled back investments in response to the market situation. The investments carried a pre-funding rate of 51% for 2020, up from 39% in 2019. The increase in pre-funding revenues was mainly a reflection of higher investment activity over mature acreage.

Late sales of vintage data and data in the development phase amounted to USD 281.6 million in 2020, down 55% from USD 627.0 million in 2019. The decrease was a consequence of the global pandemic and how it influenced our clients' spending as global demand for oil and gas fell.

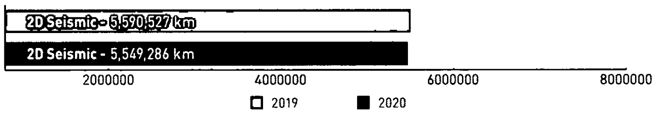
Proprietary revenues related to processing of data on behalf of customers, decreased by 16% to USD 15.2 million from USD 18.2 million. Thus, total revenues amounted to USD 448.8 million, down 42% compared to the USD 772.6 million recognized in 2019.

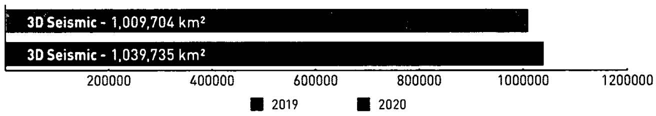
Multi-client Data Library – segment reporting

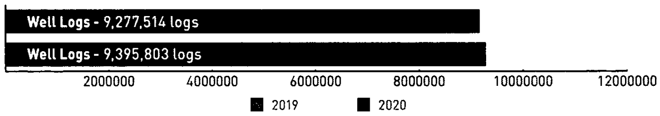
TGS' geoscientific data library is one of the industry's most comprehensive multi-client resources, encompassing a wide range of geophysical, geological, gravity, magnetic and bathymetry data. The following table summarizes our data inventory at year-end.

With a net book value of USD 623.9 million (USD 830.8 million in 2019) TGS' library of multi-client seismic data, geological data and integrated products represented 36% (40% in 2019) of total assets as of 31 December 2020. Seismic data, representing 91% of the library's net book value at year-end, is amortized on a project-by-project basis as follow:

- During the work in progress (WIP) phase, amortization is based on total cost versus forecasted total revenues of the project.
- After a project is completed, it is amortized on a straight-line basis. The straight-line amortization is assigned over the remaining useful life, which for most offshore projects is four years. For most onshore projects, the useful life after completion is seven years.







* Data inventory may from time to time be reduced based on marketing rights expiring. This explains the reduction in 2D library when comparing 2020 to 2019.

In 2020, TGS booked total investments in the multi-client library of USD 319.6 million (USD 523.0 million in 2019). Of this, USD 21.8 million (USD 183.5 million in 2019) was related to non-organic investments.

The well data library is amortized on a straight-line basis over seven years, while data purchased from third parties follows a straight-line amortization profile over the remaining useful life of the asset.

Amortization and impairments of the multi-client library amounted to USD 526.5 million in 2020 versus USD 397.3 million in 2019. As a result of lowered long-term oil price assumptions, most of our largest clients announced significant impairments and exploration write-offs during the past year. Lower oil price assumptions, capital constraints and more focused exploration strategies are expected to cause longer payback times for certain multi-client surveys, particularly in frontier areas with a lack of infrastructure and/or exposure to recent geopolitical changes. As a result, the Group recognized impairments of USD 132.0 million in 2020 versus USD 2.8 million in 2019.

Commitments to Seismic Acquisition Capacity

TGS procures all seismic acquisition capacity from external suppliers for both offshore and onshore projects. As of the end of 2020, TGS had entered into commitments for two 3D vessels, one 2D vessel and one land crew. All these commitments will expire in 2021, and the amount committed, including contractual lease agreements, totaled USD 22 million for marine capacity and USD 16 million for land capacity (2019 total marine and land capacity: USD 164 million). Office leases and data center leases are recognized in the balance sheet. See Note 7 of the Consolidated Financial Statements for more information on such lease liabilities.

Risk Management and Internal Control

TGS' activities are heavily dependent on the capital spending budgets of E&P companies in the oil and gas industry. These budgets are, in turn, largely a function of actual and/or expected shifts in oil and gas prices. Consequently, TGS' activities, opportunities and profitability are linked to the fluctuations in these prices. Under TGS' business model, discretionary investments in new multi-client projects are by far the largest use of cash. As TGS does not itself own seismic vessels or onshore seismic crews, but rather outsources these acquisition services on short-term contracts to vendors, the Group can quickly adjust cash outflow in accordance with market changes, thereby mitigating part of the risk represented by movements in oil and gas prices.

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

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

Liquidity risk arises from a lack of correlation between free cash flow and financial commitments. As of 31 December 2020, TGS held current assets of USD 578.0 million, of which cash and cash equivalents represented USD 195.7 million, and current liabilities were USD 675.2 million. In addition, the Company established a USD 100 million Revolving Credit Facility, in October 2018 and renewed it in February 2021, and it remains undrawn at the date of this report. The Group holds no material interest-bearing debt apart from capitalized lease obligations (USD 57.9 million versus USD 30.6 million 2019). The multi-client library (USD 946.3 million in 2020 versus USD 1,091.3 million in 2019) is treated as a non-current asset in the financial statements. The Board considers the liquidity risk of the Group to be low.

TGS is exposed to credit risk through sales and receivables and uses its best efforts to manage this risk by monitoring receivables and implementing credit checks and other actions as deemed appropriate. In addition, excess cash is placed in either bank deposits or financial instruments that have a minimum rating of "investment grade." Our maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets, such as accounts receivables, other short-term receivables and other non-current assets. TGS evaluates the concentration of risk with respect to trade receivables as low due to the Group's credit rating policies and because our clients are mainly large energy companies, considered to be financially sound.

TGS is highly focused on maintaining adequate internal controls. The Group's primary business activity is building its multi-client geoscientific data library, which represents its largest financial asset, through multiple investments in new data for licensing to clients. TGS uses customized investment proposal models and reporting tools to assess and monitor the status and performance of the multi-client projects. Reference is made to Note 16 of the Consolidated Financial Statements and to the more detailed information on risk management and internal control in the Corporate Governance section of the Annual Report.

Organization, Working Environment and Equal Opportunity

TGS' global workforce decreased by 30.6% from year-end 2019 to year-end 2020, mainly as a result of right-sizing the organization in response to the downturn in the industry following the COVID pandemic.

The Board emphasizes the importance of employee engagement and has set relevant measures for Management. In 2020, focus has particularly been on communication, training and development, and compensation/rewards. Furthermore, TGS continued to maintain voluntary staff turnover at an acceptable 9% and was successful in attracting new talent. The Board recognizes the importance of maintaining high employee engagement to ensure high levels of discretionary effort and employee retention. Therefore, employee engagement activities will continue to be a high priority.

The Parent Company had 43 employees as of 31 December 2020. At year-end, TGS had a total of 462 employees in the following locations: 292 employees in the United States, 81 employees in the United Kingdom, 43 employees in Norway, 19 employees in Canada, 16 employees in Brazil, 8 employees in Australia and 3 employees in other countries. The number of employees in the Group at the end of 2019 was 666.

The Board considers the working environment in the Group to be very good. The Board and Management believe that the diversity of our employees is a core strength of TGS and that employees of diverse gender, ethnicity and nationality are provided with equal opportunity and treated fairly within the Group.

At the end of 2020, women comprised 29% of the total workforce in the Group (35% in 2019). The corresponding figure for managers is 29% at the end of 2020 (28% in 2019).

Health, Safety and Environmental Issues

TGS' interaction with the external environment involves a combination of marine seismic vessels, land seismic acquisition crews, and specialized aircrafts rigged with equipment to collect seismic, gravity, magnetic, coring and/or multibeam data. As a strong supporter of environmental sustainability, TGS is fully committed to safeguarding and maintaining the environment in which we operate and live, while also providing a safe and healthy workplace for its employees and contractors. TGS manages and monitors these activities and operations through the active implementation of a comprehensive HSE Management System. Built around corporate policies and procedures and in alignment with industry standards, TGS' HSE Management System is designed to ensure that all Group operations are conducted in the absence of significant risk, which is achieved by continuously identifying and controlling hazards which may arise through any aspect of the Group's operations.

TGS understands the importance and value of working with local governments, regulatory authorities and non-government organizations. Therefore, TGS strives to maintain positive communication with all relevant stakeholders to help identify, understand and mitigate environmental risks associated with geophysical research activities. TGS complies with relevant laws and local regulations, while also working closely with several industry associations to investigate and implement ways to mitigate the potential impact from seismic operations on the environment. Furthermore, prior to initiating seismic data acquisition in the field, TGS typically conducts environmental impact assessments as part of the permitting process to ensure that all potential environmental impacts are identified, understood and properly mitigated. Once operations are underway, the Group monitors the environmental performance against comprehensive plans and is fully dedicated to the continuous improvement of environmental programs and standards across all our operations. Additionally, TGS works with vessel owners and seismic contractors to ensure compliance with TGS' Sustainability Program, which includes tracking and reporting of carbon emissions, zero reportable spills to the environment, and reporting of marine debris removal efforts to the IAGC through the Ghost Net Initiative.

In 2020, TGS employees worked 902,528 man-hours. During the first quarter of 2020, a medical treatment (MTC) case was recorded in a TGS office. The MTC was the result of a lifting injury and involved a TGS employee. The incident was managed effectively, ensuring that an investigation was carried out and that details about the incident were properly captured and documented within our HSE Management platform. The TGS employee recordable case frequency for 2020 was 1.11 (2019: 0.00 per million man-hours). The sickness absence frequency for TGS employees in 2020 was 0.67%, as compared to 1.10% in 2019.

Each year, TGS promotes a top-down message of health and safety by requiring that each member of TGS' executive management conduct at least one HSE facility inspection and one field visit. In light of COVID-19 travel restrictions, TGS' executive management and operations managers conducted six field visits during 2020 (compared to 40 in 2019) and performed 24 inspections at TGS office locations. Finally, TGS achieved full compliance with vessel and land crew HSE audit requirements, and TGS Project and HSE Managers ensured that all outstanding action items were properly rectified before the start of acquisition.

All employees completed one HSE training course during 2020 (100% training compliance) that included modules on mitigating COVID-19 in the office, outlined COVID-19 reporting procedures and expectations, supplied general information on symptoms and hygiene measures, and provided employees with additional resources. In addition, office locations performed HSE-related lunch-and-learn activities, which included topics such as surviving an active shooter situation at the office and stress management.

At the onset of the COVID-19 pandemic, TGS enacted its business continuity plan and took a series of important steps to maintain a continuity of service for our customers while also focusing on safeguarding the health of our employees, contractors and stakeholders. These measures included establishing global and local response teams, with oversight from members of the Executive team, to monitor the pandemic on a daily basis and ensure that our response strategy remained effective throughout 2020. While most TGS offices remained open in 2020, depending on local COVID-19 situations and restrictions on employers, TGS employees were able to work remotely and the majority of TGS employees did so. TGS offices that remained open ensured that employees understood and followed all COVID-19 mitigation measures, which included social distancing, mask or face cover use, and frequent use of hand sanitizing stations. In the field, all contractor and operational COVID-19 plans were reviewed by TGS and were adapted and updated throughout the lifecycle of a project to effectively safeguard the health and safety of all crew members. All clients, stakeholders and other parties involved in the acquisition of ongoing or future seismic surveys were kept abreast of TGS actions regarding COVID-19 mitigation measures, crew change plans, etc. Crew changes were particularly challenging, and in response, TGS Project and HSE Managers continuously stressed the importance of careful planning and coordination, proper management of crew fatigue, and the monitoring of mental health and stress levels of all crew members. TGS worked closely with vessel and field crews to improve preboarding screening measures and implement preboarding COVID-19 testing. Furthermore, TGS attended industry-hosted COVID-19 meetings and events to share lessons learned, ensure that proper industry standards were being followed, and stay informed on COVID-19 trends and news. Through 2020, there were no COVID-19 work-related incidents, and no community spread occurred in TGS office locations or field operations.

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

Sustainability and Corporate Social Responsibility

Ensuring that TGS' business operates sustainably and provides sustainable solutions for our customers continues to be on top of the Board of Directors' agenda. In 2020, the Group addressed the implications of the COVID-19 pandemic, both in its workforce and its operations, through global and local strategies aimed at ensuring our employees and contractors' health, safety, engagement and wellness. TGS continued implementing the Board's sustainability strategy by addressing Scope 1 and 2 emissions and setting net zero targets, releasing a Human Rights policy coupled with enhanced review and monitoring our supply chain's human rights practices, and integrating a Supplier Code of Conduct and related contractual provisions into our supplier agreements to ensure our supply chain operates in a sustainable manner. In addition, TGS focused on ways to provide products and services to help our customers address their sustainability initiatives and diversified into providing commercial solutions for renewables industry. Please refer to the Sustainability Report, included as a separate section of this Annual Report and on TGS' website at www.tgs.com, for more information. The report has been prepared in accordance with the Norwegian Accounting Act, section 3-3c, and the Board of Directors believes that the Group complies with the reporting requirements.

Board Structure and Corporate Governance

The Board of Directors consists of seven directors, each serving a one-year term. The Board's Audit and Compensation Committees are composed exclusively of independent directors. No material transactions other than the remuneration disclosed in Note 10 of the Consolidated Financial Statements have occurred in 2020 between the TGS and its management, directors or shareholders.

The independent Nomination Committee, elected by the shareholders, consists of the following members: Tor Himberg-Larsen (Chair), Christina Stray, Herman Kleeven and Glen Ole Rødland. Kleeven and Rødland were elected for a two-year term at the Annual General Meeting on 12 May 2020, while Himberg-Larsen and Stray were elected for a two-year term on 8 May 2019.

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

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

TGS bases its corporate governance policies and practices on the Norwegian Code of Practice for Corporate Governance issued on 17 October 2018. The Board of Directors believes that TGS complies in all areas relating to the Code of Practice and will address compliance with any subsequent amendments. A more detailed description of how TGS complies with the Code of Practice and the Norwegian Accounting Act's requirements for reporting on corporate governance is included in the Report on Corporate Governance included in this Annual Report and on TGS' website at www.tgs.com.

Salary and Other Compensation

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

The members of the Board of Directors do not participate in any bonus plan, profit-sharing plan or stock incentive plan. In recent years, the directors' compensation has been composed of both a fixed fee and a number of restricted TGS shares. The remuneration is not related to the Group's financial result. Reference is made to Note 10 of the Consolidated Financial Statements for details on the remuneration for 2020.

Significant Litigation

The Board is regularly updated on significant litigation matters. As a result, at each Board meeting, the Board receives an update on any material developments in the matters described in Note 24 to the Consolidated Financial Statements. The Audit Committee also receives an update on a quarterly basis regarding other less significant potential and pending litigation matters.

Outlook

With an asset-light business model characterized by a low proportion of fixed cost, TGS is well-positioned to manage cyclical downturns and even prolonged periods of lower demand. This position is further strengthened by a significantly lower cost base putting TGS in a position to deliver profitability and industry-leading return on capital in the future.

The core business of subsurface data, mainly targeted at oil and gas exploration, will continue to be critical to TGS' clients in the efforts to find more efficient resources combined with a lower carbon footprint. According to the International Energy Association (IEA), oil and gas will still represent almost 50% of the energy mix two decades from now. The energy transition offers interesting opportunities for TGS, and the Group has set an ambition to leverage core strengths to help shape the future of energy. The world's largest library of subsurface data, combined with strong competencies in geoscience, large-scale data management, data processing and analytics, position TGS well to contribute with insights related to carbon capture, utilization and storage (CCUS) and offshore mineral exploration, as well as to the renewables energy industries. The Group is exploring several partnerships with established industry players where TGS leverages its core strengths to generate business opportunities outside the traditional oil and gas markets. In addition to partnerships, the Group will pursue both organic and inorganic opportunities to build a database and insight within these new markets.

While there are uncertainties related to the short- and medium-term development of clients' spending, TGS will take advantage of the challenging market conditions to further enhance its position as the world's leading subsurface data company. The Group's relentless focus on cost, capital discipline and a strong balance sheet allows the Group to continue growing its database with counter-cyclical investments at low unit costs, while maintaining a healthy distribution to shareholders. These factors, together with its strengths in managing and analyzing data, place TGS in a strong position to advance its clients' efforts in the energy transition.

TGS continues to focus on strategies that maximize return on average capital employed (ROACE) and free cash flow (FCF). The Group's asset-light business model and capital discipline encourage capital efficiency and are designed to produce more predictable and superior long-term returns.

Events after the Balance Sheet Date

On 27 January 2021, the new administration in the United States announced an executive order to pause new oil and natural gas leases on public lands or in offshore waters pending completion of a comprehensive review and reconsideration of federal oil and gas permitting and leasing practices. It is expected that the administration will provide more information about the duration of the pause and to what extent it will impact future leases and permits. TGS exposure to U.S. federal lands, both onshore and offshore, represents approximately 17% of the multi-client library and 19% of the 2020 net revenues. Over the past two to three years, there has been a gradual shift from frontier to infrastructure-led exploration in the U.S. Gulf of Mexico, and TGS' recent OBN-projects have been primarily targeted at held acreage rather than future licensing rounds. In a scenario where permitting and leasing practices are permanently suspended, TGS maintains that the majority of revenues in the U.S. would not be negatively impacted.

On 11 February 2021, the Board of Directors resolved to pay a quarterly dividend of the NOK equivalent of USD 0.14 per share (NOK 1.18) to shareholders. The dividend payment was made on 4 March 2021.

In addition, the Board of Directors authorized a share repurchase program of up to USD 20 million on 11 February 2021. The share repurchase program will remain in place until the TGS' 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 cancelled. Repurchased shares may also in part be used to satisfy obligations under incentive programs and/or otherwise disposed of (for cash or in-kind consideration as part of transactions). 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 of the TGS on 12 May 2020 and is subject to renewal at the Annual General Meeting on 11 May 2021.

TGS' liquidity is considered healthy with a cash balance of USD 195.7 million as of the end of 2020. In addition, the Group has an undrawn revolving credit facility of USD 100 million. The revolving credit facility was renewed on 11 February 2021.

Annual Result of the Parent Company and Allocation of Loss

In 2020, revenues of the Parent Company decreased by 48% to USD 170.5 million from USD 327.2 million in 2019. 2020 operating loss amounted to USD -104.3 million compared to gain of USD 90.1 million in 2019. The decrease is mainly a result of lower sales as the COVID pandemic had an immediate impact on oil demand and subsequently our clients' spending.

Net loss for 2020 was USD -61.5 million, a decrease of 183% compared to net income of USD 73.7 million in 2019. The Board proposes that the Parent Company's net loss of USD -61.5 million shall be allocated as follows:

Provision for dividend	USD 16.4 million
Allocated to Other Equity	USD -77.9 million
Total allocated	USD -61.5 million

The Board of Directors resolved on 11 February 2021 to pay a quarterly dividend of USD 16.4 million (NOK equivalent of 1.18 per share) based on the 2019 financial statements approved by the 2020 AGM, considering, however impacts from the 2020 financial statements, which is covered by other equity. In addition, the Board of Directors authorized a share repurchase program of up to USD 20 million.

2020 has been a demanding year for our industry and our employees. The challenges involved in changing established practices into a digital workplace and maintaining focus with office closures and travel restrictions are duly noted. The Board of Directors would like to thank all employees for the flexibility and dedicated focus shown to maintain activity levels through this period.

Oslo, 23 March 2021

Henry H. Hamilton III
Chairman

Mark S. Leonard
Director

Wenche Agerup
Director

Irene Egset
Director

Torstein Sanness
Director

Vicki Messer
Director

Christopher Finlayson
Director

Kristian Johansen
Chief Executive Officer

Confirmation from the Board of Directors and CEO

We confirm, to the best of our knowledge that the financial statements for the period 1 January to 31 December 2020 have been prepared in accordance with current applicable accounting standards and give a true and fair view of the assets, liabilities, financial position and profit or loss of the entity and the Group taken as a whole. We also confirm that this report of the Board of Directors with references to the notes to the accounts and the Corporate Governance section of the Annual Report includes a true and fair review of the development and performance of the business and the position of TGS, together with a description of the principal risks and uncertainties facing the Group.

Oslo, 23 March 2021

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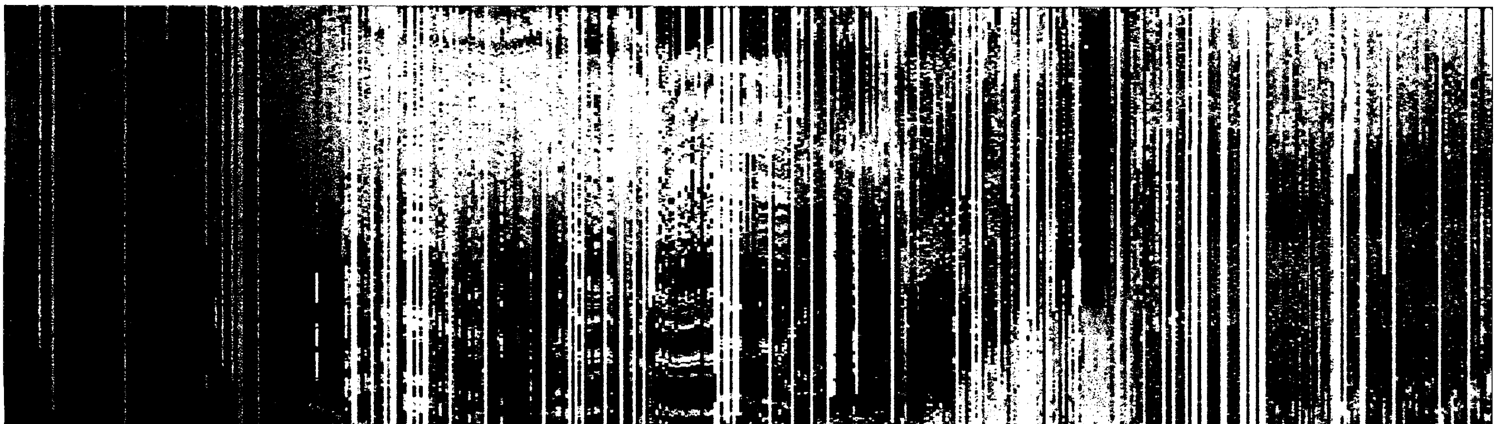
Chief Executive Officer



TGS Financials

TGS managed the cyclical downturn seen over the past few years through extraordinary focus on cost management and cash flow, combined with select counter-cyclical investments. This puts us in a good position to further enhance our status as a leading provider of data and insights to the energy industry.

Consolidated Statement of Comprehensive Income

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

	Note	2020	2019
Revenue	**4,5,18,25**	**319,453**	**585,610**
Cost of goods sold - proprietary and other		**5,409**	2,413
Amortization of the multi-client library	8,18	**259,178**	259,460
Impairment of the multi-client library	8,9,18	**205,437**	42,773
Personnel costs	10	**53,864**	86,345
Other operating expenses		**39,866**	42,120
Depreciation, amortization and impairment	6,7,8	**19,932**	23,503
Total operating expenses		**583,686**	456,613
Operating profit/(loss)		**(264,233)**	128,998
Financial income	26	**853**	10,385
Financial expenses	26	**(2,896)**	(3,672)
Net exchange gains/(losses)	26	**5,354**	(4,500)
Net financial items		**3,312**	2,213
Profit/(loss) before taxes		**(260,922)**	131,211
Taxes	27	**(72,324)**	18,100
Net Income/(loss)		**(188,598)**	113,111
Other comprehensive income			
Other comprehensive income to be reclassified to profit or loss in subsequent periods			
Exchange differences on translation of foreign operations		**-**	240
Other comprehensive income, net of tax	27	**-**	240
Total comprehensive income/(loss) for the period		**(188,598)**	113,351
Net income attributable to the owners of the Parent		**(188,598)**	113,111
Net income attributable to non-controlling interests		**-**	-
		(188,598)	113,111
Total comprehensive income attributable to the owners of the Parent		**(188,598)**	113,351
Total comprehensive income attributable to non-controlling interests		**-**	-
		(188,598)	113,351
Earnings per share (USD)	12	**(1.61)**	1.05
Earnings per share, diluted (USD)	12	**(1.61)**	1.03

Consolidated Balance Sheet - Assets

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

	Note	2020	2019 Restated [1]
Assets			
Non-current assets			
Goodwill	3,8,9	**288,377**	288,377
Intangible assets: Multi-client library	3,8,9	**946,263**	1,091,294
Other intangible assets	8,9	**17,396**	13,703
Deferred tax assets	27	**88,624**	27,486
Buildings	6	**2,257**	2,396
Machinery and equipment	6	**25,349**	22,314
Right-of-use-asset	7	**48,690**	23,445
Sub-lease asset	7	**965**	2,366
Other non-current assets	17,24	**19,471**	11,061
Total non-current assets		**1,437,392**	1,482,442
Current assets			
Accounts receivable	16,19	**168,746**	223,211
Accrued revenues	16,19,28	**108,737**	101,153
Other receivables	19	**104,819**	69,530
Cash and cash equivalents	14	**195,716**	323,408
Total current assets		**578,017**	717,302
Total assets		**2,015,409**	2,199,744

[1] Measurement period adjustments Spectrum PPA finalized during Q3 2020. See Note 3 for further information.

Consolidated Balance Sheet - Equity & Liabilities

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

	Note	2020	2019 Restated [1]
Equity and liabilities			
Equity			
Paid-in capital			
Share capital	13	**4,082**	4,127
Treasury shares	13	**(1)**	(49)
Share premium	3	**416,877**	416,877
Other paid-in equity		**45,248**	45,248
Total paid-in capital		**466,205**	466,203
Other equity		**799,642**	1,079,608
Equity attributable to owners of the Parent		**1 265,848**	1,545,811
Non-controlling interests		**(7)**	(7)
Total equity	28	**1,265,841**	1,545,806
Liabilities			
Non-current liabilities			
Long-term debt	16	**-**	2,809
Other non-current liabilities	16	**757**	1,503
Lease liability	7	**44,551**	19,589
Deferred tax liability	27	**29,100**	40,375
Total non-current liabilities		**74,408**	64,276
Current liabilities			
Short-term debt	16,20	**2,500**	-
Accounts payable	16,20	**116,028**	108,087
Taxes payable, withheld payroll tax, Social Security	20,27	**11,691**	37,639
Lease liability	7,20	**13,333**	11,057
Deferred revenue	4,20	**484,693**	314,897
Other current liabilities	20,28	**46,915**	117,981
Total current liabilities		**675,160**	589,661
Total liabilities		**749,568**	653,938
Total equity and liabilities		**2,015,409**	2,199,744

[1] Measurement period adjustments Spectrum PPA finalized during Q3 2020. See Note 3 for further information.

Oslo, 23 March 2021

Henry H. Hamilton III
Chairman

Mark S. Leonard
Director

Wenche Agerup
Director

Irene Egset
Director

Torstein Sanness
Director

Vicki Messer
Director

Christopher Finlayson
Director

Kristian Johansen
Chief Executive Officer

Consolidated Statement of Changes in Equity

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

	Share Capital (par value at NOK 0.25)	Treasury Shares	Share Premium	Other Paid-in Capital	Foreign Currency Translation Reserve	Retained Earnings	Total	Non-controlling Interest	Total Equity
Opening balance 1 January 2020	4,127	(49)	416,877	45,248	(22,233)	1,101,841	1,545,812	(7)	**1,545,806**
Net income	–	–	–	–	–	(188,598)	(188,598)	–	**(188,598)**
Other comprehensive income	–	–	–	–	–	–	–	–	**–**
Total comprehensive income	–	–	–	–	–	(188,598)	(188,598)	–	**(188,598)**
Distribution of treasury shares	–	0	–	–	–	165	165	–	**165**
Purchase of own shares	–	(7)	–	–	–	(6,601)	(6,601)	–	**(6,601)**
Cancellation of treasury shares held	(54)	54	–	–	–	–	–	–	**–**
Cost of equity-settled long-term incentive plans	9	–	–	–	–	2,852	2,852	–	**2,852**
Dividends	–	–	–	–	–	(87,783)	(87,783)	–	**(87,783)**
Balance 31 December 2020	**4,082**	**(1)**	**416,877**	**45,248**	**(22,333)**	**821,875**	**1,255,848**	**(7)**	**1,265,841**

	Share Capital (par value at NOK 0.25)	Treasury Shares	Share Premium	Other Paid-in Capital	Foreign Currency Translation Reserve	Retained Earnings	Total	Non-controlling Interest	Total Equity
Opening balance 1 January 2019	3,672	(4)	67,355	45,248	(22,473)	1,138,814	1,232,613	(7)	**1,232,606**
Net income	–	–	–	–	–	113,111	113,111	–	**113,111**
Other comprehensive income	–	–	–	–	240	–	240	–	**240**
Total comprehensive income	–	–	–	–	240	113,111	113,351	–	**113,351**
Share issue Spectrum merger	449	–	349,523	–	–	–	349,972	–	**349,972**
Transaction cost share issues	–	–	–	–	–	(739)	(739)	–	**(739)**
Distribution of treasury shares	–	1	–	–	–	249	250	–	**250**
Purchase of own shares	–	(47)	–	–	–	(43,365)	(43,412)	–	**(43,412)**
Cost of equity-settled long-term incentive plans	5	–	–	–	–	8,411	8,416	–	**8,416**
Dividends	–	–	–	–	–	(114,640)	(114,640)	–	**(114,640)**
Balance 31 December 2029	**4 127**	**(49)**	**416,877**	**45,248**	**(22,233)**	**1,101,841**	**1,545,812**	**(7)**	**1,545,806**

Consolidated Statement of Cash Flow

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

	Note	2020	2019
Cash flow from operating activities			
Received payments from customers		**572,021**	786,035
Payments for salaries, pensions, social security tax		**(69,340)**	(87,216)
Payments of other operational costs		**(84,260)**	(99,879)
Paid income taxes	27	**(63,694)**	(38,293)
Net cash flow from operating activities [1]		**354,728**	560,648
Cash flow from investing activities			
Investments in tangible and intangible assets		**(35,200)**	(20,969)
Investments in multi-client library		**(356,146)**	(334,289)
Acquisition of subsidiaries, net of cash acquired		**-**	14,627
Interest received		**853**	6,261
Net cash flow from investing activities		**(390,493)**	(334,370)
Cash flow from financing activities			
Interest paid		**(2,896)**	(778)
Dividend payments	13	**(87,783)**	(114,640)
Repayment of interest bearing debt		**-**	(16,283)
Proceeds from share issuances		**-**	1,512
Purchase of own shares		**(6,601)**	(43,151)
Net Cash flow from financing activities		**(97,280)**	(173,340)
Net change in cash and cash equivalents		**(133,045)**	52,938
Cash and cash equivalents at the beginning of the period	14	**323,408**	273,527
Net unrealized currency gains/(losses)		**5,354**	(3,057)
Cash and cash equivalents at the end of the period	14	**195,716**	323,408
1) Reconciliation			
Profit before taxes		**(260,922)**	131,211
Depreciation/amortization/impairment	6,8,9	**484,548**	325,736
Disposals at cost price		**-**	4,666
Changes in accounts receivables and accrued revenues		**101,688**	8,020
Unrealized currency gains/(losses)		**(5,354)**	240
Changes in other receivables		**(18,120)**	1,386
Changes in other balance sheet items		**116,582**	127,682
Paid taxes	27	**(63,694)**	(38,293)
Net cash flow from operating activities		**354,728**	560,648

Notes to Consolidated Financial Statements

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

1. GENERAL ACCOUNTING POLICIES

General Information

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

TGS-NOPEC Geophysical Company ASA and its subsidiaries (TGS or the Group) provide multi-client geoscience data to oil and gas exploration and production companies worldwide. In addition to extensive global geophysical and geological data libraries that include multi-client seismic data, magnetic and gravity data, digital well logs, production data and directional surveys, TGS also offers advanced processing and imaging services, interpretation products and data integration solutions. The consolidated financial statements of TGS were authorized by the Board of Directors on 23 March 2021.

Basis of Preparation

The consolidated financial statements of TGS have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union (EU) in effect as of 31 December 2020 and consist of the consolidated statement of comprehensive income, the consolidated balance sheet, the consolidated cash flow statement, the consolidated statement of changes in equity and notes to the consolidated financial statements. The consolidated financial statements have been prepared on a historical cost basis. The financial statements of the subsidiaries have been prepared for the same reporting year as the Parent Company, using consistent accounting policies.

Summary of Significant Accounting Policies

Principles of Consolidation

Companies Consolidated

The consolidated financial statements comprise the financial statements of the Parent Company and its subsidiaries as at 31 December 2020. Control is achieved when TGS is exposed, or has rights, to variable returns from its involvement with the investee and can affect those returns through its power over the investee. Specifically, TGS controls an investee if and only if TGS has:

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

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

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

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

Presentation Currency

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

Foreign Currency

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

Revenue from Contracts with Customers

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

Unfinished Data

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

Finished Data

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

Revenue Sharing Arrangements

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

Proprietary Contracts

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

Royalty Income

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

Revenue Recognition Under Segment Reporting

For internal reporting purposes TGS uses segment reporting, with net revenue from projects-in-progress recognized based on Percentage of Completion (POC), as opposed to the IFRS accounts where revenue recognition generally is deferred until project completion and delivery to the customer. For more details about segment reporting principles, see Note 5.

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

Cost of goods sold consists of direct costs related to proprietary contract work and costs related to delivery of geoscientific data.

Multi-client Library

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

Amortization of Seismic Data

No amortization is recognized until the point in time when the license is transferred to the customer, which would typically be upon completion of processing of the survey and granting of access to the finished survey or delivery of the finished data. At this point in time a customary impairment test is performed (as described below) to determine if the net book value of the survey is equal or lower than the recoverable value. If this is not the case, an impairment is recognized immediately. After a project is completed, a straight-line amortization is applied. The straight-line amortization is assigned over the remaining useful life, which for most marine projects is four years. For most onshore projects, the remaining useful life after completion of a project is seven years.

Amortization Policy on Seismic Data Purchased from Third Parties

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

Amortization Policy on Well Data Products

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

Impairment Evaluation Multi-client Library

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

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

For details about impairment of the multi-client library, see Note 9.

Amortization under Segment Reporting

Under the segment reporting, TGS recognises amortization of seismic data in line with the project's progress. During the work in progress phase, amortization is based on total cost versus forecasted total revenue of the project, i.e. amortization is recorded in line with how segment revenue is recognized for each project during this phase. After a project is completed, a straight-line amortization is applied. The straight-line amortization is assigned over the remaining useful life, which for most marine projects is considered to be four years. For most onshore projects, the remaining useful life after completion of a project is considered to be seven years. For more details about segment reporting principles, see Note 5.

Joint Arrangements

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

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

For further details on joint operations, see Note 18.

Other Intangible Assets

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

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

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

Research and Development Costs

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

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

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

Business Combinations and Goodwill

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

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

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

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

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

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

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

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

Tangible Non-Current Assets

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

Impairment of Non-Financial Assets

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

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

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

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

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

Disclosures relating to impairment of non-financial assets are also provided in the following notes:

Significant Accounting Judgments, Estimates and Assumptions – Note 2.

Tangible Non-Current Assets – Note 6

Impairment Testing of Goodwill – Note 9

Impairment Testing Multi-client Library – Note 9

Impairment of Right-of-Use-Assets – Note 7

Provisions and Contingencies

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

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

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

For a description of contingent liabilities, see Note 24.

Income Taxes

Current Income Tax

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

Deferred Tax

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

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

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

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

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

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

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

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

Share-based Payments

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

The cost of equity-settled transactions (PSUs and RSUs) is measured by reference to the fair value at the date on which they are granted. The fair value is determined by an external valuator using an appropriate pricing model, see Note 11 for further details.

The expense of equity-settled transactions is recognized, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award (the vesting date). The cumulative expense recognized for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and TGS' best estimate of the number of equity instruments that will ultimately vest. The statement of profit or loss expense or credit for a period represents the movement in cumulative expense recognized at the beginning and end of that period. No expense is recognized for awards that do not ultimately vest. The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share (further details are given in Note 12).

Financial Instruments

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

Financial Assets

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

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

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

Financial Liabilities

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

Impairment of Financial Assets

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

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

Pensions

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

Leases

As a lessee:

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

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

The lease payments included in the measurement comprise:

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

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

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications, or to reflect adjustments in lease payments due to an adjustment in an index or rate. The Group presents its lease liabilities as separate line items in the statement of financial position.

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

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

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

As a lessor:

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

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

Cash and Cash Equivalents

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

Treasury Shares

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

Dividends

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

Cash Flow Statement

The cash flow statement is compiled using the direct method.

Changes in Accounting Policy and Disclosures

No standards, amendments, IFRSs or IFRIC interpretations that are effective from 1 January 2020 had impact on the consolidated financial statements of TGS. The Group has not early adopted any standards, interpretations or amendments that have been issued but are not yet effective. There are no IFRSs or IFRIC interpretations that are not yet effective that the Group currently expects will have a material impact on TGS' financial statements going forward.

2. SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

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

Impairment Evaluation of Multi-client Data Library

TGS performed impairment reviews and determined the value in use of the multi-client library during 2020. The Group estimated value in use based on discounted estimated future sales forecasts. The underlying estimates that form the basis for the sales forecast depend on variables such as the number of oil and gas exploration and production (E&P) companies operating in the area that would be interested in the data, overall E&P spending, expectations regarding hydrocarbons in the area, whether licenses will be awarded in the future, expected farm-ins to licenses, relinquishments, etc. Local corporate tax rates and sales costs are applied. Changes in these estimates may potentially affect the estimated amount of future sales forecasts materially. The future sales forecasts are evaluated on a regular basis and impairments are recognized in the period they occur.

For details about the book value, amortization and impairment of the multi-client library, see Notes 8 and 9. For a detailed description of the accounting policies for the multi-client library, see Summary of Significant Accounting Policies above.

Impairment Evaluation of Goodwill

TGS tests the value of its goodwill on an annual basis or when there are indicators that the carrying amount may not be recoverable. This requires an estimation of the value in use or fair value less cost of disposal, whichever that is highest of the cash-generating units or groups of CGUs to which the goodwill is allocated. Estimating the value in use amount requires management to make an estimate of the expected future cash flows from the cash-generating unit and to choose a suitable discount rate in order to calculate the present value of those cash flows. Variables such as estimated future revenues, margins and estimated long-term growth are the key drivers for the basis of the value in use calculations. Future cash flows also depend on general development in E&P spending, the number of market participants and technological developments.

For details about goodwill and impairment, see Note 9.

Deferred Tax Assets, Liabilities and Uncertain Tax Positions

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

The jurisdictions in which TGS operates are 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 impact TGS results in each period.

For details about uncertain tax positions and tax contingencies, see Note 24.

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

For details about deferred tax assets, see Note 27.

Contingent Liabilities

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

For a description of contingent liabilities, see Note 24.

3. BUSINESS COMBINATIONS

TGS ASA acquired 14 August 2019 100% of the outstanding shares and voting rights of Spectrum ASA through a merger transaction. The consideration transferred was 0.28 ordinary shares of TGS ASA for each Spectrum ASA share (the "exchange ratio"), plus cash consideration of USD 0.27 per share multiplied by the exchange ratio. The total number of shares of TGS ASA issued as part of the transaction was 16 076 047, representing a total consideration of USD 354.3 million (including the cash consideration).

The net assets recognized in the 31 December 2019 financial statements were based on a provisional assessment of their fair value while TGS was finalizing the review and measurement of tax positions existing at the acquisition date. This review had not been completed by the date the 2019 financial statements were approved for issue by the Board of Directors. By the end of the measurement period, 14 August 2020, the review was completed, and certain tax positions were remeasured due to new information obtained relating to facts and circumstances that existed at the date of acquisition. More specifically, deferred tax assets (DTA) related to Spectrum Geo Do Brasil, previously not recognized, of 5.7 million, have been recognized. Further foreign tax credit reserves (FTC) in Spectrum Geo Inc have been reassessed resulting in the derecognition of USD 4.4 million of FTC reserve previously capitalized and the recognition of USD 4.9 million in taxes payable.

As a result, a net increase in goodwill of USD 3.6 million compared to the provisional amount has been recognized. The revised goodwill is allocated to the Latin America CGU.

The following table summarizes the acquisition date provisional fair values of assets acquired and liabilities assumed as presented in the 2019 financial statements, measurement period adjustments made during 2020 as well as the final fair values recognized. Corrections made to the provisional amounts have been applied as of the date of the transaction and consequently the relevant account balances in 2019 have been restated.

Fair value recognized at acquisition - 14 August 2019	**Provisional amounts**	**Adjustments**	**Final amounts**
ASSETS			
Non-current assets			
Multi-client library	180,249	-	180,249
Investment in Joint Ventures	2,524	-	2,524
Deferred tax assets	13,277	5,679 [1]	18,956
Software	1,466	-	1,466
Fixtures, fittings and office equipment	1,599	-	1,599
Right-of-use assets	7,699	-	7,699
Non-current other receivables	5,035	(4,448) [2]	587
Total non-current assets	**211,850**	**1,232**	**213,080**
Current assets			
Restricted cash	2,291	-	2,291
Cash and cash equivalents	18,968	-	18,968
Total current assets	**21,259**	**-**	**21,259**
TOTAL ASSETS	**233,109**	**1,232**	**234,339**
Equity	0	-	0
Total Equity	0	-	0
Non-current liabilities			
Deferred tax liability	(3,007)	-	(3,007)
Long term interest bearing debt	(8,545)	-	(8,545)
Other long term liabilities	(10,809)	-	(10,809)
Total non-current liabilities	**(22,361)**	**-**	**(22,361)**
Current liabilities			
Net working capital	(65,656)	-	(65,656)
Short term interest bearing debt	(8,465)	-	(8,465)
Other tax liabilities	(1,599)	(4,855) [3]	(6,454)
Total current liabilities	**(75,720)**	**(4,855)**	**(80,575)**
Total identifiable net assets acquired	**135,028**	**(3,623)**	**131,403**

Goodwill arising from the acquisition has been recognized as follows:

Consideration transferred	354,312	-	354,312
Fair value of identifiable net assets	(135,028)	3,624	(131,403)
Deferred tax liability	(2,456)	-	(2,456)
Goodwill	**216,829**	**3,624** [4]	**220,453**

[1] Recognition of DTA SPU Brazil.

[2] Derecognition of foreign tax credits.

[3] Taxes payable SPU Geo Inc.

[4] Increase in Goodwill.

Spectrum ASA and its subsidiaries (Spectrum) provide innovative multi-client seismic surveys and high-quality seismic imaging services to the global oil and gas industry from offices in Norway, UK, USA, Brazil, Australia and Singapore. Spectrum holds the world's largest library of multi-client 2D marine seismic data and a significant amount of 3D seismic data, with its strategy focused on both the major, established hydrocarbon-producing regions of the world as well as key frontier areas.

The transaction enhanced TGS' position as a leading multi-client geophysical data provider with a 2D and 3D seismic data library covering all major mature and frontier basins worldwide. With Spectrum's substantial presence in the South Atlantic and other important frontier regions and TGS' extensive library and financial robustness, the combined entity is well-positioned to accelerate 3D seismic investment plans. Furthermore, the combined libraries have a scale that will help accelerate TGS' data analytics strategy.

The goodwill of USD 220.5 million comprises the fair value of expected synergies and economies of scale from combining the operations of TGS and Spectrum.

4. REVENUE FROM CONTRACTS WITH CUSTOMERS

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

Revenue type - 2020	IFRS (As reported)	Adjustment	Segment
Pre-funding	66,503	85,421	151,924
Late sales - unfinished data	79,044	43,907	122,951
Late sales - finished data	158,695	-	158,695
Proprietary	15,210	-	15,210
Total	**319,453**	**129,328**	**448,780**

Revenue type - 2019	IFRS (As reported)	Adjustment	Segment
Pre-funding	78,104	49,227	127,332
Late sales - unfinished data	66,931	137,736	204,667
Late sales - finished data	422,390	-	422,390
Proprietary	18,186	-	18,186
Total	**585,610**	**186,964**	**772,574**

Payment terms

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

Other terms

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

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

Performance obligations unsatisfied at year-end	2020	2019 Restated [1]
Within one year	527,999	161,501
More than one year	22,107	405,832
Total	**550,107**	**567,332**

1 Remaining performance obligations as of 31 December 2019 have been adjusted from USD 209 529 to USD 567 332. The amount disclosed related to performance obligations to invoice has been subsequently corrected to reflect performance obligations to recognize as revenue.

For sales of unfinished data, customers generally pay installments during the acquisition and processing phases of the contract with the remaining balance falling due after delivery of the finished data. This gives rise to contract liabilities, in particular related to sales of unfinished data where funding arrangements are in place. Contract assets arise primarily on the sale of finished data where the performance obligation has been satisfied but the customer has not yet been invoiced for the final installments.

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

Receivables, contract assets and contract liabilities	2020	2019 Restated [2]
Account Receivables	168,746	223,211
Accrued unbilled revenue (Contract assets)	108,737	101,153
Debt to partners	(81,993)	(57,176)
Deferred revenue (Contract liabilities) [1]	(484,693)	(314,897)

Receivables, contract assets and contract liabilities	2020	2019 Restated [2]
At 1 January	**(314,897)**	**(189,450)**
Deferred during the year	(320,937)	(123,735)
Arising from business combination	-	(29,864)
Recognized as revenue during the year	151,141	177,273
Adjustments [2]	-	(149,121)
At 31 December	**(484,693)**	**(314,897)**
Current	(484,693)	(314,897)
Non-current	-	-

[1] The contract liabilities presented in the above tables represents gross amounts including deferred revenue related to revenue share arrangements. The same gross presentation applies also to accounts receivables and contract assets.

[2] Contract liabilities as of 31 December 2019 have been adjusted from USD 165.8 million presented in 2019 to USD 314.9 million due to incorrect split and presentation in disclosure for 2019.

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

5. SEGMENT INFORMATION

TGS reports monthly management information to executive management based on the defined operating segments. Where appropriate, these operating segments are aggregated into reportable segments that form the basis of the segment reporting. In 2019, following the acquisition of Spectrum, management reassessed its reportable segments and reports North America, Latin America and Land separately due to the increase in the size of these segments in respect of the Group. Previously these three operating segments were aggregated into one reportable segment, North and South America. Land represents onshore activities in North America.

TGS has operating segments that do not individually meet the quantitative thresholds to qualify as reportable segments. The segments which are aggregated and form "Other segments/Corporate costs" include GPS Well Logs, GPS Interpretations, Global Services, Imaging, Data & Analytics, G&A and Corporate. GPS Wells Logs and GPS Interpretations provide well data products, interpretive studies and services to clients; Imaging processes data for multi-client and proprietary projects and continually develops new technology and workflows for seismic imaging as well as enhancing existing ones; Data & Analytics provides Geoscience AI, Data Management, Cloud Computing and Data Library products and services, Global Services provides project management, GIS and HSE functions.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated using different principles for recognition of multi-client revenues and amortization of the multi-client library than the principles applied in the consolidated accounts, described in Note 1 and Note 4. In the segment information, revenues related to unfinished projects are recognized in accordance with percentage of completion of the relevant projects, while amortization in the work-in-progress phase is based on the ratio of forecasted total revenues to total forecasted cost. In the period after completion of the data, revenue recognition and amortization principles are consistent with those used for the consolidated accounts.

Group financing (including finance costs and finance income) and income taxes are managed on a group basis and are not allocated to the operating segments. Transactions between operating segments are on an arm's-length basis in a manner similar to transactions with third parties. No inter-segment sales between the reportable segments have taken place during 2020 or 2019. Employee bonuses and cost related to share-based payments are recognized within "Corporate costs."

2020	**North America**	**South America**	**Europe and Russia**	**Land**	**Africa, Middle East and Asia/ Pacific**	**Other segments/ Corporate costs**	**Total**
Pre-funding	13,159	10,538	8,529	16,001	14,131	4,146	66,504
Late sales – unfinished data	6,752	29,552	89	9,930	9,539	23,183	79,044
Late sales –finished data	66,364	15,990	21,685	8,519	39,578	6,560	158,695
Proprietary	-	-	-	2,114	5,663	7,433	15,210
External revenues	**86,275**	**56,079**	**30,302**	**36,564**	**68,911**	**41,321**	**319,453**
APM adjustments (segment pre-funding) [1]	6,306	59,183	765	27,753	(7,998)	(588)	85,420
APM adjustments (segment late sales – unfinished data) [1]	3,721	44,995	4,197	(4,102)	(5,236)	332	43,907
Segment revenue	**96,302**	**160,257**	**35,264**	**60,215**	**55,678**	**41,065**	**448,780**
Costs of goods sold – proprietary and other	7	452	0	1,680	2,436	833	5,409
APM adjustments (Amortization and impairment of multi-client library) [2]	118,569	196,830	81,310	73,403	35,057	21,366	526,535
Operational costs	2,733	5,767	2,383	3,250	5,418	74,179	93,730
Depreciation, amortization and impairment of other tangible and intangible assets	59	152	22	247	78	19,374	19,932
Segment Operating profit/(loss)	**(25,067)**	**(42,944)**	**(48,451)**	**(18,365)**	**12,688**	**(74,686)**	**(196,825)**

[1] Relates to revenues from unfinished data that has been recognized over time in segment reporting.

[2] Relates to sales amortization under the work-in-progress phase, linear amortization for finished projects and impairments under segment reporting. See above for more information on differences in accounting principles between segment reporting and IFRS. Impairments of the multi-client library totaled USD 132.0 million for 2020 under the segment reporting.

2019	North America	South America	Europe and Russia	Land	Africa, Middle East and Asia/ Pacific	Other segments/ Corporate costs	Total
Pre-funding	40,101	6,251	9,318	11,704	5,776	4,955	78,104
Late sales – unfinished data	27,994	8,474	11,495	5,145	6,586	7,237	66,931
Late sales –finished data	175,254	39,039	73,698	48,993	43,323	42,083	422,390
Proprietary	–	–	–	–	–	18,186	18,186
External revenues	**243,349**	**53,765**	**94,510**	**65,843**	**55,685**	**72,460**	**585,610**
APM adjustments (segment pre-funding) [1]	(11,588)	25,187	14,878	16,932	3,718	100	49,227
APM adjustments (segment late sales – unfinished data) [1]	(4,803)	137,057	3,767	(1,835)	3,552	(2)	137,736
Segment revenue	**226,958**	**216,009**	**113,156**	**80,940**	**62,954**	**72,558**	**772,574**
Costs of goods sold – proprietary and other	–	–	2	–	5	2,406	2,413
APM adjustments (Amortization and impairment of multi-client library) [2]	124,948	123,901	58,987	42,170	25,872	21,394	397,272
Operational costs	3,266	10,108	4,066	3,513	9,925	97,313	128,192
Depreciation, amortization and impairment of other tangible and intangible assets	73	944	213	340	687	21,247	23,504
Segment Operating profit/(loss)	**98,670**	**81,055**	**49 888**	**34,917**	**26,465**	**(69,803)**	**221,193**

[1] Relates to revenues from unfinished data that has been recognized over time in segment reporting.

[2] Relates to sales amortization under the WIP phase, linear amortization for finished projects and impairments under segment reporting. See above for more information on differences in accounting principles between segment reporting and IFRS. Impairments of the multi-client library totalled USD 2.8 million for 2019 under the segment reporting

Impairment of multi-client library is distributed as follow:

North America	2020
North America	23,236
Latin America	48,995
Land	19,966
Europe and Russia	36,982
Africa, Middle East and Asia Pacific	2,576
Other	254
Total	**132,009**

Impairments for 2019 totaled USD 2.8 million.

A reconciliation of Operating profit/(loss) to Profit/(loss) before taxes is provided as follows:

	2020	2019
Operating profit for reportable segments	(196,825)	221,193
APM adjustment (amortization, impairment and revenue)	(67,408)	(92,196)
Operating profit according to IFRS	**(264,233)**	**128,998**
Financial income	853	10,385
Financial expenses	(2,896)	(3,672)
Exchange gains/losses	5,354	(4,500)
Profit/(loss) before taxes	**(260,922)**	**131,211**

Total assets are not a part of the information regularly provided to executive management. TGS does not report a measure of liabilities for the reportable segments. As the operating segments reported are broken down to geographic areas, there is no further breakdown of revenues to the customer's country of domicile.

In 2020, net revenues from no customers were above 10% of total revenues individually. In 2019, net revenues from one customer exceeded 10% of total revenues and amounted to USD 112.2 million.

Analysis of external revenues:

	2020	2019
Pre-funding	151,924	127,332
Late sales	281,647	627,057
Proprietary	15,210	18,186
Total net revenues	**448,780**	**772,574**

6. TANGIBLE NON-CURRENT ASSETS

2020	Machinery and Equipment	Buildings [3]	Total
Cost as of January 2020	**122,526**	**13,916**	**136,442**
Reclassification [1]	6,484	(5,017)	1,466
Additions	16,244	2,366	18,610
Disposals [2]	(866)	(3,333)	(4,199)
Cost as of 31 December 2020	**144,388**	**7,931**	**152,319**
Accumulated depreciation as of 1 January 2020	**100,212**	**11,519**	**111,731**
Reclassification [1]	5,127	(4,806)	321
Depreciation for the year	8,582	432	9,015
Accumulated depreciation on disposals	(804)	(1,683)	(2,488)
Capitalized to the multi-client library [4]	5,923	212	6,134
Accumulated depreciation as of 31 December 2020	**119,039**	**5,674**	**124,713**
Net book value as of 31 December 2020	**25,349**	**2,257**	**27,606**
Useful life	2 to 7 years	3 to 12 years	

[1] Reclassification from Buildings and Other Intangible Asset to Machinery and Equipment.

[2] Gains on disposals during the year were recognized by USD 0.9 million.

[3] Mainly leasehold improvements.

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

2019	Machinery and Equipment	Buildings [2]	Total
Cost as of 1 January 2019	**121,994**	**14,457**	**136,451**
Acquisition of a subsidiary	1,599	-	1,599
Additions	16,428	90	16,518
Disposals [1]	(17,495)	(631)	(18,126)
Cost as of 31 December 2019	**122,526**	**13,916**	**136,442**
Accumulated depreciation as of January 2019	**102,686**	**10,939**	**113,625**
Depreciation for the year	954	1,269	2,223
Accumulated depreciation on disposals	(12,186)	(689)	(12,875)
Capitalized to the multi-client library [3]	8,758	-	8,758
Accumulated depreciation as of 31 December 2019	**100,212**	**11,519**	**111,731**
Net book value as of 31 December 2019	**22,314**	**2,396**	**24,711**
Useful life	2 to 7 years	3 to 12 years	

[1] Losses on disposals during the year were recognized by USD 0.3 million.

[2] Mainly leasehold improvements.

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

7. LEASES

Leases as a lessee

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

Right-of-use assets	Office leases	Data centers	Total
Balance at 1 January 2020 (including sub-lease)	**19,392**	**6,419**	**25 811**
Depreciation charge for the year	4,251	8,985	13,235
Impairment charge for the year	4,101	370	4,470
Additions to right-of-use assets	18,300	24,651	42,951
Sub-lease asset 1 January 2020	(2,366)	-	(2,366)
Balance at 31 December 2020 (excluding sub-lease)	**26,974**	**21,715**	**48,690**
Sub-lease asset 31 December 2020	965	-	965
Balance at 31 December 2020 (including sub-lease)	**27,939**	**21,715**	**49,655**

Right-of-use assets	Office leases	Data centers	Total
Balance at 1 January 2019 (including sub-lease)	**19,847**	**15,475**	**35,322**
Depreciation charge for the year	3,370	9,212	12,582
Impairment charge for the year	3,699	153	3,852
Additions to right-of-use assets	7,361	309	7,670
Sub-lease asset 1 January 2019	(3,114)	-	(3,114)
Derecognition of right-of-use asset	-	-	-
Balance at 31 December 2019 (excluding sub-lease)	**17,026**	**6,419**	**23,445**
Sub-lease asset 31 December 2019	2,366	-	2,366
Balance at 31 December 2019 (including sub-lease)	**19,392**	**6,419**	**25,811**

The Group has recognized an impairment of right-of-use assets of USD 4.5 million in 2020 (USD 3.9 million in 2019). The impairment is mainly related to office premises that will no longer be in use after the acquisition of Spectrum. The impairment charge recognized is net of expected sub-lease income.

Amounts recognized in profit or loss	2020	2019
Interest on lease liability	1,920	1,507
Income from sub-leasing right-of-use-asset presented in "other revenue"	(81)	(136)
Depreciation charge for the year	4,648 [1)]	12,582

[1)] The total depreciation charge for the year is USD 13.2 million. Out of this, USD 8.6 million is capitalized, and hence not directly expensed as depreciations in the Statement of Comprehensive Income.

Amounts recognized in the statement of cash flow	2020	2019
Total cash outflow for leases	(16,580)	(14,417)

Some leases include extension options exercisable near the end of the lease term. The Group assesses at lease commencement date whether it is reasonably certain to exercise the extension options. The Group reassesses whether it is reasonably certain to exercise the options if there is a significant event or significant changes in circumstances within its control.

The following table sets out a maturity analysis of lease payables, showing the undiscounted lease payments to be paid after reporting date.

Maturity analysis – lease payables	2020	2019
Less than one year	(16,713)	(12,313)
One to five years	(32,176)	(19,573)
More than five years	(15,006)	(1,925)
Total undiscounted lease payments	(63,896)	(33,811)
Discount effect	6,011	3,165
Lease liability as of 31 December	**(57 885)**	**(30,646)**

Lease liability	2020	2019
Current	(13,333)	(11,057)
Non-current	(44,552)	(19,589)
Lease liability as of 31 December	**(57,885)**	**(30,646)**

Short-term lease liabilities are presented in the statement of financial position under the item "other current liabilities." While long-term lease liability is presented in the statement of financial position under the item "lease liability."

Leases as a lessor

The Group has sub-leased office space that is not in use by the Group itself.

The following table sets out a maturity analysis of lease receivables, showing the undiscounted lease payments to be received after reporting date.

Maturity analysis – lease receivables	2020	2019
Less than one year	608	1,233
One to two years	537	745
Two to three years	-	348
Three to four years	-	174
Total undiscounted lease receivables	**1,145**	**2,499**
Unearned finance income	(180)	(133)
Net investment in the lease as of 31 December	**965**	**2,366**

8. INTANGIBLE ASSETS

Acquisition Cost and Depreciation	Goodwill	Multi-client Library	Multi-client Library in Progress	Other Intangible Assets	Total
Cost as of 1 January 2020	**338,991**	**4,717,859**	**509,624**	**96,402**	**5,662,877**
Reclassification [1]	-	-	-	(1,466)	(1,466)
Additions [2]	-	30,894	288,690	10,779	330,363
Transfers	-	255,995	(255,995)	-	-
Disposals [3]	-	-	-	(264)	(264)
Cost as of 31 December 2020	338,991	5,004,749	542,319	105,451	5,991,509
Accumulated amortization and impairment as of 1 January 2020	**50,615**	**4,136,189**	**-**	**82,700**	**4,269,504**
Reclassification [1]	-	-	-	(321)	(321)
Amortization for the year	-	259,178	-	2,069	261,247
Impairment for the year	-	184,608	20,829	-	205,437
Accumulated amortization on disposals	-	-	-	(153)	(153)
Capitalized to the multi-client library [4]	-	-	-	3,760	3,760
Accumulated amortization and impairment as of 31 December 2020	**50,615**	**4,579,975**	**20,829**	**88,055**	**4,739,474**
Net book value as of 31 December 2020	**288,377**	**424,774**	**521,489**	**17,396**	**1,252,035**
Useful life		4 to 7 years		3 to 7 years	

[1] Reclassification of other intangible assets to machinery and equipment.

[2] Additions to other intangible assets are internally developed software.

[3] Losses on disposals during the year were to USD 111 thousand.

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

Acquisition Cost and Depreciation	Goodwill	Multi-client Library	Multi-client Library in Progress	Other Intangible Assets	Total
Cost as of 1 January 2019	**118,538**	**4,463,503**	**240,948**	**90,361**	**4,913,350**
Additions through business combinations (Restated) [1]	220,453	105,324	78,181	1,466	405,424
Additions[2]	-	-	339,527	9,187	348,715
Transfers	-	149,032	(149,032)	-	-
Disposals	-	-	-	(4,611)	(4,611)
Cost as of 31 December 2019	**338,991**	**4,717,859**	**509,624**	**96,402**	**5,662,878**
Accumulated amortization and impairment as of 1 January 2019	**50,615**	**3,833,956**	**-**	**81,994**	**3,966,565**
Amortization for the year	-	259,460	-	5,124	264,584
Impairment for the year	-	42,773	-	-	42,773
Accumulated amortization on disposals	-	-	-	(4,419)	(4,419)
Capitalized to the multi-client library [3]	-	-	-	-	-
Accumulated amortization and impairment as of 31 December 2019	**50,615**	**4,136,189**	**-**	**82,700**	**4,269,504**
Net book value as of 31 December 2019 (Restated) [1]	**288,377**	**581,670**	**509,624**	**13,703**	**1,393,374**
Useful life		4 to 7 years		3 to 7 years	

[1] The amount of goodwill is restated and does not correspond to the figures in 2019 financial statements since adjustments to the final valuation of acquisition of Spectrum were made, as detailed in Note 3.

[2] Additions to other intangible assets are internally developed software.

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

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

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. Impairment indicators have been assessed as a result of the significant volatility in the market during 2020 and include factors such as revised sales estimates on existing surveys, COVID-19 market effects and oil price collapse. Key inputs and assumptions in the impairment model have been revisited. The challenging market presents uncertainties and risk related to these estimates.

Multi-client library

The Group estimates value-in-use based on discounted estimated future sales forecasts. For the multi-client library, the value-in-use has been determined based on revenue and cash flow projections from financial estimates prepared by management. Due to the prevailing markets, future expected cash flows are reduced and consequently the value-in-use of the multi-client library is reduced. The changes in the market are a consequence of factors such as revised sales estimates on existing surveys, COVID-19 effects and oil price collapse. TGS has implemented a detailed process each quarter to assess projects at risk and impairment of the library amid the current volatility and uncertainty in the market.

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. Local tax rates and sales costs are applied. The above-mentioned variables are subject to underlying uncertainties such as, for instance, potential changes in government policies in the United States related to oil & gas exploration (see Note 28 for more information).

TGS is operating in a global industry. TGS' customers are operating on a global scale, and the market for TGS' products is global. However, many local aspects affect the risk of the various cash-generating units (CGUs) across the world, as each survey is considered a CGU. Based on this, TGS applies a country risk premium to determine the post-tax weighted average cost of capital (WACC) of all CGUs. The WACC varies between 8.0% to 19.2% for all the CGUs throughout the Group. The significant difference is due to the country risk added for specific surveys in the multi-client library. The WACC unadjusted country-specific risk is 8.0%. The average WACC weighted according to CGU net book value is 9.8% post-tax and 12.2% pre-tax. At year-end 2019, TGS used a WACC between 8.4% to 19.4% for all the CGUs throughout the Group, with a WACC unadjusted country-specific risk of 8.4%. The reduction from 2019 to 2020 is mainly due to a reduction of risk-free rate.

On completion of a library, which usually corresponds with the delivery of a license to a customer, TGS begins to recognize amortization. On completion of a library and corresponding satisfaction of the performance obligation, TGS reassesses the value-in-use of the asset based on discounted remaining forecast cashflows and recognizes impairment where necessary.

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

Impairment of multi-client library	Impairment 31 December 2020	Impairment 31 December 2019	Value-in-Use 31 December 2020	WACC
North America	40,413	115	279,755	7.9 %
Latin America	81,938	0	549,652	12.5 %
Land	33,681	9,892	214,198	7.9 %
Europe and Russia	39,610	613	173,185	8.0 %
Africa, Middle East and Asia Pacific	9,194	31,617	119,545	12.2 %
Other	602	537	90,328	9.4 %
Total	205,437	42,773	1,426,663	9.8 %

Out of the amounts above, USD 85.5 million is first day impairments (USD 42.8 million in 2019).

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

- 10% reduction of sales forecast would lead to increased impairment of USD 14.8 million
- 20% reduction of sales forecast would lead to increased impairment of USD 33.7 million
- 2.5% increase in WACC would lead to increased impairment of USD 11.7 million
- 5% increase in WACC would lead to increased impairment of USD 22.9 million

Management does not see any other reasonable changes in the key assumptions that could cause additional impairments as of 31 December 2020.

Goodwill

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

Specification of goodwill:	North America	Latin America	Land	Europe and Russia	Africa, Middle East and Asia/Pacific	Other segments/ Corporate costs	Total
Net book value as of 1 January 2020	24,899	97,232	26,894	37,201	48,820	49,707	284,754
PPA adjustment Spectrum acquisition	-	3,624	-	-	-	-	3,624
Impairment	-	-	-	-	-	-	-
Net book value as of 31 December 2020	**24,899**	**100,856**	**26,894**	**37,201**	**48,820**	**49,707**	**288,377**
WACC post-tax	7.9 %	12.5 %	7.9 %	8.0 %	12.2 %	9.4 %	9.8%

Goodwill acquired through business combinations has been allocated to individual cash-generating units (CGU) as referred to in the table above.

Based on the impairment testing performed, no impairments have been recognized during 2020 (2019: USD 0 million).

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

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

- 10% reduction of expected return of investments would not lead to an impairment
- 20% reduction of expected return of investments would lead to an impairment of USD 0.9 million
- 2.5% increase in WACC would not lead to an impairment
- 5% increase in WACC would lead to an impairment of USD 39.3 million

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

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

Personnel costs	2020	2019
Payroll	71,044	90,233
Social Security costs	6,118	6,697
Pension costs	3,695	4,394
Other employee-related costs	3,664	10,466
Salaries capitalized to developed software	(12,451)	(12,419)
Cost of RSU/PSU	2,852	8,411
Salaries capitalized to multi-client library	(21,058)	(21,439)
Personnel costs	**53,864**	**86,343**

The number of employees as of 31 December 2020 was 462 versus 666 as of 31 December 2019.

Cash bonus plans

In 2020, TGS had in place a Short-Term Incentive Bonus Plan that was funded by allocating 8.75% of operating profit among full-time employees. Employees are generally eligible to participate in the bonus plan after being employed for six months. The bonus is payable quarterly, and the amount paid is based on actual EBIT (pre-bonus) for the quarter. An individual employee's relative share of the bonus pool is based on level of responsibility, individual contribution, performance versus previous year goals, and benchmark data. Bonuses earned in respect of the fourth quarter of 2019 were accrued in 2019 and paid in the first quarter of 2020. No bonus was earned or accrued in 2020 due to the negative results. More information on the Short-Term Incentive is provided in the Group's Declaration on Executive Remuneration, published contemporaneously with the Annual Report.

Executive Management Stock Incentives

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

Executive Management 2020

	No. of Shares Held 31 December 2020	Incentive stock units awarded in 2020	Total balance of free-standing warrants related to unvested incentive stock units
Kristian Johansen (CEO)	112,668	60,500	185,620
Fredrik Amundsen (CFO)	26,280	24,300	70,300
Jan Schoolmeesters (EVP Operations)	50,858	24,300	45,300
Will Ashby (EVP North America)	35,132	24,300	70,300
Rune Eng (EVP International)	263,452	24,300	60,300
Tanya Herwanger (EVP Staff and Support)	20,477	24,300	60,300
Tana Pool (EVP Legal)	30,091	24,300	70,300

The table below shows total paid compensation to executive management in 2020:

	Salary	Bonuses	Other Benefits [4]	Payments from long-term incentive plans [5]	Total Remunerations
Kristian Johansen (CEO)	532	314	133	1202	2,181
Fredrik Amundsen (CFO) [1]	310	61	18	443	832
Jan Schoolmeesters (EVP Operations) [1]	355	296	3	-	654
Will Ashby (EVP North America)	267	60	119	407	854
Rune Eng (EVP International) [1]	424	479	11	-	913
Tanya Herwanger (EVP Staff & Support) [2]	259	33	52	395	739
Tana Pool (EVP Legal)	324	67	31	407	829
Sven Børre Larsen (was part of the Executive Team from February to May 2020) [1,3]	112	75	5	-	192

The amounts set forth in the table above reflect amounts paid to the executives during the year. With respect to bonus amounts, the Short-Term Incentive Bonus Plan is paid on a quarterly basis following reporting of the quarterly results. Therefore, bonuses paid in 2020 reflect bonus amounts for the fourth quarter of 2019 and the first three quarters of 2020.

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

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

[3] Compensation is only reflected for the period of time that the executive served as an executive of the Group. Sven Børre Larsen was an employee of the Group during the entire 2020, and part of the Executive Team from February 2020 until May 2020.

[4] Other benefits include certain benefits provided to all employees (such as Group matching contributions to pensions or 401K plans, Company-paid life insurance and welfare insurance). Other benefits also include certain expatriate benefits for applicable executives.

[5] Represents the value of shares issued during 2020 with respect to the 2017 Long-Term Incentive Plan, which vested in 2020.

Executive Management 2019

	Salary	Bonuses	Other Benefits [5]	Payments from long-term incentive plans [6]	Total Remunerations
Kristian Johansen	571	1,579	142	644	2,936
Jan Schoolmeesters (joined Executive Team August 2019 [1,2,3]	119	-	9	-	128
Rune Eng (joined Executive Team August 2019 [1,2,3]	192	-	14	-	207
Will Ashby	270	261	43	218	792
Katja Akentieva	315	335	27	246	923
Tana Pool	327	323	25	218	893
Fredrik Amundsen [2]	213	312	24	274	823
Tanya Herwanger (returned to Executive Team in August 2019) [1,4]	225	110	40	48	423
Dean Zuzic (joined Executive Team August 2019) [1]	102	-	8	-	110
Zhiming Li (left Executive Team August 2019) [1]	246	302	28	246	822
Erik Finnstrom (left Executive Team August 2019) [1,2]	168	176	13	-	357
Knut Agersborg (left Executive Team August 2019) [1,2]	115	97	22	242	476
Sven B. Larsen (left Executive Team August 2019) [1,2]	236	245	22	337	840

The amounts set forth in the table above reflects amounts paid to the executive during the year. With respect to bonus amounts, the Short-Term Incentive Bonus Plan is paid on a quarterly basis following reporting of the quarterly results. Therefore, bonuses paid in 2019 reflect bonus amounts for the fourth quarter of 2018 and the first three quarters of 2019.

[1] Compensation is only reflected for the period of time that the executive served as executive of the Company. Messrs. Schoolmeesters, Eng and Zuzic joined the Company effective with the consummation of the acquisition of Spectrum and joined the executive team on August 30, 2019. Ms. Herwanger was an employee of the Company during all of 2019, joining the executive team on August 30, 2019. Messrs. Li, Agersborg and Larsen left the executive team on August 29, 2019, but remained employees of the Company through the balance of the year. Mr. Finnstrom retired from the Company on August 29, 2019. Compensation for each of the affected executives that was paid during the part of the year not reported above was consistent with that reported above.

[2] Compensation is paid in NOK, with the USD equivalent determined based on the average exchange rate during the year.

[3] Participated in the Spectrum bonus plan. The Spectrum bonus plan was an annual plan, with the bonus amounts based on various factors, including Spectrum performance during 2019, both before and after the acquisition, and individual criteria. Only employees of Spectrum were eligible to participate in the plan, and thus did not participate in the TGS Short-Term Incentive Bonus Plan in 2019.

[4] Compensation is paid in Euro, with the USD equivalent determined based on the average exchange rate during the year.

[5] Other benefits include certain benefits provided to all employees (such as Company matching contributions to pensions or 401K plans, Company-paid life insurance and welfare insurance). Other benefits also include certain expatriate benefits for applicable executives.

[6] Represents the value of shares issued during 2019 with respect to the 2016 Long-Term Incentive Plan, which vested in 2019.

TGS awards its executive and senior leadership teams Long-Term Incentives with performance metrics measured over a three-year period. In 2020, performance share units (PSUs) were issued to the executive and senior leadership teams under the 2020 Long-Term Incentive Plan. The plan and status versus performance metrics is further described in the Declaration on Executive Remuneration. The 2020 plan is settled in TGS common shares, and each PSU represents the right to receive one common share. The total number of shares issuable is determined based upon the Group's achievement against the performance metrics, with the payout ranging from 0% to 100% of the PSUs awarded. The 2020 plan also provides for the issuance of RSUs to non-executive key employees, as further described in the 2020 Declaration on Executive Remuneration.

Termination benefits

The CEO and certain other executives have employment agreements that provide for certain benefits upon termination of employment. Pursuant to Mr. Johansen's employment agreement, the maximum amount payable to the CEO in case of termination of employment without cause or for good reason is one times the amount of his highest annual base salary in effect during the three years that immediately precede the date of termination, payable over an ensuing one-year period and conditional upon his continued compliance with restrictive covenants. Pursuant to Mr. Eng's employment agreement, the maximum amount payable upon termination of employment is one and half times annual base salary following a six-month notice period, with such payment contingent upon his execution of a termination agreement presented by the Group. In the event of Mr. Eng's resignation from employment, the maximum amount payable is one times annual base salary following a six-month notice period.

Additionally, the maximum amount payable to the previous TGS CFO – Mr. Larsen, now holding the position of VP for Strategy and M&A, in case of termination for any reason other than redundancy, gross misconduct or statutory retirement is the lower of (i) one times the amount of his highest annual base salary in effect during the three years that immediately precede the date of termination, spread over an ensuing one-year period conditional upon his continued compliance with restrictive covenants or (i) an agreed cap.

In the case of termination for Mr. Johansen and Mr. Larsen associated with a "change of control" event, the amount payable is one times the highest gross annual compensation received during the three years immediately preceding the "change of control" event, paid as a lump sum.

No other members of the Executive Management Team have employment agreements providing termination benefits.

Board of Directors Fees and Other Fees

The following set forth the compensation paid to the Board of Directors, comprised of an annual retainer fee and TGS common shares subject to a two-year restriction on sale:

Board of Directors Fees 2020

	Director's fee [1]	Value of Shares Received [2]	Total Remunerations
Hank Hamilton (Chair of the Board)	200	-	200
Mark Leonard	39	18	57
Vicki Messer	35	18	53
Tor Magne Lønnum (Director until May 2020)	39	-	39
Wenche Agerup	35	18	53
Torstein Sanness	35	18	53
Irene Egset	35	18	53
Christopher Geoffrey Finlayson	54	50	104

[1] The table includes Directors fees paid during the year. Directors receive fees on a bi-annual basis as decided by the AGM, payable in NOK. Deviations in individual fees are related to the timing of the bi-annual payments. The Chair of the Compensation committee and Audit committee receives an additional compensation for these roles.

[2] In May 2020, each of the Directors, other than the Chair, received 1,650 restricted shares in TGS. Mr. Finlayson received an additional 1,650 restricted shares in TGS as part of his 2019 remuneration.

Board of Directors Fees 2019

	Director's fee [1]	Value of Shares Received [2]	Total Remunerations
Hank Hamilton (Chair of the Board)	200	-	200
Mark Leonard	40	35	75
Vicki Messer	35	35	70
Tor Magne Lønnum	39	35	74
Wenche Agerup	35	35	70
Torstein Sanness	35	35	70
Irene Egset (Director from May 2019)	18	35	53
Christopher Geoffrey Finlayson (Director from May 2019)	-	-	-
Elisabeth Grieg (Director until May 2019)	17	-	17
Nils Petter Dyvik (Director until May 2019)	17	-	17

[1] The table includes Directors fees paid during the year. Directors receive fees on a bi-annual basis as decided by the AGM, payable in NOK. Deviations in individual fees are related to the timing of the bi-annual payments. The Chair of the Compensation committee and Audit committee receives an additional compensation for these roles

[2] In May 2019, each of the Directors, other than the Chair and Mr. Finlayson, received 1,650 restricted shares in TGS

Board of Directors Stock Ownership

	No. of Restricted Shares Received during 2020	No. of Shares Held 31 December 2020
Hank Hamilton (Chair of the Board)	-	1,352,400
Mark Leonard (Director)	1,650	27,450
Vicki Messer (Director)	1,650	16,350
Wenche Agerup (Director)	1,650	9,900
Torstein Sanness (Director)	1,650	8,250
Irene Egset (Director)	1,650	3,300
Christopher Geoffrey Finlayson (Director)	3,300	3,300

Compensation to the members of the Nomination Committee [1]

	2020	2019
Tor Himberg-Larsen (Chair)	13	23
Christina Stray	5	14
Herman Kleeven	4	14

Auditor's fee

Audit and other services	2020	2019
KPMG		
Statutory audit	1,120	680
Other attestation services	6	4
Other services	3	147
Total fees	**1,129**	**830**

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

All amounts are exclusive of VAT.

11. SHARE-BASED PAYMENTS

Since 2015, TGS has issued awards of incentive stock units to its executive management, senior leadership team and other non-executive key employees. From 2015 to 2020, TGS awarded a limited number of performance share units (PSUs) to executive management, while a limited amount of restricted share units (RSUs) were awarded to non-executive key employees other than the executive management. In 2018, 2019 and 2020, TGS also awarded PSUs to members of the senior leadership team. The awards are settled in common shares of TGS, and each of the PSUs and RSUs represent the right to receive the maximum of one common share. The PSUs and the RSUs vest three years after date of grant. During 2020, the 2017 PSU and RSU awards vested, and in 2019, the 2016 PSU and RSU awards vested.

In 2020, TGS issued a total of 293,400 PSUs to members of the executive and senior leadership teams. The actual number of shares to be received by holders of the 2020 PSUs are dependent on three performance metrics which are measured for the period 1 January 2020 through 31 December 2022 (2019 plan: 1 January 2019 through 31 December 2021):

- Relative return on average capital employed
- Absolute return on average capital employed
- Health, social and environmental (HSE) metrics and sustainability metric (2020 only)

The performance metrics are described in more detail in the Declaration on Executive Remuneration. The payout percentage for the PSUs will depend on the Group's achievement when all the performance metrics are fully earned, with payout ranging from 0% to 100%. If fully earned at 100% payout, a total of 294,300 PSUs would vest (2019 plan: 293,920 PSUs remaining at 31 December 2020). The fair value of the PSUs granted in 2020 is measured based on the market value at the grant date and expensed over the vesting period.

The holders of the RSUs are eligible to receive one share per RSU on the vesting date, and the fair value of the RSUs granted in 2020 is measured based on the market value of the shares on the grant day. A total of 114,000 RSUs were granted in 2020 (2019 plan: 112,750 RSUs).

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

	2020	2019
Expense arising from equity-settled, share-based payment plans	2,843	8,411

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

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

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

	2020 No.	WAEP (NOK) [1]	2019 No.	WAEP (NOK)
At 1 January	1,177,710	0.25	988,425	0.25
Granted during the year	456,300	0.25	427,810	0.25
Adjusted quantity due to performance criteria	74,000	-	(13,047)	-
Forfeited during the year	(163,440)	-	(42,500)	-
Exercised during the year	(399,500)	0.25	(182,978)	0.25
Expired during the year	-	-	-	-
At 31 December	1,145,070	0.25	1,177,710	0.25
Exercisable at 31 December	-	-	-	-

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

The weighted average remaining contractual life for the long-term incentive plans outstanding on 31 December 2020 is 1.73 years (2019: 1.71 years).

The weighted average fair value of the PSUs and RSUs granted during 2020 was NOK 138.92. The weighted average fair value of the PSUs and RSUs granted during 2019 was NOK 219.42.

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

The liabilities, primarily Social Security taxes on compensation, arising from the plans amounted to USD 0.8 million as of 31 December 2020 (2019: USD 1.1 million).

Outstanding PSUs and RSUs as of 31 December 2020:

No. of PSUs/RSUs	Exercise dates	Holders	Price/conditions	Granted
90,100	See below [1]	Key employees	Fair market value (FMV) of a share including expected dividends	3 August 2018
240,000	See below [2]	Executive management	Fair market value (FMV) of a share including expected dividends, adjusted for performance criteria	3 August 2018
112,750	See below [3]	Key employees	Fair market value (FMV) of a share including expected dividends	30 August 2019
293,920	See below [4]	Executive management	Fair market value (FMV) of a share including expected dividends, adjusted for performance criteria	30 August 2019
114,000	See below [5]	Key employees	Fair market value (FMV) of a share including expected dividends	10 August 2020
294,300	See below [6]	Executive management	Fair market value (FMV) of a share including expected dividends, adjusted for performance criteria	10 August 2020
1,145,070				

[1] The holders will receive maximum one share per unit on 3 August 2021.

[2] The holders will receive maximum one share per unit on 3 August 2021, subject to determination of payout percentage ranging from 0% to 100%

[3] The holders will receive maximum one share per unit on 30 August 2022.

[4] The holders will receive maximum one share per unit on 30 August 2022, subject to determination of payout percentage ranging from 0% to 100%.

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

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

12. EARNINGS PER SHARE

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

	2020	2019
Net profit attributable to ordinary equity holders of the Parent	(188,598)	113,111
Weighted average number of ordinary shares (excluding treasury shares) for basic earnings per share	117,054	108,141
Effect of dilution	1,183	1,252
Weighted average number of ordinary shares (excluding treasury shares) adjusted for effect of dilution	117,054	109,394
Basic earnings per share	(1.61)	1.05
Diluted earnings per share	(1.61)	1.03

As net income is negative in 2020, no adjustments have been made for dilution effects.

13. EQUITY AND SHAREHOLDERS' AUTHORIZATIONS

Ordinary shares issued and fully paid

	Number of shares	USD
31 December 2018	102,647,790	3,672
Issued 14 August 2019 for Spectrum ASA acquisition, see Note 3	16,076,047	449
Issued 27 August 2019 for cash on vesting of PSU and RSU	182,941	5
31 December 2019	118,906,778	4,127
Cancelled treasury shares 25 August 2020	(1,924,450)	(54)
Issued 25 August 2020 for cash on vesting of PSU and RSU	321,070	9
31 December 2020	117,303,398	4,082

Treasury shares

TGS, from time to time, buys back shares under authorizations given by the shareholders. The shares may be held in treasury, used as payment in M&A transactions, used in relation to exercise of employees' stock options or eventually cancelled. As of 31 December 2020, TGS held 75,000 treasury shares, 0.06% of the total shares issued (2019: 1,742,100 shares, 1.5%). The following table shows the movement of treasury shareholdings:

	Number of shares	USD
31 December 2018	104,630	3
9 May 2019, treasury shares distributed to Board members	(9,900)	(0)
15 May 2019 - 20 December 2019, treasury shares bought back	1,647,370	46
31 December 2019	1 742 100	49
14 May 2020, treasury shares distributed to Board members	(11,550)	(0)
18 February - 26 February 2020, treasury shares bought back	268,900	7
25 August 2020, treasury shares canceled	(1,924,450)	(54)
31 December 2020	75,000	1.99636

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

By resolution of the Annual General Meeting (AGM) held 12 May 2020, the Board is authorized to, on behalf of the Group, increase share capital of the Group by up to NOK 2,972,669.45 through one or more issuances of new shares or bonus issues. The subscription price and other subscription terms will be determined by the Board. The capital increase may be paid in cash, by set-off or by other contributions in kind. The authorization includes the right to incur special obligations on behalf of the Group, cf. Section 10-2 of the Norwegian Public Limited Liability Companies Act. The shareholders' preemptive rights pursuant to Sections 10-4, cf. Section 10-5 of the Norwegian Public Limited Liability Companies Act, to subscribe for any new shares may be deviated from by the Board. The authorization encompasses share capital increases in connection with mergers, cf. section 13-5 of the Norwegian Public Limited Liability Companies Act. The authorization is valid until the Annual General Meeting in 2021, but no later than 30 June 2021. The authorization replaces previously granted authorizations to issue new shares.

By resolution of the AGM held 12 May 2020, the Board is also granted the authorization to issue loans for a total amount of up to NOK 2,250,000,000 with the right to require shares to be issued (convertible loans). The share capital may be increased by up to NOK 2,972,669.45, provided that the combined number of shares that are issued pursuant to this authorization and the authorization to increase the share capital will not exceed 10% of the Group's current share capital. The subscription price and other subscription terms will be determined by the Board. The shareholders' preemptive rights pursuant to section 11-4 of the Norwegian Public Limited Companies Act, cf. sections 10-4 and 10-5, may be deviated from by the Board. The authorization is valid until the Annual General Meeting in 2021, but no later than 30 June 2021. The authorization replaces previously granted authorizations to issue convertible loans.

In addition, by resolution of the AGM held 12 May 2020, the issuance of maximum 420,000 shares, supported by freestanding warrants, to executives and key employees pursuant to the TGS 2020 Long-Term Incentive Plan (2020 LTIP), was approved.

By the resolution of the AMG held 12 May 2020, The Group' share capital was reduced by NOK 481,112.50 through cancellation of 1,924,450 treasury shares held by the Group each with par value of NOK 0.25, on 25 August 2020. The Group increased the share capital by NOK 80,267.50 on 25 August 2020. The Group did not issue any convertible loans between 12 May 2020 and 31 December 2020.

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

By resolution of the AGM held 12 May 2020, the Board is authorized to acquire, on behalf of the Group, the Group's own shares up to 10% of the nominal value of Group's share capital, which pursuant to the current nominal value is up to NOK 2,972,669.45. The limitations are adjusted in the event of share consolidation, share splits and similar transactions. The lowest price to be paid per share is NOK 0.25 and the highest price to be paid per share is the volume weighted average price as quoted on the stock exchange for the five business days prior to the time of the acquisition plus 5%. The lowest price is equal to the current nominal value and shall be adjusted in the event of share consolidation, share splits and similar transactions. Acquisition and sale of the Group's own shares can take place in the manner which the Board of Directors considers to be in the Group's best interest. The authorization can be used one or several times. This authorization is valid until the AGM in 2021, however no longer than until 30 June 2021. The authorization replaces previously granted authorizations to acquire own shares.

The Group did not acquired shares for treasury between 12 May 2020 and 31 December 2020 pursuant to the above authorization. After 31 December 2020, until the date of authorization of these financial statements (23 March 2021), TGS acquired additional 160,000 shares on the Oslo Stock Exchange. As of 23 March 2021, TGS holds 235,000 treasury shares. TGS intends to seek authorization to cancel most of these shares in the 2021 Annual General Meeting.

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

Shareholders' Authorization to the Board to Distribute Dividends

The AGM held 12 May 2020 renewed the Board of Directors' authorization to distribute quarterly dividends on the basis of the 2019 financial statements. The authorization shall be valid until the Group's AGM in 2021, but no later than 30 June 2021.

- On 12 May 2020, the Board of Directors resolved to pay a quarterly dividend of the NOK equivalent of USD 0.125 per share (NOK 1.27) to the shareholders.
- On 22 July 2020, the Board of Directors resolved to pay a quarterly dividend of the NOK equivalent of USD 0.125 per share (NOK 1.14) to the shareholders.
- On 28 October 2020, the Board of Directors resolved to pay a quarterly dividend of the NOK equivalent of USD 0.125 per share (NOK 1.17) to the shareholders.
- On 10 February 2021, the Board of Directors resolved to pay a quarterly dividend of the NOK equivalent of USD 0.14 per share (NOK 1.18) to the shareholders.

The 20 Largest Shareholders as of 31 December 2020 as Registered with VPS:

	NAME	COUNTRY		Shares	%
1	STATE STREET BANK AND TRUST COMP	UNITED STATES	NOM	14,697,808	12.5%
2	FOLKETRYGDFONDET	NORWAY	-	10,500,564	9.0%
3	THE BANK OF NEW YORK MELLON SA/NV	BELGIUM	NOM	8,507,076	7.3%
4	THE NORTHERN TRUST COMP, LONDON BR	UNITED KINGDOM	NOM	6,787,402	5.8%
5	RBC INVESTOR SERVICES TRUST	UNITED KINGDOM	NOM	4,539,495	3.9%
6	JPMORGAN CHASE BANK, N.A., LONDON	UNITED KINGDOM	NOM	3,635,421	3.1%
7	STATE STREET BANK AND TRUST COMP	UNITED STATES	NOM	3,433,588	2.9%
8	PARETO AKSJE NORGE VERDIPAPIRFOND	NORWAY	-	2,435,545	2.1%
9	VERDIPAPIRFOND ODIN NORDEN	NORWAY	-	1,838,719	1.6%
10	THE NORTHERN TRUST COMP, LONDON BR	UNITED KINGDOM	NOM	1,561,810	1.3%
11	STATE STREET BANK AND TRUST COMP	UNITED STATES	NOM	1,383,367	1.2%
12	HAMILTON HENRY HAYWOOD	UNITED STATES	-	1,352,400	1.2%
13	VERDIPAPIRFONDET KLP AKSJENORGE IN	LUXEMBOURG	-	1,212,019	1.0%
14	THE NORTHERN TRUST COMP, LONDON BR	UNITED KINGDOM	NOM	1,210,521	1.0%
15	J.P. MORGAN BANK LUXEMBOURG S.A.	UNITED KINGDOM	NOM	1,176,310	1.0%
16	THE BANK OF NEW YORK MELLON	UNITED STATES	NOM	1,018,469	0.9%
17	CLEARSTREAM BANKING S.A.	LUXEMBOURG	NOM	1,011,482	0.9%
18	STATE STREET BANK AND TRUST COMP	UNITED STATES	NOM	1,003,867	0.9%
19	CITIBANK, N.A.	IRELAND	NOM	1,000,829	0.9%
20	VERDIPAPIRFOND ODIN NORGE	NORWAY	NOM	973,038	0.8%
	20 LARGEST			**69,279,730**	**59.1%**
	Total number of shares, par value of NOK 0.25			**117,303,398**	**100.0%**

14. CASH AND CASH EQUIVALENTS

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

Cash and cash equivalents	2020	2019
Bank deposits	194,180	322,524
Restricted cash deposits	1,537	884
Total cash bank deposits	**195,716**	**323,408**

The bank deposits are mainly denominated in USD and NOK.

Restricted cash deposits relate to employee tax withholdings in Norway.

15. RELATED PARTIES

No material transactions took place during 2020 or 2019 with related parties. See Note 10 for further information of the remuneration to the Board of Directors and to the executive management. See Note 3 for Business Combinations.

See Note 23 for further information about the Parent Company's subsidiaries. Internal transactions are eliminated in the consolidated financial statements and do not represent transactions with related parties.

16. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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

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

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

Currency Risk

Substantial portions of TGS' revenues and costs are in U.S. dollars. Due to this, TGS' operational exposure to exchange rate fluctuation is low. However, as the Parent Company pays taxes in Norwegian kroner to Norwegian Tax Authorities and dividends to shareholders in Norwegian kroner, fluctuations between the NOK and the USD impact currency exchange gains or losses on the tax expense and financial items of the consolidated accounts. A reasonably possible strengthening (weakening) of the USD against NOK at 31 December would have affected the measurement of financial instruments denominated in a foreign currency and affected profit or loss by the following amounts: For deferred tax balances calculated in NOK, a change of +10% on the NOK/USD currency exchange rate would have an impact on profit after tax of approximately USD 3.1 million (2019: USD 4.2 million). Further, the Group also holds financial instruments denominated in BRL, which is cash and cash equivalents, accounts receivable and accounts payables. A change of +10% on the BRL/USD currency exchange rate would have a negative impact on profit before tax of approximately USD 3.3 million (2019: USD 2.6 million). This analysis assumes that all other variables remain constant.

Liquidity Risk

Liquidity risk arises from a lack of correlation between cash flow from operations and financial commitments. Per the balance sheet date, TGS held current assets of USD 578.0 million, of which cash and cash equivalents represented USD 195.7 million and other current assets represent USD 382.3 million. In comparison, current liabilities amounted to USD 697.3 million. As of 31 December 2020, TGS considers the liquidity risk to be low.

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

2020	0-6 months	6-12 months	> 1 year	Total
Accounts payable and debt to partners	116,028	-	-	116,028
Taxes payable, withheld payroll tax, Social Security	-	11,691	-	11,691
Other non-current liabilities	-	-	757	757
Long-term debt	-	-	-	-
Total	**116,028**	**11,691**	**757**	**128,476**

2019	0–6 months	6–12 months	> 1 year	Total Restated [1]
Accounts payable and debt to partners	108,087	-	-	108,087
Taxes payable, withheld payroll tax, Social Security	-	37,639	-	37,639
Other non-current liabilities	-	-	1,503	1,503
Long-term debt	-	-	2,809	2,809
Total	**108,087**	**37,639**	**4,312**	**150,038**

[1] Taxes payable, withheld payroll tax, Social Security" has been restated due to Spectrum PPA measurement period adjustments, see Note 3

Credit Risk

TGS is exposed to credit risk through sales and uses best efforts to manage this risk. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in the table below and the carrying value of the accounts receivables and other short-term receivables disclosed in Note 19. TGS considers the concentration of risk with respect to trade receivables as low due to the Group's credit rating policies and as its clients are primarily large oil and gas companies considered to be financially sound.

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

As of 31 December 2020, none of the outstanding accounts receivables were secured by ORRIs (2019: USD 0 million).

For details of the accounts receivable including aging, refer to Note 19.

For details on other financial assets, refer to Note 19.

Capital Management

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

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

As of 31 December 2020, total equity represented 63% of total assets (2019: 70%).

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

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

Fair Value of Financial Instruments

Set out below is a comparison by class of the book value and fair value of the financial instruments that are carried in the financial statements.

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

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

31 December 2020	Financial instruments at amortized cost
Assets	
Accounts receivable	168,746
Accrued revenues	108,737
Cash and cash equivalents	195,716
Total financial assets	**473,199**
Liabilities	
Interest-bearing loans and borrowings	
Short-term debt	2,500
Other financial liabilities	
Trade and other payables	116,028
Total financial liabilities	**118,528**

31 December 2019	Financial instruments at amortized cost
Assets	
Accounts receivable	223,211
Accrued revenues	101,153
Cash and cash equivalents	323,408
Total financial assets	**647,772**
Liabilities	
Interest-bearing loans and borrowings	
Long-term debt	2,809
Other financial liabilities	
Trade and other payables	109,590
Total financial liabilities	**112,399**

Fair Value Hierarchy

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

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

17. OTHER NON-CURRENT ASSETS AND LIABILITIES

Other Non-current Assets

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

Skeie Energy AS

TGS has interest-bearing loans to E&P Holding AS and Skeie Energy AS. The two loans have a total gross value of USD 42.1 million (net to TGS of USD 29.4 million). Both of the loans have a carrying value of USD 0 million as of 31 December 2020 recognized in the balance sheet (31 December 2019: USD 0 million). Impairment provisions have been made for one of the loans; the other loan was written off as uncollectible in 2016.

Other non-current assets	2020	2019
Other non-current receivables	19,471	11,061
Interest-bearing loans	21,100	21,100
Loss allowance interest-bearing loans	(21,100)	(21,100)
Total other non-current assets	**19,471**	**11,061**

PIS/COFINS tax credit filing in Brazil

In 2016, Spectrum (now part of TGS) filed credits for certain transaction taxes in Brazil (PIS/COFINS). The tax credit is recognized as other receivables and classified as current and non-current based on expected utilization. The credits recognized as other current receivables or other current liabilities are expected to be utilized within the next 12 months.

Brazilian tax credits	2020	2019
Other non-current receivables	13,438	6,016
Other current liability	(632)	(6 679)
Total Brazilian tax credit	**12,806**	**(663)**

18. JOINT OPERATIONS

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

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

	2020	2019
Revenues joint operations (projects invoiced by TGS)	204,903	366,971
Revenues allocated to partners (projects invoiced by TGS)	(59,835)	(160,787)
Net revenues (projects invoiced by TGS)	**145,068**	**206,184**
Revenues allocated to TGS from partners (projects invoiced by partner)	17,316	36 180
Net revenues joint operations	**162,384**	**242,363**
Amortization	**115,880**	**119,721**
Impairment	**88,932**	**4,113**
Net book value of multi-client library (joint operations) at 31 December (recognized by TGS)	**633,919**	**432,326**

19. ACCOUNTS RECEIVABLES AND OTHER CURRENT RECEIVABLES

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

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

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

For certain multi-client library projects, TGS has cooperation agreements pursuant to which revenues are shared with other companies and/or governments. In such situations, accounts receivables are presented gross for projects where TGS issues the license agreement and is responsible for invoicing, while the related partner share is presented within "Accounts payable and debt to partners." See Note 25 for a breakdown of gross revenues and revenues allocated to other parties and Note 18 for gross revenues and revenue allocated to other parties from projects considered as joint operations.

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

	2020	2019 Restated [1]
Accounts receivables	171,644	223,633
- Provision for impairment of accounts receivables	(2,899)	(422)
Accounts receivables - net	168,746	223,211
Accrued revenues (contract assets)	108,737	101,153
Other current receivables [1]	104,819	69,530
Total	**382,301**	**393,894**

[1] Other current receivables 2019 has been restated due to Spectrum PPA measurement period adjustments, see Note 3.

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

	Total	Not due	< 30 days	30 – 60 days	60 – 90 days	Over 90 days
2020	280,381	225,733	1,311	6,736	1,353	45,247
2019	324,786	259,054	17,896	28,733	5,506	13,597

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

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

TGS also risk rates all clients. The credit risk rating is assessed in 4 levels, where risk category 1 is low risk (national oil companies, majors or supermajors, clients with superior reputation, clients with high credit rating), category 2 is medium risk (clients that do not fall into category 1 or 3), category 3 is high risk (companies with poor payment history and/or low credit rating or low transparency – regarding shareholder structure and financial information) and category 4 are receivables collected by Joint Venture partners. As of 31 December 2020, 72% of the TGS' customers are in category 1, 4% in category 2, 5% in category 3 and 19% in category 4. For amounts above 90 days, 45% are within category 1, 2% in category 2 and 5% in category 3 and 48% in category 4. Provisions for accounts receivables are based on an individual assessment and calculated expected credit losses.

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

	2020	2019
At 1 January	422	404
Provision for receivables impairment	2,567	42
Receivables written off during the year as uncollectible	(64)	-
Amount collected	(26)	(24)
At 31 December	**2,899**	**422**

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

For a description of credit risk, see Note 16.

20. CURRENT LIABILITIES

	2020	2019 Restated [1]
Accounts payable	34,034	50,911
Debt to partners	81,993	57,176
Short-term debt	2,500	-
Lease liabilities	13,333	11,057
Deferred revenue (contract liabilities)	484,693	314,897
Other current liabilities (Accrued expenses)	46,915	117,981
Taxes	11,691	37,639
Total current liabilities	**675,160**	**589,661**

[1] Taxes payable for 2019 have been adjusted for USD 4.9 million in additional tax liabilities related to measurement period adjustments for the Spectrum acquisition. See Note 3 for further information.

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

21. BANK OVERDRAFT FACILITY AND GUARANTEES

3-Year Term Secured Revolving Credit Facility

In October 2018, TGS entered into a secured revolving credit facility of USD 100 million with an interest rate of LIBOR + 2% per interest period as determined by TGS and as per the defined terms of the revolving credit facility. The closing of the security granted under the credit facility occurred in January 2019. TGS paid an upfront fee of 0.60% of the facility amount and paid a commitment fee of 0.40 % per annum for the unused and uncancelled part of the facility. With respect to financial conditions, TGS was required to maintain (i) an equity ratio of 50% or more, (ii) a leverage ratio of no more than 1.00:1.00, (iii) EBITDA minus operational capex at zero or above, and (iv) a liquidity of USD 75 million on a consolidated basis. As of 31 December 2020, TGS had not drawn any amounts under the facility and was in full compliance with all of the financial covenants. The facility is secured by a lien on the assets of the Parent company and subsidiaries having net revenues representing 5% or more of the Group's net revenues as defined in the facility (as of year-end 2020, TGS AP Investment AS, TGS-NOPEC Geophysical Company, A2D Technologies Inc., TGS Geophysical Company (UK) Limited, TGS Canada Corp. and TGS AS). The same subsidiaries have also provided guarantees.

The revolving credit facility was renewed with three years in February 2021 with a revised interest rate of LIBOR + 2.5%. Financial covenants remain unchanged under the renewed facility, as well as the lien and guarantor provisions of the 2018 facility.

Guarantees

As of 31 December 2020, no new guarantees have been issued on behalf of the Group (2019: USD 0.2 million).

TGS provides from time to time parental guarantees of its subsidiaries' performance under certain projects. In addition, under section 479A of the UK Companies Act 2006, six of TGS' subsidiaries (TGS Geophysical Company (UK) Limited (Registration number: 05731700); TGS Geophysical Investments Limited (Registration number: 09281097); Spectrum Geo Limited (Registration number: 01979422); Aceca Limited (Registration number: 03672833); TGS-NOPEC Geophysical Company Limited (Registration number: 02896729); and Magsurvey Limited (Registration number: 04568744)) have claimed an exemption for audit of their statutory financial statements pursuant to guarantees issued by TGS to indemnify the subsidiaries for any losses towards third parties that may arise in the financial year ended 31 December 2020 by these subsidiaries. TGS may make an annual election to support such guarantees for each financial year.

22. COMMITMENTS

Operating Leases

As of the end of 2020, TGS had entered into commitments for two 3D vessels, one 2D vessel, in addition to one commitment for land crew. All these commitments will expire in 2021, and the amount committed, including contractual lease agreements, totaled USD 22 million for marine capacity and USD 15 million for land capacity (2019 total marine and land capacity: USD 164 million). Office leases and data center leases are recognized in the balance sheet. See Note 7 for more information on such lease liabilities.

23. SUBSIDIARIES

Company Name	Country of Incorporation	Shareholding and voting power
TGS-NOPEC Geophysical Company ASA	Norway	Parent Company
TGS AP Investments AS	Norway	100%
TGS AS	Norway	100%
Maglight AS	Norway	100%
TGS Contracting AS	Norway	100%
Marine Exploration Partners AS	Norway	100%
Aceca Norge AS	Norway	100%
OBS MC Investments I AS	Norway	100%
Spectrum Geo AS	Norway	100%
Spectrum Geo CH AS	Norway	100%
Carmot Seismic AS	Norway	100%
Carmot Processing AS	Norway	100%
TGS-NOPEC Geophysical Company, Ltd.	UK	100%
TGS Geophysical Investments, Ltd.	UK	100%
Spectrum Geo Ltd.	UK	100%
Spectrum Energy & Information Technology Ltd.	UK	100%
Aceca Ltd.	UK	100%
TGS Geophysical Company (UK) Ltd.	UK	100%
Magsurvey, Ltd.	UK	100%
Spectrum Information Technology Ltd.	UK	100%
Spectrum Resources Ltd.	UK	100%
Spectrum Geophysical Services Ltd.	UK	100%
Geoscan Ltd.	UK	100%
Spectrum Datagraphic Systems International Ltd.	UK	100%
TGS-NOPEC Geophysical Company	USA	100%
A2D Technologies, Inc.	USA	100%
Parallel Data Systems, Inc.	USA	100%
Volant Solutions Inc.	USA	100%

Company Name	Country of Incorporation	Shareholding and voting power
Digital Petrodata LLC	USA	100%
TGS Alaska Company	USA	100%
TGS Mexico Contracting LLC	USA	100%
Lasser, Inc.	USA	100%
Calibre Seismic Company	USA	50%
Spectrum Geo, Inc.	USA	100%
TGS do Brasil Ltda	Brasil	100%
Spectrum Geo do Brasil Servicos Geofisicos Ltda	Brasil	100%
TGS-NOPEC Geophysical Company PTY, Ltd.	Australia	100%
Spectrum Geo Pty Ltd	Australia	100%
Spectrum Geo Australia Pty Ltd.	Australia	100%
TGS-NOPEC Geophysical Company PTE, Ltd.	Singapore	100%
Spectrum Geo Pte Ltd.	Singapore	100%
Geo Bridget Pte Ltd.	Singapore	50%
TGS Canada Ltd.	Canada	100%
TGS Canada Corp.	Canada	100%
TGS-NOPEC Geophysical Company Moscow, Ltd.	Russia	100%
NOPEC Geophysical Company S. de R.L. de C.V.	Mexico	100%
Spectrum Geo S.A. de C.V.	Mexico	100%
Spectrum Geo Panama LLC	Panama	100%
Spectrum Geo GmbH	Switzerland	100%
TGS FJ Geophysical (Ghana) Ltd.	Ghana	90%
TGS-Petrodata Offshore Services Ltd.	Nigeria	49% /51%
Spectrum Geopex Ltd.	Egypt	50%

24. CONTINGENT LIABILITIES

Økokrim Charges and Related Civil Matters

In May 2014, Økokrim, the Norwegian National Authority for Investigation and Prosecution of Economic and Environmental Crime, charged TGS for violations of the Norwegian Tax Assessment Act related to transactions entered into in 2009 to 2010 with Skeie Energy AS, later known as E&P Holding AS (Skeie). The charges claimed that TGS contributed to unwarranted tax refunds received by Skeie under the Norwegian Petroleum Tax Act through licenses of seismic data to Skeie.

The district court trial on the alleged violations, which took place in early 2018, resulted in a determination of guilt in October 2018, with a corporate fine of NOK 90 million. TGS appealed the decision, and the appellate trial occurred in late 2019 to early 2020. The appellate trial resulted in a unanimous decision issued in April 2020, acquitting TGS and all other defendants in the matter. No further appeals of the decision in favor of TGS occurred, and the matter is now fully resolved. The appeal court awarded the Group MNOK 16.5 (USD 1.8 million) for costs and expenses incurred in connection with the matter, which the Group received in October 2020. The reimbursed cost offset USD 0.2 million of pending invoices and USD 1.6 million of cost recognized in 2020 as well as prior periods.

TGS has also been notified of various claims or potential claims asserting liability on TGS' part in relation to the transactions with Skeie. The claims are generally predicated on whether the parties making the claims are ultimately held responsible for all or any part of unwarranted tax refunds and suffer damages that can be attributed to TGS. These claims are consolidated in a pending matter before the Oslo District Court, with trial expected to commence in October 2021. The primary claimant in the pending case is DNB, who accepted responsibility for, and subsequently repaid, the tax refunds received by Skeie under a provision in the Tax Payment Act that statutorily assessed liability to DNB due to its status as pledgee of the tax refunds. The Norwegian Government had previously demanded repayment of the tax refunds from various parties, including TGS, which demands were in effect satisfied by DNB's acceptance of responsibility. DNB has made claims against Skeie and certain affiliated persons and entities, as well as TGS and a former officer of the Group, alleging that the defendants are responsible for creating unwarranted tax refunds and therefore are liable to DNB for the losses it suffered. Counterclaims between the various defendants have also been made in the case, such that any claim arising from the Skeie transactions and the related tax refunds will be resolved in the pending case.

Given the ongoing nature of these proceedings, it is impracticable to render an accurate assessment of the outcome. However, consistent with the Group's belief that it did nothing wrong in the criminal proceedings, as supported by Borgarting Appeal Court's decision, the Group also believes these claims of liability are not well-founded, and it intends to challenge the claims vigorously. As a result, the Group does not consider it probable that an outflow of resources embodying economic benefits will be required to settle the obligation and no provisions have been made.

Brazil service tax dispute

In December 2016, Spectrum Geo do Brasil Servicos Geofisicos Ltda, now a subsidiary of TGS, received a tax assessment for BRL 23.5 million (USD 4.5 million) for a municipal services tax (ISS) in Brazil related to licenses of multi-client data, which the Brazilian municipality consider a service. The applicability of the ISS to the license of multi-client data as a service is a controversial question in Brazil, with several other challenges related to this topic currently ongoing in the Brazilian administration and court system.

While Spectrum Brazil disputes whether ISS is owed on the basis that multi-client licenses are not services subject to ISS, it has adopted a conservative position and paid ISS on licensing revenues with certain exemptions, including the assessed amount. The total amount paid for past licenses of multi-client data is BRL 45.1 million (USD 8.7 million), and Spectrum Brazil has filed a legal action to recover the ISS paid. Since 2017, Spectrum Brazil has deposited the amount of ISS on multiclient licensing transactions in an interest-bearing bank account in Brazil, pending resolution of the dispute. The total amount deposited as of 31 December 2020 is the local currency equivalent of USD 3.1 million. Amounts deposited will be released to Spectrum Brazil or paid to the Brazilian municipality, as applicable, depending on the ultimate ruling, which is not expected for several years. The deposit is presented as long-term restricted cash in the statements of financial position under other non-current assets.

The view that licensing of multi-client data is not considered a service has been the outcome in the preliminary rulings made on the matter in Brazil and is considered to be the most likely outcome. In 2017, the municipality issued an update of the legislation specifying that ISS is due on licensing of multi-client data at a reduced rate, which may be considered as an admission that it was not applicable in earlier periods. In combination with the update of the legislation, an amnesty program was also available, in which ISS assessments claimed by the municipality could be settled at a discounted rate. Spectrum Brazil did not accept the terms of the amnesty and continues both to dispute the assessment and assert the legal claim to recover all ISS paid in the past on the licensing of multi-client data. TGS considers it more likely than not that this contingency will be resolved in favour of Spectrum Brazil, and no provision is recognized for any portion of the exposure. The ruling, both of the assessment and of the counterclaim, may take several years.

US deductions and R&D credits

The Group challenged a decision by the United States Internal Revenue Service (IRS) to disallow certain deductions taken by the Group under Section 199 of the United States Internal Revenue Code (IRC) in its U.S. tax return filed for 2008. Following administrative appeals through the IRS, the challenge culminated in a trial before the United States Tax Court in May 2018, with a decision generally favorable to the Group issued in August 2020. As a result of the ruling, the original deduction calculations for any years for which the Section 199 deduction was taken will be revised to reflect the effects from the ruling. The Group believes that the recalculations will not result in any material additional tax expense. Therefore, it does not consider it probable that an outflow of resources embodying economic benefits will be required in connection with the tax position taken by the Group under Section 199 and no provisions have been made or are deemed necessary.

The Group is also challenging determinations by the IRS regarding certain research and development (R&D) tax credits taken by the Group in its U.S. tax returns filed for 2011 through 2017, which total approximately USD 7.2 million. Challenges are likely to initially be considered through the IRS appeals process, with a claim in the Tax Court if necessary, with a conclusion not expected for several years. The Group believes its position taken with respect to the R&D tax credits is correct. In addition, newly issued IRC regulations indicate an interpretation that is favourable to the Group's position. Accordingly, the Group does not consider it probable that the outcome will be unfavourable to it or result in an outflow of resources embodying an economic benefit. Thus, no provisions have been made or are deemed necessary.

Other 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. Projects could also be subject to complex contractual structures, and cross-border arrangements involving abovementioned complex jurisdictions, which could result in risks of different interpretation by these different jurisdictions 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.

Other continent liabilities

As of 31 December 2020, TGS has entered certain agreements with suppliers whereby a liability will arise contingent on future sales. No obligation will arise until these future sales occur. Contingent liabilities related to these agreements totalled USD 49.6 million in 2020 (2019: USD 39.1 million).

25. GROSS AND NET REVENUES

TGS enters into multi-client contracts with other companies whereby revenue is shared proportionally and presented net. (See Note 18.) In some cases, TGS enters into multi-client contracts where a portion of revenue is shared with governments in certain countries. The table below provides the breakdown for 2020 and 2019.

	2020	2019
Gross revenues from sales	394,780	747,753
Revenues allocated to other parties	(75,327)	(162,143)
Revenues	**319,453**	**585,610**

	2020	2019
Revenues allocated to joint operation partners	(63,267)	(160,787)
Revenue allocated to other partners	(12,060)	(1,356)
Total	**(75,327)**	**(162,143)**

26. FINANCIAL ITEMS

	2020	2019
Interest income	853	6,748
Exchange gains	26,517	8,682
Other financial income	1,744	3,637
Total financial income	**29,113**	**19,067**
Interest expense	(2,384)	(3,185)
Exchange loss	(21,162)	(13,181)
Other financial expenses	(2,256)	(487)
Total financial expenses	**(25,802)**	**(16,853)**
Net financial items	**3,312**	**2,213**

27. TAX EXPENSE AND DEFERRED TAX

	2020	2019
Profit before taxes		
Norway	(251,650)	45,802
Outside Norway	(9,272)	85,409
Total profit before taxes	**(260,922)**	**131,211**
Current taxes		
Norway	529	23,477
Outside Norway	(1,586)	9,307
Total current taxes	**(1,058)**	**32,784**

Changes in deferred taxes		
Norway	(61,846)	(18,508)
Outside Norway	(10,567)	(10,394)
Changes in deferred taxes	**(72,413)**	**(28,902)**
Deferred tax change due to merger	-	14,762
Total changes in deferred taxes	**(72,413)**	**(14,140)**

Adjustments in respect of current income tax of previous years and estimates		
Norway	-	(407)
Outside Norway	1,147	(137)
Total adjustments in respect of current income tax of previous years and estimates	**1,147**	**(544)**

Income tax expense reported in the income statement	**(72,324)**	**18,100**

Tax expense related to other comprehensive income	2020	2019
Tax expense – other comprehensive income	-	-

	2020	2019
Profit before taxes	(260,922)	131,211
Expected income taxes according to corporate income		
Tax rate in Norway	(57,403)	28,894
Tax rates outside Norway different from 22%	(4,325)	(783)
Adjustment in respect of current income tax of previous year	1,147	(662)
Deferred tax asset related to stock options	-	-
Change in deferred tax asset not recognized	3,292	(7,266)
Non-taxable income	(952)	(2,445)
Change in deferred tax branches	(6,210)	(9,273)
Withholding taxes expensed	-	2,219
Effect of change in tax rates	-	(503)
Non-deductible expenses	(758)	1,042
Currency effects	(7,114)	6,878
Income tax expense	**(72,324)**	**18,100**
Effective tax rate in %	**28 %**	**14%**

Comments on Selected Line Items in the Preceding Table

Tax rates different from the Norwegian tax rate

The tax rates for subsidiaries outside Norway are different than the Norwegian tax rate of 22% (2019: 22% tax rate). The tax rates in the jurisdictions where TGS operates are between 17% and 34%.

Deferred tax asset not recognized

Deferred tax assets based on unused tax losses carried forward are not recognized when TGS cannot demonstrate that it is probable that taxable profit will be available against which the losses carried forward can be utilized. TGS has unused tax losses and deductible temporary differences of USD 26.2 million (2019: 17.5 million) where no deferred tax assets were recognized in the balance sheet, all of these unused tax losses sit in entities outside Norway.

Effect of change in tax rates

The tax rate in United Kingdom was adjusted from 19% to 17% in 2020, and all deferred tax assets and liabilities have been recognized using a 17% rate as from ending of 2019.

Non-deductible expenses

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

Currency Effects

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

Tax Effect of Temporary Differences and Tax Loss Carry forwards as of 31 December

	2020	2019 Restated [1]
Differences that give rise to a deferred asset or a deferred tax liability:		
Multi-client library/well logs	(75,213)	(84,352)
Fixed assets	(2,106)	(10,214)
Goodwill and intangibles	(11,481)	(2,497)
Accruals	3,304	14,960
Accounts receivables	255	-
Other long-term items	7,138	4,899
Lease asset vs. Liability	1,371	724
Tax losses carried forward	40,389	8,331
Deferred revenue	99,852	55,208
Other	(3,985)	51
Basis deferred tax asset (liability)	**59,524**	**(18,568)**
Of which:		
Deferred tax asset	**88,624**	**27,486**
Deferred tax liability	**29,100**	**40,375**

Change in net deffered tax asset/(liability)	2020	2019 Restated [1]
As of 1 January	(12,889)	(47,470)
Recognized in profit or loss	72,413	28,902
Purchase Price adjustment [1]	-	5,679
As of 31 December	**59,524**	**(12,889)**

[1] Changes in 2019 balances relates to adjustments to purchase price allocation following the Spectrum acquisition, refer to note 3

Comments on Selected Line Items in the Preceding Table

Recognition of deferred tax assets on tax losses carried forward

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

With reference to Note 24 and "other tax exposure", the Group notes uncertainties concerning the tax balances in particular in Latin America. The information reported is based on the information available to the Group as at the date of these financial statements.

Temporary differences group's subsidiaries

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

Draft taxation ruling in Australia

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

28. EVENTS AFTER THE BALANCE SHEET DATE

On 27 January 2021, the new presidential administration in the United States announced an executive order to pause new oil and natural gas leases on public lands or in offshore waters pending completion of a comprehensive review and reconsideration of federal oil and gas permitting and leasing practices. It is expected that the administration will provide more information about the duration of the pause and to what extent it will impact future leases and permits. TGS has some exposure to U.S. federal lands both onshore and offshore, representing approximately 17% of the multi-client library and 19% of the 2020 net revenues. Over the past two to three years, there has been a gradual shift from frontier to infrastructure-led exploration in the U.S. Gulf of Mexico, and TGS' recent OBN-projects have been primarily targeted at held acreage rather than future licensing rounds. In a scenario where permitting and leasing practices are permanently suspended, TGS maintains that the majority of revenues in the U.S. would not be negatively impacted.

For information on dividends paid and share repurchase program, see Note 13.

TGS has renewed its revolving credit facility in February 2021; see Note 21 for more information.

OBS MC Investment I AS, a wholly owned subsidiary of the Company, has as of 31 December 2020 a net receivable of USD 5.7 million plus interests against Axxis Geo Solutions ("AGS"). AGS filed for court-protected reconstruction in February 2021 and is currently working to reach an agreement with its creditors. TGS' receivable is secured by collateral in underlying assets. No impairments are made as of 31 December 2020.

No events have taken place after 31 December 2020 that would have had a material effect on the financial statements or any assessments carried out. No material acquisitions or disposals of companies were carried out after the balance sheet date.

29. CHANGES FROM Q4 2020 INTERIM FINANCIAL REPORT TO ANNUAL REPORT

After publishing the Q4 2020 Earnings Release, TGS has made some changes to the YTD 2020 figures initially reported in the Q4 interim report. The adjustments relate to reduction in impairments, reclassifications and updates in 2020 tax estimates:

Impairment reduction

TGS has found an error in the year-end IFRS impairment assessment for multi-client library reported in Q4. This has resulted in USD 28.8 million in reduced impairments being reported in the annual financial statements compared to what was reported in the Q4 Earnings Release report, resulting in a reduction in net losses for the year of USD 22.4 million after taxes.

Reclassifications

One of TGS' Argentina Branches has a liability to one of its suppliers of USD 24 million, whereas TGS AP Invest has a corresponding receivable of USD 24 million towards the same supplier. The receivable and liability were presented on a gross basis in Q4 Earnings Release, however, as the Group has the right and intend to settle these on a net basis, these are presented net in the annual financial statements.

Further, other receivables and other current liabilities have both been reduced with USD 6.9 million as prepaid project expenses and accrued project expenses were presented gross in one single project and should have been presented on a net basis.

Taxes

Updates to the 2020 tax estimates for direct and indirect taxes (mainly related to Brazil and Latin America) as well as adjustment of errors in relation to netting of non-corporate income tax related balances have resulted in increased tax expense of USD 6.2 million, reduction in deferred tax assets of USD 18.6 million, increase in other receivables of USD 21.2 million and increase in taxes payable of USD 8.8 million compared to what was reported in Q4.

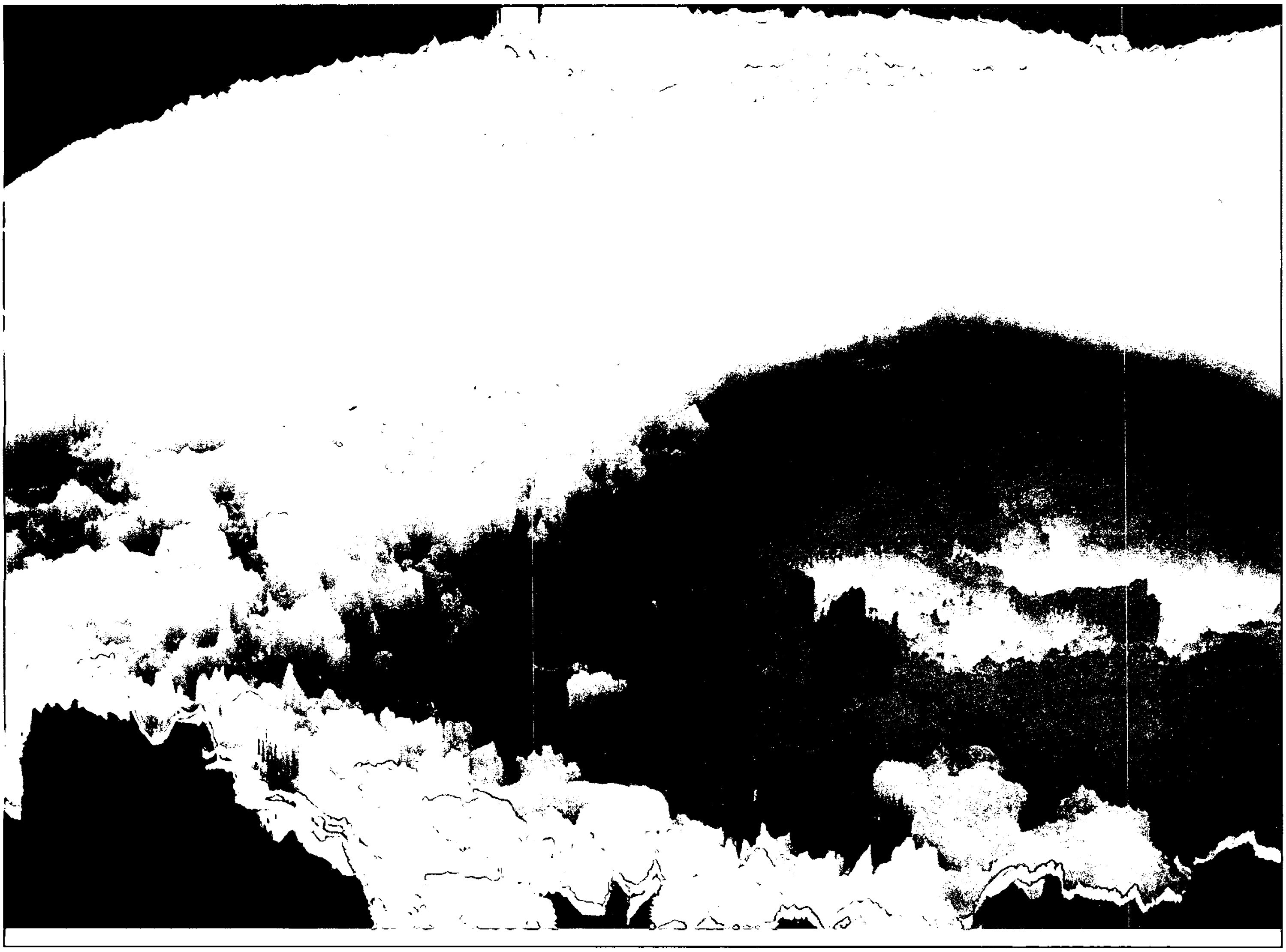
These adjustments have the following effects on the consolidated statement of comprehensive income presented in the Q4 2020 Earnings Release:

	Earnings Release	Impairment	Taxes	Annual Report
	2020 Q4 YTD			2020
Net revenues	**319,453**	**-**	**-**	**319,453**
Cost of goods sold - proprietary and other	5,409	-	-	5,409
Amortization and impairment of multi-client library	493,377	(28,761)	-	464,615
Personnel costs	53,864	-	-	53,864
Other operating expenses	39,866	-	-	39,866
Depreciation, amortization and impairment	19,932	-	-	19,932
Total operating expenses	**612,447**	**(28,761)**	**-**	**583,686**
Operating profit	**(292,995)**	**28,761**	**-**	**(264,233)**
Financial income and expenses				
Financial income	853	-	-	853
Financial expenses	(2,896)	-	-	(2,896)
Net exchange gains/(losses)	5,354	-	-	5,354
Net financial items	**3,312**	**-**	**-**	**3,312**
Profit before taxes	**(289,683)**	**28,761**	**-**	**(260,922)**
Taxes	(84,822)	6,327	6,170	(72,324)
Net income	**(204,861)**	**22,434**	**-6,170**	**(188,598)**

These adjustments have the following effects on the consolidated balance sheet presented in the Q4 2020 Earnings Release:

	Earnings Release	Impairment	Reclassification	Taxes	Annual Report
	2020 31-Dec				2020 31-Dec
Goodwill	288,377	-	-	-	288,377
Multi-client library	917,502	28,761	-	-	946,263
Other intangible non-current assets	17,396	-	-	-	17,396
Deferred tax asset	113,468	(6,211)	-	(18,633)	88,624
Buildings	2,257	-	-	-	2,257
Machinery and equipment	25,349	-	-	-	25,349
Right-of-use asset	48,690	-	-	-	48,690
Sub-lease asset	965	-	-	-	965
Other non-current assets	19,471	-	-	-	19,471
Total non-current assets	**1,433,475**	**22,550**	**-**	**(18,633)**	**1,437,392**
Accounts receivable	168,746	-	-	-	168,746
Accrued revenues	108,737	-	-	-	108,737
Other receivables	114,512	-	(30,912)	21,218	104,819
Cash and cash equivalents	195,716	-	-	-	195,716
Total current assets	**587,711**	**-**	**(30,912)**	**21,218**	**578,017**
TOTAL ASSETS	**2,021,186**	**22,550**	**(30,912)**	**2,585**	**2,015,409**

	Earnings Release 2020 31-Dec	Impairment	Reclassification	Taxes	Annual Report 2020 31-Dec
Share capital	4,082				4,082
Other equity	1,245,496	22,434		(6,170)	1,261,759
Total equity	**1,249,578**	**22,434**	**-**	**(6,170)**	**1,265,841**
Long-term debt	-	-	-	-	-
Other non-current liabilities	757	-	-	-	757
Lease liability	44,551	-	-	-	44,551
Deferred taxes	28,984	116	-	-	29,100
Total non-current liabilities	**74,292**	**116**	**-**	**-**	**74,408**
Short-term debt	2,500	-	-	-	2,500
Accounts payable and debt to partners	140,078	-	(24,050)	-	116,028
Taxes payable, withheld payroll tax, social security	2,935	-	-	8,756	11,691
Other current liabilities	551,804	-	(6,862)	-	544,941
Total current liabilities	**697,316**	**-**	(30,912)	**8,756**	**675,160**
TOTAL EQUITY AND LIABILITIES	**2,021,186**	**22,550**	**(30,912)**	**2,585**	**2,015,409**



Alternative Performance Measures

Despite of a challenging 2020, TGS delivered breakeven Free Cash Flow after investments in the multi-client library.

Alternative Performance Measures

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

EBIT (Operating Profit)

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

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

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

All amounts in USD 1,000s	2020	2019
Net Income	(188,598)	113,111
Taxes	(72,324)	18,100
Net financial items	(3,312)	(2,213)
Depreciation, amortization and impairment	19,932	23,503
Amortization and impairment of mult-client library	464,615	302,233
EBITDA	**220,314**	**454,735**

Return on average capital employed

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

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

All amounts in USD 1,000s	31 December 2020	31 December 2019
Equity	1,265,841	1,545,806
Interest bearing debt	2,500	2,809
Cash	195,716	323,408
Net interest bearing debt	(193,216)	(320,599)
Capital employeed	**1,072,624**	**1,225,207**
Average capital employed	**1,148,916**	**1,102,940**
Operating profit	(264,233)	128,998
ROACE	**(23%)**	**12%**

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	2020	2019
Cash flow from operational activities	354,728	560,648
Investments in multi-client library	(356,146)	(334,289)
Free cash flow (after MC investments)	**(1,418)**	**226,359**

Multi-client net revenues/average net book value ratio

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

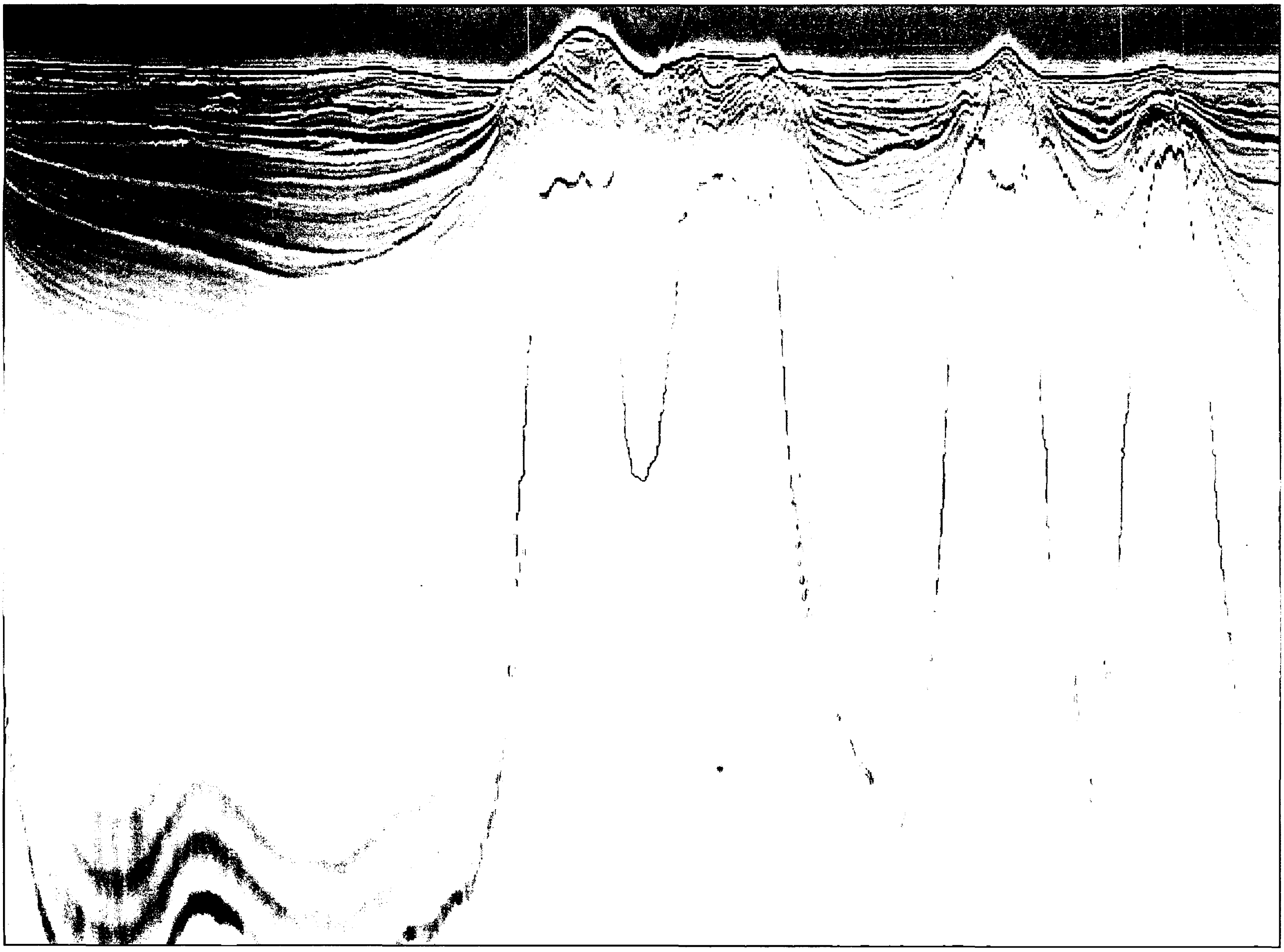
All amounts in USD 1,000s	2020	2019
Prefunding	66,504	77,289
Late sales - unfinished data	79,044	67,812
Late sales - finished data	158,695	422,390
Multi-client net revenues	304,243	567,491
Opening balance multi-client library	1,091,294	870,495
Closing balance multi-client library	946,263	1,091,294
Average net book value	1,018,778	980,895
Multi-client net revenues/average net book value ratio	**0.30**	**0.58**

Backlog

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

Yield

Yield is defined as the dividend per share divided by the share price at the time of the dividend announcement. The 2020 dividend yield is annualized based on the weighted yield at the time of announcement of quarterly dividends.



Parent Company Financials

TGS continues to generate multi-client revenues from a well-balanced mix of products across a geographically diverse portfolio, including 2D seismic, 3D seismic and a range of geological products.

Income Statement

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

	Note	2020	2019
Revenue	17	170,540	327,239
Revenue		**170,540**	**327,239**
Cost of goods sold - proprietary and other		134	437
Amortization of the multi-client library	3	168,165	180,395
Impairment of the multi-client library	3	75,485	1,756
Personnel costs	4	8,751	13,700
Other operating expenses	13, 18	21,338	40,158
Depreciation, amortization and impairment	2	994	669
Total operating expenses		**274,867**	**237,115**
Operating profit/(loss)		**(104,327)**	**90,124**
Interest income	15	3,804	6,647
Financial income	15	7,224	3,211
Exchange gains	15	12,527	7,241
Interest expenses	15	(4,900)	(12,813)
Financial expenses	15	(939)	(104)
Net financial items		**17,717**	**4,181**
Profit before taxes		**(86,611)**	**94,305**
Tax expense	16	(25,148)	20,631
Net income		**(61,463)**	**73,674**
Profit/(loss) for the year is proposed allocated as follows:			
Provision for dividend		16,412	43,937
To/(from) other equity	6	(77,875)	29,738
Total allocated		**(61,463)**	**73,674**

Balance Sheet

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

	Note	2020	2019
Assets			
Non-current assets			
Intangible non-current assets			
Multi-client library	3	300,794	393,229
Deferred tax asset	16	167	338
Total intangible non-current assets		**300,962**	**393,567**
Tangible non-current assets			
Machinery and equipment	2	5,100	4,335
Total tangible non-current assets		**5,100**	**4,335**
Financial non-current assets			
Investments in subsidiaries	7	153,912	150,677
Other non-current assets	19	–	–
Total financial non-current assets		**153,912**	**150,677**
Total non-current assets		**459,973**	**548,579**
Current assets			
Receivables			
Accounts receivable	9	27,705	49,285
Accrued revenues	9	60,673	83,486
Current receivables group companies	10	623,134	567,771
Other receivables	9	5,021	44,001
Total receivables		**716,533**	**744,543**
Cash and cash equivalents	**8**	**13,748**	**45,633**
Total current assets		**730,281**	**790,176**
Total assets		**1,190,254**	**1,338,755**

Balance Sheet

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

	Note	2020	2019
Equity and Liabilities			
Equity			
Paid-in capital			
Share capital	5, 6	4,082	4,127
Treasury shares held	5, 6	(2)	(50)
Share premium	6	236,231	359,032
Other paid-in capital	6	12,517	11,929
Total paid-in capital		**252,827**	**375,038**
Retained earnings			
Other equity	6	–	5,349
Total retained earnings		**–**	**5,349**
Total equity		**252,827**	**380,387**
Liabilities			
Non-current liabilities			
Other non-current liabilities	19	–	–
Deferred tax	16	65,181	89,544
Total non-current liabilities		**65,181**	**89,544**
Current liabilities			
Accounts payable and debt to partners		31,916	74,897
Current liabilities group companies	10	796,093	690,800
Taxes payable	16	22	23,028
Social security, VAT and other duties		45	3,368
Provisions for dividends	6	16,412	43,937
Other current liabilities	11	27,759	32,795
Total current liabilities		**872,247**	**868,823**
Total liabilities		**937,427**	**958,367**
Total equity and liabilities		**1,190,254**	**1,338,755**

Oslo, 23 March 2021

Henry H. Hamilton III
Chairman

Mark S. Leonard
Director

Wenche Agerup
Director

Irene Egset
Director

Torstein Sanness
Director

Vicki Messer
Director

Christopher Finlayson
Director

Kristian Johansen
Chief Executive Officer

Statement of Cash Flow

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

	Note	2020	2019
Cash flow from operating activities			
Profit/(loss) before taxes	16	(86,611)	94,305
Depreciation/amortization/impairment	2, 3	244,644	182,820
Impairment shares in subsidiaries and receivables	7, 10	-	24
Changes in accounts receivables and accrued revenue		44,393	(14,246)
Changes in other receivables		(1,296)	(492)
Changes in other balance sheet items		(11,553)	83,274
Paid taxes		(17,052)	(10,470)
Net cash flow from operating activities		**172,526**	**335,215**
Cash flow from investing activities			
Investment in tangible assets	2	(1,759)	(2,714)
Investments in multi-client library	3	(107,183)	(157,852)
Investments in subsidiaries	7	-	(743)
Interest received	15	3,804	6,647
Net cash flow from investing activities		**(105,137)**	**(154,662)**
Cash flow from financing activities			
Interest paid	15	(4,900)	(12,813)
Dividend payments	6	(87,783)	(114,640)
Purchase of treasury shares	6	(6,600)	(43,412)
Proceeds from share offerings	6	9	5
Net cash flow from financing activities		**(99,274)**	**(170,860)**
Net change in cash and cash equivalents		**(31,885)**	**9,693**
Cash and cash equivalents at the beginning of the period	8	45,633	35,940
Exchange rate effects		-	-
Cash and cash equivalents at the end of the period		**13,748**	**45,633**

Notes to Parent Company Financials

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

1. GENERAL ACCOUNTING POLICIES

General Information

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

The Company's financial statements were authorized by the Board of Directors on 23 March 2021.

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

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

Reporting Currency

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

General Accounting Policies

The financial statements are prepared in accordance with the Norwegian Accounting Act and generally accepted accounting principles in Norway. The notes are an integral part of the financial statements.

Significant Accounting Judgments, Estimates and Assumptions

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

Impairment Evaluation of Multi-client Data Libraries

TGS performed impairment reviews and determined the value in use of the multi-client library during 2020. The Company estimated value-in-use based on discounted estimated future sales forecasts. The underlying estimates that form the basis for the sales forecast depend on variables such as the number of oil and gas exploration and production (E&P) companies operating in the area that would be interested in the data, the overall E&P spending, expectations regarding hydrocarbons in the sector, whether licenses to perform exploration in the sectors exist or will be given in the future, expected farm-ins to licenses, relinquishments, etc. Changes in these estimates may potentially affect the estimated amount of future materially. The revenue estimates are evaluated on a regular basis and impairments are recognized in the period they occur.

For details about the book value, amortization and impairment of the multi-client library, see Note 3.

Provision for Impairment Losses of Accounts Receivables

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

Share-based Payments

The Company measures the share-based payment plans granted to employees by reference to the fair value of the equity instruments at the date at which they are granted (equity-settled transactions) or at the end of each reporting period (cash-settled transactions) in accordance with NRS 15A (IFRS 2). Estimating fair value requires appropriate valuation model to value the share-based instruments. The values are dependent on the terms and conditions of the granted share-based instruments. This also requires determining the appropriate assumptions in the valuation models including the expected life of the instruments, volatility and dividend yield.

Contingent Liabilities

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

Summary of significant accounting policies

Revenue Recognition

Revenue is recognized when it is probable that the economic benefits from a transaction will flow to the Company and the revenue can be reliably measured. Revenue is measured at fair value of the consideration received, net of discounts and sales taxes or duty. The following describes the specific principles:

Work in Progress (WIP)

Sales in the form of prefunding commitments from customers under binding contracts are recognized as revenue on a percentage of completion (POC) basis normally measured according to the acquired and processed volume of data in relation to the estimated total size of the project. Sales made prior to commencement of acquisition for each project are recognized on a POC basis and presented as pre-funding revenues. Sales after the commencement, but while projects are in progress are also recognized on a POC basis progress and presented as POC late sales revenues. The amount of revenues for in-progress projects not yet invoiced, is presented as accrued revenues in the balance sheet.

Finished Data

Revenue is recognized for sales of finished data at the time of the transaction; i.e., when the client has gained access to the data under a binding agreement.

Volume Sales Agreements

In certain situations, TGS grants licenses to the customer for access to a specified number of blocks of multi-client library within an area. These licenses typically enable the customer to select and access the specific blocks over a period of time. Revenue recognition for volume sales agreements is based on a proportion of the total volume sales agreement revenue, measured as the customer gains access to the data.

Revenue Sharing Arrangements

TGS shares certain multi-client revenues with other companies and governments. Revenues are recognized on a net basis in accordance with applicable recognition principles, representing TGS' share of the revenue for the project.

Proprietary Contracts

Revenue from proprietary contracts for clients is recognized in the same way as work in progress (POC) in accordance with the specific agreement.

Interest Income

Interest income is recognized as interest accrues. Interest income is included in the financial items in the income statement.

Royalty Income

Royalty income is recognized on an accrual basis in accordance with the substance of the relevant agreements.

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

Cost of goods sold includes only direct cost related to proprietary contract work, and costs related to delivery of geoscientific data.

Multi-client Library

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

Amortization of Seismic Data.

TGS is amortizing the cost of its seismic data library as follows:

- During the work-in-progress phase, amortization is based on total cost versus forecasted total revenues of the project. Amortization is recorded in line with how revenues are recognized for each project during this phase.
- After a project is completed, a straight-line amortization is applied. The straight-line amortization is assigned over a remaining useful life, which for most marine projects is 4 years. For most onshore projects, the remaining useful life after completion of a project is 7 years.

Impairment Test Multi-client Library

When there are indicators that the net book value may not be recoverable, the library is tested for impairment individually per project. Any impairment of the multi-client library is recognized immediately and presented as "Impairment of the multi-client library" in the statement of profit or loss.

TGS assesses, at each reporting date, whether there is an indication that a project may be impaired. If any indication exists, TGS estimates the project's recoverable amount. A project's recoverable amount is the higher of a project's fair value less costs of disposal and its value-in-use. When the carrying amount of a project exceeds its recoverable amount, the project is considered impaired and is written down to its recoverable amount. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the project.

Contingent Rent Agreements

The Company has entered into agreements on rental of seismic vessels where a part of the rental payment is paid during the rental period, while the other part of the rent is deferred and contingent on a future sale. The balance of the other part of the rent will be paid as/if sales occur. The deferred payment is not considered to be a current liability, and no provision has been recognized as future payment is based on a future sales event. When sales occur TGS will recognize revenues with a corresponding investment recognition. The obligation to pay the remaining vessel rent will be recognized as a liability when the sales transaction occurs.

Goodwill

Goodwill is depreciated over ten years. In addition, goodwill is reviewed for impairment, annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired.

Tangible Non-current Assets and Principles of Depreciation

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

Exchange Rate Adjustments

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

Research and Development Costs

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

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

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

Provisions

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

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

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

Income Taxes

Current Income Tax

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

Deferred Tax

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

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

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

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

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

Share-based Payments

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

The cost of equity-settled transactions (PSUs and the 2015-2019 plans of RSUs) is measured by reference to the fair value at the date on which they are granted. The fair value is determined by an external value using an appropriate pricing model.

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

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

Pensions

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

Leases – TGS as lessee

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases. The evaluation is based on the substance of the transaction at the inception date of whether the fulfillment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset.

Finance leases are recorded as assets and liabilities, and lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized in the income statement.

Operating lease payments are recognized as an expense in the income statement on a straight-line basis over the lease term.

Cash and Cash Equivalents

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

Accounts Receivable and Other Receivables

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

Investments in Subsidiaries and Associated Companies

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

Dividends, group contributions and other distributions from subsidiaries are recognized in the same year as they are recognized in the financial statement of the provider. If dividends/group contributions exceed withheld profits after the acquisition date, the excess amount represents repayment of invested capital, and the distribution will be deducted from the recorded value of the acquisition in the balance sheet for the Parent Company.

Dividends

The dividends are recognized as a liability in the financial statements when proposed by the Board of Directors.

Financial Instruments

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

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

Treasury Shares

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

Cash Flow Statement

The cash flow statement is compiled using the indirect method.

2. TANGIBLE NON-CURRENT ASSETS

2020

Acquisition cost and depreciation:	**Machinery and Equipment**
Cost as of 1 January 2020	**9,042**
Additions	1,759
Disposals [1]	-
Cost as of 31 December 2020	**10,801**
Accumulated depreciation as of 1 January 2020	**4,708**
Depreciation for the year	994
Accumulated depreciation on disposals [1]	-
Accumulated depreciation as of 31 December 2020	**5,701**
Net book value as of 31 December 2020	**5,100**
Straight-line depreciation percentage	14% - 33.3%
Useful life	3 - 7 years

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

2019

Acquisition cost and depreciation:	**Machinery and Equipment**
Cost as of 1 January 2019	**6,329**
Additions	2,714
Disposals [1]	-
Cost as of 31 December 2019	**9,042**
Accumulated depreciation as of 1 January 2019	**4,038**
Depreciation for the year	669
Accumulated depreciation on disposals [1]	-
Accumulated depreciation as of 31 December 2019	**4,708**
Net book value as of 31 December 2019	**4,335**
Straight-line depreciation percentage	14% - 33.3%
Useful life	3 - 7 years

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

3. INTANGIBLE NON-CURRENT ASSETS

2020

Acquisition cost and depreciation:	Goodwill	Multi-client Library	Total
Cost as of 1 January 2020	**3,073**	**3,555,584**	**3,558,658**
Additions	-	151,215	151,215
Cost as of 31 December 2020	**3,073**	**3,706,799**	**3,709,873**
Accumulated amortization as of 1 January 2020	**3,073**	**3,162,355**	**3,165,428**
Amortization for the year	-	168,165	168,165
Impairment for the year	-	75,485	75,485
Accumulated amortization and impairment as of 31 December 2020	**3,073**	**3,406,005**	**3,409,079**
Net book value as of 31 December 2020	**-**	**300,794**	**300,794**
Straight-line amortization percentage	10%		
Useful life	10 years [2]	4 to 7 years [1]	

[1] Multi-client Library: See the "General Accounting Policies", for the policies on amortization of this asset.
[2] Goodwill paid for in acquisitions of companies is amortized over the first ten years after the date of the acquisition.

2019

Acquisition cost and depreciation:	Goodwill	Multi-client Library	Total
Cost as of 1 January 2019	**3,073**	**3,421,188**	**3,424,261**
Additions	-	134,396	134,396
Cost as of 31 December 2019	**3,073**	**3,555,584**	**3,558,658**
Accumulated amortization as of 1 January 2019	**3,073**	**2,980,205**	**2,983,278**
Amortization for the year	-	180,395	180,395
Impairment for the year	-	1,756	1,756
Accumulated amortization and impairment as of 31 December 2019	**3,073**	**3,162,355**	**3,165,428**
Net book value as of 31 December 2019	**-**	**393,229**	**393,229**
Straight-line amortization percentage	10%		
Useful life	10 years [2]	4 to 7 years [1]	

[1] Multi-client Library: See the "General Accounting Policies", for the policies on amortization of this asset.
[2] Goodwill paid for in acquisitions of companies is amortized over the first ten years after the date of the acquisition.

4. SALARIES/NUMBER OF EMPLOYEES/ BENEFITS/EMPLOYEE LOANDS/PENSIONS

	2020	2019
Payroll	6,046	11,136
Social security costs	1,274	1,419
Pension costs	407	355
Other employee related costs	1,091	950
Salaries capitalized	(67)	(160)
Personnel costs	**8,751**	**13,700**
Number of employees at 31 December	46	46
Average number of employees	45	45

As of 31 December 2020, the Company had 46 employees: 28 male employees and 18 female employees.

The Company operates defined contribution plans in Norway. The plans fulfill the requirements of the Norwegian law.

Auditor Fees	2020	2019
KPMG		
Statutory audit	244	205
Other attestation services	6	4
Other services outside the audit scope	3	34
Total fees	**253**	**243**

All amounts are exclusive VAT.

Information about remuneration of the Board of Directors and the executive management is included in Note 10 to the consolidation financial statements.

For information about share-based payment plans, see Note 11 to the consolidation financial statements.

5. SHARE CAPITAL AND SHAREHOLDER INFORMATION

The share capital of TGS-NOPEC Geophysical Company ASA as of 31 December 2020 was NOK 29,325,849.50, consisting of 117,303,398 ordinary shares at NOK 0.25 per share. The Company's shares have equal voting rights.

For information of treasury shares, shareholders' authorization and the 20 largest shareholders, see Note 12 to the consolidated financial statements.

6. EQUITY RECONCILIATION

Equity Reconciliation	Share Capital	Treasury shares	Share premium	Other Reserves	Retained Earnings	Total Equity
Balance 1 January 2020	4,127	(50)	359,032	11,929	5,349	380,387
Purchase of treasury shares	-	(7)	(1,080)	-	(5,514)	(6,600)
Treasury shares distributed	-	0	-	-	165	165
Treasury shares cancelled	(54)	54	-	-	-	-
RSU/PSU	9	-	-	588	-	597
Quarterly dividends resolved and paid	-	-	(43,846)	-	-	(43,846)
Provisions for quarterly dividends (USD 0.14 per share) [1]	-	-	(16,412)	-	-	(16,412)
Profit/(loss) for the year	-	-	(61,463)	-	-	(61,463)
Balance 31 December 2020	**4,082**	**(2)**	**236,231**	**12,517**	**0**	**252,827**

[1] The Annual General Meeting held 12 May 2020 authorized the Board of Directors to distribute quarterly dividends based on the 2019 statements. The authorization shall be valid until the Company's next Annual General Meeting.

On 10 February 2021, the Board of Directors resolved to pay quarterly dividend. of the NOK equivalent of USD 0.14 per shares (NOK 1.18) to the shareholders

Equity Reconciliation	Share Capital	Treasury shares	Share premium	Other Reserves	Retained Earnings	Total Equity
Balance 1 January 2019	3,672	(3)	67,355	9,060	48,155	128,239
Capital increase during 2019	449	-	349,522	-	-	349,972
Purchase of treasury shares	-	(47)	-	-	(43,366)	(43,412)
Treasury shares distributed	-	0	-	-	250	250
RSU/PSU	5	-	-	2,869	-	2,874
Quarterly dividends resolved and paid	-	-	(13,909)	-	(73,364)	(87,273)
Provisions for quarterly dividends (USD 0.375 per share)	-	-	(43,937)	-	-	(43,937)
Profit/(loss) for the year	-	-	-	-	73,674	73,674
Balance 31 December 2019	**4,127**	**(50)**	**359,032**	**11,929**	**5,349**	**380,387**

7. INVESTMENTS IN SUBSIDIARIES

As of 31 December 2020, the Parent Company had the following investments in subsidiaries:

Included in the Balance Sheet as:	Registered Office	Share Capital of Company	No. of Shares	Book Value	Net Income	Total Equity	Shareholding and Voting Power
Maglight AS	Oslo, Norway	NOK 100,000	100,000	184	0	23	100%
TGS AP Investments AS	Oslo, Norway	NOK 200,000	1,000	51,752	(44,004)	36,107	100%
Marine Exploration Partners AS	Oslo, Norway	NOK 800,000	800,000	-	-	(540)	100%
TGS Contracting AS	Oslo, Norway	NOK 100,000	1,000	4,219	(5)	109	100%
TGS AS	Oslo, Norway	NOK 30,000	30,000	15,224	(47,637)	(171,464)	100%
TGS-NOPEC Geophysical Company (UK) Ltd.	Bedford, UK	GBP 50,100	50,100	-	24	0	100%
Aceca Ltd.	Surbiton, UK	GBP 50,762	507,620	-	72	0	100%
TGS Geophysical Investments Ltd.	Surbiton, UK	USD 100,000	100,000	-	-	-	100%
TGS Geophysical Company (UK) Ltd.	Surbiton, UK	GBP 166,035.34	16,603,534	162	(2,657)	9,057	100%
TGS-NOPEC Geophysical Company Pty Ltd	Perth, Australia	AUD 1	1	0	1,967	17,616	100%
TGS-NOPEC Geophysical Company Pte Ltd	Singapore	SGD 0	0	-	(12)	378	100%
TGS do Brasil Ltda.	Rio de Janeiro, Brazil	BRL 43,400,200	39,060,180	9,900	1,317	21,521	90%
TGS Canada Corp.	Calgary, Canada	CAD 73,945	100,000	72,471	(9,271)	109,721	100%
TGS-NOPEC Geophysical Company Moscow Ltd	Moscow, Russia	RUB 300,000	1	-	(148)	(3,474)	100%
Nopec Geophysical Company, S. de R.L. de C.V.	Mexico City, Mexico	MXN 1,000	1	-	18	(236)	90%
Balance sheet value				**153,912**			

The Parent company has direct or indirect 100% voting rights in all subsidiaries.

The negative equity in TGS AS arises as a result of the accounting of the Spectrum merger, and the difference between measurement of the merger liability and the fair value of the net assets acquired under NGAAP. The negative equity effect is eliminated on group level.

8. RESTRICTIONS ON BANK ACCOUNTS

As of 31 December 2020, USD 1.5 million of cash and cash equivalents are restricted to meet the liability arising from payroll taxes withheld (2019: USD 0.8 million).

The increase in restricted cash can be explained by an incorrect payment of tax made in November 2020. The amount of 1.2 million USD was withdrawn from our operation account of our tax account. We were not able to release the amount before end of 2020.

9. ACCOUNTS RECEIVABLE AND OTHER RECEIVABLES

Accounts receivable, including accrued revenues, is stated in the balance sheet at net realizable value and totaled USD 88.4 million as of 31 December 2020 (2019: USD 132.8 million). The Company has made a bad debt provision of USD 0 million in 2020 (2019: USD 0 million). The Company expects to collect the stated balance of receivables as of 31 December 2020. Realized losses on trade receivables in 2020 amounted to USD 0.244 million (2019: USD 0 million). Prepayments to suppliers and other short-term receivables totaled USD 5 million as of 31 December 2020 (2019: USD 44.0 million).

10. CURRENT RECEIVABLES AND LIABILITIES GROUP COMPANIES

	2020		2019	
Company	Receivables	Liabilities	Receivables	Liabilities
Maglight AS	-	21	-	21
TGS AP Investments AS	43,811	-	22,315	-
Aceca Norge AS	810	5,294	-	5,249
TGS AS	507,803	-	475,043	-
TGS-NOPEC Geophysical Company	-	619,177	-	644,588
A2D Technologies Inc.	-	53,097	208	-
TGS Geophysical Company (UK) Ltd.	-	52,732	-	40,894
TGS-NOPEC Geophysical Company PTY Ltd	-	18,495	100	-
TGS-NOPEC Geophysical Company Pte	-	-	-	-
OBS MC Investments I AS	7,806	-	9,713	-
TGS Moscow	284	-	210	-
Nopec Geophysical Company, S. de R.L. de C.V.	360	-	212	-
Arcis Seismic Solutions Corp.	-	35,237	-	49
Spectrum Geo Inc	-	10	-	-
Spectrum Geo UK		4,547	-	-
Spectrum Geo Australia Pty Ltd	-	4,000	-	-
Spectrum Geo AS	-	1,988	-	-
Carmot Seismic AS	152	-	-	-
Spectrum Geo S.A.de C.V. (Mexico)	7	-	-	-
Spectrum Pte Ltd (Singapore)	-	1,495	-	-
TGS do Brasil Ltda.	62,101	-	59,969	-
Total	**623,134**	**796,093**	**567,771**	**690,800**

Realized losses on intercompany receivables in 2020 amounted to USD 0 million (2019: USD 0 million).

3-Year Term Secured Revolving Credit Facility

In October 2018, TGS entered into a secured revolving credit facility of USD 100 million with an interest rate of LIBOR + 2% per interest period as determined by TGS and as per the defined terms of the revolving credit facility. The closing of the security granted under the credit facility occurred in January 2019. TGS paid an upfront fee of 0.60% of the facility amount and paid a commitment fee of 0.40 % per annum for the unused and uncanceled part of the facility. With respect to financial conditions, TGS is required to maintain (i) an equity ratio of 50% or more, (ii) a leverage ratio of no more than 1.00:1.00, (iii) EBITDA minus operational capex at zero or above, and (iv) a liquidity of USD 75 million on a consolidated basis. As of 31 December 2020, TGS had not drawn any amounts under the facility and was in full compliance with all of the financial covenants. The facility is secured by a lien on the assets of the parent company and subsidiaries having net revenues representing 5% or more of the group's net revenues as defined in the facility([as of year-end

2020, TGS AP Investment AS, TGS-NOPEC Geophysical Company, A2D Technologies Inc, TGS Geophysical Company (UK) Limited, TGS Canada Corp. and TGS AS). The same subsidiaries have also provided guarantees. The revolving credit facility was renewed during February 2021 on substantially similar terms, except that the interest rate increased to LIBOR + 2.5%.

11. OTHER CURRENT LIABILITIES

	2020	2019
Deferred revenues	18,634	5,979
Accrued project costs	5,262	10,174
Other accrued expenses	3,864	16,641
Total other current liabilities	**27,759**	**32,795**

12. GUARANTEES

Parent Company Guarantee

In 2017, subsidiaries of the Company, together with subsidiaries of Petroleum Geo-Services ASA (PGS), concluded the joint acquisition of a majority of the multi-client library of Dolphin UK Ltd. The total acquisition price paid by the TGS entities for the 50% interest acquired amounted to USD 5.8 million, USD 3.3 million of which was paid in cash at closing, with the balance of USD 2.5 million payable in January 2021 under a promissory note guaranteed by the Company. The principal amount of USD 2.5 million bears interest at a fixed rate of 3.5% per annum.

Bank Guarantees

As of 31 December 2020, one bank guarantee has been issued on behalf of the Company (2019: USD 0.2 million).

Under section 479A of the UK Companies Act 2006, six of TGS' subsidiaries (TGS Geophysical Company (UK) Limited (Registration number: 05731700); TGS Geophysical Investments Limited (Registration number: 09281097); Spectrum Geo Limited (Registration number: 09281097); Aceca Limited (Registration number: 03672833); TGS-NOPEC Geophysical Company Limited (Registration number: 02896729); and Magsurvey Limited (Registration number: 04568744)) have availed exemption for audit of their statutory financial statements pursuant to guarantees issued by TGS to indemnify the subsidiaries of any losses towards third parties that may arise in the financial year ended 31 December 2020 in these subsidiaries. TGS can make an annual election to support such guarantees for each financial year.

13. COMMITMENTS AND CONTINGENCIES

At the end of 2020, TGS has entered into commitment for one 2D vessel. This commitment will expire in 2021, and the amount committed, including contractual lease agreements, totaled USD 2 million (2019: USD 23 million).

The Company has two operating lease commitments relating to premises. One commitment expires 31 January 2022 and one commitment expires 30 June 2030. The commitments have no termination before expiry date.

Rental expense for operating leases was USD 0.6 million for the year ended 31 December 2020 (2019: USD 0.5 million). Future minimum payments for operating leases as of 31 December are as follows:

	2020	2019
Within one year	1,209	500
After one year but not more than five years	2,737	542
More than five years	3,028	-
Total	**6,974**	**1,041**

Company does not have any financial leases.

Contingent rent agreements

As of 31 December 2020, the were no deferred part of contingent rent agreements, which is contingent on future sales (2019: 0.7 million).

14. RELATED PARTIES

No material transactions took place during 2020 with related parties, other than operating business transactions between the companies in the TGS Group. All companies within TGS are 100% owned, directly or indirectly, by the Company, except for Calibre Seismic Company (50%), Spectrum Geopex Egypt Ltd. (50%), TGS-Petrodata Offshore Services Ltd. (49%) and TGS FJ Geophysical (Ghana) Ltd. (90%) which is owned by one of the subsidiaries. Business transactions between the entities of TGS were performed according to arm's length principles. The main business transactions can be aggregated as follows:

	2020	2019
Data processing costs	32,462	17,041
Brokerage fees	13,341	17,988
Management fees	11,473	14,942

For information about intercompany interest income and expense, see Note 15.

The Company has no liabilities in form of mortgages of entities within the TGS Group. For information about guarantees, see Note 12.

For a specification of intercompany receivables and liabilities, see Note 10.

15. FINANCIAL ITEMS

Financial income/expense:	2020	2019
Interest income	134	2,598
Interest income subsidiaries	3,670	4,049
Exhange gain	19,372	9,742
Other financial income	7,224	3,211
Total financial income	**30,400**	**19,599**
Interest expense	(116)	(193)
Interest expense subsidiaries	(4,783)	(12,620)
Exchange loss	(6,845)	(2,501)
Other financial expenses	(939)	(104)
Total financial expense	**(12,683)**	**(15,418)**
Net financial items	**17,717**	**4,181**

16. TAX EXPENSE

Current tax:	2020	2019
Profit/(loss) before taxes	(86,611)	94,305
Permanent differences [1]	(10,356)	64
Changes in temporary differences	31,229	(4,782)
Currency exchange effects on base for current tax	(16,749)	53,916
Basis for current tax	**(82,487)**	**143,503**

Total tax expense for the year:		
Deferred tax - changes	(26,726)	66,876
Taxes payable	-	31,594
Adjustment in respect of current income tax of previous year	(11)	(14)
Tax effect of group relief	1,589	-
Deferred tax liability on merger	-	(77,826)
Total tax expense for the year	**(25,148)**	**20,631**
Effective average tax rate	**29%**	**22%**

Taxes payable	2020	2019
Taxes payable on current year profit	-	31,594
Group Contribution	-	(8,567)
Total taxes payable	**-**	**23,028**

Specification of basis for deferred taxes: Temporary differences:	2020	2019
Multi-client library	(119,061)	(32,896)
Revenues on seismic projects in the work in progress phase	134,203	92,101
Accounts receivable	(270)	(270)
Accruals	(9,895)	(11,657)
Other	115	579
Merger receivable [2]	370,698	359,161
Tax loss carried forward	(79,514)	-
Total	**296,276**	**407,018**

Deferred tax liability/(asset) based on temporary differences	65,181	89,544
Withholding taxes carried forward	(167)	(338)
Deferred tax liability/(asset) recognized	**65,014**	**89,206**

Explanation of total tax expense versus nominal tax rate on pre-tax profit:	2020	2019
Tax calculated using nominal tax rate on pre-tax profit	(19,054)	20,747
Effect of permanent differences	(2,278)	14
Effect of Group Contribution	1,589	-
Adjustment of tax of previous years	-	(14)
Effect of change in tax rate	-	-
Exchange gain/loss reported as tax expense	(5,404)	(117)
Total tax expense recorded in income statement	**(25,148)**	**20,631**

[1] Permanent differences related to non-tax deductible items. Permanent differences related to non-tax deductible items, in 2020 to a large part related to reversal of the Skeie accrual.

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

17. GROSS AND NET REVENUES

TGS enters into multi-client contracts with other companies whereby revenue is shared proportionally and presented net. In some cases, TGS enters into multi-client contracts where a portion of revenue is shared with governments in certain countries. The table below provides the breakdown for 2020 and 2019.

	2020	2019
Gross revenues from sales	192,799	422,270
Revenues allocated to other parties	(22,259)	(95,031)
Revenues	**170,540**	**327,239**

18. FINANCIAL RISK MANAGEMENT

Currency Risk

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

Liquidity Risk

Liquidity risk arises from lack of correlation between cash flow from operations and financial commitments. As of balance sheet date, the Company held current assets of USD 730.3 million, of which cash and cash equivalents represents USD 13.7 million, and current liabilities of USD 872.2 million, of which debt to subsidiaries represents USD 796.1 million. As of 31 December 2020, TGS considers the liquidity risk to be low.

Credit Risk

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

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

19. OTHER NON-CURRENT ASSETS AND LIABILITIES

Other non-current assets comprise account receivables with extended payment terms and loans. Any revenue share associated with these receivables is presented as "other non-current liabilities."

TGS has interest bearing loan to Skeie Energy AS. The loan has a total value of gross USD 21.1 million (net to TGS of USD 8.7 million). The loan has been fully provided for and is recognized at USD 0 million as of 31 December 2020 (31 December 2019: USD 0 million).

20. CONTINGENT LIABILITIES

Økokrim Charges and Related Civil Matters

In May 2014, Økokrim, the Norwegian National Authority for Investigation and Prosecution of Economic and Environmental Crime, charged TGS for violations of the Norwegian Tax Assessment Act related to transactions entered into in 2009 to 2010 with Skeie Energy AS, later known as E&P Holding AS (Skeie). The charges claimed that TGS contributed to unwarranted tax refunds received by Skeie under the Norwegian Petroleum Tax Act through licenses of seismic data to Skeie.

The district court trial on the alleged violations, which took place in early 2018, resulted in a determination of guilt in October 2018, with a corporate fine of NOK 90 million. TGS appealed the decision, and the appellate trial occurred in late 2019 to early 2020. The appellate trial resulted in a unanimous decision issued in April 2020, acquitting TGS and all other defendants in the matter. No further appeals of the decision in favor of TGS occurred, and the matter is now fully resolved. The appeal court awarded the Company MNOK 16.5 (USD 1.8 million) for costs and expenses incurred in connection with the matter, which the Company received in October 2020. The reimbursed cost offset USD 0.2 million of pending invoices and USD 1.6 million of cost recognized in 2020 as well as prior periods.

TGS has also been notified of various claims or potential claims asserting liability on TGS' part in relation to the transactions with Skeie. The claims are generally predicated on whether the parties making the claims are ultimately held responsible for all or any part of unwarranted tax refunds and suffer damages that can be attributed to TGS. These claims are consolidated in a pending matter before the Olso District Court, with trial expected to commence in October 2021. The primary claimant in the pending case is DNB, who accepted responsibility for, and subsequently repaid, the tax refunds received by Skeie under a provision in the Tax Payment Act that statutorily assessed liability to DNB due to its status as pledgee of the tax refunds. The Norwegian Government had previously demanded repayment of the tax refunds from various parties, including TGS, which demands were in effect satisfied by DNB's acceptance of responsibility. DNB has made claims against Skeie and certain affiliated persons and entities, as well as TGS and a former officer of the Company, alleging that the defendants are responsible for creating unwarranted tax refunds and therefore are liable to DNB for the losses it suffered. Counterclaims between the various defendants have also been made in the case, such that any claim arising from the Skeie transactions and the related tax refunds will be resolved in the pending case.

Given the ongoing nature of these proceedings, it is impracticable to render an accurate assessment of the outcome. However, consistent with the Company's belief that it did nothing wrong in the criminal proceedings, as supported by Borgarting Appeal Court's decision, the Company also believes these claims of liability are not well-founded, and it intends to challenge the claims vigorously. As a result, the Company does not consider it probable that an outflow of resources embodying economic benefits will be required to settle the obligation and no provisions have been made.

21. EVENTS AFTER THE BALANCE SHEET

For information on dividends paid and share repurchase program, see Note 13 to the Consolidated Financial Statements.

TGS has renewed its revolving credit facility in February 2021; see Note 21 to the Consolidated Financial Statements for more information.

No events have taken place after 31 December 2020 that would have had a material effect on the financial statements or any assessments carried out. No material acquisitions or disposals of companies were carried out after the balance sheet date.

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To the Annual Shareholders' Meeting of TGS-NOPEC Geophysical Company ASA

Independent auditor's report

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of TGS-NOPEC Geophysical Company ASA. The financial statements comprise:

- The financial statements of the parent company TGS-NOPEC Geophysical Company ASA (the Company), which comprise the balance sheet as at 31 December 2020, and the income statement and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and
- The consolidated financial statements of TGS-NOPEC Geophysical Company ASA and its subsidiaries (the Group), which comprise the balance sheet as at 31 December 2020, and the statement of comprehensive income, statement of changes in equity and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion:

- The financial statements are prepared in accordance with the law and regulations.
- The accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2020, and its financial performance and its cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway.
- The accompanying consolidated financial statements give a true and fair view of the financial position of the Group as at 31 December 2020, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the EU.

Basis for Opinion

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

Key Audit Matters

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

Revenue recognition

Refer to Note 1 General Accounting Policies, Note 4 Revenue from Contracts with Customers and Note 5 Segment Information

The key audit matter	*How the matter was addressed in our audit*
For the year ended 31 December 2020, the Group reported revenues of USD 319 million, of which USD 67 million pertained to pre-funding contracts, USD 79 million to late sales of unfinished data and USD 174 million to late sales of finished data and sales of proprietary data. For prefunding contracts and contracts for late sales of unfinished data, customers commit to purchasing licenses from TGS prior to the acquisition and processing of data or after commencement of a survey but prior to data being ready for delivery. Under IFRS 15, revenue from these contracts is recognized at a point in time upon delivery of the finished multi-client data license to the customer. The Group applies different revenue recognition principles in the Consolidated Statement of Comprehensive Income and the disclosed segment information for pre-funding contracts and contracts for late sales of unfinished data. In the disclosed segment information, revenue from these contracts is presented based on a percentage of completion model according to the progress of the multi-client survey. Revenue recognition for these contracts under IFRS 15 was considered to be a key audit matter due to the application of different revenue recognition principles in the income statement and in the disclosed segment information which adds complexity to the financial reporting process. Late sales of finished data and proprietary data are treated consistently under IFRS 15 and the segment information.	Our audit procedures in this area included: • Assessing the consistency in application of the Group's revenue recognition principles across the Group under IFRS 15 and under the segment reporting principles for purposes of the note disclosures; • Assessing the appropriateness of the timing of revenue recognition based on the deliveries of multi-client data based on testing of a sample of contracts pertaining to pre-funding and late sales of unfinished data; • Assessing and reconciling differences in revenue recognition in the Consolidated Statement of Comprehensive Income and in Note 5 Segment Information; • Evaluating the adequacy and appropriateness of the disclosures in the financial statements related to revenues from contracts with customers and segment information.

Impairment assessment of the multi-client library

Refer to Note 1 General Accounting Policies, Note 2 Estimates and Assumptions, Note 8 Intangible Assets and Note 9 Impairment Evaluation of Multi Client Library, Goodwill and Other Intangible Assets

The key audit matter	*How the matter was addressed in our audit*
As at 31 December 2020 the Group has reported a multi-client library balance of USD 946 million. Management uses judgment in determining whether the carrying amount of the multi-client library exceeds the recoverable amount by making assumptions related to expected discounted future cash flows. There is significant inherent uncertainty in forecasting future sales of the multi-client library which is impacted by the overall exploration and production spending within the oil and gas industry, interest in specific regions, whether licenses to perform exploration in the various regions exist or will be awarded in the future and other factors. Changes in assumptions, together with the discount rate can significantly impact impairment assessments and conclusions. Due to the potential impact on the financial statements given the significance of the multi-client library balance and the judgment required when assessing future market conditions and the other key factors included in the forecasting of future sales, the assessment of the carrying amount of the multi-client library is considered to be a key audit matter. An impairment of USD 205 million was recorded in 2020.	Our audit procedures in this area included: • Evaluating management's overall impairment assessment process, documentation and controls including the assessment of impairment indicators, through inspection and testing of underlying documentation and inquiries with key management personnel and senior sales personnel across the group; • Evaluating the reasonableness of key assumptions made in determining the cashflow forecasts associated with the libraries including inspection of supporting documentation, assessing the basis for key assumptions and testing a sample of key assumptions selected based on sensitivity and risk of error; • Evaluating, with assistance from our valuation specialists, the discount rates applied and the mathematical accuracy of the models used to calculate the recoverable amount; • Performing retrospective reviews to assess the accuracy of management's estimates and assumptions; • Testing the sensitivity of movements in key assumptions for selected surveys within the multi-client library based on our risk assessment, and evaluating and challenging management on the forecasted cash flows, underlying market assumptions, approved budgets, and other factors which could affect forecasts; • Evaluating the adequacy and appropriateness of the disclosures in the financial statements with particular reference to the disclosures describing the inherent uncertainty in the estimates and the related sensitivities.

Other information

Management is responsible for the other information. The other information comprises information in the annual report, except the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon, with the exception of our report on Other Legal and Regulatory Requirements below.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors and the Managing Director for the Financial Statements

The Board of Directors and the Managing Director (Management) are responsible for the preparation in accordance with law and regulations, including fair presentation of the financial statements of the Company in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and for the preparation and fair presentation of the financial statements of the Group in accordance with International Financial Reporting Standards as adopted by the EU, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's and the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern. The financial statements of the Company use the going concern basis of accounting insofar as it is not likely that the enterprise will cease operations. The financial statements of the Group use the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

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

As part of an audit in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

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

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

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

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

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

Opinion on the Board of Directors' report

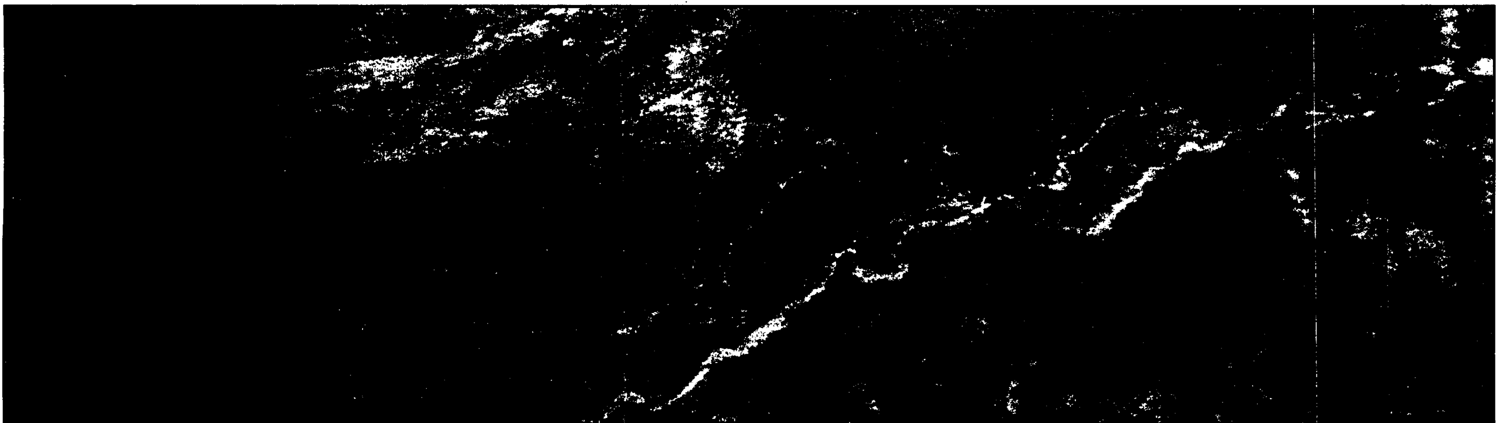
Based on our audit of the financial statements as described above, it is our opinion that the information presented in the Board of Directors' report and in the statements on Corporate Governance and Corporate Social Responsibility concerning the financial statements, the going concern assumption, and the proposal for the allocation of the profit is consistent with the financial statements and complies with the law and regulations.

Opinion on Registration and Documentation

Based on our audit of the financial statements as described above, and control procedures we have considered necessary in accordance with the International Standard on Assurance Engagements *(ISAE) 3000, Assurance Engagements Other than Audits or Reviews of Historical Financial Information*, it is our opinion that management has fulfilled its duty to produce a proper and clearly set out registration and documentation of the Company's accounting information in accordance with the law and bookkeeping standards and practices generally accepted in Norway.

Oslo, 24 March 2021
KPMG AS

Julie Berg
State Authorized Public Accountant



Corporate Governance

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

Corporate Governance

1. IMPLEMENTATION AND REPORTING ON COPRORATE GOVERNANCE

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

It is the opinion of the Board of Directors that TGS complies with the Norwegian Code of Practice of Corporate Governance (Code of Practice), dated 17 October 2018, found at www.nues.no. This Report on Corporate Governance details how TGS operates in accordance with each of the topics covered by the Code of Practice, including any deviations. Furthermore, in accordance with the Norwegian Accounting Act section 3-3b, an account of the principles and practices related to corporate governance is included in the Board of Directors' Report in this Annual Report.

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

Code of Conduct

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

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

Corporate Social Responsibility

TGS believes that sustainable business practices are fully compatible with successful business conduct. TGS' long-standing Statement of Values recognizes that the Company is responsible to a number of stakeholder groups and describes the principles to which the Company adheres. A more detailed description of TGS' sustainability strategies and efforts is included the Corporate Sustainability Report, which is a separate section in the Annual Report and on TGS' website at www.tgs.com.

2. BUSINESS

TGS provides global subsurface data products and services to the energy industry through investments in multi-client data projects in frontier, emerging and mature markets worldwide. Our extensive onshore and offshore libraries include seismic data, magnetic and gravity data, multibeam and coring data, and digital well logs and production data from deepwater offshore to conventional and unconventional onshore plays worldwide. Additionally, TGS offers advanced processing and imaging services, interpretation products and data integration solutions. Recently, TGS expanded its business objectives to include the offering of a broader array of information, data products and services to the energy industry, including data and intelligence applicable to carbon capture, utilization and storage, offshore mineral exploration and renewable energy initiatives.

The business objective of TGS defined in the Company's Articles of Association states that the principal business of the Company is in the provision, procurement and sale of seismic and geophysical data. In line with the Company's recent expansion of its business objectives, the Company will ask the Annual General Meeting (AGM) to approve a modification to the Company's Articles of Association to reflect that the principal business area of the Company is the provision of data, information and intelligence and related products and services to the energy industry. The Company's Articles of Association are published in the Corporate Governance section of the Investor Center on the TGS website, and further information about TGS' operations may be found in the Board of Directors Report and the Annual Report for 2020, as well as the TGS website.

3. EQUITY AND DIVIDENDS

As of 31 December 2020, total equity amounted to USD 1,265.8 million (including a share capital of USD 4.1 million). This corresponds to an equity ratio of 63%, which the Board considers to be satisfactory. The adequacy of the Company's capital is monitored closely with respect to the Company's objectives, strategy and risk profile.

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

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

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

The Board of Directors is currently authorized to buy back up to 10% of the nominal value of the Company's share capital. In addition, the Board of Directors has authorization to increase the Company's share capital or issue convertible bonds for up to 10% of the Company's share capital, currently NOK 2,972,669.45, for the purposes of potential acquisitions, organic growth and to strengthen the Company's balance sheet. The authorizations are valid until the 2021 General Meeting, but no later than 30 June 2021. In accordance with past practice, new authorizations to increase the share capital for certain business purposes, issue convertible bonds and acquire own shares will be proposed for separate votes at the next AGM. When a proposed resolution encompasses share capital increases and/or the issuance of convertible bonds or the acquisition of the Company's own shares for various purposes, the Company does not find it practical to hold separate votes on each element of the proposals. This deviates from the Recommendation No. 3 under the Code of Practice where it is recommended that when the AGM considers mandates to the Board of Directors for the issuance of shares for different purposes, each mandate should be considered separately by the meeting.

For further information on these shareholder authorizations, please refer to Note 13 of the Consolidated Financial Statements.

4. EQUAL TREATMENT OF SHAREHOLDERS AND TRANSACTIONS WITH RELATED PARTIES

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

TGS may, from time to time, buy back shares under authorizations given by the General Meeting. Such shares may inter alia be held in treasury or canceled, used as transaction consideration or to settle employees' long-term incentive programs. The Company held 75 000 treasury shares on 31 December 2020. When applicable, transactions involving the Company's own shares are carried out through the Oslo Stock Exchange or at prevailing stock exchange prices if carried out in any other way.

During 2020, the Company increased its share capital by NOK 80,267.50 in connection with the Company's long-term incentive programs. For further information, refer to Note 13 of the Company's Consolidated Financial Statements. In addition to shares issued in connection with the Company's long-term incentive programs, the Board may, from time to time, issue new shares under authorizations given by the AGM. For such issuances, the Board may depart from the pre-emptive right of existing shareholders if justified by the interest of the Company and the shareholders. A justification will be publicly disclosed should the Board choose to authorize a waiver of its pre-emptive rights in connection with a share issue.

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

5. FREELY NEGOTIABLE SHARES

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

6. GENERAL MEETINGS

The AGM is the Company's ultimate corporate body. The Board of Directors, the Nomination Committee and the Chief Executive Officer are typically present at the AGM, as well as the Company's auditor. Given the extraordinary situation caused by the COVID-19 pandemic, and in light of travel and meeting restrictions currently in place and that may remain at the time of the 2021 AGM, the Company may make appropriate adjustments to its normal AGM process for 2021. The minutes from the AGM and any Extraordinary General Meeting (EGM) are made available on the Company's website shortly after the date of the AGM or EGM, as applicable, and are also available for inspection at the Company's corporate offices in Norway.

The 2021 AGM will be held on 11 May 2021. The notices for the AGM and any EGM and all supporting documentation are made available on the Company's website no later than three weeks in advance of the meeting. The notice is also mailed (post or email) to registered shareholders.

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

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

General Meetings are open to all shareholders, and any shareholder not in attendance may appoint a proxy to vote on their behalf. Proxy forms are made available together with the notice of the meeting and allow for separate voting instructions to be given for each matter to be considered. Shareholders are currently not allowed to participate in General Meetings through the internet. The Board of Directors may also resolve that the shareholders, within a limited time period prior to the General Meeting, deliver their votes in writing and delivery shall include the use of electronic means. The right to vote in writing prior to a General Meeting is conditional upon the existence of an adequately secure method to authenticate the sender and will be subject to guidelines specified by the Board. The notice to the General Meeting will provide information about whether the shareholders may vote in advance in writing and about the guidelines that apply to such voting.

In accordance with the Norwegian Public Limited Liability Companies Act, the AGM is required to approve the annual financial statements, the Board of Directors' report and the distribution of dividends. The AGM should also address the Board of Directors' declaration relevant to the guidelines for determination of compensation to executive personnel. An advisory vote shall be held at the AGM, following the Board of Directors' guidelines, for the determination of salary and other remuneration to senior managers. The AGM shall also consider the Corporate Governance Report. Shareholders are also given the opportunity to vote separately for each candidate nominated for election to the Board. Any other matters to be covered at the AGM will follow from the notice.

The last AGM was on 12 May 2020, the minutes from which are available on the Company's website.

7. NOMINATION COMMITTEE

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

The Nomination Committee consists of a Chairperson and up to three members elected by and amongst the shareholders who also determine the Nomination Committee's own remuneration. The members serve for a period of two years. None of the members serve on the Board of Directors or as an employee of the Company.

As of 31 December 2020, the independent Nomination Committee consisted of the following members: Tor Himberg-Larsen (Chair), Christina Stray, Herman Kleeven and Glen Ole Rødland. Kleeven and Rødland were elected for a two-year term at the 2020 AGM, while Himberg-Larsen and Stray were elected for a two-year term at the 2019 AGM.

Shareholders who wish to propose new Board members or new members of the Nomination Committee may do so by submitting a candidate's name to any member of the Nomination Committee or to the Chair of the Board of Directors.

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

8. BOARD OF DIRECTORS: COMPOSITION AND INDEPENDENCE

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

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

The members of the Board balance experience from the geoscience industry and the general energy industry with broader industrial, financial and management experience. A biography of each board member can be found in the Annual Report and on the TGS website.

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

9. THE WORK OF THE BOARD OF DIRECTORS

The Board of Directors is responsible for the overall management and supervision of the Company. The Board is responsible for establishing control systems and ensuring that TGS operates in compliance with laws and regulations and TGS' Statement of Values and Code of Conduct. The Board emphasizes the safeguarding of the interests of all shareholders, as well as the interests of TGS' other stakeholders.

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

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

The Board of Directors carries out an annual evaluation of its own performance, working arrangements and competence. The assessment is made available to the

Nomination Committee. The Board also carries out an annual evaluation of the CEO's performance.

The Board conducted a total of 11 meetings in 2020. Wenche Agerup was unable to attend one of the meetings. All other directors (including former directors) attended all meetings.

Board Committees

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

Audit Committee

The Audit Committee is appointed by the Board, and its primary responsibility is to supervise the Company's internal controls over financial reporting and to ensure the independence and quality of performance of the Company's external auditor. Further, the responsibility of the committee is to ensure that the annual accounts provide a fair and accurate picture of the financial results and financial condition of the Company in accordance with generally accepted accounting practices. The Audit Committee receives reports on the work of the external auditor and the results of the audit, including the significant risks in the financial statements and the treatment thereof in the audit report, as well as auditor's assessment of internal control weaknesses. The Audit Committee charter, updated in February 2021, incorporates the requirements of the new Auditors Act and reflects the enhanced role of the Audit Committee in respect of financial reporting, internal control and risk management and auditor interaction, consistent with the general description set forth in this paragraph. With effect from the 2020 AGM, the members of the Audit Committee are:

- Irene Egset, Chair
- Vicki Messer
- Christopher G. Finlayson

The Audit Committee conducted a total of 6 meetings in 2020, and all members (including former members) attended all meetings during the period of time they served on the Board.

Compensation Committee

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

The members of the Compensation Committee with effect from the 2020 AGM are:

- Mark Leonard, Chair
- Wenche Agerup
- Torstein Sanness

The Compensation Committee conducted a total of 8 meetings in 2020. All members (including former members) attended all meetings.

10. RISK MANAGEMENT AND INTERNAL CONTROL

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

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

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

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

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

11. REMUNERATION OF THE BOARD OF DIRECTORS

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

In recent years, the directors' compensation has comprised both a fixed fee and an amount of restricted TGS common shares. The remuneration is not related to the Company's financial results. Note 10 of the Consolidated Financial Statements details the directors' remuneration for 2020. TGS believes the remuneration reflects the Board's responsibility, expertise, time commitment and the complexity of the Company's activities.

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

12. REMUNERATION OF EXECUTIVE PERSONNEL

Pursuant to the Norwegian Public Limited Liability Companies Act, section 6-16 a(2), the Board shall prepare guidelines for executive remuneration. In accordance with this, TGS has prepared a Declaration on Executive Remuneration that is released alongside the Annual Report and is available for download at the TGS website.

The Declaration describes:

- TGS' Compensation Policy Statement regarding executive remuneration, including the connection of performance-related remuneration to shareholder value creation and the Company's financial performance over time;
- 2021 executive remuneration, including proposals and implementation; and
- 2020 executive remuneration results and assessment.

Reference is made to the Declaration and Note 10 of the Company's Consolidated Financial Statements for details regarding remuneration of the CEO and other executive personnel.

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

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

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

13. INFORMATION AND COMMUNICATIONS

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

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

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

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

14. TAKE-OVERS

The Board of Directors has established guiding principles for how it will act in the event that a takeover bid is received.

During the course of a takeover process, the Board of Directors and management of both the party making the offer and the target company are responsible for ensuring that shareholders in the target company are treated equally and that the target company's business activities are not disrupted unnecessarily. The Board is particularly responsible for ensuring that shareholders are given both sufficient information and time to assess the offer.

The Board of Directors will not hinder or obstruct takeover bids for the Company's activities or shares.

In the event of a takeover bid for the Company's shares, the Board of Directors will not exercise mandates or pass any resolutions with the intention of obstructing the takeover bid unless this is approved by the General Meeting following announcement of the bid.

Any agreement with the bidder that limits the Company's ability to arrange other bids for TGS shares will only be entered into where such agreement is considered to be in the common interest of TGS and its shareholders. This also applies to any agreement for the payment of financial compensation to the bidder if the bid does not proceed. The terms of any agreements entered into between the Company and the bidder that are material to the market's evaluation of the bid will be publicly disclosed no later than the time of the announcement of the bid.

If an offer is made for TGS' shares, the Board of Directors will issue a statement evaluating the offer and, where appropriate, make a recommendation as to whether shareholders should accept the offer. The Board's statement will set out whether the views expressed are unanimous. The Board may arrange for a valuation of TGS from an independent expert, the conclusion of which will be made public no later than at the time of the public disclosure of the Board's statement. This will also apply if the bidder is a major shareholder, a member of the Board or Executive Management, or close associates of such individuals or anyone who has recently held such a position. Any such valuation will be either appended to the Board's statement, be reproduced in the statement or be referred to in the statement.

Any transaction that is, in effect, a disposal of the Company's total activities will be decided by a General Meeting.

15. AUDITOR

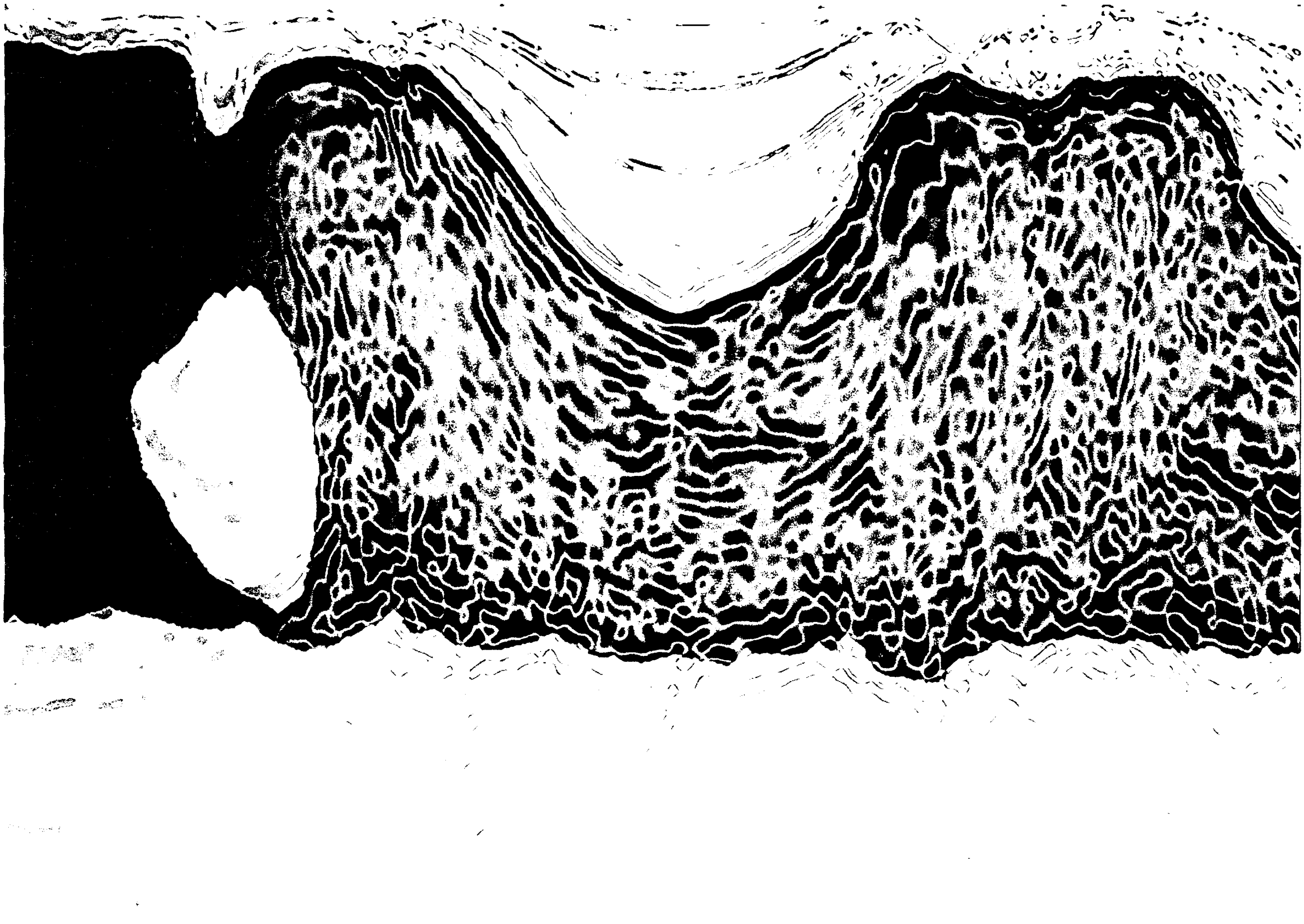
The Board of Directors has determined the procedure for the external auditor's regular reporting to the Board. The auditor attends at least one meeting each year with the Audit Committee of the Board and the Board of Directors in executive session where the Company's management is not represented. In addition, the auditor participates at meetings of the Board relating to the preliminary annual financial statements. If there are any significant changes from the preliminary accounts, the auditor will also participate in the meeting that approves the annual financial statements. The audit engagement partner is also present in all Audit Committee meetings and, in 2020, the auditor participated in all Audit Committee meetings.

The Company's external auditor presents to the Audit Committee the primary features of the plan for the execution of the audit, and reports on the key accounting principles and estimates and the results of the audit to the Audit Committee and the Board of Directors. The auditor also presents any internal control weaknesses and improvement opportunities to the Audit Committee and the Board.

TGS has established guidelines for use of the external auditor for services other than auditing. The Audit Committee receives an annual summary from the external auditor of services other than auditing that have been provided to TGS. The auditor also presents any threats to his/her independence and documents measures implemented to reduce these as required by the Audit and Auditors Act Section 5a-3 3. The external auditor provides the Audit Committee with an annual written confirmation of independence. The Board of Directors reports the remuneration paid to the auditor at the AGM, including details of the fee paid for audit work and any fees paid for other assignments.

The auditor's fee is determined at the AGM. Refer to Note 10 of the Consolidated Financial Statements for auditor's compensation for 2020.

The auditor is required to attend a General Meeting if the business to be transacted is of such a nature that his or her attendance must be considered necessary. In addition, the auditor is, in any case, entitled to participate in the General Meeting.



Investor Relations

TGS has a proven track record of generating healthy free cash flow through both up and down cycles in our industry. As a result, TGS has been one of a few oil services companies worldwide that has kept up dividends through all cycles.

Investor Relations

TGS Shareholder Facts

Symbol: TGS

Listing: Oslo Stock Exchange (member of the OBX index)

ADR: TGSGY (traded on the U.S. over-the-counter-market)

Analyst coverage: 16 firms; for list, see: www.tgs.com/investor-center/investor-relations/shareholder-information/analyst-coverage-tgs

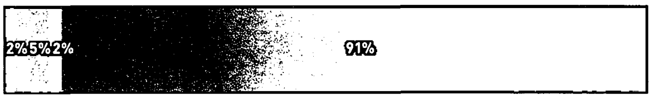
Average daily trading volume in 2020: 466,240 shares

Shareholder Facts	2020	2019	2018	2017	2016
Market Value at 31 December (USD 1000s)	**1,821,570**	3,617,189	2,466,807	2,421,840	2,271,400
Shareholder Equity at 31 December (USD 1000s)*	**1,399,043**	1,611,574	1,265,465	1,200,102	1,169,124
Shares Outstanding 31 December	**117,303,399**	118,906,778	102,647,790	102,345,890	102,135,990
of which Treasury Shares 31 December	**75,000**	1,742,100	104,630	116,180	533,500
Volume Traded on the OSE	**117,026,183**	103,220,804	112,023,226	95,527,192	119,425,966
Average Daily Trading volume	**466,240**	414,541	449,892	380,586	472,039
Share Price at 31 December (NOK)	**132.7**	267.1	208.8	194.2	191.7
Share Price High (NOK at close)	**237.6**	281.6	350.1	208.5	193.8
Share Price Low (NOK at close)	**85.0**	194.64	184.95	157.7	107.0
Earnings per Share (Fully Diluted)*	**(1.14)**	1.61	1.33	0.73	0.28
Dividend per Share (paid in year) (USD)	**0.75**	1.08	0.80	0.60	0.60
Yield (% closing price at day of announcement)**	**4.51%**	4.02%	2.63%	2.77%	3.71%
Market Price/Earnings per Share (P/E)*	**Neg.**	18.53	17.93	32.04	82.14
Market Price/Equity per Share (P/B)	**1.30**	2.31	1.95	2.02	1.94
Enterprise Value/Operating Profit (EV/EBIT)*	**Neg.**	16.76	12.77	22.29	39.23

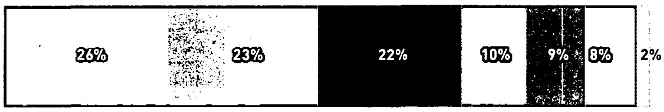
* Segment reporting
** Average annualized yield at the day of announcement of quarterly dividens

Distribution of Share Holdings*

TGS Shareholder Composition



TGS Institutional Shareholder Composition



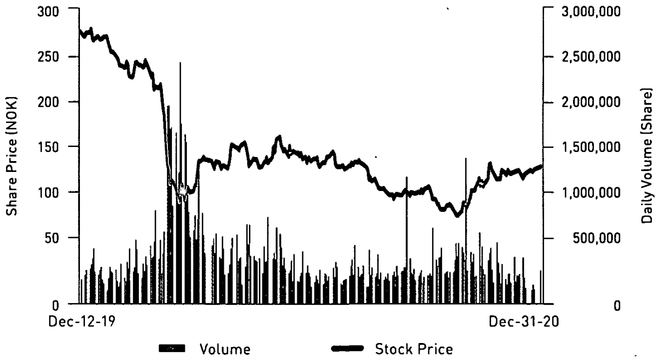
Stock Performance

TGS is listed on the Oslo Stock Exchange and also has an American Depository Receipt (ADR) facility managed by The Bank of New York Mellon. TGS is part of the OBX index, being among the 25 most liquid stocks in Norway.

During 2020, the TGS share price declined 50%, closing at NOK 132.7 (30 December 2020).

The TGS share had a volatile development during 2020. It dropped in March when COVID-19 developed into a pandemic and the oil price tumbled. It recovered somewhat during the spring and remained relatively stable until early August, when it again entered a weak period. The low point was reached in late October, after which both the TGS share and the general stock market performed strongly until year-end. For the year of 2020, the TGS share was down 47.7% adjusted for dividend payments (50.3% unadjusted).

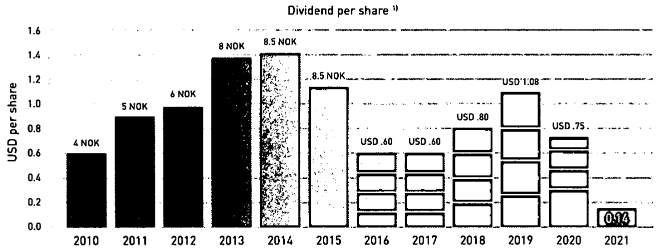
TGS Share Price and Volume



Capital Distribution to Shareholders

TGS is constantly evaluating the best use of its cash flow from operations for continued shareholder growth. The company uses cash for organic investments in its multi-client library, historically providing healthy returns. In addition, the company from time to time uses cash for inorganic investment opportunities. This can include the acquisition of third-party libraries or complementary businesses that adds value to the TGS offering.

Dividend Paid (2010 - 2021)



[1] Quarterly dividends defined in USD from 2016. Historical NOK dividends converted to USD using FX rate on ex-dividend date

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

In addition to paying a cash dividend, TGS may also buy back its own shares as part of its plan to distribute capital to shareholders. In 2020 the Company spent USD 6.6 million repurchasing shares.

Dividend Paid (2010 - 2021)

*2016 - 2021 Dividend Yield annualized based on the weighted yield at the time of announcement of quarterly dividends

From 2016, TGS started paying quarterly dividends in accordance with the resolution made by the Annual General Meeting on 6 May 2015 and renewed on 9 May 2017. The aim is to keep a stable quarterly dividend through the year, but the actual level paid will be subject to continuous evaluation of the underlying development of the Company and the market.

The ex-dividend date will normally be seven days after the announcement of the dividend in connection with the release of the quarterly financial statements, with the payment date 14 days after the ex-dividend date.

In 2019, TGS paid quarterly dividends of USD 0.375 per share in Q1 and USD 0.125 per share in Q2-Q4, amounting to USD 0.75 per share (NOK 7.05 per share) for the year, and repurchased 268,900 shares at an average price of NOK 229.38 per share.

On 11 February 2021,TGS announced that the Board of Directors had resolved to increase the quarterly dividend payable in Q1 2021 to USD 0.14 from 0.125 in Q4 2020. The quarterly dividend was paid on 4 March 2021.

Also, on 11 February 2021, it was announced that the Board had authorized a share repurchase program of up to USD 20 million to be executed before the Annual General Meeting in May 2022, subject to renewal of the existing authorization to acquire own shares by the 2021 general meeting .

Investor Relations at TGS

TGS places great emphasis on providing accurate and timely information to the market and shareholders. The earnings reports and press releases are issued only in English to ensure simultaneous and consistent information to all shareholders.

The full-year financial reporting calendar is published and posted on the TGS website. This calendar is updated annually following the second quarter earnings release. Each quarter TGS pre-announces the quarterly revenues no later than the sixth trading day after quarter close, at the Oslo Stock Exchange.

The full quarterly financial statements are typically released 3-6 weeks after quarter close and at the same day the results are presented by the CEO and CFO through a webcast. All presentation material is published on the TGS website in near real time.

In addition to the quarterly and annual financial reports, TGS also provides interim information of significance through press releases to aid in the assessment of the Company's value. TGS management maintains a quiet period on discussing significant business during intervals spanning the last weeks of a financial quarter and up to the pre-announcement of revenues for that financial period.

The general shareholders meetings for TGS are held in Oslo, Norway. All shareholders are invited to attend. Shareholders who wish to attend shareholder meetings must notify the Company of their attendance, at the latest, three business days before the day of the meeting. Shareholders who have not given notice of attendance can be denied the right to meet and vote at shareholder meetings. Documents concerning matters to be considered at the general shareholder meetings are made available on the Company's website prior to the event. To vote at an annual or extraordinary general meeting, a shareholder must be registered as a holder of title to the shares to be voted in the share register maintained at the Norwegian Central Securities Depository (VPS), in due time before the shareholders meeting.

TGS Executive Management is available for direct contact with investors, potential investors and analysts on an ongoing basis and regularly participates in road shows and investor conferences in both Europe and North America. Historical financial reports can be found on the TGS website at www.tgs.com/presentations/tag/earning-releases.

For more information regarding TGS, contact CFO Fredrik Amundsen.

Fredrik Amundsen
CFO / Oslo, Norway

Sustainability Report

"TGS is responsible to our customers, our employees, the communities in which we live and work, to the world community and to our shareholders. Living the TGS Values every day, in everything that we do, helps us to meet or exceed the expectations of our stakeholders both today and in the future, and is critical to delivering sustainable growth over the long term."

/// Hank Hamilton, Chairman of the Board

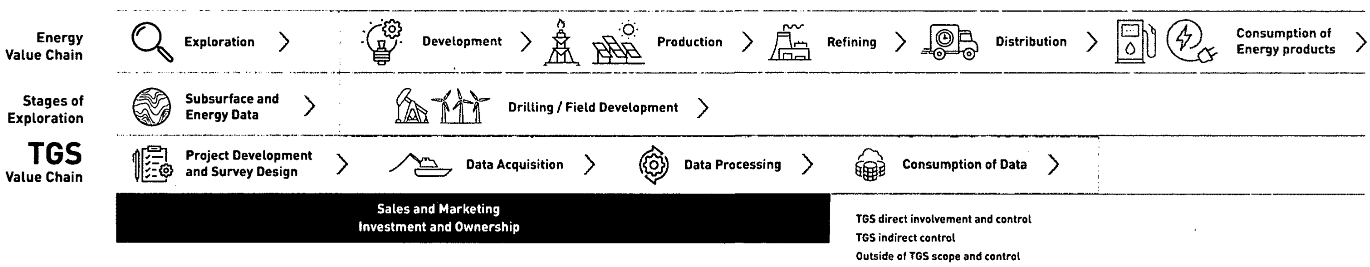
Corporate Sustainability Report

1. OUR COMMITMENT TO SUSTAINABILITY

1.1 What TGS Believes

Sustainability is an integral part in how TGS operates and is essential to our prosperity and the prosperity of our stakeholders. TGS provides data, intelligence, advanced processing, analytics, cloud-based data applications and other specialized services and solutions to energy companies in support of oil and gas exploration, carbon capture and storage, deep sea mining, and geothermal, wind and solar energy development. By being asset-light and investing in multi-client projects in frontier, emerging and mature markets worldwide, TGS has the world's largest integrated subsurface data library that includes seismic data, magnetic and gravity data, multibeam and coring data, digital well logs and production data from deepwater offshore to conventional and unconventional plays worldwide. We have a global presence to support our customers in any market with our corporate headquarters in Oslo, Norway; our operational headquarters in Houston, Texas, USA; and with additional offices located in Brazil, Australia, United Kingdom and Canada.

The past year brought new challenges and opportunities with implementing our sustainability strategy. One of the Company's primary focuses was addressing the impact of the COVID-19 pandemic to both the workforce and field operations by developing global and local strategies aimed at ensuring the health, safety, engagement and wellness of our employees and contractors. TGS imposed measures for targeting and reducing Scope 1 and 2 emissions with the aim of achieving carbon neutrality by 2030 and began collaborations with our industry and supply chain to address our Scope 3 emissions resulting from our seismic operations. The Company implemented a new Human Rights policy coupled with enhanced supply chain review and monitoring to ensure compliance with human rights, labor and modern slavery laws. Finally, TGS focused on helping our customers address their sustainability initiatives and diversified into providing commercial solutions for other energy-related industries by laying the groundwork for the New Energy Solutions business unit launched at the start of 2021.



1.1.1 Governance

Oversight for TGS' sustainability strategy starts at the top with our Board of Directors, which approved TGS' sustainability strategy in 2019 and monitors the implementation of that strategy (4 Board meetings). The Board receives reports on TGS' sustainability efforts at a corporate level, including updates on the Company's data security program (4 Board meetings), compliance program which includes anticorruption and human rights (6 Board meetings), operational and workforce health and safety program (4 Board meetings), and employee engagement and HR efforts (5 Board meetings). Additionally in 2020, the Board received updates throughout the year on TGS' response to the COVID-19 pandemic (7 Board meetings) from (i) a health and safety standpoint as it affected our workforce and our project operations, (ii) an employee engagement standpoint as our workforce operated remotely throughout the majority of the year, and (iii) a data security standpoint given the remote working environment. The Board also held special strategy sessions (2 Board meetings) to address key sustainability issues including carbon emissions tracking and targeting in our operations, improving gender diversity in our workforce, and diversifying TGS data and service offerings to the renewables industry and other industries outside of oil and gas.

TGS' Leadership Team is responsible for implementing TGS' sustainability strategy and does so by incorporating sustainability goals into both the corporate goals for the Company as well as their respective departments' goals. TGS also includes health and safety and other sustainability targets, like emissions reduction targets, into its long-term incentive plan (see TGS' 2020 Declaration on Executive Remuneration).

In 2020, TGS made organizational changes, including creating an independent Cybersecurity department to implement the Company's cybersecurity program and a separate ESG department to oversee the implementation of TGS' sustainability strategy. These departments, along with the Compliance, HR and HSE departments, set annual goals and strategies for ensuring TGS' sustainability efforts are incorporated into the company's operations, and the performance of each of these strategies is regularly reported to both the Board and the Leadership Team.

1.1.2 Managing Sustainability Risks and Opportunities in TGS' Value Chain

A critical element of TGS' sustainability strategy is our multi-faceted approach to understanding and evaluating the risks our business faces. In addition to our annual risk enterprise program discussed below, the evaluation of sustainability risks and opportunities is part of TGS' annual strategy sessions by the Board and Leadership Team and is part of the TGS project evaluation process for each investment decision.

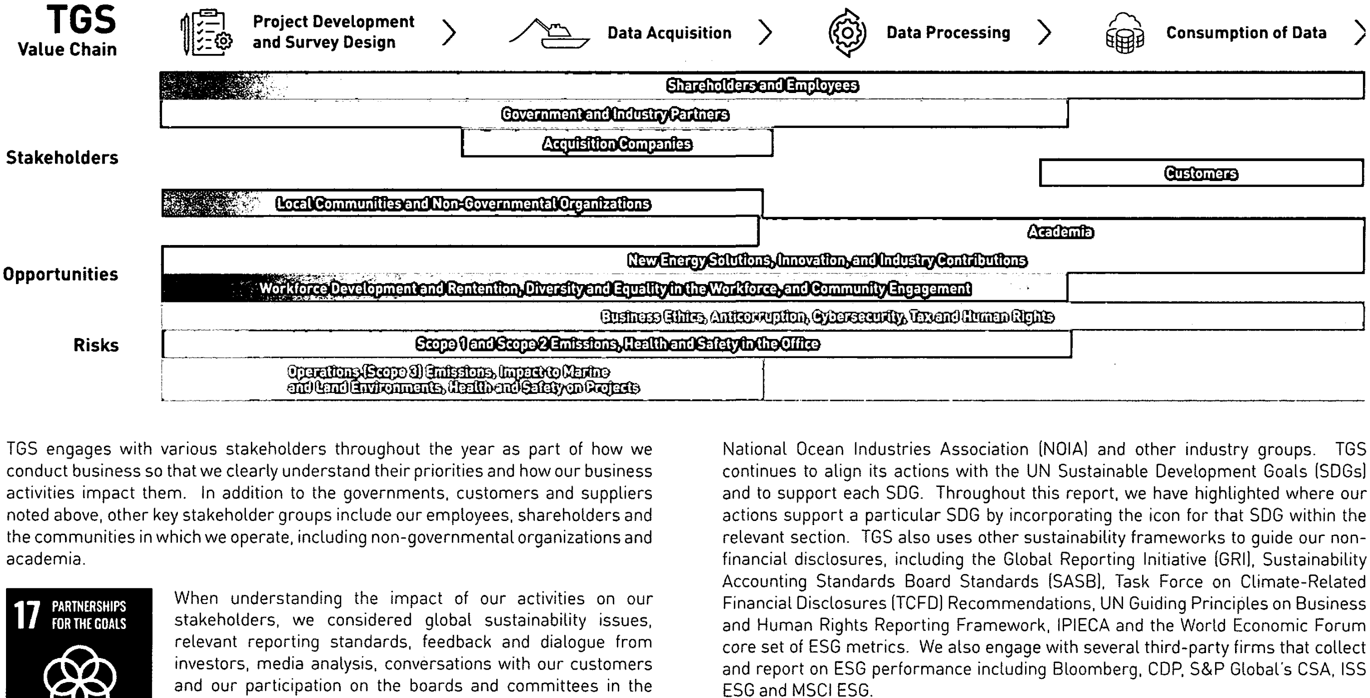
TGS evaluates sustainability risks as part of the annual enterprise risk management process, which is implemented by the head of Compliance and ESG and overseen by the Board of Directors and CEO. This process includes feedback from key employees across the organization and offices, as well as our Leadership Team and Board of Directors, to identify, evaluate and prioritize the risks the Company faces. The standardized framework allows for year-over-year comparison of results to identify and understand risk trends. Through this process, we understand (i) where further action may be needed if a risk's materiality, impact or probability of occurring increases (i.e., cybersecurity, macroeconomic event) and (ii) where our risk management efforts are effective as a result of decreasing materiality, impact or probability scores. To address those risks and embed sustainable solutions within our organization, TGS relies upon policies, procedures and guidelines, as well as targeted action plans with key performance indicators to measure progress. TGS uses these key performance indicators, for example, to measure safety performance and impact to marine environment, and to evaluate its sustainability efforts.

In addition to the annual risk enterprise program, TGS' Leadership Team and the Board of Directors hold sessions throughout the year to discuss risks that impact our business, to set corporate goals, and to review and update our corporate long-term and short-term strategies. As noted above, sustainability issues and risks are woven into this process, with climate change, gender diversity, health and safety, cybersecurity and employee engagement being key corporate risks and issues our Board focused on in 2020, in large part due to the impact of the COVID-19 pandemic and the drop in oil price.

Finally, each investment decision, or significant commercial project undertaken by TGS, incorporates risk analyses from key groups, including the Legal department, the Finance and Tax department, the Compliance department and the HSE department, prior to its review and approval by Executive Management. Each of these processes, along with our corporate governance principles, provides the necessary underpinnings for monitoring risk and incorporating sustainability within our organization and operations.

1.2.3 Materiality and Stakeholder Engagement

TGS' sustainability strategy is driven by our stakeholders' priorities and the issues identified as being material to them and to TGS. Understanding our role and the role of our stakeholders in the value-chain helps TGS prioritize sustainability topics that are more significant to us and our stakeholders. We recognize our value chain is expanding beyond oil and gas to incorporate new energies, and our stakeholder engagement has been expanded, and will continue to expand, to address the evolving energy mix.



TGS engages with various stakeholders throughout the year as part of how we conduct business so that we clearly understand their priorities and how our business activities impact them. In addition to the governments, customers and suppliers noted above, other key stakeholder groups include our employees, shareholders and the communities in which we operate, including non-governmental organizations and academia.

When understanding the impact of our activities on our stakeholders, we considered global sustainability issues, relevant reporting standards, feedback and dialogue from investors, media analysis, conversations with our customers and our participation on the boards and committees in the International Association of Geophysical Contractors (IAGC), National Ocean Industries Association (NOIA) and other industry groups. TGS continues to align its actions with the UN Sustainable Development Goals (SDGs) and to support each SDG. Throughout this report, we have highlighted where our actions support a particular SDG by incorporating the icon for that SDG within the relevant section. TGS also uses other sustainability frameworks to guide our non-financial disclosures, including the Global Reporting Initiative (GRI), Sustainability Accounting Standards Board Standards (SASB), Task Force on Climate-Related Financial Disclosures (TCFD) Recommendations, UN Guiding Principles on Business and Human Rights Reporting Framework, IPIECA and the World Economic Forum core set of ESG metrics. We also engage with several third-party firms that collect and report on ESG performance including Bloomberg, CDP, S&P Global's CSA, ISS ESG and MSCI ESG.

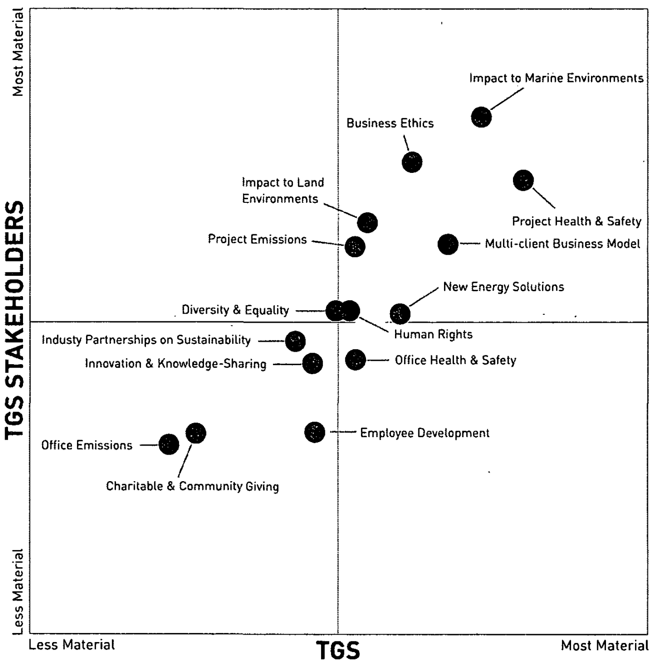
We also engage with our employees through global quarterly meetings, TGS' annual risk assessment, and strategy sessions to assist in our materiality determination. In 2020, TGS increased communications from the CEO to employees in an effort to keep our predominately remote workforce informed. Further, TGS conducted both global and local polls of our workforce on workforce-related issues, as well as the employee engagement survey and employee compliance assessment discussed in this report.

We also enhanced our efforts to understand our stakeholders' sustainability priorities in 2020 by incorporating a specific sustainability section into our annual risk enterprise program in order to assess both TGS' sustainability priorities and our perception of our stakeholders' sustainability priorities. As evidenced by the following chart, key sustainability issues for TGS and our shareholders continue to be focused on seismic operations and ensuring we conduct our business in an ethical and transparent manner. It is understandable that our sustainability focus is on our field operations as our employees predominantly work in office environments, and TGS relies upon marine and onshore suppliers and contractors to conduct our seismic operations in the field where there is a greater exposure to environmental, social and governance risks.

As the Company does not own or operate the vessels or seismic equipment, nor does it employ the crews utilized in our operations, TGS must exercise greater oversight over the suppliers we use in our worldwide operations to ensure their ethical, labor, health and safety, and environmental practices are aligned with TGS' expectations. To ensure our supply chain understands TGS' priorities and incorporates similar priorities into its business, TGS implemented a Supplier Code of Conduct in 2020 that addresses (i) business and ethics integrity, (ii) health, safety and the environment, and (iii) labor and human rights. This document is publicly available on the sustainability section of TGS' website and is incorporated into TGS' agreements with its suppliers, vendors and consultants, along with other relevant policies such as our Health and Safety policy, Human Rights policy and Anticorruption policy. How we manage our suppliers with respect to each of these issues is discussed in more detail throughout this report.

Finally, at the end of 2020, TGS initiated a customer feedback process that will continue into 2021. This process includes specific questions related to our customers' sustainability priorities as it relates to their business with TGS. The results of these surveys will be reviewed, analyzed and compared to our risk enterprise results to identify gaps and synergies in 2021.

Materiality of Sustainability Priorities



1.2 TGS' Commitment to Ethical and Transparent Behavior

1.2.1 Integrating Business Ethics into TGS

16 PEACE, JUSTICE AND STRONG INSTITUTIONS

TGS is committed to complying with all applicable laws, including fair competition and antitrust, export controls and trade sanctions, anticorruption and anti-bribery, and insider trading. We engage in ethical and fair business practices with our clients, partners, suppliers and other third parties. In return, TGS expects the highest levels of personal conduct and fair dealing from all its employees, the Board of Directors, partners and any third parties retained on behalf of the Company. TGS believes in competition and endeavors to not take an unfair advantage in a business situation by acting illegally, unethically or by abusing or misusing confidential information.

The TGS Code of Conduct sets the standard of responsible conduct and fair business practices for every TGS employee and serves as the Company's ethical roadmap to ensure that all employees perform their duties with honesty and integrity and in accordance with the law. TGS' Compliance Program endeavors to foster an open, transparent and ethical environment centered around its Code of Conduct. TGS' Compliance Officer reports to the Board of Directors and provides updates on at least a quarterly basis, as well as participates in the Audit Committee meetings. The Compliance Officer sits on the Leadership Team and participates in the regular leadership meetings, annual planning sessions and departmental business reviews.

The Compliance Officer aims to educate TGS employees on potential compliance concerns as well as implement policies, procedures and guidelines to detect and prevent potential compliance issues. TGS has in-person workshops with various business groups to discuss the key compliance risks relevant to their departments to ensure understanding, build awareness and foster dialogue. In addition, there are mandatory e-learning sessions on key topics within our Code of Conduct that employees must complete each year. In 2020, 100% of TGS employees completed the Code of Conduct training and certified their compliance to TGS' Code of Conduct.

Finally, TGS conducted an employee-wide compliance assessment in 2020 that focused on TGS employees' (i) perception of TGS' compliance program and the ethical leadership of TGS; (ii) understanding and enactment of TGS' Code of Conduct and compliance program on a daily basis; (iii) perception of TGS' compliance challenges; and (iv) willingness and comfort with reporting concerns. Ninety percent (90%) of employees participated in the assessment, and the results were predominately favorable with over ninety-five percent (95%) of participants agreeing that:

- ✔ TGS values compliance and conducting business in an ethical manner.
- ✔ Their manager provides a good example of ethical business behavior.
- ✔ TGS' compliance program is effective in ensuring TGS is compliant with the law and ethics.
- ✔ Employees receive appropriate training and guidance on the compliance risks relevant to TGS and their jobs.
- ✔ TGS provides sufficient reporting channels to raise concerns regarding non-compliance.
- ✔ Employees know where to go if they have questions about the Code of Conduct or TGS' compliance program.

TGS intends to continue this exercise on at least a biannual basis going forward so as to measure and track the understanding and effectiveness of its compliance program.

1.2.2 TGS' Anticorruption Efforts

TGS recognizes that preventing bribery and corruption in its operations is essential in today's business environment. TGS works to ensure that its employees, as well as our partners and third parties, understand and are sensitive to the legal requirements that apply to the Company's operations, including the U.S. Foreign Corrupt Practices Act, the U.K. Bribery Act, the OECD Convention on Combating Bribery of Foreign Public Officials in International Business, and the anti-bribery and anticorruption laws of the various countries in which TGS operates or conducts projects.

In addition to TGS' Supplier Code of Conduct, which also addresses anticorruption, TGS' Anticorruption policy is publicly available on TGS' website and applies to all TGS employees and third parties acting on behalf of TGS. TGS' Anticorruption policy expressly prohibits bribery, kickbacks and other illegal payments, as well as facilitation payments and political contributions on behalf of the Company. Review and prior approval are required for gifts, entertainment or travel expenses provided to government officials, as well as charitable or social welfare contributions to be made by or on behalf of TGS. Finally, TGS periodically conducts assessments of its policies, procedures and guidelines to identify weaknesses and areas for improvement. In 2020, one hundred percent (100%) of TGS employees completed a separate anticorruption online training program, and TGS had no confirmed instances of corruption in 2020 (same as 2019).

TGS conducts a risk-based analysis that assesses the potential anticorruption risks of projects. This analysis includes a review of the scope of the project; the countries in which it will take place, the use of any partners, consultants, suppliers or vendors; and the necessary mitigation measures to combat the corruption risk. Only a small portion of TGS' revenues (<2.5%) derive from projects located in the 20 countries ranked lowest by Transparency International in its Corruption Percentage Index.

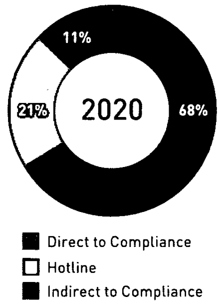
TGS expects its partners and third parties (suppliers, vendors, agents and consultants) to share its commitment to ethical, lawful conduct and takes a zero-tolerance position with third parties who fail to understand and abide by their compliance obligations. To that end, TGS works with its partners and third parties, particularly those assessed as presenting a higher compliance risk, to stress the importance of operating ethically and in compliance with international anticorruption laws and anti-bribery laws. In 2020, this included (i) conducting due diligence on partner and third-party relationships (based upon various risk factors including geographic location and nature of services) at the outset of the relationship and updating that information on a regular basis throughout the relationship; (ii) incorporating compliance provisions in the agreements that prohibit bribery and corruption; (iii) requiring TGS' third parties to certify their compliance with TGS' Anticorruption policy and complete online anticorruption training; and (iv) reviewing payments made to high risk third parties. All of TGS' international agents that were assigned anticorruption training and a compliance certification completed their certification and training in 2020. Finally, TGS had no reported anticorruption violations by its international agents in 2020.

1.2.3 TGS' Compliance Reporting Process

TGS provides multiple avenues for TGS' internal and external stakeholders to discuss or report potential non-compliance with the law or TGS' Code of Conduct. Employees and external stakeholders, such as customers, contractors or suppliers, are encouraged to report any perceived violation of TGS' values or policies to their supervisor, the Compliance Officer or through the TGS hotline, which is publicly available and allows employees or external stakeholders to report suspected instances of non-compliance anonymously. Policies are in place that prohibit retaliation against reporting employees, and TGS investigates each reported non-compliance of the law or TGS' Code of Conduct, which may include discrimination, harassment, misuse of confidential information, failure to follow policy or internal controls, insider trading, conflicts of interest, financial fraud or corruption issues.

In 2020, 19 matters were reported either directly or indirectly to the Compliance Officer or to the TGS hotline, each of which were investigated and addressed. This is an increase from 2019 (11 matters) and 2018 (2 matters) and contributing factors include the COVID-19 crisis, reductions in force that took place in 2020 and data security incidents. The predominant reporting method continues to be directly to the Compliance department. This was also supported by the responses to the 2020 Compliance Assessment in which 70% of employees indicated that they were comfortable raising compliance matters directly to the Compliance department and over 90% feel comfortable raising concerns regarding non-compliance without fear of retaliation.

Compliance Matters



1.2.4 2021 Compliance Goals

TGS has set the following compliance-related goals for 2021 and beyond:

- 100% of all TGS employees to complete Code of Conduct training in 2021
- All employees holding roles deemed to be a higher risk for anticorruption (management, project development, government relations, finance, sales, legal) to complete anticorruption training in 2021
- All high-risk third parties to complete anticorruption training and certification in 2021
- Perform employee-wide compliance assessment in 2021

1.3 Cybersecurity

TGS' Board of Directors is responsible for overseeing TGS' cybersecurity strategy, and the Board receives reports on TGS' data security efforts and any notable incidents as part of the regular compliance updates provided to the Board. TGS' Board and leadership also assess TGS' cybersecurity efforts as part of TGS' annual risk enterprise program. TGS continues to mature its cybersecurity program by using business drivers to guide cybersecurity activities and as part of the organization's risk management processes. In 2020, TGS created an independent Cybersecurity department that reports to the Executive Team and works closely with other departments throughout the organization, such as IT, legal, compliance, HR and operations, to ensure that there is consistency in data security governance and that compliance objectives are met, policies and procedures are followed, and standards are adhered to.

TGS' cybersecurity strategy is aligned with the NIST Cybersecurity Framework, and annual assessments are conducted to evaluate the current maturity state and aid in the development of the cybersecurity program. In addition, TGS promotes cybersecurity awareness and education through an annual Security Training Program, completion of which is required by all TGS employees. In 2020, TGS pushed forward many cybersecurity improvements, some due in part to concerns related to a largely remote workforce throughout 2020 as a result of the COVID-19 pandemic. Particular focus was paid to strengthening the security around remote access, such as VPN, the use of cloud services, and to updating TGS' corporate password policy to align with best practices. Awareness campaigns informed and educated employees about concerns and best practices for working from home, including ensuring TGS' information remained secure in a remote environment. Cybersecurity maturity across all NIST CSF functions was evaluated, and a roadmap for continued development and improvements has been established.

TGS has set the following cybersecurity-related goals for 2021 and beyond:

- Implement and/or update key cybersecurity policies and programs, including an Incident Detection and Response program, Computer Incident Response plan and Vulnerability Management program, necessary for an effective cybersecurity program.
- Review and update, as needed, the technical aspects of TGS' cybersecurity program to ensure alignment with appropriate practices for the organization, including cloud security, perimeter security, data loss prevention and mobile device management.
- Expand TGS' security awareness and training program to provide targeted training to employees, particularly those deemed a higher risk due to their responsibilities or position within the organization and access to sensitive commercial or financial information related to TGS (i.e., management, finance, human resources, IT, data and analytics, etc.).

1.4 Tax

TGS is exposed to different kinds of taxes, including income taxes, withholding taxes, sales taxes, customs and social security taxes, as part of its global operations and is committed to complying with the letter and spirit of tax laws and regulations in the countries in which it operates. TGS' Tax policy is set by the Board and managed by the Finance department's tax manager who reports to the CFO, participates in Audit Committee meetings and engages with external, local tax consultants, independent from our auditors, when necessary. Given that TGS operates globally and conducts projects in different jurisdictions, TGS assesses the different tax risks as part of project approval process so that the company understands its exposure to different tax risks, including double taxation, and structures the project to optimize tax consequences. TGS does not use tax havens or offshore tax centers nor do we transfer value created to lower tax jurisdictions solely for a more favorable tax regime. TGS paid USD 63.7 million in taxes in 2020, and below is a summary of the taxes paid in 2020 in TGS' key jurisdictions.

Country	Taxes Paid in 2020* *(all amounts are in USD 1,000s unless noted otherwise)*
Norway	(27,947)
United States	(13,203)
United Kingdom	102
Brazil	(7,155)
Argentina	(14,513)
Canada	912
Singapore	(178)
Australia	(1,711)

*Included in these amounts are (i) payment of income tax following the 2019 income tax filing; (ii) prepayments of 2020 taxes; and (iii) indirect taxes

2. ENVIRONMENT

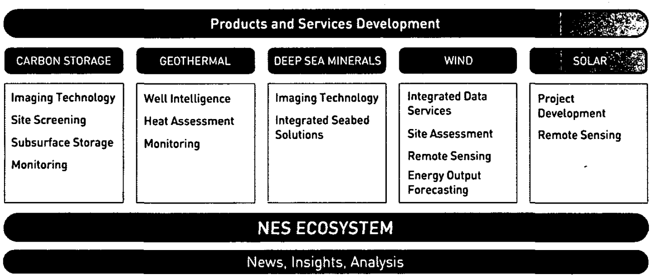
2.1 New Energy Solutions

7 AFFORDABLE AND CLEAN ENERGY

While oil and gas remain an important part of the energy mix for the foreseeable future, TGS recognizes the strong growth that is and will continue to occur in renewables. As the energy mix shifts, there is the opportunity for TGS to leverage our data, insights and core competencies, such as geoscience skills, digitalization, data capture and management, and our global presence, to build broad offerings for other industries, including carbon capture and storage, deep sea mining, geothermal energy, wind energy and solar energy.

TGS launched the New Energy Solutions group aimed at creating an industry portal of new energy data that will support our clients' digital transformation and energy transition goals. TGS intends for this group to achieve its success through multiple avenues including organic growth and expansion of our existing data and insight solutions, partnerships and inorganic growth.

The New Energy Solutions Offering



2.2 Climate Change

2.2.1 TGS' Climate-related Strategy

13 CLIMATE ACTION

In 2020, TGS continued to incorporate climate risk into its business and operational strategy by using the "Task Force on Climate-related Financial Disclosures" (TCFD, set up by the Financial Stability Board) so that it can address the financial impacts of climate risks and opportunities. To the right is TGS' status and goals with respect to climate risk:

TGS Climate-Related Strategy

GOVERNANCE	STRATEGY	RISK MANAGEMENT	METRICS and TARGETS
TGS' Board of Directors oversees TGS' business strategy, and in particular, TGS' efforts when it comes to assessing financial, business, operational risks associated with climate change to TGS and our impact on climate change. TGS' leadership, operations, sustainability and HSE departments are responsible for assessing and managing these risks to the organization and updating the strategy to address these risks.	In developing TGS' strategy, the company looks at a variety of factors and indicators that have the potential to impact our business, including market conditions, oil price, technology changes, and legislation and policy shifts, all of which are affected by climate-related risks and opportunities.	TGS identifies, assesses, and manages risks at varying levels, including at the overall corporate level, department level and project level. These risk assessments incorporate an analysis of our industry and market and the potential impacts, including climate-related impacts, that each will have on our business, as well as changes in environmental legislation and industry practices.	TGS measures its emissions related to its vehicles and the electricity usage in its offices and data centers (Scope 1 and 2). Thus far, TGS' Scope 3 reporting is limited to emissions based upon fuel consumption related to our marine and onshore operations; however, TGS aims to expand this to include business travel in the future. In 2021, TGS began setting targets aimed at reducing our Scope 1 and 2 emissions to net zero by 2030.
Action Plan	**Action Plan**	**Action Plan**	**Action Plan**
a) The financial and other impacts related to climate change (energy industry reputation, technology changes, energy transition) are considered by the Board and TGS' leadership as part of the annual risk enterprise assessment and their annual strategy sessions. TGS recently announced a Board-approved, updated strategy at the start of 2021 to address both the risks and opportunities that a more diverse energy mix going forward will have on traditional oil and gas and new energy solutions.	a) TGS has identified the energy transition and diversifying energy mix to be both a climate-related opportunity and risk. There is opportunity for TGS to diversify its product offerings and solutions to address this growing industry and offset the risks associated with a potential decrease in oil and gas exploration. See TGS' 2021 Capital Markets Day Presentation for more information on TGS' updated strategy.	a) Climate-related risks are identified and assessed through environmental impact assessments (EIAs), site surveys, public or social consultations, engaging with environmental consultants, participation and membership in industry trade organizations (e.g. IAGC, IOGP), project-specific hazard assessments and consultation with regulators and permitting agencies.	a) TGS Scope 1 emissions are derived from a couple of vehicles owned by the company, whereas the Scope 2 emissions are derived from electricity usage in its offices and datacenters. TGS reports emissions derived from fuel consumption by our vendors for our marine, onshore, and air seismic operations as Scope 3 emissions.
b) TGS recently updated its strategy to be prepared for a greater energy mix to address both the risks and opportunities that will result from the impact the energy transition is having on traditional oil and gas companies and the emergence of new energy solutions. Implementation of this is brought about by diversification of TGS' business through a New Energy Solutions department and an increased presence of ESG on TGS' Executive Team.	b) TGS' strategy has been adjusted to account for a more diverse energy mix, which presents opportunities for TGS to diversify its business and revenue stream to serve carbon capture and storage, deep sea mining, geothermal energy, wind energy and solar energy. This adjusted strategy addresses the potential financial impact if exploration decreases and provides business opportunities for new revenue streams, products, and services.	b) TGS commissions EIAs to understand potential impacts on the environment it may operate in. TGS also employs protected species observers (PSO's) and utilizes passive acoustic monitoring (PAM) on its operations in order to ensure our operations do not have a detrimental effect on the environment in which we operate. TGS employs various other environmental mitigation measures including conducting soft starts or ramp-ups and placing buffer zones around environmentally sensitive areas.	b) In 2020, TGS' Scope 1 emissions were 385 mt of CO2e; Scope 2 emissions were 13,586 mt of CO2e; and the emissions derived from our onshore and marine operations totaled 144,722.05 mt of CO2e.
	c) TGS has adjusted its strategy in line with the energy transition within the industry, and results of this were presented to the market in early 2021. TGS intends to do full climate change scenario analysis that includes both a 2°C and lower scenario based upon the Paris Agreement. This analysis will look at the market, legal, policy, technological and physical risks related to varying climate change scenarios and their potential impacts to TGS. The Board will review this analysis and incorporate it into its strategy and planning. TGS will make further adjustments as needed based upon the results of the climate change scenario analysis to be completed in 2021.	c) TGS' annual risk enterprise program incorporates environmental and climate related risks, as well as TGS' mitigation measures. TGS' Board and Leadership Team also look at the climate-related risks and opportunities as part of its regular strategy sessions to ensure that TGS' short-term and long-term strategies account for all relevant risks and opportunities. TGS also receives regular feedback from its stakeholders, including investors and clients, and incorporates such feedback into how TGS manages its climate-related risk.	c) TGS has set a target of reducing its Scope 1 and Scope 2 emissions year over year with the goal of becoming net zero in Scope 1 and Scope 2 emissions by 2030. TGS is also working to incorporate a climate-related impact analysis into its internal investment decision-making process.

2.2.2 Scope 1 Emissions

TGS is an office-based company that does not operate or own vessels, manufacturing plants or factories. Nevertheless, TGS is committed to working towards understanding the energy consumption and greenhouse gas emissions in its operations and finding ways to reduce its impact. TGS' Scope 1 emissions are not material to our overall emissions (less than 3% of our combined CO2e emissions for Scope 1 and 2). These emissions are related to two vehicles maintained by the company for local deliveries in Houston and Oslo and the natural gas used to heat the office building TGS owned in Bedford prior to it being sold in the summer of 2020. The drop in Scope 1 emissions is due to the impact of COVID-19 moving our operations remote for a significant portion of the year and many of our deliveries being through other means, such as electronic or courier.

Scope 1 Emissions	2020	2019 [1]	2018
CO_2e (mt)	385	629	719
CO_2 (mt)	384	628	659
CH_4 (kg)	514	841	841
N_2O (kg)	203	320	321

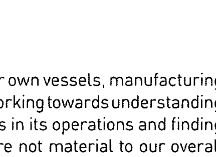
TGS Scope 1 and 2 Emissions

[1] As part of our commitment to becoming net zero by 2030 in our Scope 1 and 2 emissions using science-based targets on emissions reductions, we are undergoing a thorough, third-party review of our emissions data categories and reporting processes with the aim of increasing transparency and identifying gaps in our current reporting. Through this review process, we have identified the exclusion of the natural gas used to heat our Bedford office in our 2019 Scope 1 emissions reporting, which has been corrected above.

2.2.3 Scope 2 Emissions

Energy usage in our offices and data centers make up TGS' Scope 2 emissions. Energy consumption for data processing and high-performance computing are responsible for the bulk of the emissions related to the generation of purchased energy (Scope 2), with our Houston data center comprising of 90% of our 2020 data center emissions.

TGS Scope 2 Emissions

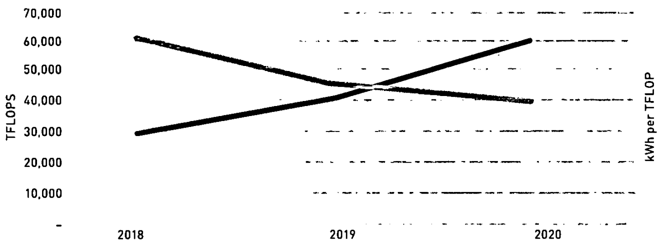


TGS' offices saw a reduction in emissions in 2020, due in large part to the remote working environment created by the COVID-19 pandemic. The Company, however, continues to also look for ways to ensure its offices are more energy-efficient. Our Norway office operates entirely on renewable energy provided by hydropower, and TGS is looking for ways to improve the energy efficiencies in its other offices through utilizing more energy-efficient equipment or purchasing renewable energy sources to power all or part of the office. In 2020, TGS designed its new offices in the UK with energy efficiency in mind by using LED lighting throughout the space, upgrading the HVAC systems to more efficient models and installing a new ventilation system. In 2021, TGS will continue to explore ways to utilize renewable power sources for our offices or otherwise offset emissions.

Scope 2 Emissions	2020 (kWh)	2019 (kWh)	2018 (kWh)	2020 (CO_2e mt)	2019 (CO_2e mt)	2018 (CO_2e mt) [2]
Offices	2,907,746	4,284,513	4,380,081	1,026	1,544	1,026
Data Centers	30,284,307	25,694,549	21,676,330	12,557	10,662	9,506
Total	**33,192,071**	**29,979,062**	**26,056,411**	**13,586**	**12,207**	**10,770**

[2] Through the review process described in the above footnote, we have identified inaccuracies in the calculation of CO2e for our Scope 2 emissions which will result in a restatement of our 2018 and 2019 Scope 2 CO2e emissions. These updated calculations are now based upon the Carbon Footprint Country Specific Electricity Grid Greenhouse Gas Emissions Factors (last updated September 2020) for non-US locations and the U.S. Environmental Protection Agency's Center for Corporate Climate Leadership Greenhouse Gas Inventory Guidance Documents and Emissions Factors Hub for US locations (last updated August 2020).

TGS is also finding ways to ensure our data processing and high-performance computers are energy efficient and sustainable. The Company spent a good deal of 2020-2021 centralizing its datacenter footprints, closing smaller less efficient facilities, and focusing on our Houston-based facility and partnership with Google Cloud, while also retiring older and less efficient systems wherever possible. Through our partnership with Google Cloud, TGS performed approximately 25% of our 2020 workload in Google's carbon neutral data centers. Further, while our on-premise computing capabilities increased in 2020 by 50%, our on-premise power consumption only increased by 27% due to the proactive steps TGS implemented to reduce emissions. TGS' latest generation of compute provides a 78% power efficiency improvement over the last generations. In tandem with our data center provider, TGS utilized fluid mechanics and heat maps to minimize hot spots and to assist in proper hot and cold row containment strategies. Further, TGS moved away from the traditional "set it and forget it" datacenter air conditioning practices and switched to a modern adaptive system that reads return air temperatures throughout the facility and applies additional cooling when necessary to meet the needs of an active HPC cluster. The following chart illustrates the growth in on-premise compute capability measured in teraflops (TFLOPS) from 2018-2020 (left axis). The right axis shows a decrease in the amount of kWh required to run 1 teraflop for a year. As the graph portrays, TGS is becoming more energy efficient in our compute capabilities at our on-premise data centers.



* A FLOPS is a single Floating (FL) point Operation (OP) per Second (S) that is a measure of useful compute performance. A teraflop would then be 10^12th or one trillion floating point operations per second.

2.2.4 Operations Emissions (Scope 3)

In 2019, TGS began tracking Scope 3 emissions generated through our seismic operations as a result of our contractors providing a variety of field services via vessels, land crews and their equipment, and aircrafts for the acquisition of seismic data. Tracking, reporting and developing a strategy to reduce and/or offset these emissions is a critical part of both TGS' and the industry's sustainability strategy. As one of the largest buyers of seismic acquisition capacity, TGS has a unique opportunity to influence the industry in a positive manner, but our strategy requires coordination with our contractors, who own or operate the vessels, onshore equipment or aircraft for TGS' subsurface operations.

In 2020, TGS continued to build on its ongoing efforts towards collecting and deriving Scope 3 carbon emission figures by contractually requiring all marine seismic contractors to report their carbon emissions to TGS, including information on the specific gases that should be reported, and the timeframe for reporting these to TGS. This reporting requirement will be expanded in 2021 to include all onshore seismic contractors in TGS onshore operations. TGS also joined the IAGC's working group to define and create industry standards and guidance on carbon emission recording and reporting.

As illustrated in the following charts and graphics, the type of survey and field operations directly impacts the carbon emissions of a project, which are largely based upon the fuel consumed during the operation. For marine operations, which account for the bulk of TGS' 2020 Scope 3 emissions, seismic projects are categorized as being either 2D, 3D, nodal or multibeam/coring. 2D and multibeam/coring surveys are acquired with relatively smaller vessels towing less in-sea equipment, resulting in a lower carbon footprint than 3D or nodal seismic surveys which require a combination of larger vessels and more in-sea equipment. Other factors that can impact the fuel consumption of a marine survey include weather and sea state, ocean currents, fuel type, survey design, transit time during mobilization periods, and the type and amount of in-sea seismic equipment being towed.

For land acquisition, carbon emissions are dependent on several factors, including the size of the survey, the equipment and vehicles in use, the local environment and geography, and use of helicopters to transport equipment, scout the survey area or engage in portable heli-drilling. A 3D land survey involves laying out a patch of data recording nodes in the ground and using seismic vibrators or other conventional seismic sources to generate a 3D cube of subsurface data. In 2020, TGS also conducted an airborne survey, the Horus-I eFTG survey, in which data is acquired over a predefined grid of flight lines by using a dual propeller aircraft with specialized recording equipment onboard.

2020 Survey Emissions

	CO_2e (mt)	CO_2 (mt)	CH_4 (mt)	N_2O (mt)
Subtotal Marine Seismic	140,563	138,103	4.21	6.78
Subtotal Land Seismic	6,366	6,276	0.20	0.29
Subtotal Airborne Seismic	346	342	0.00	0.01
Grand Total All Seismic	**147,275**	**145,102.85**	**4.41**	**7.08**

	2020 Marine Seismic Project*	Study Size	Units	CO_2e (mt/unit)	CO_2 (mt/unit)	CH_4 (g/unit)	N_2O (g/unit)	SOx (mt/unit)	NOx (mt/unit)
1	MSGBC Coring	135	Cores	1.10	1.09	19.20	30.96	0.0035	0.0193
2	Nigeria Coring	341	Cores	0.95	0.94	41.20	57.59	0.0030	0.0167
3	Para_Maranhao 2D	2745	km	0.47	0.47	14.12	22.78	0.0015	0.0117
4	Argentina Basin (111 113) 2D	1951	km	0.55	0.54	16.53	26.65	0.0019	0.0149
5	Argentina Basin CAN102 2D	3042	km	0.56	0.55	16.81	27.11	0.0019	0.0151
6	Potiguar 2D	3387	km	0.70	0.69	20.97	33.81	0.0022	0.0173
7	Nigeria MBSS Multibeam	18038	km^2	0.02	0.02	0.78	1.09	0.0002	0.0006
8	SN19-UDO 3D	3526	km^2	1.65	1.63	49.44	79.75	0.0052	0.0408
9	Gambito UDW20 3D	3308	km^2	2.11	2.08	63.22	101.97	0.0066	0.0522
10	Santos 3D (COSL)	3030	km^2	2.5	2.46	74.68	120.45	0.0086	0.0673
11	Malvinas 3D Phase 2	2325	km^2	2.52	2.48	75.22	121.32	0.0079	0.0621
12	OPU NORD 20 3D	2338	km^2	2.63	2.59	78.56	126.70	0.0083	0.0648
13	Santos 3D Phase 3	865	km^2	2.64	2.60	78.94	127.32	0.0091	0.0712
14	AM20	6034	km^2	2.85	2.80	85.09	137.25	0.0089	0.0702
15	Malvinas 3D Phase 1	14422	km^2	3.24	3.19	96.81	156.15	0.0102	0.0799
16	Santos 3D (SCF)	1574	km^2	3.31	3.26	98.95	159.59	0.0104	0.0817
17	Campos 3D	2403	km^2	3.95	3.89	118.04	190.39	0.0124	0.0974
18	Engagement OBN	2944	km^2	6.80	6.70	203.40	328.07	0.0214	0.1679

* Included in the emissions reported for each marine survey above are those emissions related to mobilization as well as the support vessels used in the survey.

	2020 Land Seismic Project	Study Size	Units	CO_2e (mt/unit)	CO_2 (mt/unit)	CH_4 (g/unit)	N_2O (g/unit)
19	Kuukpik 3D Phase II	619.007	km^2	9.45	9.31	210.64	428.75
20	South Halfway 3D	86	km^2	3.27	3.22	358.84	123.94
21	Ravenclaw 3D	104	km^2	2.20	2.16	307.93	87.62
22	Voyager 3D*	475	km^2	0.02	0.02	10.36	0.38

*For Voyager: Front end work, including permitting and positioning activities, were carried out in 2020. Recording is set to commence in Q4 2021.

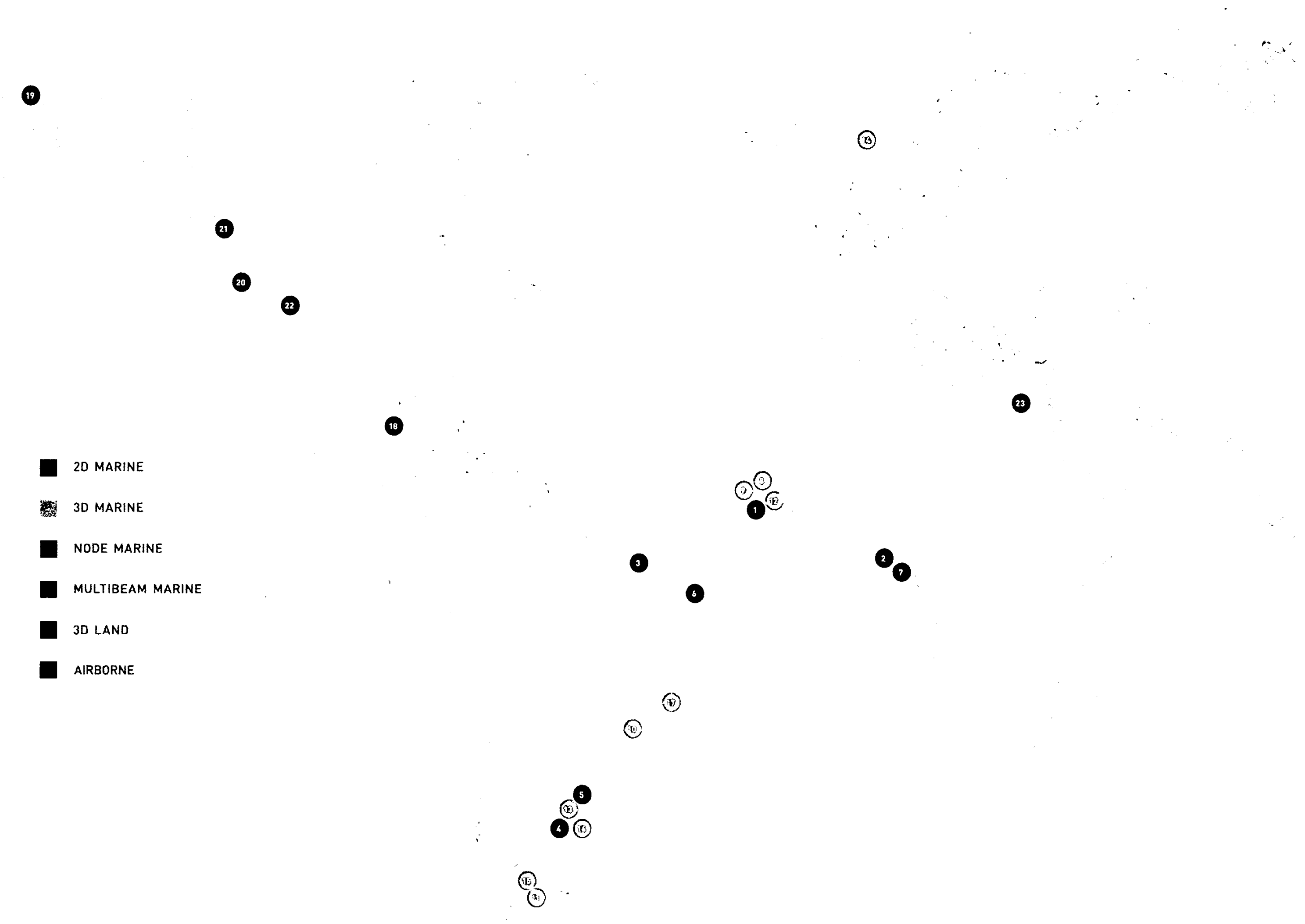
	2020 Airborne Seismic Project	Study Size	Units	CO_2e (mt/unit)	CO_2 (mt/unit)	CH_4 (g/unit)	N_2O (g/unit)
23	ABI Horus I	124500	km^2	.0028	0.0028	0.0003	0.0850

Emissions calculations were done based upon guidance provided by an external environmental consultant using the following: For GHG: EPA Simplified GHG Emissions Calculator, Version 6, EPA Center for Corporate Climate Leadership, August 2020.

For NOx: EMEP/EEA Air Pollutant Emission Inventory Guidebook 2016, European Environment Agency. NOx factors from Table 3-1 (Tier 1 Emissions Factors for Ships Using Bunker Fuel Oil) and Table 3-2 (Tier 1 Emissions Factors for Ships using Marine Diesel Oil (MDO) and Marine Gas Oil (MGO)).

For SOx: Marine Fuel specification: Chevron Global Marine Products (June 2012) and fuel sulfur content.

IMO Regulation 14, Resolution MEPC.280(70) - global cap outside of emission control areas 0.5% on and after 1 January 2020.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3D MARINE
NODE MARINE
MULTIBEAM MARINE
3D LAND
AIRBORNE

2.2.5 2021 Goals

TGS has set the following climate-related goals for 2021 and beyond:

- Develop and release a summary of TGS' climate change scenario analysis
- Reduce Scope 1 and 2 emissions year over year through utilization of more energy-efficient equipment, clean energy and offsetting with the goal of becoming net zero in Scope 1 and Scope 2 emissions by 2030
- Continue to work with our contractors and industry to identify ways to reduce carbon emissions from seismic operations through survey design, proper planning, logistical efficiency
- Incorporate a climate-related impact analysis into its internal investment decision-making process in 2021

What TGS May Look Like After 2030

TGS today

- World's leading subsurface data company
- Asset light and multi-client business model
- >95% revenues from oil & gas
- Emissions (scope 1 & 2): 13,971 mt of CO_2e
- New strategy launched February 2021

TGS Long-term ambition

- World's leading energy data company
- Asset light and multi-client business model
- Revenues reflecting overall energy mix
- Carbon neutral
- High portion of recurring revenues

2.3 Marine Operations

TGS is committed to protecting marine and coastal ecosystems and ensuring that our marine seismic contractors share this commitment. As noted above in our materiality chart, this issue is important to both TGS and to our stakeholders. TGS recognizes that if proper mitigation measures are not imposed or enforced, seismic operations and the towing of acoustic arrays through marine environment has the potential to disrupt or impact the marine environment through possible unplanned spills, pollution or disruption of marine mammal migration paths, spawning groups or other ecologically sensitive locations. Both the geophysical industry and TGS impose stringent measures to lessen or negate these potential impacts to the environment.

When planning and designing surveys, TGS commissions environmental impact assessments (EIAs) to identify marine mammal migration paths, spawning grounds, sanctuary areas or other ecologically sensitive locations that may be present in and around the survey area. TGS also engages other stakeholders, such as fisheries and local communities, to understand their concerns and ensure ongoing communication throughout the duration of the seismic surveys. Throughout the acquisition phase of a survey, the Company employs protected species observers (PSOs) and utilizes passive acoustic monitoring (PAM) on its operations to ensure that our field operations do not have a detrimental effect on cetaceans, turtles, marine mammals, etc. When operating in environmentally sensitive areas, such as Brazil and Argentina, TGS also employed third-party HSE advisors onboard who were tasked with managing all aspects of health, safety and the environment onboard their respective vessels and monitoring for compliance with all environmental regulations and permit stipulations.

To ensure TGS' marine operations comply with the International Convention for the Prevention of Pollution from Ships (MARPOL), the Company requires all vessel contractors to report all spills, regardless of quantity, and whether the spill entered the marine environment or was contained onboard a vessel. TGS has consistently met its goal of zero recordable spills and unplanned releases to the marine environment in our offshore operations since 2014, with 2020 being no exception. Through TGS' charters of the seismic vessels, TGS' contractors must comply with all applicable environmental laws and regulations and undergo audits from the International Marine Contractors Association or Offshore Vessel Inspection Database (IMCA or OVID). These audits, which are conducted by trained and accredited third-party auditors and inspectors, evaluate compliance with all applicable health, safety and environmental regulations and industry requirements, and ensures that all required health, safety and environmental permits and certificates are valid. Additional HSE inspections and audits are conducted and reviewed throughout the acquisition phase of a seismic survey by either TGS staff, the vessel contractor or third-party contractors working on the vessel on behalf of TGS. In 2020, TGS chartered 33 vessels, including seismic, multibeam and coring, node layout and source vessels, and each of these vessels underwent the required audits and/or HSE inspections.

TGS also bolstered its continued support and collaboration with the IAGC on its Ghost Net & Marine Debris Removal Initiative (GNI). This initiative is an industry-wide effort to remove and collect ocean debris and fishing gear found in the ocean by the seismic vessels while conducting the survey with the goal of creating and promoting a healthier marine environment and ecosystem. This debris is removed from the marine environment to reduce the harm it presents to ocean life such as turtles, birds, mammals or fish. To advance this initiative further, the Company began contractually requiring all vessels on TGS projects to report their marine debris removal efforts to the IAGC on a project-by-project basis in 2020. To monitor this, TGS collaborated with an acquisition software vendor to create a GNI reporting form that allows the Company to catalogue, track and eventually report the weight type of debris removed, debris disposal method and the location where the debris was found. Finally, to promote this effort among our industry and encourage participation, TGS and the IAGC released a podcast highlighting the initiative and how the industry and TGS have contributed, and how other companies can get involved.

TGS has set the following marine operations goals for 2021 and beyond:

- Track and report on the amount of ocean debris removed by vessel contractors through the IAGC's Ghost Net Initiative (GNI) for all new 2021 marine acquisition projects commencing in 2021
- Continue to aim for zero reportable spills and unplanned releases to the marine environment during seismic vessel operations
- Continue to require that each chartered vessel undergo an IMCA/OVID audit within six months of hire, and every twelve months thereafter
- Ensure that its marine contractors abide by TGS' environmental standards and, where appropriate, third-party HSE advisors will be placed onboard marine seismic operations to ensure that this is carried out appropriately in the field

2.4 Land Operations

As with our marine operations, addressing and mitigating the potential disruption that onshore seismic surveys may cause to the onshore environment is important to both TGS and to our stakeholders. Onshore seismic surveys have the potential to cause pollution or physical damage or disturb vegetation or wildlife if these issues are not properly considered when planning and executing the survey.

To mitigate potential impacts to the onshore environment, TGS requires documented audits of field equipment and HSE procedures for all new surveys to ensure that all equipment is in proper working order and that HSE procedures adequately mitigate potential impacts. Every spill, regardless of the amount or substance, must be reported, cleaned up and properly disposed of, and TGS tracks all spills through its HSE management software system. There were no reportable spills or releases in 2020 during TGS' onshore operations.

In Canada, TGS continued to engage extensively with local communities to discuss potential environmental impacts stemming from land seismic operations. TGS recognizes the importance of sitting down with local communities to understand their concerns and ensure minimal disturbance to their land. In planning its onshore seismic operations in Canada, TGS continued to take additional measures and precautions beyond those set by law or regulation, including:

- Utilizing high resolution imagery and LiDAR data during survey planning stages to help identify environmentally sensitive areas, chart routes of least or minimal impact, and avoid tree cutting and vegetation disturbance.
- Working with biologists to facilitate seismic operations around designated wildlife-sensitive areas and abiding by any potential timing restriction due to wildlife migration periods.
- Completing archeological reviews of proposed survey areas prior to starting field data acquisition.
- Utilizing accommodations near the project area, reducing emissions and crew exposure hours.
- Blocking certain access points to recreational traffic within the survey area to allow vegetation to regenerate naturally.
- Ensuring that data acquisition occurs over dry or frozen ground conditions to avoid soil compaction and rutting.
- Reducing linear vegetation disturbances to reduce human impact on predator-prey interaction. Paths in forested areas are cleared using low-impact techniques that create narrow and meandering lines that are meant to regenerate over time.

Similar mitigation measures were implemented on U.S. land operations, such as working with local landowners to better understand the local environment and minimize TGS' potential environmental footprint, reducing waste, promoting recycling practices, burning or burying all biodegradable solid domestic waste without contaminating water bodies, etc. TGS also continued to carry out reclamation programs for rehabilitating areas that might have been disturbed by vehicles operating over the survey area.

TGS has set the following land operations goals for 2021 and beyond:

- Continue to require that land contractors (i) report all spills to TGS, regardless of quantity spilled, with the aim of no reportable spills to the environment, and (ii) contain and properly clean up all spills, regardless of how much was spilled.
- Require documented audits of field equipment and HSE procedures for all new surveys to ensure that all equipment is in proper working order and that HSE procedures adequately mitigate potential environmental impacts.
- Ensure that land contractors and service providers participate in, and abide by, TGS' environmental standards.
- In alignment with TGS' Corporate Environmental policy, continue to mitigate physical damage to the environment from vehicles and survey equipment and ensure that, in a reasonable and practical manner, all project sites are restored to their original condition.

2.5 Office Environment

TGS leases office space for our 462 employees in the United States, United Kingdom, Norway, Brazil, Australia and Canada. While TGS does not consider the environmental impact of either our water usage or waste from our office operations to be material, the Company does impose measures throughout the offices to mitigate our impact. For example, recycling bins for paper and cardboard, glass, plastic, batteries and print toner cartridges are available in TGS offices, and employees are encouraged to follow proper recycling procedures, which are displayed above the associated recycling bins. TGS provides water through filtration devices rather than bottled water, where possible. Finally, we anticipate that our office water usage and waste generation was also diminished in part due to our workforce operating remotely for a significant portion of the year due to the COVID-19 pandemic.

2.6 Industry Contributions

TGS is a strong proponent of working with local governments, regulatory authorities and non-government organizations to understand its potential impacts on the environment. TGS continued to engage with regulatory authorities and other governmental and non-governmental organizations to help identify, understand and mitigate potential environmental risks associated with its geophysical activities in 2020. TGS supports the IAGC, both financially and by actively engaging in committees, workgroups and projects throughout the year. TGS fully supports the IAGC's efforts to create standards and protocols for seismic operations in frontier areas, to liaise with stakeholders (including local fishing industry) and to plan seismic surveys so that environmental implications are appropriately mitigated. In 2020, TGS joined the IAGC's working group focused on defining and creating industry standards and guidance on carbon emission recording and reporting. TGS is also part of the National Ocean Industries Association (NOIA) Environmental, Social and Governance (ESG) Program to share and develop best practices across the offshore energy industry. This Program recognizes the risk of climate change and is looking to contribute solutions and best practices within our industry, as well as continue to advance the best practices to reduce environmental impact and promote ecosystem health. TGS will continue to work with the IAGC and NOIA to develop and ensure environmentally sound practices within the energy industry, as well as look to collaborate with other organizations and stakeholders to promote sustainable practices.

3. PEOPLE

3.1 Investing in Human Capital

Employee engagement proved to be a particular challenge in 2020, and throughout the year, TGS focused on supporting its workforce and helping employees manage their well-being during this unprecedented time. TGS' global workforce decreased by 30.6% from year-end 2019 to year-end 2020, due to a variety of factors including the completion of the reorganization following the 2019 acquisition of Spectrum Geophysical ASA, a reorganization due to new leadership in certain departments, and a right-sizing of the organization as a response to the COVID-19 pandemic.

TGS ensured that each employee had the necessary technology and equipment to work remotely, and worked with employees, their managers and departments to optimize the well-being and performance for all our employees. To support employees, particularly those juggling health concerns or home-schooling as a result of the pandemic, TGS made use of efficient technologies to ensure teams collaborated effectively, supported each other and encouraged employees to maintain social contact through virtual social events designed to keep employees connected. TGS also provided additional support to employees at each location through its external Employee Assistance Programs (EAP). TGS recognized that applying a blanket approach to all employees was not appropriate or desired.

In 2020, TGS continued the focus on improving employee engagement and conducted an employee engagement survey where we sought to measure employee satisfaction in key drivers and identify areas for improvement. 78% of our organization responded favorably across all five categories: leadership, trust, communication, identity and well-being, and culture and values, which is our benchmark for future engagement surveys. These results are being used to develop both corporate and business unit plans to address engagement within the organization. Additionally, TGS utilized pulse or short surveys on a global, office and department basis to check in with employees, understand their concerns and get feedback. Finally, TGS provided employees with regular email communications from the CEO and local office leaders.

3.1.1 Diversity and Equality

10 REDUCED INEQUALITIES

TGS strives to promote and maintain a work environment in which our people are treated with dignity, decency and respect. TGS expects all relationships among persons in the workplace will be business-like and free of unlawful bias, prejudice and harassment. It is TGS' policy to ensure equal employment opportunity without discrimination or harassment on the basis of race, color, national origin, religion, sex, disability or any other status protected by law. The TGS Code of Conduct prohibits discrimination and harassment in the workplace, and all TGS employees receive annual training on TGS anti-discrimination and anti-harassment policies.

TGS respects national and local laws on freedom of association in the communities in which we do business, and the right of all people to join or not join a trade union to bargain collectively. 3.4% of our workforce was covered by a collective bargaining agreement in 2020, compared to 2% in 2019.

5 GENDER EQUALITY

Although TGS' percentage of women in management positions has remained steady and its gender diversity is fairly consistent across the age and tenure of the organization, TGS recognizes the decline of women in its workforce and the disproportionate impact that the COVID-19 pandemic has had on women in the workforce globally. The company is committed to improving gender diversity within the organization and is encouraged by the increase in female hires in 2020 (35%) as compared to 2019 (21%). TGS looks to build on its retention and recruitment of women in 2021 by working with other organizations to ensure women are given equal opportunity for development and advancement. TGS is part of the 2021 Bloomberg Gender Equality Index and formally adopted the United Nation's Women's Empowerment Principles in January 2021. TGS initiated a gender compensation analysis through an independent provider at the start of 2021, utilizing the metrics set by the World Economic Forum and the UK Gender Pay Gap. 2021 will also include a review of our benefits and other employee-related policies to ensure alignment with diversity and inclusion principles.

We also recognize that our workforce is predominantly over the age of 30 and this is due in large part to the highly skilled nature of work that often requires advanced degrees or additional education, as well as TGS' efforts to retain and develop our employees. Over two-thirds of employees have been with TGS for at least five years and one-third of our employees have been with TGS for over 10 years.

Employee Statistics	2020	2019	2018
Total # of Employees at Year-End	462	666	547
New Hires	49	64	30
Employee Turnover	9%	8%	6%

Gender – Total Employee Population

71%
65%

2020 / Male **71%** New Hires **65%**
2019 / Male 65 % New Hires 79%

29%
35%

2020 / Female **29%** New Hires **35%**
2019 / Female 35% New Hires 21%

Gender – Management

71%
75%

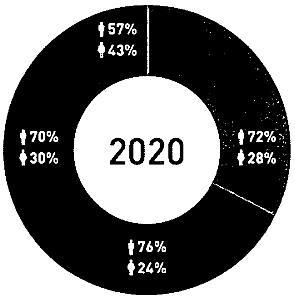
2020 / Male **71%** New Hires **75%**
2019 / Male 72% New Hires 70%

29%
25%

2020 / Female **29%** New Hires **25%**
2019 / Female 28% New Hires 30%

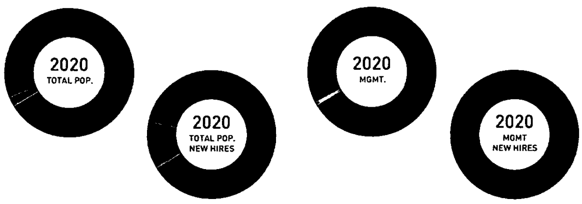
Tenure / 2020

0 - 5	33%
5 - 10 years	31%
10 - 20 years	27%
+20 years	10%



Age / 2020

- 30 y/o	Total Pop. / **3%**	New Hires / **12%**	Mgmt. / **1%**	New Hires / **0%**
30 – 50 y/o	Total Pop. / **70%**	New Hires / **69%**	Mgmt. / **59%**	New Hires / **62%**
50+ y/o	Total Pop. / **37%**	New Hires / **18%**	Mgmt. / **40%**	New Hires / **38%**



3.1.2 Training and Development

QUALITY EDUCATION

In 2020, TGS continued the focus on improving employee engagement through training and development. The Company provides departmental cross-training opportunities to employees, and where possible, secondments in other departments. TGS continues to ensure its employees receive technical training and have opportunities to improve their imaging and geoscience skills. This year, employees in our Imaging division participated in over 1,092 hours of in-house geological and imaging courses and lunch-and-learn sessions, an additional 132 hours of external webinars and workshops, and 1,458 hours of software training, which equates to 5.8 hours of training per employee.

TGS also took critical steps to providing additional professional development training opportunities for all employees by engaging with an external training partner to provide a diverse range of training and development programs developed by top universities and companies for our employees. Our employees will be encouraged to use this platform through the inclusion of a training and development goal in their 2021 performance development plan.

TGS' usual approach to goal setting during our PDP process changed significantly during 2020 due to both organizational changes relating to the Spectrum acquisition at the end of 2019, as well as a right-sizing exercise in response to the COVID pandemic. We refocused to short-term goals which required immediate action and attention but envisage that our 2021 PDP process will revert to our more typical process. TGS recognizes that this process is critical to ensuring that its employees continue to develop the necessary skills to grow with the Company; and in 2021, this process will include (i) individual employee goals being tied directly to the Company's corporate goals to ensure alignment of employee incentives with TGS goals and create a sense of common purpose in the work environment; (ii) discussions between each employee and his/her manager regarding the progress of last year's goals and setting the employee's goals for the upcoming year; (iii) evaluating the employee's performance over the previous 12 months; and (iv) reviewing the employee's career aspirations and identify opportunities for further development. TGS will also continue to encourage managers and employees to meet at least quarterly to discuss the progress of these goals to foster more cohesion between employees and Company objectives.

3.1.3 Compensation

TGS is committed to compensating its employees fairly and in accordance with all applicable labor laws. TGS' compensation philosophy is based upon market conditions that are reviewed on an annual basis by the Compensation Committee of the Board of Directors. Employee compensation includes base salary, insurance and retirement benefits programs, and a profit-sharing bonus plan based on the Company's performance and, in certain cases, stock-based, long-term incentive awards. TGS' long-term incentive program also incorporates sustainability metrics, such as health and safety and emissions targets (see TGS' 2020 Declaration on Executive Remuneration).

1 NO POVERTY

TGS' lowest salary is significantly above the national minimum wages, and TGS' CEO is paid 16 times the average employee at TGS, which is just above the average in Norway but significantly below the averages in the U.S. and UK.

	Norway	U.S.	UK
Minimum Wage	$16.30	$7.25	$11.15
TGS (Minimum)	$25.41	$12.80	$18.80
Relative Difference	**56%**	**77%**	**69%**

	TGS	U.S. Average [1]	UK Average [2]	Norway Average [3]
CEO compensation is "x" times average pay	16	320	120	11

[1] Current trends of CEO compensation amongst the top 350 U.S. firms (by sales) in 2019 using a "realized" measure of CEO pay that counts stock awards when vested and stock options when cashed in rather than granted (https://www.epi.org/publication/ceo-compensation-surged-14-in-2019-to-21-3-million-ceos-now-earn-320-times-as-much-as-a-typical-worker/)

[2] https://www.independent.co.uk/news/uk/home-news/pay-gap-inequality-uk-ceo-wages-b1782630.html

[3] https://frifagbevegelse.no/nyheter/10-millioner-i-lonn-er-ikke-sa-mye-dersom-lederen-gjor-en-god-jobb-mener-nhhprofessor-6.158.765044.097a7d1434

As TGS' profit-sharing bonus plan is a key component of employee compensation, TGS revised the calculations for the 2021 plan to reflect current market conditions and expectations and ensure greater predictability for employees' bonus expectations.

3.1.4 2021 Goals

TGS has set the following goals for investing in its human capital for 2021 and beyond:

- Conduct a gender compensation analysis in accordance with the UK Gender Pay Gap and World Economic Forum pay metrics
- Review relevant policies to ensure diversity and inclusion
- Incorporate professional development training platform into the 2021 professional development plan goals set by employees

3.2 Health and Safety

3.2.1 Integrating Health and Safety into TGS

3 GOOD HEALTH AND WELL-BEING

TGS is committed to providing a safe, healthy and sustainable workplace for our employees, contractors, vendors and clients while protecting the environment in which we live and work. TGS management continually strives to eliminate risk and reduce hazards, but successful operations can only be achieved through the full cooperation and commitment of all TGS employees and contractors. To achieve this, TGS defines safe operating procedures and guidelines in its HSE Management System (HSE-MS). These procedures are designed to meet or exceed all appropriate legal requirements and, in the absence of any defined standards, to meet or exceed industry-wide best operating practices. TGS also actively engages with relevant trade associations and authorities to develop, implement and update our HSE standards.

The HSE Manager reports to senior management and updates both the management team and the Board of Directors on at least a quarterly basis. The HSE Manager is responsible for managing and implementing the HSE-MS while providing HSE information, training and resources to employees. TGS' HSE-MS is communicated to the company through regularly scheduled safety meetings, internal auditing, HSE review meetings and general company-wide communications. All employees and contractors are actively encouraged to participate in the conduct, management and continuous improvement of safety. TGS requires all employees and contractors to be accountable for, and committed to, their own health and safety, as well as for those they work with. Employees and contractors are empowered to intervene and STOP any operation or activity that they feel is unsafe or hazardous, with the knowledge that such action will be supported by management.

3.2.2 COVID-19 Related Efforts

3.2.2.1 TGS Offices and Employees

At the onset of the COVID-19 pandemic, TGS enacted its business continuity plan and took a series of important steps to maintain a continuity of service for our customers while also focusing on safeguarding the health of our employees and stakeholders. These measures included establishing global and local response teams, with oversight from members of the Executive team, to monitor the pandemic on a daily basis and ensure that our response strategy remained effective throughout 2020. The local response teams were also responsible for communicating updates to employees, ensuring that each TGS office had adequate supplies, discussing and sharing lessons learned, posting signs and information at every office, and monitoring updates from health and government authorities to ensure that every TGS office stayed compliant with applicable rules and regulations. TGS restricted all business travel to essential or business-critical travel only, requiring Executive-level approval and proper planning in accordance with all COVID-19 travel restrictions and guidelines. Furthermore, several COVID-19 resources were made available to employees, including creating global and local websites for employees with important updates, frequently asked questions, hyperlinks to key websites such as the World Health Organization and the Center for Disease Control, and a location for employees to notify select members of the local COVID-19 response teams of a possible or confirmed exposure to the virus. Lastly, all TGS employees and contractors working in a TGS office were required to complete several COVID-19 training modules that supplied general information about the virus, mitigation measures and TGS' COVID-19 suspected or confirmed case reporting requirements.

While most TGS offices remained open in 2020, depending on local COVID-19 situations and restrictions on employers, TGS employees were able to work remotely and the majority of TGS employees did so. Managers and members of the IT Department ensured that remote workers had adequate resources for connecting to company network drives and platforms and the proper equipment, and the HSE Department shared resources and supplied information such as setting up a proper ergonomic workstation at home and managing stress and mental health during the pandemic. TGS offices that remained open ensured that employees understood and followed all COVID-19 mitigation measures, which included social distancing, mask or face cover use, and frequent use of hand sanitizing stations. Guests or visitors were required to check in and declare that they would comply with local COVID-19 mitigation measures. Through 2020, there were no COVID-19 work-related incidents, and no community spread occurred in any TGS office location.

3.2.2.2 Field Operations

Prior to commencing operations, TGS Project and HSE Managers liaised closely with contractors regarding their COVID-19 travel and mitigation plans. All contractor and operational COVID-19 plans were reviewed by TGS and were adapted and updated throughout the lifecycle of a project to effectively safeguard the health and safety of all crew members. All clients, stakeholders and other parties involved in the acquisition of ongoing or future seismic surveys were kept abreast of TGS' actions regarding COVID-19 mitigation measures, crew change plans, etc.

Crew changes were particularly challenging, and, in response, TGS Project and HSE Managers continuously stressed the importance of careful planning and coordination, proper management of crew fatigue, and the monitoring of mental health and stress levels of all crew members. While quarantine requirements varied by location, some marine crews had to self-quarantine on site for up to 14 days before joining their respective vessel, and TGS worked with its contractors to ensure that proper quarantine protocols were implemented while being particularly mindful of the well-being of the crews affected. TGS worked closely with vessel and field crews to improve preboarding screening measures and implement preboarding COVID-19 testing. Furthermore, TGS attended industry-hosted COVID-19 meetings and events to share lessons learned, ensure that proper industry standards were being followed, and to stay informed on COVID-19 trends and news. Through 2020, no COVID-19 work-related incident or evidence of community spread occurred on any TGS field operation.

3.2.3 2020 Health and Safety Program

3.2.3.1 Employees

Each year, TGS promotes a top-down message of health and safety by requiring that each member of TGS' Executive Management conducts at least one HSE facility inspection and one field visit. In light of COVID-19 travel restrictions, TGS' Executive Management and operations managers conducted 6 field visits during 2020 (compared to 40 in 2019) and performed 24 inspections at TGS office locations. Finally, TGS achieved full compliance with vessel and land crew HSE audit requirements, and TGS Project and HSE Managers ensured that all outstanding action items were properly rectified before the start of acquisition.

All employees completed one HSE training course during 2020 (100% training compliance) that included modules on mitigating COVID-19 in the office, outlined COVID-19 reporting procedures and expectations, general information on symptoms, hygiene measures, and provided employees with additional resources. In addition, office locations performed HSE-related lunch-and-learn activities, which included topics such as surviving an active shooter situation at the office and stress management.

In 2020, TGS subscribed to InternationalSOS' comprehensive Travel Risk Management solution. Through this travel management service, employees that travel for business were given 24/7 access to physicians, security experts and logistics specialists around the globe, including 24/7 access to the InternationalSOS website or app where travelers can stay informed on the latest medical and security alerts, receive travel advisories, get access to country and city guides, access digital learning materials, etc. TGS also subscribed to InternationalSOS' Enterprise Health Security Center, which provided valuable COVID-19 resources and infographics, as well as a web-based portal to monitor health threats in relation to TGS office locations around the world.

At the end of 2019, TGS kicked off a gap analysis of its entire HSE-MS, and the gap analysis was successfully completed by the end of March 2020. The analysis aimed to compare TGS and Spectrum's respective HSE-MS in order to identify which documents were in need of an update or revision, which documents from each company could be amalgamated, and where TGS needed to make improvements in order to be better aligned with industry standards and guidance. Subsequently, efforts were undertaken to update all existing HSE-MS documents, and while the majority of them were updated during 2020, documents pertaining to Emergency Response and Crisis Management are still under review and in the process of being updated in 2021. As part of a larger effort to update TGS' Business Continuity Plan, TGS is currently coordinating the update of its Emergency Response and Crisis Management Plans and aims to conduct tabletop exercises with respective emergency and crisis management teams by the end of 2021.

Employee Health and Safety Statistics	**2020**	**2019**	**2018**
Man-hours	902,528	1,056,825	937,044
Fatalities	0	0	0
Lost-time Injuries (LTI)	0	0	0
Medical Treatment Cases	1	0	0
Restricted Work Cases	0	0	0
Recordable Case Frequency*	1.11	0	0
LTI Frequency*	0	0	0
Working Days Lost Due to Sickness	752	1,413	1,135
Sickness Absence Frequency	0.67%	1.07%	0.97%

*Per million man-hours

During the first quarter of 2020, a medical treatment case (MTC) was recorded in a TGS office. The MTC was the result of a heavy lifting injury and involved one employee. The incident was managed properly, ensuring that an investigation was carried out and that details were properly captured and documented within our HSE management platform. Of note, the number of Working Days Lost Due to Sickness and the Sickness Absence Frequency values showed a significant decrease from year to year. We believe that this was attributable to employees working remotely and not reporting sick days taken, and to the employee reductions in force implemented during 2020. Lastly, TGS' Canada Land Operations division received a 98% on the Government of Alberta's Certificate of Recognition, marking the 4th consecutive year in a row that TGS has scored a 90% or higher on an external audit of its health and safety program.

3.2.3.2 Contractors

At the outset of any project or operation, TGS engages with its subcontractors in reviewing a range of HSE-related documents, including HSE project plans, hazard assessments, crew HSE plans and emergency preparedness documents. Furthermore, TGS monitors and assesses contractor performance by tracking and reviewing a range of leading and lagging HSE indicators. Project and HSE managers tracked all HSE incidents as well, ensuring that adequate and correct incident information was collected and action items were properly closed out. Where necessary, TGS assists and participates in incident investigations. TGS encourages contractors to report all near-miss and high-potential events to maximize lessons learned, ensure adequate mitigation measures were implemented, and to safeguard project-related personnel and equipment.

Upon completion of a survey, TGS reviews all aspects of HSE performance internally and with its contractors to identify and discuss areas for improvement, lessons learned and additional hazards identified during the acquisition phase. HSE performance is tracked and catalogued through TGS' health and safety management software application, allowing TGS to continuously monitor its contractor's performance over time. Lastly, as part of TGS' commitment to continuous HSE improvement, HSE statistics and performance are reviewed with the senior management team on a quarterly basis.

In 2020, TGS operated with several established land, marine and airborne seismic contractors, all of which were selected based on their experience, technology, sustainability, commitment to the environment, HSE performance and track record. As part of an ongoing effort to improve subcontractor management and in response to the ongoing pandemic, TGS ensured that its contractors' COVID-19 plans followed industry standards and were aligned with regulations from local governments and health authorities, and when gaps were identified, TGS worked with its contractors to bridge the gaps and implement adequate measures or corrective actions.

Contractor Health and Safety Statistics	2020	2019	2018
Man-hours	3,232,559	4,693,364	2,607,162
Fatalities	0	1	0
Lost Time Injuries (LTI)	1	3	0
Medical Treatment Cases	3	7	9
Restricted Work Cases	1	1	3
Recordable Case Frequency*	1.55	2.55	4.6
LTI Frequency*	0.31	0.64	0

*Per million man-hours

Despite the complex challenges associated with managing global operations during a pandemic, except for restricted work cases, all of TGS' contractor health and safety metrics improved from 2019. TGS' motor vehicle accident rate (MVAR, per 1,000,000 miles driven) was under the 2020 target of <2.0 for land seismic operations as there were no motor vehicle accidents recorded (MVAR = 0.0 for 2020, total of 424,940 miles driven). TGS' 2020 total recordable incident rate for land seismic operations (TRIR, per 200,000 man-hours) was less than the 2020 target of <2.0 at 0.38, and the TRIR for marine operations was less than the 2020 goal of <2.5 at 0.30. One lost time incident was recorded on a marine project, resulting in a lost time incident rate (LTIR, per 200,000 man-hours) of 0.06. There were no recordable or lost time incidents recorded on TGS airborne surveys. TGS worked closely with all contractors to ensure that proper and timely incident investigations were carried out, and also actively participated through all phases of the incident investigation process where appropriate or necessary.

3.2.4 2021 Goals

TGS has set the following health and safety goals for 2021 and beyond:

- Aim for: (i) Zero lost time incidents (LTI) for both our field and office operations; (ii) a Total Recordable Incident Rate (TRIR, per 200,000 manhours) below 2.0 for marine and land seismic operations; and (iii) a Motor Vehicle Accident Rate (MVAR, per 1 million miles) below 2.0 for land seismic operations.
- Review and update TGS' emergency response plans, crisis management plans, and assist with updating the business continuity plans, both globally and for each office location, to incorporate the lessons learned from 2020.
- To highlight, promote and encourage outstanding HSE performance by its field contractors, TGS will select a contractor for the annual 2020 HSE award (one each for land and marine), and deliver the award by April 2021.
- Require all employees to complete at least one annual HSE training course and each member of the Executive Team to conduct an HSE facility inspection.

3.3 Human Rights

TGS remains committed to the UN Universal Declaration of Human Rights and undertakes to operate in recognition of the freedom, the rights, the dignity and the worth of the human person and promotion of equality irrespective of gender, race or religion. As a signatory to the UN Global Compact, TGS incorporates into its strategy, culture and operations the UN principles on human rights, labor, environment and anticorruption. TGS' Statement of Values and Code of Conduct define the expectations of ethical behavior that is expected of TGS' Board of Directors, employees, vendors and suppliers. TGS embraces diversity and equality in its workforce and suppliers and will not use or tolerate child labor or slavery in any of its offices or operations. As set forth in TGS' Modern Slavery Act Transparency Statement, Supplier Code of Conduct and Human Rights policy, each available on www.tgs.com, TGS sets policies at the group level and is committed to ensuring that there is no modern slavery or child labor used in its operations or by its supply chain.

TGS analyzes human rights and modern slavery risks within the organization and our supply chain as part of our annual corporate risk enterprise program. In addition, TGS conducted a compliance assessment of its employees in 2020, which included questions aimed at understanding our employees' perception of human rights and modern slavery risks at TGS, and experience with incidents of modern slavery or violations of human rights laws in the past year. As previously noted, TGS' employees are highly skilled and educated and predominantly based in offices in Norway, the United States, the United Kingdom, Australia, Canada and Brazil, and as such, TGS considers the risk of child labor or modern slavery in its workforce to be low. As with any company that predominantly relies upon contractors for its operations, the potential risk for human rights violations is greater within TGS' supply chain. However, given that TGS conducts its operations through a limited pool of suppliers, many of which have operated with TGS for many years, and that geophysical operations require a skilled and certified workforce, TGS feels the measures outlined below properly mitigate this risk. This is reflected in our 2020 Compliance Assessment where over 99% of respondents indicated that they had not witnessed any incidents of human rights violations or modern slavery at TGS.

TGS expects its supply chain to share its commitment to human rights and modern slavery laws. In 2020, TGS updated its supplier due diligence questionnaire to include (i) more specific questions regarding the supplier's policies with respect to human rights and modern slavery, (ii) questions on how it manages human rights issues in its supply chain, and (iii) a disclosure requirement for any human rights or modern slavery investigations, lawsuits or violations. TGS also strengthened its contractual language with suppliers and vendors to explicitly require suppliers and vendors to comply with human rights, modern slavery and labor laws and ensure their supply chains do the same, in their work for TGS. TGS requires suppliers and vendors to notify TGS of any potential or actual violation of these laws whilst working for TGS, and to adhere to TGS' Supplier Code of Conduct and TGS' Human Rights policy. TGS did not receive any such notice from any of its suppliers in 2020. TGS includes the right to audit the supplier or vendor practices and to terminate the agreement with that supplier or vendor for failure to comply with the law or TGS' policies. TGS had no cause to audit or terminate a supplier for failure to comply with the law or TGS' human rights policies in 2020. Finally, TGS updated its compliance certification for high-risk third parties, suppliers and vendors to expressly include certification of compliance with human rights, labor and modern slavery laws in addition to certifying compliance with TGS' Human Rights policy and Supplier Code of Conduct.

As noted above, TGS provides multiple avenues for TGS' internal and external stakeholders to report potential non-compliance with the law or TGS' Code of Conduct, including modern slavery or human rights abuses. These mechanisms include the TGS hotline, which allows for anonymous reporting, directly to the Compliance department or directly to a manager. TGS prohibits retaliation and investigates all potential violations of the law or the Code of Conduct. No incidents of child labor or forced labor were reported in 2020.

TGS has set the following human rights goals for 2020 and beyond:

- Incorporate human rights and modern slavery training into our annual compliance training for our workforce
- Continue to conduct risk-based due diligence on our third parties that incorporate compliance with human rights and modern slavery both by the third party and its supply chain and utilize contractual language to ensure compliance with TGS' policies and the law
- Continue to engage with our stakeholders to understand and address concerns related to human rights and modern slavery risks in our industry and supply chain

4. COMMUNITIES

4.1 Community Engagement

TGS actively supports reputable charitable programs and organizations that serve people in need in countries where TGS has offices or projects by providing ongoing financial donations, as well as encouraging employees to donate their time and energy to help those in society who are less fortunate. TGS is committed to supporting local, nonprofit community organizations and charities that focus their services on people and are dedicated to (i) providing access to healthcare, medical services and helping to fight disease; (ii) assisting underprivileged, underrepresented or at-risk communities or groups; (iii) providing humanitarian aid or disaster relief; (iv) addressing environmental issues; or (v) promoting geophysics and geoscience educational experiences to children.

In 2020, TGS focused its efforts on supporting organizations helping families whose homes were devastated by a blast near TGS' Houston office. One of TGS' community projects related to our work in Liberia is to support the renovation, rehabilitation and remodeling of the ICU and expansion of the trauma unit at the John F. Kennedy Medical Hospital being spearheaded by the National Oil Company of Liberia. In Brazil, TGS supported the Chelonian Monitoring Project by Telemetry Satellite (PMQTS) being carried out by the TAMAR Project Foundation, and the 2nd annual International Environmental Film Festival in Serra Catarinense, which seeks to raise awareness about solving local environmental issues related to climate, pollution, and water and waste management.

4.2 Innovation

TGS believes in collaboration with other geologists, geoscientists, data scientists and engineers to encourage innovation within our industry and within the Company. In 2020, TGS' capitalized research and development spending across the organization corresponded to approximately 4.2% of net revenues (compared to 2.7%, in 2019). In 2020, TGS' Well Data Product Group achieved a 40% cost reduction and improved customer experience both internally and externally by automating several processes including ingestion of well permits, sourcing well data and news, transmission of data, contract workflow and order processing. This also resulted in freeing up other resources to perform higher value-add tasks.

While in-person industry events were largely affected or canceled due to the COVID-19 pandemic, TGS still hosted, sponsored and/or presented virtually or in-person at over 28 geoscience and engineer industry events designed to share advancements in imaging, data analytics, geoscience and well data technologies. Significant events included the National Association of Petroleum Engineers (NAPE) Summit, the Society of Exploration Geophysicists (SEG) Annual Meeting, the European Association of Geoscientists and Engineers (EAGE) Leadership Summit and the American Association of Petroleum Geologist (AAPG) Annual Conference and Exhibition. In addition, TGS presented technical papers (38 papers in 2020 versus 42 papers in 2019) that were accepted at conferences and published in other industry publications in 2020. These papers covered various topics relevant to the industry, including key developments in acquisition and imaging technologies and the use of these technologies in different basins or regions.

TGS also works with academia and universities around the world to provide data to further their research; and in 2020, TGS supported various research projects at such universities as the Imperial College London, Memorial University of Newfoundland, Colorado School of Mines, Oklahoma State University, University of Louisiana at Lafayette, Heriot-Watt, University of Houston, Royal Holloway and Bedford New College, and Oxford University. The University of Western Australia is using our data to map seafloor bathymetry at high resolution (10 to 25 m) to better understand the coastal occupation of Australia by aboriginal groups beginning some 65,000 years ago. The University of Aberdeen and University of Adelaide are using TGS data to understand the interaction of volcanic rock with petroleum systems in the far north of the Faroe-Shetland Basin, an area with significant gas reserves. By supporting these university research projects, TGS is able to advance our industry's understanding and foster innovation.

TGS recognizes that it has a social obligation to improve the existing research, development and technical capabilities in the areas in which we conduct projects. TGS partners with governments to promote and advance geoscience knowledge and technical capabilities through training and technological resources that include software and related equipment. These efforts ensure these countries are equipped to manage and promote their energy resources. While TGS' 2020 efforts were hampered in large part due to the travel restrictions imposed by COVID, it was still able to provide over 85 days of training as part of our projects.

5. ABOUT THE REPORT, DATA SUMMARY INDEX

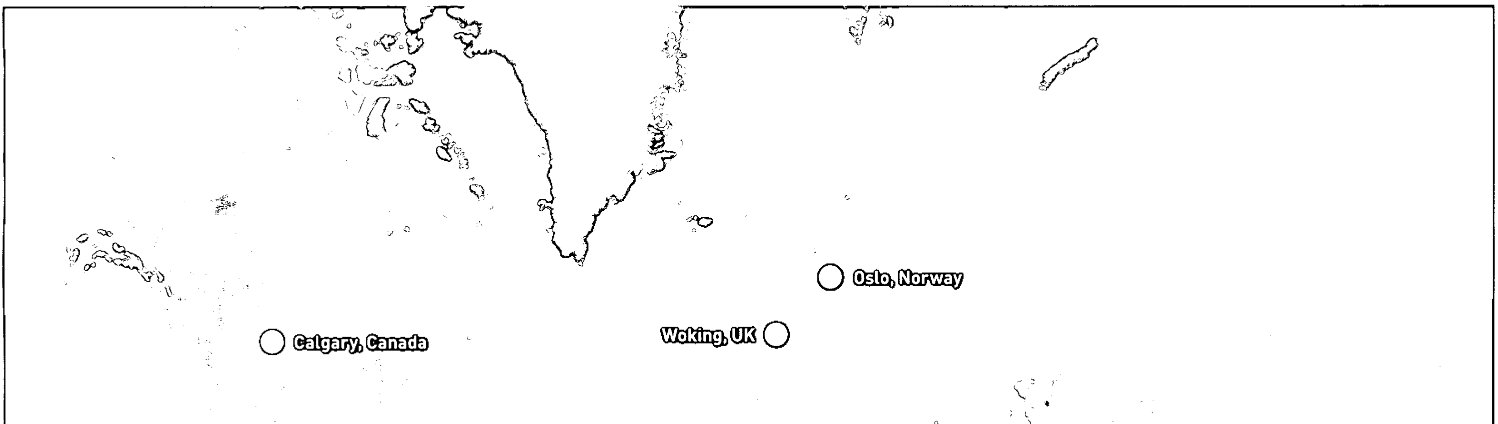
This sustainability report communicates to our investors, customers, suppliers and other stakeholders how TGS incorporates sustainable practices into our operations and strategy. It is the opinion of the Board of Directors that this report complies with Norwegian statutory requirements for annual reporting. The remainder of the annual report includes additional information on TGS' business, financial and operation performance, shareholder information and corporate governance.

This report contains disclosures from the World Economic Forum's core set of ESG metrics in addition to the Task Force on Climate-related Financial Disclosures, the Sustainability Accounting Standards Board, the GRI Standards, IPIECA and CDP. We view this report to be our Communication on Progress to the United Nations (UN) and this report identifies actions taken by TGS to specifically address each of the UN Sustainable Development Goals in 2020.

ESG Theme	ESG Aspect	Metric	Unit	2020 Result	Report Reference	Framework Reference
Organization Profile		Name of Organization	Qualitative		45	GRI 102-1
		Products and services	Qualitative		12-15, 18, 20, 45	GRI 102-2
		Location of headquarters and operations	Qualitative		45	GRI 102-3; 102-4
		Ownership and legal form	Qualitative		45, 73-75	GRI 102-5
		Markets served	Qualitative		12-15, 18-20	GRI 102-6
		Scale of organization (total # of employees, total # of operations, net revenues; quantity of products or services provided)	Qualitative		8-9, 30, 32	GRI 102-7
		Workforce statistics	Number	See charts in report	32, 149-150	GRI 102-8;
		Supply chain details	Qualitative		18, 31, 134, 137	GRI 102-9
		Significant changes to the organization's size, structure, ownership or supply chain	Qualitative		28, 32-33, 148	GRI 102-10
		Memberships of associations	Qualitative		136, 156	GRI 102-13
		Entities included in the consolidated financial statement	Qualitative		45, 81-82	GRI 102-45
	Governing Purpose	Setting Purpose	Qualitative		134	GRI 102-26
		Statement from CEO/Chair	Qualitative		10-11, 133	GRI 102-14
	Quality of Governing Body	Board Composition (non-executive, independent, tenure, other commitments, gender); Board Chair (independent from executives); Nomination and Selection of the Board	Qualitative		24-25, 33-34, 120-123	GRI 102-18; GRI 102-22; GRI 102-23; 102-24
		Reporting and oversight of ESG program	Qualitative		135	EM-SV-530a.1; GRI 102-18; GRI 102-19; GRI 102-20; GRI 102-29; GRI 102-31
		Board's role in sustainability reporting	Qualitative		156	GRI 102-32
		Evaluation of Board's performance	Qualitative		121-122	GRI 102-28
	Stakeholder Engagement	Key stakeholders and strategy for stakeholder engagement	Qualitative		136-137	GRI 102-13; GRI 102-21; GRI 102-40; GRI 102-43
		Impact of material issues to Stakeholders	Qualitative		136-137	SDG 17; GRI 102-21; GRI 102-44
	Ethical Behavior	Summary of organization's compliance and anti-corruption policies and procedures	Qualitative		138-139	EM-SV-510a.2; SDG 16; GRI 102-16; GRI 205-2
		Compliance and anticorruption training program for employees and third parties	Percentage	100%	138-139	SDG 16; GRI 205-2
		Number and nature of confirmed incidents of corruption	Number	0	138-139	SDG 16; GRI 205-3
		Percentage of net revenue in countries that have the 20 lowest rankings in Transparency International's Corruption Perception Index	Percentage	<2.5%	139	EM-SV-510a.1; SDG 16
		Protected ethics advice and reporting mechanism	Qualitative		139	SDG 16; GRI 102-17; GRI 102-33
		Number of compliance incidents reported	Number	19	139	SDG 16; GRI 102-34
	Risk & Opportunity Oversight	Identification, management, and mitigation of risks	Qualitative		135-137	EM-SV540a.1; GRI 102-15; GRI 102-29; 102-30
	Tax	Tax policy, governance, and risk management	Qualitative		50, 84-86, 140	GRI 207-1; GRI 207-2
		Tax reporting	Number	See charts in report	140	GRI 207-4
Environment	Climate Change	TCFD Implementation	Qualitative		141	EM-SV-110a.2; SDG 13; GRI 201-2
		Greenhouse gas emissions, Scope 1	Number	See charts in report	142	EM-SV-110a.1; SDG 13; GRI 302-1; GRI 305-1; GRI 305-7
		Greenhouse gas emissions, Scope 2	Number	See charts in report	142-143	GRI 302-1; GRI 305-2;
		Greenhouse Gas Emissions, Scope 3	Number	See charts in report	143-145	GRI 305-3; GRI 302-2; GRI 305-7
	Nature Loss	Land use and ecological sensitivity	Qualitative		146-148	EM-SV-160a.2; SDG 15; GRI 304-1; GRI 304-2
	Water Management	Discussion of water consumption and disposal related risks, opportunities, and impacts	Qualitative		146, 148	EM-SV-140a.2; SDG 6
	Solid Waste	Waste generation, waste-related impacts and strategy and management of waste-related impacts	Qualitative		146-148	SDG 12; SDG 17
	Spill	Environmental spills	Number	0	146, 147	SDG 14
	Affordable & Clean Energy	Strategy to support development of renewable energies industries	Qualitative		140-141	SDG 7
Social	Dignity & Equality	Measures to ensure diversity and inclusion within workforce and operations	Qualitative		149-150	UN SDG 5; SDG 18
		Ratio of annual total compensation of CEO to median total compensation for all employees	Number	16x	151	SDG 10; GRI 102-38
		Wage level	Number	See chart in report	151	SDG 10; SDG 1; GRI 201-1
		Collective bargaining agreements	Percentage	3.4	149	GRI 102-41
	Human Rights	Discussion of human rights related risks, opportunities, and impacts	Qualitative		154-155	SDG 1; SDG 8; GRI 408-1; GRI 409-1; GRI 412-3
		Measures to address human rights and modern slavery in workforce and supply chain	Qualitative		154-155	SDG 1; SDG 8; GRI 408-1; GRI 409-1; GRI 412-3
		Risk of incidents of child, forced, or compulsory labor	Number	0	155	SDG 10; SDG 8
	Health & Well-being	Description of health and safety program, including governance, within the organization and operations	Qualitative		151-154	EM-SV-320a.2; SDG 3; GRI 403-1; GRI 403-2
		Health and safety statistics for employees and contractors	Number	See charts in report	153-154	EM-SV-320a.1; SDG 3; GRI 403-9; GRI 403-10
		Total number of hours worked by employees	Number	902,528	153	EM-SV-000.C
		Total number of hours worked by contractors	Number	3,232,559	154	EM-SV-000.C
		Health and safety training for employees	Percentage	100%	152-153	GRI 403-5

ESG Theme	ESG Aspect	Metric	Unit	2020 Result	Report Reference	Framework Reference
	Skills for the Future	Hours of training provided per employee	Number	5.8 hours per employee	150	SDG 4; SDG 8; GRI 404-1
		Employee performance and career development review program	Qualitative		150	GRI 404-3; SDG 4, SDG 8
		Programs for upgrading employee skills	Qualitative		150	GRI 404-2; SDG 4, SDG 8
Prosperity	Employment & Wealth Creation	Absolute number and employee turnover	Number	462 employees, 9% turnover	149	SDG 8; GRI 401-1
	Innovation of Better Products & Services	Percentage of R&D expenses to net revenues	Percentage	4.2% of net revenues	156	SDG 9
		Publication of technical papers	Number	38 technical papers presented	156	SDG 9
	Community and social vitality	Training provided to communities as part of our projects	Number	85 days of training	156	SDG 4
		Discussion of community engagement strategy and support of charitable and community organizations	Qualitative		155	SDG 1; SDG 2; SDG 11; GRI 203-1

* The following SASB metrics within Oil & Gas - Services are not material or relevant to our operations or the services we provide: EM-SV-110a.3 (percentage of engines that meet Tier 4 compliance for non-road diesel engine emissions); EM-SV-150a.1 and a.2 (volume of hydraulic fracturing fluid used, percentage hazardous; strategy or plans to address chemical-related risks, opportunities and impacts); EM-SV-160a.1 (average disturbed acre per (i) oil and (ii) gas well site); EM-SV-000A (number of active rig sites); EM-SV-000.B (number of active well sites); EM-SV-000.C (total amount of drilling performed).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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.

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