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TotalEnergies SE (Formerly TOTAL SE)

*Statutory Auditors' Review Report on the
Half-yearly Financial Information*

For the period from January 1 to June 30, 2021
TotalEnergies SE
2, Place Jean Millier - La Défense 6 - 92400 Courbevoie
This report contains 3 pages



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This is a free translation into English of the statutory auditors' review report on the half-yearly financial information issued in French and is provided solely for the convenience of English-speaking users. This report includes information relating to the specific verification of information given in the Group's half-yearly management report. This report should be read in conjunction with, and construed in accordance with, French law and professional standards applicable in France.

TotalEnergies SE
(Formerly TOTAL SE)

Registered office: 2, Place Jean Millier - La Défense 6 - 92400 Courbevoie

Statutory Auditors' Review Report on the Half-yearly Financial Information

For the period from January 1 to June 30, 2021

To the Shareholders,

In compliance with the assignment entrusted to us by your Annual General Meeting and in accordance with the requirements of article L. 451-1-2 III of the French Monetary and Financial Code ("*Code monétaire et financier*"), we hereby report to you on:

- the review of the accompanying condensed half-yearly consolidated financial statements of TotalEnergies SE for the period from January 1 to June 30, 2021,
- the verification of the information presented in the half-yearly management report.

Due to the global crisis related to the Covid-19 pandemic, the condensed half-yearly consolidated financial statements have been prepared and reviewed under specific conditions. Indeed, this crisis and the exceptional measures taken in the context of the state of sanitary emergency have had numerous consequences for companies, particularly on their operations and their financing, and have led to greater uncertainties on their future prospects. Those measures, such as travel restrictions and remote working, have also had an impact on the companies' internal organization and the performance of our review procedures.

These condensed half-yearly consolidated financial statements were prepared under the Chairman and Chief Executive Officer's responsibility on July 28, 2021, and are reviewed by your Board of Directors. Our role is to express a conclusion on these financial statements based on our review.



I. Conclusion on the financial statements

We conducted our review in accordance with professional standards applicable in France.

A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with professional standards applicable in France and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed half-yearly consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34 - standard of the IFRSs as adopted by the European Union applicable to interim financial information.

II. Specific verification

We have also verified the information presented in the half-yearly management report on the condensed half-yearly consolidated financial statements subject to our review. We have no matters to report as to its fair presentation and consistency with the condensed half-yearly consolidated financial statements.

Paris La Défense, July 28, 2021

The statutory auditors
French original signed by,

KPMG Audit
A division de KPMG S.A

ERNST & YOUNG Audit

Jacques-François Lethu
Partner

Eric Jacquet
Partner

Laurent Vitse
Partner

Céline Eydiéu-Boutté
Partner

CONSOLIDATED STATEMENT OF INCOME

TotalEnergies

(unaudited)

(M\$) ^(a)	2 nd quarter 2021	1 st quarter 2021	2 nd quarter 2020
Sales	47,049	43,737	25,730
Excise taxes	(5,416)	(5,104)	(4,168)
Revenues from sales	41,633	38,633	21,562
Purchases, net of inventory variation	(26,719)	(23,398)	(12,025)
Other operating expenses	(6,717)	(6,880)	(6,321)
Exploration costs	(123)	(167)	(114)
Depreciation, depletion and impairment of tangible assets and mineral interests	(3,121)	(3,325)	(11,593)
Other income	223	358	362
Other expense	(298)	(659)	(108)
Financial interest on debt	(501)	(466)	(530)
Financial income and expense from cash & cash equivalents	77	95	50
Cost of net debt	(424)	(371)	(480)
Other financial income	265	109	419
Other financial expense	(131)	(130)	(161)
Net income (loss) from equity affiliates	(680)	881	(447)
Income taxes	(1,609)	(1,639)	484
Consolidated net income	2,299	3,412	(8,422)
TotalEnergies share	2,206	3,344	(8,369)
Non-controlling interests	93	68	(53)
Earnings per share (\$)	0.80	1.24	(3.27)
Fully-diluted earnings per share (\$)	0.80	1.23	(3.27)

(a) Except for per share amounts.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

TotalEnergies

(unaudited)

(M\$)	2 nd quarter 2021	1 st quarter 2021	2 nd quarter 2020
Consolidated net income	2,299	3,412	(8,422)
Other comprehensive income			
Actuarial gains and losses	449	-	(356)
Change in fair value of investments in equity instruments	56	12	90
Tax effect	(142)	(12)	101
Currency translation adjustment generated by the parent company	1,239	(4,173)	1,780
Items not potentially reclassifiable to profit and loss	1,602	(4,173)	1,615
Currency translation adjustment	(746)	2,523	(919)
Cash flow hedge	(424)	504	231
Variation of foreign currency basis spread	(4)	-	14
share of other comprehensive income of equity affiliates, net amount	(18)	469	296
Other	(1)	1	-
Tax effect	100	(157)	(78)
Items potentially reclassifiable to profit and loss	(1,093)	3,340	(456)
Total other comprehensive income (net amount)	509	(833)	1,159
Comprehensive income	2,808	2,579	(7,263)
<i>TotalEnergies share</i>	<i>2,670</i>	<i>2,542</i>	<i>(7,253)</i>
<i>Non-controlling interests</i>	<i>138</i>	<i>37</i>	<i>(10)</i>

CONSOLIDATED STATEMENT OF INCOME

TotalEnergies

(unaudited)

(M\$) ^(a)	1 st half 2021	1 st half 2020
Sales	90,786	69,600
Excise taxes	(10,520)	(9,461)
Revenues from sales	80,266	60,139
Purchases, net of inventory variation	(50,117)	(40,093)
Other operating expenses	(13,597)	(13,265)
Exploration costs	(290)	(254)
Depreciation, depletion and impairment of tangible assets and mineral interests	(6,446)	(15,228)
Other income	581	942
Other expense	(957)	(528)
Financial interest on debt	(967)	(1,099)
Financial income and expense from cash & cash equivalents	172	(105)
Cost of net debt	(795)	(1,204)
Other financial income	374	607
Other financial expense	(261)	(342)
Net income (loss) from equity affiliates	201	285
Income taxes	(3,248)	521
Consolidated net income	5,711	(8,420)
TotalEnergies share	5,550	(8,335)
Non-controlling interests	161	(85)
Earnings per share (\$)	2.04	(3.29)
Fully-diluted earnings per share (\$)	2.03	(3.29)

(a) Except for per share amounts.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

TotalEnergies

(unaudited)

(M\$)	1st half 2021	1st half 2020
Consolidated net income	5,711	(8,420)
Other comprehensive income		
Actuarial gains and losses	449	(223)
Change in fair value of investments in equity instruments	68	(74)
Tax effect	(154)	86
Currency translation adjustment generated by the parent company	(2,934)	(196)
Items not potentially reclassifiable to profit and loss	(2,571)	(407)
Currency translation adjustment	1,777	(940)
Cash flow hedge	80	(1,293)
Variation of foreign currency basis spread	(4)	70
share of other comprehensive income of equity affiliates, net amount	451	(927)
Other	-	3
Tax effect	(57)	367
Items potentially reclassifiable to profit and loss	2,247	(2,720)
Total other comprehensive income (net amount)	(324)	(3,127)
Comprehensive income	5,387	(11,547)
<i>TotalEnergies share</i>	5,212	(11,424)
<i>Non-controlling interests</i>	175	(123)

CONSOLIDATED BALANCE SHEET

TotalEnergies

	June 30, 2021	March 31, 2021	December 31, 2020	June 30, 2020
(M\$)	(unaudited)	(unaudited)		(unaudited)
ASSETS				
Non-current assets				
Intangible assets, net	33,359	33,239	33,528	33,114
Property, plant and equipment, net	106,791	106,859	108,335	104,925
Equity affiliates : investments and loans	29,712	30,727	27,976	27,470
Other investments	2,247	2,062	2,007	1,627
Non-current financial assets	3,778	3,700	4,781	2,431
Deferred income taxes	6,578	6,619	7,016	7,257
Other non-current assets	2,800	2,638	2,810	2,539
Total non-current assets	185,265	185,844	186,453	179,363
Current assets				
Inventories, net	19,162	16,192	14,730	12,688
Accounts receivable, net	17,192	17,532	14,068	13,481
Other current assets	17,585	14,304	13,428	17,155
Current financial assets	4,404	4,605	4,630	6,570
Cash and cash equivalents	28,643	30,285	31,268	29,727
Assets classified as held for sale	456	396	1,555	421
Total current assets	87,442	83,314	79,679	80,042
Total assets	272,707	269,158	266,132	259,405
LIABILITIES & SHAREHOLDERS' EQUITY				
Shareholders' equity				
Common shares	8,224	8,193	8,267	8,159
Paid-in surplus and retained earnings	110,967	112,676	107,078	107,934
Currency translation adjustment	(11,087)	(11,566)	(10,256)	(13,265)
Treasury shares	(8)	(8)	(1,387)	(1,623)
Total shareholders' equity - TotalEnergies share	108,096	109,295	103,702	101,205
Non-controlling interests	2,480	2,390	2,383	2,334
Total shareholders' equity	110,576	111,685	106,085	103,539
Non-current liabilities				
Deferred income taxes	10,596	10,387	10,326	10,346
Employee benefits	3,305	3,644	3,917	3,612
Provisions and other non-current liabilities	20,716	20,893	20,925	19,487
Non-current financial debt	52,331	52,541	60,203	61,540
Total non-current liabilities	86,948	87,465	95,371	94,985
Current liabilities				
Accounts payable	29,752	26,959	23,574	19,198
Other creditors and accrued liabilities	27,836	22,066	22,465	24,790
Current borrowings	16,983	20,471	17,099	16,154
Other current financial liabilities	322	351	203	411
Liabilities directly associated with the assets classified as held for sale	290	161	1,335	328
Total current liabilities	75,183	70,008	64,676	60,881
Total liabilities & shareholders' equity	272,707	269,158	266,132	259,405

CONSOLIDATED STATEMENT OF CASH FLOW

TotalEnergies

(unaudited)

(M\$)	2 nd quarter 2021	1 st quarter 2021	2 nd quarter 2020
CASH FLOW FROM OPERATING ACTIVITIES			
Consolidated net income	2,299	3,412	(8,422)
Depreciation, depletion, amortization and impairment	3,287	3,473	11,701
Non-current liabilities, valuation allowances and deferred taxes	210	121	(796)
(Gains) losses on disposals of assets	(85)	(285)	(131)
Undistributed affiliates' equity earnings	1,255	(573)	978
(Increase) decrease in working capital	669	(819)	431
Other changes, net	(84)	269	(282)
Cash flow from operating activities	7,551	5,598	3,479
CASH FLOW USED IN INVESTING ACTIVITIES			
Intangible assets and property, plant and equipment additions	(2,675)	(2,410)	(2,409)
Acquisitions of subsidiaries, net of cash acquired	(170)	-	-
Investments in equity affiliates and other securities	(307)	(2,126)	(136)
Increase in non-current loans	(380)	(300)	(733)
Total expenditures	(3,532)	(4,836)	(3,278)
Proceeds from disposals of intangible assets and property, plant and equipment	45	226	219
Proceeds from disposals of subsidiaries, net of cash sold	-	229	12
Proceeds from disposals of non-current investments	216	63	20
Repayment of non-current loans	167	134	99
Total divestments	428	652	350
Cash flow used in investing activities	(3,104)	(4,184)	(2,928)
CASH FLOW USED IN FINANCING ACTIVITIES			
Issuance (repayment) of shares:			
- Parent company shareholders	381	-	374
- Treasury shares	-	(165)	(2)
Dividends paid:			
- Parent company shareholders	(2,094)	(2,090)	(1,928)
- Non-controlling interests	(53)	(10)	(76)
Net issuance (repayment) of perpetual subordinated notes	-	3,248	-
Payments on perpetual subordinated notes	(147)	(87)	(134)
Other transactions with non-controlling interests	-	(55)	(22)
Net issuance (repayment) of non-current debt	51	(890)	15,430
Increase (decrease) in current borrowings	(4,369)	(1,662)	(6,604)
Increase (decrease) in current financial assets and liabilities	(67)	(148)	449
Cash flow from (used in) financing activities	(6,298)	(1,859)	7,487
Net increase (decrease) in cash and cash equivalents	(1,851)	(445)	8,038
Effect of exchange rates	209	(538)	55
Cash and cash equivalents at the beginning of the period	30,285	31,268	21,634
Cash and cash equivalents at the end of the period	28,643	30,285	29,727

CONSOLIDATED STATEMENT OF CASH FLOW

TotalEnergies

(unaudited)

(M\$)	1 st half 2021	1 st half 2020
CASH FLOW FROM OPERATING ACTIVITIES		
Consolidated net income	5,711	(8,420)
Depreciation, depletion, amortization and impairment	6,760	15,431
Non-current liabilities, valuation allowances and deferred taxes	331	(1,457)
(Gains) losses on disposals of assets	(370)	(340)
Undistributed affiliates' equity earnings	682	391
(Increase) decrease in working capital	(150)	(453)
Other changes, net	185	(374)
Cash flow from operating activities	13,149	4,778
CASH FLOW USED IN INVESTING ACTIVITIES		
Intangible assets and property, plant and equipment additions	(5,085)	(4,773)
Acquisitions of subsidiaries, net of cash acquired	(170)	(188)
Investments in equity affiliates and other securities	(2,433)	(1,670)
Increase in non-current loans	(680)	(1,028)
Total expenditures	(8,368)	(7,659)
Proceeds from disposals of intangible assets and property, plant and equipment	271	263
Proceeds from disposals of subsidiaries, net of cash sold	229	154
Proceeds from disposals of non-current investments	279	315
Repayment of non-current loans	301	225
Total divestments	1,080	957
Cash flow used in investing activities	(7,288)	(6,702)
CASH FLOW USED IN FINANCING ACTIVITIES		
Issuance (repayment) of shares:		
- Parent company shareholders	381	374
- Treasury shares	(165)	(611)
Dividends paid:		
- Parent company shareholders	(4,184)	(3,810)
- Non-controlling interests	(63)	(76)
Net issuance (repayment) of perpetual subordinated notes	3,248	-
Payments on perpetual subordinated notes	(234)	(231)
Other transactions with non-controlling interests	(55)	(70)
Net issuance (repayment) of non-current debt	(839)	15,472
Increase (decrease) in current borrowings	(6,031)	(3,819)
Increase (decrease) in current financial assets and liabilities	(215)	(2,546)
Cash flow from (used in) financing activities	(8,157)	4,683
Net increase (decrease) in cash and cash equivalents	(2,296)	2,759
Effect of exchange rates	(329)	(384)
Cash and cash equivalents at the beginning of the period	31,268	27,352
Cash and cash equivalents at the end of the period	28,643	29,727

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

TotalEnergies

(unaudited)

(M\$)	Common shares issued		Paid-in surplus and retained earnings	Currency translation adjustment	Treasury shares		Shareholders' equity - TotalEnergies Share	Non-controlling interests	Total shareholders' equity
	Number	Amount			Number	Amount			
As of January 1, 2020	2,601,881,075	8,123	121,170	(11,503)	(15,474,234)	(1,012)	116,778	2,527	119,305
Net income of the first half 2020	-	-	(8,335)	-	-	-	(8,335)	(85)	(8,420)
Other comprehensive income	-	-	(1,327)	(1,762)	-	-	(3,089)	(38)	(3,127)
Comprehensive Income	-	-	(9,662)	(1,762)	-	-	(11,424)	(123)	(11,547)
Dividend	-	-	(3,799)	-	-	-	(3,799)	(76)	(3,875)
Issuance of common shares	13,179,262	36	338	-	-	-	374	-	374
Purchase of treasury shares	-	-	-	-	(13,236,044)	(611)	(611)	-	(611)
Sale of treasury shares ^(a)	-	-	-	-	3,680	-	-	-	-
Share-based payments	-	-	96	-	-	-	96	-	96
Share cancellation	-	-	-	-	-	-	-	-	-
Net issuance (repayment) of perpetual subordinated notes	-	-	-	-	-	-	-	-	-
Payments on perpetual subordinated notes	-	-	(143)	-	-	-	(143)	-	(143)
Other operations with non-controlling interests	-	-	(63)	-	-	-	(63)	(7)	(70)
Other items	-	-	(3)	-	-	-	(3)	13	10
As of June 30, 2020	2,615,060,337	8,159	107,934	(13,265)	(28,706,598)	(1,623)	101,205	2,334	103,539
Net income of the second half 2020	-	-	1,093	-	-	-	1,093	(9)	1,084
Other comprehensive income	-	-	1,006	3,013	-	-	4,019	338	4,357
Comprehensive Income	-	-	2,099	3,013	-	-	5,112	329	5,441
Dividend	-	-	(4,100)	-	-	-	(4,100)	(158)	(4,258)
Issuance of common shares	38,063,688	108	1,132	-	-	-	1,240	-	1,240
Purchase of treasury shares	-	-	-	-	-	-	-	-	-
Sale of treasury shares ^(a)	-	-	(236)	-	4,313,895	236	-	-	-
Share-based payments	-	-	92	-	-	-	92	-	92
Share cancellation	-	-	-	-	-	-	-	-	-
Net issuance (repayment) of perpetual subordinated notes	-	-	331	-	-	-	331	-	331
Payments on perpetual subordinated notes	-	-	(165)	-	-	-	(165)	-	(165)
Other operations with non-controlling interests	-	-	2	(4)	-	-	(2)	(110)	(112)
Other items	-	-	(11)	-	-	-	(11)	(12)	(23)
As of December 31, 2020	2,653,124,025	8,267	107,078	(10,256)	(24,392,703)	(1,387)	103,702	2,383	106,085
Net income of the first half 2021	-	-	5,550	-	-	-	5,550	161	5,711
Other comprehensive income	-	-	485	(823)	-	-	(338)	14	(324)
Comprehensive Income	-	-	6,035	(823)	-	-	5,212	175	5,387
Dividend	-	-	(4,189)	-	-	-	(4,189)	(63)	(4,252)
Issuance of common shares	10,589,713	31	350	-	-	-	381	-	381
Purchase of treasury shares	-	-	-	-	(3,636,351)	(165)	(165)	-	(165)
Sale of treasury shares ^(a)	-	-	(216)	-	4,570,220	216	-	-	-
Share-based payments	-	-	61	-	-	-	61	-	61
Share cancellation	(23,284,409)	(74)	(1,254)	-	23,284,409	1,328	-	-	-
Net issuance (repayment) of perpetual subordinated notes	-	-	3,254	-	-	-	3,254	-	3,254
Payments on perpetual subordinated notes	-	-	(184)	-	-	-	(184)	-	(184)
Other operations with non-controlling interests	-	-	26	(6)	-	-	20	(20)	-
Other items	-	-	6	(2)	-	-	4	5	9
As of June 30, 2021	2,640,429,329	8,224	110,967	(11,087)	(174,425)	(8)	108,096	2,480	110,576

^(a)Treasury shares related to the performance share grants.

TotalEnergies
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE FIRST SIX MONTHS 2021

(unaudited)

1) Accounting policies

The consolidated financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union and IFRS as published by the International Accounting Standards Board (IASB).

The interim consolidated financial statements of TotalEnergies SE and its subsidiaries (the Company) as of June 30, 2021, are presented in U.S. dollars and have been prepared in accordance with International Accounting Standard (IAS) 34 "Interim Financial Reporting".

The accounting principles applied for the consolidated financial statements at June 30, 2021, are consistent with those used for the financial statements at December 31, 2020. Since January 1, 2020, the Company has early adopted the amendments to IFRS 7 and IFRS 9 relating to the interest rate benchmark reform phase II. In particular, these amendments allow to maintain the hedge accounting qualification of interest rate derivatives.

The preparation of financial statements in accordance with IFRS for the closing as of June 30, 2021 requires the executive management to make estimates, assumptions and judgments that affect the information reported in the Consolidated Financial Statements and the Notes thereto.

These estimates, assumptions and judgments are based on historical experience and other factors believed to be reasonable at the date of preparation of the financial statements. They are reviewed on an on-going basis by management and therefore could be revised as circumstances change or as a result of new information.

The main estimates, judgments and assumptions relate to the estimation of hydrocarbon reserves in application of the successful efforts method for the oil and gas activities, asset impairments, employee benefits, asset retirement obligations and income taxes. These estimates and assumptions are described in the Notes to the Consolidated Financial Statements as of December 31, 2020.

Different estimates, assumptions and judgments could significantly affect the information reported, and actual results may differ from the amounts included in the Consolidated Financial Statements and the Notes thereto.

Furthermore, when the accounting treatment of a specific transaction is not addressed by any accounting standard or interpretation, the management of the Company applies its judgment to define and apply accounting policies that provide information consistent with the general IFRS concepts: faithful representation, relevance and materiality.

2) Changes in the Company structure

2.1) *Main acquisitions and divestments*

➤ Integrated Gas, Renewables & Power

- In January 2021, TotalEnergies finalized the acquisition of a 20% minority interest in Adani Green Energy Limited (AGEL) from Adani Group. Adani Green Energy Limited (AGEL), a part of the Adani Group, has 14.6 GW of operating, under-construction and awarded renewable power projects catering to investment-grade counterparties.

➤ Refining & Chemicals

- In February 2021, TotalEnergies finalized the sale of Lindsey refinery and its associated logistic assets, as well as all the related rights and obligations, to the Prax Group.

2.2) *Divestment projects*

➤ Exploration & Production

- TotalEnergies has initiated the sale process of its 30.323% interest in the share capital of Petrocedeño in Venezuela. As mentioned in Note 8 Subsequent Events, this process led to the execution on July 9, 2021 of a Share Purchase Agreement with PDVSA.

As of June 30, 2021, the assets have been classified as “assets classified as held for sale” for a null value. These assets are the shares of Petrocedeño, as consolidated under the equity method and recorded at their sale price; this transaction triggering a loss of \$1.38 billion in the financial statements of TotalEnergies.

- On July 30, 2020, TotalEnergies announced that its 58% owned affiliate Total Gabon has signed an agreement with Perenco to divest its interests in seven mature non-operated offshore fields, along with its interests and operatorship in the Cap Lopez oil terminal. The transaction remains subject to approval by the Gabonese authorities.

As of June 30, 2021, the assets and liabilities have been respectively classified in the consolidated balance sheet as “assets classified as held for sale” for an amount of \$398 million and “liabilities classified as held for sale” for an amount of \$169 million. These assets mainly include tangible assets.

3) Business segment information

Description of the business segments

Financial information by business segment is reported in accordance with the internal reporting system and shows internal segment information that is used to manage and measure the performance of TotalEnergies and which is reviewed by the main operational decision-making body of the Company, namely the Executive Committee.

The operational profit and assets are broken down by business segment prior to the consolidation and inter-segment adjustments.

Sales prices between business segments approximate market prices.

The organization of the Company's activities is structured around the four following segments:

- an Exploration & Production segment;
- an Integrated Gas, Renewables & Power segment comprising integrated gas (including LNG) and low carbon electricity businesses. It includes the upstream and midstream LNG activity;
- a Refining & Chemicals segment constituting a major industrial hub comprising the activities of refining, petrochemicals and specialty chemicals. This segment also includes the activities of oil Supply, Trading and marine Shipping;
- a Marketing & Services segment including the global activities of supply and marketing in the field of petroleum products;

In addition the Corporate segment includes holdings operating and financial activities.

Adjustment items

Performance indicators excluding the adjustment items, such as adjusted operating income, adjusted net operating income, and adjusted net income are meant to facilitate the analysis of the financial performance and the comparison of income between periods.

Adjustment items include:

(i) Special items

Due to their unusual nature or particular significance, certain transactions qualified as "special items" are excluded from the business segment figures. In general, special items relate to transactions that are significant, infrequent or unusual. However, in certain instances, transactions such as restructuring costs or assets disposals, which are not considered to be representative of the normal course of business, may be qualified as special items although they may have occurred within prior years or are likely to occur again within the coming years.

(ii) The inventory valuation effect

The adjusted results of the Refining & Chemicals and Marketing & Services segments are presented according to the replacement cost method. This method is used to assess the segments' performance and facilitate the comparability of the segments' performance with those of its competitors.

In the replacement cost method, which approximates the LIFO (Last-In, First-Out) method, the variation of inventory values in the statement of income is, depending on the nature of the inventory, determined using either the month-end prices differential between one period and another or the average prices of the period rather than the historical value. The inventory valuation effect is the difference between the results according to the FIFO (First-In, First-Out) and the replacement cost methods.

(iii) Effect of changes in fair value

The effect of changes in fair value presented as adjustment items reflects for certain transactions differences between the internal measure of performance used by TotalEnergies's management and the accounting for these transactions under IFRS.

IFRS requires that trading inventories be recorded at their fair value using period end spot prices. In order to best reflect the management of economic exposure through derivative transactions, internal indicators used to measure performance include valuations of trading inventories based on forward prices.

TotalEnergies, in its trading activities, enters into storage contracts, which future effects are recorded at fair value in the Company's internal economic performance. IFRS precludes recognition of this fair value effect.

Furthermore, TotalEnergies enters into derivative instruments to risk manage certain operational contracts or assets. Under IFRS, these derivatives are recorded at fair value while the underlying operational transactions are recorded as they occur. Internal indicators defer the fair value on derivatives to match with the transaction occurrence.

The adjusted results (adjusted operating income, adjusted net operating income, adjusted net income) are defined as replacement cost results, adjusted for special items and the effect of changes in fair value.

3.1) Information by business segment

1 st half 2021 (M\$)	Exploration & Production	Integrated Gas, Renewables & Power	Refining & Chemicals	Marketing & Services	Corporate	Intercompany	Total
External sales	3,257	10,588	40,054	36,880	7	-	90,786
Intersegment sales	14,433	1,555	11,890	186	68	(28,132)	-
Excise taxes	-	-	(630)	(9,890)	-	-	(10,520)
Revenues from sales	17,690	12,143	51,314	27,176	75	(28,132)	80,266
Operating expenses	(7,352)	(10,321)	(48,579)	(25,510)	(374)	28,132	(64,004)
Depreciation, depletion and impairment of tangible assets and mineral interests	(4,317)	(762)	(787)	(526)	(54)	-	(6,446)
Operating income	6,021	1,060	1,948	1,140	(353)	-	9,816
Net income (loss) from equity affiliates and other items	(973)	682	211	23	(5)	-	(62)
Tax on net operating income	(2,375)	(157)	(561)	(352)	54	-	(3,391)
Net operating income	2,673	1,585	1,598	811	(304)	-	6,363
Net cost of net debt							(652)
Non-controlling interests							(161)
Net income - TotalEnergies share							5,550

1 st half 2021 (adjustments) ^(a) (M\$)	Exploration & Production	Integrated Gas, Renewables & Power	Refining & Chemicals	Marketing & Services	Corporate	Intercompany	Total
External sales	-	(44)	-	-	-	-	(44)
Intersegment sales	-	-	-	-	-	-	-
Excise taxes	-	-	-	-	-	-	-
Revenues from sales	-	(44)	-	-	-	-	(44)
Operating expenses	(23)	(62)	1,131	213	-	-	1,259
Depreciation, depletion and impairment of tangible assets and mineral interests	-	(148)	(13)	-	-	-	(161)
Operating income ^(b)	(23)	(254)	1,118	213	-	-	1,054
Net income (loss) from equity affiliates and other items	(1,482)	(96)	28	(43)	(62)	-	(1,655)
Tax on net operating income	(10)	59	(302)	(60)	2	-	(311)
Net operating income ^(b)	(1,515)	(291)	844	110	(60)	-	(912)
Net cost of net debt							10
Non-controlling interests							(14)
Net income - TotalEnergies share							(916)

^(a) Adjustments include special items, inventory valuation effect and the effect of changes in fair value.

^(b) Of which inventory valuation effect

- On operating income	-	-	1,140	206	-		
- On net operating income	-	-	937	148	-		

1 st half 2021 (adjusted) (M\$)	Exploration & Production	Integrated Gas, Renewables & Power	Refining & Chemicals	Marketing & Services	Corporate	Intercompany	Total
External sales	3,257	10,632	40,054	36,880	7	-	90,830
Intersegment sales	14,433	1,555	11,890	186	68	(28,132)	-
Excise taxes	-	-	(630)	(9,890)	-	-	(10,520)
Revenues from sales	17,690	12,187	51,314	27,176	75	(28,132)	80,310
Operating expenses	(7,329)	(10,259)	(49,710)	(25,723)	(374)	28,132	(65,263)
Depreciation, depletion and impairment of tangible assets and mineral interests	(4,317)	(614)	(774)	(526)	(54)	-	(6,285)
Adjusted operating income	6,044	1,314	830	927	(353)	-	8,762
Net income (loss) from equity affiliates and other items	509	778	183	66	57	-	1,593
Tax on net operating income	(2,365)	(216)	(259)	(292)	52	-	(3,080)
Adjusted net operating income	4,188	1,876	754	701	(244)	-	7,275
Net cost of net debt							(662)
Non-controlling interests							(147)
Adjusted net income - TotalEnergies share							6,466

1 st half 2021 (M\$)	Exploration & Production	Integrated Gas, Renewables & Power	Refining & Chemicals	Marketing & Services	Corporate	Intercompany	Total
Total expenditures	3,195	4,187	578	360	48	-	8,368
Total divestments	374	452	129	107	18	-	1,080
Cash flow from operating activities	8,571	1,347	3,228	1,102	(1,099)	-	13,149

1 st half 2020	Exploration & Production	Integrated Gas, Renewables & Power	Refining & Chemicals	Marketing & Services	Corporate	Intercompany	Total
(M\$)							
External sales	2,574	8,403	27,956	30,661	6	-	69,600
Intersegment sales	8,661	895	9,051	196	59	(18,862)	-
Excise taxes	-	-	(1,119)	(8,342)	-	-	(9,461)
Revenues from sales	11,235	9,298	35,888	22,515	65	(18,862)	60,139
Operating expenses	(6,048)	(8,398)	(35,736)	(21,730)	(562)	18,862	(53,612)
Depreciation, depletion and impairment of tangible assets and mineral interests	(12,311)	(1,616)	(788)	(473)	(40)	-	(15,228)
Operating income	(7,124)	(716)	(636)	312	(537)	-	(8,701)
Net income (loss) from equity affiliates and other items	440	420	(92)	32	164	-	964
Tax on net operating income	(56)	330	203	(159)	2	-	320
Net operating income	(6,740)	34	(525)	185	(371)	-	(7,417)
Net cost of net debt							(1,003)
Non-controlling interests							85
Net income - TotalEnergies share							(8,335)

1 st half 2020 (adjustments) ^(a)	Exploration & Production	Integrated Gas, Renewables & Power	Refining & Chemicals	Marketing & Services	Corporate	Intercompany	Total
(M\$)							
External sales	-	(16)	-	-	-	-	(16)
Intersegment sales	-	-	-	-	-	-	-
Excise taxes	-	-	-	-	-	-	-
Revenues from sales	-	(16)	-	-	-	-	(16)
Operating expenses	(37)	(318)	(1,637)	(341)	(91)	-	(2,424)
Depreciation, depletion and impairment of tangible assets and mineral interests	(7,338)	(953)	-	-	-	-	(8,291)
Operating income ^(b)	(7,375)	(1,287)	(1,637)	(341)	(91)	-	(10,731)
Net income (loss) from equity affiliates and other items	71	(292)	(271)	(5)	-	-	(497)
Tax on net operating income	70	374	426	100	12	-	982
Net operating income ^(b)	(7,234)	(1,205)	(1,482)	(246)	(79)	-	(10,246)
Net cost of net debt							(68)
Non-controlling interests							72
Net income - TotalEnergies share							(10,242)

^(a) Adjustments include special items, inventory valuation effect and the effect of changes in fair value.

^(b) Of which inventory valuation effect

- On operating income	-	-	(1,604)	(234)	-		
- On net operating income	-	-	(1,371)	(163)	-		

1 st half 2020 (adjusted)	Exploration & Production	Integrated Gas, Renewables & Power	Refining & Chemicals	Marketing & Services	Corporate	Intercompany	Total
(M\$)							
External sales	2,574	8,419	27,956	30,661	6	-	69,616
Intersegment sales	8,661	895	9,051	196	59	(18,862)	-
Excise taxes	-	-	(1,119)	(8,342)	-	-	(9,461)
Revenues from sales	11,235	9,314	35,888	22,515	65	(18,862)	60,155
Operating expenses	(6,011)	(8,080)	(34,099)	(21,389)	(471)	18,862	(51,188)
Depreciation, depletion and impairment of tangible assets and mineral interests	(4,973)	(663)	(788)	(473)	(40)	-	(6,937)
Adjusted operating income	251	571	1,001	653	(446)	-	2,030
Net income (loss) from equity affiliates and other items	369	712	179	37	164	-	1,461
Tax on net operating income	(126)	(44)	(223)	(259)	(10)	-	(662)
Adjusted net operating income	494	1,239	957	431	(292)	-	2,829
Net cost of net debt							(935)
Non-controlling interests							13
Adjusted net income - TotalEnergies share							1,907

1 st half 2020	Exploration & Production	Integrated Gas, Renewables & Power	Refining & Chemicals	Marketing & Services	Corporate	Intercompany	Total
(M\$)							
Total expenditures	3,265	3,461	533	334	66	-	7,659
Total divestments	325	433	101	72	26	-	957
Cash flow from operating activities	4,833	900	(103)	420	(1,272)	-	4,778

2 nd quarter 2021	Exploration & Production	Integrated Gas, Renewables & Power	Refining & Chemicals	Marketing & Services	Corporate	Intercompany	Total
(M\$)							
External sales	1,743	5,086	20,853	19,367	-	-	47,049
Intersegment sales	7,855	744	6,369	108	39	(15,115)	-
Excise taxes	-	-	(225)	(5,191)	-	-	(5,416)
Revenues from sales	9,598	5,830	26,997	14,284	39	(15,115)	41,633
Operating expenses	(4,284)	(5,103)	(25,646)	(13,434)	(207)	15,115	(33,559)
Depreciation, depletion and impairment of tangible assets and mineral interests	(2,134)	(291)	(396)	(271)	(29)	-	(3,121)
Operating income	3,180	436	955	579	(197)	-	4,953
Net income (loss) from equity affiliates and other items	(1,243)	419	123	57	23	-	(621)
Tax on net operating income	(1,195)	(56)	(281)	(176)	16	-	(1,692)
Net operating income	742	799	797	460	(158)	-	2,640
Net cost of net debt							(341)
Non-controlling interests							(93)
Net income - TotalEnergies share							2,206

2 nd quarter 2021 (adjustments) ^(a)	Exploration & Production	Integrated Gas, Renewables & Power	Refining & Chemicals	Marketing & Services	Corporate	Intercompany	Total
(M\$)							
External sales	-	(9)	-	-	-	-	(9)
Intersegment sales	-	-	-	-	-	-	-
Excise taxes	-	-	-	-	-	-	-
Revenues from sales	-	(9)	-	-	-	-	(9)
Operating expenses	(23)	(54)	386	71	-	-	380
Depreciation, depletion and impairment of tangible assets and mineral interests	-	(3)	(13)	-	-	-	(16)
Operating income ^(b)	(23)	(66)	373	71	-	-	355
Net income (loss) from equity affiliates and other items	(1,436)	(47)	22	(8)	(22)	-	(1,491)
Tax on net operating income	(12)	21	(109)	(20)	-	-	(120)
Net operating income ^(b)	(1,471)	(92)	286	43	(22)	-	(1,256)
Net cost of net debt							4
Non-controlling interests							(5)
Net income - TotalEnergies share							(1,257)

^(a) Adjustments include special items, inventory valuation effect and the effect of changes in fair value.

^(b) Of which inventory valuation effect

- On operating income	-	-	394	69	-	
- On net operating income	-	-	331	50	-	

2 nd quarter 2021 (adjusted)	Exploration & Production	Integrated Gas, Renewables & Power	Refining & Chemicals	Marketing & Services	Corporate	Intercompany	Total
(M\$)							
External sales	1,743	5,095	20,853	19,367	-	-	47,058
Intersegment sales	7,855	744	6,369	108	39	(15,115)	-
Excise taxes	-	-	(225)	(5,191)	-	-	(5,416)
Revenues from sales	9,598	5,839	26,997	14,284	39	(15,115)	41,642
Operating expenses	(4,261)	(5,049)	(26,032)	(13,505)	(207)	15,115	(33,939)
Depreciation, depletion and impairment of tangible assets and mineral interests	(2,134)	(288)	(383)	(271)	(29)	-	(3,105)
Adjusted operating income	3,203	502	582	508	(197)	-	4,598
Net income (loss) from equity affiliates and other items	193	466	101	65	45	-	870
Tax on net operating income	(1,183)	(77)	(172)	(156)	16	-	(1,572)
Adjusted net operating income	2,213	891	511	417	(136)	-	3,896
Net cost of net debt							(345)
Non-controlling interests							(88)
Adjusted net income - TotalEnergies share							3,463

2 nd quarter 2021	Exploration & Production	Integrated Gas, Renewables & Power	Refining & Chemicals	Marketing & Services	Corporate	Intercompany	Total
(M\$)							
Total expenditures	1,830	1,167	291	222	22		3,532
Total divestments	63	310	13	36	6		428
Cash flow from operating activities	4,835	567	2,232	437	(520)		7,551

2 nd quarter 2020	Exploration & Production	Integrated Gas, Renewables & Power	Refining & Chemicals	Marketing & Services	Corporate	Intercompany	Total
(M\$)							
External sales	992	3,313	9,433	11,986	6	-	25,730
Intersegment sales	3,097	301	2,956	107	31	(6,492)	-
Excise taxes	-	-	(469)	(3,699)	-	-	(4,168)
Revenues from sales	4,089	3,614	11,920	8,394	37	(6,492)	21,562
Operating expenses	(2,405)	(3,406)	(10,895)	(7,931)	(315)	6,492	(18,460)
Depreciation, depletion and impairment of tangible assets and mineral interests	(9,667)	(1,282)	(393)	(229)	(22)	-	(11,593)
Operating income	(7,983)	(1,074)	632	234	(300)	-	(8,491)
Net income (loss) from equity affiliates and other items	17	21	(35)	22	40	-	65
Tax on net operating income	398	322	(132)	(127)	(26)	-	435
Net operating income	(7,568)	(731)	465	129	(286)	-	(7,991)
Net cost of net debt							(431)
Non-controlling interests							53
Net income - TotalEnergies share							(8,369)

2 nd quarter 2020 (adjustments) ^(a)	Exploration & Production	Integrated Gas, Renewables & Power	Refining & Chemicals	Marketing & Services	Corporate	Intercompany	Total
(M\$)							
External sales	-	(18)	-	-	-	-	(18)
Intersegment sales	-	-	-	-	-	-	-
Excise taxes	-	-	-	-	-	-	-
Revenues from sales	-	(18)	-	-	-	-	(18)
Operating expenses	(27)	(199)	(48)	5	(36)	-	(305)
Depreciation, depletion and impairment of tangible assets and mineral interests	(7,338)	(953)	-	-	-	-	(8,291)
Operating income ^(b)	(7,365)	(1,170)	(48)	5	(36)	-	(8,614)
Net income (loss) from equity affiliates and other items	(57)	(217)	(63)	(5)	-	-	(342)
Tax on net operating income	63	330	1	-	12	-	406
Net operating income ^(b)	(7,359)	(1,057)	(110)	-	(24)	-	(8,550)
Net cost of net debt							33
Non-controlling interests							22
Net income - TotalEnergies share							(8,495)

^(a) Adjustments include special items, inventory valuation effect and the effect of changes in fair value.

^(b) Of which inventory valuation effect

- On operating income	-	-	(26)	(16)	-	-	
- On net operating income	-	-	(86)	(9)	-	-	

2 nd quarter 2020 (adjusted)	Exploration & Production	Integrated Gas, Renewables & Power	Refining & Chemicals	Marketing & Services	Corporate	Intercompany	Total
(M\$)							
External sales	992	3,331	9,433	11,986	6	-	25,748
Intersegment sales	3,097	301	2,956	107	31	(6,492)	-
Excise taxes	-	-	(469)	(3,699)	-	-	(4,168)
Revenues from sales	4,089	3,632	11,920	8,394	37	(6,492)	21,580
Operating expenses	(2,378)	(3,207)	(10,847)	(7,936)	(279)	6,492	(18,155)
Depreciation, depletion and impairment of tangible assets and mineral interests	(2,329)	(329)	(393)	(229)	(22)	-	(3,302)
Adjusted operating income	(618)	96	680	229	(264)	-	123
Net income (loss) from equity affiliates and other items	74	238	28	27	40	-	407
Tax on net operating income	335	(8)	(133)	(127)	(38)	-	29
Adjusted net operating income	(209)	326	575	129	(262)	-	559
Net cost of net debt							(464)
Non-controlling interests							31
Adjusted net income - TotalEnergies share							126

2 nd quarter 2020	Exploration & Production	Integrated Gas, Renewables & Power	Refining & Chemicals	Marketing & Services	Corporate	Intercompany	Total
(M\$)							
Total expenditures	1,606	1,170	307	174	21	-	3,278
Total divestments	204	89	22	26	9	-	350
Cash flow from operating activities	910	1,389	1,080	819	(719)	-	3,479

3.2) Reconciliation of the information by business segment with consolidated financial statements

1 st half 2021 (M\$)	Adjusted	Adjustments ^(a)	Consolidated statement of income
Sales	90,830	(44)	90,786
Excise taxes	(10,520)	-	(10,520)
Revenues from sales	80,310	(44)	80,266
Purchases net of inventory variation	(51,397)	1,280	(50,117)
Other operating expenses	(13,576)	(21)	(13,597)
Exploration costs	(290)	-	(290)
Depreciation, depletion and impairment of tangible assets and mineral interests	(6,285)	(161)	(6,446)
Other income	554	27	581
Other expense	(334)	(623)	(957)
Financial interest on debt	(967)	-	(967)
Financial income and expense from cash & cash equivalents	156	16	172
Cost of net debt	(811)	16	(795)
Other financial income	374	-	374
Other financial expense	(261)	-	(261)
Net income (loss) from equity affiliates	1,260	(1,059)	201
Income taxes	(2,931)	(317)	(3,248)
Consolidated net income	6,613	(902)	5,711
TotalEnergies share	6,466	(916)	5,550
Non-controlling interests	147	14	161

(a) Adjustments include special items, inventory valuation effect and the effect of changes in fair value.

1 st half 2020 (M\$)	Adjusted	Adjustments ^(a)	Consolidated statement of income
Sales	69,616	(16)	69,600
Excise taxes	(9,461)	-	(9,461)
Revenues from sales	60,155	(16)	60,139
Purchases net of inventory variation	(37,949)	(2,144)	(40,093)
Other operating expenses	(12,985)	(280)	(13,265)
Exploration costs	(254)	-	(254)
Depreciation, depletion and impairment of tangible assets and mineral interests	(6,937)	(8,291)	(15,228)
Other income	820	122	942
Other expense	(294)	(234)	(528)
Financial interest on debt	(1,094)	(5)	(1,099)
Financial income and expense from cash & cash equivalents	(13)	(92)	(105)
Cost of net debt	(1,107)	(97)	(1,204)
Other financial income	607	-	607
Other financial expense	(341)	(1)	(342)
Net income (loss) from equity affiliates	669	(384)	285
Income taxes	(490)	1,011	521
Consolidated net income	1,894	(10,314)	(8,420)
TotalEnergies share	1,907	(10,242)	(8,335)
Non-controlling interests	(13)	(72)	(85)

(a) Adjustments include special items, inventory valuation effect and the effect of changes in fair value.

2nd quarter 2021	Consolidated statement of income		
(M\$)	Adjusted	Adjustments^(a)	of income
Sales	47,058	(9)	47,049
Excise taxes	(5,416)	-	(5,416)
Revenues from sales	41,642	(9)	41,633
Purchases net of inventory variation	(27,108)	389	(26,719)
Other operating expenses	(6,708)	(9)	(6,717)
Exploration costs	(123)	-	(123)
Depreciation, depletion and impairment of tangible assets and mineral interests	(3,105)	(16)	(3,121)
Other income	138	85	223
Other expense	(142)	(156)	(298)
Financial interest on debt	(501)	-	(501)
Financial income and expense from cash & cash equivalents	69	8	77
Cost of net debt	(432)	8	(424)
Other financial income	265	-	265
Other financial expense	(131)	-	(131)
Net income (loss) from equity affiliates	740	(1,420)	(680)
Income taxes	(1,485)	(124)	(1,609)
Consolidated net income	3,551	(1,252)	2,299
TotalEnergies share	3,463	(1,257)	2,206
Non-controlling interests	88	5	93

(a) Adjustments include special items, inventory valuation effect and the effect of changes in fair value.

2nd quarter 2020	Consolidated statement of income		
(M\$)	Adjusted	Adjustments^(a)	of income
Sales	25,748	(18)	25,730
Excise taxes	(4,168)	-	(4,168)
Revenues from sales	21,580	(18)	21,562
Purchases net of inventory variation	(11,842)	(183)	(12,025)
Other operating expenses	(6,199)	(122)	(6,321)
Exploration costs	(114)	-	(114)
Depreciation, depletion and impairment of tangible assets and mineral interests	(3,302)	(8,291)	(11,593)
Other income	240	122	362
Other expense	(103)	(5)	(108)
Financial interest on debt	(527)	(3)	(530)
Financial income and expense from cash & cash equivalents	(3)	53	50
Cost of net debt	(530)	50	(480)
Other financial income	419	-	419
Other financial expense	(160)	(1)	(161)
Net income (loss) from equity affiliates	11	(458)	(447)
Income taxes	95	389	484
Consolidated net income	95	(8,517)	(8,422)
TotalEnergies share	126	(8,495)	(8,369)
Non-controlling interests	(31)	(22)	(53)

(a) Adjustments include special items, inventory valuation effect and the effect of changes in fair value.

3.3) Adjustment items

The detail of the adjustment items is presented in the table below.

ADJUSTMENTS TO OPERATING INCOME

		Exploration & Production	Integrated Gas, Renewables & Power	Refining & Chemicals	Marketing & Services	Corporate	Total
(M\$)							
2nd quarter 2021	Inventory valuation effect	-	-	394	69	-	463
	Effect of changes in fair value	-	(49)	-	-	-	(49)
	Restructuring charges	-	(1)	(8)	-	-	(9)
	Asset impairment charges	-	(3)	(13)	-	-	(16)
	Other items	(23)	(13)	-	2	-	(34)
Total		(23)	(66)	373	71	-	355
2nd quarter 2020	Inventory valuation effect	-	-	(26)	(16)	-	(42)
	Effect of changes in fair value	-	(100)	-	-	-	(100)
	Restructuring charges	-	(10)	(7)	-	-	(17)
	Asset impairment charges	(7,338)	(953)	-	-	-	(8,291)
	Other items	(27)	(107)	(15)	21	(36)	(164)
Total		(7,365)	(1,170)	(48)	5	(36)	(8,614)
1st half 2021	Inventory valuation effect	-	-	1,140	206	-	1,346
	Effect of changes in fair value	-	(58)	-	-	-	(58)
	Restructuring charges	-	(10)	(8)	-	-	(18)
	Asset impairment charges	-	(148)	(13)	-	-	(161)
	Other items	(23)	(38)	(1)	7	-	(55)
Total		(23)	(254)	1,118	213	-	1,054
1st half 2020	Inventory valuation effect	-	-	(1,604)	(234)	-	(1,838)
	Effect of changes in fair value	-	(98)	-	-	-	(98)
	Restructuring charges	(10)	(18)	(7)	-	-	(35)
	Asset impairment charges	(7,338)	(953)	-	-	-	(8,291)
	Other items	(27)	(218)	(26)	(107)	(91)	(469)
Total		(7,375)	(1,287)	(1,637)	(341)	(91)	(10,731)

ADJUSTMENTS TO NET INCOME, TotalEnergies SHARE

	Exploration & Production	Integrated Gas, Renewables & Power	Refining & Chemicals	Marketing & Services	Corporate	Total
(M\$)						
2nd quarter 2021						
Inventory valuation effect	-	-	327	48	-	375
Effect of changes in fair value	-	(44)	-	-	-	(44)
Restructuring charges	(44)	(4)	(32)	(8)	(22)	(110)
Asset impairment charges	-	(36)	(13)	-	-	(49)
Gains (losses) on disposals of assets	(1,379) *	-	-	-	-	(1,379)
Other items	(44)	(7)	-	1	-	(50)
Total	(1,467)	(91)	282	41	(22)	(1,257)

* Impact of the TotalEnergies' interest sale of Petrocedefino to PDVSA.

2nd quarter 2020						
Inventory valuation effect	-	-	(83)	(11)	-	(94)
Effect of changes in fair value	-	(80)	-	-	-	(80)
Restructuring charges	-	(10)	(10)	-	-	(20)
Asset impairment charges	(7,272)	(829)	-	-	-	(8,101)
Gains (losses) on disposals of assets	-	-	-	-	-	-
Other items	(77)	(131)	(14)	10	12	(200)
Total	(7,349)	(1,050)	(107)	(1)	12	(8,495)

1st half 2021						
Inventory valuation effect	-	-	926	138	-	1,064
Effect of changes in fair value	-	(50)	-	-	-	(50)
Restructuring charges	(85)	(12)	(71)	(43)	(60)	(271)
Asset impairment charges	-	(180)	(13)	-	-	(193)
Gains (losses) on disposals of assets	(1,379) *	-	-	-	-	(1,379)
Other items	(41)	(42)	(9)	5	-	(87)
Total	(1,505)	(284)	833	100	(60)	(916)

* Impact of the TotalEnergies' interest sale of Petrocedefino to PDVSA.

1st half 2020						
Inventory valuation effect	-	-	(1,364)	(144)	-	(1,508)
Effect of changes in fair value	-	(79)	-	-	-	(79)
Restructuring charges	(3)	(22)	(75)	-	-	(100)
Asset impairment charges	(7,272)	(829)	-	-	-	(8,101)
Gains (losses) on disposals of assets	-	-	-	-	-	-
Other items	51	(256)	(36)	(71)	(142)	(454)
Total	(7,224)	(1,186)	(1,475)	(215)	(142)	(10,242)

4) Shareholders' equity

Treasury shares (TotalEnergies shares held directly by TotalEnergies SE)

Shares to be allocated as part of performance share grant plans	
<i>including the 2019 Plan</i>	99,750
<i>including other Plans</i>	74,675
Total Treasury shares	174,425

Dividend

The Shareholders' meeting of May 28, 2021 approved the distribution of a dividend of 2.64 euros per share for the 2020 fiscal year and the payment of a final dividend of 0.66 euro per share given the three interim dividends that had already been paid. The dividend for the fiscal year 2020 was paid according to the following timetable:

Dividend 2020	First interim	Second interim	Third interim	Final
Amount	€0.66	€0.66	€0.66	€0.66
Set date	May 4, 2020	July 29, 2020	October 29, 2020	May 28, 2021
Ex-dividend date	September 25, 2020	January 4, 2021	March 25, 2021	June 24, 2021
Payment date	October 2, 2020	January 11, 2021	April 1, 2021	July 1, 2021

Furthermore, on July 28, 2021 the Board of Directors decided to set the second interim dividend for the fiscal year 2021 at 0.66 euro per share, equal to the first interim dividend. This second interim dividend will be paid in cash on January 13, 2022 (the ex-dividend date will be January 3, 2022).

Dividend 2021	First interim	Second interim
Amount	€0.66	€0.66
Set date	April 28, 2021	July 28, 2021
Ex-dividend date	September 21, 2021	January 3, 2022
Payment date	October 1, 2021	January 13, 2022

Earnings per share in Euro

Earnings per share in Euro, calculated from the earnings per share in U.S. dollars converted at the average Euro/USD exchange rate for the period, amounted to €0.66 per share for the 2nd quarter 2021 (€1.03 per share for the 1st quarter 2021 and €(2.98) per share for the 2nd quarter 2020). Diluted earnings per share calculated using the same method amounted to €0.66 per share for the 2nd quarter 2021 (€1.02 per share for the 1st quarter 2021 and €(2.98) per share for the 2nd quarter 2020).

Earnings per share are calculated after remuneration of perpetual subordinated notes.

Perpetual subordinated notes

The Company issued perpetual subordinated notes in January 2021:

- Perpetual subordinated notes 1.625% callable in January 2028, or in anticipation in October 2027 (EUR 1,500 million); and
- Perpetual subordinated notes 2.125% callable in January 2033, or in anticipation in July 2032 (EUR 1,500 million).

Following the two tender operations on perpetual subordinated notes 2.250% callable from February 2021 (carried out in April 2019 and September 2020 for EUR 1,500 million and EUR 703 million respectively), TotalEnergies SE fully reimbursed the residual nominal amount of this note at its first call date for an amount of EUR 297 million on February 26, 2021.

Other comprehensive income

Detail of other comprehensive income is presented in the table below:

(M\$)	1st half 2021	1st half 2020
Actuarial gains and losses	449	(223)
Change in fair value of investments in equity instruments	68	(74)
Tax effect	(154)	86
Currency translation adjustment generated by the parent company	(2,934)	(196)
Sub-total items not potentially reclassifiable to profit and loss	(2,571)	(407)
Currency translation adjustment	1,777	(940)
- unrealized gain/(loss) of the period	1,898	(907)
- less gain/(loss) included in net income	121	33
Cash flow hedge	80	(1,293)
- unrealized gain/(loss) of the period	(56)	(1,317)
- less gain/(loss) included in net income	(136)	(24)
Variation of foreign currency basis spread	(4)	70
- unrealized gain/(loss) of the period	(29)	42
- less gain/(loss) included in net income	(25)	(28)
Share of other comprehensive income of equity affiliates, net amount	451	(927)
- unrealized gain/(loss) of the period	449	(936)
- less gain/(loss) included in net income	(2)	(9)
Other	-	3
Tax effect	(57)	367
Sub-total items potentially reclassifiable to profit and loss	2,247	(2,720)
Total other comprehensive income, net amount	(324)	(3,127)

Tax effects relating to each component of other comprehensive income are as follows:

(M\$)	1 st half 2021			1 st half 2020		
	Pre-tax amount	Tax effect	Net amount	Pre-tax amount	Tax effect	Net amount
Actuarial gains and losses	449	(141)	308	(223)	56	(167)
Change in fair value of investments in equity instruments	68	(13)	55	(74)	30	(44)
Currency translation adjustment generated by the parent company	(2,934)	-	(2,934)	(196)	-	(196)
Sub-total items not potentially reclassifiable to profit and loss	(2,417)	(154)	(2,571)	(493)	86	(407)
Currency translation adjustment	1,777	-	1,777	(940)	-	(940)
Cash flow hedge	80	(55)	25	(1,293)	389	(904)
Variation of foreign currency basis spread	(4)	(2)	(6)	70	(22)	48
Share of other comprehensive income of equity affiliates, net amount	451	-	451	(927)	-	(927)
Other	-	-	-	3	-	3
Sub-total items potentially reclassifiable to profit and loss	2,304	(57)	2,247	(3,087)	367	(2,720)
Total other comprehensive income	(113)	(211)	(324)	(3,580)	453	(3,127)

5) Financial debt

The Company has not issued any new senior bond during the first six months of 2021.

The Company reimbursed two senior bonds during the first six months of 2021:

- Bond 4.125% issued in 2011 and maturing in January 2021 (USD 500 million)
- Bond 2.750% issued in 2014 and maturing in June 2021 (USD 1,000 million).

On April 2, 2020, the Company put in place a committed syndicated credit line with banking counterparties for an initial amount of USD 6,350 million and with a 12-month tenor (with the option to extend its maturity twice by a further 6 months at TotalEnergies' hand).

On April 1, 2021, the Company reimbursed in full the balance of this committed syndicated credit line for an amount of USD 2,646 million.

6) Related parties

The related parties are mainly equity affiliates and non-consolidated investments.

There were no major changes concerning transactions with related parties during the first six months of 2021.

7) Other risks and contingent liabilities

TotalEnergies is not currently aware of any exceptional event, dispute, risks or contingent liabilities that could have a material impact on the assets and liabilities, results, financial position or operations of the TotalEnergies, other than those mentioned below.

Yemen

In Yemen, the deterioration of security conditions in the vicinity of the Balhaf site caused the company Yemen LNG, in which TotalEnergies holds a stake of 39.62%, to stop its commercial production and export of LNG and to declare force majeure to its various stakeholders in 2015. The plant has been put in preservation mode.

Mozambique

Considering the evolution of the security situation in the north of the Cabo Delgado province in Mozambique, TotalEnergies has confirmed on April 26, 2021 the withdrawal of all Mozambique LNG project personnel from the Afungi site. This situation led TotalEnergies, as operator of Mozambique LNG project, to declare force majeure.

8) Subsequent events

On July 9, 2021, TotalEnergies executed a Share Purchase Agreement with PDVSA for the sale of its 30.323% interest in the share capital of Petrocedefo in Venezuela.

The contractual conditions necessary to close this transaction are the approval of the Venezuelan Ministry of Petroleum (MINPET) and the approval of the Board of Directors of TotalEnergies SE.

The Board of Directors of TotalEnergies SE approved this transaction on July 28, 2021.