



TotalEnergies

Financial report
First half 2021

Table of contents

Certification of the person responsible for the half-year financial report	1
Glossary	2

01		02			
Half year financial report	3	Consolidated Financial Statements as of June 30, 2021	21		
1.1	Highlights since the beginning of 2021	3	2.1	Statutory Auditors' Review Report on the half-yearly Financial Information	21
1.2	Key figures from TotalEnergies' consolidated financial statements	5	2.2	Consolidated statement of income – half-yearly	22
1.3	Key figures of environment, greenhouse gas emissions and production	6	2.3	Consolidated statement of comprehensive income – half-yearly	23
1.3.1	Environment – liquids and gas price realizations, refining margins	6	2.4	Consolidated statement of income – quarterly	24
1.3.2	Greenhouse gas emissions	6	2.5	Consolidated statement of comprehensive income – quarterly	25
1.3.3	Production	6	2.6	Consolidated balance sheet	26
1.4	Analysis of business segments	7	2.7	Consolidated statement of cash flow – half-yearly	27
1.4.1	Integrated Gas, Renewables & Power (iGRP)	7	2.8	Consolidated statement of cash flow – quarterly	28
1.4.2	Exploration-Production	8	2.9	Consolidated statement of changes in shareholders' equity	29
1.4.3	Downstream (Refining & Chemicals and Marketing & Services)	9	2.10	Notes to the Consolidated Financial Statements for the first six months 2021	30
1.5	TotalEnergies results	11	1)	Accounting policies	30
1.5.1	Adjusted net operating income from business segments	11	2)	Changes in the Company structure	30
1.5.2	Adjusted net income (TotalEnergies share)	11	3)	Business segment information	31
1.5.3	Adjusted earnings per share	11	4)	Shareholders' equity	42
1.5.4	Acquisitions – asset sales	11	5)	Financial debt	44
1.5.5	Net cash flow	11	6)	Related parties	44
1.5.6	Profitability	11	7)	Other risks and contingent liabilities	44
1.6	TotalEnergies SE accounts	12	8)	Subsequent events	44
1.7	2021 Sensitivities	12			
1.8	Summary and outlook	12			
1.9	Other information	13			
1.9.1	Operating information by segment	13			
1.9.2	Adjustment items to net income (TotalEnergies share)	15			
1.9.3	Reconciliation of adjusted EBITDA with consolidated financial statements	15			
1.9.4	Investments – Divestments	16			
1.9.5	Cash-flow	17			
1.9.6	Gearing ratio	17			
1.9.7	Return on average capital employed	18			
1.10	Principal risks and uncertainties for the remaining six months of 2021	18			
1.11	Major related parties' transactions	18			



The French language version of this *Rapport financier semestriel* (half-year financial report) was filed with the French Financial Markets Authority (*Autorité des marchés financiers*) on July 30, 2021 pursuant to paragraph III of Article L. 451-1-2 of the French Monetary and Financial Code



TotalEnergies

Financial report 1st half 2021

Certification of the person responsible for the half-year financial report

This translation is a non binding translation into English of the Chairman and Chief Executive Officer's certification issued in French, and is provided solely for the convenience of English-speaking readers.

"I certify, to the best of my knowledge, that the condensed Consolidated Financial Statements of TotalEnergies SE (the Corporation) for the first half of 2021 have been prepared in accordance with the applicable set of accounting standards and give a fair view of the assets, liabilities, financial position and profit or loss of the Corporation and all the entities included in the consolidation, and that the half-year financial report on pages 3 to 20 herein includes a fair review of the important events that have occurred during the first six months of the financial year and their impact on the financial statements, major related parties transactions and the principal risks and uncertainties for the remaining six months of the financial year.

The statutory auditors' report on the limited review of the above-mentioned condensed Consolidated Financial Statements is included on page 21 of this half-year financial report."

Courbevoie, July 29, 2021

Patrick Pouyanné

Chairman and Chief Executive Officer

Glossary

The terms “TotalEnergies” and “TotalEnergies company” as used in this document refer to TotalEnergies SE collectively with all of its direct and indirect consolidated companies located in or outside of France. The term “Corporation” as used in this document exclusively refers to TotalEnergies SE, which is the parent company of TotalEnergies company.

Abbreviations

€ :	euro
\$ or dollar :	US dollar
ADR :	American depository receipt (evidencing an ADS)
ADS :	American depository share (representing a share of a company)
AMF :	<i>Autorité des marchés financiers</i> (French Financial Markets Authority)
API :	American Petroleum Institute
CO₂ :	carbon dioxide
DACF :	debt adjusted cash flow is defined as operating cash flow before working capital changes without financial charges
EV :	electric vehicle
FLNG :	floating liquefied natural gas
FPSO :	floating production, storage and offloading
FSRU :	floating storage and regasification unit
GHG :	greenhouse gas
HSE :	health, safety and the environment
IFRS :	International Financial Reporting Standards
IPIECA :	International Petroleum Industry Environmental Conservation Association
LNG :	liquefied natural gas
LPG :	liquefied petroleum gas
NGL :	natural gas liquids
NGV :	natural gas vehicle
OML :	oil mining lease
PPA :	Power Purchase Agreement
ROACE :	return on average capital employed
ROE :	return on equity
SEC :	United States Securities and Exchange Commission
VCM :	variable cost margin – Refining Europe This indicator represents the average margin on variable costs realized by TotalEnergies' European refining business. It is equal to the difference between the sales of refined products realized by TotalEnergies' European refining and the crude purchases as well as associated variable costs, divided by refinery throughput in tons.

Units of measurement

b	= barrel ⁽¹⁾
b	= billion
Bcm	= billion of cubic meters
boe	= barrel of oil equivalent
btu	= British thermal unit
cf	= cubic feet
CO₂e	= CO ₂ equivalent
/d	= per day
GtCO₂	= billion of CO ₂ tons
GW	= gigawatt
GWh	= gigawatt hour
k	= thousand
km	= kilometer
m	= meter
m³	= cubic meter ⁽¹⁾
M	= million
MW	= megawatt
PJ	= petajoule
t	= (Metric) ton
toe	= ton of oil equivalent
TWh	= terawatt hour
W	= watt
Wac	= AC watt
Wp	= watt-peak or watt of peak power
/y	= per year

Conversion table

1 acre	≈ 0.405 hectares
1 b	= 42 gallons US ≈ 159 liters
1 b/d of crude oil	≈ 50 t/y of crude oil
1 km	≈ 0.62 miles
1 m³	≈ 35.3 cf
1 Mt de LNG	≈ 48 Bcf of gas
1 Mt/y of LNG	≈ 131 Mcf/d of gas
1 t of oil	≈ 7.5 b of oil (assuming a specific gravity of 37° API)
1 boe = 1 b of crude oil	≈ 5,399 cf of gas in 2020 ⁽²⁾ (5,395 cf in 2019 and 5,387 cf in 2018)

(1) Liquid and gas volumes are reported at international standard metric conditions (15°C and 1 atm).

(2) Natural gas is converted to barrels of oil equivalent using a ratio of cubic feet of natural gas per one barrel. This ratio is based on the actual average equivalent energy content of TotalEnergies' natural gas reserves during the applicable periods and is subject to change. The tabular conversion rate is applicable to TotalEnergies natural gas reserves on a Company-wide basis.

01 Half year financial report

1.1 Highlights since the beginning of 2021⁽¹⁾

Sustainability

- Total transforms and becomes TotalEnergies, with a new visual identity
- TotalEnergies' Board of Directors takes the initiative to submit a resolution on the Company's ambition for sustainable development and energy transition toward carbon neutrality
- Consistent with its climate policy, TotalEnergies withdraws from the American Petroleum Institute
- Inauguration of L'Industreet, a campus for training young people in the industry profession, TotalEnergies' flagship action for social responsibility in France
- 3rd place globally and 1st place for the sector Oil and Gas in the BloombergNEF ranking on the alignment of corporate strategies with the United Nations' Sustainable Development Goals
- TotalEnergies and Chevron decide to suspend distribution of dividends from gas transport company in Myanmar
- Partnership with Novatek to reduce emissions from LNG production, develop large-scale carbon capture and storage, and study carbon-free hydrogen and ammonia projects
- Partnership with GHGSat for satellite-based monitoring of methane emissions at sea

Renewables and Electricity

- Acquired in India 20% of Adani Green Energy Limited (AGEL), the largest solar developer in the world
- Secured with Macquarie rights to seabed lease to jointly develop 1.5 GW offshore wind project in the UK
- Acquired 4 GW portfolio of solar and energy storage projects in the US
- Farmed down 50% of two renewables portfolios in France representing close to 340 MW
- Acquired 23% stake in 640 MW offshore wind project under construction in Taiwan
- Acquisition by Adani Green Energy Ltd., in which TotalEnergies has a 20% stake, of a portfolio of 5 GW of renewable electricity generation capacity in operation and under construction in India that will contribute 1 GW to TotalEnergies' target of 35 GW in 2025
- Signed major green power sale agreement to Orange to develop 80 MW of solar farms in France
- Signed contract with Merck & Co. for the sale of 90 GWh/y renewable electricity in Spain for 10 years
- Sales contract for 50GWh/y over 15 years with Air Liquide in Belgium
- Partnered with Microsoft to support digital innovation and carbon neutrality goals
- Partnership with Amazon to supply (474 MW) renewable electricity to its data centers in Europe and the United States, and to accelerate TotalEnergies digital transformation

(1) Certain transactions referred to in the highlights are subject to approval by authorities or to conditions as per the agreements.

LNG

- Declaration of force majeure on Mozambique LNG project considering the security situation in the northern Cabo Delgado
- Remobilization of the Papua LNG project with a view to final investment decision in 2023
- Agreement with Novatek to acquire 10% of Arctic Transshipment LLC, which will operate two LNG transshipment terminals under construction in Russia
- Tolling agreement with GIP, for more than \$750 million, for Gladstone LNG infrastructure in Australia
- Withdrew from the Driftwood LNG project and sold TotalEnergies' stake in Tellurian Inc.
- Signed agreements with Shenergy Group for the supply of up to 1.4 Mt/y of LNG in China
- Signed contract with ArcelorMittal Nippon Steel for a 5-year supply of up to 0.5 Mt/y of LNG in India
- Obtained supplier license for marine bunker LNG in Singapore
- Technical collaboration agreements with Siemens Energy and Technip Energies to develop low-carbon LNG technologies

Upstream

- Signed definitive agreements enabling the launch of Tilenga and Kingfisher upstream oil projects and construction of East African Crude Oil Pipeline in Uganda and Tanzania
- Published societal and environmental studies relating to the Tilenga and EACOP projects in Uganda and Tanzania
- Started production of Zinia Phase 2, short-cycle development project on Block 17 in Angola
- Significant new discovery on the Sapakara South well in Suriname
- Awarded two new conventional offshore exploration permits in Suriname with partner Qatar Petroleum
- Entry on Block 29 exploration permit in Angola as operator
- Agreed to divest TotalEnergies 18% interest in the Sarsang block, in Iraqi Kurdistan
- Divested TotalEnergies' interest in Petrocedefio to PDVSA in Venezuela which led to the recognition of an exceptional capital loss of \$1.38 billion during the second quarter 2021

Downstream

- Started production of sustainable aviation biofuels in France and made, in partnership with Air France-KLM, Groupe ADP and Airbus, the first long-haul flight with sustainable air fuel (SAF) in France
- Obtained concession for the expansion of the public charging network for electric vehicles of the City of Amsterdam, with 2,200 new charging points
- Global partnership in the field of lubricants and electric mobility with Peugeot, Citroën, DS Automobiles, Opel and Vauxhall
- Partnership agreement with Uber to accelerate transition of VTC drivers to electric mobility in France
- Acquired 20% stake in Hysetco, a French company owning the world's first fleet of hydrogen taxis, operated under the Hype brand, as well as hydrogen charging stations

Carbon sinks

- Investment to plant 40,000-hectare forest in Republic of Congo that will create a carbon sink to sequester more than 10 million tons of CO₂ over 20 years
- Creation of the joint-venture development of the Northern Lights CO₂ sequestration project in the northern North Sea

1.2 Key figures from TotalEnergies' consolidated financial statements⁽¹⁾

<i>In millions of dollars, except effective tax rate, earnings per share and number of shares</i>	1S21	1S20	1S21 vs 1S20
Adjusted EBITDA ⁽²⁾	16,837	10,583	+59%
Adjusted net operating income from business segments	7,519	3,121	x2.4
Exploration & Production	4,188	494	x8.5
Integrated Gas, Renewables & Power	1,876	1,239	+51%
Refining & Chemicals	754	957	-21%
Marketing & Services	701	431	+63%
Contribution of equity affiliates to adjusted net income	1,260	669	+88%
Effective tax rate ⁽³⁾	34.4%	24.3%	–
Adjusted net income (TotalEnergies share)	6,466	1,907	x3.4
Adjusted fully-diluted earnings per share (dollars) ⁽⁴⁾	2.38	0.68	x3.5
Adjusted fully-diluted earnings per share (euros)*	1.97	0.62	x3.2
Fully-diluted weighted-average shares (millions)	2,644	2,598	+2%
Net income (TotalEnergies share)	5,550	(8,335)	ns
Organic investments ⁽⁵⁾	5,181	4,724	+10%
Net acquisitions ⁽⁶⁾	1,986	1,823	+9%
Net investments ⁽⁷⁾	7,167	6,547	+9%
Operating cash flow before working capital changes** ⁽⁸⁾	11,718	7,409	+58%
Operating cash flow before working capital changes w/o financial charges (DACF) ⁽⁹⁾	12,511	8,420	+49%
Cash flow from operations	13,149	4,778	x2.8

* Average €-\$ exchange rate: 1.2053 in the first half 2021.

** 1H20 data restated.

- (1) Adjusted results are defined as income using replacement cost, adjusted for special items, excluding the impact of changes for fair value; adjustment items are on page 15.
- (2) Adjusted EBITDA (Earnings Before Interest, Tax, Depreciation and Amortization) corresponds to the adjusted earnings before depreciation, depletion and impairment of tangible and intangible assets and mineral interests, income tax expense and cost of net debt, i.e. all operating income and contribution of equity affiliates to net income.
- (3) Effective tax rate = (tax on adjusted net operating income) / (adjusted net operating income – income from equity affiliates – dividends received from investments – impairment of goodwill + tax on adjusted net operating income).
- (4) In accordance with IFRS rules, adjusted fully-diluted earnings per share is calculated from the adjusted net income less the interest on the perpetual subordinated bond.
- (5) Organic investments = net investments excluding acquisitions, asset sales and other operations with non-controlling interests.
- (6) Net acquisitions = acquisitions – assets sales – other transactions with non-controlling interests (see page 16).
- (7) Net investments = organic investments + net acquisitions (see page 16).
- (8) Operating cash flow before working capital changes, is defined as cash flow from operating activities before changes in working capital at replacement cost, excluding the mark-to-market effect of iGRP's contracts and including capital gain from renewable projects sale (effective first quarter 2020).
The inventory valuation effect is explained on page 19. The reconciliation table for different cash flow figures is on page 17.
- (9) DACF = debt adjusted cash flow, is defined as operating cash flow before working capital changes and financial charges.

1.3 Key figures of environment, greenhouse gas emissions and production

1.3.1 Environment – liquids and gas price realizations, refining margins

	1S21	1S20	1S21 vs 1S20
Brent (\$/b)	65.0	40.1	+62%
Henry Hub (\$/Mbtu)	2.9	1.8	+57%
NBP (\$/Mbtu)	7.7	2.4	x3.2
JKM (\$/Mbtu)	10.0	2.9	x3.5
Average price of liquids (\$/b) Consolidated subsidiaries	59.7	33.8	+77%
Average price of gas (\$/Mbtu) Consolidated subsidiaries	4.23	2.99	+41%
Average price of LNG (\$/Mbtu) Consolidated subsidiaries and equity affiliates	6.33	5.42	+17%
Variable cost margin – Refining Europe, VCM (\$/t)	7.6	21.0	-64%

1.3.2 Greenhouse gas emissions⁽¹⁾

GHG emissions (MtCO ₂ e)	1S21
Scope 1+2 from operated oil & gas facilities ⁽²⁾	15
Scope 3 ⁽³⁾	159
Scope 1+2+3 in Europe ⁽⁴⁾	95

1.3.3 Production*

Hydrocarbon production	1S21	1S20	1S21 vs 1S20
Hydrocarbon production (kboe/d)	2,805	2,966	-5%
Oil (including bitumen) (kb/d)	1,265	1,381	-8%
Gas (including condensates and associated NGL) (kboe/d)	1,540	1,584	-3%
Hydrocarbon production (kboe/d)	2,805	2,966	-5%
Liquids (kb/d)	1,486	1,626	-9%
Gas (Mcf/d)	7,208	7,302	-1%

* Company production = E&P production + iGRP production

Hydrocarbon production was 2,805 kboe/d in the first half 2021, a decrease of 5%, comprised of:

- +2% due to the start-up and ramp-up of projects, including North Russkoye in Russia, Culzean in the United Kingdom, Johan Sverdrup in Norway and Iara in Brazil,

- -1% portfolio effect, notably asset sales in the United Kingdom and Block CA1 in Brunei,
- -2% due to planned maintenance and unplanned outages, notably in the United Kingdom, Australia, Norway and Nigeria,
- -1% due to the price effect,
- -3% due to the natural decline of the fields.

(1) The six greenhouse gases in the Kyoto protocol, namely CO₂, CH₄, N₂O, HFCs, PFCs and SF₆, with their respective GWP (Global Warming Potential) as described in the 2007 IPCC report. HFCs, PFCs and SF₆ are virtually absent from the Company's emissions or are considered as non-material, and are therefore not counted.

(2) Scope 1+2 GHG emissions of operated oil & gas facilities are defined as the sum of direct emissions of greenhouse gases from sites or activities that are included in the scope of reporting (as defined in the Company's 2020 Universal Registration Document) and indirect emissions attributable to brought-in energy (electricity, heat, steam), excluding purchased industrial gases (H₂). They do not include facilities for power generation from renewable sources or natural gas, such as combined cycle natural gas power plants (CCGT) and sites with GHG emissions and activities of less than 30 kt CO₂e/year.

(3) Scope 3 GHG emissions are defined as the indirect emissions of greenhouse gases related to the use by customers of energy products sold for end-use, i.e. combustion of the products to obtain energy. A stoichiometric emission (oxidation of molecules to carbon dioxide) factor is applied to these sales to obtain an emission volume. The Company usually follows the oil & gas industry reporting guidelines published by IPIECA, which comply with the GHG Protocol methodologies. Only item 11 of Scope 3 (use of sold products), which is the most significant, is reported.

(4) Scope 1+2+3 GHG emissions in Europe are defined as the sum of Scope 1+2 GHG emissions of facilities operated by the Company and indirect GHG emissions related to the use by customers of energy products sold for end-use (Scope 3) in the EU, Norway, United Kingdom and Switzerland.

1.4 Analysis of business segments

1.4.1 Integrated Gas, Renewables & Power (iGRP)

1.4.1.1 Production and sales of Liquefied natural gas (LNG) and electricity

Hydrocarbon production for LNG	1S21	1S20	1S21 vs 1S20
iGRP (kboe/d)	510	536	-5%
Liquids (kb/d)	58	69	-17%
Gas (Mcf/d)	2,470	2,541	-3%

Liquefied Natural Gas in Mt	1S21	1S20	1S21 vs 1S20
Overall LNG sales	20.4	20.2	+1%
incl. Sales from equity production*	8.5	9.0	-5%
incl. Sales by TotalEnergies from equity production and third party purchases	16.7	16.5	+1%

* The Company's equity production may be sold by TotalEnergies or by the joint ventures.

Hydrocarbon production for LNG decreased year-on-year by 5% in the first half 2021, notably due to the shutdown of the Snøhvit LNG plant following a fire at the end of September 2020 and the planned maintenance shutdown in the second quarter 2021 on Ichthys LNG's liquefaction trains in Australia.

Total LNG sales were stable year-on-year in the first half 2021.

Renewables & Electricity	1S21	1S20	1S21 vs 1S20
Portfolio of renewable power generation gross capacity (GW) ⁽¹⁾⁽²⁾	41.7	20.4	x2
o/w installed capacity	8.3	5.1	+63%
o/w capacity in construction	5.4	2.9	+89%
o/w capacity in development	28.0	12.4	x2.3
Gross renewables capacity with PPA (GW) ⁽¹⁾⁽²⁾	22.6	11.2	x2
Portfolio of renewable power generation net capacity (GW) ⁽¹⁾⁽²⁾	30.7	13.6	x2.3
o/w installed capacity	4.0	2.3	+76%
o/w capacity in construction	3.1	1.1	x3
o/w capacity in development	23.6	10.3	x2.3
Net power production (TWh) ⁽³⁾	9.8	5.9	+67%
incl. Power production from renewables	3.2	1.8	+79%
Clients power – BtB and BtC (Million) ⁽²⁾	5.8	4.2	+38%
Clients gas – BtB and BtC (Million) ⁽²⁾	2.7	1.7	+58%
Sales power – BtB and BtC (TWh)	28.8	23.6	+22%
Sales gas – BtB and BtC (TWh)	56.8	50.9	+12%
Proportional adjusted EBITDA Renewables and Electricity (M\$) ⁽⁴⁾	635	340	+87%
incl. from renewables business	210	184	+14%

Gross installed capacity of renewable electricity generation grew to 8.3 GW at the end of first semester 2021.

Net electricity production was 9.8 TWh in the first half 2021, an increase of 67% year-on-year, notably due to strong growth in renewable electricity generation and the acquisition of four CCGT plants in France and Spain in the fourth quarter of 2020.

Electricity and gas sales increased by 22% and 12% respectively in the first half 2021 compared to last year thanks to the growing number of customers, with TotalEnergies notably surpassing the 5 million customer mark (B2C and B2B) in France.

TotalEnergies' share of the EBITDA of the Renewables and Electricity activities was \$635 million in the first half 2021, an increase of 87% over one year, driven by growing electricity production, particularly renewable electricity, and the number of gas and electricity customers.

(1) Includes 20% of Adani Green Energy Ltd gross capacity effective first quarter 2021.

(2) End of period data.

(3) Solar, wind, biogas, hydroelectric and combined-cycle gas turbine (CCGT) plants.

(4) TotalEnergies share (% interest) of EBITDA (Earnings Before Interest, Tax, Depreciation and Amortization) in Renewables and Electricity affiliates, regardless of consolidation method.

1.4.1.2 Results

<i>In millions of dollars</i>	1S21	1S20	1S21 vs 1S20
Adjusted net operating income*	1,876	1,239	+51%
including income from equity affiliates	620	179	x3.5
Organic investments	1,512	1,264	+20%
Net acquisitions	2,059	1,570	+31%
Net investments	3,571	2,834	+26%
Operating cash flow before working capital changes**	1,963	1,652	+19%
Cash flow from operations***	1,347	900	+50%

* Detail of adjustment items shown in the business segment information annex to financial statements.

** Excluding financial expenses, except those related to lease contracts, excluding the impact of contracts recognized at fair value for the sector and including capital gains on the sale of renewable projects. 1H20 data restated (see note 8 on page 5).

*** Excluding financial charges, except those related to leases.

Adjusted net operating income for the iGRP sector was 1,876 million in the first half 2021, an increase of 51% year-on-year, thanks to higher LNG prices, growing contribution from Renewables and Electricity as well as good performance by the trading activities in the first quarter 2021.

Operating cash flow before working capital changes increased 19% year-on-year to \$1,963 million in the first half 2021, in line with the rise in LNG prices and the growing contribution of Renewables and Electricity.

1.4.2 Exploration-Production

1.4.2.1 Production

Hydrocarbon production	1S21	1S20	1S21 vs 1S20
EP (kboe/d)	2,295	2,430	-6%
Liquids (kb/d)	1,428	1,557	-8%
Gas (Mcf/d)	4,738	4,761	-

1.4.2.2 Results

<i>In millions of dollars, except effective tax rate</i>	1S21	1S20	1S21 vs 1S20
Adjusted net operating income*	4,188	494	x8.5
including income from equity affiliates	549	438	+25%
Effective tax rate**	39.5%	69.6%	-
Organic investments	2,838	2,684	+6%
Net acquisitions	29	305	-90%
Net investments	2,867	2,989	-4%
Operating cash flow before working capital changes***	8,086	4,386	+84%
Cash flow from operations***	8,571	4,833	+77%

* Details on adjustment items are shown in the business segment information annex to financial statements.

** Tax on adjusted net operating income/(adjusted net operating income - income from equity affiliates - dividends received from investments - impairment of goodwill + tax on adjusted net operating income).

*** Excluding financial charges, except those related to leases.

Adjusted net operating income for Exploration & Production was \$4,188 million in the first half 2021, more than eight times higher in the first half 2020, thanks to the sharp rebound in oil and gas prices.

Operating cash flow before working capital changes increased by 84% to \$8,086 million in the first half 2021, in line with higher oil and gas prices.

1.4.3 Downstream (Refining & Chemicals and Marketing & Services)

1.4.3.1 Results

<i>In millions of dollars</i>	1S21	1S20	1S21 vs 1S20
Adjusted net operating income*	1,455	1,388	+5%
Organic investments	803	734	+9%
Net acquisitions	(104)	(50)	ns
Net investments	699	684	+2%
Operating cash flow before working capital changes**	2,332	2,552	-9%
Cash flow from operations**	4,330	317	x13.7

* Detail of adjustment items shown in the business segment information annex to financial statements.

** Excluding financial charges, except those related to leases.

1.4.3.2 Refining & Chemicals

1.4.3.2.1 Refinery and petrochemicals throughput and utilization rates

Refinery throughput and utilization rate*	1S21	1S20	1S21 vs 1S20
Total refinery throughput (kb/d)	1,109	1,347	-18%
France	131	230	-43%
Rest of Europe	578	676	-14%
Rest of world	400	441	-9%
Utilization rate based on crude only**	58%	64%	

* Includes refineries in Africa reported in the Marketing & Services segment.

** Based on distillation capacity at the beginning of the year, excluding Grandpuits (definitively shut down first quarter 2021) from 2021 and Lindsey refinery (divested) from second quarter 2021.

Petrochemicals production and utilization rate	1S21	1S20	1S21 vs 1S20
Monomers* (kt)	2,829	2,778	+2%
Polymers (kt)	2,377	2,395	-1%
Vapocracker utilization rate**	88%	83%	

* Olefins.

** Based on olefins production from steamcrackers and their treatment capacity at the start of the year.

Refinery throughput decreased 18% in the first half 2021 compared to the previous year, mainly due to the prolonged voluntary economic shutdown of the Donges refinery given the low European margins, the planned major shutdown of the Leuna refinery in Germany, the shutdown of the Grandpuits refinery in the first quarter 2021 for its conversion to a zero-oil platform, and the sale of the Lindsey refinery in the United Kingdom. The decrease was partially offset by the restart of the Feyzin refinery, in France, and the distillation unit at the Normandy platform, following a fire at the end of 2019.

Monomer production increased slightly in the first half 2021 compared to a year ago thanks to the restart of the Feyzin refinery, in France, after a major shutdown in 2020.

Polymer production also increased slightly in the first half 2021 compared to a year ago, despite the major shutdown in the second quarter 2021 of the Feluy plant in Belgium.

1.4.3.2.2 Results

<i>In millions of dollars</i>	1S21	1S20	1S21 vs 1S20
Adjusted net operating income*	754	957	-21%
Organic investments	501	470	+7%
Net acquisitions	(55)	(51)	ns
Net investments	446	419	+6%
Operating cash flow before working capital changes**	1,147	1,670	-31%
Cash flow from operations**	3,228	(103)	ns

* Detail of adjustment items shown in the business segment information annex to financial statements.

** Excluding financial charges, except those related to leases.

Adjusted net operating income for the Refining-Chemicals segment decreased 21% year-on-year to \$754 million in the first half of 2021, due to still-depressed European refining margins that reflect the recovery in oil prices and the continued weak product demand, notably for distillates, linked to the reduced air transport, and to the outperformance of trading activities in the first half 2020. The first half 2021 results nevertheless benefited from the very good performance of petrochemicals.

Operating cash flow before working capital changes decreased by 31% to 1,147 M\$ in the first half 2021.

Cash flow from operations increased to \$3,228 million in the first half 2021 from \$(103) million in the first half 2020, mainly due to a decrease in working capital requirements and a positive stock effect.

1.4.3.3 Marketing & Services

1.4.3.3.1 Petroleum product sales

<i>Sales in kb/d*</i>	1S21	1S20	1S21 vs 1S20
Total Marketing & Services sales	1,458	1,478	-1%
Europe	783	823	-5%
Rest of world	674	656	+3%

* Excludes trading and bulk refining sales.

In the first half 2021, petroleum products sales were stable overall year-on-year, as the slowdown in global activity due to the Covid-19 pandemic

and the 50% decline in the aviation activity were offset by the global economic rebound seen in the second quarter of 2021.

1.4.3.3.2 Results

<i>In millions of dollars</i>	1S21	1S20	1S21 vs 1S20
Adjusted net operating income*	701	431	+63%
Organic investments	302	264	+14%
Net acquisitions	(49)	1	ns
Net investments	253	265	-5%
Operating cash flow before working capital changes**	1,185	882	+34%
Cash flow from operations**	1,102	420	x2.6

* Detail of adjustment items shown in the business segment information annex to financial statements.

** Excluding financial charges, except those related to leases.

In first half 2021, adjusted net operating income was \$701 million compared to \$431 million a year earlier. This increase was mainly related to the increase in global sales volumes in a context of rising margins.

Operating cash flow before working capital changes was \$1,185 million in the first half 2021.

1.5 TotalEnergies results

1.5.1 Adjusted net operating income from business segments

Adjusted net operating income for the sectors was \$7,519 million in the first half 2021, compared to \$3,121 million a year earlier, due to higher oil and gas prices.

1.5.2 Adjusted net income (TotalEnergies share)

Adjusted net income (TotalEnergies share) was \$6,466 million in the first half 2021 compared to \$1,907 million a year earlier, due to the increase in oil and gas prices.

Adjusted net income excludes the after-tax inventory effect, special items and impact of changes in fair value⁽¹⁾.

Total net income adjustments⁽²⁾ were \$(916) million in the first half 2021,

mainly comprised of the effect of the sale of TotalEnergies' participation in Petrocedeño to PDVSA in Venezuela for an amount of \$(1,379) million, a \$1,064 million positive inventory effect, restructuring charges related to voluntary departures in France and Belgium and an impairment related to end of the Qatargas 1 contract.

The effective tax rate for TotalEnergies was 34.4% in the first half 2021, compared to 24.3% in the first half 2020.

1.5.3 Adjusted earnings per share

Adjusted fully-diluted earnings per share was \$2.38 in the first half 2021, calculated based on 2,644 million weighted-average diluted shares, compared to \$0.68 a year earlier.

As of June 30, 2021, the number of fully-diluted shares was 2,654 million.

1.5.4 Acquisitions – asset sales

Acquisitions were \$2,870 million in the first half 2021 and included notably the acquisition, for \$2 billion, of a 20% interest in the renewable projects developer in India, Adani Green Energy Limited, the 23% stake in a 640 MW offshore wind project in Taiwan, the Fonroche Biogas in France and Repsol's interest in the Tin Fouyé Tabankort II field in Algeria.

Asset sales were \$884 million in the first half 2021 and included notably the sale in France of a 50% interest in a portfolio of renewable projects with a total capacity of 285 MW (100%), the sale of the 10% interest in onshore block OML 17 in Nigeria, a price supplement relating to the sale of Block CA1 in Brunei, the sale of the Lindsey refinery in the United Kingdom, the sale of TotalEnergies' interest in the TBG pipeline in Brazil, the sale of shares in Clean Energy Fuels Corp, and the sale of its interest in Tellurian Inc. in the United States.

1.5.5 Net cash flow

TotalEnergies' net cash flow⁽³⁾ was \$4,551 million in the first half 2021 compared to \$862 million a year earlier, which takes into account the \$4.3 billion increase in operating cash flow before changes in working

capital, partially offset by a \$620 million increase in net investments to \$7,167 million in the first half 2021.

1.5.6 Profitability

The return on equity was 8.4% for the twelve months ended June 30, 2021.

<i>In millions of dollars</i>	July 1, 2020 June 30, 2021	April 1, 2020 March 31, 2021	July 1, 2019 June 30, 2020
Adjusted net income	8,786	5,330	8,214
Average adjusted shareholders' equity	105,066	109,135	109,448
Return on equity (ROE)	8.4%	4.9%	7.5%

The return on average capital employed was 7.2% for the twelve months ended June 30, 2021.

<i>In millions of dollars</i>	July 1, 2020 June 30, 2021	April 1, 2020 March 31, 2021	July 1, 2019 June 30, 2020
Adjusted net operating income	10,252	6,915	10,125
Average capital employed	142,172	148,777	145,621
ROACE	7.2%	4.6%	7.0%

(1) Adjustment items shown on page 19.

(2) Details shown on page 15 and in the appendix to the financial statements

(3) Net cash flow = cash flow - net investments (including other transactions with non-controlling interest).

1.6 TotalEnergies SE accounts

Net income for TotalEnergies SE, the parent company, was €4,568 million in the first half 2021 compared to €4,710 in the first half 2020.

1.7 2021 Sensitivities*

	Change	Estimated impact on adjusted net operating income	Estimated impact on cash flow from operations
Dollar	+/- 0,1 \$ par €	-/+ 0,1 G\$	~0 G\$
Average liquids price**	+/- 10 \$/b	+/- 2,7 G\$	+/- 3,2 G\$
European gas price - NBP	+/- 1 \$/Mbtu	+/- 0,3 G\$	+/- 0,25 G\$
Variable cost margin, European refining (VCM)	+/- 10 \$/t	+/- 0,4 G\$	+/- 0,5 G\$

* Sensitivities are revised once per year upon publication of the previous year's fourth quarter results. Sensitivities are estimates based on assumptions about TotalEnergies' portfolio in 2021. Actual results could vary significantly from estimates based on the application of these sensitivities. The impact of the \$-€ sensitivity on adjusted net operating income is essentially attributable to Refining & Chemicals.

** In a 50 \$/b Brent environment.

1.8 Summary and outlook

In a context of rebounding global demand for petroleum products, OPEC+ quotas in the first half 2021 contributed to a rapid drawdown of crude oil inventories, which fell below the average of the past five years. The price of oil has remained above \$60/b since the beginning of February 2021 and broke through \$70/b at the end of June. Recent OPEC+ decisions reinforce its collective discipline to adapt supply step by step to the growth in demand.

Given the outlook for OPEC+ quotas in the second half 2021, TotalEnergies anticipates its full-year 2021 hydrocarbon production to be around 2.85 Mboe/d. The start-up and ramp-up of new projects, including Zinia Phase 2 in Angola, North Russkoye in Russia and Iara in Brazil, will contribute to increased production in the second half 2021.

TotalEnergies anticipates that the higher oil prices observed in the first half 2021 will have a positive impact on its average realized price of LNG for the coming six months, given the lag effect on price formulas. It is expected to be more than \$7.5/Mbtu in the third quarter 2021. In addition, gas markets in Asia and Europe are benefiting from the strong growth in demand linked to the global economic recovery.

TotalEnergies maintains discipline on expenses, with net investments expected to be between \$12-13 billion in 2021, with half dedicated to future growth. For those growth investments, 50% will be dedicated to renewables and electricity.

In an environment of hydrocarbon prices that would remain in the second half of the year at the level of the first half (\$65/b for Brent, \$8/Mbtu for gas in Europe) and European refining margins of \$10-15/t, TotalEnergies expects cash flow generation (DACF) of more than \$25 billion in 2021 and a return on capital employed of more than 10%.

In this favorable context, the Company confirms its priorities in terms of cash flow allocation: invest in profitable projects to implement TotalEnergies' transformation strategy to a broad energy company, support the dividend through economic cycles, maintain a solid balance sheet and a minimum "A" long-term debt rating by sustainably anchoring the Company's gearing below 20%, and share additional revenues with its shareholders through share buybacks in the event of high prices.

1.9 Other information

1.9.1 Operating information by segment

1.9.1.1 Company's production (Exploration & Production + iGRP)

Combined liquids and gas production by region (kboe/d)	1S21	1S20	1S21 vs 1S20
Europe and Central Asia	1,018	1,064	-4%
Africa	542	677	-20%
Middle East and North Africa	652	661	-1%
Americas	377	343	+10%
Asia-Pacific	216	220	-2%
Total production	2,805	2,966	-5%
includes equity affiliates	740	726	+2%

Liquids production by region (kb/d)	1S21	1S20	1S21 vs 1S20
Europe and Central Asia	363	392	-8%
Africa	407	534	-24%
Middle East and North Africa	500	505	-1%
Americas	181	153	+19%
Asia-Pacific	35	42	-17%
Total production	1,486	1,626	-9%
includes equity affiliates	207	207	-

Gas production by region (Mcf/d)	1S21	1S20	1S21 vs 1S20
Europe and Central Asia	3,523	3,620	-3%
Africa	686	726	-6%
Middle East and North Africa	845	865	-2%
Americas	1,098	1,069	+3%
Asia-Pacific	1,056	1,022	+3%
Total production	7,208	7,302	-1%
includes equity affiliates	2,875	2,802	+3%

1.9.1.2 Downstream (Refining & Chemicals and Marketing & Services)

Petroleum product sales by region (kb/d)	1S21	1S20	1S21 vs 1S20
Europe*	1,540	1,610	-4%
Africa	665	573	+16%
Americas	785	814	-3%
Rest of world	493	439	+12%
Total consolidated sales	3,483	3,435	+1%
Includes bulk sales*	368	432	-15%
Includes trading	1,658	1,525	+9%

Petrochemicals production* (kt)	1S21	1S20	1S21 vs 1S20
Europe	2,512	2,547	-1%
Americas	1,235	1,301	-5%
Middle East and Asia	1,459	1,324	+10%

* Olefins, polymers

1.9.1.3 Renewables

Installed power generation gross capacity (GW) ^{(1) (2)}	1S21				Total
	Solar	Onshore Wind	Offshore Wind	Other	
France	0.5	0.5	0.0	0.1	1.0
Rest of Europe	0.1	1.0	0.0	0.1	1.1
Africa	0.1	0.0	0.0	0.0	0.1
Middle East	0.3	0.0	0.0	0.0	0.3
North America	0.8	0.0	0.0	0.0	0.9
South America	0.4	0.1	0.0	0.0	0.5
India	3.5	0.1	0.0	0.0	3.6
Asia-Pacific	0.7	0.0	0.0	0.0	0.7
Total	6.4	1.8	0.0	0.1	8.3

Power generation gross capacity from renewables in construction (GW) ^{(1) (2)}	1S21				Total
	Solar	Onshore Wind	Offshore Wind	Other	
France	0.3	0.1	0.0	0.1	0.5
Rest of Europe	0.1	0.1	1.1	0.0	1.3
Africa	0.0	0.0	0.0	0.0	0.0
Middle East	0.8	0.0	0.0	0.0	0.8
North America	0.3	0.0	0.0	0.0	0.3
South America	0.0	0.2	0.0	0.0	0.2
India	0.9	0.2	0.0	0.0	1.1
Asia-Pacific	0.5	0.0	0.6	0.0	1.1
Total	2.8	0.6	1.8	0.1	5.4

Power generation gross capacity from renewables in development (GW) ^{(1) (2)}	1S21				Total
	Solar	Onshore Wind	Offshore Wind	Other	
France	3.2	0.8	0.0	0.0	4.0
Rest of Europe	5.3	0.3	2.3	0.0	7.9
Africa	0.4	0.1	0.0	0.2	0.6
Middle East	0.1	0.0	0.0	0.0	0.1
North America	3.5	0.2	0.0	0.7	4.3
South America	0.6	1.0	0.0	0.0	1.7
India	6.2	0.1	0.0	0.0	6.3
Asia-Pacific	1.1	0.0	2.1	0.0	3.2
Total	20.3	2.5	4.4	0.8	28.0

(1) Dont 20% des capacités brutes de Adani Green Energy Ltd à partir du premier trimestre 2021.

(2) Données à fin de période.

Gross renewables capacity covered by PPA at 06/30/2021 (GW)	In operation				In construction					In development						
	Onshore			Total	Onshore		Offshore			Total	Onshore			Offshore		Total
	Solar	Wind	Other		Solar	Wind	Wind	Other	Solar		Wind	Wind	Other			
Europe	0.6	1.5	X	2.2	0.3	X	0.8	X	1.4	4.0	0.3	X	X	4.3		
Asia	4.5	X	X	4.6	2.2	0.3	0.6	–	3.1	3.9	X	–	–	4.0		
North America	0.8	X	X	0.8	0.3	X	–	X	0.3	0.3	X	–	X	0.4		
Rest of World	0.5	X	X	0.7	X	X	–	X	X	0.4	X	–	X	0.7		
Total	6.3	1.8	X	8.2	2.8	0.6	1.4	X	5.0	8.6	0.5	X	0.2	9.3		

PPA average price at 06/30/2021 (\$/MWh)	In operation				In construction					In development						
	Onshore			Total	Onshore		Offshore			Total	Onshore			Offshore		Total
	Solar	Wind	Other		Solar	Wind	Wind	Other	Solar		Wind	Wind	Other			
Europe	239	120	X	154	68	X	61	X	64	42	73	X	X	46		
Asia	85	X	X	84	47	56	187	–	77	40	X	–	–	40		
North America	155	X	X	158	26	X	–	X	31	31	X	–	X	49		
Rest of World	82	X	X	82	X	X	–	X	X	97	X	–	X	97		
Total	107	112	X	108	48	66	106	X	70	43	79	X	145	45		

1.9.2 Adjustment items to net income (TotalEnergies share)

<i>In millions of dollars</i>	1S21	1S20
Special items affecting net income (TotalEnergies share)	(1,930)	(8,655)
Gain (loss) on asset sales*	(1,379)	–
Restructuring charges	(271)	(100)
Impairments	(193)	(8,101)
Other	(87)	(454)
After-tax inventory effect : FIFO vs. replacement cost	1,064	(1,508)
Effect of changes in fair value	(50)	(79)
Total adjustments affecting net income	(916)	(10,242)

* Related to the effect of the sale of TotalEnergies' participation in Petrocedeño to PDVSA in Venezuela.

1.9.3 Reconciliation of adjusted EBITDA with consolidated financial statements

1.9.3.1 Reconciliation of net income (TotalEnergies share) to adjusted EBITDA

<i>In millions of dollars</i>	1S21	1S20	1S21 vs 1S20
Net income – TotalEnergies share	5,550	(8,335)	ns
Less: adjustment items to net income (TotalEnergies share)	916	10,242	-91%
Adjusted net income – TotalEnergies share	6,466	1,907	x3.4
<i>Adjusted items</i>			
Add: non-controlling interests	147	(13)	ns
Add: income taxes	2,931	490	x6
Add: depreciation, depletion and impairment of tangible assets and mineral interests	6,285	6,937	-9%
Add: amortization and impairment of intangible assets	197	155	+27%
Add: financial interest on debt	967	1,094	-12%
Less: financial income and expense from cash & cash equivalents	(156)	13	ns
Adjusted EBITDA	16,837	10,583	+59%

1.9.3.2 Reconciliation of revenues from sales to adjusted EBITDA and net income (TotalEnergies share)

<i>In millions of dollars</i>	1S21	1S20	1S21 vs 1S20
<i>Adjusted items</i>			
Revenues from sales	80,310	60,155	+34%
Purchases, net of inventory variation	(51,397)	(37,949)	ns
Other operating expenses	(13,576)	(12,985)	ns
Exploration costs	(290)	(254)	ns
Other income	554	820	-32%
Other expense, excluding amortization and impairment of intangible assets	(137)	(139)	ns
Other financial income	374	607	-38%
Other financial expense	(261)	(341)	ns
Net income (loss) from equity affiliates	1,260	669	+88%
Adjusted EBITDA	16,837	10,583	+59%
<i>Adjusted items</i>			
Less: depreciation, depletion and impairment of tangible assets and mineral interests	(6,285)	(6,937)	ns
Less: amortization of intangible assets	(197)	(155)	ns
Less: financial interest on debt	(967)	(1,094)	ns
Add: financial income and expense from cash & cash equivalents	156	(13)	ns
Less: income taxes	(2,931)	(490)	ns
Less: non-controlling interests	(147)	13	ns
Add: adjustment – TotalEnergies share	(916)	(10,242)	ns
Net income – TotalEnergies share	5,550	(8,335)	ns

1.9.4 Investments – Divestments

<i>In millions of dollars</i>	1S21	1S20	1S21 vs 1S20
Organic investments (a)	5,181	4,724	+10%
Capitalized exploration	488	297	+64%
Increase in non-current loans	672	1,012	-34%
Repayment of non-current loans, excluding organic loan repayment from equity affiliates	(185)	(175)	ns
Change in debt from renewable projects (TotalEnergies share)	(171)	(152)	ns
Acquisitions (b)	2,870	2,501	+15%
Asset sales (c)	884	678	+30%
Change in debt from renewable projects (partner share)	105	83	+27%
Other transactions with non-controlling interests (d)	–	–	ns
Net investments (a + b - c - d)	7,167	6,547	+9%
Organic loan repayment from equity affiliates (e)	(108)	(34)	ns
Change in debt from renewable projects financing* (f)	276	235	+17%
Capex linked to capitalized leasing contracts (g)	47	46	+2%
Cash flow used in investing activities (a + b - c + e + f - g)	7,288	6,702	+9%

* Change in debt from renewable projects (TotalEnergies share and partner share).

1.9.5 Cash-flow

<i>In millions of dollars</i>	1S21	1S20	1S21 vs 1S20
Operating cash flow before working capital changes w/o financials charges (DACF)	12,511	8,420	+49%
Financial charges	(793)	(1,011)	ns
Operating cash flow before working capital changes (a)*	11,718	7,409	+58%
(Increase) decrease in working capital**	259	(698)	ns
Inventory effect	1,346	(1,838)	ns
Capital gain from renewable projects sale	(66)	(61)	ns
Organic loan repayment from equity affiliates	(108)	(34)	ns
Cash flow from operations	13,149	4,778	x2.8
Organic investments (b)	5,181	4,724	+10%
Free cash flow after organic investments, w/o net asset sales (a - b)	6,537	2,685	x2.4
Net investments (c)	7,167	6,547	+9%
Net cash flow (a - c)	4,551	862	x5.3

* Operating cash flow before working capital changes, is defined as cash flow from operating activities before changes in working capital at replacement cost, excluding the mark-to-market effect of iGRP's contracts and including capital gain from renewable projects sale (effective first quarter 2020). Historical data have been restated to cancel the impact of fair valuation of iGRP sector's contracts.

** Changes in working capital are presented excluding the mark-to-market effect of iGRP's contracts.

1.9.6 Gearing ratio

<i>In millions of dollars</i>	30/06/2021	31/03/2021	30/06/2020
Current borrowings*	15,796	19,279	14,894
Other current financial liabilities	322	351	411
Current financial assets*	(4,326)	(4,492)	(6,383)
Net financial assets classified as held for sale	-	-	-
Non-current financial debt*	44,687	44,842	54,214
Non-current financial assets*	(2,726)	(2,669)	(1,415)
Cash and cash equivalents	(28,643)	(30,285)	(29,727)
Net debt (a)	25,109	27,026	31,994
Shareholders' equity - TotalEnergies share	108,096	109,295	101,205
Non-controlling interests	2,480	2,390	2,334
Shareholders' equity (b)	110,576	111,685	103,539
Net-debt-to-capital ratio = a / (a+b)	18.5%	19.5%	23.6%
Leases (c)	7,702	7,747	7,383
Net-debt-to-capital ratio including leases (a+c) / (a+b+c)	22.9%	23.7%	27.6%

* Excludes leases receivables and leases debts.

1.9.7 Return on average capital employed

1.9.7.1 Twelve months ended June 30, 2021

<i>In millions of dollars</i>	Integrated Gas, Renewables & Power	Exploration & Production	Refining & Chemicals	Marketing & Services	Company
Adjusted net operating income	2,415	6,057	836	1,494	10,252
Capital employed at 06/30/2020*	43,527	79,096	12,843	8,366	142,625
Capital employed at 06/30/2021*	49,831	76,013	9,285	8,439	141,720
ROACE	5.2%	7.8%	7.6%	17.8%	7.2%

1.9.7.2 Twelve months ended March 31, 2021

<i>In millions of dollars</i>	Integrated Gas, Renewables & Power	Exploration & Production	Refining & Chemicals	Marketing & Services	Company
Adjusted net operating income	1,850	3,635	900	1,206	6,915
Capital employed at 03/31/2020*	44,236	85,622	12,878	8,764	152,374
Capital employed at 03/31/2021*	48,423	78,170	10,403	8,198	145,180
ROACE	4.0%	4.4%	7.7%	14.2%	4.6%

* At replacement cost (excluding after-tax inventory effect).

1.10 Principal risks and uncertainties for the remaining six months of 2021

The Company and its businesses are subject to various risks relating to changing political, economic, monetary, legal, environmental, social, industrial, competitive, operating and financial conditions. A description of such risk factors is provided in TotalEnergies' 2021 Universal Registration Document filed with the *Autorité des marchés financiers* (French Financial Markets Authority) on March 31, 2021. These

conditions are subject to change not only in the six months remaining in the current financial year, but also in the years to come.

Additionally, a description of certain risks is included in the Notes to the condensed Consolidated Financial Statements for the first half of 2021 (page 44 of this half-year financial report).

1.11 Major related parties' transactions

Information concerning the major related parties' transactions for the first six months of 2021 is provided in Note 6 to the condensed

Consolidated Financial Statements for the first half of 2021 (page 44 of this half-year financial report).

Disclaimer:

The entities in which TotalEnergies SE directly or indirectly owns a shareholding are separate and independent legal entities. The terms "TotalEnergies", "TotalEnergies company" and "Company" used in this document are generic and used for convenience to designate TotalEnergies SE and the entities included in its scope of consolidation. Likewise, the words "we", "us" and "our" may also be used to refer to these entities or their employees.

This document may contain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, notably with respect to the financial condition, results of operations, business activities and industrial strategy of TotalEnergies. This document may also contain statements regarding the perspectives, objectives, areas of improvement and goals of TotalEnergies, including with respect to climate change and carbon neutrality (net zero emissions). An ambition expresses an outcome desired by TotalEnergies, it being specified that the means to be deployed do not depend solely on TotalEnergies. These forward-looking statements may generally be identified by the use of the future or conditional tense or forward-looking words such as "envisions", "intends", "anticipates", "believes", "considers", "plans", "expects", "thinks", "targets", "aims" or similar terminology. Such forward-looking statements included in this document are based on economic data, estimates and assumptions prepared in a given economic, competitive and regulatory environment and considered to be reasonable by TotalEnergies as of the date of this document.

These forward-looking statements are not historical data and should not be interpreted as assurances that the perspectives, objectives or goals announced will be achieved. They may prove to be inaccurate in the future, and may evolve or be modified with a significant difference between the actual results and those initially estimated, due to the uncertainties notably related to the economic, financial, competitive and regulatory environment, or due to the occurrence of risk factors, such as, notably, the price fluctuations in crude oil and natural gas, the evolution of the demand and price of petroleum products, the changes in production results and reserves estimates, the ability to achieve cost reductions and operating efficiencies without unduly disrupting business operations, changes in laws and regulations including those related to the environment and climate, currency fluctuations, as well as economic and political developments, changes in market conditions, loss of market share and changes in consumer preferences, or pandemics such as the COVID-19 pandemic. Additionally, certain financial information is based on estimates particularly in the assessment of the recoverable value of assets and potential impairments of assets relating thereto.

Neither TotalEnergies nor any of its subsidiaries assumes any obligation to update publicly any forward-looking information or statement, objectives or trends contained in this document whether as a result of new information, future events or otherwise. The information on risk factors that could have a significant adverse effect on TotalEnergies' business, financial condition, including its operating income and cash flow, reputation, outlook or the value of financial instruments issued by TotalEnergies is provided in the most recent version of the Universal Registration Document which is filed by TotalEnergies SE with the French Autorité des Marchés Financiers and the annual report on Form 20-F filed with the United States Securities and Exchange Commission ("SEC").

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. In addition to IFRS measures, certain alternative performance indicators are presented, such as performance indicators excluding the adjustment items described below (adjusted operating income, adjusted net operating income, adjusted net income), return on equity (ROE), return on average capital employed (ROACE), gearing ratio, operating cash flow before working capital changes, the shareholder rate of return. These indicators are meant to facilitate the analysis of the financial performance of TotalEnergies and the comparison of income between periods. They allow investors to track the measures used internally to manage and measure the performance of TotalEnergies.

These 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 asset 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) 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 price differentials 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.

(iii) Effect of changes in fair value

The effect of changes in fair value presented as an adjustment item reflects, for some transactions, differences between internal measures of performance used by TotalEnergies' 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, whose future effects are recorded at fair value in TotalEnergies' 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, excluding the effect of changes in fair value.

Euro amounts presented for the fully adjusted-diluted earnings per share represent dollar amounts converted at the average euro-dollar (€-\$) exchange rate for the applicable period and are not the result of financial statements prepared in euros.

Cautionary Note to U.S. Investors – The SEC permits oil and gas companies, in their filings with the SEC, to separately disclose proved, probable and possible reserves that a company has determined in accordance with SEC rules. We may use certain terms in this press release, such as “potential reserves” or “resources”, that the SEC’s guidelines strictly prohibit us from including in filings with the SEC. U.S. investors are urged to consider closely the disclosure in the Form 20-F of TotalEnergies, File N° 1-10888, available from us at 2, place Jean Millier – Arche Nord Coupole/Regnault - 92078 Paris-La Défense Cedex, France, or at our website totalenergies.com. You can also obtain this form from the SEC by calling 1-800-SEC-0330 or on the SEC’s website sec.gov.

02 Consolidated Financial Statements as of June 30, 2021

2.1 Statutory Auditors' Review Report on the half-yearly Financial Information

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 TotalEnergies' 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.

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 of KPMG S.A.

Jacques-François Lethu
Partner

Eric Jacquet
Partner

ERNST & YOUNG Audit

Laurent Vitse
Partner

Céline Eydiou-Boutté
Partner

2.2 Consolidated statement of income – half-yearly

TotalEnergies

(unaudited)

<i>(M\$)</i> ^(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.

2.3 Consolidated statement of comprehensive income – half-yearly

TotalEnergies

(unaudited)

<i>(M\$)</i>	1 st half 2021	1 st 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)

2.4 Consolidated statement of income – quarterly

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.

2.5 Consolidated statement of comprehensive income – quarterly

TotalEnergies

(unaudited)

<i>(M\$)</i>	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>	2,670	2,542	(7,253)
<i>Non-controlling interests</i>	138	37	(10)

2.6 Consolidated balance sheet

TotalEnergies

(M\$)	June 30, 2021 (unaudited)	March 31, 2021 (unaudited)	December 31, 2020	June 30, 2020 (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

2.7 Consolidated statement of cash flow – half-yearly

TotalEnergies

(unaudited)

<i>(M\$)</i>	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

2.8 Consolidated statement of cash flow – quarterly

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

2.9 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.

2.10 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.

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.

Raffinage-Chimie

- 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.

- 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 followings 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' 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 (M\$)	Exploration & Production	Integrated Gas, Renewables & Power	Refining & Chemicals	Marketing & Services	Corporate	Intercompany	Total
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) (M\$)	Exploration & Production	Integrated Gas, Renewables & Power	Refining & Chemicals	Marketing & Services	Corporate	Intercompany	Total
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
- On net operating income

–	–	(1,604)	(234)	–
–	–	(1,371)	(163)	–

1 st half 2020 (adjusted) (M\$)	Exploration & Production	Integrated Gas, Renewables & Power	Refining & Chemicals	Marketing & Services	Corporate	Intercompany	Total
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 (M\$)	Exploration & Production	Integrated Gas, Renewables & Power	Refining & Chemicals	Marketing & Services	Corporate	Intercompany	Total
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 (M\$)	Exploration & Production	Integrated Gas, Renewables & Power	Refining & Chemicals	Marketing & Services	Corporate	Intercompany	Total
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) (M\$)	Exploration & Production	Integrated Gas, Renewables & Power	Refining & Chemicals	Marketing & Services	Corporate	Intercompany	Total
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) (M\$)	Exploration & Production	Integrated Gas, Renewables & Power	Refining & Chemicals	Marketing & Services	Corporate	Intercompany	Total
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 (M\$)	Exploration & Production	Integrated Gas, Renewables & Power	Refining & Chemicals	Marketing & Services	Corporate	Intercompany	Total
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 (M\$)	Exploration & Production	Integrated Gas, Renewables & Power	Refining & Chemicals	Marketing & Services	Corporate	Intercompany	Total
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) (M\$)	Exploration & Production	Integrated Gas, Renewables & Power	Refining & Chemicals	Marketing & Services	Corporate	Intercompany	Total
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

- On net operating income

–	–	(26)	(16)	–
–	–	(86)	(9)	–

2 nd quarter 2020 (adjusted) (M\$)	Exploration & Production	Integrated Gas, Renewables & Power	Refining & Chemicals	Marketing & Services	Corporate	Intercompany	Total
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 (M\$)	Exploration & Production	Integrated Gas, Renewables & Power	Refining & Chemicals	Marketing & Services	Corporate	Intercompany	Total
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.

2 nd quarter 2021 (M\$)	Adjusted	Adjustments ^(a)	Consolidated statement 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.

2 nd quarter 2020 (M\$)	Adjusted	Adjustments ^(a)	Consolidated statement 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

<i>(M\$)</i>		Exploration & Production	Integrated Gas, Renewables & Power	Refining & Chemicals	Marketing & Services	Corporate	Total
2 nd 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
2 nd 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)
1 st 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
1 st 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

<i>(M\$)</i>		Exploration & Production	Integrated Gas, Renewables & Power	Refining & Chemicals	Marketing & Services	Corporate	Total
2 nd 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 Petrocedeño to PDVSA.							
2 nd 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)
1 st 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 Petrocedeño to PDVSA.							
1 st 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 per share for the 2020 fiscal year and the payment of a final dividend of €0.66 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 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\$)	1 st half 2021	1 st 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

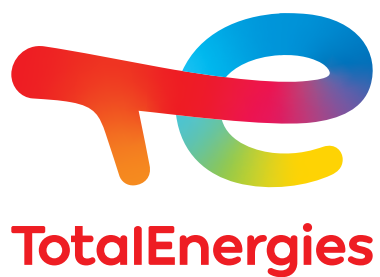
Considering the evolution of the security situation in the north of the Cabo Delgado province in Mozambique, TotalEnergies has confirmed on April 26, 2021 the withdrawal of all Mozambique LNG project personnel from the Afungi site. This situation led TotalEnergies, as operator of Mozambique LNG project,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



TotalEnergies SE
2 place Jean-Millier
92400 Courbevoie - France

Capital Social :
6 574 599 040,00 euros
542 051 180 RCS Nanterre

Standard :
+33 (0)1 47 44 45 46

Communication financière :
+44 (0)207 719 7962

**Relations actionnaires
individuels :**
N° Vert 0 800 039 039