

TotalEnergies
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE FIRST NINE 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 September 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 September 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 September 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*

➤ Exploration & Production

- In July 2021, TotalEnergies, through its affiliate Total Venezuela, has transferred its stake of 30.32% in Petrocedefío S.A. to Corporation Venezolana de Petróleos (CVP), an affiliate of Petróleos de Venezuela (PDVSA). This transaction carried out for a symbolic amount in exchange of a broad indemnity in relation to the past and future participation of TotalEnergies' in Petrocedefío, resulted in the recognition of a loss of \$1.38 billion in the financial statements of TotalEnergies, as of June 30, 2021.

➤ 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.
- In July 2021, TotalEnergies has executed a tolling agreement with GIP Australia (GIP) in relation to the downstream facilities of the Gladstone LNG Project owned by its subsidiary Total GLNG Australia (TGA), with an effective date of January 1, 2021. As part of this agreement, GIP has paid an amount of more than \$750 million and will receive a tolling fee revenue calculated on TGA's share of gas processed through the downstream facilities over a period of 15 years. TGA retains full control and ownership of its 27.5% interest in the Gladstone LNG Downstream Joint Venture.

➤ Refining & Chemicals

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

2.2) *Divestment projects*

➤ Exploration & Production

- 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 September 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 \$400 million and "liabilities classified as held for sale" for an amount of \$176 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. Starting September 2021, it notably includes the carbon neutrality activity that was previously reported in the Integrated Gas, Renewables & Power segment. Business segment information relating to fiscal year 2020 has not been restated due to the non-material impact of this change;
- An Integrated Gas, Renewables & Power segment comprising integrated gas (including LNG) and low carbon electricity businesses. It includes the upstream and midstream LNG activity;
- A Refining & Chemicals segment constituting a major industrial hub comprising the activities of refining, petrochemicals and specialty chemicals. This segment also includes the activities of oil Supply, Trading and marine Shipping;
- A Marketing & Services segment including the global activities of supply and marketing in the field of petroleum products;

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

Adjustment items

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

Adjustment items include:

(i) Special items

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

(ii) The inventory valuation effect

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

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

(iii) Effect of changes in fair value

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

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

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

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

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

3.1) Information by business segment

9 months 2021	Exploration & Production	Integrated Gas, Renewables & Power	Refining & Chemicals	Marketing & Services	Corporate	Intercompany	Total
(M\$)							
External sales	5,178	19,070	62,819	58,434	14	-	145,515
Intersegment sales	23,021	2,794	18,921	296	106	(45,138)	-
Excise taxes	-	-	(870)	(15,309)	-	-	(16,179)
Revenues from sales	28,199	21,864	80,870	43,421	120	(45,138)	129,336
Operating expenses	(11,310)	(18,823)	(76,732)	(40,812)	(553)	45,138	(103,092)
Depreciation, depletion and impairment of tangible assets and mineral interests	(6,473)	(1,105)	(1,184)	(793)	(82)	-	(9,637)
Operating income	10,416	1,936	2,954	1,816	(515)	-	16,607
Net income (loss) from equity affiliates and other items	(834)	1,464	290	25	13	-	958
Tax on net operating income	(4,382)	(365)	(834)	(574)	77	-	(6,078)
Net operating income	5,200	3,035	2,410	1,267	(425)	-	11,487
Net cost of net debt							(1,024)
Non-controlling interests							(268)
Net income - TotalEnergies share							10,195

9 months 2021 (adjustments) ^(a)	Exploration & Production	Integrated Gas, Renewables & Power	Refining & Chemicals	Marketing & Services	Corporate	Intercompany	Total
(M\$)							
External sales	-	(44)	-	-	-	-	(44)
Intersegment sales	-	-	-	-	-	-	-
Excise taxes	-	-	-	-	-	-	-
Revenues from sales	-	(44)	-	-	-	-	(44)
Operating expenses	(55)	(214)	1,432	257	-	-	1,420
Depreciation, depletion and impairment of tangible assets and mineral interests	-	(155)	(25)	-	-	-	(180)
Operating income^(b)	(55)	(413)	1,407	257	-	-	1,196
Net income (loss) from equity affiliates and other items	(1,728)	(99)	33	(55)	(60)	-	(1,909)
Tax on net operating income	69	63	(386)	(74)	2	-	(326)
Net operating income^(b)	(1,714)	(449)	1,054	128	(58)	-	(1,039)
Net cost of net debt							15
Non-controlling interests							(16)
Net income - TotalEnergies share							(1,040)

^(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

9 months 2021 (adjusted)	Exploration & Production	Integrated Gas, Renewables & Power	Refining & Chemicals	Marketing & Services	Corporate	Intercompany	Total
(M\$)							
External sales	5,178	19,114	62,819	58,434	14	-	145,559
Intersegment sales	23,021	2,794	18,921	296	106	(45,138)	-
Excise taxes	-	-	(870)	(15,309)	-	-	(16,179)
Revenues from sales	28,199	21,908	80,870	43,421	120	(45,138)	129,380
Operating expenses	(11,255)	(18,609)	(78,164)	(41,069)	(553)	45,138	(104,512)
Depreciation, depletion and impairment of tangible assets and mineral interests	(6,473)	(950)	(1,159)	(793)	(82)	-	(9,457)
Adjusted operating income	10,471	2,349	1,547	1,559	(515)	-	15,411
Net income (loss) from equity affiliates and other items	894	1,563	257	80	73	-	2,867
Tax on net operating income	(4,451)	(428)	(448)	(500)	75	-	(5,752)
Adjusted net operating income	6,914	3,484	1,356	1,139	(367)	-	12,526
Net cost of net debt							(1,039)
Non-controlling interests							(252)
Adjusted net income - TotalEnergies share							11,235

9 months 2021	Exploration & Production	Integrated Gas, Renewables & Power	Refining & Chemicals	Marketing & Services	Corporate	Intercompany	Total
(M\$)							
Total expenditures	4,949	4,870	915	599	62	-	11,395
Total divestments	537	810	146	138	20	-	1,651
Cash flow from operating activities	13,385	884	4,027	1,947	(1,454)	-	18,789

9 months 2020	Exploration & Production	Integrated Gas, Renewables & Power	Refining & Chemicals	Marketing & Services	Corporate	Intercompany	Total
(M\$)							
External sales	3,716	10,398	41,563	47,058	7	-	102,742
Intersegment sales	12,909	1,375	13,218	259	83	(27,844)	-
Excise taxes	-	-	(1,777)	(13,609)	-	-	(15,386)
Revenues from sales	16,625	11,773	53,004	33,708	90	(27,844)	87,356
Operating expenses	(8,483)	(10,278)	(52,535)	(32,031)	(763)	27,844	(76,246)
Depreciation, depletion and impairment of tangible assets and mineral interests	(14,498)	(1,958)	(1,466)	(743)	(56)	-	(18,721)
Operating income	(6,356)	(463)	(997)	934	(729)	-	(7,611)
Net income (loss) from equity affiliates and other items	691	645	(339)	46	160	-	1,203
Tax on net operating income	(299)	64	152	(346)	5	-	(424)
Net operating income	(5,964)	246	(1,184)	634	(564)	-	(6,832)
Net cost of net debt							(1,407)
Non-controlling interests							106
Net income - TotalEnergies share							(8,133)

9 months 2020 (adjustments) ^(a)	Exploration & Production	Integrated Gas, Renewables & Power	Refining & Chemicals	Marketing & Services	Corporate	Intercompany	Total
(M\$)							
External sales	-	17	-	-	-	-	17
Intersegment sales	-	-	-	-	-	-	-
Excise taxes	-	-	-	-	-	-	-
Revenues from sales	-	17	-	-	-	-	17
Operating expenses	(88)	(367)	(1,685)	(347)	(91)	-	(2,578)
Depreciation, depletion and impairment of tangible assets and mineral interests	(7,338)	(953)	(290)	-	-	-	(8,581)
Operating income ^(b)	(7,426)	(1,303)	(1,975)	(347)	(91)	-	(11,142)
Net income (loss) from equity affiliates and other items	79	(356)	(486)	(11)	-	-	(774)
Tax on net operating income	88	381	408	100	12	-	989
Net operating income ^(b)	(7,259)	(1,278)	(2,053)	(258)	(79)	-	(10,927)
Net cost of net debt							(39)
Non-controlling interests							78
Net income - TotalEnergies share							(10,888)

^(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	-	-	(1,509)	(239)	-		
- On net operating income	-	-	(1,357)	(169)	-		

9 months 2020 (adjusted)	Exploration & Production	Integrated Gas, Renewables & Power	Refining & Chemicals	Marketing & Services	Corporate	Intercompany	Total
(M\$)							
External sales	3,716	10,381	41,563	47,058	7	-	102,725
Intersegment sales	12,909	1,375	13,218	259	83	(27,844)	-
Excise taxes	-	-	(1,777)	(13,609)	-	-	(15,386)
Revenues from sales	16,625	11,756	53,004	33,708	90	(27,844)	87,339
Operating expenses	(8,395)	(9,911)	(50,850)	(31,684)	(672)	27,844	(73,668)
Depreciation, depletion and impairment of tangible assets and mineral interests	(7,160)	(1,005)	(1,176)	(743)	(56)	-	(10,140)
Adjusted operating income	1,070	840	978	1,281	(638)	-	3,531
Net income (loss) from equity affiliates and other items	612	1,001	147	57	160	-	1,977
Tax on net operating income	(387)	(317)	(256)	(446)	(7)	-	(1,413)
Adjusted net operating income	1,295	1,524	869	892	(485)	-	4,095
Net cost of net debt							(1,368)
Non-controlling interests							28
Adjusted net income - TotalEnergies share							2,755

9 months 2020	Exploration & Production	Integrated Gas, Renewables & Power	Refining & Chemicals	Marketing & Services	Corporate	Intercompany	Total
(M\$)							
Total expenditures	4,556	4,335	850	519	86		10,346
Total divestments	687	813	118	97	28		1,743
Cash flow from operating activities	6,876	1,554	924	1,453	(1,678)		9,129

3 rd quarter 2021	Exploration & Production	Integrated Gas, Renewables & Power	Refining & Chemicals	Marketing & Services	Corporate	Intercompany	Total
(M\$)							
External sales	1,921	8,482	22,765	21,554	7	-	54,729
Intersegment sales	8,588	1,239	7,031	110	38	(17,006)	-
Excise taxes	-	-	(240)	(5,419)	-	-	(5,659)
Revenues from sales	10,509	9,721	29,556	16,245	45	(17,006)	49,070
Operating expenses	(3,958)	(8,502)	(28,153)	(15,302)	(179)	17,006	(39,088)
Depreciation, depletion and impairment of tangible assets and mineral interests	(2,156)	(343)	(397)	(267)	(28)	-	(3,191)
Operating income	4,395	876	1,006	676	(162)	-	6,791
Net income (loss) from equity affiliates and other items	139	782	79	2	18	-	1,020
Tax on net operating income	(2,007)	(208)	(273)	(222)	23	-	(2,687)
Net operating income	2,527	1,450	812	456	(121)	-	5,124
Net cost of net debt							(372)
Non-controlling interests							(107)
Net income - TotalEnergies share							4,645

3 rd quarter 2021 (adjustments) ^(a)	Exploration & Production	Integrated Gas, Renewables & Power	Refining & Chemicals	Marketing & Services	Corporate	Intercompany	Total
(M\$)							
External sales	-	-	-	-	-	-	-
Intersegment sales	-	-	-	-	-	-	-
Excise taxes	-	-	-	-	-	-	-
Revenues from sales	-	-	-	-	-	-	-
Operating expenses	(32)	(152)	301	44	-	-	161
Depreciation, depletion and impairment of tangible assets and mineral interests	-	(7)	(12)	-	-	-	(19)
Operating income ^(b)	(32)	(159)	289	44	-	-	142
Net income (loss) from equity affiliates and other items	(246)	(3)	5	(12)	2	-	(254)
Tax on net operating income	79	4	(84)	(14)	-	-	(15)
Net operating income ^(b)	(199)	(158)	210	18	2	-	(127)
Net cost of net debt							5
Non-controlling interests							(2)
Net income - TotalEnergies share							(124)

^(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	-	-	309	56	-		
- On net operating income	-	-	285	41	-		

3 rd quarter 2021 (adjusted)	Exploration & Production	Integrated Gas, Renewables & Power	Refining & Chemicals	Marketing & Services	Corporate	Intercompany	Total
(M\$)							
External sales	1,921	8,482	22,765	21,554	7	-	54,729
Intersegment sales	8,588	1,239	7,031	110	38	(17,006)	-
Excise taxes	-	-	(240)	(5,419)	-	-	(5,659)
Revenues from sales	10,509	9,721	29,556	16,245	45	(17,006)	49,070
Operating expenses	(3,926)	(8,350)	(28,454)	(15,346)	(179)	17,006	(39,249)
Depreciation, depletion and impairment of tangible assets and mineral interests	(2,156)	(336)	(385)	(267)	(28)	-	(3,172)
Adjusted operating income	4,427	1,035	717	632	(162)	-	6,649
Net income (loss) from equity affiliates and other items	385	785	74	14	16	-	1,274
Tax on net operating income	(2,086)	(212)	(189)	(208)	23	-	(2,672)
Adjusted net operating income	2,726	1,608	602	438	(123)	-	5,251
Net cost of net debt							(377)
Non-controlling interests							(105)
Adjusted net income - TotalEnergies share							4,769

3 rd quarter 2021	Exploration & Production	Integrated Gas, Renewables & Power	Refining & Chemicals	Marketing & Services	Corporate	Intercompany	Total
(M\$)							
Total expenditures	1,754	683	337	239	14		3,027
Total divestments	163	358	17	31	2		571
Cash flow from operating activities	4,814	(463)	799	845	(355)		5,640

3 rd quarter 2020	Exploration & Production	Integrated Gas, Renewables & Power	Refining & Chemicals	Marketing & Services	Corporate	Intercompany	Total
(M\$)							
External sales	1,142	1,995	13,607	16,397	1	-	33,142
Intersegment sales	4,248	480	4,167	63	24	(8,982)	-
Excise taxes	-	-	(658)	(5,267)	-	-	(5,925)
Revenues from sales	5,390	2,475	17,116	11,193	25	(8,982)	27,217
Operating expenses	(2,435)	(1,880)	(16,799)	(10,301)	(201)	8,982	(22,634)
Depreciation, depletion and impairment of tangible assets and mineral interests	(2,187)	(342)	(678)	(270)	(16)	-	(3,493)
Operating income	768	253	(361)	622	(192)	-	1,090
Net income (loss) from equity affiliates and other items	251	225	(247)	14	(4)	-	239
Tax on net operating income	(243)	(266)	(51)	(187)	3	-	(744)
Net operating income	776	212	(659)	449	(193)	-	585
Net cost of net debt							(404)
Non-controlling interests							21
Net income - TotalEnergies share							202

3 rd quarter 2020 (adjustments) ^(a)	Exploration & Production	Integrated Gas, Renewables & Power	Refining & Chemicals	Marketing & Services	Corporate	Intercompany	Total
(M\$)							
External sales	-	33	-	-	-	-	33
Intersegment sales	-	-	-	-	-	-	-
Excise taxes	-	-	-	-	-	-	-
Revenues from sales	-	33	-	-	-	-	33
Operating expenses	(51)	(49)	(48)	(6)	-	-	(154)
Depreciation, depletion and impairment of tangible assets and mineral interests	-	-	(290)	-	-	-	(290)
Operating income ^(b)	(51)	(16)	(338)	(6)	-	-	(411)
Net income (loss) from equity affiliates and other items	8	(64)	(215)	(6)	-	-	(277)
Tax on net operating income	18	7	(18)	-	-	-	7
Net operating income ^(b)	(25)	(73)	(571)	(12)	-	-	(681)
Net cost of net debt							29
Non-controlling interests							6
Net income - TotalEnergies share							(646)

^(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	-	-	95	(5)	-		
- On net operating income	-	-	14	(6)	-		

3 rd quarter 2020 (adjusted)	Exploration & Production	Integrated Gas, Renewables & Power	Refining & Chemicals	Marketing & Services	Corporate	Intercompany	Total
(M\$)							
External sales	1,142	1,962	13,607	16,397	1	-	33,109
Intersegment sales	4,248	480	4,167	63	24	(8,982)	-
Excise taxes	-	-	(658)	(5,267)	-	-	(5,925)
Revenues from sales	5,390	2,442	17,116	11,193	25	(8,982)	27,184
Operating expenses	(2,384)	(1,831)	(16,751)	(10,295)	(201)	8,982	(22,480)
Depreciation, depletion and impairment of tangible assets and mineral interests	(2,187)	(342)	(388)	(270)	(16)	-	(3,203)
Adjusted operating income	819	269	(23)	628	(192)	-	1,501
Net income (loss) from equity affiliates and other items	243	289	(32)	20	(4)	-	516
Tax on net operating income	(261)	(273)	(33)	(187)	3	-	(751)
Adjusted net operating income	801	285	(88)	461	(193)	-	1,266
Net cost of net debt							(433)
Non-controlling interests							15
Adjusted net income - TotalEnergies share							848

3 rd quarter 2020	Exploration & Production	Integrated Gas, Renewables & Power	Refining & Chemicals	Marketing & Services	Corporate	Intercompany	Total
(M\$)							
Total expenditures	1,291	874	317	185	20	-	2,687
Total divestments	362	380	17	25	2	-	786
Cash flow from operating activities	2,043	654	1,027	1,033	(406)	-	4,351

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

9 months 2021 (M\$)	Adjusted	Adjustments ^(a)	Consolidated statement of income
Sales	145,559	(44)	145,515
Excise taxes	(16,179)	-	(16,179)
Revenues from sales	129,380	(44)	129,336
Purchases net of inventory variation	(83,971)	1,510	(82,461)
Other operating expenses	(20,124)	(90)	(20,214)
Exploration costs	(417)	-	(417)
Depreciation, depletion and impairment of tangible assets and mineral interests	(9,457)	(180)	(9,637)
Other income	749	27	776
Other expense	(451)	(1,111)	(1,562)
Financial interest on debt	(1,421)	-	(1,421)
Financial income and expense from cash & cash equivalents	235	24	259
Cost of net debt	(1,186)	24	(1,162)
Other financial income	567	-	567
Other financial expense	(401)	-	(401)
Net income (loss) from equity affiliates	2,403	(825)	1,578
Income taxes	(5,605)	(335)	(5,940)
Consolidated net income	11,487	(1,024)	10,463
TotalEnergies share	11,235	(1,040)	10,195
Non-controlling interests	252	16	268

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

9 months 2020 (M\$)	Adjusted	Adjustments ^(a)	Consolidated statement of income
Sales	102,725	17	102,742
Excise taxes	(15,386)	-	(15,386)
Revenues from sales	87,339	17	87,356
Purchases net of inventory variation	(54,891)	(2,087)	(56,978)
Other operating expenses	(18,384)	(491)	(18,875)
Exploration costs	(393)	-	(393)
Depreciation, depletion and impairment of tangible assets and mineral interests	(10,140)	(8,581)	(18,721)
Other income	1,130	269	1,399
Other expense	(409)	(400)	(809)
Financial interest on debt	(1,643)	(3)	(1,646)
Financial income and expense from cash & cash equivalents	36	(52)	(16)
Cost of net debt	(1,607)	(55)	(1,662)
Other financial income	741	-	741
Other financial expense	(506)	(1)	(507)
Net income (loss) from equity affiliates	1,021	(642)	379
Income taxes	(1,174)	1,005	(169)
Consolidated net income	2,727	(10,966)	(8,239)
TotalEnergies share	2,755	(10,888)	(8,133)
Non-controlling interests	(28)	(78)	(106)

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

3rd quarter 2021 (M\$)	Adjusted	Adjustments^(a)	Consolidated statement of income
Sales	54,729	-	54,729
Excise taxes	(5,659)	-	(5,659)
Revenues from sales	49,070	-	49,070
Purchases net of inventory variation	(32,574)	230	(32,344)
Other operating expenses	(6,548)	(69)	(6,617)
Exploration costs	(127)	-	(127)
Depreciation, depletion and impairment of tangible assets and mineral interests	(3,172)	(19)	(3,191)
Other income	195	-	195
Other expense	(117)	(488)	(605)
Financial interest on debt	(454)	-	(454)
Financial income and expense from cash & cash equivalents	79	8	87
Cost of net debt	(375)	8	(367)
Other financial income	193	-	193
Other financial expense	(140)	-	(140)
Net income (loss) from equity affiliates	1,143	234	1,377
Income taxes	(2,674)	(18)	(2,692)
Consolidated net income	4,874	(122)	4,752
TotalEnergies share	4,769	(124)	4,645
Non-controlling interests	105	2	107

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

3rd quarter 2020 (M\$)	Adjusted	Adjustments^(a)	Consolidated statement of income
Sales	33,109	33	33,142
Excise taxes	(5,925)	-	(5,925)
Revenues from sales	27,184	33	27,217
Purchases net of inventory variation	(16,942)	57	(16,885)
Other operating expenses	(5,399)	(211)	(5,610)
Exploration costs	(139)	-	(139)
Depreciation, depletion and impairment of tangible assets and mineral interests	(3,203)	(290)	(3,493)
Other income	310	147	457
Other expense	(115)	(166)	(281)
Financial interest on debt	(549)	2	(547)
Financial income and expense from cash & cash equivalents	49	40	89
Cost of net debt	(500)	42	(458)
Other financial income	134	-	134
Other financial expense	(165)	-	(165)
Net income (loss) from equity affiliates	352	(258)	94
Income taxes	(684)	(6)	(690)
Consolidated net income	833	(652)	181
TotalEnergies share	848	(646)	202
Non-controlling interests	(15)	(6)	(21)

(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

(M\$)		Exploration & Production	Integrated Gas, Renewables & Power	Refining & Chemicals	Marketing & Services	Corporate	Total
3rd quarter 2021	Inventory valuation effect	-	-	309	56	-	365
	Effect of changes in fair value	-	(122)	-	-	-	(122)
	Restructuring charges	(36)	(3)	(8)	-	-	(47)
	Asset impairment charges	-	(7)	(12)	-	-	(19)
	Other items	4	(27)	-	(12)	-	(35)
Total		(32)	(159)	289	44	-	142
3rd quarter 2020	Inventory valuation effect	-	-	95	(5)	-	90
	Effect of changes in fair value	-	66	-	-	-	66
	Restructuring charges	(22)	(10)	-	-	-	(32)
	Asset impairment charges	-	-	(290)	-	-	(290)
	Other items	(29)	(72)	(143)	(1)	-	(245)
Total		(51)	(16)	(338)	(6)	-	(411)
9 months 2021	Inventory valuation effect	-	-	1,449	262	-	1,711
	Effect of changes in fair value	-	(180)	-	-	-	(180)
	Restructuring charges	(36)	(13)	(16)	-	-	(65)
	Asset impairment charges	-	(155)	(25)	-	-	(180)
	Other items	(19)	(65)	(1)	(5)	-	(90)
Total		(55)	(413)	1,407	257	-	1,196
9 months 2020	Inventory valuation effect	-	-	(1,509)	(239)	-	(1,748)
	Effect of changes in fair value	-	(32)	-	-	-	(32)
	Restructuring charges	(32)	(28)	(7)	-	-	(67)
	Asset impairment charges	(7,338)	(953)	(290)	-	-	(8,581)
	Other items	(56)	(290)	(169)	(108)	(91)	(714)
Total		(7,426)	(1,303)	(1,975)	(347)	(91)	(11,142)

ADJUSTMENTS TO NET INCOME, TotalEnergies SHARE

	Exploration & Production	Integrated Gas, Renewables & Power	Refining & Chemicals	Marketing & Services	Corporate	Total
(M\$)						
3rd quarter 2021						
Inventory valuation effect	-	-	282	38	-	320
Effect of changes in fair value	-	(119)	-	-	-	(119)
Restructuring charges	2	(2)	(46)	1	2	(43)
Asset impairment charges	-	(5)	(29)	(13)	-	(47)
Gains (losses) on disposals of assets	(177)	-	-	-	-	(177)
Other items	(19)	(28)	-	(11)	-	(58)
Total	(194)	(154)	207	15	2	(124)
-						
3rd quarter 2020						
Inventory valuation effect	-	-	10	(6)	-	4
Effect of changes in fair value	-	56	-	-	-	56
Restructuring charges	(17)	(12)	(41)	-	-	(70)
Asset impairment charges	-	-	(291)	(2)	-	(293)
Gains (losses) on disposals of assets	-	-	-	-	-	-
Other items	(8)	(110)	(251)	(1)	27	(343)
Total	(25)	(66)	(573)	(9)	27	(646)
9 months 2021						
Inventory valuation effect	-	-	1,208	176	-	1,384
Effect of changes in fair value	-	(169)	-	-	-	(169)
Restructuring charges	(83)	(14)	(117)	(42)	(58)	(314)
Asset impairment charges	-	(185)	(42)	(13)	-	(240)
Gains (losses) on disposals of assets	(1,556)*	-	-	-	-	(1,556)
Other items	(60)	(70)	(9)	(6)	-	(145)
Total	(1,699)	(438)	1,040	115	(58)	(1,040)
*Of which \$1,379 million related to the impact of the TotalEnergies' interest sale of Petrocedeno to PDVSA.						
9 months 2020						
Inventory valuation effect	-	-	(1,354)	(150)	-	(1,504)
Effect of changes in fair value	-	(23)	-	-	-	(23)
Restructuring charges	(20)	(34)	(116)	-	-	(170)
Asset impairment charges	(7,272)	(829)	(291)	(2)	-	(8,394)
Gains (losses) on disposals of assets	-	-	-	-	-	-
Other items	43	(366)	(287)	(72)	(115)	(797)
Total	(7,249)	(1,252)	(2,048)	(224)	(115)	(10,888)

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>	99,480
<i>including other plans</i>	73,930
Total Treasury shares	173,410

Dividend

The Board of directors of October 27, 2021 decided to set the third interim dividend for the fiscal year 2021 at 0.66 euro per share, an amount equal to the first and second interim dividends. The ex-dividend date of this third interim dividend will be March 22, 2022 and it will be paid in cash exclusively on April 1st, 2022.

Dividend 2021	First interim	Second interim	Third interim
Amount	€0.66	€0.66	€0.66
Set date	April 28, 2021	July 28, 2021	October 27, 2021
Ex-dividend date	September 21, 2021	January 3, 2022	March 22, 2022
Payment date	October 1, 2021	January 13, 2022	April 1, 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 €1.46 per share for the 3rd quarter 2021 (€0.66 per share for the 2nd quarter 2021 and €0.04 per share for the 3rd quarter 2020). Diluted earnings per share calculated using the same method amounted to €1.44 per share for the 3rd quarter 2021 (€0.66 per share for the 2nd quarter 2021 and €0.04 per share for the 3rd quarter 2020).

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

Perpetual subordinated notes

TotalEnergies SE issued perpetual subordinated notes in January 2021 :

- Perpetual subordinated notes 1.625% callable in January 2028, or in anticipation in October 2027 (€1,500 million); and
- Perpetual subordinated notes 2.125% callable in January 2033, or in anticipation in July 2032 (€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 a nominal amount of €1,500 million and €703 million respectively), TotalEnergies SE fully reimbursed the residual nominal amount of this note at its first call date for an amount of €297 million on February 26, 2021.

Other comprehensive income

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

(M\$)	9 months 2021	9 months 2020
Actuarial gains and losses	446	(229)
Change in fair value of investments in equity instruments	(27)	147
Tax effect	(149)	86
Currency translation adjustment generated by the parent company	(5,302)	3,467
Sub-total items not potentially reclassifiable to profit and loss	(5,032)	3,471
Currency translation adjustment	3,037	(2,770)
- unrealized gain/(loss) of the period	3,198	(2,738)
- less gain/(loss) included in net income	161	32
Cash flow hedge	504	(930)
- unrealized gain/(loss) of the period	337	(877)
- less gain/(loss) included in net income	(167)	53
Variation of foreign currency basis spread	(2)	35
- unrealized gain/(loss) of the period	(39)	(3)
- less gain/(loss) included in net income	(37)	(38)
Share of other comprehensive income of equity affiliates, net amount	635	(1,731)
- unrealized gain/(loss) of the period	634	(1,741)
- less gain/(loss) included in net income	(1)	(10)
Other	1	(4)
Tax effect	(157)	252
Sub-total items potentially reclassifiable to profit and loss	4,018	(5,148)
Total other comprehensive income (net amount)	(1,014)	(1,677)

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

(M\$)	9 months 2021			9 months 2020		
	Pre-tax amount	Tax effect	Net amount	Pre-tax amount	Tax effect	Net amount
Actuarial gains and losses	446	(141)	305	(229)	53	(176)
Change in fair value of investments in equity instruments	(27)	(8)	(35)	147	33	180
Currency translation adjustment generated by the parent company	(5,302)	-	(5,302)	3,467	-	3,467
Sub-total items not potentially reclassifiable to profit and loss	(4,883)	(149)	(5,032)	3,385	86	3,471
Currency translation adjustment	3,037	-	3,037	(2,770)	-	(2,770)
Cash flow hedge	504	(155)	349	(930)	263	(667)
Variation of foreign currency basis spread	(2)	(2)	(4)	35	(11)	24
Share of other comprehensive income of equity affiliates, net amount	635	-	635	(1,731)	-	(1,731)
Other	1	-	1	(4)	-	(4)
Sub-total items potentially reclassifiable to profit and loss	4,175	(157)	4,018	(5,400)	252	(5,148)
Total other comprehensive income	(708)	(306)	(1,014)	(2,015)	338	(1,677)

Non-Controlling Interests

As mentioned in Note 2.1 Main acquisitions and divestments, TotalEnergies has executed a tolling agreement with GIP Australia (GIP) with an effective date of January 1, 2021. As part of this agreement, GIP has paid an amount of more than \$750 million. GIP's participation is recognized as a non-controlling interest.

5) Financial debt

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

The Company reimbursed three senior bonds during the first nine months of 2021:

- Bond 4.125% issued in 2011 and maturing in January 2021 (\$500 million)
- Bond 2.750% issued in 2014 and maturing in June 2021 (\$1,000 million)
- Bond 2.218% issued in 2019 and maturing in July 2021 (\$750 million).

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

On April 1, 2021, the Company reimbursed in full the balance of this committed syndicated credit line for an amount of \$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 nine 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

There are no post-balance sheet events that could have a material impact on the Company's financial statements.