

TOTAL

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE FIRST NINE MONTHS 2020

(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 TOTAL SE and its subsidiaries (the Group) as of September 30, 2020, 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, 2020, are consistent with those used for the financial statements at December 31, 2019, except for standards or amendments that must be applied for periods beginning January 1, 2020.

On January 1, 2020, the Group applied the amendments to IFRS9 and IFRS7 relating to the IBOR reform. The amendments modify some specific hedge accounting requirements to provide relief from potential effects of the uncertainty caused by the IBOR reform, and therefore maintain the hedge accounting qualification of interest rate derivatives. The Group is currently assessing the future impacts of these index changes.

The preparation of financial statements in accordance with IFRS for the closing as of September 30, 2020 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, 2019.

The interim consolidated financial statements are impacted by the Covid-19 and oil crises described in note 7 *Other risks and contingent liabilities*. The Group has taken this environment into account in its estimates, notably those relating to inventory valuation, asset impairments, employee benefits and income taxes.

At the end of the second quarter, the Group decided to revise the price assumptions used for its assets impairment tests. Based on these new assumptions, asset impairments were recorded during the period. In line with its new Climate Ambition announced on May 5, 2020, which aims at carbon neutrality, the Group has reviewed its oil assets that can be qualified as "stranded", and therefore has decided to impair its oil sands assets in Canada. These impairments and revised assumptions are presented in note 3.4 *Asset impairment*.

Moreover, the value of petroleum and petrochemical inventories that are measured, according to the FIFO (First-in, First-Out) method, deteriorated as a result of the significant decrease in prices during the period, especially in the Refining and Chemicals business segment.

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 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 Group structure

2.1) *Main acquisitions and divestments*

➤ Integrated Gas, Renewables & Power

- On February 28, 2020, TOTAL finalized the acquisition of a 37.4% interest in Adani Gas Limited, one of the four main distributors of city gas in India. To acquire 37.4% of equity shares of Adani Gas Limited, TOTAL launched a tender offer to public shareholders on October 14, 2019 that ended on January 14, 2020, then acquired the remaining shares from Adani on February 27 and 28, 2020.

➤ Exploration & Production

- On March 31, 2020, TOTAL finalized the sale of its subsidiary Total E&P Deep Offshore Borneo BV which holds an 86.95% interest in Block CA1, located 100 kilometers off the coast of Brunei, to Shell.
- On August 6, 2020, TOTAL closed the sale of UK North Sea non-core assets to NEO Energy.

2.2) *Divestment projects*

➤ Exploration & Production

- On July 30, 2020, TOTAL 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, 2020, the assets and liabilities have been respectively classified in the consolidated balance sheet as “assets classified as held for sale” for an amount of \$379 million and “liabilities classified as held for sale” for an amount of \$145 million. These assets mainly include tangible assets.

➤ Refining & Chemicals

- On July 27, 2020, TOTAL signed an agreement to sell the Lindsey refinery and its associated logistic assets, as well as all the related rights and obligations, to the Prax Group.

As of September 30, 2020, the assets and liabilities have been respectively classified in the consolidated balance sheet as “assets classified as held for sale” for an amount of \$188 million and “liabilities classified as held for sale” for an amount of \$281 million.

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 TOTAL and which is reviewed by the main operational decision-making body of the Group, 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 Group'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 TOTAL'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.

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

Furthermore, TOTAL 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 2020	Exploration & Production	Integrated Gas, Renewables & Power	Refining & Chemicals	Marketing & Services	Corporate	Intercompany	Total
(M\$)							
Non-Group 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 - group share							(8,133)

9 months 2020 (adjustments) ^(a)	Exploration & Production	Integrated Gas, Renewables & Power	Refining & Chemicals	Marketing & Services	Corporate	Intercompany	Total
(M\$)							
Non-Group 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 - group 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

- On net operating income

9 months 2020 (adjusted)	Exploration & Production	Integrated Gas, Renewables & Power	Refining & Chemicals	Marketing & Services	Corporate	Intercompany	Total
(M\$)							
Non-Group 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 - group 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

9 months 2019	Exploration & Production	Integrated Gas, Renewables & Power	Refining & Chemicals	Marketing & Services	Corporate	Intercompany	Total
(M\$)							
Non-Group sales	5,698	13,875	65,558	65,901	4	-	151,036
Intersegment sales	23,063	1,832	24,651	456	78	(50,080)	-
Excise taxes	-	-	(2,250)	(15,922)	-	-	(18,172)
Revenues from sales	28,761	15,707	87,959	50,435	82	(50,080)	132,864
Operating expenses	(12,233)	(13,845)	(84,020)	(48,141)	(569)	50,080	(108,728)
Depreciation, depletion and impairment of tangible assets and mineral interests	(8,352)	(1,004)	(1,176)	(717)	(51)	-	(11,300)
Operating income	8,176	858	2,763	1,577	(538)	-	12,836
Net income (loss) from equity affiliates and other items	444	1,939	265	86	36	-	2,770
Tax on net operating income	(3,679)	(845)	(467)	(498)	194	-	(5,295)
Net operating income	4,941	1,952	2,561	1,165	(308)	-	10,311
Net cost of net debt							(1,522)
Non-controlling interests							(122)
Net income - group share							8,667

9 months 2019 (adjustments) ^(a)	Exploration & Production	Integrated Gas, Renewables & Power	Refining & Chemicals	Marketing & Services	Corporate	Intercompany	Total
(M\$)							
Non-Group sales	-	(74)	-	-	-	-	(74)
Intersegment sales	-	-	-	-	-	-	-
Excise taxes	-	-	-	-	-	-	-
Revenues from sales	-	(74)	-	-	-	-	(74)
Operating expenses	(100)	(153)	353	62	-	-	162
Depreciation, depletion and impairment of tangible assets and mineral interests	(196)	(20)	(32)	(2)	-	-	(250)
Operating income ^(b)	(296)	(247)	321	60	-	-	(162)
Net income (loss) from equity affiliates and other items	(90)	1,012	(70)	(60)	-	-	792
Tax on net operating income	(151)	(408)	(113)	(14)	-	-	(686)
Net operating income ^(b)	(537)	357	138	(14)	-	-	(56)
Net cost of net debt							(12)
Non-controlling interests							72
Net income - group share							4

^(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	-	-	392	65	-		
- On net operating income	-	-	254	46	-		

9 months 2019 (adjusted)	Exploration & Production	Integrated Gas, Renewables & Power	Refining & Chemicals	Marketing & Services	Corporate	Intercompany	Total
(M\$)							
Non-Group sales	5,698	13,949	65,558	65,901	4	-	151,110
Intersegment sales	23,063	1,832	24,651	456	78	(50,080)	-
Excise taxes	-	-	(2,250)	(15,922)	-	-	(18,172)
Revenues from sales	28,761	15,781	87,959	50,435	82	(50,080)	132,938
Operating expenses	(12,133)	(13,692)	(84,373)	(48,203)	(569)	50,080	(108,890)
Depreciation, depletion and impairment of tangible assets and mineral interests	(8,156)	(984)	(1,144)	(715)	(51)	-	(11,050)
Adjusted operating income	8,472	1,105	2,442	1,517	(538)	-	12,998
Net income (loss) from equity affiliates and other items	534	927	335	146	36	-	1,978
Tax on net operating income	(3,528)	(437)	(354)	(484)	194	-	(4,609)
Adjusted net operating income	5,478	1,595	2,423	1,179	(308)	-	10,367
Net cost of net debt							(1,510)
Non-controlling interests							(194)
Adjusted net income - group share							8,663

9 months 2019	Exploration & Production	Integrated Gas, Renewables & Power	Refining & Chemicals	Marketing & Services	Corporate	Intercompany	Total
(M\$)							
Total expenditures	6,359	6,306	1,034	803	76		14,578
Total divestments	112	766	253	187	8		1,326
Cash flow from operating activities	12,711	1,934	2,695	2,326	(1,580)		18,086

3 rd quarter 2020	Exploration & Production	Integrated Gas, Renewables & Power	Refining & Chemicals	Marketing & Services	Corporate	Intercompany	Total
(M\$)							
Non-Group 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 - group share							202

3 rd quarter 2020 (adjustments) ^(a)	Exploration & Production	Integrated Gas, Renewables & Power	Refining & Chemicals	Marketing & Services	Corporate	Intercompany	Total
(M\$)							
Non-Group 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 - group 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\$)							
Non-Group 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 - group 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 rd quarter 2019	Exploration & Production	Integrated Gas, Renewables & Power	Refining & Chemicals	Marketing & Services	Corporate	Intercompany	Total
(M\$)							
Non-Group sales	1,631	3,667	21,338	21,951	2	-	48,589
Intersegment sales	7,761	573	8,341	155	15	(16,845)	-
Excise taxes	-	-	(713)	(5,338)	-	-	(6,051)
Revenues from sales	9,392	4,240	28,966	16,768	17	(16,845)	42,538
Operating expenses	(3,999)	(3,558)	(27,518)	(15,963)	(163)	16,845	(34,356)
Depreciation, depletion and impairment of tangible assets and mineral interests	(3,136)	(361)	(413)	(247)	(16)	-	(4,173)
Operating income	2,257	321	1,035	558	(162)	-	4,009
Net income (loss) from equity affiliates and other items	77	898	5	(15)	9	-	974
Tax on net operating income	(1,094)	(222)	(221)	(164)	70	-	(1,631)
Net operating income	1,240	997	819	379	(83)	-	3,352
Net cost of net debt							(507)
Non-controlling interests							(45)
Net income - group share							2,800

3 rd quarter 2019 (adjustments) ^(a)	Exploration & Production	Integrated Gas, Renewables & Power	Refining & Chemicals	Marketing & Services	Corporate	Intercompany	Total
(M\$)							
Non-Group sales	-	12	-	-	-	-	12
Intersegment sales	-	-	-	-	-	-	-
Excise taxes	-	-	-	-	-	-	-
Revenues from sales	-	12	-	-	-	-	12
Operating expenses	(100)	(41)	(96)	22	-	-	(215)
Depreciation, depletion and impairment of tangible assets and mineral interests	(153)	(9)	(22)	(2)	-	-	(186)
Operating income ^(b)	(253)	(38)	(118)	20	-	-	(389)
Net income (loss) from equity affiliates and other items	(90)	599	(23)	(53)	-	-	433
Tax on net operating income	(151)	(138)	8	(1)	-	-	(282)
Net operating income ^(b)	(494)	423	(133)	(34)	-	-	(238)
Net cost of net debt							(4)
Non-controlling interests							25
Net income - group share							(217)

^(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	-	-	(94)	25	-		
- On net operating income	-	-	(90)	19	-		

3 rd quarter 2019 (adjusted)	Exploration & Production	Integrated Gas, Renewables & Power	Refining & Chemicals	Marketing & Services	Corporate	Intercompany	Total
(M\$)							
Non-Group sales	1,631	3,655	21,338	21,951	2	-	48,577
Intersegment sales	7,761	573	8,341	155	15	(16,845)	-
Excise taxes	-	-	(713)	(5,338)	-	-	(6,051)
Revenues from sales	9,392	4,228	28,966	16,768	17	(16,845)	42,526
Operating expenses	(3,899)	(3,517)	(27,422)	(15,985)	(163)	16,845	(34,141)
Depreciation, depletion and impairment of tangible assets and mineral interests	(2,983)	(352)	(391)	(245)	(16)	-	(3,987)
Adjusted operating income	2,510	359	1,153	538	(162)	-	4,398
Net income (loss) from equity affiliates and other items	167	299	28	38	9	-	541
Tax on net operating income	(943)	(84)	(229)	(163)	70	-	(1,349)
Adjusted net operating income	1,734	574	952	413	(83)	-	3,590
Net cost of net debt							(503)
Non-controlling interests							(70)
Adjusted net income - group share							3,017

3 rd quarter 2019	Exploration & Production	Integrated Gas, Renewables & Power	Refining & Chemicals	Marketing & Services	Corporate	Intercompany	Total
(M\$)							
Total expenditures	2,077	4,331	386	276	25		7,095
Total divestments	23	192	14	30	5		264
Cash flow from operating activities	5,007	401	1,575	1,483	(260)		8,206

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

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)
Group 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.

9 months 2019 (M\$)	Adjusted	Adjustments ^(a)	Consolidated statement of income
Sales	151,110	(74)	151,036
Excise taxes	(18,172)	-	(18,172)
Revenues from sales	132,938	(74)	132,864
Purchases net of inventory variation	(88,338)	329	(88,009)
Other operating expenses	(19,998)	(167)	(20,165)
Exploration costs	(554)	-	(554)
Depreciation, depletion and impairment of tangible assets and mineral interests	(11,050)	(250)	(11,300)
Other income	620	115	735
Other expense	(322)	(635)	(957)
Financial interest on debt	(1,715)	(12)	(1,727)
Financial income and expense from cash & cash equivalents	(70)	-	(70)
Cost of net debt	(1,785)	(12)	(1,797)
Other financial income	649	-	649
Other financial expense	(561)	-	(561)
Net income (loss) from equity affiliates	1,592	1,312	2,904
Income taxes	(4,334)	(686)	(5,020)
Consolidated net income	8,857	(68)	8,789
Group share	8,663	4	8,667
Non-controlling interests	194	(72)	122

(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
Group 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.

3rd quarter 2019 (M\$)	Adjusted	Adjustments^(a)	Consolidated statement of income
Sales	48,577	12	48,589
Excise taxes	(6,051)	-	(6,051)
Revenues from sales	42,526	12	42,538
Purchases net of inventory variation	(27,805)	(93)	(27,898)
Other operating expenses	(6,240)	(122)	(6,362)
Exploration costs	(96)	-	(96)
Depreciation, depletion and impairment of tangible assets and mineral interests	(3,987)	(186)	(4,173)
Other income	167	-	167
Other expense	(132)	(427)	(559)
Financial interest on debt	(594)	(4)	(598)
Financial income and expense from cash & cash equivalents	-	-	-
Cost of net debt	(594)	(4)	(598)
Other financial income	163	-	163
Other financial expense	(178)	-	(178)
Net income (loss) from equity affiliates	521	860	1,381
Income taxes	(1,258)	(282)	(1,540)
Consolidated net income	3,087	(242)	2,845
Group share	3,017	(217)	2,800
Non-controlling interests	70	(25)	45

(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 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)
3rd quarter 2019	Inventory valuation effect	-	-	(94)	25	-	(69)
	Effect of changes in fair value	-	12	-	-	-	12
	Restructuring charges	-	(2)	-	-	-	(2)
	Asset impairment charges	(153)	(9)	(22)	(2)	-	(186)
	Other items	(100)	(39)	(2)	(3)	-	(144)
Total		(253)	(38)	(118)	20	-	(389)
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)
9 months 2019	Inventory valuation effect	-	-	392	65	-	457
	Effect of changes in fair value	-	(74)	-	-	-	(74)
	Restructuring charges	-	(2)	-	-	-	(2)
	Asset impairment charges	(196)	(20)	(32)	(2)	-	(250)
	Other items	(100)	(151)	(39)	(3)	-	(293)
Total		(296)	(247)	321	60	-	(162)

ADJUSTMENTS TO NET INCOME, GROUP SHARE

	Exploration & Production	Integrated Gas, Renewables & Power	Refining & Chemicals	Marketing & Services	Corporate	Total
(M\$)						
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)
3rd quarter 2019						
Inventory valuation effect	-	-	(89)	18	-	(71)
Effect of changes in fair value	-	10	-	-	-	10
Restructuring charges	(5)	(13)	(2)	-	-	(20)
Asset impairment charges	(132)	(5)	(22)	(1)	-	(160)
Gains (losses) on disposals of assets	-	-	-	-	-	-
Other items	(357)	452	(19)	(52)	-	24
Total	(494)	444	(132)	(35)	-	(217)
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)
9 months 2019						
Inventory valuation effect	-	-	252	37	-	289
Effect of changes in fair value	-	(59)	-	-	-	(59)
Restructuring charges	(5)	(29)	(19)	-	-	(53)
Asset impairment charges	(175)	(11)	(30)	(1)	-	(217)
Gains (losses) on disposals of assets	-	-	-	-	-	-
Other items	(357)	526	(67)	(58)	-	44
Total	(537)	427	136	(22)	-	4

3.4) Asset impairment

Impairments relate to certain cash-generating units (CGUs) for which indicators of impairment have been identified, due to changes in operating conditions or the economic environment of the activities concerned.

For the calculation of impairment tests of its assets, TOTAL set in 2019 a price scenario with a 2050 Brent price of 50\$/b, in line with the “well below 2°C” 2019 scenario of the IEA. This scenario is described in the Universal Registration Document (note 3 of chapter 8).

Given the drop of the oil price in 2020, TOTAL decided to revise the price assumptions over the next years and selected the following profile of the Brent price: 35\$/b in 2020, 40\$/b in 2021, 50\$/b in 2022, 60\$/b in 2023; gas prices have been adjusted accordingly.

For the longer term, TOTAL maintains its analysis, that the weakness of investments in the hydrocarbon sector since 2015 accentuated by the health and economic crisis of 2020 will result by 2025 in insufficient worldwide production capacities and a rebound in prices. Beyond 2030, given technological developments, particularly in the transport sector, TOTAL anticipates oil demand will have reached its peak and Brent prices should tend toward the long-term price of 50\$/b, in line with the 2019 IEA's SDS scenario.

The average Brent prices over the period 2020-2050 thus stands at 56.8\$₂₀₂₀/b.

The future operational costs were determined by taking into account the existing technologies, the fluctuation of prices for petroleum services in line with market developments and the internal cost reduction programs effectively implemented.

The future cash flows are estimated over a period consistent with the life of the assets of the CGUs. They are prepared post-tax and take into account specific risks related to the CGUs' assets. They are discounted using a 7% post-tax discount rate, this rate being the weighted-average cost of capital estimated from historical market data.

The CGUs of the Exploration & Production segment are defined as oil and gas fields or groups of oil and gas fields with industrial assets enabling the production, treatment and evacuation of the oil and gas. For the first nine months of 2020, impairments of assets were recognized over CGUs of the Exploration & Production segment for an impact of \$(1,878) million in operating income and \$(1,798) million in net income, Group share. Impairments recognized in 2020 mainly relate to Canadian oil sands assets.

The CGUs of the Integrated Gas, Renewables & Power segment are subsidiaries or groups of subsidiaries organized by activity or geographical area, and by fields or groups of fields for upstream LNG activities. For the first nine months of 2020, the Group recorded impairments on CGUs in the Integrated Gas, Renewables & Power segment for \$(953) million in operating income and \$(829) million in net income, Group share. Impairments recognized in 2020 relate to assets located in Australia.

The CGUs of the Refining & Chemicals segment are defined as legal entities with operational activities for refining and petrochemicals activities. For the first nine months of 2020, the Group recorded impairments on CGUs of the Refining & Chemicals segment in France and in the United Kingdom for \$(290) million in operating income and \$(291) million in net income, Group share.

The CGUs of the Marketing & Services segment are subsidiaries or groups of subsidiaries organized by geographical area. No significant impairment has been recorded for the CGUs of the Marketing & Services segment in the first nine months of 2020.

In addition, in line with its new Climate Ambition announced on May 5, 2020, which aims at carbon neutrality, TOTAL has reviewed its oil assets that can be qualified as stranded, meaning with reserves beyond 20 years and high production costs, whose overall reserves may therefore not be produced by 2050. The only projects identified in this category are the Canadian oil sands projects of Fort Hills and Surmont.

For impairment calculations, TOTAL has decided to take into account only proven reserves on these two assets – unlike general practice which considers so-called proven and probable reserves. This leads to an additional exceptional asset impairment of \$(5,460) million in operating income and \$(5,474) million in net income, Group share.

Overall, asset impairments were recorded on the nine first months 2020, for an amount of \$(8,581) million in operating income and \$(8,394) million in net income, Group share, including \$(6,988) million on Canadian oil sands assets alone.

These impairments were qualified as adjustment items of the operating income and net income, Group share.

As for sensitivities of the Exploration & Production segment:

- a decrease by one point in the discount rate would have a positive impact of approximately \$0.2 billion on impairments recorded in operating income and \$0.2 billion on impairments recorded in net income, Group share;
- an increase by one point in the discount rate would have an additional negative impact of approximately \$1.5 billion on impairments recorded in operating income and \$1 billion on impairments recorded in net income, Group share;
- a variation of (10)% of the oil and gas prices over the duration of the plan would have an additional negative impact of approximately \$2.9 billion on impairments recorded this quarter in operating income and \$1.7 billion on impairments recorded in net income, Group share.

As for sensitivities of upstream LNG activities and CGUs including a material goodwill:

- a decrease by one point in the discount rate would have a positive impact of approximately \$0.6 billion on impairments recorded in operating income and \$0.5 billion on impairments recorded in net income, Group share;
- an increase by one point in the discount rate would have an additional negative impact of approximately \$0.8 billion on impairments recorded in operating income and \$0.6 billion on impairments recorded in net income, Group share;
- a variation of (10)% of the oil and gas prices over the duration of the plan would have an additional negative impact of approximately \$1.9 billion on impairments recorded this quarter in operating income and \$1.5 billion on impairments recorded in net income, Group share.

4) Shareholders' equity

Treasury shares (TOTAL shares held directly by TOTAL SE)

In accordance with the shareholder return policy over 2018-2020 implemented since February 2018, the Company repurchased its own shares until the announcement of the suspension of the share buyback program on March 23, 2020, in the context of the sharp decrease in the crude oil price.

During this period, TOTAL SE has also repurchased shares to be allocated to free share grant plans.

As of September 30, 2020, TOTAL SE directly holds 24,412,776 TOTAL shares, representing 0.92% of its share capital, which are deducted from the consolidated shareholders' equity and allocated as follows:

Shares to be cancelled (1)	23,284,409
including shares repurchased during Q4 2019	11,051,144
including shares repurchased during Q1 2020	12,233,265
Shares to be allocated as part of free share grant plans (2)	1,128,367
including the 2018 Plan	1,064,436
including other Plans	63,931
Total Treasury shares (1)+(2)	24,412,776

Dividend

The Board of directors of October 29, 2020 set the third interim dividend for the fiscal year 2020 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 25, 2021 and it will be paid in cash exclusively on April 1st, 2021.

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

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 €0.04 per share for the 3rd quarter 2020 (€(2.98) per share for the 2nd quarter 2020 and €0.95 per share for the 3rd quarter 2019). Diluted earnings per share calculated using the same method amounted to €0.04 per share for the 3rd quarter 2020 (€(2.98) per share for the 2nd quarter 2020 and €0.94 per share for the 3rd quarter 2019).

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

Perpetual subordinated notes

The Group has issued perpetual subordinated notes in September 2020:

- Perpetual subordinated notes 2.000% callable in September 2030, or in anticipation in June 2030 (EUR 1,000 million).

The Group has repurchased perpetual subordinated notes in September 2020:

- Perpetual subordinated notes 2.250% callable in February 2021 for EUR 703 million; the residual outstanding amount of the notes is EUR 297 million.

Other comprehensive income

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

(M\$)	9 months 2020	9 months 2019
Actuarial gains and losses	(229)	(54)
Change in fair value of investments in equity instruments	147	126
Tax effect	86	13
Currency translation adjustment generated by the parent company	3,467	(3,994)
Sub-total items not potentially reclassifiable to profit and loss	3,471	(3,909)
Currency translation adjustment	(2,770)	1,394
- unrealized gain/(loss) of the period	(2,738)	1,449
- less gain/(loss) included in net income	32	55
Cash flow hedge	(930)	(575)
- unrealized gain/(loss) of the period	(877)	(533)
- less gain/(loss) included in net income	53	42
Variation of foreign currency basis spread	35	50
- unrealized gain/(loss) of the period	(3)	6
- less gain/(loss) included in net income	(38)	(44)
Share of other comprehensive income of equity affiliates, net amount	(1,731)	326
- unrealized gain/(loss) of the period	(1,741)	335
- less gain/(loss) included in net income	(10)	9
Other	(4)	(4)
Tax effect	252	176
Sub-total items potentially reclassifiable to profit and loss	(5,148)	1,367
Total other comprehensive income, net amount	(1,677)	(2,542)

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

(M\$)	9 months 2020			9 months 2019		
	Pre-tax amount	Tax effect	Net amount	Pre-tax amount	Tax effect	Net amount
Actuarial gains and losses	(229)	53	(176)	(54)	16	(38)
Change in fair value of investments in equity instruments	147	33	180	126	(3)	123
Currency translation adjustment generated by the parent company	3,467	-	3,467	(3,994)	-	(3,994)
Sub-total items not potentially reclassifiable to profit and loss	3,385	86	3,471	(3,922)	13	(3,909)
Currency translation adjustment	(2,770)	-	(2,770)	1,394	-	1,394
Cash flow hedge	(930)	263	(667)	(575)	193	(382)
Variation of foreign currency basis spread	35	(11)	24	50	(17)	33
Share of other comprehensive income of equity affiliates, net amount	(1,731)	-	(1,731)	326	-	326
Other	(4)	-	(4)	(4)	-	(4)
Sub-total items potentially reclassifiable to profit and loss	(5,400)	252	(5,148)	1,191	176	1,367
Total other comprehensive income	(2,015)	338	(1,677)	(2,731)	189	(2,542)

5) Financial debt

The Group has issued bonds during the first nine months of 2020:

- Bond 1.491% maturing in April 2027 (EUR 1,500 million);
- Bond 0.952% maturing in May 2031 (EUR 500 million);
- Bond 1.994% maturing in April 2032 (EUR 1,500 million);
- Bond 1.618% maturing in May 2040 (EUR 1,000 million);
- Bond 2.986% maturing in June 2041 (USD 800 million);
- Bond 3.127% maturing in May 2050 (USD 2,500 million);
- Bond 3.386% maturing in June 2060 (USD 800 million).

The Group reimbursed bonds during the first nine months of 2020:

- Bond 4.750% issued in 2014 and maturing in January 2020 (NZD 100 million);
- Bond 2.125% issued in 2014 and maturing in January 2020 (CAD 100 million);
- Bond Euribor 3 months + 30 basis points issued in 2014 and maturing in March 2020 (EUR 1,000 million);
- Bond Euribor 3 months + 31 basis points issued in 2013 and maturing in May 2020 (EUR 300 million);
- Bond 4.450% issued in 2010 and maturing in June 2020 (USD 1,250 million);
- Bond 1.875% issued in 2013 and maturing in July 2020 (EUR 750 million);
- Bond Libor 3 months Dollar + 75 basis points issued in 2013 and maturing in July 2020 (USD 300 million);
- Bond 5.000% issued in 2014 and maturing in September 2020 (NZD 100 million).

In April 2020, the Group has also put in place a new 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 twice by a further 6 months at TOTAL's hand). As of September 30 2020, the remaining balance of the committed syndicated credit line is USD 3,646 million.

6) Related parties

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

There were no major changes concerning transactions with related parties during the first nine months of 2020.

7) Other risks and contingent liabilities

TOTAL 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 Group, other than those mentioned below.

Health and oil crises

After a second quarter in which the Group faced exceptional circumstances with oil prices falling below \$20/b and a very strong slowdown of global activity linked to the health crisis, the Group benefited during the third quarter from a more favorable environment, with oil prices above \$40/b thanks to strong OPEC+ discipline as well as the demand recovery for petroleum products for road transportation. However, the environment was mixed with low natural gas prices and severely depressed refining margins due to excess production capacity relative to demand and high inventories.

The oil market environment remains uncertain and will depend notably on the speed of the global demand recovery, affected by the Covid-19 pandemic..

Oil prices have remained above \$40/b since June, supported by strong compliance with OPEC+ quotas and lower hydrocarbon production in North America. In this context, given the quotas, the Group now anticipates full-year 2020 production below 2.9 Mboe/d.

Total anticipates that the increase in oil prices over the second and third quarters will have a positive impact on its average LNG selling price in the fourth quarter, which is expected to be over \$4/Mbtu.

In the Downstream, since the beginning of the fourth quarter, European refining margins have averaged more than \$10/t and remain fragile given the low demand for jet fuel that weighs on the valuation of all distillates.

In this context, the Group maintains strong discipline on spending. The Group's operating cost reduction program will surpass its objective with savings of more than \$1 billion in 2020. Net investments will be less than \$13 billion in 2020, including \$2 billion for renewables and electricity.

The Group's priority is the generation of a level of cash flow that allows it to continue to invest in profitable projects, support the dividend and maintain a solid balance sheet. The Group's teams remain fully committed to the four priorities of HSE, operational excellence, cost reduction and cash flow generation.

Yemen

In Yemen, the deterioration of security conditions in the vicinity of the Balhaf site caused the company Yemen LNG, in which the Group 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.

8) Post closing events

There was no post closing event.