

**TotalEnergies**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE FIRST SIX MONTHS 2022**

*(unaudited)*

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**1) Basis of preparation of the consolidated financial statements**

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, 2022, 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, 2022, are consistent with those used for the financial statements at December 31, 2021. 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, 2022 requires the General 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 General 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, 2021.

The interim consolidated financial statements are impacted by the Russian-Ukrainian conflict described in paragraph 7 Other risks and commitments. The Company has taken this environment into account in its estimates and recorded in its accounts as of March 31, 2022, an impairment of \$(4,095) million, concerning notably Arctic LNG 2. As of June 30, 2022, TotalEnergies recorded in its accounts a new \$(3,513) million impairment charge related mainly to the potential impact of international sanctions on the value of its Novatek stake.

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 General 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**

- On February 28, 2022, TotalEnergies has successfully been named a winner of maritime lease area OCS-A 0538 by the BOEM (Bureau of Ocean Energy Management) in the New York Bight auction in United States.  
This bid for the development of an offshore wind farm off the U.S. East Coast was won for a consideration of \$795 million (100%) by both TotalEnergies and EnBW.  
Located up to 47 nautical miles (87 kilometers) from the coast, the lease covers a 132 square miles (341 square kilometer) area that could accommodate a generation capacity of at least 3 GW, enough to provide power to about one million homes. The project is expected to come online by 2028.

#### **➤ Exploration & Production**

- In January 2022, TotalEnergies has decided to initiate the contractual process of withdrawing from the Yadana field and from MGTC in Myanmar, both as operator and as shareholder, without any financial compensation for TotalEnergies.  
As a result, TotalEnergies registered an impairment of assets of \$(201) million in operational result and of \$(305) million in TotalEnergies' share net result in the financial statements as of December 31, 2021. This withdrawal became effective on 20 July 2022.
- In February 2022, TotalEnergies announced its decision not to sanction and so to withdraw from the North Platte deepwater project in the US Gulf of Mexico.  
The decision not to continue with the project was taken as TotalEnergies has better opportunities of allocation of its capital within its global portfolio.  
An impairment of the project's assets has been recorded in the consolidated financial statements of the first quarter of 2022, for an amount of \$(957) million in net income, TotalEnergies' share.
- In April 2022, TotalEnergies finalized the acquisition of the Atapu and Sepia pre-salt oil fields offered by Brazil's National Agency of Petroleum, Natural Gas and Biofuels (ANP) in the Transfer of Rights (ToR) Surplus bidding round, that took place in December 2021.  
The details of the acquisition are presented in Note 2.2 to the consolidated financial statements.

### **2.2) *Major business combinations***

#### **➤ Exploration & Production**

##### **• Transfer of rights in the Atapu and Sepia fields in Brazil**

On 26 April 2022, Petrobras transferred to TotalEnergies 22.5% of the rights of the pre-salt Atapu oil field. Production started in 2020 and has reached a plateau of 160,000 barrels per day with a first Floating, Production, Storage and Offloading unit (FPSO). A second FPSO is planned to be sanctioned, which would increase the overall oil production of the field to around 350,000 b/d.

On 27 April 2022, Petrobras also transferred to TotalEnergies 28% of the rights of the pre-salt Sepia oil field. Production started in 2021 and is targeting a plateau of 180,000 barrels per day with a first Floating, Production, Storage and Offloading unit (FPSO). A second FPSO is planned to be sanctioned, which would increase the overall oil production of the field to around 350,000 b/d.

In accordance with IFRS 3, TotalEnergies is assessing the fair value of identifiable acquired assets, liabilities and contingent liabilities on the basis of available information. This assessment will be finalised within 12 months following the acquisition date.

## 2.3) Divestment projects

As of June 30, 2022, there is no material divestment project recorded in "assets held for sale".

### 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 Integrated Gas, Renewables & Power segment comprising integrated gas (including LNG) and low carbon electricity businesses. It includes the upstream and midstream LNG activity;
- 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;
- 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, whose 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 <sup>st</sup> half 2022	Integrated Gas, Renewables & Power	Exploration & Production	Refining & Chemicals	Marketing & Services	Corporate	Intercompany	Total
(M\$)							
External sales	22,575	4,672	66,069	50,056	8	-	143,380
Intersegment sales	3,360	27,623	22,062	983	133	(54,161)	-
Excise taxes	-	-	(378)	(8,607)	-	-	(8,985)
<b>Revenues from sales</b>	<b>25,935</b>	<b>32,295</b>	<b>87,753</b>	<b>42,432</b>	<b>141</b>	<b>(54,161)</b>	<b>134,395</b>
Operating expenses	(22,629)	(11,468)	(80,653)	(40,294)	(850)	54,161	(101,733)
Depreciation, depletion and impairment of tangible assets and mineral interests	(648)	(4,773)	(769)	(514)	(77)	-	(6,781)
<b>Operating income</b>	<b>2,658</b>	<b>16,054</b>	<b>6,331</b>	<b>1,624</b>	<b>(786)</b>	-	<b>25,881</b>
Net income (loss) from equity affiliates and other items	(1,677)	(3,426)	505	56	179	-	(4,363)
Tax on net operating income	(554)	(7,739)	(1,391)	(521)	97	-	(10,108)
<b>Net operating income</b>	<b>427</b>	<b>4,889</b>	<b>5,445</b>	<b>1,159</b>	<b>(510)</b>	-	<b>11,410</b>
Net cost of net debt							(555)
Non-controlling interests							(219)
<b>Net income - TotalEnergies share</b>							<b>10,636</b>

1 <sup>st</sup> half 2022 (adjustments) <sup>(a)</sup>	Integrated Gas, Renewables & Power	Exploration & Production	Refining & Chemicals	Marketing & Services	Corporate	Intercompany	Total
(M\$)							
External sales	(3)	-	-	-	-	-	(3)
Intersegment sales	-	-	-	-	-	-	-
Excise taxes	-	-	-	-	-	-	-
<b>Revenues from sales</b>	<b>(3)</b>	-	-	-	-	-	<b>(3)</b>
Operating expenses	(723)	(873)	1,722	641	(433)	-	334
Depreciation, depletion and impairment of tangible assets and mineral interests	(14)	(539)	-	(33)	(9)	-	(595)
<b>Operating income <sup>(b)</sup></b>	<b>(740)</b>	<b>(1,412)</b>	<b>1,722</b>	<b>608</b>	<b>(442)</b>	-	<b>(264)</b>
Net income (loss) from equity affiliates and other items	(4,497)	(3,770)	169	(7)	106	-	(7,999)
Tax on net operating income	58	337	(326)	(180)	98	-	(13)
<b>Net operating income <sup>(b)</sup></b>	<b>(5,179)</b>	<b>(4,845)</b>	<b>1,565</b>	<b>421</b>	<b>(238)</b>	-	<b>(8,276)</b>
Net cost of net debt							193
Non-controlling interests							(54)
<b>Net income - TotalEnergies share</b>							<b>(8,137)</b>

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

<sup>(b)</sup> Of which inventory valuation effect

- On operating income

- On net operating income

-	-	1,722	684	-
-	-	1,597	503	-

1 <sup>st</sup> half 2022 (adjusted)	Integrated Gas, Renewables & Power	Exploration & Production	Refining & Chemicals	Marketing & Services	Corporate	Intercompany	Total
(M\$)							
External sales	22,578	4,672	66,069	50,056	8	-	143,383
Intersegment sales	3,360	27,623	22,062	983	133	(54,161)	-
Excise taxes	-	-	(378)	(8,607)	-	-	(8,985)
<b>Revenues from sales</b>	<b>25,938</b>	<b>32,295</b>	<b>87,753</b>	<b>42,432</b>	<b>141</b>	<b>(54,161)</b>	<b>134,398</b>
Operating expenses	(21,906)	(10,595)	(82,375)	(40,935)	(417)	54,161	(102,067)
Depreciation, depletion and impairment of tangible assets and mineral interests	(634)	(4,234)	(769)	(481)	(68)	-	(6,186)
<b>Adjusted operating income</b>	<b>3,398</b>	<b>17,466</b>	<b>4,609</b>	<b>1,016</b>	<b>(344)</b>	-	<b>26,145</b>
Net income (loss) from equity affiliates and other items	2,820	344	336	63	73	-	3,636
Tax on net operating income	(612)	(8,076)	(1,065)	(341)	(1)	-	(10,095)
<b>Adjusted net operating income</b>	<b>5,606</b>	<b>9,734</b>	<b>3,880</b>	<b>738</b>	<b>(272)</b>	-	<b>19,686</b>
Net cost of net debt							(748)
Non-controlling interests							(165)
<b>Adjusted net income - TotalEnergies share</b>							<b>18,773</b>

1 <sup>st</sup> half 2022	Integrated Gas, Renewables & Power	Exploration & Production	Refining & Chemicals	Marketing & Services	Corporate	Intercompany	Total
(M\$)							
Total expenditures	2,311	6,099	561	428	34	-	9,433
Total divestments	1,481	346	83	151	12	-	2,073
Cash flow from operating activities	4,285	14,536	4,633	1,478	(1,031)	-	23,901

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

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

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

<sup>(b)</sup> Of which inventory valuation effect

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

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

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

2 <sup>nd</sup> quarter 2022	Integrated Gas, Renewables & Power	Exploration & Production	Refining & Chemicals	Marketing & Services	Corporate	Intercompany	Total
(M\$)							
External sales	10,281	2,521	35,061	26,907	4	-	74,774
Intersegment sales	1,889	13,805	12,785	716	70	(29,265)	-
Excise taxes	-	-	(186)	(4,143)	-	-	(4,329)
<b>Revenues from sales</b>	<b>12,170</b>	<b>16,326</b>	<b>47,660</b>	<b>23,480</b>	<b>74</b>	<b>(29,265)</b>	<b>70,445</b>
Operating expenses	(10,997)	(5,760)	(43,242)	(22,310)	(557)	29,265	(53,601)
Depreciation, depletion and impairment of tangible assets and mineral interests	(327)	(2,112)	(389)	(241)	(33)	-	(3,102)
<b>Operating income</b>	<b>846</b>	<b>8,454</b>	<b>4,029</b>	<b>929</b>	<b>(516)</b>	-	<b>13,742</b>
Net income (loss) from equity affiliates and other items	823	(3,668)	349	98	71	-	(2,327)
Tax on net operating income	(260)	(3,876)	(866)	(296)	(8)	-	(5,306)
<b>Net operating income</b>	<b>1,409</b>	<b>910</b>	<b>3,512</b>	<b>731</b>	<b>(453)</b>	-	<b>6,109</b>
Net cost of net debt							(305)
Non-controlling interests							(112)
<b>Net income - TotalEnergies share</b>							<b>5,692</b>

2 <sup>nd</sup> quarter 2022 (adjustments) <sup>(a)</sup>	Integrated Gas, Renewables & Power	Exploration & Production	Refining & Chemicals	Marketing & Services	Corporate	Intercompany	Total
(M\$)							
External sales	(15)	-	-	-	-	-	(15)
Intersegment sales	-	-	-	-	-	-	-
Excise taxes	-	-	-	-	-	-	-
<b>Revenues from sales</b>	<b>(15)</b>	-	-	-	-	-	<b>(15)</b>
Operating expenses	(606)	(82)	775	373	(301)	-	159
Depreciation, depletion and impairment of tangible assets and mineral interests	(14)	(46)	-	(4)	-	-	(64)
<b>Operating income <sup>(b)</sup></b>	<b>(635)</b>	<b>(128)</b>	<b>775</b>	<b>369</b>	<b>(301)</b>	-	<b>80</b>
Net income (loss) from equity affiliates and other items	(558)	(3,756)	52	(4)	-	-	(4,266)
Tax on net operating income	47	75	(75)	(100)	78	-	25
<b>Net operating income <sup>(b)</sup></b>	<b>(1,146)</b>	<b>(3,809)</b>	<b>752</b>	<b>265</b>	<b>(223)</b>	-	<b>(4,161)</b>
Net cost of net debt							80
Non-controlling interests							(23)
<b>Net income - TotalEnergies share</b>							<b>(4,104)</b>

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

<sup>(b)</sup> Of which inventory valuation effect

- On operating income	-	-	775	376	-		
- On net operating income	-	-	752	275	-		

2 <sup>nd</sup> quarter 2022 (adjusted)	Integrated Gas, Renewables & Power	Exploration & Production	Refining & Chemicals	Marketing & Services	Corporate	Intercompany	Total
(M\$)							
External sales	10,296	2,521	35,061	26,907	4	-	74,789
Intersegment sales	1,889	13,805	12,785	716	70	(29,265)	-
Excise taxes	-	-	(186)	(4,143)	-	-	(4,329)
<b>Revenues from sales</b>	<b>12,185</b>	<b>16,326</b>	<b>47,660</b>	<b>23,480</b>	<b>74</b>	<b>(29,265)</b>	<b>70,460</b>
Operating expenses	(10,391)	(5,678)	(44,017)	(22,683)	(256)	29,265	(53,760)
Depreciation, depletion and impairment of tangible assets and mineral interests	(313)	(2,066)	(389)	(237)	(33)	-	(3,038)
<b>Adjusted operating income</b>	<b>1,481</b>	<b>8,582</b>	<b>3,254</b>	<b>560</b>	<b>(215)</b>	-	<b>13,662</b>
Net income (loss) from equity affiliates and other items	1,381	88	297	102	71	-	1,939
Tax on net operating income	(307)	(3,951)	(791)	(196)	(86)	-	(5,331)
<b>Adjusted net operating income</b>	<b>2,555</b>	<b>4,719</b>	<b>2,760</b>	<b>466</b>	<b>(230)</b>	-	<b>10,270</b>
Net cost of net debt							(385)
Non-controlling interests							(89)
<b>Adjusted net income - TotalEnergies share</b>							<b>9,796</b>

2 <sup>nd</sup> quarter 2022	Integrated Gas, Renewables & Power	Exploration & Production	Refining & Chemicals	Marketing & Services	Corporate	Intercompany	Total
(M\$)							
Total expenditures	872	4,128	333	288	25	-	5,646
Total divestments	466	63	56	72	7	-	664
Cash flow from operating activities	3,970	8,768	3,526	580	(560)	-	16,284

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

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

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

<sup>(b)</sup> Of which inventory valuation effect

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

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

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



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

1 <sup>st</sup> half 2022 (M\$)	Adjusted	Adjustments <sup>(a)</sup>	Consolidated statement of income
<b>Sales</b>	<b>143,383</b>	<b>(3)</b>	<b>143,380</b>
Excise taxes	(8,985)	-	(8,985)
Revenues from sales	134,398	(3)	134,395
Purchases net of inventory variation	(86,785)	1,694	(85,091)
Other operating expenses	(15,029)	(635)	(15,664)
Exploration costs	(253)	(725)	(978)
Depreciation, depletion and impairment of tangible assets and mineral interests	(6,186)	(595)	(6,781)
Other income	550	22	572
Other expense	(798)	(2,797)	(3,595)
Financial interest on debt	(1,034)	-	(1,034)
Financial income and expense from cash & cash equivalents	189	270	459
Cost of net debt	(845)	270	(575)
Other financial income	350	84	434
Other financial expense	(271)	-	(271)
Net income (loss) from equity affiliates	3,805	(5,308)	(1,503)
Income taxes	(9,998)	(90)	(10,088)
<b>Consolidated net income</b>	<b>18,938</b>	<b>(8,083)</b>	<b>10,855</b>
TotalEnergies share	18,773	(8,137)	10,636
Non-controlling interests	165	54	219

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

1 <sup>st</sup> half 2021 (M\$)	Adjusted	Adjustments <sup>(a)</sup>	Consolidated statement of income
<b>Sales</b>	<b>90,830</b>	<b>(44)</b>	<b>90,786</b>
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)
<b>Consolidated net income</b>	<b>6,613</b>	<b>(902)</b>	<b>5,711</b>
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.

<b>2<sup>nd</sup> quarter 2022</b>	<b>Consolidated</b>		
(M\$)	<b>Adjusted</b>	<b>Adjustments<sup>(a)</sup></b>	<b>statement</b>
			<b>of income</b>
<b>Sales</b>	<b>74,789</b>	<b>(15)</b>	<b>74,774</b>
Excise taxes	(4,329)	-	(4,329)
Revenues from sales	70,460	(15)	70,445
Purchases net of inventory variation	(46,023)	580	(45,443)
Other operating expenses	(7,620)	(421)	(8,041)
Exploration costs	(117)	-	(117)
Depreciation, depletion and impairment of tangible assets and mineral interests	(3,038)	(64)	(3,102)
Other income	429	-	429
Other expense	(529)	(776)	(1,305)
Financial interest on debt	(572)	-	(572)
Financial income and expense from cash & cash equivalents	130	115	245
Cost of net debt	(442)	115	(327)
Other financial income	231	-	231
Other financial expense	(136)	-	(136)
Net income (loss) from equity affiliates	1,944	(3,490)	(1,546)
Income taxes	(5,274)	(10)	(5,284)
<b>Consolidated net income</b>	<b>9,885</b>	<b>(4,081)</b>	<b>5,804</b>
TotalEnergies share	9,796	(4,104)	5,692
Non-controlling interests	89	23	112

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

<b>2<sup>nd</sup> quarter 2021</b>	<b>Consolidated</b>		
(M\$)	<b>Adjusted</b>	<b>Adjustments<sup>(a)</sup></b>	<b>statement</b>
			<b>of income</b>
<b>Sales</b>	<b>47,058</b>	<b>(9)</b>	<b>47,049</b>
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)
<b>Consolidated net income</b>	<b>3,551</b>	<b>(1,252)</b>	<b>2,299</b>
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.

### 3.3) Adjustment items

The main adjustment items in the first half of 2022 are the following exceptional impairments and provisions related to the Russian-Ukrainian conflict:

- In the first quarter, an impairment of \$(4,095) million in net result concerning notably Arctic LNG 2.
- In the second quarter, an impairment of \$(3,513) million in net result related to the potential impact of international sanctions on the value of Novatek stake.

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

#### ADJUSTMENTS TO OPERATING INCOME

		Integrated Gas, Renewables & Power	Exploration & Production	Refining & Chemicals	Marketing & Services	Corporate	Total
(M\$)							
<b>2<sup>nd</sup> quarter 2022</b>	Inventory valuation effect	-	-	775	376	-	1,151
	Effect of changes in fair value	(597)	-	-	-	-	(597)
	Restructuring charges	(17)	-	-	-	-	(17)
	Asset impairment and provisions charges	(18)	(46)	-	4	-	(60)
	Other items	(3)	(82)	-	(11)	(301)	(397)
<b>Total</b>		<b>(635)</b>	<b>(128)</b>	<b>775</b>	<b>369</b>	<b>(301)</b>	<b>80</b>
<b>2<sup>nd</sup> quarter 2021</b>	Inventory valuation effect	-	-	394	69	-	463
	Effect of changes in fair value	(49)	-	-	-	-	(49)
	Restructuring charges	(1)	-	(8)	-	-	(9)
	Asset impairment and provisions charges	(3)	-	(13)	-	-	(16)
	Other items	(13)	(23)	-	2	-	(34)
<b>Total</b>		<b>(66)</b>	<b>(23)</b>	<b>373</b>	<b>71</b>	<b>-</b>	<b>355</b>
<b>1<sup>st</sup> half 2022</b>	Inventory valuation effect	-	-	1,722	684	-	2,406
	Effect of changes in fair value	(685)	-	-	-	-	(685)
	Restructuring charges	(22)	-	-	-	-	(22)
	Asset impairment and provisions charges	(18)	(1,330)	-	(65)	(9)	(1,422)
	Other items	(15)	(82)	-	(11)	(433)	(541)
<b>Total</b>		<b>(740)</b>	<b>(1,412)</b>	<b>1,722</b>	<b>608</b>	<b>(442)</b>	<b>(264)</b>
<b>1<sup>st</sup> half 2021</b>	Inventory valuation effect	-	-	1,140	206	-	1,346
	Effect of changes in fair value	(58)	-	-	-	-	(58)
	Restructuring charges	(10)	-	(8)	-	-	(18)
	Asset impairment and provisions charges	(148)	-	(13)	-	-	(161)
	Other items	(38)	(23)	(1)	7	-	(55)
<b>Total</b>		<b>(254)</b>	<b>(23)</b>	<b>1,118</b>	<b>213</b>	<b>-</b>	<b>1,054</b>

## ADJUSTMENTS TO NET INCOME, TotalEnergies SHARE

(M\$)		Integrated Gas, Renewables & Power	Exploration & Production	Refining & Chemicals	Marketing & Services	Corporate	Total
<b>2<sup>nd</sup> quarter 2022</b>	Inventory valuation effect	-	-	738	255	-	993
	Effect of changes in fair value	(551)	-	-	-	-	(551)
	Restructuring charges	(8)	-	-	-	-	(8)
	Asset impairment and provisions charges	(226)	(3,493)	-	-	-	(3,719)
	Gains (losses) on disposals of assets	-	-	-	-	-	-
	Other items	(352)	(286)	-	(8)	(173)	(819)
<b>Total</b>		<b>(1,137)</b>	<b>(3,779)</b>	<b>738</b>	<b>247</b>	<b>(173)</b>	<b>(4,104)</b>

<b>2<sup>nd</sup> quarter 2021</b>	Inventory valuation effect	-	-	327	48	-	375
	Effect of changes in fair value	(44)	-	-	-	-	(44)
	Restructuring charges	(4)	(44)	(32)	(8)	(22)	(110)
	Asset impairment and provisions charges	(36)	-	(13)	-	-	(49)
	Gains (losses) on disposals of assets	-	(1,379)*	-	-	-	(1,379)
	Other items	(7)	(44)	-	1	-	(50)
<b>Total</b>		<b>(91)</b>	<b>(1,467)</b>	<b>282</b>	<b>41</b>	<b>(22)</b>	<b>(1,257)</b>

\* Impact of the TotalEnergies' interest sale of Petrocedefo to PDVSA.

<b>1<sup>st</sup> half 2022</b>	Inventory valuation effect	-	-	1,573	460	-	2,033
	Effect of changes in fair value	(631)	-	-	-	-	(631)
	Restructuring charges	(11)	-	-	-	-	(11)
	Asset impairment and provisions charges	(4,174)	(4,525)	-	(72)	(9)	(8,780)
	Gains (losses) on disposals of assets	-	-	-	-	-	-
	Other items	(352)	(272)	(32)	(8)	(84)	(748)
<b>Total</b>		<b>(5,168)</b>	<b>(4,797)</b>	<b>1,541</b>	<b>380</b>	<b>(93)</b>	<b>(8,137)</b>

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

\* Impact of the TotalEnergies' interest sale of Petrocedefo to PDVSA.

## 4) Shareholders' equity

### Treasury shares (TotalEnergies shares held directly by TotalEnergies SE)

	December 31, 2021	June 30, 2022
<b>Number of treasury shares</b>	<b>33,841,104</b>	<b>55,465,917</b>
Percentage of share capital	1.28%	2.12%
<i>Of which shares acquired with the intention to cancel them</i>	<i>30,665,526</i>	<i>55,260,084</i>
<i>Of which shares allocated to TotalEnergies share performance plans for Company employees</i>	<i>3,103,018</i>	<i>99,850</i>
<i>Of which shares intended to be allocated to new share performance or purchase options plans</i>	<i>72,560</i>	<i>105,983</i>

### Dividend

The Shareholders' meeting of May 25, 2022 approved the distribution of a dividend of 2.64 euros per share for the 2021 fiscal year and the payment of a final dividend of 0.66 euro per share given the three interim dividends that had already been paid. The dividend for fiscal year 2021 was paid according to the following timetable:

Dividend 2021	First interim	Second interim	Third interim	Final
Amount	€0.66	€0.66	€0.66	€0.66
Set date	April 28, 2021	July 28, 2021	October 27, 2021	May 25, 2022
Ex-dividend date	September 21, 2021	January 3, 2022	March 22, 2022	June 21, 2022
Payment date	October 1, 2021	January 13, 2022	April 1, 2022	July 1, 2022

The Board of Directors of April 27, 2022 decided to increase interim dividends by 5% and consequently set the first interim dividend for the fiscal year 2022 at €0.69 per share. The ex-dividend date of this interim dividend will be September 21, 2022 and it will be paid in cash on October 3, 2022.

Furthermore, the Board of Directors of July 27, 2022 decided to set the amount of the second interim dividend for the 2022 fiscal year at 0.69 euro per share, i.e. an amount equal to the aforementioned first interim dividend. The ex-dividend date of the second interim dividend will be January 2, 2023 and it will be paid in cash on January 12, 2023.

Dividend 2021	First interim	Second interim
Amount	€0.69	€0.69
Set date	April 27, 2022	July 27, 2022
Ex-dividend date	September 21, 2022	January 2, 2023
Payment date	October 3, 2022	January 12, 2023

### 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 €2.03 per share for the 2<sup>nd</sup> quarter 2022 (€1.67 per share for the 1<sup>st</sup> quarter 2022 and €0.66 per share for the 2<sup>nd</sup> quarter 2021). Diluted earnings per share calculated using the same method amounted to €2.03 per share for the 2<sup>nd</sup> quarter 2022 (€1.65 per share for the 1<sup>st</sup> quarter 2022 and €0.66 per share for the 2<sup>nd</sup> quarter 2021).

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

## Perpetual subordinated notes

On January 17, 2022, TotalEnergies SE issued perpetual subordinated notes:

- Perpetual subordinated notes 2.000% callable in April 2027, or in anticipation in January 2027 (€1,000 million); and
- Perpetual subordinated notes 3.250% callable in January 2037, or in anticipation in July 2036 (€750 million).

On May 18, 2022, TotalEnergies SE fully reimbursed the residual nominal amount of €1,750 million of its perpetual subordinated notes 3.875% issued in May 2016, on their first call date.

## Other comprehensive income

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

<b>(M\$)</b>	<b>1<sup>st</sup> half 2022</b>	<b>1<sup>st</sup> half 2021</b>
Actuarial gains and losses	204	449
Change in fair value of investments in equity instruments	(17)	68
Tax effect	(42)	(154)
Currency translation adjustment generated by the parent company	(7,137)	(2,934)
<b>Sub-total items not potentially reclassifiable to profit and loss</b>	<b>(6,992)</b>	<b>(2,571)</b>
<b>Currency translation adjustment</b>	<b>3,535</b>	<b>1,777</b>
- unrealized gain/(loss) of the period	3,532	1,898
- less gain/(loss) included in net income	(3)	121
<b>Cash flow hedge</b>	<b>2,959</b>	<b>80</b>
- unrealized gain/(loss) of the period	2,901	(56)
- less gain/(loss) included in net income	(58)	(136)
<b>Variation of foreign currency basis spread</b>	<b>70</b>	<b>(4)</b>
- unrealized gain/(loss) of the period	49	(29)
- less gain/(loss) included in net income	(21)	(25)
<b>Share of other comprehensive income of equity affiliates, net amount</b>	<b>2,464</b>	<b>451</b>
- unrealized gain/(loss) of the period	2,427	449
- less gain/(loss) included in net income	(37)	(2)
<b>Other</b>	<b>(1)</b>	<b>-</b>
<b>Tax effect</b>	<b>(1,059)</b>	<b>(57)</b>
<b>Sub-total items potentially reclassifiable to profit and loss</b>	<b>7,968</b>	<b>2,247</b>
<b>Total other comprehensive income (net amount)</b>	<b>976</b>	<b>(324)</b>

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

(M\$)	1 <sup>st</sup> half 2022			1 <sup>st</sup> half 2021		
	Pre-tax amount	Tax effect	Net amount	Pre-tax amount	Tax effect	Net amount
Actuarial gains and losses	204	(53)	151	449	(141)	308
Change in fair value of investments in equity instruments	(17)	11	(6)	68	(13)	55
Currency translation adjustment generated by the parent company	(7,137)	-	(7,137)	(2,934)	-	(2,934)
<b>Sub-total items not potentially reclassifiable to profit and loss</b>	<b>(6,950)</b>	<b>(42)</b>	<b>(6,992)</b>	<b>(2,417)</b>	<b>(154)</b>	<b>(2,571)</b>
Currency translation adjustment	3,535	-	3,535	1,777	-	1,777
Cash flow hedge	2,959	(1,041)	1,918	80	(55)	25
Variation of foreign currency basis spread	70	(18)	52	(4)	(2)	(6)
Share of other comprehensive income of equity affiliates, net amount	2,464	-	2,464	451	-	451
Other	(1)	-	(1)	-	-	-
<b>Sub-total items potentially reclassifiable to profit and loss</b>	<b>9,027</b>	<b>(1,059)</b>	<b>7,968</b>	<b>2,304</b>	<b>(57)</b>	<b>2,247</b>
<b>Total other comprehensive income</b>	<b>2,077</b>	<b>(1,101)</b>	<b>976</b>	<b>(113)</b>	<b>(211)</b>	<b>(324)</b>

## 5) Financial debt

The Company has not issued any new senior bond during the first six months of 2022.

The Company reimbursed three senior bonds during the first six months of 2022:

- Bond 2.875% issued by TotalEnergies Capital International in 2012 and maturing in February 2022 (\$1,000 million)
- Bond 1.125% issued by TotalEnergies Capital Canada in 2014 and maturing in March 2022 (€1,000 million)
- Bond 2.250% issued by TotalEnergies Capital International in 2015 and maturing in June 2022 (£400 million).

On March 4, 2022, the Company put in place a committed syndicated credit line with banks for an amount of \$8,000 million and with a 12-month tenor (with the option to extend its maturity twice by a further 6 months at TotalEnergies SE' hand).

## 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 2022.

The impact of the Russian-Ukrainian conflict on transactions with related parties in Russia is described in paragraph 7 Other risks and commitments.

## **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.

### **Russian-Ukrainian conflict**

Since the month of February 2022, Russia's invasion of Ukraine led European and American authorities to adopt several sets of sanctions measures targeting Russian and Belarusian persons and entities, as well as the financial sector.

TotalEnergies holds investments in this country in major LNG projects (Yamal LNG and Arctic LNG 2) both directly and through its holding in the company PAO Novatek, whose production and sale of LNG are not materially impacted by the sanctions adopted as of the date hereof.

Depending on the developments of the Russian-Ukrainian conflict and the measures that the European and American authorities could be required to take, the activities of TotalEnergies in Russia could be affected in the future.

TotalEnergies announced on March 1, 2022, that it condemned Russia's military aggression against Ukraine, and that sanctions that will be implemented by the Company regardless of the consequences on its asset management.

On March 22, 2022, TotalEnergies announced that, given the uncertainty created by the technological and financial sanctions on the ability to carry out the Arctic LNG 2 project currently under construction and their probable tightening with the worsening conflict, TotalEnergies SE had decided to no longer book proved reserves for the Arctic LNG 2 project.

Since then, on April 8, 2022, new sanctions have effectively been adopted by the European authorities, notably prohibiting export from European Union countries of goods and technology for use in the liquefaction of natural gas benefitting a Russian company. It appears that these new prohibitions constitute additional risks on the execution of the Arctic LNG 2 project.

As a result, TotalEnergies recorded, in its accounts as of March 31, 2022, an impairment of \$(4,095) million, concerning notably Arctic LNG 2. As of June 30, 2022, TotalEnergies recorded in its accounts a new \$(3,513) million impairment charge related mainly to the potential impact of international sanctions on the value of its Novatek stake. In this context, indications of impairment were identified, and an impairment test to determine the value in use based on future cash flows was performed, taking into account assumptions reflecting the impact of sanctions on future cash flows.



The table below presents the contribution of Russian assets to the key income and cash flow indicators:

<b>Russian Upstream Assets (M\$)</b>	<b>2<sup>nd</sup> quarter 2022</b>	<b>1<sup>st</sup> quarter 2022</b>	<b>1<sup>st</sup> half 2022</b>	<b>2021</b>
Adjusted net operating income	707	1,021	1,727	2,092
Operating cash flow before working capital changes <sup>1</sup>	857	288	1,144	1,613

Capital Employed<sup>2</sup> by TotalEnergies in Russia as at June 30, 2022 was \$8,760 million, after taking into account the \$(3,513) million impairment and the impact of the evolution of the ruble/dollar exchange rate between March 31, 2022 and June 30, 2022, which leads to a \$2,066 million revaluation of Capital Employed on the balance sheet as at June 30, 2022.

## **8) Subsequent events**

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

<sup>1</sup> 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 sales.

<sup>2</sup> Capital Employed consists of non-current assets and working capital, at replacement cost, net of deferred income taxes and non-current liabilities.