

TOTAL
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE FIRST QUARTER 2021

(unaudited)

1) Accounting policies

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

The interim consolidated financial statements of TOTAL SE and its subsidiaries (the Group) as of March 31, 2021, are presented in U.S. dollars and have been prepared in accordance with International Accounting Standard (IAS) 34 "Interim Financial Reporting".

The accounting principles applied for the consolidated financial statements at March 31, 2021, are consistent with those used for the financial statements at December 31, 2020. Since January 1, 2020, the Group 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 March 31, 2021 requires the executive management to make estimates, assumptions and judgments that affect the information reported in the Consolidated Financial Statements and the Notes thereto.

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

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

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

Furthermore, when the accounting treatment of a specific transaction is not addressed by any accounting standard or interpretation, the management 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

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

➤ Refining & Chemicals

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

2.2) Divestment projects

➤ Exploration & Production

- On July 30, 2020, 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 March 31, 2021, the assets and liabilities have been respectively classified in the consolidated balance sheet as “assets classified as held for sale” for an amount of \$396 million and “liabilities classified as held for sale” for an amount of \$161 million. These assets mainly include tangible assets.

3) Business segment information

Description of the business segments

Financial information by business segment is reported in accordance with the internal reporting system and shows internal segment information that is used to manage and measure the performance of 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

1 st quarter 2021 (M\$)	Exploration & Production	Integrated Gas, Renewables & Power	Refining & Chemicals	Marketing & Services	Corporate	Intercompany	Total
Non-Group sales	1,514	5,502	19,201	17,513	7	-	43,737
Intersegment sales	6,578	811	5,521	78	29	(13,017)	-
Excise taxes	-	-	(405)	(4,699)	-	-	(5,104)
Revenues from sales	8,092	6,313	24,317	12,892	36	(13,017)	38,633
Operating expenses	(3,068)	(5,218)	(22,933)	(12,076)	(167)	13,017	(30,445)
Depreciation, depletion and impairment of tangible assets and mineral interests	(2,183)	(471)	(391)	(255)	(25)	-	(3,325)
Operating income	2,841	624	993	561	(156)	-	4,863
Net income (loss) from equity affiliates and other items	270	263	88	(34)	(28)	-	559
Tax on net operating income	(1,180)	(101)	(280)	(176)	38	-	(1,699)
Net operating income	1,931	786	801	351	(146)	-	3,723
Net cost of net debt							(311)
Non-controlling interests							(68)
Net income - group share							3,344

1 st quarter 2021 (adjustments) ^(a) (M\$)	Exploration & Production	Integrated Gas, Renewables & Power	Refining & Chemicals	Marketing & Services	Corporate	Intercompany	Total
Non-Group sales	-	(35)	-	-	-	-	(35)
Intersegment sales	-	-	-	-	-	-	-
Excise taxes	-	-	-	-	-	-	-
Revenues from sales	-	(35)	-	-	-	-	(35)
Operating expenses	-	(8)	745	142	-	-	879
Depreciation, depletion and impairment of tangible assets and mineral interests	-	(145)	-	-	-	-	(145)
Operating income ^(b)	-	(188)	745	142	-	-	699
Net income (loss) from equity affiliates and other items	(46)	(49)	6	(35)	(40)	-	(164)
Tax on net operating income	2	38	(193)	(40)	2	-	(191)
Net operating income ^(b)	(44)	(199)	558	67	(38)	-	344
Net cost of net debt							6
Non-controlling interests							(9)
Net income - group share							341

^(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	-	-	746	137	-		
- On net operating income	-	-	606	98	-		

1 st quarter 2021 (adjusted) (M\$)	Exploration & Production	Integrated Gas, Renewables & Power	Refining & Chemicals	Marketing & Services	Corporate	Intercompany	Total
Non-Group sales	1,514	5,537	19,201	17,513	7	-	43,772
Intersegment sales	6,578	811	5,521	78	29	(13,017)	-
Excise taxes	-	-	(405)	(4,699)	-	-	(5,104)
Revenues from sales	8,092	6,348	24,317	12,892	36	(13,017)	38,668
Operating expenses	(3,068)	(5,210)	(23,678)	(12,218)	(167)	13,017	(31,324)
Depreciation, depletion and impairment of tangible assets and mineral interests	(2,183)	(326)	(391)	(255)	(25)	-	(3,180)
Adjusted operating income	2,841	812	248	419	(156)	-	4,164
Net income (loss) from equity affiliates and other items	316	312	82	1	12	-	723
Tax on net operating income	(1,182)	(139)	(87)	(136)	36	-	(1,508)
Adjusted net operating income	1,975	985	243	284	(108)	-	3,379
Net cost of net debt							(317)
Non-controlling interests							(59)
Adjusted net income - group share							3,003

1 st quarter 2021 (M\$)	Exploration & Production	Integrated Gas, Renewables & Power	Refining & Chemicals	Marketing & Services	Corporate	Intercompany	Total
Total expenditures	1,365	3,020	287	138	26		4,836
Total divestments	311	142	116	71	12		652
Cash flow from operating activities	3,736	780	996	665	(579)		5,598

1 st quarter 2020	Exploration & Production	Integrated Gas, Renewables & Power	Refining & Chemicals	Marketing & Services	Corporate	Intercompany	Total
(M\$)							
Non-Group sales	1,582	5,090	18,523	18,675	-	-	43,870
Intersegment sales	5,564	594	6,095	89	28	(12,370)	-
Excise taxes	-	-	(650)	(4,643)	-	-	(5,293)
Revenues from sales	7,146	5,684	23,968	14,121	28	(12,370)	38,577
Operating expenses	(3,643)	(4,992)	(24,841)	(13,799)	(247)	12,370	(35,152)
Depreciation, depletion and impairment of tangible assets and mineral interests	(2,644)	(334)	(395)	(244)	(18)	-	(3,635)
Operating income	859	358	(1,268)	78	(237)	-	(210)
Net income (loss) from equity affiliates and other items	423	399	(57)	10	124	-	899
Tax on net operating income	(454)	8	335	(32)	28	-	(115)
Net operating income	828	765	(990)	56	(85)	-	574
Net cost of net debt							(572)
Non-controlling interests							32
Net income - group share							34

1 st quarter 2020 (adjustments) ^(a)	Exploration & Production	Integrated Gas, Renewables & Power	Refining & Chemicals	Marketing & Services	Corporate	Intercompany	Total
(M\$)							
Non-Group sales	-	2	-	-	-	-	2
Intersegment sales	-	-	-	-	-	-	-
Excise taxes	-	-	-	-	-	-	-
Revenues from sales	-	2	-	-	-	-	2
Operating expenses	(10)	(119)	(1,589)	(346)	(55)	-	(2,119)
Depreciation, depletion and impairment of tangible assets and mineral interests	-	-	-	-	-	-	-
Operating income ^(b)	(10)	(117)	(1,589)	(346)	(55)	-	(2,117)
Net income (loss) from equity affiliates and other items	128	(75)	(208)	-	-	-	(155)
Tax on net operating income	7	44	425	100	-	-	576
Net operating income ^(b)	125	(148)	(1,372)	(246)	(55)	-	(1,696)
Net cost of net debt							(101)
Non-controlling interests							50
Net income - group share							(1,747)

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

^(b) Of which inventory valuation effect

- On operating income	-	-	(1,578)	(218)	-		
- On net operating income	-	-	(1,285)	(154)	-		

1 st quarter 2020 (adjusted)	Exploration & Production	Integrated Gas, Renewables & Power	Refining & Chemicals	Marketing & Services	Corporate	Intercompany	Total
(M\$)							
Non-Group sales	1,582	5,088	18,523	18,675	-	-	43,868
Intersegment sales	5,564	594	6,095	89	28	(12,370)	-
Excise taxes	-	-	(650)	(4,643)	-	-	(5,293)
Revenues from sales	7,146	5,682	23,968	14,121	28	(12,370)	38,575
Operating expenses	(3,633)	(4,873)	(23,252)	(13,453)	(192)	12,370	(33,033)
Depreciation, depletion and impairment of tangible assets and mineral interests	(2,644)	(334)	(395)	(244)	(18)	-	(3,635)
Adjusted operating income	869	475	321	424	(182)	-	1,907
Net income (loss) from equity affiliates and other items	295	474	151	10	124	-	1,054
Tax on net operating income	(461)	(36)	(90)	(132)	28	-	(691)
Adjusted net operating income	703	913	382	302	(30)	-	2,270
Net cost of net debt							(471)
Non-controlling interests							(18)
Adjusted net income - group share							1,781

1 st quarter 2020	Exploration & Production	Integrated Gas, Renewables & Power	Refining & Chemicals	Marketing & Services	Corporate	Intercompany	Total
(M\$)							
Total expenditures	1,659	2,291	226	160	45	-	4,381
Total divestments	121	344	79	46	17	-	607
Cash flow from operating activities	3,923	(489)	(1,183)	(399)	(553)	-	1,299

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

1 st quarter 2021 (M\$)	Adjusted	Adjustments ^(a)	Consolidated statement of income
Sales	43,772	(35)	43,737
Excise taxes	(5,104)	-	(5,104)
Revenues from sales	38,668	(35)	38,633
Purchases net of inventory variation	(24,289)	891	(23,398)
Other operating expenses	(6,868)	(12)	(6,880)
Exploration costs	(167)	-	(167)
Depreciation, depletion and impairment of tangible assets and mineral interests	(3,180)	(145)	(3,325)
Other income	416	(58)	358
Other expense	(192)	(467)	(659)
Financial interest on debt	(466)	-	(466)
Financial income and expense from cash & cash equivalents	87	8	95
Cost of net debt	(379)	8	(371)
Other financial income	109	-	109
Other financial expense	(130)	-	(130)
Net income (loss) from equity affiliates	520	361	881
Income taxes	(1,446)	(193)	(1,639)
Consolidated net income	3,062	350	3,412
Group share	3,003	341	3,344
Non-controlling interests	59	9	68

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

1 st quarter 2020 (M\$)	Adjusted	Adjustments ^(a)	Consolidated statement of income
Sales	43,868	2	43,870
Excise taxes	(5,293)	-	(5,293)
Revenues from sales	38,575	2	38,577
Purchases net of inventory variation	(26,107)	(1,961)	(28,068)
Other operating expenses	(6,786)	(158)	(6,944)
Exploration costs	(140)	-	(140)
Depreciation, depletion and impairment of tangible assets and mineral interests	(3,635)	-	(3,635)
Other income	580	-	580
Other expense	(191)	(229)	(420)
Financial interest on debt	(567)	(2)	(569)
Financial income and expense from cash & cash equivalents	(10)	(145)	(155)
Cost of net debt	(577)	(147)	(724)
Other financial income	188	-	188
Other financial expense	(181)	-	(181)
Net income (loss) from equity affiliates	658	74	732
Income taxes	(585)	622	37
Consolidated net income	1,799	(1,797)	2
Group share	1,781	(1,747)	34
Non-controlling interests	18	(50)	(32)

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

3.3) Adjustment items

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

ADJUSTMENTS TO OPERATING INCOME

		Exploration & Production	Integrated Gas, Renewables & Power	Refining & Chemicals	Marketing & Services	Corporate	Total
(M\$)							
1st quarter 2021	Inventory valuation effect	-	-	746	137	-	883
	Effect of changes in fair value	-	(9)	-	-	-	(9)
	Restructuring charges	-	(9)	-	-	-	(9)
	Asset impairment charges	-	(145)	-	-	-	(145)
	Other items	-	(25)	(1)	5	-	(21)
Total		-	(188)	745	142	-	699
1st quarter 2020	Inventory valuation effect	-	-	(1,578)	(218)	-	(1,796)
	Effect of changes in fair value	-	2	-	-	-	2
	Restructuring charges	(10)	(8)	-	-	-	(18)
	Asset impairment charges	-	-	-	-	-	-
	Other items	-	(111)	(11)	(128)	(55)	(305)
Total		(10)	(117)	(1,589)	(346)	(55)	(2,117)

ADJUSTMENTS TO NET INCOME, GROUP SHARE

		Exploration & Production	Integrated Gas, Renewables & Power	Refining & Chemicals	Marketing & Services	Corporate	Total
(M\$)							
1st quarter 2021	Inventory valuation effect	-	-	599	90	-	689
	Effect of changes in fair value	-	(6)	-	-	-	(6)
	Restructuring charges	(41)	(8)	(39)	(35)	(38)	(161)
	Asset impairment charges	-	(144)	-	-	-	(144)
	Gains (losses) on disposals of assets	-	-	-	-	-	-
	Other items	3	(35)	(9)	4	-	(37)
Total		(38)	(193)	551	59	(38)	341
1st quarter 2020	Inventory valuation effect	-	-	(1,281)	(133)	-	(1,414)
	Effect of changes in fair value	-	1	-	-	-	1
	Restructuring charges	(3)	(12)	(65)	-	-	(80)
	Asset impairment charges	-	-	-	-	-	-
	Gains (losses) on disposals of assets	-	-	-	-	-	-
	Other items	128	(125)	(22)	(81)	(154)	(254)
Total		125	(136)	(1,368)	(214)	(154)	(1,747)

4) Shareholders' equity

Treasury shares (TOTAL shares held directly by TOTAL SE)

Shares to be allocated as part of performance share grant plans	
<i>including the 2019 Plan</i>	100,000
<i>including other Plans</i>	74,890
Total Treasury shares	174,890

Dividend

TOTAL SE already paid three interim dividends for the fiscal year 2020, each for an amount of €0.66 per share.

The Board of Directors has proposed to the Shareholders' meeting of May 28, 2021 to pay a dividend of €2.64 per share for the 2020 fiscal year, i.e. a balance of €0.66 per share to be distributed after deduction of those first three interim dividends. The dividend calendar for fiscal year 2020 is as follows:

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

The Board of Directors, during its April 28, 2021 meeting, set the first interim dividend for the fiscal year 2021 at €0.66 per share. This interim dividend will be paid in cash on October 1, 2021 (the ex-dividend date will be September 21, 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 €1.03 per share for the 1st quarter 2021 (€0.31 per share for the 4th quarter 2020 and €(0,01) per share for the 1st quarter 2020). Diluted earnings per share calculated using the same method amounted to €1.02 per share for the 1st quarter 2021 (€0.31 per share for the 4th quarter 2020 and €(0.01) per share for the 1st quarter 2020).

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

Perpetual subordinated notes

The Group has issued perpetual subordinated notes in January 2021:

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

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

Other comprehensive income

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

(M\$)	1st quarter 2021	1st quarter 2020
Actuarial gains and losses	-	133
Change in fair value of investments in equity instruments	12	(164)
Tax effect	(12)	(15)
Currency translation adjustment generated by the parent company	(4,173)	(1,976)
Sub-total items not potentially reclassifiable to profit and loss	(4,173)	(2,022)
Currency translation adjustment	2,523	(21)
- unrealized gain/(loss) of the period	2,623	(22)
- less gain/(loss) included in net income	100	(1)
Cash flow hedge	504	(1,524)
- unrealized gain/(loss) of the period	441	(1,543)
- less gain/(loss) included in net income	(63)	(19)
Variation of foreign currency basis spread	-	56
- unrealized gain/(loss) of the period	(14)	42
- less gain/(loss) included in net income	(14)	(14)
Share of other comprehensive income of equity affiliates, net amount	469	(1,223)
- unrealized gain/(loss) of the period	467	(1,233)
- less gain/(loss) included in net income	(2)	(10)
Other	1	3
Tax effect	(157)	445
Sub-total items potentially reclassifiable to profit and loss	3,340	(2,264)
Total other comprehensive income, net amount	(833)	(4,286)

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

(M\$)	1 st quarter 2021			1 st quarter 2020		
	Pre-tax amount	Tax effect	Net amount	Pre-tax amount	Tax effect	Net amount
Actuarial gains and losses	-	-	-	133	(50)	83
Change in fair value of investments in equity instruments	12	(12)	-	(164)	35	(129)
Currency translation adjustment generated by the parent company	(4,173)	-	(4,173)	(1,976)	-	(1,976)
Sub-total items not potentially reclassifiable to profit and loss	(4,161)	(12)	(4,173)	(2,007)	(15)	(2,022)
Currency translation adjustment	2,523	-	2,523	(21)	-	(21)
Cash flow hedge	504	(157)	347	(1,524)	463	(1,061)
Variation of foreign currency basis spread	-	-	-	56	(18)	38
Share of other comprehensive income of equity affiliates, net amount	469	-	469	(1,223)	-	(1,223)
Other	1	-	1	3	-	3
Sub-total items potentially reclassifiable to profit and loss	3,497	(157)	3,340	(2,709)	445	(2,264)
Total other comprehensive income	(664)	(169)	(833)	(4,716)	430	(4,286)

5) Financial debt

The Group has not issued any bond during the first three months of 2021.

The Group reimbursed one bond during the first three months of 2021:

- Bond 4.125% issued in 2011 and maturing in January 2021 (USD 500 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 March 31, 2021, the remaining balance of the committed syndicated credit line is USD 2,646 million.

On April 1, 2021, the Group reimbursed in full the remaining balance of the committed syndicated credit line put in place on April 2, 2020, for an amount of USD 2,646 million.

6) Related parties

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

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

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.

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.

Mozambique

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

8) Subsequent events

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