

TotalEnergies
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE FIRST NINE MONTHS 2022

(unaudited)

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 September 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 September 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 September 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 an impairment of \$(3,513) million, related mainly to the potential impact of international sanctions on the value of its Novatek stake and as of September 30 2022, TotalEnergies recorded in its accounts an additional impairment of \$(3,056) million.

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.
- In September 2022, TotalEnergies finalized the acquisition of 50% of Clearway Energy Group (CEG), the 5th US renewable energy player, with Global Infrastructure Partners (GIP). In the frame of this transaction, GIP received \$1.6 billion in cash and an interest of 50% minus one share in the TotalEnergies subsidiary that holds a 50.5% ownership in SunPower Corporation, leader in residential solar in the U.S.
These transactions had an impact of \$1,391 million on TotalEnergies' net income and as of September 30, 2022, TotalEnergies' interests in Clearway Energy Group (CEG) and in TotalEnergies' subsidiary that holds a 50.5% ownership in SunPower are accounted for using the equity method. This impact is treated as an adjustment item.

➤ 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 September 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

9 months 2022	Integrated Gas, Renewables & Power	Exploration & Production	Refining & Chemicals	Marketing & Services	Corporate	Intercompany	Total
(M\$)							
External sales	34,070	7,342	94,968	76,024	13	-	212,417
Intersegment sales	5,113	42,324	34,127	1,159	185	(82,908)	-
Excise taxes	-	-	(538)	(12,522)	-	-	(13,060)
Revenues from sales	39,183	49,666	128,557	64,661	198	(82,908)	199,357
Operating expenses	(33,277)	(18,348)	(119,790)	(61,807)	(1,063)	82,908	(151,377)
Depreciation, depletion and impairment of tangible assets and mineral interests	(943)	(6,772)	(1,140)	(757)	(104)	-	(9,716)
Operating income	4,963	24,546	7,627	2,097	(969)	-	38,264
Net income (loss) from equity affiliates and other items	1,513	(6,069)	724	42	175	-	(3,615)
Tax on net operating income	(1,331)	(12,810)	(1,646)	(674)	259	-	(16,202)
Net operating income	5,145	5,667	6,705	1,465	(535)	-	18,447
Net cost of net debt							(844)
Non-controlling interests							(341)
Net income - TotalEnergies share							17,262

9 months 2022 (adjustments) ^(a)	Integrated Gas, Renewables & Power	Exploration & Production	Refining & Chemicals	Marketing & Services	Corporate	Intercompany	Total
(M\$)							
External sales	35	-	-	-	-	-	35
Intersegment sales	-	-	-	-	-	-	-
Excise taxes	-	-	-	-	-	-	-
Revenues from sales	35	-	-	-	-	-	35
Operating expenses	(1,014)	(877)	951	411	(512)	-	(1,041)
Depreciation, depletion and impairment of tangible assets and mineral interests	(14)	(546)	-	(35)	(9)	-	(604)
Operating income^(b)	(993)	(1,423)	951	376	(521)	-	(1,610)
Net income (loss) from equity affiliates and other items	(3,182)	(6,900)	69	(14)	106	-	(9,921)
Tax on net operating income	65	39	(130)	(113)	118	-	(21)
Net operating income^(b)	(4,110)	(8,284)	890	249	(297)	-	(11,552)
Net cost of net debt							269
Non-controlling interests							(91)
Net income - TotalEnergies share							(11,374)

^(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 2022 (adjusted)	Integrated Gas, Renewables & Power	Exploration & Production	Refining & Chemicals	Marketing & Services	Corporate	Intercompany	Total
(M\$)							
External sales	34,035	7,342	94,968	76,024	13	-	212,382
Intersegment sales	5,113	42,324	34,127	1,159	185	(82,908)	-
Excise taxes	-	-	(538)	(12,522)	-	-	(13,060)
Revenues from sales	39,148	49,666	128,557	64,661	198	(82,908)	199,322
Operating expenses	(32,263)	(17,471)	(120,741)	(62,218)	(551)	82,908	(150,336)
Depreciation, depletion and impairment of tangible assets and mineral interests	(929)	(6,226)	(1,140)	(722)	(95)	-	(9,112)
Adjusted operating income	5,956	25,969	6,676	1,721	(448)	-	39,874
Net income (loss) from equity affiliates and other items	4,695	831	655	56	69	-	6,306
Tax on net operating income	(1,396)	(12,849)	(1,516)	(561)	141	-	(16,181)
Adjusted net operating income	9,255	13,951	5,815	1,216	(238)	-	29,999
Net cost of net debt							(1,113)
Non-controlling interests							(250)
Adjusted net income - TotalEnergies share							28,636

9 months 2022	Integrated Gas, Renewables & Power	Exploration & Production	Refining & Chemicals	Marketing & Services	Corporate	Intercompany	Total
(M\$)							
Total expenditures	5,525	8,168	803	679	55	-	15,230
Total divestments	2,922	592	89	180	12	-	3,795
Cash flow from operating activities	8,675	23,619	8,431	2,417	(1,393)	-	41,749

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

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

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

^(b) Of which inventory valuation effect

- On operating income	-	-	1,449	262	-	
- On net operating income	-	-	1,222	189	-	

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

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

3 rd quarter 2022	Integrated Gas, Renewables & Power	Exploration & Production	Refining & Chemicals	Marketing & Services	Corporate	Intercompany	Total
(M\$)							
External sales	11,495	2,670	28,899	25,968	5	-	69,037
Intersegment sales	1,753	14,701	12,065	176	52	(28,747)	-
Excise taxes	-	-	(160)	(3,915)	-	-	(4,075)
Revenues from sales	13,248	17,371	40,804	22,229	57	(28,747)	64,962
Operating expenses	(10,648)	(6,880)	(39,137)	(21,513)	(213)	28,747	(49,644)
Depreciation, depletion and impairment of tangible assets and mineral interests	(295)	(1,999)	(371)	(243)	(27)	-	(2,935)
Operating income	2,305	8,492	1,296	473	(183)	-	12,383
Net income (loss) from equity affiliates and other items	3,190	(2,643)	219	(14)	(4)	-	748
Tax on net operating income	(777)	(5,071)	(255)	(153)	162	-	(6,094)
Net operating income	4,718	778	1,260	306	(25)	-	7,037
Net cost of net debt							(289)
Non-controlling interests							(122)
Net income - TotalEnergies share							6,626

3 rd quarter 2022 (adjustments) ^(a)	Integrated Gas, Renewables & Power	Exploration & Production	Refining & Chemicals	Marketing & Services	Corporate	Intercompany	Total
(M\$)							
External sales	38	-	-	-	-	-	38
Intersegment sales	-	-	-	-	-	-	-
Excise taxes	-	-	-	-	-	-	-
Revenues from sales	38	-	-	-	-	-	38
Operating expenses	(291)	(4)	(771)	(230)	(79)	-	(1,375)
Depreciation, depletion and impairment of tangible assets and mineral interests	-	(7)	-	(2)	-	-	(9)
Operating income ^(b)	(253)	(11)	(771)	(232)	(79)	-	(1,346)
Net income (loss) from equity affiliates and other items	1,315	(3,130)	(100)	(7)	-	-	(1,922)
Tax on net operating income	7	(298)	196	67	20	-	(8)
Net operating income ^(b)	1,069	(3,439)	(675)	(172)	(59)	-	(3,276)
Net cost of net debt							76
Non-controlling interests							(37)
Net income - TotalEnergies share							(3,237)

^(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	-	-	(771)	(239)	-		
- On net operating income	-	-	(675)	(172)	-		

3 rd quarter 2022 (adjusted)	Integrated Gas, Renewables & Power	Exploration & Production	Refining & Chemicals	Marketing & Services	Corporate	Intercompany	Total
(M\$)							
External sales	11,457	2,670	28,899	25,968	5	-	68,999
Intersegment sales	1,753	14,701	12,065	176	52	(28,747)	-
Excise taxes	-	-	(160)	(3,915)	-	-	(4,075)
Revenues from sales	13,210	17,371	40,804	22,229	57	(28,747)	64,924
Operating expenses	(10,357)	(6,876)	(38,366)	(21,283)	(134)	28,747	(48,269)
Depreciation, depletion and impairment of tangible assets and mineral interests	(295)	(1,992)	(371)	(241)	(27)	-	(2,926)
Adjusted operating income	2,558	8,503	2,067	705	(104)	-	13,729
Net income (loss) from equity affiliates and other items	1,875	487	319	(7)	(4)	-	2,670
Tax on net operating income	(784)	(4,773)	(451)	(220)	142	-	(6,086)
Adjusted net operating income	3,649	4,217	1,935	478	34	-	10,313
Net cost of net debt							(365)
Non-controlling interests							(85)
Adjusted net income - TotalEnergies share							9,863

3 rd quarter 2022	Integrated Gas, Renewables & Power	Exploration & Production	Refining & Chemicals	Marketing & Services	Corporate	Intercompany	Total
(M\$)							
Total expenditures	3,214	2,069	242	251	21	-	5,797
Total divestments	1,441	246	6	29	-	-	1,722
Cash flow from operating activities	4,390	9,083	3,798	939	(362)	-	17,848

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

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

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

^(b) Of which inventory valuation effect

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

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

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

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

9 months 2022 (M\$)	Adjusted	Adjustments ^(a)	Consolidated statement of income
Sales	212,382	35	212,417
Excise taxes	(13,060)	-	(13,060)
Revenues from sales	199,322	35	199,357
Purchases net of inventory variation	(128,294)	401	(127,893)
Other operating expenses	(21,718)	(717)	(22,435)
Exploration costs	(324)	(725)	(1,049)
Depreciation, depletion and impairment of tangible assets and mineral interests	(9,112)	(604)	(9,716)
Other income	713	1,552	2,265
Other expense	(951)	(3,565)	(4,516)
Financial interest on debt	(1,667)	-	(1,667)
Financial income and expense from cash & cash equivalents	408	378	786
Cost of net debt	(1,259)	378	(881)
Other financial income	546	84	630
Other financial expense	(383)	-	(383)
Net income (loss) from equity affiliates	6,381	(7,992)	(1,611)
Income taxes	(16,035)	(130)	(16,165)
Consolidated net income	28,886	(11,283)	17,603
TotalEnergies share	28,636	(11,374)	17,262
Non-controlling interests	250	91	341

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

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

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

3rd quarter 2022	Consolidated		
(M\$)	Adjusted	Adjustments^(a)	statement
			of income
Sales	68,999	38	69,037
Excise taxes	(4,075)	-	(4,075)
Revenues from sales	64,924	38	64,962
Purchases net of inventory variation	(41,509)	(1,293)	(42,802)
Other operating expenses	(6,689)	(82)	(6,771)
Exploration costs	(71)	-	(71)
Depreciation, depletion and impairment of tangible assets and mineral interests	(2,926)	(9)	(2,935)
Other income	163	1,530	1,693
Other expense	(153)	(768)	(921)
Financial interest on debt	(633)	-	(633)
Financial income and expense from cash & cash equivalents	219	108	327
Cost of net debt	(414)	108	(306)
Other financial income	196	-	196
Other financial expense	(112)	-	(112)
Net income (loss) from equity affiliates	2,576	(2,684)	(108)
Income taxes	(6,037)	(40)	(6,077)
Consolidated net income	9,948	(3,200)	6,748
TotalEnergies share	9,863	(3,237)	6,626
Non-controlling interests	85	37	122

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

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

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

3.3) Adjustment items

The main adjustment items of the period 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 and in the third quarter, an additional impairment of \$(3,056) million in net income.

The adjustment items also include a \$1,391 million gain on the partial disposal of TotalEnergies' interest in its subsidiary which owns 50.5% of Sunpower and on the revaluation of its retained interest which is accounted for using the equity method.

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\$)							
3rd quarter 2022	Inventory valuation effect	-	-	(771)	(239)	-	(1,010)
	Effect of changes in fair value	(241)	-	-	-	-	(241)
	Restructuring charges	(8)	-	-	-	-	(8)
	Asset impairment and provisions charges	-	(7)	-	7	-	-
	Other items	(4)	(4)	-	-	(79)	(87)
Total		(253)	(11)	(771)	(232)	(79)	(1,346)
3rd quarter 2021	Inventory valuation effect	-	-	309	56	-	365
	Effect of changes in fair value	(122)	-	-	-	-	(122)
	Restructuring charges	(3)	(36)	(8)	-	-	(47)
	Asset impairment and provisions charges	(7)	-	(12)	-	-	(19)
	Other items	(27)	4	-	(12)	-	(35)
Total		(159)	(32)	289	44	-	142
9 months 2022	Inventory valuation effect	-	-	951	445	-	1,396
	Effect of changes in fair value	(926)	-	-	-	-	(926)
	Restructuring charges	(30)	-	-	-	-	(30)
	Asset impairment and provisions charges	(18)	(1,337)	-	(58)	(9)	(1,422)
	Other items	(19)	(86)	-	(11)	(512)	(628)
Total		(993)	(1,423)	951	376	(521)	(1,610)
9 months 2021	Inventory valuation effect	-	-	1,449	262	-	1,711
	Effect of changes in fair value	(180)	-	-	-	-	(180)
	Restructuring charges	(13)	(36)	(16)	-	-	(65)
	Asset impairment and provisions charges	(155)	-	(25)	-	-	(180)
	Other items	(65)	(19)	(1)	(5)	-	(90)
Total		(413)	(55)	1,407	257	-	1,196

ADJUSTMENTS TO NET INCOME, TotalEnergies SHARE

	Integrated Gas, Renewables & Power	Exploration & Production	Refining & Chemicals	Marketing & Services	Corporate	Total
(M\$)						
3rd quarter 2022						
Inventory valuation effect	-	-	(671)	(156)	-	(827)
Effect of changes in fair value	(224)	-	-	-	-	(224)
Restructuring charges	(17)	-	-	-	-	(17)
Asset impairment and provisions charges	(149)	(2,969)	-	-	-	(3,118)
Gains (losses) on disposals of assets	1,391	-	-	-	-	1,391
Other items	11	(438)	-	-	(15)	(442)
Total	1,012	(3,407)	(671)	(156)	(15)	(3,237)

3rd quarter 2021						
Inventory valuation effect	-	-	282	38	-	320
Effect of changes in fair value	(119)	-	-	-	-	(119)
Restructuring charges	(2)	2	(46)	1	2	(43)
Asset impairment and provisions charges	(5)	-	(29)	(13)	-	(47)
Gains (losses) on disposals of assets	-	(177)	-	-	-	(177)
Other items	(28)	(19)	-	(11)	-	(58)
Total	(154)	(194)	207	15	2	(124)

9 months 2022						
Inventory valuation effect	-	-	902	304	-	1,206
Effect of changes in fair value	(855)	-	-	-	-	(855)
Restructuring charges	(28)	-	-	-	-	(28)
Asset impairment and provisions charges	(4,323)	(7,494)	-	(72)	(9)	(11,898)
Gains (losses) on disposals of assets	1,391	-	-	-	-	1,391
Other items	(341)	(710)	(32)	(8)	(99)	(1,190)
Total	(4,156)	(8,204)	870	224	(108)	(11,374)

9 months 2021						
Inventory valuation effect	-	-	1,208	176	-	1,384
Effect of changes in fair value	(169)	-	-	-	-	(169)
Restructuring charges	(14)	(83)	(117)	(42)	(58)	(314)
Asset impairment and provisions charges	(185)	-	(42)	(13)	-	(240)
Gains (losses) on disposals of assets	-	(1,556)*	-	-	-	(1,556)
Other items	(70)	(60)	(9)	(6)	-	(145)
Total	(438)	(1,699)	1,040	115	(58)	(1,040)

*Of which \$1,379 million related to the impact of the TotalEnergies' interest sale of Petrocedeño to PDVSA.

4) Shareholders' equity

Treasury shares (TotalEnergies shares held directly by TotalEnergies SE)

	December 31, 2021	September 30, 2022
Number of treasury shares	33,841,104	94,357,781
Percentage of share capital	1.28%	3.60%
<i>Of which shares acquired with the intention to cancel them</i>	30,665,526	94,177,672
<i>Of which shares allocated to TotalEnergies share performance plans for Company employees</i>	3,103,018	91,335
<i>Of which shares intended to be allocated to new share performance or purchase options plans</i>	72,560	88,774

Dividend

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 was September 21, 2022 and it was paid in cash on October 3, 2022.

Moreover, 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.

Furthermore, the Board of Directors of October 26, 2022 decided to set the amount of the third interim dividend for the 2022 fiscal year at 0.69 euro per share, i.e an amount equal to the first and second interim dividends for the same fiscal year. The ex-dividend date of the third interim dividend will be March 22, 2023 and it will be paid in cash on April 3, 2023.

Dividend 2022	First interim	Second interim	Third interim
Amount per share	€0.69	€0.69	€0.69
Set date	April 27, 2022	July 27, 2022	October 26, 2022
Ex-dividend date	September 21, 2022	January 2, 2023	March 22, 2023
Payment date	October 3, 2022	January 12, 2023	April 3, 2023

Finally, following its decisions of September 28, 2022, the Board of Directors of October 26, 2022 confirmed the distribution of a special interim dividend of €1 per share. The ex-dividend date of the special interim dividend will be December 6, 2022 and it will be paid in cash on December 16, 2022.

Special interim dividend

Amount per share	€1
Ex-dividend date	December 6, 2022
Payment date	December 16, 2022

Earnings per share in Euro

Earnings per share in Euro, calculated from the earnings per share in U.S. dollars converted at the average Euro/USD exchange rate for the period, amounted to €2.52 per share for the 3rd quarter 2022 (€2.03 per share for the 2nd quarter 2022 and €1.46 per share for the 3rd quarter 2021). Diluted earnings per share calculated using the same method amounted to €2.50 per share for the 3rd quarter 2022 (€2.03 per share for the 2nd quarter 2022 and €1.44 per share for the 3rd 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:

(M\$)	9 months 2022	9 months 2021
Actuarial gains and losses	187	446
Change in fair value of investments in equity instruments	114	(27)
Tax effect	(40)	(149)
Currency translation adjustment generated by the parent company	(11,776)	(5,302)
Sub-total items not potentially reclassifiable to profit and loss	(11,515)	(5,032)
Currency translation adjustment	5,406	3,037
- unrealized gain/(loss) of the period	5,499	3,198
- less gain/(loss) included in net income	93	161
Cash flow hedge	4,217	504
- unrealized gain/(loss) of the period	4,801	337
- less gain/(loss) included in net income	584	(167)
Variation of foreign currency basis spread	79	(2)
- unrealized gain/(loss) of the period	49	(39)
- less gain/(loss) included in net income	(30)	(37)
Share of other comprehensive income of equity affiliates, net amount	2,655	635
- unrealized gain/(loss) of the period	2,609	634
- less gain/(loss) included in net income	(46)	(1)
Other	(19)	1
Tax effect	(1,483)	(157)
Sub-total items potentially reclassifiable to profit and loss	10,855	4,018
Total other comprehensive income (net amount)	(660)	(1,014)

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

(M\$)	9 months 2022			9 months 2021		
	Pre-tax amount	Tax effect	Net amount	Pre-tax amount	Tax effect	Net amount
Actuarial gains and losses	187	(49)	138	446	(141)	305
Change in fair value of investments in equity instruments	114	9	123	(27)	(8)	(35)
Currency translation adjustment generated by the parent company	(11,776)	-	(11,776)	(5,302)	-	(5,302)
Sub-total items not potentially reclassifiable to profit and loss	(11,475)	(40)	(11,515)	(4,883)	(149)	(5,032)
Currency translation adjustment	5,406	-	5,406	3,037	-	3,037
Cash flow hedge	4,217	(1,463)	2,754	504	(155)	349
Variation of foreign currency basis spread	79	(20)	59	(2)	(2)	(4)
Share of other comprehensive income of equity affiliates, net amount	2,655	-	2,655	635	-	635
Other	(19)	-	(19)	1	-	1
Sub-total items potentially reclassifiable to profit and loss	12,338	(1,483)	10,855	4,175	(157)	4,018
Total other comprehensive income	863	(1,523)	(660)	(708)	(306)	(1,014)

5) Financial debt

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

The Company reimbursed four senior bonds during the first nine 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)
- Bond 3.125% issued by TotalEnergies Capital in 2010 and maturing in September 2022 (€500 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 nine 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.

The potential impact of international sanctions on the value of TotalEnergies' stake in Novatek led the Company to identify indications of impairment. The impairment tests performed as of June 30, 2022 and then as of September 30, 2022 in order to determine the value in use based on future cash flows, taking into account assumptions reflecting the impact of sanctions on future cash flows, led TotalEnergies to record an impairment charge of \$(3,513) million as of June 30, 2022 and an additional impairment charge of \$(3,056) million as of September 30, 2022.

On July 18, 2022, TotalEnergies agreed to sell to Novatek TotalEnergies' 49% interest in Terneftegaz, which operates the Termokarstovoye gas and condensates field in Russia, on economic terms enabling TotalEnergies to recover the outstanding amounts invested in the field. This transfer was finalized on September 15, 2022.

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

Russian Upstream Assets (M\$)	3rd quarter 2022	2nd quarter 2022	9 months 2022	2021
Net income (TotalEnergies share)	(1,907)	(3,202)	(8,113)	1,995
Cash flow from operations	349	368	748	1,163

Capital Employed¹ by TotalEnergies in Russia as of September 30, 2022 was \$6,110 million after taking into account the \$(3,056) million impairment in the third quarter 2022.

8) Subsequent events

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

¹ Capital Employed consists of non-current assets and working capital, at replacement cost, net of deferred income taxes and non-current liabilities.