Financial report

first half 2020

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Financial Report 1st half 2020

Certification of the person responsible for the half-year financial report

This translation is a non binding translation into English of the Chairman and Chief Executive Officer's certification issued in French, and is provided solely for the convenience of English-speaking readers.

"I certify, to the best of my knowledge, that the condensed Consolidated Financial Statements of TOTAL SE (the Company) for the first half of 2020 have been prepared in accordance with the applicable set of accounting standards and give a fair view of the assets, liabilities, financial position and profit or loss of the Company and all the entities included in the consolidation, and that the half-year financial report on pages 3 to 16 herein includes a fair review of the important events that have occurred during the first six months of the financial year and their impact on the financial statements, major related parties transactions and the principal risks and uncertainties for the remaining six months of the financial year.

The statutory auditors' report on the limited review of the above-mentioned condensed Consolidated Financial Statements is included on page 17 of this half-year financial report."

Courbevoie, July 29, 2020

Patrick Pouyanné
Chairman and Chief Executive Officer

The French language version of this *Rapport financier semestriel* (half-year financial report) was filed with the French Financial Markets Authority *(Autorité des marchés financiers)* on July 30, 2020 pursuant to paragraph III of Article L. 451-1-2 of the French Monetary and Financial Code.

Glossary

The terms "TOTAL" and "Group" as used in this document refer to TOTAL SE collectively with all of its direct and indirect consolidated companies located in or outside of France. The term "Company" as used in this document exclusively refers to TOTAL SE, which is the parent company of the Group.

Abbreviations

€: euro

$ or dollar: U.S. dollar

AMF: Autorité des marchés financiers (French Financial Markets Authority)

DACF: debt adjusted cash flow is defined as operating cash flow before working capital changes w/o financial charges

FPSO: floating production, storage and offloading

HSE: health, safety and the environment

IFRS: International Financial Reporting Standards

LNG: liquefied natural gas

NGL: natural gas liquids

ROE: return on equity

ROACE: return on average capital employed

SEC: United States Securities and Exchange Commission

VCM: variable cost margin – Refining Europe

This indicator represents the average margin on variable costs realized by TOTAL's European refining business. It is equal to the difference between the sales of refined products realized by TOTAL's European refining and the crude purchases as well as associated variable costs, divided by refinery throughput in tons.

The previous ERMI indicator was intended to represent the margin after variable costs for a hypothetical complex refinery located around Rotterdam in Northern Europe that processes a mix of crude oil and other inputs commonly supplied to this region to produce and market the main refined products at prevailing prices in this region.

Units of measurement

b = barrel(1)

B = billion

boe = barrel of oil equivalent

BTU = British thermal unit

cf = cubic feet

CO_2e = carbon dioxide equivalent

/d = per day

GW = gigawatt

GWh = gigawatt hour

k = thousand

km = kilometer

m = meter

m^3 or cm = cubic meter(1)

M = million

MW = megawatt

t = (Metric) ton

TWh = terawatt hour

W = watt

/y = per year

Conversion table

1 acre ≈ 0.405 hectare

1 b = 42 U.S. gallons ≈ 159 liters

1 b/d of crude oil ≈ 50 t/y of crude oil

1 Bm^3/y (1 Bcm) ≈ 0.1 Bcf/d

1 km ≈ 0.62 mile

1 m^3 ≈ 35.3 cf

1 Mt of LNG ≈ 48 Bcf of gas

1 Mt/y of LNG ≈ 131 Mcf/d of gas

1 t of oil ≈ 7.5 b of oil (assuming a specific gravity of 37° API)

1 boe = 1 b of crude oil ≈ 5,395 cf of gas in 2019(2) (5,387 cf in 2018 and 5,396 cf in 2017)

(1) Liquid and gas volumes are reported at international standard metric conditions (15°C and 1 atm).
(2) Natural gas is converted to barrels of oil equivalent using a ratio of cubic feet of natural gas per one barrel. This ratio is based on the actual average equivalent energy content of TOTAL's natural gas reserves during the applicable periods and is subject to change. The tabular conversion rate is applicable to TOTAL's natural gas reserves on a Group-wide basis.

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Half-year financial report

1.1 Highlights since the beginning of 2020[1]

- New Climate Ambition to achieve carbon neutrality by 2050
- Joined the “Coalition for the Energy of the Future” with 10 major partners to accelerate the energy transition of transportation and logistics
- Joined the “Getting to Zero Coalition” to contribute to the shipping industry’s decarbonization
- Investment decision for the Northern Lights project in Norway for the transport and storage of CO_2

- Signed the external financing agreement for the Mozambique LNG project for $14.9 billion, the largest project financing in Africa
- Extension of the LNG supply contract with Sonatrach for 2 Mt/y
- Agreement with SSE Renewables to acquire a 51% stake in the 1.140 MW offshore wind project in the Scottish North Sea
- Acquisition of EDP’s portfolio of 2.5 million residential customers and two natural gas-fired combined-cycle power plants, with a combined capacity of nearly 850 megawatts
- Acquisition of 50% of 2 GW gross capacity portfolio of solar power plants in India as part of a 50/50 JV with the Adani Group
- Agreement to build a large-scale solar power plant (800 MWp) in Qatar
- Entry into solar market in Spain with the acquisition of 2 GW portfolio of projects
- Acquisition in France of Global Wind Power France, which holds a 1 GW gross capacity portfolio of projects
- Entry into first floating offshore wind project in the UK
- Launched in Dunkirk the largest battery power storage project (25 MW) for France’s power grid
- Launched a pilot plant in Europe to start producing EV batteries from 2023 at the highest technological level in terms of energy performance

- Started up the second FPSO on the deep-offshore Iara field in Brazil
- Sale of the portfolio of mature and non-operated assets in Gabon
- Counter-cyclical acquisition of Tullow’s interest in the Lake Albert project in Uganda
- Discovery of Bashrush gas field in Egypt on North El Hammad permit
- Third discovery (Kwaskwasi) on block 58 in Surinam
- In Exploration, made two significant oil discoveries on Block 58 in Surinam plus a new condensate gas discovery in the UK North Sea

- Sale of the Lindsey refinery in the United Kingdom
- Asset sale program ongoing with disposal of downstream gas in France, Exploration & Production in Brunei, and Marketing in Sierra Leone and Liberia
- Creation of a 50:50 JV with IndianOil to manufacture and market high-quality bitumen derivatives

- Adoption by the Group of statutes to become a European Company

(1) Certain transactions referred to in the highlights are subject to approval by authorities or to other conditions as per the agreements.

1.2 Key figures from TOTAL Consolidated Financial Statements[1]

In millions of dollars, except effective tax rate, earnings per share and number of shares	1H20	1H19	1H20 vs 1H19
Adjusted net operating income from business segments	3,121	7,002	-55%
Exploration & Production	494	3,744	-87%
Integrated Gas, Renewables & Power	1,239	1,021	+21%
Refining & Chemicals	957	1,471	-35%
Marketing & Services	431	766	-44%
Contribution of equity affiliates to adjusted net income	669	1,071	-38%
Group effective tax rate[2]	24.3%	36.9%	
Adjusted net income (Group share)	1,907	5,646	-66%
Adjusted fully-diluted earnings per share (dollars)[3]	0.68	2.07	-67%
Adjusted fully-diluted earnings per share (euros)*	0.62	1.84	-66%
Fully-diluted weighted-average shares (millions)	2,598	2,622	-1%
Net income (Group share)	(8,335)	5,867	ns
Organic investments[4]	4,724	5,811	-19%
Net acquisitions[5]	1,823	709	x2.6
Net investments[6]	6,547	6,520	–
Operating cash flow before working capital changes[7]	7,164	12,740	-44%
Operating cash flow before working capital changes w/o financial charges (DACF)[8]	8,175	13,744	-41%
Cash flow from operations	4,778	9,880	-52%

Data take into account the impact of the new rule IFRS16 “Leases”, effective January 1, 2019.

* Average €-$ exchange rate: 1.1020 in the first half 2020.

(1) Adjusted results are defined as income using replacement cost, adjusted for special items, excluding the impact of changes for fair value. Adjustment items are on page 13.
(2) Tax on adjusted net operating income / (adjusted net operating income – income from equity affiliates – dividends received from investments – impairment of goodwill + tax on adjusted net operating income).
(3) In accordance with IFRS rules, adjusted fully-diluted earnings per share is calculated from the adjusted net income less the interest on the perpetual subordinated bond.
(4) Organic investments = net investments excluding acquisitions, asset sales and other operations with non-controlling interests.
(5) Net acquisitions = acquisitions – assets sales – other transactions with non-controlling interests (see page 13).
(6) Net investments = Organic investments + net acquisitions (see page 13).
(7) Operating cash flow before working capital changes, is defined as cash flow from operating activities before changes in working capital at replacement cost, and effective second quarter 2019 including organic loan repayments from equity affiliates, and effective first quarter 2020 including capital gain from renewable projects sale. The inventory valuation effect is explained on page 15. The reconciliation table for different cash flow figures is on page 13.
(8) DACF = debt adjusted cash flow, is defined as operating cash flow before working capital changes and financial charges.

1.3 Key figures of environment and Group production

1.3.1 Environment – liquids and gas price realizations, refining margins

	1H20	1H19	1H20 vs 1H19
Brent ($/b)	40.1	66.0	-39%
Henry Hub ($/Mbtu)	1.8	2.7	-33%
NBP ($/Mbtu)	2.4	5.2	-54%
JKM ($/Mbtu)	2.9	5.8	-50%
Average price of liquids ($/b) Consolidated subsidiaries	33.8	61.2	-45%
Average price of gas ($/Mbtu) Consolidated subsidiaries	2.99	4.16	-28%
Average price of LNG ($/Mbtu) Consolidated subsidiaries and equity affiliates	5.42	6.42	-16%
Variable cost margin – Refining Europe, VCM ($/t)	21.0	30.6	-31%

1.3.2 Production*

	1H20	1H19	1H20 vs 1H19
Hydrocarbon production (kboe/d)	2,966	2,951	–
Oil (including bitumen) (kb/d)	1,381	1,416	-2%
Gas (including condensates and associated NGL) (kboe/d)	1,584	1,535	+3%

Hydrocarbon production (kboe/d)	2,966	2,951	–
Liquids (kb/d)	1,626	1,627	–
Gas (Mcf/d)**	7,302	7,238	+1%

* Group production = EP production + iGRP production.
** 1H19 data restated.

1.4 Analysis of business segments results

1.4.1 Integrated Gas, Renewables & Power (iGRP)

1.4.1.1 Liquefied natural gas (LNG) production and sales and low carbon electricity

Hydrocarbon production for LNG	1H20	1H19	1H20 vs 1H19
iGRP (kboe/d)	536	538	–
Liquids (kb/d)	69	70	–
Gas (Mcf/d)*	2,541	2,570	-1%

* 1H19 data restated.

Liquefied Natural Gas in Mt	1H20	1H19	1H20 vs 1H19
Overall LNG sales	20.2	16.3	+24%
incl. Sales from equity production*	9.0	7.8	+15%
incl. Sales by Total from equity production and third party purchases	16.5	12.7	+30%

* The Group's equity production may be sold by Total or by the joint ventures.

Low carbon electricity	1H20	1H19	1H20 vs 1H19
Gross renewables installed capacity (GW)*	5.1	2.6	+97%
Net low carbon power production (TWh)**	5.9	5.0	+16%
Clients gas and power – BtB and BtC (Million)*	5.9	5.5	+7%
Sales gas and power – BtB and BtC (TWh)	74.5	75.3	-1%

* Capacity at end of period.
** Solar, wind, biogas, hydroelectric and CCGT plants.

Hydrocarbon production for LNG was stable in the first half 2020 compared to last year.

For the first half 2020, total LNG sales increased by 24% year-on-year due to an increase in trading activities and thanks to the ramp-up of Yamal LNG and Ichthys plus the start-up of the first two Cameron LNG trains in the US.

Gross installed renewable power generation capacity rose to 5.1 GW at the end of the first half 2020, a strong 97% increase year-on-year, notably thanks to the acquisition in India of 50% of a portfolio of more than 2 GW from the Adani Group.

The Group continues to implement its strategy to integrate along the gas and electricity chain in Europe and has seen the number of its gas and electricity customers grow during the first half 2020 to 5.9 million, a 7% increase compared to a year ago. Sales of gas and electricity decreased by 1%, impacted by lower demand linked to the lockdown in Europe.

1.4.1.2 Results

In millions of dollars	1H20	1H19	1H20 vs 1H19
Adjusted net operating income*	1,239	1,021	+21%
incl. income from equity affiliates	179	450	-60%
Organic investments	1,264	935	+35%
Net acquisitions	1,570	559	x2.8
Net investments	2,834	1,494	+90%
Operating cash flow before working capital changes**	1,407	1,479	-5%
Cash flow from operations**	900	1,533	-41%

* Detail of adjustment items shown in the business segment information annex to financial statements.
** Excluding financial charges, except those related to leases.

In the first half 2020, adjusted net operating income for the iGRP segment was $1,239 million, an increase of 21% compared to last year, notably due to the strong 24% growth in LNG sales.

1.4.2 Exploration & Production

1.4.2.1 Production

Hydrocarbon production	1H20	1H19	1H20 vs 1H19
EP (kboe/d)	2,430	2,413	+1%
Liquids (kb/d)	1,557	1,557	–
Gas (Mcf/d)	4,761	4,668	+2%

1.4.2.2 Results

In millions of dollars, except effective tax rate	1H20	1H19	1H20 vs 1H19
Adjusted net operating income*	494	3,744	-87%
incl. income from equity affiliates	438	452	-3%
Effective tax rate**	69.6%	44.0%	
Organic investments	2,684	3,953	-32%
Net acquisitions	305	242	+26%
Net investments	2,989	4,195	-29%
Operating cash flow before working capital changes ***	4,386	9,128	-52%
Cash flow from operations ***	4,833	7,704	-37%

* Details on adjustment items are shown in the business segment information annex to financial statements.
** Tax on adjusted net operating income / (adjusted net operating income - income from equity affiliates - dividends received from investments - impairment of goodwill + tax on adjusted net operating income).
*** Excluding financial charges, except those related to leases.

Exploration & Production adjusted net operating income fell to $494 million in the first half 2020 from $3,744 million in the first half 2019 due to the sharp drop in oil and gas prices. Operating cash flow before working capital changes was $4,386 million compared to $9,128 million in the first half 2019.

1.4.3 Downstream (Refining & Chemicals and Marketing & Services)

1.4.3.1 Results

In millions of dollars	1H20	1H19	1H20 vs 1H19
Adjusted net operating income*	1,388	2,237	-38%
Organic investments	734	876	-16%
Net acquisitions	(50)	(93)	ns
Net investments	684	783	-13%
Operating cash flow before working capital changes **	2,552	3,118	-18%
Cash flow from operations **	317	1,963	-84%

* Detail of adjustment items shown in the business segment information annex to financial statements.
** Excluding financial charges, except those related to leases.

1.4.3.2 Refining & Chemicals

1.4.3.2.1 Refinery and petrochemicals throughput and utilization rates

Refinery throughput and utilization rate*	1H20	1H19	1H20 vs 1H19
Total refinery throughput (kb/d)	**1,347**	**1,729**	**-22%**
France	230	520	-56%
Rest of Europe	676	751	-10%
Rest of world	441	458	-4%
Utilization rate based on crude only**	64%	83%	

* Includes refineries in Africa reported in the Marketing & Services segment.
** Based on distillation capacity at the beginning of the year.

Petrochemicals production and utilization rate	1H20	1H19	2T20 vs 2T19
Monomers* (kt)	2,778	2,386	+16%
Polymers (kt)	2,395	2,424	-1%
Vapocracker utilization rate**	83%	75%	

* Olefins.
** Based on olefins production from steamcrackers and their treatment capacity at the start of the year.

Refinery throughput volumes decreased by 22% in the first half 2020, mainly due to prolonging the planned shutdown at Feyzin in France, the decision to not restart Grandpuits after a major turnaround given the drop in demand and the shutdown of the distillation unit at the Normandy platform following an incident at the end of 2019.

Monomer production was up by 16% in the first half 2020 year-on-year. It was 2,386 kt in the first half 2019 mainly due to planned maintenance in 2019 on the steamcrackers at Daesan in South Korea and Port Arthur in the United States.

Polymer production was stable in the first half 2020.

1.4.3.2.2 Results

In millions of dollars	1H20	1H19	1H20 vs 1H19
Adjusted net operating income*	957	1,471	-35%
Organic investments	470	593	-21%
Net acquisitions	(51)	(182)	ns
Net investments	419	411	+2%
Operating cash flow before working capital changes **	1,670	1,910	-13%
Cash flow from operations **	(103)	1,120	ns

* Detail of adjustment items shown in the business segment information annex to financial statements.
** Excluding financial charges, except those related to leases.

In the first half 2020, Refining & Chemicals adjusted net operating income was $1 billion, down 35% year-on-year, and operating cash flow before working capital changes decreased by 13% to $1.7 billion. This decrease was notably linked to the degraded refining margin environment in the first half and to the weak plant utilization rate of 64%, partially offset by resilient petrochemical margins and very good performance of the trading activities.

1.4.3.3 Marketing & Services

1.4.3.3.1 Petroleum product sales

*Sales in kb/d**	1H20	1H19	1H20 vs 1H19
Total Marketing & Services sales	1,478	1,848	-20%
Europe	823	1,008	-18%
Rest of world	656	840	-22%

* Excludes trading and bulk refining sales.

Petroleum product sales volumes fell by 20% in the first half 2020 year-on-year notably due to the impact of the lockdown on demand.

1.4.3.3.2 Results

In millions of dollars	1H20	1H19	1H20 vs 1H19
Adjusted net operating income*	431	766	-44%
Organic investments	264	283	-7%
Net acquisitions	1	89	-99%
Net investments	265	372	-29%
Operating cash flow before working capital changes **	882	1,208	-27%
Cash flow from operations **	420	843	-50%

* Detail of adjustment items shown in the business segment information annex to financial statements.
** Excluding financial charges, except those related to leases.

Adjusted net operating income decreased by 44% in the first half 2020 compared to last year due to the decrease in volumes.

Operating cash flow before working capital changes was $882 million in the first half.

1.5 Group results

1.5.1 Adjusted net operating income from business segments

Adjusted net operating income from the business segments was $3,121 million in the first half 2020, a decrease of 55% year-on-year due to lower Brent prices, natural gas prices and refining margins as well as the impact of the Covid-19 crisis on demand.

1.5.2 Adjusted net income (Group share)

Adjusted net income (Group share) was $1,907 million in the first half 2020 compared to $5,646 million for the same period last year, due to lower Brent prices, natural gas prices and refining margins as well as the impact of the Covid-19 crisis on demand.

Adjusted net income excludes the after-tax inventory effect, special items and the impact of effects of changes in fair value[(1)].

Total net income adjustments[(2)] were $(10,242) million in the second half 2020, including $(8,101) million for impairments and $(1,508) million for the after-tax inventory effect linked to lower oil prices.

The effective tax rate for the Group was 24.3% in the first half 2020, compared to 36.9% in the first half 2019.

(1) Adjustment items shown on page 15.
(2) Details shown on page 13 and in the appendix to the financial statements.

1.5.3 Adjusted fully-diluted earnings per share

Adjusted fully-diluted earnings per share was $0.68 in the first half 2020, calculated on the basis of a weighted average of 2,598 million fully-diluted shares, compared to $2.07 in the same period last year.

The number of fully-diluted shares was 2,605 million on June 30, 2020.

1.5.4 Acquisitions – asset sales

Acquisitions were $2.5 billion in the first half 2020 comprised notably of finalizing the acquisition in India of 50% of a portfolio of installed solar activities from Adani Green Energy Limited, the acquisition of interests in Blocks 20 and 21 in Angola, the finalization of the acquisition of 37.4% of Adani Gas Limited in India and the payment for a second tranche linked to taking the 10% stake in the Arctic LNG 2 project in Russia.

Asset sales were $678 million in the first half 2020, comprised notably of the sales of Block CA1 in Brunei, the Group's interest in the Fos Cavaou regasification terminal in France, and 50% of a portfolio of solar and wind assets from Total Quadran in France.

1.5.5 Net cash flow

Net cash flow[(1)] for the Group was $0.6 billion in the first half 2020 compared to $6.2 billion year-on-year due to the decrease in operating cash flow before working capital changes of $5.6 billion in the context of sharply lower oil and gas prices.

1.5.6 Profitability

The return on equity was 7.5% for the twelve months ended June 30, 2020.

In millions of dollars	July 1, 2019 to June 30, 2020	April 1, 2019 to March 31, 2020	July 1, 2018 to June 30, 2019
Adjusted net income	8,214	11,079	13,125
Average adjusted shareholders' equity	109,448	113,607	117,787
Return on equity (ROE)	**7.5%**	**9.8%**	**11.1%**

The return on average capital employed was 7% for the twelve months ended June 30, 2020.

In millions of dollars	July 1, 2019 to June 30, 2020	April 1, 2019 to March 31, 2020	July 1, 2018 to June 30, 2019
Adjusted net operating income	10,125	13,032	15,087
Average capital employed	145,621	150,418	145,247
ROACE	**7.0%**	**8.7%**	**10.4%**

(1) Net cash flow = operating cash flow before working capital changes - net investments (including other transactions with non-controlling interests).

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1.6 Total SE accounts

Net income for Total SE, the parent company, was €4,710 million in the first half 2020 compared to €6,282 million a year ago.

1.7 2020 Sensitivities*

	Change	Estimated impact on adjusted net operating income	Estimated impact on cash flow from operations
Dollar	+/- 0.1 $ per €	-/+ 0.1 B$	~0 B$
Average liquids price**	+/- 10 $/b	+/- 2.9 B$	+/- 3.3 B$
European gas price – NBP ($/Mbtu)	+/- 1 $/Mbtu	+/- 0.35 B$	+/- 0.35 B$
Variable cost margin, European refining (VCM)	+/- 10 $/t	+/- 0.5 B$	+/- 0.6 B$

* Sensitivities are revised once per year upon publication of the previous year's fourth quarter results. Sensitivities are estimates based on assumptions about the Group's portfolio in 2020. Actual results could vary significantly from estimates based on the application of these sensitivities. The impact of the $-€ sensitivity on adjusted net operating income is essentially attributable to Refining & Chemicals.

** In a 60 $/b Brent environment.

1.8 Summary and outlook

Oil prices strengthened since the beginning of June, reaching around 40 $/b, benefiting from strong compliance with the OPEC+ quotas and the decline of hydrocarbon production in the United States and Canada as well as a recovery in demand.

The oil environment, however, remains volatile, given the uncertainty around the extent and speed of the global economic recovery post-Covid-19.

The Group demonstrates discipline in the implementation of its 2020 action plan:
– Net investments below $14 billion,
– Savings of $1 billion on operating costs compared to 2019.

Total will continue to profitably grow in low carbon electricity, particularly in renewables, with close to $2 billion of investments in 2020.

In LNG, Total anticipates significant deferred liftings in the third quarter and expects the decline in oil prices observed in the second quarter to have an impact on long-term LNG contract prices in the second half of the year.

Considering the implementation of the OPEC+ quotas and the situation in Libya, the Group now expects 2020 production to be between 2.9 Mboe/d and 2.95 Mboe/d, with a low point in the third quarter during the summer season. The ramp up of Iara's second FPSO in Brazil will contribute to production growth in the last part of the year. In the Downstream, high inventory levels continue to weigh on refining margins and utilization rates. In Marketing, activity in Europe returned to 90% of its pre-crisis level since June and the Group anticipates that it will remain at a comparable level in the coming months.

The Group's priority is to generate a level of cash flow that allows it to continue to invest in profitable projects, to preserving an attractive shareholder return and to maintain a strong balance sheet. To this end, the Group's teams are focused on the four priorities of HSE, operational excellence, cost reduction and cash flow generation.

1.9 Other information

1.9.1 Operating information by segment

1.9.1.1 Group production (Exploration & Production + iGRP)

Combined liquids and gas production by region (kboe/d)	1H20	1H19	1H20 vs 1H19
Europe and Central Asia	1,064	993	+7%
Africa	677	691	-2%
Middle East and North Africa	661	695	-5%
Americas	343	365	-6%
Asia-Pacific	220	207	+6%
Total production	2,966	2,951	–
includes equity affiliates	726	730	–

Liquids production by region (kb/d)	1H20	1H19	1H20 vs 1H19
Europe and Central Asia	392	340	+15%
Africa	534	545	-2%
Middle East and North Africa	505	534	-5%
Americas	153	168	-9%
Asia-Pacific	42	40	+5%
Total production	1,626	1,627	–
includes equity affiliates	207	221	-6%

Gas production by region (Mcf/d)	1H20	1H19	1H20 vs 1H19
Europe and Central Asia	3,620	3,532	+2%
Africa*	726	749	-3%
Middle East and North Africa	865	885	-2%
Americas	1,069	1,104	-3%
Asia-Pacific*	1,022	968	+6%
Total production*	7,302	7,238	+1%
includes equity affiliates*	2,802	2,762	+1%

* 1H19 data restated.

1.9.1.2 Downstream (Refining & Chemicals and Marketing & Services)

Petroleum product sales by region (kb/d)	1H20	1H19	1H20 vs 1H19
Europe	1,610	2,020	-20%
Africa	573	705	-19%
Americas	814	842	-3%
Rest of world	439	576	-24%
TOTAL CONSOLIDATED SALES	**3,435**	**4,143**	**-17%**
incl. bulk sales	432	546	-21%
incl. trading	1,525	1,749	-13%

Petrochemicals production* (kt)	1H20	1H19	1H20 vs 1H19
Europe	2,547	2,734	-7%
Americas	1,301	1,089	+19%
Middle-East and Asia	1,324	987	+34%

* Olefins, polymers.

1.9.2 Adjustment items to net income (Group share)

In millions of dollars	1H20	1H19
Special items affecting net income (Group share)	(8,655)	(70)
Gain (loss) on asset sales	–	–
Restructuring charges	(100)	(33)
Impairments	(8,101)	(57)
Other	(454)	20
After-tax inventory effect: FIFO vs. replacement cost	(1,508)	360
Effect of changes in fair value	(79)	(69)
TOTAL ADJUSTMENTS AFFECTING NET INCOME	**(10,242)**	**221**

1.9.3 Investments – Divestments

In millions of dollars	1H20	1H19	1H20 vs 1H19
Organic investments (A)	4,724	5,811	-19%
incl. capitalized exploration	297	417	-29%
incl. increase in non-current loans	1,012	500	x2
incl. repayment of non-current loans, excluding organic loan repayment from equity affiliates*	(175)	(388)	ns
incl. change in debt from renewable projects (Group share)	(152)	–	ns
Acquisitions (B)	2,501	1,284	+95%
Asset sales (C)	678	575	+18%
change in debt from renewable projects (partner share)	83	–	ns
Other transactions with non-controlling interests (D)	–	–	ns
NET INVESTMENTS (A + B - C - D)	**6,547**	**6,520**	**–**
Organic loan repayment from equity affiliates* (E)	(34)	(99)	ns
Change in debt from renewable projects financing ** (F)	235	–	ns
Capex linked to capitalized leasing contracts (G)	46	–	ns
CASH FLOW USED IN INVESTING ACTIVITIES (A + B - C + E + F - G)	**6,702**	**6,421**	**+4%**

* Effective second quarter 2019, organic loan repayments from equity affiliates are defined as loan repayments from equity affiliates coming from their cash flow from operations.
** Change in debt from renewable projects (Group share and partner share).

1.9.4 Cash-flow

In millions of dollars	1H20	1H19	1H20 vs 1H19
Operating cash flow before working capital changes w/o financials charges (DACF)	**8,175**	**13,744**	**-41%**
Financial charges	(1,011)	(1,004)	ns
Operating cash flow before working capital changes (A)	**7,164**	**12,740**	**-44%**
(Increase) decrease in working capital	(453)	(3,287)	ns
Inventory effect	(1,838)	526	ns
capital gain from renewable projects sale	(61)	–	ns
Organic loan repayment from equity affiliates	(34)	(99)	ns
Cash flow from operations	**4,778**	**9,880**	**-52%**
Organic investments (B)	4,724	5,811	-19%
FREE CASH FLOW AFTER ORGANIC INVESTMENTS, W/O NET ASSET SALES (A - B)	**2,440**	**6,929**	**-65%**
Net investments (C)	6,547	6,520	–
NET CASH FLOW (A - C)	**617**	**6,220**	**-90%**

1.9.5 Gearing ratio*

In millions of dollars	06/30/2020	03/31/2020	06/30/2019
Current borrowings	16,154	18,521	16,221
Net current financial assets	(6,159)	(6,412)	(3,110)
Net financial assets classified as held for sale	–	–	–
Non-current financial debt	61,540	48,896	45,394
Non-current financial assets	(2,431)	(1,133)	(771)
Cash and cash equivalents	(29,727)	(21,634)	(26,723)
NET DEBT (A)	**39,377**	**38,238**	**31,011**
of which leases	**7,383**	**7,309**	**7,015**
Shareholders' equity – Group share	101,205	112,006	116,862
Non-controlling interests	2,334	2,428	2,362
SHAREHOLDERS' EQUITY (B)	**103,539**	**114,434**	**119,224**
NET-DEBT-TO-CAPITAL RATIO = A / (A + B)	**27.6%**	**25.0%**	**20.6%**
NET-DEBT-TO-CAPITAL RATIO EXCLUDING LEASES	**23.6%**	**21.3%**	**16.8%**

* The net-debt-to-capital ratios include the impact of the new IFRS 16 rule, effective January 1, 2019.

1.9.6 Return on average capital employed

1.9.6.1 Twelve months ended June 30, 2020

In millions of dollars	Exploration & Production	Integrated Gas, Renewables & Power	Refining & Chemicals	Marketing & Services	Group
Adjusted net operating income	4,259	2,607	2,489	1,318	10,125
Capital employed at 06/30/2019*	90,633	37,290	12,300	8,535	148,617
Capital employed at 06/30/2020*	79,096	43,527	12,843	8,366	142,625
ROACE	**5.0%**	**6.5%**	**19.8%**	**15.6%**	**7.0%**

1.9.6.2 Twelve months ended March 31, 2020

In millions of dollars	Exploration & Production	Integrated Gas, Renewables & Power	Refining & Chemicals	Marketing & Services	Group
Adjusted net operating income	6,490	2,710	2,629	1,612	13,032
Capital employed at 03/31/2019*	90,051	37,235	13,153	8,255	148,463
Capital employed at 03/31/2020*	85,622	44,236	12,878	8,764	152,374
ROACE	**7.4%**	**6.7%**	**20.2%**	**18.9%**	**8.7%**

* At replacement cost (excluding after-tax inventory effect).

1.10 Principal risks and uncertainties for the remaining six months of 2020

The Group's businesses are subject to various risks relating to changing political, economic, monetary, legal, environmental, social, industrial, competitive, operating and financial conditions. A description of such risk factors is provided in TOTAL's 2019 Universal Registration Document filed with the *Autorité des marchés financiers* (French Financial Markets Authority) on March 20, 2020. These conditions are subject to change not only in the six months remaining in the current financial year, but also in the years to come.

Additionally, a description of certain risks is included in the Notes to the condensed Consolidated Financial Statements for the first half of 2020 (pages 41 of this half-year financial report).

1.11 Major related parties' transactions

Information concerning the major related parties' transactions for the first six months of 2020 is provided in Note 6 to the condensed Consolidated Financial Statements for the first half of 2020 (page 41 of this half-year financial report).

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Disclaimer:

This document may contain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, notably with respect to the financial condition, results of operations, business activities, and industrial strategy of TOTAL. This document may also contain statements regarding the perspectives, objectives and goals of the Group, including with respect to climate change and carbon neutrality (net zero emissions). An ambition expresses an outcome desired by the Group, it being specified that the means to be deployed do not depend solely on TOTAL. These forward-looking statements may generally be identified by the use of the future or conditional tense or forward-looking words such as "envisions", "intends", "anticipates", "believes", "considers", "plans", "expects", "thinks", "targets", "aims" or similar terminology. Such forward-looking statements included in this document are based on economic data, estimates and assumptions prepared in a given economic, competitive and regulatory environment and considered to be reasonable by the Group as of the date of this document.

These forward-looking statements are not historical data and should not be interpreted as assurances that the perspectives, objectives or goals announced will be achieved. They may prove to be inaccurate in the future, and may evolve or be modified with a significant difference between the actual results and those initially estimated, due to the uncertainties notably related to the economic, financial, competitive and regulatory environment, or due to the occurrence of risk factors, such as, notably, the price fluctuations in crude oil and natural gas, the evolution of the demand and price of petroleum products, the changes in production results and reserves estimates, the ability to achieve cost reductions and operating efficiencies without unduly disrupting business operations, changes in laws and regulations including those related to the environment and climate, currency fluctuations, as well as economic and political developments, changes in market conditions, loss of market share and changes in consumer preferences including those due to epidemics such as Covid-19. Additionally, certain financial information is based on estimates particularly in the assessment of the recoverable value of assets and potential impairments of assets relating thereto.

Neither TOTAL nor any of its subsidiaries assumes any obligation to update publicly any forward-looking information or statement, objectives or trends contained in this document whether as a result of new information, future events or otherwise. Further information on factors, risks and uncertainties that could affect the Group's business, financial condition, including its operating income and cash flow, reputation or outlook is provided in the most recent version of the Universal Registration Document which is filed by the Company with the French Autorité des Marchés Financiers and the annual report on Form 20-F/A filed with the United States Securities and Exchange Commission ("SEC").

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. In addition to IFRS measures, certain alternative performance indicators are presented, such as performance indicators excluding the adjustment items described below (adjusted operating income, adjusted net operating income, adjusted net income), return on equity (ROE), return on average capital employed (ROACE), gearing ratio and operating cash flow before working capital changes. These indicators are meant to facilitate the analysis of the financial performance of TOTAL and the comparison of income between periods. They allow investors to track the measures used internally to manage and measure the performance of the Group.

These 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 asset 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) 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 price differentials 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.

(iii) Effect of changes in fair value
The effect of changes in fair value presented as an adjustment item reflects, for some transactions, differences between internal measures 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, whose future effects are recorded at fair value in 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, excluding the effect of changes in fair value.

Euro amounts presented for the fully adjusted-diluted earnings per share represent dollar amounts converted at the average euro-dollar (€-$) exchange rate for the applicable period and are not the result of financial statements prepared in euros.

Cautionary Note to U.S. Investors – The SEC permits oil and gas companies, in their filings with the SEC, to separately disclose proved, probable and possible reserves that a company has determined in accordance with SEC rules. We may use certain terms in this press release, such as “potential reserves” or “resources”, that the SEC's guidelines strictly prohibit us from including in filings with the SEC. U.S. investors are urged to consider closely the disclosure in our Form 20-F/A, File N° 1-10888, available from us at 2, place Jean Millier – Arche Nord Coupole/Regnault – 92078 Paris-La Défense Cedex, France, or at our website total.com. You can also obtain this form from the SEC by calling 1-800-SEC-0330 or on the SEC's website sec.gov.

2

Consolidated Financial Statements as of June 30, 2020

2.1 Statutory auditors' review report on the half-yearly financial information

This is a free translation into English of the statutory auditors' review report on the half-yearly financial information issued in French and is provided solely for the convenience of English-speaking users. This report includes information relating to the specific verification of information given in the Group's half-yearly management report. This report should be read in conjunction with, and construed in accordance with, French law and professional standards applicable in France.

Period from January 1 to June 30, 2020

To the Shareholders,

In compliance with the assignment entrusted to us by your Annual General Meeting and in accordance with the requirements of Article L. 451-1-2 III of the French Monetary and Financial Code («Code monétaire et financier»), we hereby report to you on:
- the review of the accompanying condensed half-yearly consolidated financial statements of TOTAL SE, for the period from January 1 to June 30, 2020,
- the verification of the information presented in the half-yearly management report.

These condensed half-yearly consolidated financial statements were prepared under the Chairman and Chief Executive Officer's responsibility on July 29, 2020, and are reviewed by your Board of Directors, on the basis of the information available at that date in the evolving context of the crisis related to Covid-19 and of difficulties in assessing its impact and future prospects. Our role is to express a conclusion on these financial statements based on our review.

1. Conclusion on the financial statements

We conducted our review in accordance with professional standards applicable in France. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with professional standards applicable in France and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed half-yearly consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34 – standard of the IFRSs as adopted by the European Union applicable to interim financial information.

2. Specific verification

We have also verified the information presented in the half-yearly management report on the condensed half-yearly consolidated financial statements subject to our review prepared on July 29, 2020.

We have no matters to report as to its fair presentation and consistency with the condensed half-yearly consolidated financial statements.

Paris-La Défense, July 29, 2020

The Statutory Auditors
French original signed by

KPMG Audit
Département de KPMG S.A.

Jacques-François Lethu
Partner

Eric Jacquet
Partner

ERNST & YOUNG Audit

Laurent Vitse
Partner

Céline Eydieu-Boutté
Partner

2.2 Consolidated statement of income – half-yearly

TOTAL

(unaudited)

(M$)[(a)]	1st half 2020	1st half 2019
Sales	**69,600**	**102,447**
Excise taxes	(9,461)	(12,121)
Revenues from sales	60,139	90,326
Purchases, net of inventory variation	(40,093)	(60,111)
Other operating expenses	(13,265)	(13,803)
Exploration costs	(254)	(458)
Depreciation, depletion and impairment of tangible assets and mineral interests	(15,228)	(7,127)
Other income	942	568
Other expense	(528)	(398)
Financial interest on debt	(1,099)	(1,129)
Financial income and expense from cash & cash equivalents	(105)	(70)
Cost of net debt	(1,204)	(1,199)
Other financial income	607	486
Other financial expense	(342)	(383)
Net income (loss) from equity affiliates	285	1,523
Income taxes	521	(3,480)
CONSOLIDATED NET INCOME	**(8,420)**	**5,944**
Group share	(8,335)	5,867
Non-controlling interests	(85)	77
Earnings per share ($)	(3.29)	2.17
Fully-diluted earnings per share ($)	(3.29)	2.16

(a) Except for per share amounts.

2.3 Consolidated statement of comprehensive income – half-yearly

TOTAL

(unaudited)

(M$)	1st half 2020	1st half 2019
CONSOLIDATED NET INCOME	**(8,420)**	**5,944**
Other comprehensive income		
Actuarial gains and losses	(223)	(59)
Change in fair value of investments in equity instruments	(74)	107
Tax effect	86	14
Currency translation adjustment generated by the parent company	(196)	(474)
ITEMS NOT POTENTIALLY RECLASSIFIABLE TO PROFIT AND LOSS	**(407)**	**(412)**
Currency translation adjustment	(940)	187
Cash flow hedge	(1,293)	(373)
Variation of foreign currency basis spread	70	54
Share of other comprehensive income of equity affiliates, net amount	(927)	253
Other	3	2
Tax effect	367	107
ITEMS POTENTIALLY RECLASSIFIABLE TO PROFIT AND LOSS	**(2,720)**	**230**
TOTAL OTHER COMPREHENSIVE INCOME (NET AMOUNT)	**(3,127)**	**(182)**
Comprehensive income	**(11,547)**	**5,762**
Group share	*(11,424)*	*5,637*
Non-controlling interests	*(123)*	*125*

2.4 Consolidated statement of income – quarterly

TOTAL

(unaudited)

(M$)[(a)]	2nd quarter 2020	1st quarter 2020	2nd quarter 2019
Sales	**25,730**	**43,870**	**51,242**
Excise taxes	(4,168)	(5,293)	(6,040)
Revenues from sales	21,562	38,577	45,202
Purchases, net of inventory variation	(12,025)	(28,068)	(30,390)
Other operating expenses	(6,321)	(6,944)	(7,078)
Exploration costs	(114)	(140)	(170)
Depreciation, depletion and impairment of tangible assets and mineral interests	(11,593)	(3,635)	(3,661)
Other income	362	580	321
Other expense	(108)	(420)	(189)
Financial interest on debt	(530)	(569)	(568)
Financial income and expense from cash & cash equivalents	50	(155)	(42)
Cost of net debt	(480)	(724)	(610)
Other financial income	419	188	326
Other financial expense	(161)	(181)	(188)
Net income (loss) from equity affiliates	(447)	732	812
Income taxes	484	37	(1,571)
CONSOLIDATED NET INCOME	**(8,422)**	**2**	**2,804**
Group share	(8,369)	34	2,756
Non-controlling interests	(53)	(32)	48
Earnings per share ($)	(3.27)	(0.01)	1.01
Fully-diluted earnings per share ($)	(3.27)	(0.01)	1.00

(a) Except for per share amounts.

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2.5 Consolidated statement of comprehensive income – quarterly

TOTAL

(unaudited)

(M$)	2nd quarter 2020	1st quarter 2020	2nd quarter 2019
CONSOLIDATED NET INCOME	**(8,422)**	**2**	**2,804**
Other comprehensive income			
Actuarial gains and losses	(356)	133	(223)
Change in fair value of investments in equity instruments	90	(164)	74
Tax effect	101	(15)	59
Currency translation adjustment generated by the parent company	1,780	(1,976)	1,057
ITEMS NOT POTENTIALLY RECLASSIFIABLE TO PROFIT AND LOSS	**1,615**	**(2,022)**	**967**
Currency translation adjustment	(919)	(21)	(619)
Cash flow hedge	231	(1,524)	(246)
Variation of foreign currency basis spread	14	56	43
Share of other comprehensive income of equity affiliates, net amount	296	(1,223)	(135)
Other	–	3	1
Tax effect	(78)	445	69
ITEMS POTENTIALLY RECLASSIFIABLE TO PROFIT AND LOSS	**(456)**	**(2,264)**	**(887)**
TOTAL OTHER COMPREHENSIVE INCOME (NET AMOUNT)	**1,159**	**(4,286)**	**80**
Comprehensive income	**(7,263)**	**(4,284)**	**2,884**
Group share	*(7,253)*	*(4,171)*	*2,797*
Non-controlling interests	*(10)*	*(113)*	*87*

2.6 Consolidated balance sheet

TOTAL

(M$)	June 30, 2020 (unaudited)	March 31, 2020 (unaudited)	December 31, 2019	June 30, 2019 (unaudited)
ASSETS				
Non-current assets				
Intangible assets, net	33,114	32,823	33,178	29,229
Property, plant and equipment, net	104,925	113,254	116,408	118,063
Equity affiliates: investments and loans	27,470	26,998	27,122	26,473
Other investments	1,627	1,660	1,778	1,660
Non-current financial assets	2,431	1,133	912	771
Deferred income taxes	7,257	6,694	6,216	6,022
Other non-current assets	2,539	2,537	2,415	2,306
TOTAL NON-CURRENT ASSETS	**179,363**	**185,099**	**188,029**	**184,524**
Current assets				
Inventories, net	12,688	11,556	17,132	16,410
Accounts receivable, net	13,481	18,029	18,488	20,349
Other current assets	17,155	19,429	17,013	15,958
Current financial assets	6,570	7,016	3,992	3,536
Cash and cash equivalents	29,727	21,634	27,352	26,723
Assets classified as held for sale	421	421	1,288	–
TOTAL CURRENT ASSETS	**80,042**	**78,085**	**85,265**	**82,976**
TOTAL ASSETS	**259,405**	**263,184**	**273,294**	**267,500**
LIABILITIES & SHAREHOLDERS' EQUITY				
Shareholders' equity				
Common shares	8,159	8,123	8,123	8,301
Paid-in surplus and retained earnings	107,934	119,935	121,170	123,351
Currency translation adjustment	(13,265)	(14,431)	(11,503)	(11,177)
Treasury shares	(1,623)	(1,621)	(1,012)	(3,613)
TOTAL SHAREHOLDERS' EQUITY – GROUP SHARE	**101,205**	**112,006**	**116,778**	**116,862**
Non-controlling interests	**2,334**	**2,428**	**2,527**	**2,362**
TOTAL SHAREHOLDERS' EQUITY	**103,539**	**114,434**	**119,305**	**119,224**
Non-current liabilities				
Deferred income taxes	10,346	10,462	11,858	11,486
Employee benefits	3,612	3,260	3,501	3,375
Provisions and other non-current liabilities	19,487	19,452	20,613	21,629
Non-current financial debt	61,540	48,896	47,773	45,394
TOTAL NON-CURRENT LIABILITIES	**94,985**	**82,070**	**83,745**	**81,884**
Current liabilities				
Accounts payable	19,198	22,123	28,394	27,059
Other creditors and accrued liabilities	24,790	25,102	25,749	22,686
Current borrowings	16,154	18,521	14,819	16,221
Other current financial liabilities	411	604	487	426
Liabilities directly associated with the assets classified as held for sale	328	330	795	–
TOTAL CURRENT LIABILITIES	**60,881**	**66,680**	**70,244**	**66,392**
TOTAL LIABILITIES & SHAREHOLDERS' EQUITY	**259,405**	**263,184**	**273,294**	**267,500**

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2.7 Consolidated statement of cash flow – half-yearly

TOTAL
(unaudited)

(M$)	1st half 2020	1st half 2019
CASH FLOW FROM OPERATING ACTIVITIES		
Consolidated net income	(8,420)	5,944
Depreciation, depletion, amortization and impairment	15,431	7,535
Non-current liabilities, valuation allowances and deferred taxes	(1,457)	379
(Gains) losses on disposals of assets	(340)	(364)
Undistributed affiliates' equity earnings	391	(474)
(Increase) decrease in working capital	(453)	(3,287)
Other changes, net	(374)	147
CASH FLOW FROM OPERATING ACTIVITIES	**4,778**	**9,880**
CASH FLOW USED IN INVESTING ACTIVITIES		
Intangible assets and property, plant and equipment additions	(4,773)	(5,585)
Acquisitions of subsidiaries, net of cash acquired	(188)	(208)
Investments in equity affiliates and other securities	(1,670)	(1,190)
Increase in non-current loans	(1,028)	(500)
Total expenditures	**(7,659)**	**(7,483)**
Proceeds from disposals of intangible assets and property, plant and equipment	263	163
Proceeds from disposals of subsidiaries, net of cash sold	154	146
Proceeds from disposals of non-current investments	315	266
Repayment of non-current loans	225	487
Total divestments	**957**	**1,062**
CASH FLOW USED IN INVESTING ACTIVITIES	**(6,702)**	**(6,421)**
CASH FLOW USED IN FINANCING ACTIVITIES		
Issuance (repayment) of shares:		
Parent company shareholders	374	450
Treasury shares	(611)	(1,770)
Dividends paid:		
Parent company shareholders	(3,810)	(4,765)
Non-controlling interests	(76)	(93)
Net issuance (repayment) of perpetual subordinated notes	–	–
Payments on perpetual subordinated notes	(231)	(315)
Other transactions with non-controlling interests	(70)	(150)
Net issuance (repayment) of non-current debt	15,472	3,581
Increase (decrease) in current borrowings	(3,819)	(1,489)
Increase (decrease) in current financial assets and liabilities	(2,546)	(58)
CASH FLOW FROM (USED IN) FINANCING ACTIVITIES	**4,683**	**(4,609)**
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	**2,759**	**(1,150)**
Effect of exchange rates	(384)	(34)
Cash and cash equivalents at the beginning of the period	27,352	27,907
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	**29,727**	**26,723**

2.8 Consolidated statement of cash flow – quarterly

TOTAL

(unaudited)

(M$)	2nd quarter 2020	1st quarter 2020	2nd quarter 2019
CASH FLOW FROM OPERATING ACTIVITIES			
Consolidated net income	(8,422)	2	2,804
Depreciation, depletion, amortization and impairment	11,701	3,730	3,819
Non-current liabilities, valuation allowances and deferred taxes	(796)	(661)	239
(Gains) losses on disposals of assets	(131)	(209)	(191)
Undistributed affiliates' equity earnings	978	(587)	(168)
(Increase) decrease in working capital	431	(884)	(317)
Other changes, net	(282)	(92)	65
CASH FLOW FROM OPERATING ACTIVITIES	**3,479**	**1,299**	**6,251**
CASH FLOW USED IN INVESTING ACTIVITIES			
Intangible assets and property, plant and equipment additions	(2,409)	(2,364)	(2,881)
Acquisitions of subsidiaries, net of cash acquired	–	(188)	(208)
Investments in equity affiliates and other securities	(136)	(1,534)	(437)
Increase in non-current loans	(733)	(295)	(370)
Total expenditures	**(3,278)**	**(4,381)**	**(3,896)**
Proceeds from disposals of intangible assets and property, plant and equipment	219	44	155
Proceeds from disposals of subsidiaries, net of cash sold	12	142	(1)
Proceeds from disposals of non-current investments	20	295	58
Repayment of non-current loans	99	126	353
Total divestments	**350**	**607**	**565**
CASH FLOW USED IN INVESTING ACTIVITIES	**(2,928)**	**(3,774)**	**(3,331)**
CASH FLOW USED IN FINANCING ACTIVITIES			
Issuance (repayment) of shares:			
Parent company shareholders	374	–	449
Treasury shares	(2)	(609)	(1,279)
Dividends paid:			
Parent company shareholders	(1,928)	(1,882)	(2,935)
Non-controlling interests	(76)	–	(93)
Net issuance (repayment) of perpetual subordinated notes	–	–	–
Payments on perpetual subordinated notes	(134)	(97)	(175)
Other transactions with non-controlling interests	(22)	(48)	–
Net issuance (repayment) of non-current debt	15,430	42	2,331
Increase (decrease) in current borrowings	(6,604)	2,785	37
Increase (decrease) in current financial assets and liabilities	449	(2,995)	(164)
CASH FLOW FROM (USED IN) FINANCING ACTIVITIES	**7,487**	**(2,804)**	**(1,829)**
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	**8,038**	**(5,279)**	**1,091**
Effect of exchange rates	55	(439)	200
Cash and cash equivalents at the beginning of the period	21,634	27,352	25,432
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	**29,727**	**21,634**	**26,723**

2.9 Consolidated statement of changes in shareholders' equity

TOTAL

(unaudited)

(M$)	Common shares issued Number	Common shares issued Amount	Paid-in surplus and retained earnings	Currency translation adjustment	Treasury shares Number	Treasury shares Amount	Shareholders' equity – Group Share	Non-controlling interests	Total shareholders' equity
AS OF JANUARY 1, 2019	**2,640,602,007**	**8,227**	**120,569**	**(11,313)**	**(32,473,281)**	**(1,843)**	**115,640**	**2,474**	**118,114**
Net income of the first half 2019	–	–	5,867	–	–	–	5,867	77	5,944
Other comprehensive income	–	–	(366)	136	–	–	(230)	48	(182)
Comprehensive Income	**–**	**–**	**5,501**	**136**	**–**	**–**	**5,637**	**125**	**5,762**
Dividend	–	–	(3,875)	–	–	–	(3,875)	(93)	(3,968)
Issuance of common shares	26,281,753	74	1,271	–	–	–	1,345	–	1,345
Purchase of treasury shares	–	–	–	–	(32,331,446)	(1,770)	(1,770)	–	(1,770)
Sale of treasury shares [(a)]	–	–	–	–	4,010	–	–	–	–
Share-based payments	–	–	103	–	–	–	103	–	103
Share cancellation	–	–	–	–	–	–	–	–	–
Net issuance (repayment) of perpetual subordinated notes	–	–	(5)	–	–	–	(5)	–	(5)
Payments on perpetual subordinated notes	–	–	(207)	–	–	–	(207)	–	(207)
Other operations with non-controlling interests	–	–	–	–	–	–	–	(150)	(150)
Other items	–	–	(6)	–	–	–	(6)	6	–
AS OF JUNE 30, 2019	**2,666,883,760**	**8,301**	**123,351**	**(11,177)**	**(64,800,717)**	**(3,613)**	**116,862**	**2,362**	**119,224**
Net income of the second half 2019	–	–	5,400	–	–	–	5,400	94	5,494
Other comprehensive income	–	–	(293)	(326)	–	–	(619)	20	(599)
Comprehensive Income	**–**	**–**	**5,107**	**(326)**	**–**	**–**	**4,781**	**114**	**4,895**
Dividend	–	–	(3,855)	–	–	–	(3,855)	(22)	(3,877)
Issuance of common shares	106,750	–	(6)	–	–	–	(6)	–	(6)
Purchase of treasury shares	–	–	–	–	(20,057,890)	(1,040)	(1,040)	–	(1,040)
Sale of treasury shares [(a)]	–	–	(219)	–	4,274,938	219	–	–	–
Share-based payments	–	–	104	–	–	–	104	–	104
Share cancellation	(65,109,435)	(178)	(3,244)	–	65,109,435	3,422	–	–	–
Net issuance (repayment) of perpetual subordinated notes	–	–	1	–	–	–	1	–	1
Payments on perpetual subordinated notes	–	–	(146)	–	–	–	(146)	–	(146)
Other operations with non-controlling interests	–	–	55	–	–	–	55	108	163
Other items	–	–	22	–	–	–	22	(35)	(13)
AS OF DECEMBER 31, 2019	**2,601,881,075**	**8,123**	**121,170**	**(11,503)**	**(15,474,234)**	**(1,012)**	**116,778**	**2,527**	**119,305**
Net income of the first half 2020	–	–	(8,335)	–	–	–	(8,335)	(85)	(8,420)
Other comprehensive income	–	–	(1,327)	(1,762)	–	–	(3,089)	(38)	(3,127)
Comprehensive income	**–**	**–**	**(9,662)**	**(1,762)**	**–**	**–**	**(11,424)**	**(123)**	**(11,547)**
Dividend	–	–	(3,799)	–	–	–	(3,799)	(76)	(3,875)
Issuance of common shares	13,179,262	36	338	–	–	–	374	–	374
Purchase of treasury shares	–	–	–	–	(13,236,044)	(611)	(611)	–	(611)
Sale of treasury shares [(a)]	–	–	–	–	3,680	–	–	–	–
Share-based payments	–	–	96	–	–	–	96	–	96
Share cancellation	–	–	–	–	–	–	–	–	–
Net issuance (repayment) of perpetual subordinated notes	–	–	–	–	–	–	–	–	–
Payments on perpetual subordinated notes	–	–	(143)	–	–	–	(143)	–	(143)
Other operations with non-controlling interests	–	–	(63)	–	–	–	(63)	(7)	(70)
Other items	–	–	(3)	–	–	–	(3)	13	10
AS OF JUNE 30, 2020	**2,615,060,337**	**8,159**	**107,934**	**(13,265)**	**(28,706,598)**	**(1,623)**	**101,205**	**2,334**	**103,539**

(a) Treasury shares related to the restricted stock grants.

2.10 Notes to the Consolidated Financial Statements for the first six months 2020

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 June 30, 2020, are presented in U.S. dollars and have been prepared in accordance with International Accounting Standard (IAS) 34 "Interim Financial Reporting".

The accounting principles applied for the consolidated financial statements at June 30, 2020, are consistent with those used for the financial statements at December 31, 2019, with the exception of standards or amendments that must be applied for periods beginning January 1, 2020.

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

The preparation of financial statements in accordance with IFRS for the closing as of June 30, 2020 requires the executive management to make estimates, assumptions and judgments that affect the information reported in the Consolidated Financial Statements and the Notes thereto.

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

The main estimates, judgments and assumptions relate to the estimation of hydrocarbon reserves in application of the successful efforts method for the oil and gas activities, asset impairments, employee benefits, asset retirement obligations and income taxes. These estimates and assumptions are described in the Notes to the Consolidated Financial Statements as of December 31, 2019.

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

As of June 30, 2020, the Group has decided to revise the price assumptions used for its assets impairment tests. Based on these new assumptions, asset impairments were recorded during the period. In line with its new Climate Ambition announced on May 5, 2020, which aims at carbon neutrality, the Group has reviewed its oil assets that can be qualified as "stranded", and therefore has decided to impair its oil sands assets in Canada. These impairments and revised assumptions are presented in note 3.4 *Asset impairment*.

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

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

Furthermore, when the accounting treatment of a specific transaction is not addressed by any accounting standard or interpretation, the management applies its judgment to define and apply accounting policies that provide information consistent with the general IFRS concepts: faithful representation, relevance and materiality.

2) Changes in the Group structure

2.1) Main acquisitions and divestments

Integrated Gas, Renewables & Power

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

Exploration & Production

- On March 31, 2020, TOTAL finalized the sale of its subsidiary Total E&P Deep Offshore Borneo BV which holds an 86.95% interest in Block CA1, located 100 kilometers off the coast of Brunei, to Shell.

2.2) Divestment projects

Exploration & Production

- In May 2020, TOTAL confirmed its commitment to completing the sale of its UK North Sea non-core assets, first announced in July 2019. TOTAL and Norway-based private equity investor HitecVision have successfully renegotiated the financial terms of the deal to respond to the current environment – while Petrogas is no longer part of the transaction. Subject to necessary approvals, the parties expect to complete the transaction by the third quarter of 2020.

At June 30, 2020, the assets and liabilities have been respectively classified in the consolidated balance sheet in "asset classified as held for sale" for an amount of $421 million and "liabilities classified as held for sale" for an amount of $328 million. The concerned assets mainly include intangible and 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 some transactions differences between 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

1st half 2020 (M$)	Exploration & Production	Integrated Gas, Renewables & Power	Refining & Chemicals	Marketing & Services	Corporate	Intercompany	Total
Non-Group sales	2,574	8,403	27,956	30,661	6	–	69,600
Intersegment sales	8,661	895	9,051	196	59	(18,862)	–
Excise taxes	–	–	(1,119)	(8,342)	–	–	(9,461)
REVENUES FROM SALES	**11,235**	**9,298**	**35,888**	**22,515**	**65**	**(18,862)**	**60,139**
Operating expenses	(6,048)	(8,398)	(35,736)	(21,730)	(562)	18,862	(53,612)
Depreciation, depletion and impairment of tangible assets and mineral interests	(12,311)	(1,616)	(788)	(473)	(40)	–	(15,228)
OPERATING INCOME	**(7,124)**	**(716)**	**(636)**	**312**	**(537)**	**–**	**(8,701)**
Net income (loss) from equity affiliates and other items	440	420	(92)	32	164	–	964
Tax on net operating income	(56)	330	203	(159)	2	–	320
NET OPERATING INCOME	**(6,740)**	**34**	**(525)**	**185**	**(371)**	**–**	**(7,417)**
Net cost of net debt							(1,003)
Non-controlling interests							85
NET INCOME – GROUP SHARE							**(8,335)**

1st half 2020 (adjustments)[(a)] (M$)	Exploration & Production	Integrated Gas, Renewables & Power	Refining & Chemicals	Marketing & Services	Corporate	Intercompany	Total
Non-Group sales	–	(16)	–	–	–	–	(16)
Intersegment sales	–	–	–	–	–	–	–
Excise taxes	–	–	–	–	–	–	–
REVENUES FROM SALES	**–**	**(16)**	**–**	**–**	**–**	**–**	**(16)**
Operating expenses	(37)	(318)	(1,637)	(341)	(91)	–	(2,424)
Depreciation, depletion and impairment of tangible assets and mineral interests	(7,338)	(953)	–	–	–	–	(8,291)
OPERATING INCOME[(b)]	**(7,375)**	**(1,287)**	**(1,637)**	**(341)**	**(91)**	**–**	**(10,731)**
Net income (loss) from equity affiliates and other items	71	(292)	(271)	(5)	–	–	(497)
Tax on net operating income	70	374	426	100	12	–	982
NET OPERATING INCOME[(b)]	**(7,234)**	**(1,205)**	**(1,482)**	**(246)**	**(79)**	**–**	**(10,246)**
Net cost of net debt							(68)
Non-controlling interests							72
NET INCOME – GROUP SHARE							**(10,242)**

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

	Exploration & Production	Integrated Gas, Renewables & Power	Refining & Chemicals	Marketing & Services	Corporate
– On operating income	–	–	(1,604)	(234)	–
– On net operating income	–	–	(1,371)	(163)	–

1st half 2020 (adjusted) *(M$)*	Exploration & Production	Integrated Gas, Renewables & Power	Refining & Chemicals	Marketing & Services	Corporate	Intercompany	Total
Non-Group sales	2,574	8,419	27,956	30,661	6	–	69,616
Intersegment sales	8,661	895	9,051	196	59	(18,862)	–
Excise taxes	–	–	(1,119)	(8,342)	–	–	(9,461)
REVENUES FROM SALES	**11,235**	**9,314**	**35,888**	**22,515**	**65**	**(18,862)**	**60,155**
Operating expenses	(6,011)	(8,080)	(34,099)	(21,389)	(471)	18,862	(51,188)
Depreciation, depletion and impairment of tangible assets and mineral interests	(4,973)	(663)	(788)	(473)	(40)	–	(6,937)
ADJUSTED OPERATING INCOME	**251**	**571**	**1,001**	**653**	**(446)**	**–**	**2,030**
Net income (loss) from equity affiliates and other items	369	712	179	37	164	–	1,461
Tax on net operating income	(126)	(44)	(223)	(259)	(10)	–	(662)
ADJUSTED NET OPERATING INCOME	**494**	**1,239**	**957**	**431**	**(292)**	**–**	**2,829**
Net cost of net debt							(935)
Non-controlling interests							13
ADJUSTED NET INCOME – GROUP SHARE							**1,907**

1st half 2020 *(M$)*	Exploration & Production	Integrated Gas, Renewables & Power	Refining & Chemicals	Marketing & Services	Corporate	Intercompany	Total
Total expenditures	3,265	3,461	533	334	66		7,659
Total divestments	325	433	101	72	26		957
Cash flow from operating activities	4,833	900	(103)	420	(1,272)		4,778

1st half 2019 *(M$)*	Exploration & Production	Integrated Gas, Renewables & Power	Refining & Chemicals	Marketing & Services	Corporate	Intercompany	Total
Non-Group sales	4,067	10,208	44,220	43,950	2	–	102,447
Intersegment sales	15,302	1,259	16,310	301	63	(33,235)	–
Excise taxes	–	–	(1,537)	(10,584)	–	–	(12,121)
REVENUES FROM SALES	**19,369**	**11,467**	**58,993**	**33,667**	**65**	**(33,235)**	**90,326**
Operating expenses	(8,234)	(10,287)	(56,502)	(32,178)	(406)	33,235	(74,372)
Depreciation, depletion and impairment of tangible assets and mineral interests	(5,216)	(643)	(763)	(470)	(35)	–	(7,127)
OPERATING INCOME	**5,919**	**537**	**1,728**	**1,019**	**(376)**	**–**	**8,827**
Net income (loss) from equity affiliates and other items	367	1,041	260	101	27	–	1,796
Tax on net operating income	(2,585)	(623)	(246)	(334)	124	–	(3,664)
Net operating income	**3,701**	**955**	**1,742**	**786**	**(225)**	**–**	**6,959**
Net cost of net debt							(1,015)
Non-controlling interests							(77)
NET INCOME – GROUP SHARE							**5,867**

1st half 2019 (adjustments)[a] *(M$)*	Exploration & Production	Integrated Gas, Renewables & Power	Refining & Chemicals	Marketing & Services	Corporate	Intercompany	Total
Non-Group sales	–	(86)	–	–	–	–	(86)
Intersegment sales	–	–	–	–	–	–	–
Excise taxes	–	–	–	–	–	–	–
REVENUES FROM SALES	**–**	**(86)**	**–**	**–**	**–**	**–**	**(86)**
Operating expenses	–	(112)	449	40	–	–	377
Depreciation, depletion and impairment of tangible assets and mineral interests	(43)	(11)	(10)	–	–	–	(64)
OPERATING INCOME[b]	**(43)**	**(209)**	**439**	**40**	**–**	**–**	**227**
Net income (loss) from equity affiliates and other items	–	413	(47)	(7)	–	–	359
Tax on net operating income	–	(270)	(121)	(13)	–	–	(404)
NET OPERATING INCOME[b]	**(43)**	**(66)**	**271**	**20**	**–**	**–**	**182**
Net cost of net debt							(8)
Non-controlling interests							47
NET INCOME – GROUP SHARE							**221**

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

	Exploration & Production	Integrated Gas, Renewables & Power	Refining & Chemicals	Marketing & Services	Corporate
– On operating income	–	–	486	40	–
– On net operating income	–	–	344	27	–

1st half 2019 (adjusted) *(M$)*	Exploration & Production	Integrated Gas, Renewables & Power	Refining & Chemicals	Marketing & Services	Corporate	Intercompany	Total
Non-Group sales	4,067	10,294	44,220	43,950	2	–	102,533
Intersegment sales	15,302	1,259	16,310	301	63	(33,235)	–
Excise taxes	–	–	(1,537)	(10,584)	–	–	(12,121)
REVENUES FROM SALES	**19,369**	**11,553**	**58,993**	**33,667**	**65**	**(33,235)**	**90,412**
Operating expenses	(8,234)	(10,175)	(56,951)	(32,218)	(406)	33,235	(74,749)
Depreciation, depletion and impairment of tangible assets and mineral interests	(5,173)	(632)	(753)	(470)	(35)	–	(7,063)
ADJUSTED OPERATING INCOME	**5,962**	**746**	**1,289**	**979**	**(376)**	**–**	**8,600**
Net income (loss) from equity affiliates and other items	367	628	307	108	27	–	1,437
Tax on net operating income	(2,585)	(353)	(125)	(321)	124	–	(3,260)
ADJUSTED NET OPERATING INCOME	**3,744**	**1,021**	**1,471**	**766**	**(225)**	**–**	**6,777**
Net cost of net debt							(1,007)
Non-controlling interests							(124)
ADJUSTED NET INCOME – GROUP SHARE							**5,646**

1st half 2019 *(M$)*	Exploration & Production	Integrated Gas, Renewables & Power	Refining & Chemicals	Marketing & Services	Corporate	Intercompany	Total
Total expenditures	4,282	1,975	648	527	51		7,483
Total divestments	89	574	239	157	3		1,062
Cash flow from operating activities	7,704	1,533	1,120	843	(1,320)		9,880

2nd quarter 2020 *(M$)*	Exploration & Production	Integrated Gas, Renewables & Power	Refining & Chemicals	Marketing & Services	Corporate	Intercompany	Total
Non-Group sales	992	3,313	9,433	11,986	6	–	25,730
Intersegment sales	3,097	301	2,956	107	31	(6,492)	–
Excise taxes	–	–	(469)	(3,699)	–	–	(4,168)
REVENUES FROM SALES	**4,089**	**3,614**	**11,920**	**8,394**	**37**	**(6,492)**	**21,562**
Operating expenses	(2,405)	(3,406)	(10,895)	(7,931)	(315)	6,492	(18,460)
Depreciation, depletion and impairment of tangible assets and mineral interests	(9,667)	(1,282)	(393)	(229)	(22)	–	(11,593)
OPERATING INCOME	**(7,983)**	**(1,074)**	**632**	**234**	**(300)**	**–**	**(8,491)**
Net income (loss) from equity affiliates and other items	17	21	(35)	22	40	–	65
Tax on net operating income	398	322	(132)	(127)	(26)	–	435
NET OPERATING INCOME	**(7,568)**	**(731)**	**465**	**129**	**(286)**	**–**	**(7,991)**
Net cost of net debt							(431)
Non-controlling interests							53
NET INCOME – GROUP SHARE							**(8,369)**

2nd quarter 2020 (adjustments)[a] *(M$)*	Exploration & Production	Integrated Gas, Renewables & Power	Refining & Chemicals	Marketing & Services	Corporate	Intercompany	Total
Non-Group sales	–	(18)	–	–	–	–	(18)
Intersegment sales	–	–	–	–	–	–	–
Excise taxes	–	–	–	–	–	–	–
REVENUES FROM SALES	**–**	**(18)**	**–**	**–**	**–**	**–**	**(18)**
Operating expenses	(27)	(199)	(48)	5	(36)	–	(305)
Depreciation, depletion and impairment of tangible assets and mineral interests	(7,338)	(953)	–	–	–	–	(8,291)
OPERATING INCOME[b]	**(7,365)**	**(1,170)**	**(48)**	**5**	**(36)**	**–**	**(8,614)**
Net income (loss) from equity affiliates and other items	(57)	(217)	(63)	(5)	–	–	(342)
Tax on net operating income	63	330	1	–	12	–	406
NET OPERATING INCOME[b]	**(7,359)**	**(1,057)**	**(110)**	**–**	**(24)**	**–**	**(8,550)**
Net cost of net debt							33
Non-controlling interests							22
NET INCOME – GROUP SHARE							**(8,495)**

(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	–	–	(26)	(16)	–
– On net operating income	–	–	(86)	(9)	–

2nd quarter 2020 (adjusted) (M$)	Exploration & Production	Integrated Gas, Renewables & Power	Refining & Chemicals	Marketing & Services	Corporate	Intercompany	Total
Non-Group sales	992	3,331	9,433	11,986	6	–	25,748
Intersegment sales	3,097	301	2,956	107	31	(6,492)	–
Excise taxes	–	–	(469)	(3,699)	–	–	(4,168)
Revenues from sales	**4,089**	**3,632**	**11,920**	**8,394**	**37**	**(6,492)**	**21,580**
Operating expenses	(2,378)	(3,207)	(10,847)	(7,936)	(279)	6,492	(18,155)
Depreciation, depletion and impairment of tangible assets and mineral interests	(2,329)	(329)	(393)	(229)	(22)	–	(3,302)
ADJUSTED OPERATING INCOME	**(618)**	**96**	**680**	**229**	**(264)**	**–**	**123**
Net income (loss) from equity affiliates and other items	74	238	28	27	40	–	407
Tax on net operating income	335	(8)	(133)	(127)	(38)	–	29
ADJUSTED NET OPERATING INCOME	**(209)**	**326**	**575**	**129**	**(262)**	**–**	**559**
Net cost of net debt							(464)
Non-controlling interests							31
ADJUSTED NET INCOME – GROUP SHARE							**126**

2nd quarter 2020 (M$)	Exploration & Production	Integrated Gas, Renewables & Power	Refining & Chemicals	Marketing & Services	Corporate	Intercompany	Total
Total expenditures	1,606	1,170	307	174	21		3,278
Total divestments	204	89	22	26	9		350
Cash flow from operating activities	910	1,389	1,080	819	(719)		3,479

2nd quarter 2019 (M$)	Exploration & Production	Integrated Gas, Renewables & Power	Refining & Chemicals	Marketing & Services	Corporate	Intercompany	Total
Non-Group sales	2,273	3,789	22,509	22,671	–	–	51,242
Intersegment sales	7,586	632	8,293	139	36	(16,686)	–
Excise taxes	–	–	(761)	(5,279)	–	–	(6,040)
REVENUES FROM SALES	**9,859**	**4,421**	**30,041**	**17,531**	**36**	**(16,686)**	**45,202**
Operating expenses	(4,205)	(3,878)	(29,168)	(16,844)	(229)	16,686	(37,638)
Depreciation, depletion and impairment of tangible assets and mineral interests	(2,687)	(328)	(389)	(237)	(20)	–	(3,661)
OPERATING INCOME	**2,967**	**215**	**484**	**450**	**(213)**	**–**	**3,903**
Net income (loss) from equity affiliates and other items	173	661	111	111	26	–	1,082
Tax on net operating income	(1,161)	(450)	46	(170)	64	–	(1,671)
NET OPERATING INCOME	**1,979**	**426**	**641**	**391**	**(123)**	**–**	**3,314**
Net cost of net debt							(510)
Non-controlling interests							(48)
NET INCOME – GROUP SHARE							**2,756**

2nd quarter 2019 (adjustments)[a] *(M$)*	Exploration & Production	Integrated Gas, Renewables & Power	Refining & Chemicals	Marketing & Services	Corporate	Intercompany	Total
Non-Group sales	–	(59)	–	–	–	–	(59)
Intersegment sales	–	–	–	–	–	–	–
Excise taxes	–	–	–	–	–	–	–
REVENUES FROM SALES	**–**	**(59)**	**–**	**–**	**–**	**–**	**(59)**
Operating expenses	–	(54)	(43)	(34)	–	–	(131)
Depreciation, depletion and impairment of tangible assets and mineral interests	(43)	(11)	(10)	–	–	–	(64)
OPERATING INCOME[b]	**(43)**	**(124)**	**(53)**	**(34)**	**–**	**–**	**(254)**
Net income (loss) from equity affiliates and other items	–	407	(49)	(7)	–	–	351
Tax on net operating income	–	(286)	28	9	–	–	(249)
NET OPERATING INCOME[b]	**(43)**	**(3)**	**(74)**	**(32)**	**–**	**–**	**(152)**
Net cost of net debt							(4)
Non-controlling interests							25
NET INCOME – GROUP SHARE							**(131)**

(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	–	–	(6)	(34)	–
– On net operating income	–	–	(1)	(25)	–

2nd quarter 2019 (adjusted) *(M$)*	Exploration & Production	Integrated Gas, Renewables & Power	Refining & Chemicals	Marketing & Services	Corporate	Intercompany	Total
Non-Group sales	2,273	3,848	22,509	22,671	–	–	51,301
Intersegment sales	7,586	632	8,293	139	36	(16,686)	–
Excise taxes	–	–	(761)	(5,279)	–	–	(6,040)
REVENUES FROM SALES	**9,859**	**4,480**	**30,041**	**17,531**	**36**	**(16,686)**	**45,261**
Operating expenses	(4,205)	(3,824)	(29,125)	(16,810)	(229)	16,686	(37,507)
Depreciation, depletion and impairment of tangible assets and mineral interests	(2,644)	(317)	(379)	(237)	(20)	–	(3,597)
ADJUSTED OPERATING INCOME	**3,010**	**339**	**537**	**484**	**(213)**	**–**	**4,157**
Net income (loss) from equity affiliates and other items	173	254	160	118	26	–	731
Tax on net operating income	(1,161)	(164)	18	(179)	64	–	(1,422)
ADJUSTED NET OPERATING INCOME	**2,022**	**429**	**715**	**423**	**(123)**	**–**	**3,466**
Net cost of net debt							(506)
Non-controlling interests							(73)
ADJUSTED NET INCOME – GROUP SHARE							**2,887**

2nd quarter 2019 *(M$)*	Exploration & Production	Integrated Gas, Renewables & Power	Refining & Chemicals	Marketing & Services	Corporate	Intercompany	Total
Total expenditures	2,257	857	363	383	36		3,896
Total divestments	60	349	70	85	1		565
Cash flow from operating activities	3,768	641	1,658	611	(427)		6,251

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

1st half 2020 (M$)	Adjusted	Adjustments(a)	Consolidated statement of income
Sales	**69,616**	**(16)**	**69,600**
Excise taxes	(9,461)	–	(9,461)
Revenues from sales	60,155	(16)	60,139
Purchases net of inventory variation	(37,949)	(2,144)	(40,093)
Other operating expenses	(12,985)	(280)	(13,265)
Exploration costs	(254)	–	(254)
Depreciation, depletion and impairment of tangible assets and mineral interests	(6,937)	(8,291)	(15,228)
Other income	820	122	942
Other expense	(294)	(234)	(528)
Financial interest on debt	(1,094)	(5)	(1,099)
Financial income and expense from cash & cash equivalents	(13)	(92)	(105)
Cost of net debt	(1,107)	(97)	(1,204)
Other financial income	607	–	607
Other financial expense	(341)	(1)	(342)
Net income (loss) from equity affiliates	669	(384)	285
Income taxes	(490)	1,011	521
CONSOLIDATED NET INCOME	**1,894**	**(10,314)**	**(8,420)**
Group share	1,907	(10,242)	(8,335)
Non-controlling interests	(13)	(72)	(85)

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

1st half 2019 (M$)	Adjusted	Adjustments(a)	Consolidated statement of income
Sales	**102,533**	**(86)**	**102,447**
Excise taxes	(12,121)	–	(12,121)
Revenues from sales	90,412	(86)	90,326
Purchases net of inventory variation	(60,533)	422	(60,111)
Other operating expenses	(13,758)	(45)	(13,803)
Exploration costs	(458)	–	(458)
Depreciation, depletion and impairment of tangible assets and mineral interests	(7,063)	(64)	(7,127)
Other income	453	115	568
Other expense	(190)	(208)	(398)
Financial interest on debt	(1,121)	(8)	(1,129)
Financial income and expense from cash & cash equivalents	(70)	–	(70)
Cost of net debt	(1,191)	(8)	(1,199)
Other financial income	486	–	486
Other financial expense	(383)	–	(383)
Net income (loss) from equity affiliates	1,071	452	1,523
Income taxes	(3,076)	(404)	(3,480)
CONSOLIDATED NET INCOME	**5,770**	**174**	**5,944**
Group share	5,646	221	5,867
Non-controlling interests	124	(47)	77

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

2nd quarter 2020 (M$)	Adjusted	Adjustments(a)	Consolidated statement of income
Sales	**25,748**	**(18)**	**25,730**
Excise taxes	(4,168)	–	(4,168)
Revenues from sales	21,580	(18)	21,562
Purchases net of inventory variation	(11,842)	(183)	(12,025)
Other operating expenses	(6,199)	(122)	(6,321)
Exploration costs	(114)	–	(114)
Depreciation, depletion and impairment of tangible assets and mineral interests	(3,302)	(8,291)	(11,593)
Other income	240	122	362
Other expense	(103)	(5)	(108)
Financial interest on debt	(527)	(3)	(530)
Financial income and expense from cash & cash equivalents	(3)	53	50
Cost of net debt	(530)	50	(480)
Other financial income	419	–	419
Other financial expense	(160)	(1)	(161)
Net income (loss) from equity affiliates	11	(458)	(447)
Income taxes	95	389	484
CONSOLIDATED NET INCOME	**95**	**(8,517)**	**(8,422)**
Group share	126	(8,495)	(8,369)
Non-controlling interests	(31)	(22)	(53)

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

2nd quarter 2019 (M$)	Adjusted	Adjustments(a)	Consolidated statement of income
Sales	**51,301**	**(59)**	**51,242**
Excise taxes	(6,040)	–	(6,040)
Revenues from sales	45,261	(59)	45,202
Purchases net of inventory variation	(30,295)	(95)	(30,390)
Other operating expenses	(7,042)	(36)	(7,078)
Exploration costs	(170)	–	(170)
Depreciation, depletion and impairment of tangible assets and mineral interests	(3,597)	(64)	(3,661)
Other income	253	68	321
Other expense	(117)	(72)	(189)
Financial interest on debt	(564)	(4)	(568)
Financial income and expense from cash & cash equivalents	(42)	–	(42)
Cost of net debt	(606)	(4)	(610)
Other financial income	326	–	326
Other financial expense	(188)	–	(188)
Net income (loss) from equity affiliates	457	355	812
Income taxes	(1,322)	(249)	(1,571)
CONSOLIDATED NET INCOME	**2,960**	**(156)**	**2,804**
Group share	2,887	(131)	2,756
Non-controlling interests	73	(25)	48

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

3.3) Adjustment items

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

Adjustments to operating income

(M$)		Exploration & Production	Integrated Gas, Renewables & Power	Refining & Chemicals	Marketing & Services	Corporate	Total
2nd quarter 2020	Inventory valuation effect	–	–	(26)	(16)	–	(42)
	Effect of changes in fair value	–	(100)	–	–	–	(100)
	Restructuring charges	–	(10)	(7)	–	–	(17)
	Asset impairment charges	(7,338)	(953)	–	–	–	(8,291)
	Other items	(27)	(107)	(15)	21	(36)	(164)
TOTAL		**(7,365)**	**(1,170)**	**(48)**	**5**	**(36)**	**(8,614)**
2nd quarter 2019	Inventory valuation effect	–	–	(6)	(34)	–	(40)
	Effect of changes in fair value	–	(59)	–	–	–	(59)
	Restructuring charges	–	–	–	–	–	–
	Asset impairment charges	(43)	(11)	(10)	–	–	(64)
	Other items	–	(54)	(37)	–	–	(91)
TOTAL		**(43)**	**(124)**	**(53)**	**(34)**	**–**	**(254)**
1st half 2020	Inventory valuation effect	–	–	(1,604)	(234)	–	(1,838)
	Effect of changes in fair value	–	(98)	–	–	–	(98)
	Restructuring charges	(10)	(18)	(7)	–	–	(35)
	Asset impairment charges	(7,338)	(953)	–	–	–	(8,291)
	Other items	(27)	(218)	(26)	(107)	(91)	(469)
TOTAL		**(7,375)**	**(1,287)**	**(1,637)**	**(341)**	**(91)**	**(10,731)**
1st half 2019	Inventory valuation effect	–	–	486	40	–	526
	Effect of changes in fair value	–	(86)	–	–	–	(86)
	Restructuring charges	–	–	–	–	–	–
	Asset impairment charges	(43)	(11)	(10)	–	–	(64)
	Other items	–	(112)	(37)	–	–	(149)
TOTAL		**(43)**	**(209)**	**439**	**40**	**–**	**227**

Adjustments to net income, group share

(M$)		Exploration & Production	Integrated Gas, Renewables & Power	Refining & Chemicals	Marketing & Services	Corporate	Total
2nd quarter 2020	Inventory valuation effect	–	–	(83)	(11)	–	(94)
	Effect of changes in fair value	–	(80)	–	–	–	(80)
	Restructuring charges	–	(10)	(10)	–	–	(20)
	Asset impairment charges	(7,272)	(829)	–	–	–	(8,101)
	Gains (losses) on disposals of assets	–	–	–	–	–	–
	Other items	(77)	(131)	(14)	10	12	(200)
TOTAL		**(7,349)**	**(1,050)**	**(107)**	**(1)**	**12**	**(8,495)**
2nd quarter 2019	Inventory valuation effect	–	–	(3)	(25)	–	(28)
	Effect of changes in fair value	–	(47)	–	–	–	(47)
	Restructuring charges	–	(14)	(17)	–	–	(31)
	Asset impairment charges	(43)	(6)	(8)	–	–	(57)
	Gains (losses) on disposals of assets	–	–	–	–	–	–
	Other items	–	86	(48)	(6)	–	32
TOTAL		**(43)**	**19**	**(76)**	**(31)**	**–**	**(131)**
1st half 2020	Inventory valuation effect	–	–	(1,364)	(144)	–	(1,508)
	Effect of changes in fair value	–	(79)	–	–	–	(79)
	Restructuring charges	(3)	(22)	(75)	–	–	(100)
	Asset impairment charges	(7,272)	(829)	–	–	–	(8,101)
	Gains (losses) on disposals of assets	–	–	–	–	–	–
	Other items	51	(256)	(36)	(71)	(142)	(454)
TOTAL		**(7,224)**	**(1,186)**	**(1,475)**	**(215)**	**(142)**	**(10,242)**
1st half 2019	Inventory valuation effect	–	–	341	19	–	360
	Effect of changes in fair value	–	(69)	–	–	–	(69)
	Restructuring charges	–	(16)	(17)	–	–	(33)
	Asset impairment charges	(43)	(6)	(8)	–	–	(57)
	Gains (losses) on disposals of assets	–	–	–	–	–	–
	Other items	–	74	(48)	(6)	–	20
TOTAL		**(43)**	**(17)**	**268**	**13**	**–**	**221**

3.4) Asset impairment

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

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

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

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

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

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

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

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

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

The CGUs of the Refining & Chemicals segment are defined as legal entities with operational activities for refining and petrochemicals activities. No significant impairment has been recorded for the CGUs of the Refining & Chemicals segment in the first half-year 2020.

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

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

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

Overall, asset impairments were recorded on the second quarter 2020 for an amount of $(8,291) million in operating income and $(8,101) million in net income, Group share, including $(6,988) million on Canadian oil sands assets alone.

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

As for sensitivities of the Exploration & Production segment:

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

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

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

4) Shareholders' equity

Treasury shares (TOTAL shares held directly by TOTAL SE)

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

TOTAL SE has also repurchased shares to be allocated to free share grant plans.

As of June 30, 2020, TOTAL SE directly holds 28,706,598 TOTAL shares, representing 1.10% of its share capital, which are deducted from the consolidated shareholders' equity and allocated as follows:

SHARES TO BE CANCELLED (1)	**23,284,409**
including shares repurchased during Q4 2019	11,051,144
including shares repurchased during Q1 2020	12,233,265
SHARES TO BE ALLOCATED AS PART OF FREE SHARE GRANT PLANS (2)	**5,422,189**
including the 2017 Plan	4,356,044
including the 2018 Plan	1,001,529
including shares intended to be allocated to new share purchase options plans or to new share performance plans	64,616
TOTAL TREASURY SHARES (1)+(2)	**28,706,598**

Dividend

The Shareholders' meeting of May 29, 2020 approved the distribution of a dividend of €2.68 per share for the 2019 fiscal year and the payment of a final dividend of €0.68 per share given the three interim dividends that had already been paid.

The Board of directors of May 4, 2020 decided to offer the shareholders the option to receive the final 2019 dividend in cash or in new shares of the Company with a discount of 10%, each choice being exclusive of the other.

Dividend 2019	First interim	Second interim	Third interim	Final
Amount	€0.66	€0.66	€0.68	€0.68
Set date	April 25, 2019	July 24, 2019	October 29, 2019	May 29, 2020
Ex-dividend date	September 27, 2019	January 6, 2020	March 30, 2020	June 29, 2020
Payment date	October 1, 2019	January 8, 2020	April 1, 2020	July 16, 2020
OPTION FOR THE SCRIP DIVIDEND				
Issue price	–	–	–	€28.80 (1)
Number of shares subscribed	–	–	–	38,063,688

(1) This price is equal to 90% of the average Euronext Paris opening prices of the TOTAL shares for the twenty trading days preceding the Shareholders' Meeting of May 29, 2020, reduced by the amount of the final dividend and rounded up to the nearest cent.

Furthermore, the Board of directors, during its July 29, 2020 meeting, set the second interim dividend for the fiscal year 2020 at €0.66 per share, equal to the first interim dividend. The ex-dividend date of this interim dividend will be on January 4, 2021 and it will be paid in cash exclusively on January 11, 2021.

Dividend 2020	First interim	Second interim
Amount	€0.66	€0.66
Set date	May 4, 2020	July 29, 2020
Ex-dividend date	September 25, 2020	January 4, 2021
Payment date	October 2, 2020	January 11, 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 €(2.98) per share for the 2nd quarter 2020 (€(0.01) per share for the 1st quarter 2020 and €0.89 per share for the 2nd quarter 2019). Diluted earnings per share calculated using the same method amounted to €(2.98) per share for the 2nd quarter 2020 (€(0.01) per share for the 1st quarter 2020 and €0.89 per share for the 2nd quarter 2019).

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

Other comprehensive income

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

(M$)	1st half 2020	1st half 2019
Actuarial gains and losses	(223)	(59)
Change in fair value of investments in equity instruments	(74)	107
Tax effect	86	14
Currency translation adjustment generated by the parent company	(196)	(474)
SUB-TOTAL ITEMS NOT POTENTIALLY RECLASSIFIABLE TO PROFIT AND LOSS	**(407)**	**(412)**
Currency translation adjustment	**(940)**	**187**
unrealized gain/(loss) of the period	(907)	233
less gain/(loss) included in net income	33	46
Cash flow hedge	**(1,293)**	**(373)**
unrealized gain/(loss) of the period	(1,317)	(303)
less gain/(loss) included in net income	(24)	70
Variation of foreign currency basis spread	**70**	**54**
unrealized gain/(loss) of the period	42	25
less gain/(loss) included in net income	(28)	(29)
Share of other comprehensive income of equity affiliates, net amount	**(927)**	**253**
unrealized gain/(loss) of the period	(936)	265
less gain/(loss) included in net income	(9)	12
Other	**3**	**2**
Tax effect	**367**	**107**
SUB-TOTAL ITEMS POTENTIALLY RECLASSIFIABLE TO PROFIT AND LOSS	**(2,720)**	**230**
TOTAL OTHER COMPREHENSIVE INCOME, NET AMOUNT	**(3,127)**	**(182)**

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

	1st half 2020			1st half 2019		
(M$)	Pre-tax amount	Tax effect	Net amount	Pre-tax amount	Tax effect	Net amount
Actuarial gains and losses	(223)	56	(167)	(59)	16	(43)
Change in fair value of investments in equity instruments	(74)	30	(44)	107	(2)	105
Currency translation adjustment generated by the parent company	(196)	–	(196)	(474)	–	(474)
SUB-TOTAL ITEMS NOT POTENTIALLY RECLASSIFIABLE TO PROFIT AND LOSS	**(493)**	**86**	**(407)**	**(426)**	**14**	**(412)**
Currency translation adjustment	(940)	–	(940)	187	–	187
Cash flow hedge	(1,293)	389	(904)	(373)	125	(248)
Variation of foreign currency basis spread	70	(22)	48	54	(18)	36
Share of other comprehensive income of equity affiliates, net amount	(927)	–	(927)	253	–	253
Other	3	–	3	2	–	2
SUB-TOTAL ITEMS POTENTIALLY RECLASSIFIABLE TO PROFIT AND LOSS	**(3,087)**	**367**	**(2,720)**	**123**	**107**	**230**
TOTAL OTHER COMPREHENSIVE INCOME	**(3,580)**	**453**	**(3,127)**	**(303)**	**121**	**(182)**

5) Financial debt

The Group has issued bonds during the first six months of 2020:
- Bond 1.491% maturing in April 2027 (EUR 1,500 million);
- Bond 1.994% maturing in April 2032 (EUR 1,500 million);
- Bond 0.952% maturing in May 2031 (EUR 500 million);
- Bond 1.618% maturing in May 2040 (EUR 1,000 million);
- Bond 3.127% maturing in May 2050 (USD 2,500 million);
- Bond 2.986% maturing in June 2041 (USD 800 million);
- Bond 3.386% maturing in June 2060 (USD 800 million).

The Group reimbursed bonds during the first six months of 2020:
- Bond 4.750% issued in 2014 and maturing in January 2020 (NZD 100 million);
- Bond 2.125% issued in 2014 and maturing in January 2020 (CAD 100 million);
- Bond Euribor 3 months + 30 basis points issued in 2014 and maturing in March 2020 (EUR 1,000 million);
- Bond Euribor 3 months + 31 basis points issued in 2013 and maturing in May 2020 (EUR 300 million);
- Bond 4.450% issued in 2010 and maturing in June 2020 (USD 1,250 million).

In April 2020, the Group has also put in place a new committed syndicated credit line with banking counterparties for an 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).

6) Related parties

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

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

7) Other risks and contingent liabilities

TOTAL is not currently aware of any exceptional event, dispute, risks or contingent liabilities that could have a material impact on the assets and liabilities, results, financial position or operations of the Group, other than those mentioned below.

Health and oil crises

During the second quarter, the Group faced exceptional circumstances: the COVID-19 health crisis with its impact on the global economy and the oil market crisis with Brent falling sharply to 30$/b on average, gas prices dropping to historic lows and refining margins collapsing due to weak demand.

Oil prices strengthened since the beginning of June, reaching around 40$/b, benefiting from strong compliance with the OPEC+ quotas and the decline of hydrocarbon production in the United States and Canada as well as a recovery in demand.

The oil environment, however, remains volatile, given the uncertainty around the extent and speed of the global economic recovery post-Covid-19.

The Group demonstrates discipline in the implementation of its 2020 action plan:
- Net investments below $14 billion,
- Savings of $1 billion on operating costs compared to 2019.

TOTAL will continue to profitably grow in low carbon electricity, particularly in renewables, with close to $2 billion of investments in 2020.

In LNG, TOTAL anticipates significant deferred liftings in the third quarter and expects the decline in oil prices observed in the second quarter to have an impact on long-term LNG contract prices in the second half of the year.

Considering the implementation of the OPEC+ quotas and the situation in Libya, the Group now expects 2020 production to be between 2.9 Mboe/d and 2.95 Mboe/d, with a low point in the third quarter during the summer season. The ramp up of Iara's second FPSO in Brazil will contribute to production growth in the last part of the year. In the Downstream, high inventory levels continue to weigh on refining margins and utilization rates. In Marketing, activity in Europe returned to 90% of its pre-crisis level since June and the Group anticipates that it will remain at a comparable level in the coming months.

The Group's priority is to generate a level of cash flow that allows it to continue to invest in profitable projects, to preserve an attractive shareholder return and to maintain a strong balance sheet. To this end, the Group's teams are focused on the four priorities of HSE, operational excellence, cost reduction and cash flow generation.

Yemen

In Yemen, the deterioration of security conditions in the vicinity of the Balhaf site caused the company Yemen LNG, in which the Group holds a stake of 39.62%, to stop its commercial production and export of LNG and to declare force majeure to its various stakeholders in 2015. The plant has been put in preservation mode.

8) Post closing events

There was no post closing event.

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TOTAL SE
Registered office:
2, place Jean Millier – La Défense 6
92400 Courbevoie – France
Share capital: 6,632,810,062.50 euros
542 051 180 RCS Nanterre

Reception: +33 (0)1 47 44 45 46
Investor Relations: +44 (0)207 719 7962
North American Investor Relations: +1 (713) 483-5070