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TotalEnergies Capital

Period from January 1 to September 30, 2023

Statutory auditor's review report on the condensed interim financial statements

ERNST & YOUNG Audit



TotalEnergies Capital

Period from January 1 to September 30, 2023

Statutory auditor's review report on the condensed interim financial statements

To the Chairman and Chief Executive Officer,

In our capacity as statutory auditor of TotalEnergies Capital and in accordance with your request, we have performed a review of the accompanying condensed interim financial statements for the period from January 1 to September 30, 2023.

Management is responsible for the preparation and presentation of these condensed interim financial statements. As they are not intended to be presented to the shareholders, they have not been approved by your Board of Directors. Our role is to express a conclusion on these condensed interim financial statements based on our review.

We conducted our review in accordance with professional standards applicable in France and the professional guidance issued by the French Institute of Statutory Auditors (*Compagnie nationale des commissaires aux comptes*) relating to this engagement. A review 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 condensed interim financial statements, are not prepared, in all material respects, in accordance with the evaluation and accounting principles set out in the notes to the condensed interim financial statements.

This report is governed by French law. The courts of France shall have exclusive jurisdiction over any claim or dispute resulting from our engagement letter or this report, or any related matters. Each party irrevocably waives its right to oppose any action brought before French courts, to claim that the action is being brought before an illegitimate court or that the courts have no jurisdiction.

Paris-La Défense, November 8, 2023

The Statutory Auditor
French original signed by
ERNST & YOUNG Audit

Laurent Vitse

**TOTALENERGIES CAPITAL
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CONDENSED FINANCIAL STATEMENTS

AS OF 30 SEPTEMBER 2023

- BALANCE SHEET AS OF 30 SEPTEMBER 2023
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TOTALENERGIES CAPITAL

**BALANCE SHEET
AS OF 30 SEPTEMBER 2023**

TOTALENERGIES CAPITAL
BALANCE SHEET AS OF 30 SEPTEMBER 2023
(in euros)

ASSETS	30-Sep-23			31-Dec-22	LIABILITIES	30-Sep-23	31-Dec-22
	Gross	Amortizations, depreciations and provisions	Net				
FIXED ASSETS					SHAREHOLDERS' EQUITY (note 3)		
FINANCIAL ASSETS (note 2)	2,140,628,844		2,140,628,844	2,134,915,836	Capital	300,000	300,000
Long-term loans after swaps	2,125,070,795		2,125,070,795	2,110,725,670	Reserves	7,294,405	9,355,475
Drawdowns on credit facilities	-		-	-	Legal Reserves	30,000	30,000
Accrued interests on long-term loans after swaps	15,558,049		15,558,049	24,190,165	Retained Earnings	7,264,405	9,325,475
Accrued interests on credit facilities	-		-	-			
					Income for fiscal year	865,190	(2,061,070)
SUB TOTAL I	2,140,628,844	-	2,140,628,844	2,134,915,836	SUB TOTAL I	8,459,595	7,594,405
					PROVISIONS	-	-
					SUB TOTAL II	-	-
CURRENT ASSETS					LIABILITIES		
RECEIVABLES	6,276,456,793		6,276,456,793	3,666,344,754	Debenture loans and similar debt debentures (note 4)	2,140,628,844	2,134,915,835
Current accounts and inter-company loans	3,091,974,354		3,091,974,354	29,503,994	Debenture loans after hedge swaps	2,125,070,795	2,110,725,670
Deposits and security deposits	2,739,927,793		2,739,927,793	3,052,749,772	Accrued interests on debenture loans after swaps	15,558,049	24,190,165
Tax and social receivables	-		-	-			
Other receivables	19,435,959		19,435,959	9,558,320	Miscellaneous borrowings and financial debts	6,280,176,665	3,655,797,701
Accrued income on dedicated swaps	425,118,547		425,118,547	574,532,668	Commercial Papers	3,030,573,910	-
Cash available	141		141	-	Bank and security deposits	295,777,720	202,023,683
					Creditor current accounts	2,530,188,132	2,879,314,461
					Related accounts payables on miscellaneous financial liabilities	-	-
					Accrued liabilities on dedicated swaps	423,636,903	574,459,557
					Diverse liabilities	-	-
					Operating liabilities	2,471,792	1,725,672
					Trade notes and account payables	2,471,792	1,725,672
					Tax and social liabilities	-	-
					Accrued income	-	-
SUB TOTAL II	6,276,456,793	-	6,276,456,793	3,666,344,754	SUB TOTAL III	8,423,277,301	5,792,439,208
PREPAID EXPENSES III	15,922,208		15,922,208	-	PREPAID INCOME IV	1,270,950	1,226,977
TOTAL (I+II+III)	EUR 8,433,007,846	-	8,433,007,846	5,801,260,590	TOTAL (I+II+III+IV)	EUR 8,433,007,846	5,801,260,590

**INCOME STATEMENT
AS OF 30 SEPTEMBER 2023**

TOTALENERGIES CAPITAL

(in euros)

INCOME STATEMENT AS OF 30 SEPTEMBER 2023

EXPENSES	30-Sep-23	31-Dec-22	30-Sep-22	INCOME	30-Sep-23	31-Dec-22	30-Sep-22
OPERATING EXPENSES				OPERATING INCOME			
External expenses	1,095,904	1,279,821	360,678	Miscellaneous income	-	-	-
Taxes	-	-	-				
SUB TOTAL I	1,095,904	1,279,821	360,678	SUB TOTAL I	-	-	-
FINANCIAL EXPENSES				FINANCIAL INCOME			
Interests on debenture loans after swaps	73,254,564	98,937,436	73,908,350	Interests on loans after swaps	44,491,011	61,203,798	45,660,223
Interests on Commercial Papers	104,714,477	1,438,157	723,384	Interests on long-term loans	30,965,300	38,409,502	28,869,106
Interests on NEU CP (ex Billets de Trésorerie)	-	-	-	Interests on Commercial Papers	-	-	-
Interests on borrowings	-	-	-	Interests on inter-company loans	-	-	-
Interests on current accounts	49,817,934	10,103,294	527,655	Interests on current accounts	100,611,086	2,933,536	2,150,149
Interests on bank and security deposits	2,798,936	9,148,339	7,157,440	Interests on bank and security deposits	54,909,663	12,512,173	747,889
Interests on dedicated swaps	1,942,929,468	1,935,575,496	1,288,912,591	Income from dedicated swaps	1,942,903,496	1,935,349,655	1,289,063,789
Other financial expenses and swap points	-	14,677	13,188	Other interests, similar income and swap points	-	14,677	13,188
Foreign exchange loss	525,691	703,369	203,040	Foreign exchange income	-	-	-
Diverse financial expenses and miscellaneous expenses	2,016,269	1,403,241	1,334,627	Diverse financial interests	4,137,876	5,951,518	6,006,165
SUB TOTAL II	2,176,057,339	2,057,324,009	1,372,780,273	SUB TOTAL II	2,178,018,433	2,056,374,859	1,372,510,509
EXTRAORDINARY EXPENSES	-	-	-	EXTRAORDINARY INCOME	-	-	-
SUB TOTAL III	-	-	-	SUB TOTAL III	-	-	-
INCOME TAX IV	-	(167,901)	(167,901)				
NET INCOME FOR THE PERIOD	865,190	-	-	NET LOSS FOR THE PERIOD	-	2,061,070	462,541
TOTAL	2,178,018,433	2,058,435,929	1,372,973,050	TOTAL	2,178,018,433	2,058,435,929	1,372,973,050

**CASH FLOW STATEMENT
AS OF 30 SEPTEMBER 2023**

TOTALENERGIES CAPITAL

CASH FLOW STATEMENT

in thousands of euros

	30/09/2023	31/12/2022
OPERATING CASH FLOW		
Fiscal period income as of 31.12.2022		(2,061)
Fiscal period income as of 30.09.2023	865	
Decrease (increase) in working capital requirement	(16,671)	(4,325)
Net Operating Cash Flow	(15,806)	(6,386)
INVESTING CASH FLOW		
Increase in long-term loans	(7,116)	(18,843)
Repayment of long-term loans	7,885	547,047
Net Investment Cash Flow	769	528,204
FINANCING CASH FLOW		
Dividends paid		
Net loans issued	2,999,307	(555,692)
Changes in short-term financial liabilities	(421,233)	2,290,173
Changes in short-term receivables	(2,555,830)	(2,272,352)
Net Financial Cash Flow	22,245	(537,871)
Cash increase (decrease)	7,208	(16,053)
Impact on foreign exchange fluctuations	(7,208)	16,053
Cash at the beginning of the period	0	0
Cash at the end of the period	0	0

APPENDIX

APPENDIX

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Basis of preparation of condensed financial statements

Those interim financial statements were prepared with respect to the French National Accounting Board (Conseil National de Comptabilité) “recommendation n°99.R.01” dated 18th March 1999 and related to the interim financial statements. They do not include all the information usually required in the financial statements according to the French GAAP. However, they present a selection of notes describing significant facts and operations in order to understand the evolution in the financial statements and performance of the company that could have occurred since the last financial statement as of 31st December 2022.

SIGNIFICANT EVENTS

During the third quarter of 2023, TotalEnergies Capital continued its activity on debt capital markets through Commercial Paper issuances, as well as its activity of interest rate and currency risk management.

For short-term borrowings, TotalEnergies Capital can issue under Commercial Paper programmes (US CP, EURO CP) and under a NEU CP (ex Billets de Trésorerie) programme.

For long-term borrowings, TotalEnergies Capital can issue along with TotalEnergies SE, TotalEnergies Capital Canada and TotalEnergies Capital International, as principal issuer under an EMTN programme (guaranteed by TotalEnergies SE), not renewed as of September 30, 2023, under a US SEC-Registered Shelf programme (guaranteed by TotalEnergies SE) and under an AMTN programme in Australia (guaranteed by TotalEnergies SE). TotalEnergies Capital can also issue on a stand-alone basis (guaranteed by TotalEnergies SE).

During the third quarter of 2023, TotalEnergies Capital did not issue any new debenture loan.

TotalEnergies Capital’s issuance programmes have long-term and short-term ratings by Standard and Poor’s: A+/A-1, and by Moody’s: A1/P-1. These ratings were made possible thanks to TotalEnergies SE’s guarantee granted to these programmes. TotalEnergies SE has a long-term and a short-term rating by Standard and Poor’s: A+/A-1 with a Stable outlook on the long-term rating, and by Moody’s: A1/P-1 with a Stable outlook on the long-term rating.

ENVIRONMENT

In an inflationary context, notably linked to the continuation of the Russia-Ukraine conflict and the increase of energy prices, central banks kept on implementing their restrictive policies by increasing key rates during the third quarter of 2023. Inflation began to be impacted at the end of this quarter, prompting the US Federal Reserve to pause its interest rate hikes at the September 19, 2023, meeting. The European Central Bank decided to raise key interest rates again at its September 14, 2023, meeting. During its meeting held on October 26, 2023, it decided to keep its key interest rates unchanged.

NOTE 1: ACCOUNTING RULES

Accounting rules and methods used for interim accounts are the same as the ones used for year end 2022 accounts.

GENERAL PRINCIPLES

The balance sheet and income statement are established in accordance with the provisions of French law and in compliance with generally accepted accounting principles used by corporations.

ACCOUNTING RULES AND METHODS

The long- and medium-term financing transactions within the company TotalEnergies are recorded as financial assets according to their face value.

✓ Currency transactions

Given its financial activities and the significant amount of its foreign currency inflows and outflows, TotalEnergies Capital uses multi-currency accounting, as financial institutions do.

Therefore, at closing, TotalEnergies Capital does not use translation adjustment accounts but revaluates balance sheet and off-balance sheet entries whose impact is recorded in the income statement (unrealized foreign exchange gains and losses).

The revaluation of long-term off-balance sheet items in foreign currencies is recorded in the balance sheet as the financial derivative instruments with which they match (debenture loans).

The revaluation of short-term off-balance sheet items in foreign currencies is recorded under “revenue receivables from the revaluation of off-balance sheet foreign exchange positions” or “expenses payables for the revaluation of off-balance sheet foreign exchange positions.”

The foreign exchange positions are converted into euros based on the exchange rate at the end of the fiscal year.

✓ Interest Rate and Currency Financial Instruments

Outstanding transactions involving forward financial instruments are recognized as off-balance sheet liabilities. They consist primarily of interest rate and currency swap agreements negotiated for hedging purposes in order to manage TotalEnergies Capital’s exposure to fluctuations in interest rates and foreign exchange rates.

The interest differentials along with the premium and discount points associated with these swaps or forward contracts are recorded, prorated over the period, in the income statement as financial expenses or income over the life of the items that they hedge.

A provision will be booked for possible losses relating to transactions where the accounting standards for hedging are not respected.

✓ **Debenture loans**

Debenture loans converted into US dollars or euros through individually paired swaps at issuance are shown after swaps in the balance sheet and in the income statement. They are converted at the closing rate on the date of the accounts statement. The profits and losses resulting from the conversion at the closing rate of the currency debenture loans and swaps are recorded in the income statement under the heading: Foreign Exchange Profits and Losses.

✓ **Presentation of interests on swaps hedging debenture loans**

Interests on debenture loans are presented net of swaps. This presentation allows consistency between the profit and loss statement and the balance sheet (debenture loans are presented after their revaluation for foreign exchange variations on associated swaps) and enables a direct assessment of the overall cost of debt. On the balance sheet, accrued interests on debenture loans are also disclosed net of accrued interests on swaps.

TOTALENERGIES CAPITAL

NOTE 2: FINANCIAL ASSETS

Fixed financial assets are exclusively comprised of loans for subsidiaries of TotalEnergies SE. No loan has been granted over the period.

NOTE 3: CHANGE IN SHAREHOLDERS' EQUITY

in thousands of euros

2022	POSITION AT THE OPENING OF FISCAL YEAR	NET INCOME APPROPRIATION 2021	POSITION AS OF 31/12/2022
Share capital	300		300
Legal reserve	30		30
Retained earnings	8,860	466	9,325
Income for fiscal year 2021	466	(466)	-
Dividend distribution			-
Income as of 31/12/2022			(2,061)
TOTAL SHAREHOLDERS' EQUITY	9,656	-	7,594

in thousands of euros

2023	POSITION AT THE OPENING OF FISCAL YEAR	NET INCOME APPROPRIATION 2022	POSITION AS OF 30/09/2023
Share capital	300		300
Legal reserve	30		30
Retained earnings	9,325	(2,061)	7,264
Income for fiscal year 2022	(2,061)	2,061	-
Dividend distribution			-
Income as of 30/09/2023			865
TOTAL SHAREHOLDERS' EQUITY	7,594	-	8,460

NOTE 4: DEBENTURE LOANS AND SIMILAR DEBENTURES

During the first nine months of 2023, TotalEnergies Capital did not issue any new debenture loan. No debenture loan were reimbursed during that same period.

NOTE 5: OFF-BALANCE SHEET COMMITMENTS

Derivative financial instruments - interest rate and foreign exchange risk management

During the first nine months of 2023, no interest rate swap and/or cross-currency swap matched to new debenture loans were issued.

No interest rate swap and/or cross-currency swap matched to debenture loans were reimbursed during that period.