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TotalEnergies Capital

Period from January 1 to September 30, 2022

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

ERNST & YOUNG Audit



TotalEnergies Capital

Period from January 1 to September 30, 2022

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, 2022.

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 the 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 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 4, 2022

The Statutory Auditor
French original signed by
ERNST & YOUNG Audit

Laurent Vitse

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**CONDENSED FINANCIAL STATEMENTS
AS OF 30 SEPTEMBER 2022**

- BALANCE SHEET AS OF 30 SEPTEMBER 2022
- INCOME STATEMENT AS OF 30 SEPTEMBER 2022
- CASH FLOW STATEMENT AS OF 30 SEPTEMBER 2022
- APPENDIX

TOTALENERGIES CAPITAL

**BALANCE SHEET
AS OF 30 SEPTEMBER 2022**

TOTALENERGIES CAPITAL

(in euros)

BALANCE SHEET AS OF 30 SEPTEMBER 2022

ASSETS	30-Sep-22			31-Dec-21	LIABILITIES	30-Sep-22	31-Dec-21
	Gross	Amortizations, depreciations and provisions	Net				
FIXED ASSETS					SHAREHOLDER'S EQUITY (note 3)		
FINANCIAL ASSETS (note 2)	2,323,502,303		2,323,502,303	2,569,099,837	Capital	300,000	300,000
Long-term loans after swaps	2,309,499,385		2,309,499,385	2,549,267,173	Reserves	9,355,475	8,889,789
Drawdowns on credit facilities					Legal Reserves	30,000	30,000
Accrued interests on long-term loans after swaps	14,002,918		14,002,918	19,832,664	Retained Earnings	9,325,475	8,859,789
Accrued interests on credit facilities							
					Income for fiscal year	-462,541	465,686
SUB TOTAL I	2,323,502,303		2,323,502,303	2,569,099,837	SUB TOTAL I	9,192,934	9,655,475
					PROVISIONS		
					SUB TOTAL II		
CURRENT ASSETS					DETTES		
RECEIVABLES	5,777,428,581		5,777,428,581	1,420,714,908	Debtenture loans and similar debt debentures (note 4)	2,323,502,303	2,569,099,837
Current accounts and inter-company loans	37,250,656		37,250,656	7,077,337	Debtenture loans after hedge swaps	2,309,499,385	2,549,267,173
Deposits and security deposits	5,242,948,535		5,242,948,535	1,004,077,132	Accrued interests on debtenture loans after swaps	14,002,918	19,832,664
Tax and social receivables							
Other receivables	7,139,079		7,139,079	2,601,208	Miscellaneous borrowings and financial debts	5,766,507,205	1,409,517,231
Accrued income on dedicated swaps	490,090,311		490,090,311	406,959,231	Commercial Papers		
Cash available					Bank and security deposits	243,005,523	300,840,000
					Creditor current accounts	5,033,848,296	701,571,896
					Related accounts payables on miscellaneous financial liabilities		110,908
					Accrued liabilities on dedicated swaps	489,653,386	406,994,427
					Diverse liabilities		
					Operating liabilities	237,860	162,305
					Trade notes and account payables	237,860	97,876
					Tax and social liabilities		64,429
					Accrued income		
SUB TOTAL II	5,777,428,581		5,777,428,581	1,420,714,908	SUB TOTAL III	8,090,247,367	3,978,779,373
PREPAID EXPENSES III					PREPAID INCOME IV	1,490,583	1,379,897
TOTAL (I+II+III)	EUR 8,100,930,884		8,100,930,884	3,989,814,745	TOTAL (I+II+III+IV)	EUR 8,100,930,884	3,989,814,745

TOTALENERGIES CAPITAL

**INCOME STATEMENT
AS OF 30 SEPTEMBER 2022**

TOTALENERGIES CAPITAL
(in euros)
INCOME STATEMENT AS OF 30 SEPTEMBER 2022

EXPENSES	30-Sep-22	31-Dec-21	30-Sep-21	INCOME	30-Sep-22	31-Dec-21	30-Sep-21
OPERATING EXPENSES				OPERATING INCOME			
External expenses	360,678	1,270,316	941,743	Miscellaneous income	-	-	-
Taxes	-	-	-				
SUB TOTAL I	360,678	1,270,316	941,743	SUB TOTAL I	-	-	-
FINANCIAL EXPENSES				FINANCIAL INCOME			
Interests on debenture loans after swaps	73,908,350	98,301,501	73,858,029	Interests on loans after swaps	45,660,223	54,207,081	40,203,362
Interests on Commercial Papers	723,384	468,677	455,515	Interests on long-term loans	28,869,106	44,993,818	34,394,309
Interests on NEU CP (ex Billets de Trésorerie)	-	-	-	Interests on Commercial Papers	-	-	-
Interests on borrowings	-	-	-	Interests on inter-company loans	-	-	-
Interests on current accounts	527,655	14,429	10,676	Interests on current accounts	2,150,149	621,988	410,070
Interests on bank and security deposits	7,157,440	3,233,036	2,089,175	Interests on bank and security deposits	747,889	5,905,901	5,119,004
Interests on dedicated swaps	1,288,912,591	1,330,271,773	1,002,326,411	Income from dedicated swaps	1,289,063,789	1,330,777,297	1,002,307,201
Other interests, similar income and swap points	13,188	57,899	46,179	Other interests, similar income and swap points	13,188	57,899	46,179
Foreign exchange loss	203,040	-	-	Foreign exchange income	-	103,650	109,656
Diverse financial expenses and miscellaneous expenses	1,334,627	17,705,465	17,458,872	Diverse financial interests	6,006,165	15,289,050	14,949,381
SUB TOTAL II	1,372,780,273	1,450,052,780	1,096,244,857	SUB TOTAL II	1,372,510,509	1,451,956,683	1,097,539,163
EXTRAORDINARY EXPENSES				EXTRAORDINARY INCOME			
SUB TOTAL III	-	-	-	SUB TOTAL III	-	-	-
INCOME TAX IV	(167,901)	167,901	93,533				
NET INCOME FOR THE PERIOD	-	465,686	259,030	NET LOSS FOR THE PERIOD	462,541	-	-
TOTAL	1,372,973,050	1,451,956,683	1,097,539,163	TOTAL	1,372,973,050	1,451,956,683	1,097,539,163

TOTALENERGIES CAPITAL

**CASH FLOW STATEMENT
AS OF 30 SEPTEMBER 2022**

TOTAL ENERGIES CAPITAL

CASH FLOW STATEMENT

in thousands of euros

	30/09/2022	31/12/2021
OPERATING CASH FLOW		
Fiscal period income as of 31.12.2021		466
Fiscal period income as of 30.09.2022	(463)	
Decrease (increase) in working capital requirement	(5,232)	(992)
Net Operating Cash Flow	(5,695)	(526)
INVESTING CASH FLOW		
Increase in long-term loans	(8,015)	(6,009)
Repayment of long-term loans	478,112	813,072
Net Investment Cash Flow	470,096	807,063
FINANCING CASH FLOW		
Dividends paid		
Net loans issued	(569,782)	(823,192)
Changes in short-term financial liabilities	4,366,102	492,939
Changes in short-term receivables	(4,345,212)	(493,118)
Net Financial Cash Flow	(548,891)	(823,371)
Cash increase (decrease)	(84,488)	(16,834)
Impact on foreign exchange fluctuations	84,488	16,834
Cash at the beginning of the period	0	0
Cash at the end of the period	0	0

APPENDIX

APPENDIX

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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 2021.

SIGNIFICANT EVENTS

During the third quarter of 2022, TotalEnergies Capital continued its activity on debt capital markets, through the repayment of maturing loans and 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, along with TotalEnergies SE, TotalEnergies Capital Canada and TotalEnergies Capital International, acts as a principal issuer under the EMTN programme (guaranteed by TotalEnergies SE), 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 2022, 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.

On 30th June 2022, Standard and Poor’s upgraded TotalEnergies SE’s rating from A with a Positive outlook to A+ with a Stable outlook.

On 24th March 2021, Moody’s revised TotalEnergies SE’s rating from Aa3 with a Negative outlook to A1 with a Stable outlook.

ENVIRONMENT

Despite the progress made with the COVID-19 vaccination campaign in developing countries, new variant outbreaks make it them less effective, maintain uncertainty and compel some regions to take new restrictive sanitary measures, particularly in East Asia. Following the invasion of Ukraine ordered by Vladimir Putin in February 2022, the United States and European Union have announced a package of sanctions against Russia. The additional pressure on commodity prices is contributing to the already high inflation. Some European countries have adopted budgetary measures to fight the inflationary surge and central banks have put in place restrictive monetary policies such as rate hikes and tapering.

NOTE 1: ACCOUNTING RULES

Accounting rules and methods used for interim accounts are the same as the ones used for year end 2021 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

2021	POSITION AT THE OPENING OF FISCAL YEAR	NET INCOME APPROPRIATION 2020	POSITION AS OF 31/12/2021
Share capital	300		300
Legal reserve	30		30
Retained earnings	9,851	(991)	8,860
Income for fiscal year 2020	(991)	991	
Dividend distribution			
Income as of 31/12/2021			466
VARIATION DES CAPITAUX PROPRES	9,190	-	9,656

in thousands of euros

2022	POSITION AT THE OPENING OF FISCAL YEAR	NET INCOME APPROPRIATION 2021	POSITION AS OF 30/09/2022
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 30/09/2022			(463)
VARIATION DES CAPITAUX PROPRES	9,656	-	9,193

NOTE 4 : DEBENTURE LOANS AND SIMILAR DEBENTURES

During the first nine months of 2022, TotalEnergies Capital did not issue any new debenture loan. Reimbursement of debenture loans at maturity during that same period were 500 M EUR in nominal value.

NOTE 5 : OFF-BALANCE SHEET COMMITMENTS

Derivative financial instruments – interest rate risk management

During the first nine months of 2022, no interest rate swap and/or cross-currency swap matching a new debenture loan were put in place.

Two interest rate and cross-currency swaps, with exchange of notional amounts matching a 500 M EUR debenture loan repaid during that period, matured for an amount of 636 M USD.