

TotalEnergies

2023 Strategy & Outlook

New York City
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Edited transcript

Renaud Lions: Good morning, good afternoon, or good evening, wherever you are. We are delighted to welcome you to TotalEnergies, Strategy and Outlook presentation 2023. We are today in the heart of New York at the 102nd floor of the One World Trade Center in Manhattan. You can also follow us on our website, TotalEnergies.com. The program today will have first the Strategy and Outlook presentation for a bit more than one hour with several speakers, including Patrick, of course. And then we'll have a comprehensive Q&A session where you will be able to ask questions from the room. And we will also have the possibility for people who are not able to join us today to ask audio questions. After the Q&A, we'll have the cocktail and lunch around 12 p.m. But without further delay, I invite Namita Shah, President of OneTech, to come on stage to launch the meeting with a safety sequence.

Namita Shah: Thank you very much. Hello everybody.

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As you know, we always start our meetings with a safety moment, and today I'm going to talk to you in our safety moment about how we use artificial intelligence to improve safety in our drilling operations. Just to give you a little bit of context, when we drill, we enter into a reservoir that is under pressure, and in order to control and to have safe operations, we need to ensure that no oil and gas from the reservoir enters the well during the drilling operations. When small amounts of oil and gas do enter the reservoir, this is what our drillers call a kick, and we have a number of processes and procedures, both technical and human safety barriers, in order to control these situations. Clearly, what that means is the earlier we know that we have a kick, the more we are able to control it. As a result, our teams decided to look at the history of all the kicks that we have had in the company over the past 25 years. Here's an example. You see between 2015 and 2021, we had 19 kicks on our operated conventional drilling operations. We looked at the history to see if we could identify critical parameters, and anomalies in these critical parameters that occurred before we experienced the kick. We defined the parameters, we defined the anomalies, and then we fed all this information into an artificial intelligence tool so that the tool could learn to identify these parameters and to identify the anomalies. We tested this for the first time at the end of 2019 on a live drilling. The information that you see on the right-hand side of the slide is basically the first time this tool actually identified the anomalies and gave an alarm, of a possible kick, and a kick did indeed arrive a few hours later. Over time, we have vastly improved this tool. We get alarms very early in the process. As you can see, it has been deployed across all our conventional drilling operations. And in 2022-2023, it generated 31 kick risk alarms, but we were able to ensure that we took all the precautions necessary and controls, so we did not actually experience any kicks in those drilling operations. We are now going to be training this tool further to look into more complex wells and more complex reservoirs to continue to help us to manage this type of risk.

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Now, we'll go into the heart of the presentation for today with, of course, a point on safety performance in 2023. As you know, safety is a core value for the Company. We work always on two key pillars. One is occupational safety, and the other is the prevention of major risks, very specifically the prevention and looking into technological risks. As you can see on your right-hand side of the slide, we have worked a lot on occupational safety. And you can see that our numbers that we used to measure our

performance on total recordable injury rates versus our peers has vastly improved. However, we've lost two people this year. We have lost Thorsten in the Refining and Chemicals branch, who was 55 years old and married and had children, and Isidor in the Marketing and Services branch, who was 63 years old, who was also married and had children. And, of course, for us, it is extremely important that we continue to work towards ensuring that we lose absolutely no one during the course of our operations. We also work on major risks, and this year we have decided to relaunch everybody in the company to think about major risks and technological risks. As you know, safety is a continuous learning process and a continuous way of reminding people to think about the same thing over and over again differently. And so we have launched a two-year campaign on technological risks this year. As you can see on the slide, we have always worked on major risks, and a few years ago we decided to actually monitor and then actively reduce the number of losses of containment, so simply put leaks of a certain size that we wanted to ensure that we reduce, to reduce of course the impact on the environment and on our assets. And you can see that over the past five years we have reduced the number of these events by over 50%. This is just an example of the kind of work that we are doing to ensure that we do the best absolutely that we can in terms of safety for our people, for the environment, and for our assets. So with that, I will now hand over to Helle for the next part of the presentation. Thank you.

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Helle Kristoffersen: Thanks, Namita. Good morning, good afternoon to all of you, it's a pleasure to be back. That's the title here: Energy markets are supported by the energy transition. Yes, this is absolutely the kind of summary of what I'm going to say to very briefly this morning. Our market environment is good. And you're going to hear that we have a great set of projects.

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Bearing in mind that, as always, our strategy is driven by market fundamentals. We never forget that energy is a commodity market, and in the commodity market you need to be sure that you understand what people are going to buy. So let's therefore go over once again the market fundamentals as we see them. One of the key aspects of future energy demand is the growth that will be coming out of the emerging markets, the so-called global south. Five billion people today, excluding China. Seven billion people tomorrow. And these people need much more and much better energy to be lifted out of poverty. We, in the richer countries, have to keep that in mind as we continue to push for and advance the energy transition. And these aspirations of the so-called global south are factored into the high-level market drivers that we remind to the right here on the chart. They concern our three core markets, oil, which is the number one energy today, globally, natural gas, the key energy for the transition, and power that will eventually, some point in time, take over from oil as being the number one energy in total final consumption.

On oil, demand is pushed up by growing populations and higher living standards. This is true notwithstanding the continued innovation efforts to substitute oil wherever it can be done. And what's going on in the electrification of passenger cars is a good example of that. Biofuel demand is essentially driven by mandates here and there in the world, but the overall opportunity is kept because of feed stock limitations. E-fuels are still very far from prime time.

Regarding gas, the growth is coming from LNG and we believe that LNG remains absolutely critical all through the transition. It is key also to build this new lower-carbon energy system that we are working on, both of course to back up coal and to complement intermittent renewables. Low-carbon gases are set to pick up over time. Biogas is today not much more than a profitable niche.

And finally, power. Growing demand on a global scale is accelerated by the net zero policies of the richer countries. The increased penetration of renewables means that it's not going to be trivial to deliver what the customer ultimately wants, which is clean, firm power.

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And now a quick word on the shorter-term trends for each of these three markets. On Oil, I'm sure that you all picked up on the latest report from the IEA saying that demand will grow through the decades. Guess what? We agree when the IEA say that. And we show here their own forecast for rising oil demand to 106 million barrels per day in 2028. Unlike what we heard here and there in the past, including from some senior industry executives, oil demand did not peak back in 2019. As a matter of fact, it reached an all-time high in June this year. Of course, that's remarkable given that the overall macro picture is somewhat mixed, and it's entirely linked to the long-term drivers that we just spoke about, demand in emerging markets. Supply, on the other hand, remains constrained with two notable factors that we're listing here. First, the OPEC+ policy led by Saudi, showing a clear intent to steer oil prices through volume cuts. And secondly, early signs that US shale will not be able to grow forever due to capital discipline, slower productivity gains, higher returns to investors, and sometimes simply also the lack of skilled labor. And all these elements combined create a supportive outlook for oil prices.

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Moving on to LNG. What you see here to the left is our internal analysis of the evolution of supply and demand until 2030. We expect demand to grow at around 5% per annum between now and 2030. LNG demand is known to vary both with weather and with prices, so this 5% is not necessarily going to be linear. That being said, the bulk of the growth will come from Asia, which has been competing with Europe for available supplies ever since the onset of the war in Ukraine. Bear in mind that Asia's level of demand of LNG is still below what it was in 2021 because Europe has been taking share and continues to grow above the global market in 2023. So, all in all, we're bullish on LNG demand. Supply, on the other hand, is going to be constrained as the chart shows until 2026-27. And new LNG projects coming mostly out of the US and Qatar will only come on stream in the 2026-28 time frame. Because of the current tight market conditions, right now, any supply disruptions anywhere in the world linked to Force Majeure, linked to operational hiccups or strikes Down Under, all these unforeseen events create volatility and price spikes. As long as the market is short, meaning as you can see on the chart over the next three to four years, the price environment for LNG is going to be supportive. After that, the availability of new and more supply will trigger a further uptick in demand.

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Just a last word on power. What's striking on power markets is that at the macro level, there are a lot of similarities to the oil and gas markets, meaning growing demand and tensions on supply. Global power markets are increasing at a brisk pace of around 3% per annum until the end of the decade. This is triggered by the electrification of final energy consumption in the richer countries, net zero ambitions, and by increased populations in emerging markets, as mentioned earlier. And well, in front of this growing demand, power supply is constrained, with lots of tension on power networks around the world due to aging infrastructure, permitting delays, supply chain disruptions, and also sometimes extreme weather events. Another point is that the ongoing decarbonization efforts of power will make power systems much more complex to manage, due to the massive arrival of these intermittent renewables, solar and wind. Dispatchable generation, balancing, storage, remuneration of standby capacity, all these elements are therefore going to be needed to ensure proper network management and balancing and availability. Overall, these create supportive price trends for power too, and attractive investment opportunities for us, as you're going to hear a little later. Before that, Patrick, I hand over to you.

Patrick Pouyanné: Thank you, Namita and Helle, to have introduced the safety of the Company and the landscape of the energy markets in which we drive our strategy.

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You will have no surprise about the strategy, we consider that in these energy markets, our strategy which is fundamentally driven by demand, and Helle explained to you why the transitions are fundamentally supportive for energy markets and prices. Our strategy, which is a balanced strategy, between two pillars, Oil & Gas on one side, the energy of today, where the demand continues to grow, and preparing the future, with this transition strategy by developing a profitable large Integrated Power segment, is well adapted, and will be a nice way to grow value and to offer attractive returns to shareholders. You will see in twelve slides, I summarize the headlines of the strategy, then Nicolas will speak about Oil & Gas, and Stéphane will speak about Integrated Power before I come back to the final conclusion, to give you the headlines of the guidance we want to give to our investors, for distribution to shareholders.

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As I said, there are two pillars in our strategy. One which is our DNA, Oil & Gas, in which we continue to invest, continue to grow, and I will come back on it. We refocused our portfolio on two fundamental characteristics, which is low cost, in order to be resilient to cycles, in order to deliver the value, low cost, low break even, and also, of course, low emissions, because our first duty as an oil and gas producer is to slash down the greenhouse gas emissions linked to our operations. We have developed, and we'll come back on it during this presentation, a rich upstream project portfolio, which will feed our future growth. We have of course a focus on LNG, which was developed and well explained by Helle. The Company has been positioned itself in the top three global energy integrated portfolios, with there again a strong LNG project portfolio. This allows us to deliver in this type of price environment, high return on capital employed, in 2023, more than around 20%, when we look at the Oil & Gas upstream activity. The second pillar of the strategy, of this transition strategy, is to build a profitable segment called Integrated Power. All words are important. Integration is not only a matter of renewables, it is a matter of driving value from integration,

integration between renewables, intermittent assets, and flexible assets, but also integration along the value chain. Stéphane and I will explain you how we will be net cash positive by 2028 in this segment, knowing that we invest \$4 billion per year to make a sizable business. This strategy with two pillars, this transition strategy, is fully compatible with a high level of profitability.

I remind you that last year in 2022, TotalEnergies offered the highest return on average capital employed among the majors, which demonstrates that you can be strong in oil and gas and develop your transition strategy while remaining profitable. This strategy will also offer to the Company the highest energy production growth until the end of the decade, with 4% of energy production growth.

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Our first pillar is Oil & Gas. Oil & Gas, as I said, will have a rich portfolio of projects. You have there the trajectory for the next five years that we intend to follow. It will offer to the Company a growing oil and gas production of more than 2% to 3%. Back with projects, oil projects, particularly in the coming years, all the deep offshore projects in Brazil, around Mero, but also in the Gulf of Mexico, and the start-up of our production in Iraq since August 16, 2023, followed by projects in Uganda, Angola, and Suriname on which we will come back. In LNG, we have a large portfolio of projects in Qatar, Papua LNG, Mozambique, and Rio Grande LNG in Texas, to ensure a growth between 2025 and 2028. Globally, it's a key figure, at the same price deck, the increase in CFFO from this upstream Oil & Gas will be around \$3 billion between 2023 and 2028.

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What is this portfolio of projects? You have on this map, again, all the major projects which we intend to develop in the next five years. On the oil side is primarily deep water, large giant fields in deep water, several projects in Brazil. Beyond the Mero that I mentioned, we are also coming to sanctions in Sepia 2 and Atapu 2 on the licenses that we acquired at the end of 2021. And we also have in the Gulf of Mexico, I mentioned then, and then Suriname, which is a success of our exploration where we will develop a 200,000 barrels per day project. Onshore, we have two large projects, one in Uganda, and the other one in that we call GGIP, Ratawi oil field in Iraq. As you can see, at \$60/b, these projects offer a return of about 20%. The LNG projects at \$8 per Mbtu, European gas price, are about 15% on average. \$8 is quite lower than what we experienced today, but it's comparable more or less to the \$60 environment.

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As I mentioned, one thing which is supportive of our growth in the Oil & Gas business, particularly on the oil side, has been our exploration success. I must today pay tribute to our exploration teams: we have decided since 2015 to refocus the team, streamlining their budget, \$800 million to \$1 billion. It seems to be efficient, they have made some selective choices, and three of them recently have been quite successful.

Suriname first, which we entered end of 2019, after 15 wells, several discoveries, some are gas prone. The good news is that today we are able to define quite a large project: 700 million barrels of oil, Nicolas will come back on it, on the Eastern part of the block, 200,000 barrels per day. In Nigeria, this year and last year, we drilled

conventional offshore. Time to market of this discovery will be short. It's a prolific offshore conventional. We discovered around 100 million barrels of oil recoverable reserves, which can be linked to the Ofon platform in the coming years. Then Namibia, you all expect news on Namibia. Don't believe everybody, people in this world are confusing potential hydrocarbons in place and what you can produce. There is just a factor in between which is the permeability, the productivity per well. We are continuing, we had some positive news on Namibia. On the Venus discovery, discovered by Venus-1X: we made a positive appraisal well, Venus 1A, we made a test on Venus 1X : we just had the results : it's a positive flow test, which means as per expectations. The next operation is to confirm this flow test on Venus 1A, which is just upcoming. With these 2 wells, we consider that there will be an oil development there, in Namibia on Venus. The size of it, exactly, has yet to be determined. We intend to continue to explore: you can see on this map a sort of prospect at the North of Venus which is called Mangetti which will be drilled soon, so we go to the North. And we intend as well potentially to make a last appraisal well on the North of Venus itself in order to fully see the potential and determine what is the best way to develop this complex in the future. So that's good news. To be clear and transparent there was one failure this year on what we call Nara, which was a prospect on the West. And this one appeared to not be oil bearing, it seems that when you go the West the facies are degraded and we don't find oil there. So, I read 10 billion, it's at least 1 or 2 billion, we'll see how much it is. So don't believe all the newspapers, but it's positive again, like Suriname: it's clear that it's a success and that it will feed our future growth. We need to continue to work and already we are beginning to think to the development knowing that there is also gas, like Suriname, but it's similar to what we experience sometimes in deepwater.

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Of course what is important for us is to continue to be driven by our two mottos: low cost and low emission. In particular we'll insist on low emission. We know that we'll need oil and gas for many years: demand for oil continues to grow, same for gas. But the primary responsibility of the Oil & Gas companies is really to slash down emissions. We can produce oil & gas differently, by taking care of this greenhouse gas, and since we focused our attention, you can see at the center of this slide the two important parameters that we look at, which we follow very carefully, the intensity of the Scope 1 and 2 of operations, in terms of kilograms of CO₂ per barrel, we have about 20 kg/boe, we have the objective to be under 13 kg/boe by 2028 with our portfolio, so you can see a large decrease, more than 40% of the CO₂ intensity. We can produce oil and gas differently. And the methane is the same, since we focus on it since 2010–2020, we reduced by 50%, we intend to reduce our absolute emissions by 80% between 2020 and 2030. On methane intensity, we have decided to aim for zero emission, like aiming for zero fatalities, because we have the technology to do it, so we will lower our target, which was less than 0.2% to less than 0.1%. Really, we are able to produce in particular gas, as we believe that gas is part of the transition, and to slash down the methane emissions.

I remind you that we remain disciplined in the way we approve projects, it is very important, even if today markets are supportive for the price, and we are bullish. We know as well that we have some cycles in front of us, we should not repeat the mistake that we have done between 2005 and 2015, so we keep the \$50/b price deck, and 100\$ carbon price, in order to introduce exactly the strategy to slash down the emissions, and we approve projects with some thresholds: less than \$20/boe Capex +

Opex, less than \$30/b after tax break-even, and in terms of emissions, each new project must have an emission intensity lower than the average of the portfolio. So every year, it is more demanding to our teams, but it is very virtuous, since we have implemented that rule, you can see the trajectory is really decreasing, and I think this is what Society expects from the oil and gas companies.

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So LNG, which of course is at the core of our strategy and our growth. We have established a global integrated LNG player, from upstream to liquefaction, trading-shipping, regas terminals to long-term customers. We have a strong position, in particular in Europe, with more than 20 million tons regas capacity, which of course in the present market, since last year, have a strong value in order to have access to this European market, and in fact be able to safely market our LNG, in particular US LNG. We are the largest US LNG exporter, we have today a supply of 10 million tons, we announced this summer that we have joined a new LNG project, Rio Grande LNG, in South Texas, very well located, where we took a commitment of offtaking 5 million tons, so we'll have more than 15 million tons of LNG to market, a growth of our business between 2023 and 2030 of more than 50%. Of course, we have to grow our LNG carriers fleet globally, this is in line with our expectations on the market.

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The second pillar after Oil & Gas, Oil & LNG, is Integrated Power, Stéphane, of course, will come back on this in more detail than this slide. This slide is fundamental to me because we have in fact really worked in order to set the strategic framework to deliver profitability out of this business. Since the beginning of this year we publish the Integrated Power results. You've seen that we are on the way to make \$2 billion of cash, and to have a return on capital employed around 10%. The markets are of course supportive, this is what Stéphane reminds me, to be a little bit prudent. But when we look at the way we want to develop this business, we will be net cash positive again by 2028 when we target return on capital employed of 12%, which is more or less equivalent to the Upstream return on capital employed at 60 \$/b, so you know this debate, and so we want this company, maybe you tell me it's a cautious environment, but it's 12% of return on capital employees on oil and gas at \$60 and integrated power. So how we will do that? Fundamentally because we think to develop this business as we have an integrated energy business model like we've done in oil and gas not as a utility model. We have no debt, we can leverage our fortress balance sheet to capture value, in particular through merchant exposure. Of course, we have to work hard, like in oil and gas, to lower the cost, you know, it's a commodity, so on Capex and on Opex, strengthening renewables industrialization, through digital, through leveraging our purchasing power. The fundamental product we want to sell at the end is clean, firm power to customers, because this is, I think, where we can have an added value, and again, Stéphane will come back on this, all the engines of the profitability for Integrated Power.

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It's important, of course, to understand this strategy: having access to more merchant exposure, fits well, of course, in deregulated electricity markets: Europe, the US, Brazil, Australia. This will be the core focus of our activity, it represents today over 70%

already of the portfolio, so we are already focused. We also have, and it's important to notice, a strategy to bring renewables and electricity in our oil and gas countries, why? Because these countries themselves want to transition and there is also a leverage in both ways. On the contract which we managed to sign in Iraq, the first discussion with the authorities were around gas and power. Because we were able to discuss about gas and power, power in particular, then to finance a full project, we put into action into the contract an oil field, which will increase its production from 50,000 barrels per day to more than 200,000 barrels per day. And it is the same in some other countries like Libya. So there is a leverage in that way, and it's also in the other way, the fact that because we are a main player in an oil and gas country, we can have access to very interesting renewable contracts and projects securing the revenues through our oil productions like in Angola or Mozambique. That's the primary focus of our activity.

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A word about the low-carbon molecules in this presentation, where we spend more or less 1\$ billion per year of Capex. The full idea is fundamentally to use our European refining assets as a base to first transition them, and second to also develop our businesses on two pillars. One is Sustainable Aviation Fuel on the right, because we can convert our existing refining assets quite efficiently or co-process some of the biomass feedstock in our refineries in order to develop this attractive business of Sustainable Aviation Fuel with an ambition of 1.5 million tons per year by 2030. The global market will be around 20 to 25 million tons by this horizon. Of course, what is key is to secure the feedstock. So we made some JV upstream with some animal fat producers in France. We are also, in order to prepare for the future, looking to new technologies, in particular alcohol to jet, which will offer us access to another source of feedstock for future development in Sustainable Aviation Fuel. All that being supported by the EU mandate. This is why Europe is finally a good playing field because the European mandates through the Green Deal are really supportive for creating this new demand from low carbon molecules and offering profitable playing fields.

Hydrogen is the same as other low carbon molecules, but there again we will use our refineries. On one side, we need to decarbonize our European refining system and we have the equivalent of more or less 5 million tons of CO₂ Scope 1 + 2 related to hydrogen use in our refineries. So the idea is to decarbonize that by using green hydrogen. Why do I say green or bio-hydrogen?

Because in Europe, according to the new European regulations which has just been validated by the Parliament, there is what we call the RFNBO regulation, which means Renewable Fuel of Non-Biological Origin, which offers, in fact, an economic scope so that when we will use green hydrogen or bio-hydrogen in our refineries, we will have an economic advantage. These new products will be offering the economic space to develop some projects. We will develop some local projects, like we are doing today in La Mède, around 120 MW project, which could be phased in in first phase of 30 MW but we are looking at both options. In Grandpuits, where we have a bio-refinery, we can produce bio-hydrogen together with Air Liquide. We have also already signed some supply agreements in Leuna and Normandy. We have just announced the issuance of a large tender to be supplied by up to 500,000 tons per year, which is a way to contribute to establish this green hydrogen industry. We'll see what will be the offers that we will receive.

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In terms of Capex framing to support this strategy, we keep the guidance we gave you, \$14 to \$18 billion through cycles. For the next five years, because, as Helle described, we are bullish on the price decks, we are on the basis of \$16 billion to \$18 billion but it is important to remain within the global guidance and we have identified in the plan \$2 billion per year of downward flexibility, in particular our short-term Capex, which we could arbitrate on both sides, either on Oil & Gas or Integrated Power. And the scheme you see there remains the same, but I think it's very important in the energy industry to have a Capex framework which goes through cycles. So again, \$4 billion in Integrated Power, an additional \$1 billion on low carbon molecules, which makes \$5 billion, more or less a third of the Capex. On Oil & Gas, to support our existing production base, we need more or less one third as well of our Capex, and the rest being dedicated to the new projects I mentioned to you, that will support the growth of our production.

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Just a slide to illustrate what I just described with the 2023 activity. On oil, we have acquired a concession in Abu Dhabi, SARB / Umm Lulu, very low cost, low emission by the way. Abu Dhabi being at the forefront of electrification of the whole oil operation, it's fitting very well with our objectives. Suriname, we are working now towards FID by the end of 2024. In the same idea, we have divested two businesses in 2023, one is the oil sands, because they don't fit with the refocusing of our business on low cost and low emissions, and as well our EU retail business in order to refocus, and Stéphane will comment it, most of our activities in Europe on EV mobility. In gas, we had this sanction of Rio Grande LNG, which is another illustration of the strategy, plus the first gas in Azerbaijan. In Integrated Power, two major operations, one is the full integration of Total Eren, which was established five years ago, we owned 30% and have now 100%, we had a very good multiple to acquire it, so we exercised the option. In particular, it gives us a large human resource base to deploy the full strategy of Integrated Power. We have been successful in offshore wind, and Stéphane will explain to you why this bet was fully consistent with our strategy. Last but not least, I would say Iraq, which is the sort of flagship of our multi-energy strategy, which combines oil, gas, by shutting down gas flaring and producing gas, and power. And it's a success. We came back in Iraq where we were born 100 years ago. 2024 will be the 100th anniversary of the Company. And 2023, in terms of cash flow allocation, you see that we'll generate, we will see at the end of the year but, around \$37–\$38 billion of cash flow. So we invest \$16-\$17 billion of net capital investments, the dividend represents \$8 billion, and buy-back will represent \$9 billion, we'll come back on it. In 2023, we will generate some cash that will be allocated to strengthen the balance sheet.

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So the last slide of this strategy, which is a good summary, more energy, growing the energy production, less emissions, and growing the cash flow. All in all, between Oil & Gas and our ambition in Integrated Power, we will grow our energy production by 4% per year. Of course, it's the core of the future growth of cash flows. But we continue to lower emissions. I already commented on Scope 1 and 2, I will not do it again. Just an important metric that we follow, because for me it's a long debate about Scope 3, but

I'm not convinced by Scope 3 absolute targets, because I think it makes little sense. The one which is important for me, because it is a marker of the transition strategy, it is the intensity of the lifecycle carbon, i.e. scope 1 + 2 + 3, the type of products. Last year, we announced that we want to reduce by 25% between 2015 and 2030, so that means the Company is transitioning. I think that we will be already at minus 12%. So we are well on the way of making this transition. Of course, the objective is to continue to grow cash flows, in order to be able to grow distribution, which will be my conclusion later. Considering for 2021 the real price deck: \$71/b Brent, \$16 per Mbtu for European gas, and refining margin was quite low and for 2028 a sort of \$80/b environment, \$8 per Mbtu for the gas and \$35/t for refining margin, considering the volume growth that I just described, between 2021 and 2028 we will generate more than \$10 billion of additional cash flow. It will be explained to you now by Nicolas and Stéphane in more details before I come back. Thank you.

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Nicolas Terraz: Thank you, Patrick. Good morning, all of you. It's a pleasure to be there. Over the next six slides, I'm going to focus on the Oil & Gas pillar, the energy of today and particularly our projects, our focus on performance and operational excellence, and what we're doing to achieve lost cost and low emissions production.

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As Patrick indicated, we expect to increase our Oil & Gas production by 2 to 3% per year over the next five years. As you can see in the chart, a good chunk of this growth is coming from gas and particularly our LNG projects, and I will show you a bit more details on this, with also some growth in oil production thanks to a very rich portfolio of projects, which I will show to you as well in the next slides. While growing our production, of course, our focus remains on value and cash from these projects. You can see that this increase in production will lead to a \$3 billion increase in CFFO between 2023 and 2028 for this Oil & Gas pillar, with the same nominal price deck between the two years.

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Oil: of course, we are very much focused on the execution of our projects to deliver the production growth that I have shown just before. Actually, a lot of our teams are working on that currently. We have a rich pipeline of projects. You see here the four main projects: first our integrated project in Iraq with, in particular, the Ratawi oil field. All the agreements were signed in July. Our entry in Ratawi was effective in August. Today, the field is producing 60,000 barrels per day. We are launching a Phase 1 upgrade to basically double the production by end 2025/early 2026. Then the production will reach 210,000 barrels per day in 2027 with a second phase and you see the net production for the Company from that. Brasil: we are continuing with Petrobras, the development of Libra Field, a great success story. The Mero 1 FPSO was started last year. Mero 2 is expected to start at the end of this year, in December and Mero 3 and 4 will follow. A very productive field, allowing low technical cost and low emission intensity. In the US as well, two deep offshore projects, Anchor and Ballymore, starting next year and the following year. And last Uganda: we are now in the development phase of our Lake Albert project. Drilling is ongoing, facilities construction has started. It's a large project with a material stake for us, 57% interest, bringing production of 130,000 barrels per

day by end 2025. All together, if you add them, they represent more than 300,000 barrels per day of new production by 2028. CFFO above \$3 billion annually at \$50/b. A pretty good price upside with CFFO increasing to \$4.5 billion annually at \$70 per barrel. All these projects, they meet our requirements, of course, in terms of cost and also emissions. The chart on the right show you the full technical cost of these projects. You can see, of course, the onshore projects with a very advantaged technical cost, Iraq, of course, and Uganda. The deepwater, Brazil, below \$20/boe, Ballymore and Suriname, also around \$20/boe.

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LNG: so LNG, as showed in the production chart before, we expect to deliver the best-in-class growth of our LNG production with four flagship projects. The first one being Qatar, with our combined position in the North Field East and North Field South expansion projects which are now ongoing. This would bring us 3,5 million tons per annum of equity, and also of offtake, with low EPC unit cost due to synergies with Ras Laffan, the size effect. Rio Grande LNG, Patrick mentioned it, in the US where we entered in July with a material offtake volume. A competitive project, very good site, no dredging, no piling, proximity to Eagle Ford and to the shale gas resources. So again, a project that is competitive in the merit curve. On Papua LNG, we are progressing towards the FID, completing the engineering design of the project with an FID targeted early next year. Here again, the competitiveness of the project is due to synergies that we managed to achieve with PNG LNG, the first LNG project in Papua New Guinea. This project will add 2 million tons per annum of equity to our LNG production. And last, Mozambique LNG, where we are working to create the conditions for a restart of the activities with a target start up in 2028. Three million tons per annum in Company share. Still a competitive unit cost for the LNG plant because the EPC contract was awarded back in 2019 in favorable conditions. So even with a suspension of activities we stay at an attractive \$/t EPC cost. And you see those projects here on the merit curve of all projects, most of them are well positioned compared to the average.

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Let me come back on Suriname that Patrick commented. Suriname is a good example of how we can create value from exploration. We entered in Block 58 in Suriname in 2019. We've completed a number of wells and now we've fully appraised two oil discoveries, bringing together close to 700 million barrels of recoverable resources sufficient to have a robust development. The concept is now selected, so we're going to go for 200,000 barrels per day FPSO, full gas reinjection, FID targeted at the end of 2024 with the first oil in 2028. Again, this project meets our requirements in terms of unit cost and the emissions intensity. We'll access quite a lot of oil actually during the first year thanks to the reimbursement of the carry of Apache, our partner. And you see here the internal rate of return, about 15% at \$60 per barrel. Technical cost at \$20/boe, emission intensity at 13 kg/boe. It is a short payback project, about four-year payback in our current scenario.

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Besides projects, we continue focusing on maximizing the value of our portfolio, first by working continuously on operational efficiency, on maximizing the production from

our existing assets, and doing so, of course, safely, and by the way, safety and operational efficiency go together. We continue to work on lowering our unit Opex with the objective of keeping our Opex below \$5/boe. It's a competitive advantage of the Company, the low unit Opex, and we want to maintain that by working on, you know, lean operations on site, by working on logistics, by working on stock reductions, and all the levers we have to bring our Opex down. And of course, we are very much focused on the execution of our projects and delivering the major projects I've shown you before one time and within budget in the coming years. Portfolio upgrading is important. Patrick mentioned it and I think what we've done in 2023 is a good illustration of what we want to achieve in the portfolio with the divestment of our assets in Canada. You see the technical cost of these assets in the chart in the middle, so obviously the Canada divestment has a positive impact on our average technical cost. And with the entry in low-cost assets, Sarb Umm Lulu in the UAE, Iraq, plus the upcoming FIDs focusing on deep offshore projects like Suriname, Angola, with a good productivity and with a fairly low technical cost. Overall, if you look at the chart in the middle, what it shows is that, between 2022 and 2024, we expect to improve quite materially our average technical cost by about \$2/boe thanks to this portfolio management and of course all the work being done on the existing assets and all together we target to maintain our breakeven below \$25/boe.

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My last slide is on producing Oil & Gas differently which is what we want to do. First, we focus on our existing assets. We have a target to reach zero methane emission with objectives by 2025 (-50%) and 2030 (-80%). To do this, of course, we need to measure emissions, so I think we're quite proud that we developed a unique technology to measure methane emissions on our sites that we have deployed on all our main operated assets in 2022, to be able to monitor our progress and make sure that we're on the right trend towards zero methane emission. We are committed to zero routine flaring. We've eliminated routine flaring in two countries in Denmark and in Nigeria. So basically, routine flaring will be divided by two, we have a couple of other countries to address. And we're continuing to work to deliver our energy efficiency improvement plan, \$1 billion, which is about reducing greenhouse gas emissions, improving energy efficiency but also reducing our energy costs in our Opex and it's also about good business in fact. For new projects, we are deploying closed flare on all our new projects so zero routine flaring on all our new projects. It will be the case in Suriname of course. Each time we can, we are using renewable power also to meet our upstream projects' own power requirements, we're doing it in Uganda and in Mozambique LNG as well. Papua LNG, interesting project because we are going to re-inject all the native CO₂ into one reservoir from day one and also new trains will be efficient electric trains. This will allow Papua LNG to have a best-in-class greenhouse gas emission intensity. For our offshore projects, we are working on improving the efficiency of the power generation on board our FPSOs, and one way to do this is to implement combined cycle gas turbines offshore. Last, we innovate in e-fuels. A good example of this is our investment in the joint venture with TES in the US, to develop a project to produce e-natural gas, e-methane, with renewable power to produce hydrogen and then a combination of this hydrogen with biogenic CO₂, with the objective of producing 100,000 to 200,000 tons per annum of e-methane. One advantage of this is that this gas is fully compatible with existing infrastructure, so it can be monetized to the market easily. I will now hand over to Stéphane for Integrated Power pillar.

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Stéphane Michel: Thank you Nicolas. Good morning, everyone. I hope you enjoy the view and the sunny day. For me now, I see plenty of gigawatt-hours and dollars coming from our solar plant in PJM. So I guess that's what we mean by the transition. I will present you the second pillar of our growth strategy, Integrated Power, in particular how we plan to build a profitable cash engine. I guess profitable is obviously a relative notion. But for us, as Patrick mentioned, it's quite precise: it means reaching 12% return on capital in the coming years.

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To do that obviously, we can't just copy or become a pure renewable player which sells intermittent power and bets on decreasing costs and decreasing interesting rates. We can't copy either the business model of utilities which is based on guaranteed prices and high leverage, because we know that those business models are not going to deliver the kind of target we are looking for. That's why our strategy is really to deploy what we call an Integrated Power model, where we leverage on our strengths, the size, the balance sheet, to extract value from on one side, taking more merchant exposure and on the other side, selling clean firm power. For this, integration is key and that integration is going along two dimensions. The first one is the one you see on the left side. It's the integration of different types of technologies of production, where we plan to blend intermittent assets coming from renewables and flexible assets coming from gas-fired power plants, storage, pumped hydro, hydro, so that we have a good blend that allows two things: one, to manage our merchant exposure, and two, to sell to the customer, and extract value from that, clean firm power.

Obviously, the blend depends on which market you are. The weight of the various type of technologies will depend on the market we are, but the basic fundamental idea of that integration is integrated flexible and renewable at the same time. The second idea of the integration is to integrate along the value chain to be able to extract more value from the way we sell our electrons. To do that there are two ideas: one is clearly to build a very strong trading, exactly the same way we have done on Oil and Gas. Today we have already a big power team in Geneva for Europe. We are building it as well for all the market in the US from Houston. And the last idea is to develop our marketing capacity targeting the large B2B where we are going to sell at the same time renewable corporate PPAs but as well what we call the clean firm power which are fundamentally structured PPAs, I will come back to that. You know that we have as well B2C presence especially in France, Spain and Belgium, but I would say that the key of our focus is really on B2B and on B2C will try to consolidate our position. With all that the target is to reach above 100 TWh of production by 2030 and you see that I am talking about TWh because at the end of the day what matters is production because production is revenue not that much capacity and I am talking about 100 TWh of power production coming obviously for renewable but as well from the rest because part of the value is coming from that integration. Why do we target 100 TWh? Because at the end of the day size matters, and I will come to that, in terms of building a meaningful business for the Company and you see that with all that will be roughly 20% of the energy we sell by 2030 and because if you want to count in that game, especially with the supplier and the contractor, you have to be big.

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To implement that business model and to make it profitable we are going to action fundamentally five levers on which we have worked in the last six months and where we now have a full-action plan, people in charge and we will do as we do in Oil & Gas very methodologically implement all that. The first idea is that that model of integration only works on deregulated markets so we are going to focus our growth on deregulated markets, Patrick mentioned it, one third in Europe one third in the US, a bit of Brazil and Australia and the rest will represent less than 20% of our sales. That's one. Second we need to grow four to five times versus our current renewable production of 20 TWh and double our production from flexible assets. To do that on renewable, today we have 20 GW of capacity, six under construction, we will meet our target of 35 GW by 2025 and, as you know, we have a pipe of 40 GW of early or mid-stage project post 2025 to fuel the growth. Then the question is how to make that profitable and here there are four dimensions. The first one is that we will be putting on stream around 10 GW per year of capacity after 2026 and to develop that obviously you need to industrialize that process. That means focus on a limited number of countries but where we can have big projects and good projects. The way we have done that was to really partner with the top player in the market where we are. Electricity and especially development is a local business, and for example we have developed in the US by partnering with Clearway, which is one of the top five developers, in Brazil with the number one Casa dos Ventos for example, in India with Adani and we really try to leverage that strength to be able to build a very strong portfolio. Obviously on the development side we buy as well projects like others from developers but we want as well to have our own platform of development which is the case for example in France, in the US, in the UK or for example Portugal or Greece. That's for the development part. Then obviously if you go in the merchant market you are exposed to cost and you need to compete on cost. We aim to have the lowest cost of the industry and of the merit curve exactly the same way we did in Oil and Gas. So we target to be able to lower our unit Opex and Capex by 10% and to improve our efficiency to target really the first quartile of the industry. Obviously to do that you have to benchmark your asset internally, externally. You have to standardize your design to be able to use your size effect and so today for example we have standardized the design of our solar plants to limit to five or six models. You have to play on your purchasing power. We just signed two capacity reservation contracts, one with First Solar and one with Jinko in China, where we see that in average versus the rest of the market we can lower our cost of supply by 5%. Last but not least, you need as well to control your operations. That means for sure have in-house operations on the way you operate your solar and wind farm but as well to centralize all that so that you can operate them on real time and in the most efficient way. Part of the difficulty of renewable is that you have thousands if not millions of tags to manage and you need to realize when something goes wrong very quickly. For that you need a lot of digital and AI which we now have. So that's to develop better, produce better. Clearly, the question is how to sell better, and on that there are two dimensions as I said. One is to take more merchant exposure. We have a view today that a small developer needs to hedge his production and for that is ready to pay a premium to get a long term as produced PPA and there is value to be taken to take merchant exposure in that market. Same when you have flexible assets. And second on the 70% of the production we are going to sell, we are convinced as well that we can extract value by selling to the customer more sophisticated products. The first one is just to sell clean firm power because at the end of the day you want to buy power when you need it not when it's produced. And here we clearly see that there is a premium to catch. Obviously to do that you need strong short-term trading, real time

trading that we have built in Europe today and that we plan to deploy in the US as well. Last but not least, the portfolio as I said you need the good blend of flexible assets on one side and intermittent on the other side. And that's why we need to add, if I take for example Spain where we have a large solar portfolio, we need a bit of wind. Exactly the same for ERCOT where we need a bit of wind. There are markets where you need to add storage. So that's the dimension on which we work as well. And then there is the cost of financing all that with here two dimensions using our balance sheet to minimize the cost of the debt that's one. And second, you know that in our business model we farm down 50% of the asset at COD and here that's a lot of sales where we want to industrialize that process and work with specific partners. So that's our strategy and the bulk of our strategy.

There are three subjects I would like to mention in addition to that.

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The first one is offshore wind. Why offshore wind? Offshore wind should represent 10 to 15% of both our production and investment so that's not the bulk of our strategy. Nevertheless, it's an interesting technology but as well as a technology, and we've seen that some of our peers, that could struggle. Two remarks on that, it's true that costs have increased and interest rates increase doesn't help but at the same time it's clearly a technology that is quite close to our traditional Oil and Gas activity, long projects, Capex-intensive, of course offshore where you have to manage the execution risk, things at which we are quite good. So we believe that clearly offshore wind has a role to play but we want to do that selectively and profitably and choose carefully our market. The markets on which we want to go is one, markets where there is a good wind because you need competitive assets. Those assets need to be competitive and one of the interesting aspects is especially when the grid is paying for the connection which is not the case everywhere but which makes a big difference on your cost of production. And, of course, bottom-fixed because today bottom-fixed can be in several markets at competitive and at grid parity and that's not the case for floating offshore. Finally, if you want to be completely consistent with your model, you need to have the freedom of doing whatever you want with your electrons and that's why we notably choose the German power market because Germany has all those characteristics. One, it's a very dynamic market in terms of corporate PPAs. Second, you can blend offshore wind with solar and we have projects in Germany to do that. That's a market where, exiting from nuclear means that, costs are done by the price of gas and CO₂ and today we see that PPAs are above \$80 per megawatt hour. So structurally it's a very interesting and promising market. And at the same time when you look at offshore wind you have low technical cost because it's bottom-fixed, load factor is very good and we had the possibility to access to a long-term lease in what we consider as attractive entry conditions because at the end of the day you pay only 10% of the bid amount we have paid and as I said the grid connection is paid by the State. And then it's true that you will have to pay a kind of "royalty" or "profit oil", if you wish to compare with the model in E&P, over time but it will come when you have decided to take your FID and over the life of the asset. For all the assets that's why we went for that auction and we are very satisfied to have won 3 gigawatt and we are confident actually that we will deliver on that project like the others the return of capital as mentioned of 12%.

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Second remark as Patrick mentioned we stay on the regulated markets for two reasons. One because you have the Oil and Gas country and as Patrick mentioned on that we can leverage multi-energy model. We can get a good contract like in Angola, Qatar or Kazakhstan or contracts with big size that help us to leverage our position with our suppliers and at the same time that's a way as well to get good Oil and Gas contracts like in Iraq or in Libya. So here the idea is to be profitable. We don't go in those countries not to be profitable, but we believe that we have a competitive advantage. That should represent around 10% of our production where the extra value is not going to come from integration with flexible assets but from our Oil and Gas presence. And then you have the rest of the portfolio with two remarks. You still have markets that are interesting where you can create value. That's what we believe we are doing in India with JV with Adani Green Company where here the idea is to access the assets. We have 3 gigawatts through a JV called AGEL 23 and an additional 1.4 gigawatt we have just signed through a new one. And then we inherit from the Total Eren portfolio a large number of countries where, at a very good price as mentioned by Patrick because the multiple of EBITDA was low, where we are reviewing that and we will monetize for sure non-core assets. That's one of the tasks for the months to come.

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Last but not least, electromobility where here the target is really highways and city hubs for EV charging and B2B segment. Why is that? Because there is an obvious synergy with our current position. Leveraging our presence on highways and city hubs and as you can see, we are already number one in France with more than one thousand high power charger already installed and where obviously we try to secure the scarce prime locations. As well for B2B we have relations with customers on the B2B market thanks to our fleet card system and here we want to use that specific relation to provide mobility services to our customers and to deploy our EV charging. It's clear that on B2B, even if it's not necessarily large volumes there is a synergy as well with the Integrated Power business because that's a demand on which you can make load shift which has clearly some value in terms of demand response. Finally, but there it's much more selective where we continue to work on the B2G but we are selective because we don't want to sacrifice profitability on that segment.

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All that should lead to a strong increase of our production going from 30 TWh to above 100 in the next five, seven years and obviously with growth on one side and improvement of Opex, Capex and revenues we plan to be able to go from \$2 billion cash flow generation in 2003 to more than \$4 billion in 2028. Why four is important is because we plan to spend \$4 billion per year to do that so the target is clearly to be net cash flow positive by 2028. I'm done and I will hand over the floor to Patrick for the part you are waiting for, the distribution.

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Patrick Pouyanné: You are all expecting that but in order to grow the distribution we need to grow the business and cash flows. There is no miracle. So why should you continue or acquire more investment in TotalEnergies, which is more important.

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First some figures on this chart but which summarize in fact I would say the various presentations. The cash flow growth at the same price deck, I don't say that the 2028 price deck will be the same as 2023, I just say the same price deck whatever it is, will generate \$6 billion additional cash flow from a pure volume effect. Around more than three in Upstream Oil and Gas which was broadly explained to you by Nicolas. The Integrated Power an additional \$2 billion and what was not described but I give you the figure in the Downstream, petrochemicals plus the low-carbon molecules which I mentioned through sustainable aviation fuels and these RFNBO molecules in Europe around \$1 billion so it's globally a volume effect of \$6 billion. You have the price sensitivities which do not move too much, \$3 billion for 10 \$/b of Brent, \$400 million for 2 \$/Mbtu of European gas price and \$500 million for 10 \$/t of refining proxy by the way on the proxy today, it's a good sensitivity because the margin is quite good and quite high. More importantly on the right side, you've seen there the important metrics on which the Board of Directors works. The first one is at \$50/b: if I take the 6 years from 2023 to 2028 we will generate between \$150 billion and \$170 billion. We'll spend in disciplined capital investments throughout 6 years around \$100 billion. The existing dividend represents more or less \$50 billion so we have in fact a post-dividend breakeven which is lower than \$50/b which is, of course, a very important metric in particular when you combine it with the fact that thanks to the cash flow from the year 2022 and 2023, in the balance sheet the gearing is lower than 10% . That will of course allow some flexibility, upward flexibility, on the distribution policy. And at \$80/b with the metric we mentioned in fact we are generating, beyond the capital investment, more than \$100 billion of free cash flow, part to finance the dividend \$45 billion, but you see we have room to improve distribution through dividends or buy-backs.

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And this was the key slide and discussion we had with the Board which led to this improving shareholders' distribution guidance that we give you today with a strong confidence of the Board. We had again a Board meeting this morning by the way after a strategic seminar last week in order to consolidate all the positions at the unanimity of the Board.

Last year we went out of our traditional 30% guidance to 35–40% with all what we described to you and in fact a strong confidence in the capacity to grow the business either in Oil and Gas or in Integrated Power and both pillars are important to be able to give a guidance above 40% of the cash flow from operation distribution, being distributed to shareholders either through dividends or buy backs. For 2023, in April we mentioned that when we announced that we were renouncing to the IPO of the Canadian oil sands, with a divestment through a deal with Suncor at that time, that the Board will look at what is the best way to return parts of these proceeds to shareholders either through buy-backs or special dividend. We had some discussions with major shareholders, we concluded that today in the market clearly and because as well we consider that, even if the share price went up in the last month, there is still room to go higher and so, and now I see Michele smiling, he has always been a strong believer in buy-backs but the Board decided to allocate \$1.5 billion of these proceeds to buy-backs so we'll raise the buy-back to \$9 billion, we maintained the \$2 billion during several quarters, we make an additional \$1 billion which should lead to a distribution more or less around 44% so we are well, you know last year it was 37%, so I think it's

a clear change in the way we, as a company and its Board, are looking with primary and first importance at distribution but again it's linked to the fortress balance sheet and our capacity to grow the business.

So I think it's an important guidance and indication. I would say I'm sure I will have the question what will you do for next year? I would say for next year we don't have special proceeds from Canada but I would say maintaining this \$2 billion per quarter is a nice pace in this type of environment and then if you combine with the 40% you can see that we'll be above 40% knowing that as I explained to you last year in terms of dividend, with \$9 billion we'll buy back more than 6%-6.5% of our capital, of our equity and so that will immediately feed the growth of the dividend next year. You know this year we grow by 7%-7.2% I think we should not be surprised next year to be around this type of growth. This consistency, what we target with the Board is to be more consistent in the distribution policy in fact year after year because I know from time to time you had some question mark but our investors, I want to reassure them about a strong commitment to this distribution policy.

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I don't forget when we speak about the investment case of TotalEnergies the fact that for some investors, both sides of the Atlantic by the way, our ESG policy is also taken into consideration. We have a strategy, in fact a transition strategy which has been well explained on which we stick and which will deliver again: the fact that we transition our own business but growing the energy production and 25% less carbon in our carbon intensity index is very important so you can see that on this slide you have some key agencies evaluating the different Oil and Gas companies. We know that Oil and Gas companies are not considered as stars of ESG but among this group I can say that we are today recognized as having a good position and we have improved it in MSCI, Sustainalytics, Moody's or S&P Global or maintained it and so among our peers we are continuing to lead the pack and I think it's important for the investment case of the company and I hope investors will appreciate it.

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So last slide we summarize I would say as a global presentation. Again, it's more energy 4% out of which 2 to 3% of Oil and Gas, more on Integrated Power but 4% growth average, less emissions minus 40% intensity scope 1 and 2, minus 25% scope 1 and 2 and 3 intensity, growing cash flow which is even more important because of course, what we intend to do is in order to grow the distribution. We keep I would say the capital allocation framework that we described to you in the previous years, continuing to have a sustainable growing dividend fed in particular by the buy-backs. Disciplined Capex policy, through cycles, but which allow us to grow our businesses so we are comfortable with guidance. The balance sheet, the fortress balance sheet, Jean-Pierre has a special objective to raise our rating to AA. I think on Moody's side he is optimistic, we'll see if it comes and the surplus being shared through buy-backs fundamentally. We used a special dividend last year but it was an exceptional year. Primary tool, I would say, is the buy-back because again at the end the re-rating of the share value is our primary objective with this new guidance of more than 40% payout through the cycles. Thank you for the attention and we'll be now happy with my colleagues and not only Stéphane, Jean-Pierre, Helle and Nicolas who are there but also in the room we have Thierry, Bernard and Namita with whom some

of you will have some discussions this afternoon, we'll be able to come back and answer your questions. Thank you for your attention.

-Q&A-

Renaud Lions: Let's start the Q&A session. So the basic rule today is we will alternate between questions in the room, priority is in the room, we'll also have audio questions. So please introduce yourself when you are asking a question. I see a gentleman here who raised his hand. Go ahead and please introduce yourself.

Sam Margolin (Wolfe Research): Thanks for the event and thanks for taking questions. I just wanted to clarify the growth targets and I know it's all on the slide but I just want to make sure even I can understand. Because \$3 billion does seem somewhat conservative within Oil & Gas so I just wanted to see if there were also some other asset sales embedded in that or base decline or if it's simply a price deck issue and then specifically within that with Suriname if that's excluding the payback of the carry too because that affects the 2028 timeframe.

Patrick Pouyanné: There is no price effect. Don't forget that we have a natural decline as well in our the portfolio. You have a 3% natural decline. For these four projects, I think Nicolas gave you some precise figures. You are adding 300,000 barrels per day and some cash flows but we are losing part of the cash flow as well. So it's a balance between both. On divestments, we don't have major divestments in view. We continue to monitor, we might have some mature assets somewhere from time to time. It's part of the dynamic that I want to maintain in the company because I think it's worth continuing to review but the \$3 billion are consistent with the rate of 2% plus of growth of the hydrocarbon business according to our metrics. The Suriname carry does not have any real impact on the cash flow. In 2028, we will produce... So normally, we even have some cash flow coming in. It has been neutralized I think in the paper. Because again the carry we got access to the oil. We have 75% of the cost oil of our partner which is for us. So in fact, this carry, honestly, it is not a big deal for us. It's just a sort of loan that we repay quite quickly in three years at \$60/b.

Sam Margolin: So that was my follow up about the Suriname carry and with respect to capital allocation and distributions in particular because there are layers of it. There is the concession cost recovery and then you have one from the partner too. So, the cash flow almost manifests like an asset sale because it's so front loaded.

Patrick Pouyanné: I am not sure to fully understand your question, what is the background of your question on this impact. Because the PSC will work normally. We have our share of capex. We are paying part of the capex of our partner and we recover all that in three years from their cost oil. Not our cost oil. Their cost oil. We capture the oil. So it represents quite a big amount of oil in fact which is for us. The higher the price will be the quicker it will be.

Sam Margolin: The question was just if that impacts distributions when it comes in at a different pace.

Patrick Pouyanné: Positively. Not negatively. Positively. But as you know, as you said, we are always considered as conservative. We consider that if we say today more than 40% of distribution it is because we believe we will deliver it.

Renaud Lions: Another question in the room. Chris Kuplent.

Chris Kuplent (Bank of America): I want to go back to the last comment you made, Patrick. The fortress balance sheet. And two quick questions that, probably you're used to hearing from me. The first one: you've laid out a number of organic growth options and I wonder what your thoughts are regarding your appetite for inorganic growth. Because that fortress is going to get a lot stronger, I think in the next few months: you're getting \$8 billion of disposal proceeds through the doors. So, maybe you can explain to us a bit more how strong the fortress will need to be. Or maybe Jean-Pierre, on AA or not. Any characteristics around how much stronger the fortress needs to be. Because it looks to me like you're close to it.

Patrick Pouyanné: Yes but the \$8 billion... This year, maybe you didn't notice but we have been quite active in the acquisition side because we acquired for more than \$6 billion. So the M&A activity is quite active in the company. But when we acquire, we also need to divest. So the \$8 billion are already somewhere quite spent. So don't expect much about appetite for inorganic. I will stay with the same comment: you make a good acquisition when you are countercyclical. And so you might have some opportunities like the one we had last year in Abu Dhabi, because one company was willing to divest oil and gas upstream. We have another strategy so we acquired. That's the point. But honestly, oil and gas assets today are quite on the high side. On the other side, obviously you can all see that interest rates are going up in the renewable space. There are a lot of decrease but be patient. It will continue to decrease. Back to reality. Now again we have quite a large portfolio. So we are satisfied. You can expect us to do in Integrated Power what Stéphane described to you which is more to complement the portfolio with some flexible assets. Because we need that to execute the strategy. We need to have a mix. And we have some in Europe, we don't have that in all the markets we are targeting. So this is more to the core. Not large inorganic growth in our view today. It's not a priority. On the AA, I think the metrics which are used by Moodys should allow us to get it.

Jean-Pierre Sbraire: Yes, we made the maths and hopefully it should lead to an upgrade.

Patrick Pouyanné: Standard & Poors to be honest is more complex because if you want to be AA by Standard & Poors, I should stop the buyback and allocate everything to the balance sheet. I'm not sure our investors will be pleased with that. We presented all that to the Board and we came to the conclusion that, as I said last year, the fact we have a gearing under 10% has changed a lot in terms of flexibility compared to previous years. So, we are satisfied and it is the right balance.

Chris Kuplent: But you wouldn't be comfortable paying out more than free cash flow?

Patrick Pouyanné: It depends on the year. Again we commit to 40%.

Renaud Lions: Question from Michele

Michele Della Vigna (Goldman Sachs): Congratulations on the leading payout ratio announced today. I had two questions. The first one goes back to Helle's slide on LNG. It shows some mild oversupply from 2028 and I was wondering if that is somewhat influencing your contracting strategy with probably more long-term oil linked contracts. And I was wondering how the environment for that is evolving and broadly what kind of percentage of oil price we can expect for contracts signed throughout this time

period. My second question is on costs. We are seeing an enormous shift in the industry towards short cycle investments which are very drilling intensive with a lot of well completion. And I was wondering if you're starting to see inflation emerging there which at some point could make the economics of those developments actually less attractive even in a generous oil price environment. Thank you.

Patrick Pouyanné: So two good questions like always with Michele. On the first one, yes, we have to be transparent. But again if you look at the slide you see that the oversupply might come from some Pre-FIDs so, maybe it's a slide to warn others, not us. Be careful. If you FID your project, you can come, it's true. Having said that it's cyclical. Yes, we'll have some few good years in front of us but after that we can manage that. Knowing that in the LNG industry delays to deliver plants are not unusual, I would say. These are huge projects. So yes, the conclusion is right. It's a good time today because it's more a seller market than a buyer one to secure some long-term contracts with oil index, exactly that. But at a higher level than what we experienced in the previous five years. So this is what we do today for example, in Papua LNG, we are not far to conclude oil-linked project contracts. I'm not sure I can deliver to you publicly what is the percentage but maybe in a one-to-one discussion. I'm going to Qatar to inaugurate NFE and NFS and I'm sure that Saad will not be happy if I begin to disclose this type of percentage. It is clearly higher today, so it's a good opportunity and that's a primary focus today for Stéphane's teams, LNG teams to market it. So that's the right answer to bring. Again, that's a market and it means as well that we have a good portfolio today and we don't want to add more at that horizon. So until 2030 we have all these projects, it's okay. We have big growth, let's concentrate on delivering them. That's the first point. But again, if that happens, that means that the price of energy will go down and then the demand will rebound because the 5% that was mentioned by Helle for us is an average. You don't see that today but remember 2015–2020 it was more 10% per year because it was supported by a lower price and we know that there is an appetite in Asia for LNG but it's linked to the price as well. So it will help the demand to rebound.

Costs, yes, we have long discussions. We are working hard on the rig strategy today in order to secure lower rig costs, even longer term, maybe making JVs. We tried to be innovative in a way to control the costs. But that's true that you have today, I observe in the drilling rig companies, a strategy, they prefer to keep some rigs stacked in order to control, like OPEC control, rather than putting more rigs in the market to see the rate going down. So, we are facing that. Until now, to be honest, until 2023, because of our strategy in the years before, we are protected. Now, for the future development, it's something that we need to address. We see deep offshore rigs today around \$400,000 per day, which is back to some old times, so we need to find ways to manage that. It could influence, you are right, some of these short-term strategies. But honestly, at this time, with the metrics we have, we have less than \$20/boe opex + capex, and as long as we stick to it, that's why we are strong on this metrics, we can cope with the costs.

Maybe we should take one from abroad, I see Christyan, maybe first. We could alternate, and then we'll come back to the room.

Christyan Malek (JPMorgan): Congratulations on the presentation, and apologies I can't be there in person. A couple of questions first on the macro outlook, and specifically the long-term 80 \$/b view. Last time, last year, you framed the \$50/b with upside flex to the long-term price. So in our Supercycle report last week, we got quite

a lot of pushback on an \$80 oil price, long-term, which is well above the back end of the curve. So I'm wondering, what gives you the confidence in this outlook, especially as you've got IEA calling for peak demand this decade? And that's my first question, please. The second question, and related to that, sort of, is it's not clear to me how much of the upgrade in the cash flow outlook is a result of a more bullish macro view, versus an underlying volume of margin increase. So could you help pretend to disaggregate what percentage of the increase is because you're more bullish versus underlying value added? And finally, and sorry to ask three, but I may have missed this, but what exactly is your new oil growth rate? You had guided to 1.5 to 2% oil compounded at 2027, and now we're back to 2% to 3% total oil and gas. And within that, I guess you could help, I'm getting a lot of questions on this, myself. What is the quantum of barrels that you expect from Namibia, as I think the jury is out on how scalable it is, especially given the mixed success on exploration to date? Thank you.

Patrick Pouyanné: Many questions for one! Maybe we missed something. Again, we told you that we continue to sanction projects at 50 \$/b, we keep the discipline. In this present market, we had a long discussion, do we put 70\$, 80\$. It would have been a strange presentation in a market, which clearly today is more at 95\$ to come with \$50 or \$60. You would have thought that we were super cautious. So we don't tell you that we have a long-term view of \$80, but we see a lot of indications, which I think were clearly supported by Helle's presentation. Why? Today we are, yes, we are more bullish, because honestly, my view is that OPEC+ has taken the control of the market, and these guys, they like to have a high oil price, because the dynamic on the supply side is not set so clearly, in particular in the shale oil, we see today a strong discipline compared to the previous period. So that's why we think that we have entered into a world where the oil price might be higher. Having said that, we keep a discipline on our investments and the way we sanction the projects, so that's the answer. No, on the cash flow outlook, let's be clear, you have the figure, Christyan. All the figures were given to you. All of the 6 billion or the 3 billion, which one of you seem to think is not sufficient, were clearly without the impact of oil price, and it's the same nominal price deck. So, I think in the slide at the end of my own part, which was a slide number 23, you see more than \$10 billion, you can clearly see that 6 or 7, because we started from 2021, so \$7 billion is the volume growth, and the 3 other billions come from the price deck, which was different in that slide. So again, the underlying value add for 2023 to 2028 is \$6 billion, as I explained to you in one of the final slide. Oil growth rate, you can calculate it from the slide with your ruler, if you want. And Namibia, let's wait a little more. I told you there will be a little, let's see. It's not finished. Don't jump too quickly into the conclusion. I gave you some indication, positive indication, but today it's premature, because I could be either, again, conservative, if I answer to you, and then you will criticize us, or too optimistic. So let's drill the well, let's do the test. Helle wants to add something.

Helle Kristoffersen: Yes, Christyan, since you mentioned the IEA, I just want to tell everybody to read carefully the statements that come out of the IEA, and especially Fatih, because when Fatih says, or the IEA says, oil demand is going to peak in this decade, there is also in the sentence, not always repeated by the press, if all the countries deliver their targets by 2030 and 2050. It's a big if. And secondly, you may have noticed that very recently, he also adds that even if demand were to peak, it would peak at a slower, it would decline after that at a slower rate than the natural decline of the oil fields. So now he also says, mind you, we will continue to need more

oil and gas projects, which is a way of saying, careful here on supply. Okay, so I think it's important to go back to everything he says, and not just the headlines that the press uses.

Renaud Lions: Biraj there, please

Biraj Borkhataria (RBC): First question is on dividend growth. So you're pointing to 2 to 3% volume growth in the upstream, plus it looks like there's some underlying margin improvement, and then you're buying back, you know, at this point, 5 to 6% of your shares, plus as you get to the end of the plan, the Integrated Power business becomes less of a drag on free cash flow. So I would have thought, you know, is it reasonable to expect dividend growth in the region of 10% in the similar environment, which is higher than what you name checked, about 6 to 7%. So I just want to get a sense check of how you're thinking about medium term dividend growth. Second question, just, similar to last year, you presented everything excluding Russia in terms of the cash flow targets. Could you just clarify for 2023 what you're expecting to receive from the Novatek dividend, if at all, or the Yamal dividend? Thank you.

Patrick Pouyanné: On Russia, as you know, most of the cash flow is coming from the long-term contract that we got, which is not a Russian asset, but it's linked to a Russian asset, but it's a European contract, I would say. So that's the core of it, and it works. Strictly with the long-term volumes, which were committed, not more, because we stopped all the short term, but it's a profitable business, as it was before I think. From Novatek dividend, we received nothing, for the time being, let's be clear in 2023 up to date. So the answer is quite easy.

And then, on the first one, no, I will not answer your question. I have given to you some guidance: more than 40% of distribution. I told you that, when we buy back shares, we cancel the shares, and it will, of course, be replicated in the dividend the year after. Then, let the Board decide what he wants to share between the dividend and buyback. I mentioned during my speech, I think that 7% last year might be for next year again. But let's keep this flexibility between dividend and buyback to the Board. I don't want to over-constrain everything. I remind you that we tried, in 2018, to announce a future growth of the dividend, and then the share went down. Since that day, I'm super cautious about that. Today, I'm happy the share is going up because we announced a global, a premium distribution policy, which I think is good. So I don't want to over-constrain the system, and let's keep some flexibility.

Alastair Syme (Citi): Patrick, can you talk about, you touched on your presentation about the retail business, just the strategy for it, because you did the deal earlier this year with Couche-Tard. You sold part of the business, you still got France, so what's the sort of the pathway forward?

Patrick Pouyanné: No, we are fine with France. We have a leading position. Again, in these European countries, we had Germany, Netherlands, and half of Belgium, we had limited market share. A good offer on the table, 15 times our net cash flow. So why should we refuse the offer? We see a limited synergy between these networks and EV in fact. EV for us, as we said, we want to concentrate on highways and city hubs. We have plenty of stations which are not fitting with these two definitions, where we don't see a very strong EV business because don't forget that people will charge in many provincial cities, they will charge at home, in fact, or at the office. So we have to be

careful in the impact on European networks of this transition, going to EVs which by 2035 will become even mandatory. So that's why we had a good opportunity. The French position is strong by itself. I think it's better to control the pricing policy in France considering where our headquarters are located, so we are fine. So we have, I think today, and Stéphane has done it in the name of Thierry, which is there, because we don't want to have a comprehensive view, and Stéphane explained where there might have some synergies. We have defined what we want to do in the EV mobility, and again, highways, where we have taken in France for quite a number, 40%, I think, of the concession already. So we are even stronger on EV charging on highways and motorways than on oil today, and city hubs where we are really developing an aggressive strategy through Europe. I should add that there is a segment in the B2B which is, of course, trucking. We have a large, we have a very strong asset which is what we call, AS24, covering Europe from Poland to Portugal, and that we intend to accelerate also in high-power charging for trucks in the future on this network. So that's the key part of it. So that's the reason why the French position is strong, we'll keep it.

Renaud Lions: Maybe Jason?

Jason Gabelman (TD Cowen): Thanks for the presentation. Two questions. First, on the projects you list on slide 13, Iraq and Mozambique are, I think, two large contributors to cash flow growth, maybe a billion dollars of cash flow each, and some kind of fits and starts on both of those. So if you just, one, confirm that it's still about a billion dollars of cash flow that you would expect from each of those projects, and address any uncertainties in both of those given the fits and starts and the confidence that they're gonna start out by 2028.

Patrick Pouyanné: Oh, Iraq will start, for sure. We already produce in Iraq, so, because the contract in Iraq, as you know, we have taken immediately since August 16, access to a production of an existing field. We need to grow it now in order to finance. In fact, the exposure to Iraq in terms of financing, in particular, because we take it at a time where the price of oil is \$90, which was not really the assumption when we negotiated three years ago. So we have access, now we will grow it. So we have already some cash flows coming from Iraq. If we have decided to go there, the situation in Basra area... our security teams have, of course, made a full audit of it, they are under control, and I think we can do it, like others, by the way, we are not the only one to operate in Iraq for many years. So it's a matter of discipline, of security, of course, and this is of primary importance for us, and we have been very welcomed by the Basra Oil Company and all the stakeholders. It's considered today in Iraq as a major project, so we have a strong support of many stakeholders, in fact, in Iraq, because some other companies decided to leave. So we came and it gave us, of course, the opportunity to have a different contract than the one which were signed before. So on Iraq, yes, we are conscious of the situation, but we take all measures to be able to, we don't face at all the same type of uncertainty than in Mozambique. In Mozambique, we are under Force Majeure since 2021, I think. The situation has clearly improved because the governmental forces, supported by other countries, in particular Rwanda, have taken back the control of the situation in Cabo Delgado. We made a number of audits, which are satisfactory, and our objective is to restart the project before year end. Today, in fact, we still have one major, I would say, which is a relationship with contractors, because some of the contractors would like to benefit from the situation to increase their costs. We disagree. So we have some negotiations, including re-tendering some of the packages in order to control the cost of the project, but we'll

have clarity on that in the coming months. If we restart, it's because we came to the conclusion that we don't want to restart to stop again, to be clear. So we are able to execute the project fully. And it's not only shared by TotalEnergies, but by our partners as well. So the improvement of the situation is strong enough, and in order to be able to remobilize contractors and to develop the project.

Jason Gabelman: Great, and my follow-up, just on the underlying cash flow growth, that's \$6 billion, I was wondering if there's any consideration for LNG trading strength in 2023. So either do you expect that to fall off and normalize moving forward, and that's embedded in the \$6 billion of cash flow growth? Or conversely, because LNG trading has been so strong, do you expect that to support the LNG business moving forward? Thanks.

Patrick Pouyanné: Again, LNG trading was very strong, in fact, in 22, to be very clear. I think the 23 already has been normalized somewhere. I'm speaking about under the control of Stéphane. So we consider that for the future, we could be able, so compared to 22, there was, you can see in the figures that we report Integrated LNG. So you can see that we are landing on something which is probably more normal. But in fact, trading activity is linked to volatility, not on the absolute term. You know, traders, they love volatility. Volatility is lower this year than it was, but we think, honestly, you've seen this summer fear of strike in Australia and poof, the markets are taking 30 or 40% in a few days. So the volatility, my view is that the LNG markets for the years to come, in the situation which was described by Helle, where you have more demand than a constrained supply, is a fragile market. So volatility might be there, but lower than in 22. So we normalize that at the level of 23 for the future years, and that's a target for our trading teams. But there is no, in \$6 billion, an additional trading activity. So the \$6 billion, again, just to clarify, these are the assets, you know, the assets by themselves, only the assets, without optimizing, et cetera, will deliver, in the same environment, an additional \$6 billion, \$3 billion for the Oil & Gas assets. What can be done around the assets of the optimization is not taken into account there, okay? Thanks. So maybe we are conservative from this point of view.

Oswald Clint (Bernstein): Yeah, thank you very much, and apologies for not being there as well. We have our annual conferences today and tomorrow. But firstly, if I could ask, I love slide 33, the levers to profitability in Integrated Power, and the topic around 12% returns. And the comment there, you have about 10% Opex and Capex below the market levels, and the 1% efficiency above. I think that's the first time you've explicitly stated those. And obviously, they're quite critical to internal rates of return calculation. So I was wondering if you could elaborate on those numbers. Are you starting to lock in those types of savings already? And of course, we know there's a smaller group of suppliers on the other side who are under some duress at the moment, and whether we can really expect those types of savings to be locked in here. That's the first question, thank you.

Secondly, perhaps just following up on that last question on LNG and trading, I mean, this year, we could probably have 65, 70 million tons of LNG sanctions, which would be a record. And there's a lot of portfolio players lifting a lot of that from the US, and a lot of them will be seeking to build out trading businesses and optimization. So it's kind of linked, but is there any threat here that some of these players start to just take some of these arbitrage diverging opportunities through the medium term from the Total portfolio? Thank you.

Patrick Pouyanné: For the second question: welcome to the club. They have to learn before being able to do what we do. So on the first question, Stéphane, you can elaborate both questions if you want. I'll give you the floor for the first, and if you want to continue the second one.

Stéphane Michel: On the first question, what we've done first was to understand where we are and start the benchmarking exercise. What you figure out is, what is common sense in the Refining and Chemicals with Solomon index, for example, is not necessarily the case yet on renewables, it's starting. And we believe that there is a lot to learn on benchmarking, standardizing, and so on. So yes, the 10% Capex and Opex is based on what we learned from that exercise of benchmarking and on the assessment of already Capex and Opex savings that we have identified. And we have started to catch some of them. I mentioned the one on Capacity Reservation Agreement with solar supplier. Now, obviously, it's going to take a few years to fully get to that. But I've got a project manager, action plan identified. We've gone through the Capex and Opex cutting exercise. I've gone personally through it in 2014 in Oil & Gas. We know how to do it, and we are going to do exactly the same thing, because it's the same way it's going to work. That's one.

On the second aspect on LNG trading, yes, you have a US player. Arbitrage is about getting a global portfolio with global shipping, regas capacity, plants, both in the Middle East, Asia, and the US, if you really want to be able to extract the maximum value of all that. And I don't buy the idea that if you are just a player in the US, you can do that. That's clearly one, I consider, of our strengths. And if you look at one thing, for example, the ability we had in 2022 to divert volume coming from the US that were supposed to go in Asia, that at the end of the day went to Europe, and you look at the conversion ratio we get, we were by far the first one to be able to do that.

Patrick Pouyanné: Because the regas capacity and all the midstream assets are important when you want to play this type of activity. Okay, Lucas.

Lucas Herrmann (BNP Paribas Exane): Two, if I might, the first goes back to the return question or the return observation that Oswald made a moment ago on the renewable power build, the Integrated Power business. Historically, you talked about 10% return on equity. You're now talking, you know, 12% return on capital employed. I would have thought the return on equity would actually be even higher than 12% if that's the way. But question one is really, Stéphane, whether there are particular, is it everything you've said that drives that improvement that is quite material? And can you just put the free cash comment in the context of EBITDA? The old target used to be \$3.5-4 billion of EBITDA. Now you're talking around free cash or cash flow from operations. So just to contextualize the two. And the second, more broadly on CAPEX, this has been a big year for divestments. When I look at everything that you're doing in LNG, you know, in the upstream, in the renewable power business, you know, we're going through a pretty intensive organic growth phase in many respects. You're high-grading the portfolio. How should we be thinking about, you know, divestments going forwards, Patrick, in terms of absolute scale? And when you talk about the cash flow numbers and the cash flow growth, how much cash flow do you look to seed from businesses that you're likely to divest over the five-year period as you high-grade, for want of a better phrase, you know, the upstream portfolio in particular?

Patrick Pouyanné: Stéphane, you take the first question.

Stéphane Michel: On the first question, the answer is yes. The 12% return on capital is clearly taking into account the four levers that I've mentioned. And globally, you can say that one third of the improvement is going to come from Opex, Capex, one third from selling better, and one third from the portfolio optimization. That's one. Then obviously, the question on return on equity depends on the cost of debt, so which is moving. And at the end of the day, we choose to communicate on return on capital because at the end of the day, that's the metric we use on oil and gas and to be consistent. And actually, that's what we started to publish in the beginning of the year. That's one. Second, the same way as now, we publish a cash flow from operation, we'll continue to set targets on cash flow from operation. If I look at the ratio between EBITDA and cash flow for operation, the ratio we had in 2022 is pretty much the same in 2028. And so we go from two to four on one side, which is doubling the CFFO. You could expect the same thing on proportional EBITDA.

Patrick Pouyanné: On the divestment. In our plan, the divestment & acquisitions are more or less equal on the next five years. So when we acquire, we divest. Don't forget that we have some funds coming from the divestment policy from Stéphane's portfolio as we divest 50% of renewable assets. So more we grow this portfolio, the more we have some proceeds from these renewable divestments which can feed the acquisition part. So again, the target we gave you are the existing portfolio. There is no further acquisition beyond what the target is, no additional cash flow. It is the asset base that we have today which will deliver an additional \$6 billion in five years.

Paul Cheng (Scotiabank): Two questions. First, Patrick or maybe it's Nicolas. Since you finished the last appraisal well in Suriname, you stopped drilling any exploration well for the remaining of the year. Is there any implication, is that you just don't see the opportunity on further exploration or any reason or we're just reading too much on that? The second question is on the Integrated Power. If we assume the higher interest rate environment is here to stay for the next several years, is that in any shape or form going to change your business model or lead to a modification? And also maybe for Stéphane, that in your presentation you're saying you expect a 10% or you aim for a 10% lower Opex and Capex comparing to the market average. So can you tell us that what is the current position you're at the market average or you're above the market average by 10, 20%? Thank you.

Patrick Pouyanné: If we want some improvements it's because we are not yet there, let's be clear. We grew quickly that business in five years. So now we have a large portfolio so we can begin to benchmark. We've done it for France. We've done it for some countries. We need to expand it. This portfolio has been built from inorganic, organic, small developers. So there is a huge action, what we call "strengthening the industrialization of renewables". Stéphane just reorganized its business unit of renewables in order to specify it. Everybody was concentrating on the development, business development. Now we need teams dedicated to projects and teams dedicated to operations. Exactly what we have done in Oil & Gas historically. So this is what the model is. And so this is why we think this minus 10% Capex, minus 10% Opex are achievable in order to industrialize again the way we produce and we build all these projects.

On Suriname, we drilled 14 wells. So we have honestly covered quite a lot of large targets. There are some targets which will be tie-backs, future tie-backs to the development we envisage. So they are not very large, but which will extend the plateau

of this initial development. So we don't need to rush to explore today to put them into production in seven or eight years. So the priority now is to put into production what we have discovered, to keep the flexibility in the way we design the development in order to be able to make some tie-backs. So for me, it's more extending the plateau of these 200,000 barrels per day rather than add new discoveries. Then to be complete in the north of the block, we have some few large prospects, but everything which has been drilled in the north, either on our block or on the adjacent block has been negative. So there is a certain point where we consider that we have a good understanding of what happens. So exploration is no more a priority. It doesn't mean that there is no target: just smaller targets, tiebacks for the future. That's the oil part, then there is a gas part, gas prone discoveries on the western part of the block where the question is how to monetize all that. Monetization of the gas is not very obvious in that part of the world. But we'll work on it. Our priority today is to produce oil and to deliver cash flows, to monetize the exploration.

Ryan Todd (Piper Sandler): Maybe a couple quick ones. One, as we think about your gas and power strategy, you've got a constructive long-term view on natural gas. You've got a constructive long-term view on power pricing. I think that underpins part of your investments here. Are those necessarily linked in a way? Do you view the linkage of natural gas prices and power prices as linked in any way? And how do you think about risk in those markets longer term, your willingness to take 30% merchant exposure, how much of the project economics depend on that merchant exposure over the longer term as you think about managing those businesses over time? And then maybe as a second question, you talked about how you've been pretty active in the acquisition market. Most of your acquisitions have been on renewable and low-carbon areas. Do you have, going forward, is there an appetite for oil and gas-focused acquisitions as well, and how would you characterize the kind of market opportunities there?

Patrick Pouyanné: The second point is not true. We will provide you the data. In fact, we have acquired this year, out of \$6 billion, more than \$3 billion in Oil & Gas, in fact. So no, it's not true. Maybe you have the feeling, but in fact, when you acquire Abu Dhabi, when you acquire positions in Qatar. It's not far. We acquired Brazil before, so in fact, we are spending, we continue to develop Oil & Gas, primary focus. And again, there are two pillars, they are equivalent, and one is bigger than the other one. So we continue, we have appetite. We have already said several times that growing our LNG business in the US, will require to consolidate the upstream at a certain point. So we are permanently, we are looking to opportunities in both aspects. Again, when price of oil is quite high, it's more complex to have access to good opportunities in the upstream part. It's not very counter-cyclical today, but we'll look at it.

On the first one, they are linked somewhere in Europe, but with the CO2 price. You know, in Europe, the marginal power price is done by natural gas plus CO2, not only by gas. And the CO2 market, the CO2 is important. Honestly, if you want to keep merchant exposure, it's not only a risk, it's an opportunity. It's because we like to have some upside as well. So in fact, what we just want to do is to use, contrary to utilities which have high debt, we don't have high debt. So we can take this type, exactly what we've done in LNG, we can take a risk, we cover part of our risk, and then we can keep open to the market a certain amount of our capacities, of our productions. We are resilient, it's why it's very important, like Stéphane explained, to have a quality portfolio from an Opex point of view, like the \$5/boe on the Oil & Gas side in order to be resilient

when the market is lower, but to capture the upside when the price is going up. That's the same philosophy. In electricity, obviously, it's more volatile because you have a daily volatility, a weekly one, and it's more volatile. So this volatility needs to have more sophisticated tools and also to have flexible assets or storage capacities in order to be able to capture this volatility. So that's the idea. It's more fundamentally for us keeping part of the upside and what we don't want at all is to have a secured, guaranteed business with PPAs. That's not what we want to cover because it's not what our investors are expecting. Other comments on natural gas and price link that you would like to add. Honestly, the natural gas price will depend as well on different markets.

In Europe, clearly, now the price will be driven by US LNG imports. Russian gas has disappeared, so that's a key driver on it. This might impact other world markets, but the power prices are more subject to local regulations. So you don't have a direct link necessarily between the worldwide gas market and the local price market. You want to add something?

Stéphane Michel: Yes, perhaps just one comment to add to what you said, Patrick. It's clear that in Europe, power prices are linked to natural gas and CO2. And following the crisis last year, natural gas prices in Europe now are very much connected to LNG. And by the way, that's one of our competitive advantages versus other players in Europe: is that we have a deep understanding of the LNG market, hence potentially the dynamic of the power market, which I believe is clearly for our Integrated Power business as well, a nice competitive advantage we have because of that connection.

Patrick Pouyanné: There was a long discussion internally if we should split the teams in charge of trading gas and trading electricity, as there is electricity, but I would say the medium long term is next, but the short term is different, we decided to split. But locally, they are localized, the offices in Geneva, next to each other to exchange, to keep all this knowledge. So even if now we have two different business units, because we want, we need to grow the power trading in order to cope with all this, I would say short-term volatility, which is quite an interesting part of capturing : again when you have intermittency and flexible capacities, you need to optimize the systems.

Renaud Lions: Okay, so now we have Giacomo.

Patrick Pouyanné: Giacomo and then we'll take Lydia, so that Lydia can prepare herself.

Giacomo Romeo (Jefferies): Patrick, you talked about the importance of having somewhat predictable shareholder returns, and obviously you have moved from a range distribution policy to a somewhat more open-ended distribution policy, and just thinking in weaker macro environments, to what extent you feel comfortable to increase this policy, CFFO distributions, in order to avoid being excessively pro-cyclical in your shareholder distributions. And somewhat related to that, you highlighted two billion downwards capex flexibility, and just thinking which kind of, what oil price would you start considering flexing down your capex?

Patrick Pouyanné: Okay: 50 \$/b. Quite easy. I'm under your control, Jean-Pierre. That's the idea, okay: 50 \$/b... I mean, what happened during the Covid, you know: you need to have flexibility.

Jean-Pierre Sbraire: By the way, during the COVID, we were able to flex the capex, we were below 50 \$/b at that time.

Patrick Pouyanné: Okay, \$50. The first one, it's a strange question. Last year, when we gave a range, people immediately say, can you go beyond the upper limit? Now, we give no range, and you ask why don't you have a range? So I'm a little bit disturbed by your question. No, but again, it's not pro-cyclical. It's just that, again, keeping above 40%, you can do it. The big difference is the balance sheet. One of you asked me before, can you go beyond your CFFO in case you need it to maintain your distribution? The answer is yes. Maybe I didn't capture fully your question.

Giacomo Romeo: Yes. I think the open-ended makes sense, and just questioning up to what level you feel comfortable stretching that.

Patrick Pouyanné: Above 40% is okay, and then it depends on the situation. But again, the balance sheet allows us to maintain the distribution policy. By the way, I remind you that this company maintained its dividend during the COVID, unlike others we maintained. So we can be quite stubborn in maintaining this distribution policy through the cycle, using the balance sheet again if we need. Lydia?

Lydia Rainforth (Barclays): Hi, good afternoon, everybody, and sorry that I can't be there today, but even from this distance, the message from the day seems to be one of growth, both on oil and gas and Integrated Power. How long do you see that growth being able to last? Is it that idea that as energy demand continues to grow globally, TotalEnergies should be able to grow faster than the overall energy demand to grow its business? The second one was then just coming back to the 12% return on capital on power. I'm sorry if I missed this, but can you go through how to get to that number, the interest rates, the power prices, just because in this interest rate environment, that does seem high. And then one very final question, if I could. Everything you said, Patrick, sounds brilliant. What are you worried about? Where are the things that kind of could go wrong that we need to watch for, is it inflation, that sort of thing? Thank you.

Patrick Pouyanné: It's probably the period, since I'm CEO, where I'm less worried than some other periods, to be honest. I think the strategy's in place, markets are okay, so, of course, something will happen. I don't know what, but we'll have to look at it. The macro environment is a little worrying somewhere, because you have a sort of disconnect between financial markets and all these interest rates. In fact, fundamentally, first time in economic history where we have to adapt very quickly to a higher interest rate and higher inflation, which probably has never happened at this pace. Suddenly we've seen everything moving, so I'm not sure we have understood fully the implication in terms of macro, of such a shock of interest rates and inflation, because when you look to the economic history, it was not very frequent to see such a shock. So that's something that we need to monitor, but having said that, the company itself, TotalEnergies, with again our balance sheet and the markets on which we are, I'm comfortable to be able to navigate, even if there are some hiccups in front of us, I would say, so I'm comfortable.

The growth lasting on both Oil & Gas and Integrated Power, there is the market on one side, and there is TotalEnergies on the other side. Again, my view is that we have been able, thanks to the strategy we deployed during the years, to build a rich portfolio of

projects, and we intend to continue to build it, even if for the next years, and I think Nicolas's message was clear, the focus will be more on delivering all that and focusing on execution, because we have been quite active to get access to these projects, now we need to deliver them in different environments, including the fact that we go to new countries where we need to be able to establish a position.

On Integrated Power, it's an arbitration, of course, between growth and profitability at a certain point. That's why our view with Stéphane is clear that with \$4 billion per year capex, it's okay, it's fine. We will not continue to grow it, we want to keep it as it is. We think it's the right level to be able to grow to more than 100 terawatt hours of production, and we intend to maintain that, because it's a business where, of course, the leverage is important, and the interest rate is part of the equation, which might have an impact, but I think it's the right pace to do it. On oil and gas, there is a market of one side, which continues to be dynamic, and our capacity to identify new opportunities, but even when we defined a few years ago, a playing field, which is low cost, low emission, what you can observe is that we have been able to, inside this playing field, even if we stop, or we divest some assets like in oil sands, because they don't fit with our long-term perspective, we are able to deliver growth, so that's our view. I would say on the longer term, the key question for LNG and natural gas will be, can we really displace coal? Like everybody thinks, or we'll have a world of renewable and coal, which is not good for climate, but that's an option which we could see in some countries.

12% of do we get to that number? I would say we are already at 10, so we have to go from 10 to 12. The target that we set, I think we explained the philosophy, is that we want that business to be compatible with the oil and gas business at \$60/b, and when we look at it with the Stéphane's teams, we ask ourselves: is it achievable? I think it is achievable. I remember when I became president for Refining & Chemicals, the return was 6%. I had exactly that 12% target, today Bernard is at 18%, so you know, it's just a question of having the focus not only on growth, but also on profitability, and maybe you have additional views, Stéphane?

Stéphane Michel: Actually to turn the 6% into 18%, at that time when you were president of Refining and Chemicals, it was really a bottom-up approach where you look at every stone and work on it, and that's exactly what we are going to do.

Doug Leggate (Bank of America): So I want to go back to Suriname and one of the comments you made about the payback. You said the payback is about three years of \$60 oil. That would put your share at about \$1.5 billion in 2028. Your E&P growth is \$3 billion. How much of that \$1.5 billion have you included in your \$3 billion growth?

Patrick Pouyanné: The startup is in 2028: it does not mean you have a full year in 2028. So that's part of the answer to somebody else's question. I was thinking that for Suriname, the first full year is not 2028, it's 2029. Sorry to have a five years cutoff, but next year you will have a figure. So your figure is right, but including the carry, but it's not 2028, it's 2029.

Doug Leggate: So my follow-up is on that 2028. Three years of exploration. Concept selection is already done. Typically, FPSOs are ordered well ahead of time and you've given yourselves five years to first oil. Are you being conservative on the timing?

Patrick Pouyanné: We just defined the concept: that is done, but the front-end engineering will start and we need to make the tenders. And if we can accelerate, we'll do it. We are looking to another scheme to go quicker. But that means that it's a matter of direct negotiation on some specific concept. We'll see if it can go quicker. But honestly, we are not so conservative. We are at a point where we have just made the appraisal, we set the target. We know we need to develop the engineering for six months. If my team were there... We told them end-24: Namita's team, they were not so keen on end-24. We told them, okay, hurry up, please. No, but there is one way maybe to go quicker, but we have to understand exactly what to do. So 2028 is fine. We need, again, a year to go to the FID just because the tender of FPSO of this size, it takes six months, more or less. So engineering nine months, six months for tender, and then execution, it takes more or less these four years, three and a half to four years. If we can go quicker, we'll do it, don't worry. We are driven by time. We know time is money. It's a big FPSO compared to what was planned because when people were speaking before, I know my partner was speaking a little too much. We are the operator, by the way. They should not forget it, from time to time. And we are in charge. No, but I mean, what they had in mind was a smaller development. We are not at 160 or 150. We decided to go to 200 because we have the potential for 200, and because it will give more flexibility for the tiebacks in the future that I mentioned in terms of potential exploration around. So 200 is quite a big beast. And as Nicolas said, we want zero flaring, so we need to re-inject, so we have quite a large gas capacity on board. Of course it's an oil development, but you know, in Suriname we are struggling with the gas oil ratio. So we identified this pool of oil where lower gas oil ratio, but still you have gas to manage. When people think you can find a FPSO in a supermarket with this type of equipment, not sure. You know, it's quite a big installation that we need to build.

Irene Himona (Société Générale): I had two questions, both on power. So first of all, on your concept of industrializing Integrated Power, you refer briefly to it, but if you can just expand a little bit on the components. I mean, it sounds like having a coherent process and organization, but what else is it in practice? Will you look for project standardization in each technology hub perhaps or each region? Will you aim to sign long-term framework agreements with contractors as you do in oil and gas? And by the way, related question, is this, do you think, a competitive advantage you derive from oil and gas or is it something the big players already do? And then secondly, still on Integrated Power. You refer to maximizing value by utilizing the power trading which you're building. I struggle a little bit with the concept because as you said, electricity is a global business. With oil and gas, you know, you load it on tankers, you send it off to the most profitable market. What does trading actually mean in practice for the Integrated Power business? Thank you.

Patrick Pouyanné: Stéphane, you can take the second one. On the first one, honestly, I think there might be some big competitors who are doing it: one is in the US, by the way. NextEra: I think it is a good example of how you can try to strengthen renewable industrialization: it goes through digital, by the way. In renewables, you can have some large digital platform where you control your whole assets, you follow them in order to optimize the maintenance, lowering the human cost, labor cost. So there is a lot of things. Scale is a way to reduce your Opex. On the Capex, I think Stéphane commented during his presentation, the idea to have a certain limited number of solar developments, solar design, which we have now optimized. So, again, you have to

understand Irene as well: today we publish these results and we are today at around 10% of return on capital employed, helped by the market, but we didn't work on that part, in fact, until now. Stéphane has inherited with his team, a number of developments around the world. So this idea of industrializing, for us, is clearly an added value, which will come in front of us, and joining the best in-class companies doing that for years will give us additional returns and profitability. This is the fundamental idea that we want to deliver. And again, working in the same way that we are doing, yes, in other businesses. On the trading, you can explain why Integrated Power can make money from trading, even if these are local markets.

Stéphane Michel: So, it's true that Integrated Power trading is, to some extent, a local market, even if, when you look at Europe, it's clear that you can't trade France alone. You are going to trade France, Germany, Spain, the Nordics, and even Switzerland and Italy together, at least for the three-month liquidity period. And here, clearly, what are the opportunities of arbitrage? Trading power is trading the difference first between gas, power and CO₂, especially in Europe, because power prices are made of the clean-spark spread of CCGT. So that's one aspect of trading. Just take a small example to try to elaborate. If you look at the power dynamics between France and Germany, you have to understand the spread of gas price between France and Germany, which has experienced a lot of volatility in 2022, and then the clean-spark spread of CCGT in France and Germany. And everything of that is linked. And here, you have a lot of value that can be extracted because of our arbitrage capacity, especially if you are in all markets. That's just talking about flexible assets. If then I look at the intermittent assets, it's clear that on one side, you have something which is very depending on the weather over the three months, but at the same time, you sell firm power on the market. So there is a big risk managing that position and a huge spread between those two. Depending on your capacity to blend the right asset and then to have the right coverage thanks to flexible assets, you can as well extract a lot of value. And that is not only at the local scale, but at the European scale. You can look, it's quite funny because there is clearly an anti-correlation, for example, between wind on the eastern part of Europe and solar on the western part of Europe. That today, you can, for example, arbitrage. That's that level of complexity that we are starting to address and quite successfully actually last year and this year. And then if I compare to the US, in the US, it's even more complex because we don't have a zonal system but a nodal system. So if you just take ERCOT, for example, between trading east and west, you have plenty as well of opportunities of arbitrage.

Kim Fustier (HSBC): Just two quick clarification questions if I may. Just on slide 23, there's a divergence in trajectories between oil production, on the one hand, which is growing, and oil sales, which are declining. I just wanted to clarify: is this decline coming from the sale of assets to Couche-Tard, which has already been announced, or does this assume future asset disposals, which look like they might be needed for you to hit your Scope 3 targets on the oil side? My second follow-up is on Integrated power. You talked about utilizing your fortress balance sheet, and I think you previously guided to 70% project financing and 30% equity. Could you quantify where this mix could go if you're planning to use more equity, and as a result, could this impact your Capex guidance, i.e. could this move to more than \$4 billion a year? Thank you.

Patrick Pouyanné: This guidance has been given to you for the renewable part, which I think is still valid. So it does not change the guidance of 30% equity, 70% project

financing on the renewable part. Which means that when we put \$4 billion in our Capex, we finance more or less \$10 billion of projects, in fact.

I think it's clear, we did not elaborate this year about the refining strategy because it didn't change. We were producing 1.4 million barrels per day and selling through refining and marketing more than 2 million barrels per day. We decided that we wanted to realign to integrate our oil because of the evolution potentially of the market. So in fact, we are selling less because there is an impact, obviously, of the divestments of some retail networks, but there is also the idea that we will realign, and we will continue - as it was explained in one slide - transitioning European refining assets from Bernard, that means moving from less oil product sales to more SAF: we've done La Mède, we've done Grandpuits and we plan to do another one every five years, more or less, in order to cope with the evolution of the European markets. But of course, we transform, we sell less oil products and more low carbon molecules. That's the idea. So there is no change in that chart: it is the same. In the end, the idea is fundamentally to produce 1.4-1.5 and to sell 1.4-1.5, but it's more coming from the transitioning of our refineries. We are in Downstream quite exposed to the European market, which is the one which will transition first according to this 2035 deadline. So we need to prepare ourselves to face such a transition in order to be less sensitive to the downstream oil market, but to benefit at the same time. Because Europe is offering us new opportunities in terms of downstream market, like the sustainable aviation fuel, like the EV mobility, so to rebalance our businesses in the downstream. That's the idea, so no change. And honestly, it's not driven by Scope 3. Scope 3 is a consequence. It's not a strategy. Never misunderstand me. In the end, this is a consequence of the strategy that we think is good for the company, because we know that these downstream assets are heavy assets, socially as well, and we prefer to plan their transition than to be in a hole, because then what do we do in 2035? So it's better to plan it and to have a trajectory. And again, we can leverage these assets in order to take positions on a more long-term market, like the sustainable aviation fuel one. We go to Martijn.

Martijn Rats (MorganStanley): I wanted to ask a question about my favorite topic, which is refining, which is what you just started. So I think my question falls on quite nicely. So I noticed on one of the slides that the plan to 2028 is based on an assumed refining margin in Europe of \$35 a ton. And I was wondering if you could say a few words about the risks around that figure. The reason for asking, of course, is that the refining margins at the moment are very, very much higher than that. And also, if you look at forward curves for refined products, forward refining margins would suggest a higher number than that. And given the amount of refining capacity in total, of course, every 10 dollar per barrel in the refining margin is still half a billion dollars of cash flow, so it's not entirely unimportant either. Specifically in the Atlantic Basin, the market looks really tight to me. We've only closed refineries so far, and oil demand is broadly flat. So particularly in the area where you are, actually, you could make the argument that the risks around that are quite skewed to the upside. But I was wondering what you thought of that argument.

Patrick Pouyanné: Honestly, refining margins today they are around \$100 per ton, but take it. I will not put my money that it will remain at \$100 per ton. By the way, the reason why we have high margins today is clearly a consequence of this Russian ban, in fact. There are many consequences of this Russian ban. Strangely, when the ban came into action in March, we saw nothing on diesel, now we begin to see it. Because the ban was announced for March, so everybody stored the Russian diesel before, so

there was no immediate impact. We begin to see that today, and there are several impacts. One is on crude oil, and it's also a result of the OPEC policies, the Saudi policy. When Saudi Arabia cuts its production, they cut heavy oil. So we have a crude basket which is lighter, which is not very good when you need to produce fuel oil, and in particular during summertime, when they use fuel to climatize themselves. You also have the fact that we have disorganized the global oil product markets. Everything was organized to shorten the cost of transportation. Today it's more expensive. So all that has an impact that we see today: will it last? It's linked to the OPEC policy. Normally when prices are going up, refining margins are going down. But it's not the case, so Bernard is super happy, not sure to fully understand why. By the way the margin until June were quite average, even quite low. Suddenly we see them going up in summer. Nobody told me end of July that they would go up in August. So I'm a little cautious about it. I'm not sure there is a fundamental reason: refining margins are more complex.

Let's take it as long as it's good. And then, so why \$35 per ton? It is just the assumption which we take on the long term. Because don't forget as well that our refining system proxy in Europe have been hit by two impacts. Cost of energy: natural gas is more expensive in Europe, it's more expensive for our refining system. We shifted to LPG but it's more expensive. And cost of CO2. I can tell you that the new policy of European Union on less free quotas has an impact on the break-even, on the margin of refineries. That is also why we think it's time to transition some of these units, because the cost of energy will not go down and cost of CO2 will not go down. So all that has an impact. And even if you take action like we're trying to do or want to do on hydrogen, to decarbonize part of the cost - which is part of the economic equation by the way - you don't solve that fundamentally. So \$35 might seem low to you, but to be honest when I was in charge of that, it was lower from time to time. And sometimes we have some debate with Bernard about whether \$35 is too high or not. So today, at this point in time, we are at \$100, but it's super volatile. And we were at \$150 a few weeks ago, now we are down to \$100, which is high. So I don't see factors, except that fact that inventories are low: that's something which is clear in the market. Inventories are low, which support these margins. And again, this idea that the crude basket has moved to lighter crude, which has an impact on some refining of some products. There was also this year the fact that strong demand was back on jet fuel, but that is done. We don't expect growth of jet fuel demand next year at the same pace than this year, because it was a recovery from the COVID. It's done, so that we should also calm down these margins.

Henri Patricot (UBS): Thank you for the presentation. Just one question on the low carbon molecules. You mentioned that you'd seen good progress in SAF. You also mentioned your efforts in hydrogen. I wanted to ask about some of the other areas here in biogas and also CCS, and looking back over the past year, whether the projects progress, regulatory developments, whether anything has changed that would change your outlook out to 2030 for these businesses.

Patrick Pouyanné: No, we did not cover voluntarily everything, because there is a message with this presentation is that our key focus is Integrated Power, and we cannot become a sort of energy conglomerate looking at everything. CCS is interesting: we decided to focus on the North Sea, because we have a legacy position in North Sea, in Norway, in the Netherlands, in Denmark, in potentially UK where we have a better understanding of the system. We also have some assets that we want

to reconfigure. So that's our key focus for developing a business of CCS as a service beyond CCS for ourselves. So we will develop capture for our own assets like we do in Australia, in Ichthys, like we want to do in Cameron with our partners in the US, but it's more driven by the asset. CCS as a service, by the way, Europe-wide, this is something on which, honestly, we have some doubts. I have two doubts on CCS as a service: will governments allow us to make that as a real business or a regulated business? Because it could be considered as something which you need to give access, and I would not be surprised. But if you ask subsidies to develop CCS somewhere, we'll tell you, okay, my dear, maybe you should control the profitability of it. You have a second issue, which is a long-term liability on which I would like to be sure that we don't overexpose our companies on the long-term in some jurisdictions. So these are the two limits for me for CCS as a service. But again, in Europe, we are active. We have several projects. Remember that we are part of the only project which really works today, which is Northern Lights, and we are supportive of expanding Northern Lights to phase 2, and we work on Aramis in the Netherlands and other projects in Denmark. So that's for CCS.

On biogas, we have established a position in France which has a strong agricultural potential. It's interesting, but it's a niche business for me. Scaling up biogas production is quite costly. We cannot do everything. It's an interesting market because there is more demand for biogas than supply, so the price is good. But in terms of volume of what you can do, it's quite a headache. So we'll spend some money concentrating on France. We have taken a position in Poland, some position in the US. It's not at the same level of priority that our Integrated Power business.

Alessandro Pozzi (Mediobanca): Just wanted to go back to the LNG. As you pointed out earlier, there's a lot more projects under construction, and not just in LNG, but across the onshore E&C, we are seeing more projects being FIDed. And I was wondering, can you maybe elaborate on the type of cost inflation, if any, that you see in LNG projects, but also across the upstream industry. And especially for LNG, whether labor shortage could be a critical factor, manpower, experienced manpower, and engineers to design and develop those projects. The second question is on biofuels. What would it take to increase the 1.5 million tons per year target in 2030? Do you want to see more demand, or do you want to have more control on the feedstock, and how much of that 1.5, in terms of feedstock, comes from your own production, versus how much you need to buy in the market?

Patrick Pouyanné: Okay, it's a good question on LNG, in particular in the US, where we see quite a cost inflation. We looked at several projects last year to increase our position in the US. We have selected this Rio Grande LNG project because of its location in particular. It's not in Louisiana, it's in South Texas, where you have quite a lot of workforce, according to Bechtel, which is the EPC. And in fact, last year we studied several projects where we saw quite a lot of cost increase in Capex, in terms of dollar per ton. We renounced to some of them because of that, and we selected the one which was offering, from this perspective, for us the most interesting case. And we have a debate today on the Cameron LNG extension, because of exactly that, because today the cost which has been proposed, the EPC costs, are much too high, and if we don't manage to find a way to go down to something reasonable, we prefer to keep the option for the future by not rushing. So in the US, there is clearly a case. That's why when people say all these pre-FID projects, I'm not sure that all of them will come, to be honest. And it's clear that in Louisiana, in this big part, you have a shortage of

workers, in fact, and so you have to be careful in the capacity to execute, which might also delay the projects. So that's why I made a comment about the schematic which was presented by Helle.

On biofuels, no, we don't produce our biofuel feedstock, to be honest, no, we don't produce ourselves. We buy, or we integrate, which was the idea, and this is clear. Should we look at inter-crops production? There is a point there we need to better understand. It's clear that it's a limitation, but 1.5 million tons per year at the horizon of 2030, I think we're in a market which will be around 20 or 25 million tons, it's quite a good position. We want to grow it, it's linked to our assets. We will not make greenfield developments, we transition our assets, or we build on our Korean assets with Hanwha, with whom we want to look seriously to do something in Korea. So it's linked to our assets and the way we look as well to develop some SAF production in Saudi Arabia around Satorp, with Aramco. It's a mix of transitioning the asset and then finding the feedstock, controlling the feedstock. We've done a JV in Europe to control the feedstock, which is key in terms of volume and in terms of cost as well, so I think this is an integration model we could develop in the future.

Alessandro Pozzi : On LNG, just to clarify, when we see Mozambique in the cost curve, that is based on the old cost estimate, I guess, with the new cost estimates, where would we be?

Patrick Pouyanné: No, it's based on the cost estimate we have today. Including some suspension costs which were around 1.5 billion dollars, which we have to pay in order to suspend the project during this interim period.

Alessandro Pozzi : Because it's below on Papua LNG, so potentially...

Patrick Pouyanné: But it's much larger as well. It is a much larger project. Scale in LNG is quite important. Papua is an interesting one. It's why we try to develop maximum synergies with Exxon's plant on PNG, because, but you have 7-8 Tcf so you make a project of 6 Mt, not a project of 15 Mt, so you know the scale in LNG is fundamental. So Papua is a nice project, it's why we made that scheme where we develop the Upstream, but we synergize the whole plant with the PNG plant in order to lower the cost.

Alessandro Pozzi : So you're happy with the costs from Mozambique where they are now, or you want to push them down?

Patrick Pouyanné: No, no, we will be happy with the target we put in this figure. So we need to work still. But we are not too far, I hope so, to be happy.

Peter Low (Redburn Atlantic): On the \$1 billion of cash flow growth on downstream low-carbon molecules, can you perhaps outline the key projects and building blocks behind that, and is it fair to say it's predominantly coming from Petchems, and then also perhaps the phasing of that growth in the 2023 to 28 period? Thanks.

Patrick Pouyanné: It's not only the low-carbon. It's downstream and low-carbon. So downstream is in particular this Amiral project with Aramco in Satorp, but it's also by the way marketing. Don't forget the marketing business from Thierry. He's also continuing to develop his cash flow. It's not because we divest an asset, but we don't

have other sources of growth. And then you have these projects on sustainable aviation fuel, which will deliver some cash. So it's a mix of these three pillars, which gives the additional billion.

Ahmed Bensalem (ODDO BHF): Thank you for taking my question. Patrick, I have just one question on Namibia and the ongoing exploration campaign. We were expecting some results in September. So is it as positive as expected? And if possible, could you give us some indication on the results of the test and the size of the reserves at this stage? Thank you.

Patrick Pouyanné: Ahmed, you should listen to my speech because I answered your question. So I explained that we made a test, which is positive, which is as per expectation on Venus-1X, which was the discovery well. There is an upcoming test on Venus-1A, which was the appraisal well. So we have two tests. And then we are continuing to explore on the north a prospect called Mangetti and we'll make a last appraisal well on the northern part of Venus, all that being positive will lead to a first development, but we need to continue to make all these projects. I also mentioned that it was a dry well which has been drilled on the western part, which is called Nara, which is discarding part of the second block we had on the western side. But I also mentioned that we don't believe that 10 billions, it's more in billions than in 10 billions.

Did we cover everything here? It was quite a long Q&A session, but we are perfectly on time. 12pm exactly. So very well organized. Shorter presentation and more questions, which is a good recipe, I think. So I hope that we have answered your questions. So now we'll share some time with you. We have lunch where we'll continue the discussion with all the Executive Committee. Some of you will meet my colleagues and Helle, Jean-Pierre and myself will have traditional one-to-one roadshows. Nicolas, Stéphane, Bernard, Namita and Thierry will be this afternoon at your disposal for the ones who have asked to meet them. So thank you again for your attendance today.