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## **TotalEnergies Capital International**

Period from January 1 to September 30, 2023

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

ERNST & YOUNG Audit



## TotalEnergies Capital International

Period from January 1 to September 30, 2023

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

To the Chairman and Chief Executive Officer,

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

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

We conducted our review in accordance with professional standards applicable in France and the professional guidance issued by the French Institute of Statutory Auditors (*Compagnie nationale des commissaires aux comptes*) relating to this engagement. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with professional standards applicable in France and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the condensed interim financial statements, are not prepared, in all material respects, in accordance with the evaluation and accounting principles set out in the notes to the condensed interim financial statements.



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

Paris-La Défense, November 8, 2023

The Statutory Auditor  
*French original signed by*  
ERNST & YOUNG Audit

Laurent Vitse

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**CONDENSED FINANCIAL STATEMENTS**

**AS OF 30 SEPTEMBER 2023**

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- INCOME STATEMENT AS OF 30 SEPTEMBER 2023
- CASH FLOW STATEMENT AS OF 30 SEPTEMBER 2023
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**BALANCE SHEET  
AS OF 30 SEPTEMBER 2023**

BALANCE SHEET AS OF 30 SEPTEMBER 2023

ASSETS	30-Sep-23			31-Dec-22	LIABILITIES	30-Sep-23	31-Dec-22
	Gross	Amotizations, depreciations and provisions	Net				
<b>FIXED ASSETS</b>					<b>SHAREHOLDERS' EQUITY (note 3)</b>		
<b>FINANCIAL ASSETS (note 2)</b>	<b>28,413,078,612</b>		<b>28,413,078,612</b>	<b>31,373,291,150</b>	<b>Capital</b>	<b>300,000</b>	<b>300,000</b>
Long-term loans	28,165,845,393		28,165,845,393	31,123,660,800	<b>Reserves</b>	<b>57,898,738</b>	<b>46,803,673</b>
Drawdowns on credit facilities	-		-	-	Legal Reserves	30,000	30,000
Accrued interest on long-term loans	247,233,219		247,233,219	249,630,350	Retained Earnings	57,868,738	46,773,673
Accrued interest on credit facilities	-		-	-	<b>Income for fiscal year</b>	<b>11,001,411</b>	<b>11,095,065</b>
<b>SUB TOTAL I</b>	<b>28,413,078,612</b>	<b>-</b>	<b>28,413,078,612</b>	<b>31,373,291,150</b>	<b>SUB TOTAL I</b>	<b>69,200,149</b>	<b>58,198,738</b>
<b>CURRENT ASSETS</b>					<b>PROVISIONS</b>	<b>-</b>	<b>-</b>
<b>RECEIVABLES</b>	<b>80,153,533</b>		<b>80,153,533</b>	<b>66,707,850</b>	<b>SUB TOTAL II</b>	<b>-</b>	<b>-</b>
Current accounts and inter-company loans	72,356,055		72,356,055	60,938,602	<b>LIABILITIES</b>		
Related accounts receivable	-		-	-	<b>Debenture loans and similar debt debentures (note 4)</b>	<b>28,417,262,398</b>	<b>31,374,991,019</b>
Other receivables	-		-	-	Debenture loans after hedge swaps	28,165,845,393	31,123,660,800
Tax and social receivables	-		-	1,486,257	Accrued interests on debenture loans after swaps	251,417,005	251,330,219
Accrued income	7,797,478		7,797,478	4,282,991	<b>Miscellaneous borrowings and financial debts</b>	<b>-</b>	<b>341,036</b>
					Commercial Papers	-	-
					Bank and security deposits	-	-
					Creditor current accounts	-	341,036
					Related accounts payable on miscellaneous financial liabilities	-	-
					Diverse liabilities	-	-
					<b>Operating liabilities</b>	<b>5,050,646</b>	<b>4,760,861</b>
					Trade notes and accounts payable	4,128,867	4,760,861
					Tax and social liabilities	921,779	-
					Other Liabilities	-	-
<b>SUB TOTAL II</b>	<b>80,153,533</b>	<b>-</b>	<b>80,153,533</b>	<b>66,707,850</b>	<b>SUB TOTAL III</b>	<b>28,422,313,044</b>	<b>31,380,092,916</b>
<b>PREPAID EXPENSES III</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>PREPAID INCOME IV</b>	<b>1,718,952</b>	<b>1,707,346</b>
<b>TOTAL (I+II+III)</b>	<b>EUR 28,493,232,145</b>	<b>-</b>	<b>28,493,232,145</b>	<b>31,439,999,000</b>	<b>TOTAL (I+II+III+IV)</b>	<b>EUR 28,493,232,145</b>	<b>31,439,999,000</b>

**INCOME STATEMENT  
AS OF 30 SEPTEMBER 2023**



INCOME STATEMENT AS OF 30 SEPTEMBER 2023

EXPENSES	30-Sep-23	31-Dec-22	30-Sep-22	INCOME	30-Sep-23	31-Dec-22	30-Sep-22
<b>OPERATING EXPENSES</b>				<b>OPERATING INCOME</b>			
External expenses	1,171,797	1,605,579	472,290	Miscellaneous income	-	-	-
Taxes	-	-	-				
<b>SUB TOTAL I</b>	<b>1,171,797</b>	<b>1,605,579</b>	<b>472,290</b>	<b>SUB TOTAL I</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>FINANCIAL EXPENSES</b>				<b>FINANCIAL INCOME</b>			
Interests on debenture loans after swaps	784,663,649	936,699,584	663,068,376	Interests on long-term loans	795,655,704	951,963,782	674,358,904
Interests on Commercial Papers	-	-	-	Interests on credit facilities	-	-	-
Interests on NEU CP (ex Billets de Trésorerie)	-	-	-	Interests on inter-company loans	-	-	-
Interests on borrowings	-	-	-	Interests on current accounts	2,912,624	1,037,581	483,781
Interests on current accounts	232	4,903,124	5,055,133	Interests on bank and security deposits	-	-	-
Interests on bank and security deposits	-	-	-	Income from dedicated swaps	-	-	-
Expenses on special rates' swaps	-	-	-	Income on special rates' swaps	-	-	-
Interests on dedicated swaps	-	-	-	Other interests and similar income	-	-	-
Other financial expenses	-	-	-	Diverse financial interests	1,306,217	363,877	-
Foreign exchange loss	-	-	-	Foreign exchange income	747,970	4,781,774	10,546,509
Diverse financial expenses	-	-	-				
<b>SUB TOTAL II</b>	<b>784,663,881</b>	<b>941,602,708</b>	<b>668,123,509</b>	<b>SUB TOTAL II</b>	<b>800,622,515</b>	<b>958,147,014</b>	<b>685,389,194</b>
<b>EXTRAORDINARY EXPENSES</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>EXTRAORDINARY INCOME</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>SUB TOTAL III</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>SUB TOTAL III</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>INCOME TAX IV</b>	<b>3,785,425</b>	<b>3,843,663</b>	<b>4,311,716</b>				
<b>NET INCOME FOR THE PERIOD</b>	<b>11,001,411</b>	<b>11,095,065</b>	<b>12,481,679</b>	<b>NET LOSS FOR THE PERIOD</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL</b>	<b>EUR 800,622,515</b>	<b>958,147,014</b>	<b>685,389,194</b>	<b>TOTAL</b>	<b>EUR 800,622,515</b>	<b>958,147,014</b>	<b>685,389,194</b>

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

# TOTALENERGIES CAPITAL INTERNATIONAL

## CASH FLOW STATEMENT

in thousands of euros

	30/09/2023	31/12/2022
<b>OPERATING CASH FLOW</b>		
Fiscal period income as of 31.12.2022		11,095
Fiscal period income as of 30.09.2023	11,001	
Decrease (increase) in working capital requirement	732	(2,116)
<b>Net Operating Cash Flow</b>	<b>11,733</b>	<b>8,979</b>
<b>INVESTING CASH FLOW</b>		
Increase in long-term loans	(241,781)	(251,450)
Repayment of long-term loans	3,345,226	1,730,689
<b>Net Investment Cash Flow</b>	<b>3,103,445</b>	<b>1,479,239</b>
<b>FINANCING CASH FLOW</b>		
Dividends paid		
Net loans issued	(2,939,135)	(1,377,125)
Changes in short-term financial liabilities	682	2,453
Changes in short-term receivables	(14,168)	(11,704)
<b>Net Financial Cash Flow</b>	<b>(2,952,621)</b>	<b>(1,386,376)</b>
Cash increase (decrease)	162,557	101,841
Impact on foreign exchange fluctuations	(162,558)	(101,841)
Cash at the beginning of the period	0	0
<b>Cash at the end of the period</b>	<b>0</b>	<b>0</b>

**APPENDIX**

# APPENDIX

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## **Basis of preparation of condensed financial statements**

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

## **SIGNIFICANT EVENTS**

During the third quarter of 2023, TotalEnergies Capital International continued its activity on debt capital markets through the repayment of maturing loans, as well as its activity of interest rate and currency risk management.

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

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

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

## **ENVIRONMENT**

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

## **NOTE 1: ACCOUNTING RULES**

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

### **GENERAL PRINCIPLES**

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

### **ACCOUNTING RULES AND METHODS**

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

#### **✓ Currency transactions**

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

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

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

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

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

#### **✓ Interest Rate and Currency Financial Instruments**

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

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

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

✓ **Debenture loans**

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

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

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



## TOTALENERGIES CAPITAL INTERNATIONAL

### Note 2: FINANCIAL ASSETS

Fixed financial assets of TotalEnergies Capital International are comprised of long-term loans in US dollars with TotalEnergies Finance for an amount of 20,867 M EUR and 208 M EUR of accrued interests and with TotalEnergies SE for an amount of 7,299 M EUR and 39 M EUR of accrued interests.

### Note 3: CHANGE IN SHAREHOLDERS' EQUITY

in thousands of euros

2022	POSITION AT THE OPENING OF FISCAL YEAR	NET INCOME APPROPRIATION 2021	POSITION AS OF 31/12/2022
Share capital	300		300
Legal reserve	30		30
Retained earnings	31,689	15,085	46,774
Income for fiscal year 2021	15,085	(15,085)	
Dividend distribution			
Income as of 31/12/2022			11,095
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>47,104</b>	<b>-</b>	<b>58,199</b>

in thousands of euros

2023	POSITION AT THE OPENING OF FISCAL YEAR	NET INCOME APPROPRIATION 2022	POSITION AS OF 30/09/2023
Share capital	300		300
Legal reserve	30		30
Retained earnings	46,774	11,095	57,869
Income for fiscal year 2022	11,095	(11,095)	
Dividend distribution			
Income as of 30/09/2023			11,001
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>58,199</b>	<b>-</b>	<b>69,200</b>

### NOTE 4: DEBENTURE LOANS AND SIMILAR DEBENTURES

During the first nine months of 2023, TotalEnergies Capital International did not issue any new debenture loan. Reimbursement of debenture loans at maturity during that same period amounted to 1,000 M USD and 2,000 M EUR in nominal value.

### NOTE 5: OFF-BALANCE SHEET COMMITMENTS

*Derivative financial instruments - interest rate and foreign exchange risk management*

During the first nine months of 2023, no interest rate swap and/or cross-currency swap were put in place.

Four interest rate and cross-currency swaps, with exchange of notional amounts matching a 2,000 M EUR debenture loan repaid during that period matured for an amount of 2,358 M USD.

Eight interest rate swaps matching a 1,000 M USD debenture loan matured during that period.