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TotalEnergies Capital
(Formerly Total Capital)

Period from January 1 to March 31, 2022

Statutory auditors' review report
on the condensed interim financial statements

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TotalEnergies Capital (Formerly Total Capital)

Period from January 1 to March 31, 2022

Statutory auditors' review report on the condensed interim financial statements

To the Chairman and Chief Executive Officer,

In our capacity as statutory auditors of TotalEnergies Capital and in accordance with your request we have performed a review of the accompanying condensed interim financial statements for the period from January 1 to March 31, 2022.

Due to the global crisis related to the Covid-19 pandemic, the condensed interim financial statements of this period have been prepared and reviewed under specific conditions. Indeed, this crisis and the exceptional measures taken in the context of the state of sanitary emergency have had numerous consequences for companies, particularly on their operations and their financing, and have led to greater uncertainties on their future prospects. Those measures, such as travel restrictions and remote working, have also had an impact on the companies' internal organization and the performance of our work.

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

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



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

This report is governed by French law. The courts of France shall have exclusive jurisdiction over any claim, dispute or difference resulting from our engagement letter or the present 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, May 6, 2022

The Statutory Auditors
French original signed by

KPMG Audit
Département de KPMG S.A.

ERNST & YOUNG Audit

Pierre-Antoine Duffaud

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**CONDENSED FINANCIAL STATEMENTS
AS OF 31 MARCH 2022**

- BALANCE SHEET AS OF 31 MARCH 2022
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- CASH FLOW STATEMENT AS OF 31 MARCH 2022
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TOTALENERGIES CAPITAL

**BALANCE SHEET
AS OF 31 MARCH 2022**

TOTALENERGIES CAPITAL
(in euros)
BALANCE SHEET AS OF 31 MARCH 2022

ASSETS	31-Mar-22			31-Dec-21	31-Mar-21	LIABILITIES	31-Mar-22	31-Dec-21	31-Mar-21
	Gross	Amortizations, depreciations and provisions	Net						
FIXED ASSETS						SHAREHOLDERS' EQUITY (note 3)			
FINANCIAL ASSETS (note 2)	2,611,531,789		2,611,531,789	2,569,099,837	2,904,516,643	Capital	300,000	300,000	300,000
Long-term loans after swaps	2,600,936,853		2,600,936,853	2,549,267,173	2,888,955,224	Reserves	9,355,475	8,889,789	8,889,789
Drawdowns on credit facilities						Legal Reserves	30,000	30,000	30,000
Accrued interests on long-term loans after swaps	10,594,936		10,594,936	19,832,664	15,561,419	Retained Earnings	8,859,789	8,859,789	8,859,789
Accrued interests on credit facilities						2021 income yet to be allocated	465,686		
						Income for fiscal year	(30,104)	465,686	2,340,631
SUB TOTAL I	2,611,531,789		2,611,531,789	2,569,099,837	2,904,516,643	SUB TOTAL I	9,625,371	9,655,475	11,530,420
CURRENT ASSETS						PROVISIONS			
RECEIVABLES	1,992,429,555		1,992,429,555	1,420,714,908	1,605,199,506	SUB TOTAL II			
Current accounts and inter-company loans	376,110,014		376,110,014	7,077,337	539,550,174	LIABILITIES			
Deposits and security deposits	1,217,192,200		1,217,192,200	1,004,077,132	672,627,639	Debenture loans and similar debt debentures (note 4)	2,611,531,789	2,569,099,837	2,904,369,453
Tax and social receivables						Debenture loans after hedge swaps	2,600,936,853	2,549,267,173	2,888,955,224
Other receivables	2,963,690		2,963,690	2,601,208	1,516	Accrued interests on debenture loans after swaps	10,594,936	19,832,664	15,414,229
Accrued income on dedicated swaps	396,163,652		396,163,652	406,959,231	393,020,177	Miscellaneous borrowings and financial debts	1,980,282,479	1,409,517,231	1,591,647,558
Cash available						Commercial Papers	1,420,599,541		
						Bank and security deposits	69,730,000	300,840,000	1,147,100,000
						Creditor current accounts	93,783,930	701,571,896	44,307,273
						Related accounts payables on miscellaneous financial liabilities	110,908	110,908	110,908
						Accrued liabilities on dedicated swaps	396,058,100	406,994,427	393,019,259
						Diverse liabilities			7,110,118
						Operating liabilities	1,035,684	162,305	632,042
						Trade notes and account payables	971,255	97,876	90,600
						Tax and social liabilities	64,429	64,429	541,442
						Accrued income			
SUB TOTAL II	1,992,429,555		1,992,429,555	1,420,714,908	1,605,199,506	SUB TOTAL III	4,592,849,951	3,978,779,373	4,496,649,053
PREPAID EXPENSES III						PREPAID INCOME IV	1,486,022	1,379,897	1,536,676
TOTAL (I+II+III)	EUR 4,603,961,344		4,603,961,344	3,989,814,745	4,509,716,149	TOTAL (I+II+III+IV)	EUR 4,603,961,344	3,989,814,745	4,509,716,149

TOTALENERGIES CAPITAL

**INCOME STATEMENT
AS OF 31 MARCH 2022**

TOTALENERGIES CAPITAL
(in euros)
INCOME STATEMENT AS OF 31 MARCH 2022

EXPENSES	31-Mar-22	31-Dec-21	31-Mar-21	INCOME	31-Mar-22	31-Dec-21	31-Mar-21
OPERATING EXPENSES				OPERATING INCOME			
External expenses	111,150	1,270,316	296,417	Miscellaneous income			
Taxes	0	0	0				
SUB TOTAL I	111,150	1,270,316	296,417	SUB TOTAL I	0	0	0
FINANCIAL EXPENSES				FINANCIAL INCOME			
Interests on debenture loans after swaps	21,344,517	98,301,501	24,548,539	Interests on loans after swaps	14,408,170	54,207,081	13,338,920
Interests on Commercial Papers	0	468,677	201,506	Interests on long-term loans	7,237,663	44,993,818	12,349,698
Interests on NEU CP (ex Billets de Trésorerie)	0	0	0	Interests on Commercial Papers	459,331	0	0
Interests on borrowings	0	0	0	Interests on inter-company loans	0	0	0
Interests on current accounts	597	14,429	2,883	Interests on current accounts	711,238	621,988	199,474
Interests on bank and security deposits	1,345,521	3,233,036	557,841	Interests on bank and security deposits	517,958	5,905,901	1,870,140
Interests on dedicated swaps	338,606,653	1,330,271,773	340,050,490	Income from dedicated swaps	338,715,498	1,330,777,297	339,924,342
Other financial expenses and swap points	5,833	57,899	17,134	Other interests, similar income and swap points	5,833	57,899	17,134
Foreign exchange loss	295,658	0	48,586	Foreign exchange income	0	103,650	0
Diverse financial expenses and miscellaneous expenses	1,143,000	17,705,465	0	Diverse financial interests	767,135	15,289,050	1,233,748
SUB TOTAL II	362,741,779	1,450,052,780	365,426,980	SUB TOTAL II	362,822,826	1,451,956,683	368,933,457
EXTRAORDINARY EXPENSES				EXTRAORDINARY INCOME			
SUB TOTAL III	0	0	0	SUB TOTAL III	0	0	0
INCOME TAX IV	0	167,901	869,429				
NET INCOME FOR THE PERIOD	0	465,686	2,340,631	NET LOSS FOR THE PERIOD	30,104	0	0
TOTAL	362,852,930	1,451,956,683	368,933,457	TOTAL	362,852,930	1,451,956,683	368,933,457

**CASH FLOW STATEMENT
AS OF 31 MARCH 2022**

TOTAL ENERGIES CAPITAL

CASH FLOW STATEMENT

in thousands of euros

	31/03/2022	31/12/2021
OPERATING CASH FLOW		
Fiscal period income as of 31.12.2021		466
Fiscal period income as of 31.03.2022	(30)	
Decrease (increase) in working capital requirement	(329)	(992)
Net Operating Cash Flow	(359)	(526)
INVESTING CASH FLOW		
Increase in long-term loans	(5,474)	(6,009)
Repayment of long-term loans	(7,616)	813,072
Net Investment Cash Flow	(13,089)	807,063
FINANCING CASH FLOW		
Dividends paid		
Net loans issued	1,413,917	(823,192)
Changes in short-term financial liabilities	(832,145)	492,939
Changes in short-term receivables	(576,808)	(493,118)
Net Financial Cash Flow	4,964	(823,371)
Cash increase (decrease)	(8,484)	(16,834)
Impact on foreign exchange fluctuations	8,484	16,834
Cash at the beginning of the period	-	-
Cash at the end of the period	0	(0)

APPENDIX

APPENDIX

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Those interim financial statements were prepared with respect to the French National Accounting Board (Conseil National de Comptabilité) “recommendation n°99.R.01” dated 18th March 1999 and related to the interim financial statements. They do not include all the information usually required in the financial statements according to the French GAAP. However, they present a selection of notes describing significant facts and operations in order to understand the evolution in the financial statements and performance of the company that could have occurred since the last financial statement as of 31st December 2021.

SIGNIFICANT EVENTS

During the first quarter of 2022, TotalEnergies Capital continued its activity on debt capital markets through various debt issuance programmes, in particular commercial paper, together with a management of interest rate and currency risk, if required.

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

For long-term borrowings, TotalEnergies Capital can issue along with TotalEnergies SE, TotalEnergies Capital Canada and TotalEnergies Capital International, as principal issuer under the EMTN programme (guaranteed by TotalEnergies SE), under a US SEC-Registered Shelf programme (guaranteed by TotalEnergies SE) and under an AMTN programme in Australia (guaranteed by TotalEnergies SE). TotalEnergies Capital can also issue on a stand-alone basis (guaranteed by TotalEnergies SE).

During the first quarter of 2022, TotalEnergies Capital did not issue any new debenture loan.

TotalEnergies Capital’s issuance programmes have long-term and short-term ratings by Standard and Poor’s: A/A-1, and by Moody’s: A1/P-1. These ratings were made possible thanks to TotalEnergies SE’s guarantee granted to these programmes.

TotalEnergies SE has a long-term and a short-term rating by Standard and Poor’s: A/A-1 with a Positive outlook on the long-term rating, and by Moody’s: A1/P-1 with a Stable outlook on the long-term rating. On 18th February 2021, Standard and Poor’s downgraded TotalEnergies SE’s rating from A+ with a Negative outlook to A with a Stable outlook. On 20th December 2021, Standard and Poor’s revised TotalEnergies SE’s outlook from Stable to Positive on the long-term rating.

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

Interest rates and currency transactions were concluded by empowered entities of TotalEnergies SE in association with the development of the financial activities of TotalEnergies Capital, towards the Company as well as the market.

ENVIRONMENT

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

NOTE 1: ACCOUNTING RULES

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

GENERAL PRINCIPLES

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

ACCOUNTING RULES AND METHODS

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

✓ Currency transactions

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

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

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

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

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

✓ **Interest Rate and Currency Financial Instruments**

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

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

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

✓ **Debenture loans**

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

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

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

NOTE 2: FINANCIAL ASSETS

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

NOTE 3: CHANGE IN SHAREHOLDERS' EQUITY

in thousands of euros

2021	POSITION AT THE OPENING OF FISCAL YEAR	NET INCOME APPROPRIATION 2020	POSITION AS OF 31/12/2021
Share capital	300		300
Legal reserve	30		30
Retained earnings	9,851	(991)	8,860
Income for fiscal year 2020	(991)	991	
Dividend distribution		0	
Income as of 31/12/2021			466
TOTAL SHAREHOLDERS' EQUITY	9,190	0	9,655

2022	POSITION AT THE OPENING OF FISCAL YEAR	NET INCOME APPROPRIATION 2021	POSITION AS OF 31/03/2022
Share capital	300		300
Legal reserve	30		30
Retained earnings	8,860		8,860
Income for fiscal year 2021 not yet allocated	466		466
Dividend distribution			
Income as of 31/03/2022			(30)
TOTAL SHAREHOLDERS' EQUITY	9,655	0	9,625

NOTE 4: DEBENTURE LOANS AND SIMILAR DEBENTURES

During the first quarter of 2022, TotalEnergies Capital did not issue any new debenture loan. No debenture loan was reimbursed during that same period.

NOTE 5: OFF-BALANCE SHEET COMMITMENTS

Derivative financial instruments – interest rate risk management

During the first quarter of 2022, no interest rate swap and/ or cross-currency swap matched to new debenture loans were issued. No interest rate swap and/ or cross-currency swap matched to debenture loans reimbursed during that period matured.