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Bertrand Hodée *Kepler Cheuvreux*

PRESENTATION

Renaud Lions *TotalEnergies SE – Senior VP, Investor Relations*

Good morning, welcome to TotalEnergies' 2023 results and 2024 objectives presentation. Today, we are in London at the Tate Modern art museum. Thanks for coming today and I hope that you will enjoy the view of the City and St Paul's. You can also follow us live on our website, totalenergies.com.

We will start today with a safety sequence with Bernard Pinatel, who is our President of Refining & Chemicals, and then we will have a presentation from Jean-Pierre and Patrick of around one hour. And then we will move to the Q&A session, which should be finished around 11.30, 11.45 and you will be able to ask questions in the room and there is also a dial-in number that people can use to call.

Without further delay, I invite Bernard to come on stage to launch the meeting with the safety sequence.

Bernard Pinatel *TotalEnergies SE – President, Refining & Chemicals*

Thank you, Renaud. Good morning. Last year we deplore two fatalities, as you know, and these two tragic events remind us that our first duty, of course, is to make sure that everyone returns home safely every day. One fatality occurred in France at a retail station where a contractor, Isidore, passed away when performing some excavation work.

The safety moment I have chosen this morning is about the second fatality, which occurred in the Zeeland refinery in the Netherlands. Of course, not to just describe what happened, but most importantly to share with you what we learned from this tragic event, to improve our operations. On February 3, a contractor passed away while he was performing a catalyst unloading operation inside a reactor. His name was Torsten, he was 55 years old. Changing a catalyst is a very sensitive operation as the catalyst is flammable in the presence of oxygen of air, so you must first make the reactor inert with nitrogen before the intervention. That catalyst unloading operation is performed, as shown on the slide, by a team of three people led by a supervisor. First, there is a diver, who is the one who enters the reactor, fully equipped of course, including with a lifeline so that they can be pulled out in case of an emergency. The second one is a second diver who is ready to dive in case of emergency and there is also a controller who monitors the level of nitrogen, of air and keeps constant contact by radio and video. Of course, before entering the reactor there is a video inspection to make sure that the situation is safe.

At 11.15 on that day, the alarm was given by the personnel and we learned that the diver had been trapped by the collapse of some catalysts. Of course, the rescue team, reinforced by additional members fully-equipped, tried in turn to pull him out of the reactor, which as you can guess from the slide, is 30 metres high. When the body was pulled out, the team discovered that the diver had passed away.

One thing is clear, we could not keep operating this way with a human entry into an inert atmosphere, even if it is the industry standard practice. So we immediately took three actions. Of course, we immediately stopped worldwide all similar operations in the company. Secondly, with our contractors, HSE specialists, and technical experts, we reviewed alternative operating modes to avoid any human entry inside reactors for that kind of operation. Eventually, we identified and selected an alternative operating mode where the catalyst is changed by water flooding. That means that the reactor is filled with water and then it is emptied together with the catalyst. Of course, this is more costly because you cannot recover the catalyst for recycling and you have to dispose of the wastewater, but you will understand that this is not really what is at stake.

From February 2023, all replacements were performed without any entry. We carried out 21 replacements using water in 2023 and we will have another 14 in the first year of 2024. We also continue to work on further improvements in terms of vessel modification because, as you will understand, these vessels now have to support the additional weight of the water and of course, we are looking at the utilization of robots. Naturally, we have shared these new operating modes with our peers.

Let me now switch, after this safety moment, to the overall safety performance of the company. At TotalEnergies we keep repeating this message that safety is more than a priority, it is a value, a core value. Of course, safety is a matter of culture and leadership, as well as of permanent improvement. To track it, we measure several leading indicators as shown on the slide, in terms of occupational safety and prevention of technological risks.

On the left-hand side, in terms of occupational safety, you can see that we track the total recordable injury late and at 0.63 this rate has been consistently reduced over the last five years and represents a reduction of close to 30%. Believe me, having an injury rate well below 1 is not a given, notably when you see the industry trend since 2020. We have been able to consolidate our position as a frontrunner on this indicator in our industry. How did we do it ? There have been some key initiatives and I would like to highlight one of them, which is our ability to engage our contractors with our teams to promote shared safety values. This has notably been done through what we call a programme of joint safety tours between TotalEnergies management and contractor partners. Of course, this comes in addition to the daily visits we make our local team on the field. In 2023, we recorded 10,000 of such joint safety tours across the company.

Regarding the prevention of major accidents and accident pollution, on the right-hand side, we are also progressing. Over the last five years we have reduced the number of primary losses of containment by 50%, as shown on the slide. Here again, we have been focusing on two main areas. Of course, first is the management of the technical integrity through our maintenance inspection programme but also through implementation of digital tools to anticipate and prevent potential equipment failures. The second area of focus has been the implementation of what we call the Safe Operating Principles, the SOPs, where we constantly train our operators on the basic rules to comply with when they perform very standard operations.

To conclude, I would just like to say that we all know that safety is a daily battle but we are all committed to do our best to protect our people, the environment and our assets.

Now, I hand over to Jean-Pierre

Jean-Pierre Sbraire *TotalEnergies SE – CFO*

Thank, you Bernard. Good morning, everyone. This year is a special year for TotalEnergies because the company is celebrating its 100th birthday in 2024. The company was founded 100 years ago in Iraq, at that time the name was Compagnie Française des Pétroles, and since that time, over time the company has diversified and adapted itself to deal with the environment, society and the markets. I think it is with the same pioneer spirit that we used at that time in Iraq in oil exploration, that we will build the energy system of the future.

Indeed, over the last couple of years we have engaged in a balanced energy transition strategy which, as you know, is anchored by two pillars, oil and gas on one side, mainly LNG, and on the other side, integrated power. On the oil and gas business, TotalEnergies plans to responsibly grow its oil and gas production by 2% to 3% per year, predominantly from LNG, thanks to its rich, low-cost, low-emission portfolio. In the LNG business, we will leverage our top three global energy integrated portfolio with leading positions in regas in Europe and US exports, to develop a top-tier LNG pipeline; Patrick will come back to that later.
In the Integrated Power business, the company is building a world class cost-competitive portfolio combining renewables(solar, offshore and onshore wind), with flexible assets (CCGTs and storage), to deliver clean firm power to our customers. As you know, we have the objective to be positive net cash flow by 2028 with ROACE at 12%.

Let us now move to the figures. I think this consistent two-pillar strategy has delivered strong results in 2023. In a robust environment, but softer price environment compared to the one we benefitted from in 2022, as you can see here, we delivered an adjusted net income Total Energies' share above $23 billion and an IFRS net income above $21 billion. In terms of profitability, we had a ROACE, return on capital employed, at 19% in 2023 and a return on equity of 20%. That means that once again Total Energies in 2023 was the most profitable major. In terms of cash flow, in 2023 we managed to deliver a cash flow at $36 billion, with a strong contribution from all the different business segments. E&P contributed $19.1 billion. Integrated LNG $7.3 billion; Integrated Power over $2 billion at 2.2 billion, which I will come back to later; and Downstream at $8.2 billion. On top of that, we benefitted last year from a strong working cap release, so cash-in coming from our working cap of around $5 billion. However, to be very transparent with you, some of this working cap variation includes $2 billion of fiscal debt variation that will disappear in 2024.

How has this cash been used, this $36 billion plus this $5 billion of working cap? $16.8 billion has been devoted to capital investments, which I will comment on later. $16.5 billion has contributed to our shareholder returns with a cash flow distribution, so payout, above 40%. Indeed, payout increased from 37% in 2022 to 46% in 2023 and it consisted of a 7.1% increase in the ordinary dividend we paid in 2023 plus a $9 billion buyback, of which $1.5 billion is directly linked to the Canadian asset disposal. The remaining part of the cash flow we generated last year contributed to continuing to deleverage the company. We now have net debt at $6 billion, leading to gearing at the end of last year at 5%.

Now, the scorecard for 2023. I think it is clear that we have delivered on our objectives. Upstream production, excluding Novatek, increased by 2% to 2.48 million barrels of oil equivalent, with a strong contribution in terms of LNG production that grew by 9%, in line with our objective in that topic. Refining had a slightly better than expected utilization rate at more than 80%, our guidance was 80% and the final figure was 81%. In terms of renewable growth installed capacity, this capacity grew by almost 6 GW between 2022 and 2023, at more than 22 GW at the end of the year. That led and contributed to the production of more electricity, so it is an increase compared to last year of more than 80% at 19 TWh, broadly in line with our objective.

Now, on the emission front, we reduced Scope 1 and 2 from operated facilities to 34.6 million tons last year. There were two main drivers, first we continued to be successful in our efforts to reduce gas flaring in oil and gas businesses. For example, in Nigeria we completely stopped gas flaring at the end of 2023. And we have been successful in developing energy efficiency projects. On top of that, 2023 was a more normal year in terms of CCGT utilization rates compared to 2022, for obvious reasons. We had a very strong utilization rate for CCGTs, and in 2023 it's back to normal. And of course, that contributes to lowering Scope 1 and 2 in 2023 versus 2022. Methane for our operated facilities was reduced by 47% compared to 2020, surpassing our reduction targets. Another very important key factor, which translates our transition strategy into figures, is the lifecycle carbon intensity with a 13% reduction compared to 2015, having posted a target of 12%.

Therefore, more energy, less emissions but also growing cash flow. We exceeded our CFFO guidance by about $1 billion. The guidance restated using the same price data as for 2023 was at $35 billion and so the final figure, as I already mentioned, is $36 billion. In terms of investments, we invested $16.8 billion last year, within the guidance, and I will come back to that later. I have already commented on CFFO pay outs, above 40% at 46%.

On capex we remain disciplined, in our investments, with a total of $16.8 billion in 2023. We were very active in 2023 on the M&A side with very active portfolio management, allowing us to continue to enhance and high-grade our portfolio. That is because in this $16.8 billion figure, of course, it is a net between organic capex of around $18 billion, plus acquisitions, so $6.4 billion of acquisitions and $7.7 billion of divestments. This figure, this $6.4 billion of acquisitions, on the oil and gas side we have our entry for a 20% interest in SARB Umm Lulu fields in Abu Dhabi. On the LNG side, we have our effective entry in NFS and NFE in Qatar and the Rio Grande project in Texas for LNG. On the Integrated Power side, it's the acquisition of the remaining 70% stake in Total Eren, as well as our 34% stake in a joint venture with Casa dos Ventos, a renewable developer in Brazil. As you know, the main divestments are our exit, our disposal of our Canadian assets with the sale to Suncor and Conoco, and the sale of our retail network in Germany to Alimentation Couche-Tard. Therefore, we had very strong portfolio management last year with strong figures.

In 2023, in line with our balanced energy transition strategy that I mentioned previously, we invested more or less the same amount of money in low-carbon energies, so mainly Integrated Power, compared to what we did in oil; on the slide that is the red part of the pie compared to the green part. We can look at in another way, that we invested as much in integrated power and low carbon molecules, as we did in new oil or gas projects. The figure for Integrated Power was $5 billion in 2023, progressing in particular in implementing our strategy in deregulated markets, particularly in the US and Europe.

Moving to the highlights of 2023 on our two pillars, all segments saw achievements and strong performance last year in line with our strategy and objectives. In Upstream, our production reached 2.48 million barrels of oil equivalent per day, benefitting from the January start-up of Block 10 in Oman, of Absheron in Azerbaijan in July, as well, as already mentioned, our entry into SARB Umm Lulu in Abu Dhabi, and our effective entry in the GGIP project in Iraq. The company completed the divestment of its Canadian oil assets, in line with the strategy to focus on low breakeven assets.

For Downstream we generated $8 billion of cash flow last year and this figure is a result of our ability to capture high refining margins, averaging $69 per ton last year. In 2023, we awarded EPC contracts for the Amiral project ($11 billion), which is our integrated petrochemical complex in Saudi Arabia with Saudi Aramco, which will come onstream in 2027. The company also announced the sale of some European retail networks to Alimentation Couche-Tard and we completed the German portion before the closure and the remaining parts in the Netherlands, Belgium and Luxembourg it was completed in early January 2024.

We pursued our growing strategy in LNG, especially in the US where we were once again the largest LNG exporter last year with more than 10 million tons of capacity, and increased our future positions to more than 15 million tons per year through our entry into the Rio Grande LNG project, which was FID'ed in July. We also reinforced our leading position in Europe regas with the start-up of two additional FSRU, one in Germany and one in Le Havre, France.

We are pursuing profitable growth strategy in our Integrated Power segment with an additional 6 GW of renewable capacity and we are able to generate more than $2 billion of CFFO, $2.2 billion, compared to around $1 billion last year. That means that we have been able to more than double the CFFO generated by this activity over 2023. In 2023 as well, we accelerated the developed of our integrated business model in two key deregulated markets. The US on one side with the announcement of the acquisition 3 CCGTs for 1.5 GW capacity in Texas, and in Germany on the other side, announcing the acquisition of two German companies, one a top-tier renewable energy aggregator and a leading battery storage developer.

We have built our upstream portfolio through the years in a low-cost, sustainable way as illustrated by the two charts. Starting on the left, we go back to 2018 and we have consistently reported the lowest upstream production costs among all the majors, which I think is a structural advantage that allows us to be resilient in a low-price environment. Our upstream production costs averaged $5.5 per barrel in 2023, and it was $5.1 per barrel in the fourth quarter, benefitting from divestment of the high-cost Canadian assets. That is why we have targeted a production cost at $5 per barrel for this year. Our portfolio is a low-cost portfolio but it is also built to last and I think in the second chart on the slide, we have demonstrated the same consistency with our reserves that we had with our production costs. We continue to replace our reserves, maintaining a strong, steady, proved reserves life index of around 12 years over the last 5 years. This puts us in second among the majors. In 2023, we achieved a strong reserve replacement ratio well in excess of our production, so 141% and a proved plus probable reserve life index of 18 years.

Now moving to the Integrated LNG and Integrated Power segments, the two growth segments in our portfolio, which together contributed almost $10 billion of cash flow in 2023. We provide some metrics here that compare the figures for 2023 with 2021. For obvious reasons, 2022 was an exceptional year in relation to the crisis between Ukraine and Russia and that is the rationale for making this comparison between 2021 and 2023. In 2023, Integrated LNG generated $6.2 billion net operating income, $7.3 billion of CFFO. All the metrics were in fact growing compared to 2021 thanks to the growth in our portfolio of 44 million tons of sales in 2023 and benefiting from a higher LNG price environment. All in all, the Integrated LNG profitability improved to an 18% ROACE in 2023.

For Integrated Power the adjusted net operating income was $1.9 billion last year and CFFO slightly above $2.2 billion. That means that the gap between the NOI and CFFO is directly linked to the fact that during the fourth quarter we benefitted from some dividends paid by some of our equity affiliates, mainly Clearway. That means that the cash flow almost tripled between 2021 and 2023 and production, which was 21 TWh in 2021, has risen to 33 TWh in 2023 with power generation from renewables nearly tripling from 7 TWh in 2021 to 19 TWh in 2023. ROACE was at 10% in 2023, in line with the objectives we set last year.

The last slide is a benchmark of the TotalEnergies' performance compared to our peers using four main metrics, ROACE, proved reserves life index, TSR and sustainability rating. I think thanks to the consistency of our strategy and the strength of our delivery, we are competitively positioned versus our peers. Once again, you see TotalEnergies was the most profitable super major with a ROACE at 19% in 2023. On the reserves side our proved reserves life index was 12 years in 2023, which puts us number two among the majors. I think this is really a testimony to our continued success in exploration, resource development and active and selective M&A. On a different note, TotalEnergies once again has the best-in-class Sustainalytics rating among the majors, a demonstration that it is possible to be the most profitable major on one side, as well as being a leader in the energy transition on the other side. Lastly, our five-year total shareholder return has averaged about 13% per year, ranking on a par with our US peers and clearly outperforming our UK peers by a wide margin. Our ability to set and execute a consistent strategy, sustain a rich portfolio of opportunities, maintain the dividend through the cycle such as during the Covid crisis in 2020 when it was cut by others, and more recently, significantly increasing shareholder distribution, have all contributed to our strong TSR.

In summary, to terminate this section, 2023 was a strong year for Total Energies, another big step in terms of shareholder distribution and balance sheet strategy. On this positive note, I think I will leave the floor to Patrick.

Patrick Pouyanné *TotalEnergies SE - Chairman & CEO*

Good morning, everybody, to this event. As always, I like to see that slide, because I think I should insist on the fact that we demonstrate, and I think it is because we are the most profitable that we have the right to implement the energy transition strategy we have decided, but it's feasible to remain at the top of profitability and to transition as well. And including to further our investments in electricity and also, by the way, and I think it is important, to keep a sustainable portfolio of oil and gas projects, like we want to do. It's an and strategy, it's oil and gas and low-carbon energy, in particular electricity.

I will not repeat the strategy this time but it is true that the best way to speak about strategy is to execute it, so for 2023 I think Jean-Pierre has shown you that we have executed it and positively. We will maintain that strategy in 2024 and there will be no big news. Sometimes I think TotalEnergies is a little boring to you but it is better to be consistent for continuous success. It is true that we have another way to demonstrate, and I mentioned that a year and a half ago and I have reinforced the message in 2023, in fact we have a company that is delivering much higher cash flows with the same Brent than in the previous decade. You can see on this chart that the dot points of the last five years are quite well aligned, by the way, but the billion dollars per $/barrel is much higher, more accretive than it was in the past. I think that is the result of all the repositioning of the oil and gas portfolio, what we call high-grading the portfolio. That is the reality and in fact we can see that in the results and I think it is one of the new TotalEnergies. TotalEnergies was seen as a defensive share, which I would say was in fact amortizing the low price of hydrocarbons but now TotalEnergies is also benefitting from high oil prices, which is why we can have a more aggressive distribution policy to our shareholders. At the same time, the result is of course because we have this high-grading of the portfolio, it is the breakeven of the portfolio, which there again is under 25, it was 22 in 2023, but it is one of the clear, strong characteristics of our portfolio and our strategy. All that has translated into something that is very new for us with a very low gearing at 5% and net debt of only $6 billion, which of course offers us a lot of capacity to engage in our growth strategy. We want to grow our energy production by more than 5%, 2-3% on hydrocarbons and more on the electricity side. It also gives us the capacity in the next cycle to maintain the strategy through cycles and I think this is what shareholders should expect from a company like TotalEnergies.

I will say just a few words about the market we will face in 2024. 2023 was strong in terms of the oil market, an increase of more than 2 million barrels of oil per day, part of which was a recovery from previous years, a Covid recovery, in particular in jet fuel, in aviation. Also, in China because China was still facing the impacts of Covid in 2022 and they exited from Covid policies later than other countries. In fact 2 million was quite high and the IEA announced plus 1.2 Mb/d for 2024, and we share that view, and people will say it is lower but in fact I would say it is back to normal. When you look at the increase in oil demand from 2000 to 2023 the average is 1.2% per year.1.2% per year by the way is the average growth for the population of the planet, so there is a direct link between population and oil demand. So it's back to normal, and some people will say that China is lower but in fact it is back to normal, there is nothing surprising. We don't see still, even if some people want to see a deceleration of oil growth in fact the reality is that we are back to the direct link to population growth and that is one of the key challenges for the energy transition. On the supply side, it is true that we have some non-OPEC countries on the supply side, in particular in the Americas, the US, Brazil and Guyana, which are bringing some new oil. OPEC is managing that new supply and demand and I would say they have done very well in 2023, in fact more or less stabilizing the price around $80/b. Today probably the market today is supported by the geopolitical tensions in the Middle East, that's true, there is a more bearish thinking. However, OPEC is still there and I think the move of Saudi Arabia's to set their ceiling at 12 million barrels a day is contributing to stabilizing this market as well.

On the LNG side, I would say, of course, we've seen with the high prices a lower growth, but still 6% per year as an average from 2015 to 2023. I'm convinced we will see a good year in 2024 again. Coming back, in particular, we see China. China has grown its imports by 11% in 2023 compared to 2022. Not yet, at 71 million tons, they are not yet at the level where they were in 2021, they were at 81 million tons. So, there is still room to grow. We see today that Chinese buyers are quite aggressive. You've seen them signing a number of long-term contracts. They still have a mandate to continue to sign some of them. We have ourselves some discussions with some of these players to engage. They are willing to diversify, by the way their sources of LNG. And I would not be surprised to see, in particular, when JKM is around $10 per million Btu like it is today, it's a good driver, and I would not be surprised to see China coming back to 80 million tons like they were in 2021 in 2024.

At the same time, in the meantime, Europe has grown a lot from 65 million tons to 113 million tons, 114 million tons in 2022, 113 million tons imports of LNG because we had to replace the Russian gas. So, that has been a big shock in the market, which is being absorbed. 2024, so we expect a better demand. In fact, the tension will remain because the LNG capacity increase is limited. Not much new capacity is coming onstream. We identified something like 8 million tons and part of it being Arctic 2, which will have a limited market, I would say. So, in fact, you have a tension in the market and if any of this plant has a problem, like we had Freeport two years ago, again, the tension will come back in the market. So, my message on LNG: price are lower, good for demand in particular in Asia and China. Limited additional supply in 2024. And in fact, I think this message will be repeated for 2025 as the same. It's only by mid-2026, 2027 that really we'll see more supply coming onstream. So, that's for the environment which is globally positive for TotalEnergies.

The key targets, you've seen the scorecard for 2023. So, what are the key targets for 2024? And this slide summarizes it. Upstream production, 2.4-2.5 Mboe/d, plus 2% excluding Canada. I will come back on that. Production cost, it was mentioned we will consolidate our advantage, $5 per barrel. LNG sales above 40 million ton. It's 30% equity, 40% long-term supplies and 30% spot. So, the spot could have a variation. We'll have a good utilization rate in refining because we have a lower program of turnarounds. So, we're targeting 85%. The renewables gross installed capacity will continue to grow. We are on the pace of 6 GW per year since last year, and we'll intend to execute. I remind you that at the key metric, we have 35 in mind in 2025, so we will need to accelerate to 7 GW, but we are on the right pace, I would say, that we wanted to reach. And more importantly to us, because it will impact, of course, the results, is electricity net production, I will come back on it, more than 45 TWh compared to 33 TWh in 2023.

The emissions, we want them to continue to go down. So, the 38.8 MtCO2e seems to be a little high, but I remind you that when we acquire gas-fired power plant in Texas, it will add some CO2. So, it's a choice. The methane, it's a strong fight, we are one of the leading companies in this fight. Objective is 80% by 2030 reduction compared to 2020 The 50% was supposed to be achieved in 2025.We are at minus 47%. So, we'll see if we have the ambition to reach 50%. It's not linear, because, in fact, it's project by project. So, for E&P it's not linear, but 50% is the ambition to reach it one year in advance. And then the last indicator, for me, the most important one is what we call the lifecycle carbon intensity of our sales. In fact, there should be sales on that paper. Because, in fact, it's a way to translate our strategy in our sales to our customers. It's covering Scope 1 + 2 + 3, and we have an objective to decarbonize, I would say, or to have low-carbon energies, to sell energies with lower carbon content, fundamentally. It's 25% by 2030. We are each year progressing. So, this year, it was minus 13%, next year minus 14%, more or less 1% per year, it is directly linked to the fact that the more we will sell electrons, the better it is.

For the cash flow, I will come back, $34 billion in $80 Brent, $10 per Mbtu – there is a mistake, it's $50 per ton and not $60 per ton, $34 billion. Net investments of $17 billion-$18 billion, we'll come back on it, a third in Integrated Power and low-carbon molecules, and a commitment we took to our shareholders, in September, more than 40% of cash flow payout. So, that's the objectives.

So, coming on the Capex, on the Capex side, you know we have a rich portfolio of projects either on hydrocarbons (oil, LNG), and also on the Integrated Power side. So, we want to grow our energy production by 4%/y between 2023 and 2028 and 2% to 3%/y for hydrocarbons. So, there we need to invest to put all these nice projects into production. So, we had a guidance of $16 billion-$18 billion for the five years. This 2024, we announced $17 billion to $18 billion. All segments benefiting from the $1 billion increase, I would say, which is – so, we keep the discipline and a third in Integrated Power and low-carbon molecules, a third in new projects, oil and gas projects, oil and LNG projects, and a third in maintenance. So, guidance is the same as what we announced in September.

So, what do we intend to do? On the oil side, we continue. The idea is to continue to deliver, to work to deliver all this growth and midterm growth. So, we have there on this slide a summary of our different actions, which are, of course, Nicolas’ teams, I would say, focused on delivery. On the major projects, we are progressing, in particular in Brazil. Somewhere in our portfolio, Brazil is replacing Russia. In fact, when you look in E&P. We had Mero 2, which came onstream the last day of the year. It's a Petrobras way to celebrate the New Year. For me, it is the first day of 2024 not the last day of 2023, plus it’s just one well. So, we expect more production. But we are working on Mero 3 where Petrobras is planning to start-up by end 2024. Then we have Mero 4, which also on its way, which will be second half of 2025. And then in the US, we are working with Chevron in Ballymore. So, that's the non-operated assets. For the operated ones, we have, of course, a very important one which is Uganda in company share, it's almost 130,000 barrel per day. So, it's a big impact. So, we progress and with the target of end 2025, so we should be by end 2024 around 60% of progress. It has already been launched. And Ratawi, of course, our teams are on the ground. I visited them twice in the last quarter, where operations have been handed over to us and we are executing the first phase of the project to grow the production from 60,000 barrel per day to 110,000 barrel per day. So, that's the first phase, then we will go to more than 200,000 barrels per day. At the same time, as you know, we work on the gas flaring and on the solar part. So, that's, I would say, the major projects. We follow that carefully.

We have in 2024 as well quite a big, I would say, agenda on sanctioning new projects. In Brazil, again, we have embarked, we have been successful in both ToR. So, we have embarked to sanction Sépia 2 and Atapu 2 on which Petrobras, I think, is making a joint, sort of joint tender. We are lucky to be on both sides. We have also Kaminho, which is the name which has been selected for the development on Block 20. It's a 80,000 barrel per day development on Block 20. We are operator. We should be able to sanction that by middle of the year. We have the last, I will say, the last discussions. And on Block 58 at Suriname, this one has not yet a name. Maybe it's a Krabdagu or I don't know, they are two discoveries. We have Krabdagu and the other one Sapakara, maybe we'll give it a name. We are – it's not yet there. But this one, of course, is important because it's a 200,000 barrel per day project. We have 50% of it. So, it's an important project. The objective being to sanction it before year-end 2024, and we are working on it. All this, I remind you, the criteria to sanction projects, we assess the profitability at \$50 per barrel, \$100 per CO2 ton. And each project should respect two conditions. One, cost or, I would say, economics is less than \$20 per barrel and less than \$30 of breakeven after-tax. And the other one is emissions less than our portfolio average. And the portfolio average is lower. It was 20 kilogram per barrel in 2020. The portfolio average emission intensity is 18 kg/boe. So, the new criteria is less than 18 kilogram per barrel of CO2. And so, we progress. It's a virtuous criterion. And this will be the case of the four projects which I have just mentioned.

An innovation that we announced yesterday, but we need to continue to work on the Capex cost. Of course, we face an environment which has more inflation. In particular in the drilling rigs for deepwater, we have seen the market moving from \$200,000 per day to more than \$400,000 per day. So, we decided to take an innovative action, which is to acquire part of a rig because to control the cost. In fact, for us with Vantage 75%. It's a way to hedge, in fact, our costs on drilling. The company will benefit from that. I can tell you the costs are not \$400,000 barrel per day. We are much lower than that. I know it's – some people – but we are using a fleet of 8 to 10 deepwater rigs per year. So, to try to manage one – maybe it's only the first one of a fleet, but it's a way to hedge the costs because we cannot just accept that because of less competition, the costs are increasing because the market is not really there. It's more less competition. So, we have decided to move. I was frustrated for 15 years and I have realized one of my personal objectives not to let these guys taking plenty of money from us without participating. So, yeah, it's a way to control the cost.

In 2024, another comment I want to make. These are the new productions coming onstream. Mero 2, Tyra in Denmark, a redevelopment in Tyra that we inherited from Maersk. It's planned for end of March, beginning of April. Anchor in the US with Chevron. It's an important comment and we just announced a new production coming in the portfolio. Of course, we need to close it by end of the first half, hopefully : gas in Malaysia. We are acquiring OMV share on this field with quite a good potential to deploy beyond the asset. There are other opportunities in Malaysia. It's also a way for us to consolidate our partnership with Petronas, working there.

All these additions, including the ones which have been put into production in 2023, when you look at them, which is Absheron, which is SARB Umm Lulu, Iraq as well. When you look to their cash flow per barrel, they are all accretive compared to our portfolio. And so – and it's important, they have an average, I would say, of cash flow per barrel $30 per barrel compared to our portfolio which is around $22. So, it's again back to my comment, but we continue to high-grade the portfolio and that's very pragmatic. It is true for acquisition and divestment, what we acquired in SARB Umm Lulu and Sapura, but compared to what we divest, by the way, in Canada, make accretive part of the barrels that we produce. It's true as well for the organic part of the portfolio. So, that's an important message. In particular, at a time where, in fact, the declining part of our portfolio, for example, in the North Sea in UK have a much lower CFFO per barrel because of the taxation. So, we continue to high-grade the portfolio through these new projects.

Exploration. It has been, for TotalEnergies, a successful story for the last year. We did not mention there Nigeria with Ntokon or Cyprus, by the way, where we are confirming with Eni. We have 50% of these discoveries with Eni in Cyprus. We have gas in Cyprus, for sure. So, we will find a way to have an efficient development process. And I think being partnered with Eni will obviously give us some capacities in the neighboring country, is a nice way to – and I love the fact that Eni is keen to shorten the time to market. So, we're fully supportive on that in particular there in this part of the Mediterranean Sea.

Here I insisted, and I just mentioned Sapakara South and Krabdagu, so I will not come back on Suriname. On Namibia, we continue to drill. So Mangetti, I can tell you, we find again some hydrocarbons in Mangetti. We find again the hydrocarbon level of Venus, the extension to the north. As it was commented by one of my peers, we share the data with our neighboring peer. We, in the different appraisal wells and the test, it's clearly not homogeneous field. There are a lot of hydrocarbons, but we need to – there are some sweet spots in terms of productivity, permeability. There are some areas which have poorer characteristics. I repeat that on our side, we see a first development clearly in our hands and it's now question of optimizing. We'll continue to drill. There are many debates in the company because everybody is excited. We have another exploration potential well on the south of Venus called Kokerboom and we can also continue to appraise what has been discovered. So, clearly, Namibia is on the top of our spendings in exploration and appraisal. We'll spend around 30% of our exploration and appraisal budget in Namibia again in 2024, because we have to continue to see what the best way is to develop that.

LNG, the other part. So, several messages on this slide for 2024. First, the projects, we have quite a big portfolio of four projects fundamentally in the US and Qatar. In the US, in fact Energia Costa Azul is not in the US, in Mexico, but it's the gas coming from the US that we valorize. This project is progressing well. We should be able to produce by mid-2025. I think that's more or less a target we have with Sempra. For us, it's important, I remind you, because we have access to, we have only 16% of the project where we have access to almost 55% of the production, 1.7 million tons very well-located to go to Asia. We have North Field East as well in Qatar and North Field South, two large projects. Its 2 million ton for the first one, 1.5 million tons for the second one for TotalEnergies. They are on their way. Things have been sanctioned and contractors are mobilized. And then, the last one is Rio Grande LNG. We, I think, selected a good project, in South Texas. We have good contractor, Bechtel, very committed. We have all the authorizations and no problem of temporary ban. And so, we are moving on. Of course, it's quite a large project. So, target is 2027, but it's on its way and even in little in advance compared to the planning curve.

Two other important projects on which we work are Mozambique and Papua LNG. So, in Mozambique, we have the security reports and human rights reports. Now, we are remobilizing the contractors and I think we are not far from having everything set with them. The last part is, you know, we are in the large project financing, which was, I would say put on hold when the events came in 2021. And so, we need now, we are reactivating with all these financial institutions around the world, this project financing and when all that will be done, we will start again the project.

On Papua LNG, we are working as well on all the fronts. Marketing, it's a project which is well perceived in Asia, but also the financing because we need to put the financing in place and the EPC contracts we work with contractors. So, that's on LNG. So, six projects I would say in parallel.

A comment on the results that I want just to clarify. I know we had the question marks. 2023 somewhere we benefited from the fact that we are hedging one year in advance part of our portfolio except Russia. So, this was represented in the $7.3 billion I think that we have mentioned by Jean-Pierre, $500 million. So, these $500 million were exceptional. We could not hedge at the same level for 2024 in 2023. Having said that and what we target is $7 billion I would say of cash flow from LNG because we have a better, we have a growth, as we mentioned, 9% in growth of production in 2023. So, we will benefit of it. So, we should be around $7 billion. So, we expect a stable, I would say, cash flow coming from LNG. We took an environment for this figure, which is a little lower than in 2023 on TTF $10/MBtu instead of $13/MBtu just as an average.

Integrated Power for 2024, we commented already the increase of capacity plus 6 GW of the electricity generation more than 45 TWh, 25 TWh hour coming from renewables. And for the cash flow, we continue with the idea that we should grow to reach the net cash flow positive by 2028. We need to grow by $500 million per year, more or less. So, the idea is – our objective is to be able to deliver $2.5 billion to $3 billion out of the portfolio which will be by end of 2024 around $25 billion of capital employed, almost, $24 billion-$25 billion. So, that's continued growth and all businesses contributing to this increase. Of course, it's important to demonstrate the profitability and the 10% ROACE, the ambition is to grow it to 12% by 2028.

Just a word about what we are building in Texas, it's one of the announcements that we've done during the last quarter. Texas is a very interesting market because it's a growing market, growing population in Texas. So, people in the US are moving to Texas, and with quite a lot of imbalances and bottlenecks in the infrastructures, which create a lot of opportunities for renewables, but also for flexible generation. And particularly, it's quite nice for us because it's during the summer, that the spark spread in the US is very positive, in Europe, in our portfolio, the gas plants are more in the winter than in the summer, and it could reach very high levels. So, even if the use of these gas plants is maybe only a third of the year, the profit generation can be very high, and we need to have these assets. We've done that in good conditions in terms of accessing $600 million for 1.5 GW is a good price, a direct negotiation with a private equity firm, which would allow us to have access to these capacities. And it's important because fundamentally our customers, corporate PPA, what they want to have is not only green electricity, they want a firm electricity. And to deliver firm, if we don't have a firm power, if we don't have in our portfolio some gas plants or flexible assets like batteries, we have also some batteries in Texas. We have already 300 megawatts installed. We continue to grow it. If we don't have these types of assets, it's difficult to make trading and to make offers, which are competitive. So, that's the whole objective that we are pursuing. And you will see us continuing to be very active in Texas because it's a good market to develop and to deploy our Integrated Power strategy.

On the Downstream, for 2024, we anticipate the markets to be a little lower than 2023. 2022-2023 in refining has been quite on strong markets, supported by the ban on Russian crude and geopolitical tensions. We see some ease in the markets on refining coming back to something like $50, $60 per ton, which is still quite high compared to what we experienced in the years 2015, 2020. But probably, I would see a softer environment in 2024. It's also true in petrochemicals, where clearly there is a lower demand in Europe. We see the impact of the European economic crisis, the macro crisis, and in the US as well. So, in Asia, it's still good, but so that impacts the margins on polymers. We were, I would say, during the first half or first three quarter of the year, quite preserved because of our positions. Now, we see the impact of these lower margins.

So, that's why the $8 billion of cash flow we performed in 2023, we think it could be around $7 billion in 2024 as a guidance. In Refining & Chemicals and Marketing, here in downstream, it covers the three segments, we are also working on the transition in particular on the SAF market we'll deliver and multiply by two our production in 2024. It's in line what our customers are expecting because the mandates begin to grow in some countries and we don't have yet the big conversion of Grandpuits, which will bring 200,000 tons per year. But we are using part of the HVO we have in La Mède in order to convert it in some SAF product to meet some expectations. It's a good business and again, that's a transition.

Transition is also, of course, in the marketing part. On the electric mobility, we have a strategy we explained you in September to concentrate most of our efforts, I would say on EV hubs, on scarce prime locations, either on motorways or urban locations. We have built by the end of 2023, 300-350 hubs. We plan to have more than 600 in 2024 and with also focusing as well with hubs on HPC because the customers, they don't like these low charging. It may be good in the streets of London or Paris. But honestly, if you want to really meet the real market for us is professional customers or I would say long-distance customers, they are ready to spend 15, maybe 25 minutes but not more. So, HPC, we have deployed already more than 1,000 HPC and it will be more than 3,000. So, rather than the number of charging points, for us the real metrics is how many HPCs and electric hubs do we deploy in Europe, that's a more, I think it makes more sense than just counting the number of charging points, because the profitability of each of them will not be the same at the end of the day and in terms of strategy. So, that's what I could say.

So, I'm coming back to our shareholders, which is the most important and the cash flow generation. So, we anticipate in this environment at $80 Brent, $10 TTF, and $50 European refining margin marker, I could answer some questions about why we moved to this marker. Around $34 billion. It is in line with the $36 billion we delivered. You make the math with the sensitivity. You are adding an additional growth of $500 million in power and $500 million in other businesses and you will find $34 billion. So, it's very in line with our, I will say, our strategic plan and roadmap. We'll invest $17 billion-$18 billion. So, we have a free cash flow around $17 billion. And the Board in that context has decided to continue to grow the dividend by 7%. So, the final dividend will be €0.79 per share instead of the quarterly interim dividend of €0.74. And this €0.79 per share will be the next quarterly interim dividend, which the Board will support. So, that's for the dividend and I will come back on it in one minute. And on the buyback, we have announced that we maintain $2 billion for the next quarter. And that $2 billion per quarter will remain, which is a base of the Board discussion for the coming quarters and next quarters in this type of environment.

And that's I think the next slide, which illustrates this, I would say, steady strategy or steady policy, I would say, as a shareholder distribution. We see the quarterly dividend, which was at €0.66 during 2019-2020, no decrease 2021. We used our balance sheet. You can see it on the chart in the middle, the gearing ratio went up in 2020 because we decided to use our balance sheet in order to maintain this distribution policy, has begun to grow in 2022, then 2023 7%, again 7% of 2024. So, an increase of 20% in the last three years and that's, as you know, we did not decrease this quarterly dividend for more than, when I became CEO, it was 30 years, so today it's 40 years.

And so, it's one of the heritages we maintain. And the buyback, we are a little stubborn as well. We increased to $2 billion since the second quarter 2022. So $2 billion, $2 billion, $2 billion, $2 billion, $2 billion, $2 billion. And so, you can continue $2 billion, $2 billion, $2 billion... We increased it in the last quarter because we decided to give back part of the Canadian divestment proceeds to the shareholders as a sort of exceptional. So, it's very consistent. By the way, as the number of shares diminish, I would say the buyback per share is growing, in fact, even if share is going up. And just one comment about the dividend I didn't mention, the 7%. We bought back in 2023, 5.8%-5.9% of our shares. So, for me, it is the basis, as I always said, to return to shareholders, you need to at least increase the dividend by what you bought back. So, the 6% were, for me, secured just because we have added 1% because there is a growth. It was a discussion at the Board about that 7%, because we've made 7% as it's consistent with what we could maintain on the long term.

And so, that's the last slide, because as I said, we know we have a gap in the multiple with our US peers, but, again, in terms of TSR, we are in the ballpark. Our ambition is to be able to continue to convince the market that we believe the multiple of TotalEnergies should be higher and that's why we continue to buyback despite the fact that a share at €60 per share is more or less not far from the historic high. But we strongly believe the strategy will deliver more value and we demonstrate that we can do it while transitioning. And again, there is no contradiction. And so, we hope to see that shareholder return to be translated in the company valuation in the coming months.

And the last slide is to celebrate the 100 years. Pioneers for 100 years, that's the the motto we have decided to select. I will not comment all the photos, only one. The first one in the left top corner, it is the first well in Iraq. By the way, in Ratawi, I visited Ratawi and we discovered Ratawi. But was discovered in 1948 by TotalEnergies teams and the well of discovery exists. Ratawi number one, I took a photo on it. Not this one in Kirkuk because it's a little unsafe region today. So, my security guys told me don't go there. But in Ratawi, we are all right. So, we are back to our roots. The photo in the left bottom corner is Arzew in Algeria, part of our history. You have Tyra in Denmark. It's more recent history. You have Lapa in Brazil, more recent history as well. On the photo, the other ones are locations in France for two of them. And you have also these small drones, which is a symbol of the technology-driven company and its engineers, that we use for measuring methane around all our assets today.

So, thank you for your attention and now, we can answer to your questions.

Q&A

Irene Himona *Société Générale*

Thank you very much. Irene Himona of Société Générale. So, Patrick, you've built the Integrated Power portfolio through M&A. You've been very active on that. Your targets are for gross capacity. Would you contemplate something a little bit more radical or different like bringing in a partner, selling down part of that portfolio like some of your peers have done?

And then secondly on the buyback, the $2 billion quarterly buyback, your balance sheet is very ungeared now, if the environment were to deteriorate and we've had tremendous volatility in recent years, how far would you lean into the balance sheet to sustain that buyback? Thank you.

Patrick Pouyanné *TotalEnergies SE - Chairman & CEO*

Okay. First question, we do it, in fact. We don't have one partner, but for each asset the policy is clear. We develop the assets when we are operator 100%, but at COD, we divest 50% of them because I prefer, it's a question of management of risk. I prefer to have two times 50% than one time 100%. It's also a question of profitability. What is difficult is to find one partner for all the geographies. You have some people who are financial partners, because we don't want to have too many people bothering our teams. We like to have financial partners. They love it. But it's not the same market when you are divesting 50% of an asset in Texas when you go to Greece. So, it's different portfolios. Even if we reach a point where, as we increase the global capacity by 6 GW per year, we have more gigawatts to farm down. So, we will need to find a way to industrialize, the way we farm down. So, otherwise it is not an easy task. If you go asset by asset, so for example, in 2024, I think we have 2 gigawatts or something like that in new assets or 1.2 gigawatts in Texas. So, we'll make the package and find someone and by the way, it's better to farmdown, because when you have larger institutions, which are in two assets. When it's one asset, sometimes it's too small, and they don't want to spend too much time on it. So, we try to do it like that. We have some assets as well. Greece is a different country, but we inherited it from Total Eren or in South Iberia.

So, we need to be active on that and to find a way to industrialize it. It's not one partner. But again, that's very good. I prefer to have some partners as well in order to challenge us tomorrow in the way we do. It's the same, I would say, philosophy that we have. We've done one divestment we announced on Seagreen in offshore wind in Scotland where PTTEP wanted to have experience in offshore wind. They like TotalEnergies. You've seen, I can tell you. If you make the rate of return of the M&A activity acquiring these 25% from SSE in 2020 and selling in 2023 to PTTEP is more than 15% return. So, you can make this type of activity. It's good because we want to share the risk between different assets, and we'll continue that philosophy.

It's a very good question. I think my message was positive. I think we have a good – and there's a slide – it's for purpose. There's a slide that I showed you about the dividend, the gearing, and it's true that at 5%

gearing, as we've done in 2020, the situation was much more critical in 2020 than today at 5% gearing. And when I mentioned that we announced $2 billion for the next quarter, but $2 billion is a basis for the coming quarters, I think it's also because I have in mind that we can use the balance sheet. And unless the price going down again to something less than $50, we can resist. That's true. But for me it was a discussion at the Board. So, we find in the press release there is a positive message. But we don't want to commit about $20 billion of buyback because we have no visibility. But fundamentally, the balance sheet gives us quite a strong support to this policy and the word, important word is a steady policy. And however, on the dividend, 7%, 7% or on the buyback and so, you could hear $2 billion, $2 billion, $2 billion for several quarters.

Oswald Clint *Bernstein*

Thank you very much, everyone. Oswald Clint at Bernstein. I wanted to ask on LNG and I wanted to ask about appetite into your portfolio from new demand, from Biden's policy recently, from the Red Sea disruption. I think you answered that already by saying China is having some discussions with you, et cetera. So, perhaps, I'll change it to, are you, I mean, really leveraging and I know Stéphane is behind me, but leveraging the LNG trading and optimization piece. I mean, Shell – a couple of your peers this last quarter here in Europe, even in Texas are now delivering gas and LNG trading profits on top. It doesn't look like you captured a lot. It looks like the others are a bit more aggressive, potentially a lot more capital, financing is being allocated to trading and it's coming through. So, perhaps, your business is more tightly controlled. It's just to get your thoughts on. Are you happy with that? Is there more you could do around the LNG optimization piece, please?

Patrick Pouyanné *TotalEnergies SE - Chairman & CEO*

I'm very happy with what we do. And by the way, maybe when you look to our peers this quarter it's better, the previous quarter was not so good. So, we are more consistent in the trading part quarterly after quarterly. We know our policy and Stéphane can elaborate. Honestly, I think we are doing a lot with that. We are managing 40 million tons, of course, part of it and the number of spot deals, which have been done is around 6 million tons. So, again, it's quite active and our traders are doing a lot around it. I will deliver your message that they can do better. When I see their bonus, I think they have done well. You can ask Jean-Pierre what he thinks about that. I think, honestly, we are very active on that: it's completely in the business model of LNG, trading. Again, we benefited from the fact that we have this policy to hedge most of the portfolio one year in advance, it's true. Because we have quite an open position, we benefited from that in 2023, and next year, $7 billion. Again, I think one message of the slide, by the way, when you look to the improvement of what we were delivering in 2021 to 2023, it's quite a big improvement and it's coming in particular from the European position. In Europe, we control 16% of regas capacities. We have added these two FSRUs. So, it help us to trade around that. So, maybe we make less noise when we have a good results. But we don't have any bad results in a quarter. So, we are fine.

Oswald Clint *Bernstein*

Thank you. And my second question is just on Iraq, 100 years, when you spoke about your new Iraqi project there, did you say it's also a $30 per barrel cash margin?

Patrick Pouyanné *TotalEnergies SE - Chairman & CEO*

It's much more than that.

Oswald Clint *Bernstein*

Okay. And really, the bigger question was, that my favorite chart is the one on cash flow relative to the oil price. Is there anything as we look out for the next five years that would be decreasing the slope of that with production sharing contracts, slopes in LNG contracts?

Patrick Pouyanné *TotalEnergies SE - Chairman & CEO*

It's a good question. We have done it in the last two years. We can project it. I think it's a good – Olivier, who is behind the door there, is an expert in making this type of chart, he's a super good economist and engineer. I take the point: we can demonstrate that on the portfolio. Fundamentally, our new portfolio is much more accretive in $/bbl because we select the projects to find this, to improve – we were perceived, as I said, as a resilient company, we want to have also the upside. And Iraq is one of them, by the way, but we have quite a good upside. But I take the point and we can illustrate that maybe in September at our next strategy day. We had that slide, which was too complex last time, so we need to prepare it in a better way. But this one, I think which has been imagined by our colleague is a good illustration, about this change of slope and which means higher upside that we capture from the Brent.

Michele Della Vigna *Goldman Sachs*

Thank you. Congratulations on the strong results and being almost net debt free. I wanted to ask two questions. The first one is more industrywide. We are getting a lot of very conflicting messages on EV uptake across the world. On one side, it seems to be accelerating in China, but then it's decelerating in Europe and in the US as some of the more generous incentives roll off. What are you seeing on the ground? And does that in any way change your strategy in terms of EV charging?

And then, secondly, I wanted to ask you on LNG, you clearly hedge 12-month forward your spot LNG exposure, but I was wondering is there a way to quantify the sensitivity to spot LNG prices beyond that 12-month of hedging. Thank you.

Patrick Pouyanné *TotalEnergies SE - Chairman & CEO*

What is important in our portfolio is the difference between TTF and JKM I think. You can elaborate on that, Stéphane. The second question, maybe you can answer. On the first one, that's one of the unknown.

In fact our strategy is centered on Europe, the EU, which has a clear plan: 2035... And in the EU, it's fundamentally the five core countries; France, Germany, Netherlands, UK, Spain. In the US, I agree that when you go to the US you don't see a big move and when you observe in the streets and don't see a huge move. So we are more careful. So the EV strategy is more Europe where there is a clear regulation plan where we think that it will happen, maybe not as quick as people think, but as the government seems to be, even if they have less money, but they will be obliged. At the end, maybe it is not my problem, it is one for the car manufacturers, maybe there will be plenty of Chinese EV cars in the streets in Europe, that's the trend today. But it's not my issue.

So, for us, EV equals Europe where we have a clear, I would say, regulations. I think, honestly, this transition is not only a question of offer. If you don't have an incentive on the demand and a clear, I would say, policy, there is a low chance that people will accept. It's a revolution, it's a strange revolution. You ask people to spend more money to get a car to have the same function, but a ICE car. Why should they spend more money? Tell me. So, they have to lower the cost of the cars and somewhere to be supported. China is using their own market in order to… But it's again more for car manufacturing industry the challenge to bring all these cars to deploy their car manufacturing capacities on the planet, in fact, which is what is happening, in fact, in particular in Europe.

So, for us, does it change? No, fundamentally. But we will not deploy EV in Africa. Where we have retail today, it's Africa. I will continue to develop our, I would say, traditional business in Africa. In Europe, you see that change, even if we are happy with the position in France. Again, as I commented, we sold our retail stations in Germany and the Netherlands to Couche-Tard because the financial proposal was for us quite a good one. So, we had to – in a way, to change. In terms of CapEx, it's a matter today of $150 million, $200 million per year. So, it's not a huge commitment compared to what we spend. So, Europe, yes; the rest, I will observe, just to go in your way. And what I'm observing is, again, let's see, depending on the policies. In particular in the US, I have a few doubts. Stéphane should answer, sorry. Stéphane, please answer.

Stéphane Michel *TotalEnergies SE – President, Gas, Renewables & Power*

Our LNG portfolio is globally a mix of long-term supply coming from our assets or third party, and of long-term sales mostly in Asia. So, if we look at that, we purchase fixed costs and Henry Hub and we sell mostly Brent and TTF/JKM. And as we mentioned already in the past, globally, our portfolio is around 70%, 80% more long-term Brent and the rest is TTF/JKM. By the way, as we do in electricity where we try to find that 70% long-term fixed and 30% merchant. And the last point which is important is the fact that we can sell either JKM or TTF because we have the flexibility to choose our index because of the supply/logistic chain that we have with the regas capacity and the vessels.

Patrick Pouyanné *TotalEnergies SE - Chairman & CEO*

So, we arbitrate between both... thanks to LNG tankers.

Martijn Rats *Morgan Stanley*

Good morning. Two questions, if I may. First of all, a slightly technical modeling question. But in terms of modeling the balance sheet for the next couple of quarters, I was wondering if you could say a few words about how much of the working capital that was sort of released in the fourth quarter will build up over the next couple of quarters. I think you said that some of it was sort of a bit of a one-off.

And then, secondly, I wanted to ask about refining because I get there sort of $50 to $60 a ton sort of base case. But I was wondering what your views were about f the risks around that, in the sense that if you do global refining analysis, you get to the conclusion, market should soften a little bit. But then, again, on the other end, like all the capacity that is being built is in the East, so the Atlantic Basin is actually quite short products. If we have all the freight issues and the freight issue support Atlantic Basin refining margins, we stumble from disruption to disruption, all these refineries are old; it's cold weather, we have disruptions; it's hot weather, we have disruptions, couldn't we end up in a situation where actually this turns out to be surprisingly tight and the risks to that are actually to the upside?

Patrick Pouyanné *TotalEnergies SE - Chairman & CEO*

You are right to separate both. Having said that… we took an assumption of $50 per ton. If it's $80, I'm happy. You have the sensitivity, I think it's $500 million for $10 per ton. So, again, maybe we are a little cautious. We see some softening in the market because, again, crude price remains high. But you're right, your fundamental analysis is true, that on the Atlantic Basin, you have some bottlenecks in the system, the famous Jones Act in particular and all these type of things which help the margins. But there is also an element of the Russian system, which the market begins to absorb at a certain point. So, we have to be maybe a little cautious about it, that's what we observe. So, I share your view, but up to which point can we quantify the upside, that's more complex. That's the difficulty. It's margins of different products, so – and again, the last year also supported by the fact that the jet fuel margins were quite good. So, this jet fuel recovery is done now, so we are more in a, I would say, a balanced and normal growth. There is not this hike linked to the recovery that we had before.

On the working capital, I would say, $3 billion, more or less?

Jean-Pierre Sbraire *TotalEnergies SE – CFO*

Something like that, yes.

Patrick Pouyanné *TotalEnergies SE - Chairman & CEO*

Yeah, something like that, I think. The story is the following. Last year, we had a release of $3 billion because of margin calls. So we were expecting to see the $3 billion being recovered. We struggled during the year to see them. They came in the last quarter. We had more than that. The last quarter was more than that, globally $5 billion. But out of the $5 billion, $2 billion are clearly exceptional. It's linked to the taxation we should pay on this Couche-Tard deal...

Jean-Pierre Sbraire *TotalEnergies SE – CFO*

Capital gains tax in Germany

Patrick Pouyanné *TotalEnergies SE - Chairman & CEO*

Capital gains tax that we didn't pay yet, we need to pay it. And it's linked to part of these exceptional taxes which were put in Europe. I don't know if you know, these war taxes which has built a taxation which will be paid, in fact, in 2024. So, we have $2 billion of extra working capital. The $3 billion come and go back and forth, so we could expect them to be released again during the year and coming back by the end of the year. That's the anticipation.

Jean-Pierre Sbraire *TotalEnergies SE – CFO*

And, of course, we'll continue to put pressure on our managers to keep working cap as low as possible.

Patrick Pouyanné *TotalEnergies SE - Chairman & CEO*

The story is that we told them we want to get back our $3 billion and they gave us $5 billion, almost $6 billion. So… don't put too much pressure, you know. There is a little exceptional there, $2 billion as I said, which makes around 1 point of gearing, I would say. If you want to translate it – compared to what you said, we have $2 billion which came at the end of the year which could disappear. But I hope the year can also be executed in a good way and we'll have again some cash flow which will strengthen the balance sheet.

Lucas Herrmann *Exane BNP Paribas*

Thanks very much. Lucas Herrmann, BNP Exane. Two if I might as well. The first was just on divestments and whether you've got any – last year was a very large year for divestments. There's a lot going on in the business in terms of organic investment now as you build up in LNG, you started to build more aggressively, high-grading the upstream, obviously, Integrated Power. So, I just wondered what you're thinking in terms of scale of divestments this year, absolute figure as you move towards that net $17 billion to $18 billion.

And the second question, Patrick, I guess, is a little more personal. It's a big year for centenary, for Total, it's also quite a big year for you in some respects in that this is year 10. And I'm conscious of, amongst all the assets, et cetera, this company has, you're also a very large asset. The question is really how you're thinking about your own lifecycle progression. I know Thierry Desmarest was CEO for 12 years, we hope you're with us for a lot longer, but just thoughts on where you're at, Patrick, in terms of…

Patrick Pouyanné *TotalEnergies SE - Chairman & CEO*

Thierry was 15 years...

Lucas Herrmann *Exane BNP Paribas*

I thought it was 12, CEO; and 15, Chairman.

Patrick Pouyanné *TotalEnergies SE - Chairman & CEO*

Yeah. But on this personal note, I said to the board, as long as they have fun, I will continue the job, as long as you consider that I'm positive for the company. The board has decided to ask me to continue to renew my mandate. It has been announced in September for the next three years. So, I will continue. And again, I think I'm committed to the company. And I think what we do is – we have a very clear strategy. I'm happy to execute it. I'm part of this – it's not only me, but all the Executive Committee which is executing that. So, I'm there. I will continue to be in the landscape of this company for many years. Okay? But we still have a lot of things to do.

Then on the first one. In fact, we've done a lot in divestment. That's true. $4 billion, $4.5 billion from Canada plus Couche-Tard, so $7 billion. But we acquired a lot as well. It was a huge year, in fact, because SARB/Umm Lulu plus Casa dos Ventos, plus NFE, NFS – when you add all of that, we divested $7 billion, we added $6 billion. I said to my teams, we have done a lot. In fact, we invested $17 billion. And when you acquire $6 billion and you divest $7 billion, it's at the end, we moved $30 billion of assets, which is an historic year. And so, it's quite an active company. It's very active.

And I think we will continue to do that because if I want to high-grade, I need also to finance it. And I think one of my big lessons is the net CapEx investment, maximum $18 billion is a good metrics for us. It's a good metric because all the balance we generate, $34 billion, we invest $17 billion, we deliver $16 billion to our shareholders… it's a good balance. And so, one way is to continue to divest.

And part of it, by the way, comes from what discussed: the farm down of renewables. Because, it's not a divestment, it's more that we divest because we reinvest part of it. So, when we have at the end $5 billion, in fact it's plus $7 billion, minus $2 billion et cetera. So, this machine of divestments has to be put in place, and that's one of the targets for Stéphane's teams in the year.

But we have also some assets in the upstream. It's no secret that in Nigeria, for example, these onshore assets are complex, we want to divest our share of SPDC, and we are looking to reshape the portfolio. So, it's a permanent for me, good philosophy to oblige ourselves: we buy in Malaysia, what do we divest on the other side? By the way, you notice that in 2024, we'll benefit from the divestment to Couche-Tard to the Netherlands and Belgium because we didn't sell it in 2023, but in 2024. So, I think we are fine. And the level of activity should be around about $5 billion on one side, $5 billion on the other side, and we have the balance sheet to do that. Not to make big M&A. I'm not a consolidator of shale in the US, I'm not there. But I can perfectly understand what our peers have done, but we are not in that business. But we have the balance sheet in order to be active on both sides, both buying and divesting. That's the philosophy.

Lydia Rainforth *Barclays*

Thank you. It's Lydia Rainforth from Barclays. The 100-year milestone is a great chance to look forward and back as well. When you think about the structure of the industry, it has been remarkably stable for the last 20 years. How do you see it going forward? Because it does seem that we've got a lot more volatility, a lot more regionalization, and almost back to that chart there, Olivier's CFFO versus Brent. Is there opportunity for that to sort of diverge more as we go forward?

And then if I think basically a little bit looking back, this story around the safety side, there's, obviously, changes and processes that are being put in place. Do you think you can make those changes both quickly and safely in terms of – there's going to be more and more processes that need changing in a world where there's more digitalization?

Patrick Pouyanné *TotalEnergies SE - Chairman & CEO*

Okay. Safety, well, it's true that it's a little frustrating to have a fatality to put into question... Honestly, this example is a good example. Myself, I'm a little frustrated, but it's because we have a fatality that we take the topic and we say – I remember, I said, you stop and we find a way, and it was provocative from us on the top: why are we obliged to put somebody in these reactors. The reality is that it's the whole industry that is working like this - it's the most efficient in term of cost because it's shorter and we had the feeling it's safe, but it's not safe. And I think, okay, it's a decision, it's where safety is a value, that means that maybe it's longer to go with the water and et cetera, but at least you'd have nobody inside the reactor, I feel myself much more comfortable.

And it's good to see that we are sharing that and our colleagues, I understand our big peers are thinking the same way than us. So, that's true that it's quite frustrating, that we could have done that before. At least what is positive is that we have reacted in a way that forces our teams, because the initial reaction, they told us there is no other way. No, no, we told them: if we give you target “no human being inside these reactors”, what do you do? They came with a solution. Honestly, I'm not an expert on this type of technologies, but we said okay, let's push on it. Yes, it's a little more costly because it takes a little more time, okay, it’s an arbitration, but I feel safer. So, this is a good question that maybe we should look to other processes where we expose people in this type of environment. And, again, it's a good element, so we share it because we need to look again to avoid any, I would say, unsafe situation we could avoid, even if it has a cost. But at the end, it's safety first. So, thank you for the remark. And that's true that there is positive part we've done it, but we could have maybe done it before.

On the first one, so just volatility of the structure of the industry, you mean the strategies or you mean...

Lydia Rainforth *Barclays*

Just in terms of – I'd say – it's been relatively stable in terms of the structure of the industry. And now, as we go forward to the next 20 years, it seems like there's a lot more volatility ...more renewables, yeah. So – but just in terms of that chart of cash flow versus Brent, the point that Oswald was making there, ultimately we're getting more that do you end up having successfully longer term that, that you continue to get more upside on that part.

Patrick Pouyanné *TotalEnergies SE - Chairman & CEO*

If you keep in mind that your portfolio on the oil and gas will be – on one side, low breakeven, you maintain it, and then you look to what are the right assets in order to capture part of the upside, you can continue to build on it. I'm absolutely convinced that there are opportunities to do that. If you keep that in mind as a real target, yes, it's a question of being focused on what do I want to achieve. It's always the same discussion between growth and value. And you know that's the arbitration. We should not be suddenly obsessed by the 2% growth, even if we have declared 2% growth or 2% to 3% because we have the portfolio to execute. Now, it's a matter of execution, including on the LNG part where it's part of – keeping part of the upside, that's part of it. I agree with this.

Do we see more divergence because of renewables? I would say, it's another business. You see some strategies diverging. I think some other companies will come one day or the other to electricity. When you decide to produce green molecules, the famous molecules, what is hydrogen when it's green ? it's electricity. It's electricity. So, you have to manage this energy as a fundamental feedstock even when you want to produce these e-methanol or e-whatever it is, e-fuels tomorrow. So, from this perspective, I think all the efforts we are doing to manage the cost of electricity, the process of producing the electricity will help us tomorrow to go to these molecules knowing that today the demand for these molecules is not big. You were speaking about EVs. I could say the same, about hydrogen you know. There is a lot of enthusiasm in the media. When you look to the reality of the demand… By the way, we've got our 500,000 ton per year tender that we are putting on the market. It's quite a good success, by the way. We have 50 offers. I'm not sure, we will need to qualify them. The volume which is offered, is seven times more than what we are ready to buy.

So, we'll see the competition on the price now because that's not only a question of volume, but also of price and probably part of these offers are not completely in line. But we are optimistic that we could get some good products, including maybe investing in some of the projects ourselves. We'll see the way it works. So, yes, there is some divergence, but honestly, we are very comfortable. And as long, and as I said, that we can remain at the top of profitability globally on the company, building the second pillar – this pillar on electricity is okay. I would be worried if I were a shareholder and suddenly I see a decrease of the profitability, that would be more a question of we are comfortable with the board with that.

Henri Patricot *UBS*

The first question is on the dividend growth you mentioned earlier we've done a $2 billion buyback per quarter. You have this 5%, 6% base growth and then an additional 1%. Could that additional 1% become larger in the future as you get more underlying cash flow growth, Integrated Power, Integrated LNG, are you more comfortable with the 7%?

Patrick Pouyanné *TotalEnergies SE - Chairman & CEO*

It will become larger if the share is going up because we are looking also to the yield. The yield is at 5.1%, which is at the top of the majors. And we are – it's linked. You may say that maybe the dividend growth would put the price up, it's chicken and egg. Honestly, there is room to do more, but we are comfortable because again, we prefer to increase the dividend in a way that we can secure it even if the cycles go down. So, 7%, 8%, $0.01, okay, so that's the type of discussion, but we prefer to have a steady policy of increasing the dividend several years in a row rather than suddenly go down. And so, that was the discussion, the philosophy. When we benchmarked to our peers, we felt that the 7% was quite on the good side.

And again, I think the big news for TotalEnergies, what changed in our equity story, is that we really have enhanced the payout policy to shareholders. We were at 30% a few years ago, went up to more than 40%. In fact, this year, we're around 45%. So, this is a big change. And this is clearly anchored in the mindset of the board today, but we need to monitor that because it's also part, I would say, of the energy transition strategy. We can execute it if we are profitable and if we return to shareholders a higher share of that. Otherwise, people will tell us why do you invest in this transition, is it as profitable? Well, the fact that we remain very profitable and that we return to shareholder is a way as well to execute the strategy, the transition strategy we want to execute, where we strongly believe we will deliver cash flows for the future for our shareholders. So, that's the equation. Somebody asked me was it a mathematical formula, there's no mathematical formula, we are looking to where we think is the right balance.

Henri Patricot *UBS*

Understood. And then secondly, I wanted to follow up on a couple of LNG projects that you mentioned. Just firstly on Mozambique LNG, if you can give an update on security situation, and how quickly you think you could get back to your construction there. And secondly, on Arctic LNG 2, I mean, how do you see that project ramping up and what have you factored in for your cargos?

Patrick Pouyanné *TotalEnergies SE - Chairman & CEO*

Well, Arctic LNG 2 is quite easy. It's under sanction. So, story is off, I would say, I'd be clear. Honestly, unfortunately, I mean, I'm not surprised by what is happening. We were very cautious in 2022 when we announced that we had written off all that. The project has moved on, because these Novatek guys are quite incredible, and they were able to put into production a new train despite all the sanctions et cetera. So, in fact, in terms of engineering, it's quite a remarkable achievement. I'm not surprised because the Europeans need to have this Yamal LNG with 20 million tons. But to add more Russian LNG in the mix is a little politically complex to add more. So, I'm not super surprised on that. So, that's where we are. So, honestly, today, we are not more in the governance. We have put in force majeure everything. So, I cannot give you more information because we are not there anymore. And of course our LNG teams were in contact, but we have put force majeure because that's the reality, no way to expose the company to any type of secondary sanction, that's clear to me. So, that's the process. What I understand, just to share with you, is that they are willing to install the second train. The third train for me is on hold, which I understand, but the second train seems to move. Where is the market? Not in Europe. So, there is only one possible market – one or two. But it's not in our assets anymore.

On Mozambique LNG, we monitor permanently the situation on the ground. As you know, the Mozambique state is helped by another African state, namely Rwanda, to control the situation. And more importantly to us, the civil population is back in the area, life is back to normality. There have been a few incidents recently linked to the Gaza tensions, I would say. We can observe on the planet, that you have some Daech cells which are being reactivated – not only there, in many countries, you've seen some. So that's unfortunate, there is a link, so we have to monitor that. But today, in fact, it's more to reactivate the contracts, there is still some engineering to be done, so that's part of it. So construction, I hope it will come back by middle of the year. We monitor that. Again, what I don't want to do is to take a decision to bring back people, to be obliged to get out again, because that would be too complex, you know, so. But again, today, we have progressed a lot with the suppliers. I mean, the different contractors, in a good way. I mean, including on the cost, we've had some debates. They have listened to our messages. They want to reactivate it. The final point, again, is to put back – it's Jean-Pierre's job, on which we help him - the global financing, it was a big financing of CapEx which we need to reactivate. We are working on it. It should come in the coming months.

Alastair Syme *Citi*

Patrick, you are more or less optimistic on Namibia than you were last September? And I guess you're putting a third of your exploration budget in, so I'm guessing you're optimistic. But...

Patrick Pouyanné *TotalEnergies SE - Chairman & CEO*

No, I said the same earlier. I think I continue to be optimistic. I'm more optimistic than my colleague. Because we don't have the same license.

Alastair Syme *Citi*

But what does Mangetti do? I was under the impression that would add another resource base?

Patrick Pouyanné *TotalEnergies SE - Chairman & CEO*

No, we found again the Venus horizon, I can say. So it’s adding additional resource, it's not huge. It's not huge.

Alastair Syme *Citi*

And the DST results that you had?

Patrick Pouyanné *TotalEnergies SE - Chairman & CEO*

We don't have the DST yet. We are working.

Alastair Syme *Citi*

The two Venus Wells, I mean?

Patrick Pouyanné *TotalEnergies SE - Chairman & CEO*

On Venus, again, we had one very good DST, then the second one… but again, the location of the well, is it perfect? Yeah, it demonstrates some heterogeneity, that's why we need to be sure that when we develop, we locate the FPSO on the right spot, not to be too far from the sweet spot we want to develop. It will be a little like Suriname. It will be a combination of different sweet spots. So the location where you put, because then you have the length of your pipelines or subsea system. So if you want to minimize the cost of the subsea system, you have to locate properly, to appraise in order to be at the optimum location.

Alastair Syme *Citi*

Okay. But bigger than Suriname?

Patrick Pouyanné *TotalEnergies SE - Chairman & CEO*

Wait and see.

Alastair Syme *Citi*

Okay. My second question is just on German power prices. I think when you did the auction last year, you sort of indicated a view, the €70 to €80 a megawatt hour, is kind of where we've now pulled back to in Germany, you know, prices have pulled back a long way. But what's been remarkable is there's no real demand elasticity, like industrial demand is still really weak. Does that worry you that the economy can't support these power prices ?

Patrick Pouyanné *TotalEnergies SE - Chairman & CEO*

No, no, no. Because, again, Germany has decided that they exit from nuclear, and they exit from coal. So the power price in Germany will be fundamentally driven on one side by these renewables, but also by fundamentally gas plus ETS. Don't forget the ETS. So, the fundamental element in fact in the electricity economy in Europe is also the ETS price. And it's linked to that, because at the end the marginal price will be done by the ETS on the top of gas. So, when you have a country which decides that they will go to gas plants plus renewables, the price will remain a good price.

So, today, I think the forward curve in Europe today in 2025 is €79 per megawatt hour. Okay. That's okay. We are fine with that. So, no, no, we are comfortable with developing this offshore wind in Germany, and we will find customers who are ready to commit on the long term. Because what the industries don't like is the volatility of the price. They were afraid, So it helps us to consider that when we said €70 to €80 per megawatt hour to some of these industries, it's okay, we can find them. So, Germany from this perspective, again because of the choice of the policymakers, is, I think one of the good markets to take this type of bet to keep some offshore wind merchant in Germany. But it's also a good market to have some batteries, because when people say we want 70% of renewables, if you don't have plenty of batteries available, I can tell you it will be difficult.

Christopher Kuplent *Bank of America*

Chris Kuplent from Bank of America. Patrick, congratulations on closing that drillship deal. I do think it's quite a departure for the industry. Maybe you can give us a little bit of an insight on what you are hearing from your partners in all those projects. Are you also frustrated that you think their capital discipline is waning a little bit? Because I share your view there isn't a huge amount of competition out there in that part of the industry. And do you think others will follow in this step? How many more are you going to buy?

Patrick Pouyanné *TotalEnergies SE - Chairman & CEO*

You know, it was the situation. But I think it's true that it is a breakthrough, including in the company. It is the story of the 1990s, it's an old story. The industry has changed. In the 1990s, the companies were owning drillships. But then suddenly the price went down. They were stuck with the rigs and so they decided it was not their business. In the meantime, we are not a $10/b, we are $80, and then at $50. What

I have observed, in my last 25 years in this industry is that the low bottom of the deepwater rigs is $200,000 per day. It could go up to $500,000, $600,000.

Honestly, the cost of the rig is around $800 million. When you pay $500,000 per day, you pay the rig in four, five years. We have done this type of mistakes from 2010 to 2015. I was super frustrated because we have paid the rigs, in fact, fully. And we are beginning again the same story. So, the only way is to hedge ourselves. We will not operate the rig. The rig will be operated by Vantage. We wanted to have a partner, but we have 75%. In the end, we will receive the cost and we will sell it: this rig will be sold to a partnership at a market rate. That's the way, that's the game. Will others follow? I know I have announced that to some of our peers, they look at us. I think it's just nothing new. Putting $200 million in advance on a rig in order to secure 10 years, at the size of the scale of our operations, it is nothing. Okay, it's innovative.

My only point is I don't want all my team to be super excited: “we own a rig”, but it will be managed by Vantage. No, we don't own, we don't operate. We needed to do something. We cannot just look, see the cost going up and complain. So, what could we do? It’s true that Vantage was a company which was under financial stress. So we had a good discussion. But it's more in our head that we need to be innovative sometimes. So I am comfortable. Again, one drillship is nothing compared to my 8 or 10, I could have 2 or 3. At certain point I need to keep flexibility. But if I have other opportunities, I will look at it. It's a question of opportunities. It's a lesson of the years 2010-2015: we cannot just repeat the same mistake. We have some projects, but if Capex is going up and I want to do the project, I need to find ways to control my costs. And this is one way to hedge our drilling costs.

Christopher Kuplent *Bank of America*

Thank you. Can I add a quick second question, Patrick? You commented earlier that you don't really see looseness in the global LNG pool before mid-2026. Is that close enough for your customers in Asia, in particular, that they're already telling you, “You know what, I am not signing these Brent slopes, etc. There's plenty more to come in the later half of the decade?”

Patrick Pouyanné *TotalEnergies SE - Chairman & CEO*

No, because, in fact, what we observe is that when we marketed PNG, we had quite a number of offers. Not at 14% Brent, let be clear, but at a quite reasonable Brent slope at which we were ready to sign. We have signed some HoA actually, and we consider they are good for the project on the long term. Today, they still have in mind what happened in 2022. So they see the shock of 2022, and it makes them think: “okay, it's maybe long-term but to avoid this huge volatility, the only way is to make long term”. And again, we have been approached by some Chinese LNG buyers which are really keen to go on the longer term. I would say that from this perspective, what has been done in the US on the temporary ban is helping the other projects in the world. Because in fact, honestly, I am not suffering from it in our portfolio. The problem with this type of move, even if for an electoral campaign, and we know the story behind it, is that it is a question of trust in the capacity of the projects to deliver and that's not very good.

So it pushes these other buyers, these Asian buyers, not only to rely on the US LNG, but to look to other locations, which is good for Mozambique tomorrow. You know, we have 1 million tons, which will not be renewed by one of the buyer. We, TotalEnergies, will take part of it and we can sell that. So it's good for Qatar, it's good for all these projects. I see that the long term is still there and has not disappeared, despite the fact that you are right: we can anticipate a certain lower price on the spot, but they are willing to cover, they are willing to think. Not only in China, it's true in Japan, it's true in Korea. So the Asian buyers are there.

Jason Gabelman *TD Cowen*

I had two questions. First, I just wanted to clarify an earlier answer discussing net debt. I don't know if you gave an actual gearing target, but it has moved across the past number of years, so I was just wondering if you could provide an updated gearing target moving forward.

And then secondly, going back to LNG trading, it seems like the past few years you've benefited quite a bit from the spread in global gas prices versus Henry Hub gas prices, just given your position in US LNG. Are you able to optimize global LNG flows to replicate the upside you've seen from the US to global gas price spreads as the market kind of expects that spread to tighten over the next few years? Thanks.

Patrick Pouyanné *TotalEnergies SE - Chairman & CEO*

Okay. No, we don't express a gearing target. We are very comfortable with 5%. I think the CEO's variable pay target is under 10%, if I remind well. This is a Board decision. So you have an idea of what I should control and it is under 10%. I'm very comfortable to go down to zero. There is no problem. Today at 5%, we have reached a very strong balance sheet, so my CFO is comfortable. He does not shout to go lower. So the priority is more in the way we allocate the capital, first to the dividend, the capital expenditures and the return to shareholders with more than 40% of cash flows. I would say that's the main commitment. So, less than 10% is okay. But we can go down to zero, no problem, if we have zero debt or even a positive treasury.

On LNG I'm not sure, so I will go to Stéphane to answer to the question, which is, if I understood, can we optimize the global LNG flows to replicate the upside we've seen in the past. Or explain again what you are doing with your portfolio?

Stéphane Michel *TotalEnergies SE – President, Gas, Renewables & Power*

So, as I said, basically we have a long-term portfolio where we buy Henry Hub and fixed cost, and we sell partly Brent, partly JKM and TTF. And then we have a global optimization with plenty of optionality in the portfolio. One of the big ones is to be able to switch from Europe to Asia and from Asia to Europe. But you have as well plenty of other plays like the backwardation, the contango, the arbitrage of timing, the possibility between Africa, LATAM and Asia and so on.

It's clear that in 2022 we have benefited from the spread increase between HH and JKM and TTF, and that going forward we are going to benefit less from that. It's partly already in the level of hedges we have been able to realize, and Patrick mentioned it: the difference of hedge between 2024 and 2023 in terms of cash is going to be $500 million. And that's done. As for the optionality of the portfolio, we are confident that we have plenty of ideas to continue to sustain the good performance we have done in the past, even if you notice that it's not enough.

Patrick Pouyanné *TotalEnergies SE - Chairman & CEO*

No but, again, 2022 was absolutely exceptional. I don't hope, by the way, to see again $30 per million BTU or $50, it's very detrimental for the demand in the market. You can destroy the market with this type of price. Okay, we benefitted from it one year, but it was a one-off and I hope it will not come back. It's not a normal market to see this type of prices, $200 per barrel for gas: that is absolutely abnormal. But fundamentally, the strong belief I have is that Henry Hub will remain quite low. That is why we have built a position in LNG in the US. You have a huge amount of gas there. You have some domestic demand. Okay, Henry Hub could go from 3 to 5$/Mbtu so the question is: how do you position the export market compared to Henry Hub, between Brent and Henry Hub and JKM and Henry Hub? So, that is a way of optimizing the flows. To optimize the flows, by the way, you need LNG tankers, and we are growing our fleet. I think we are growing to 30 more or less, yes we are targeting 30 LNG tankers. So, growing our fleet will help us to optimize all these flows. When the arbitrage is open between the US and Asia, we can go to Asia.

Of course, the location of ECA in Mexico is good from this perspective and we are looking to other activities. So, it's a question of optimization. The Panama canal from this perspective is more a problem for us than the Red Sea. Because the Red Sea, when you go from Qatar to Europe through the Red Sea or through South Africa, it's only a four day difference. So, it's not a big event. Four days, you can manage it. When you have to go from the Gulf of Mexico through South America, Argentina and back, it's a 20 day difference, if you avoid Panama canal. So, it has a big impact on the cost and all the system: it is $0.5/Mbtu more or less. So, it has an impact on the arbitrage between Asia and Europe. But again, one of the big assets we have is not only the fleet, but it's the regas in Europe, because we have a lot of regas in Europe, around 20 million ton per year. So, we can easily make the arbitration between Europe and the rest of the world. That's also important to optimize the flows.

Giacomo Romeo *Jefferies*

Thank you. Patrick, sorry for asking, this question comes at every meeting. You've added to your position in terms of gas in the US with the CCGT deal. You have said in the past that you have been looking at increasing your upstream position there. Can you maybe talk about the market you're seeing for deals on gas assets? What type of assets you're looking in terms of plays and whether that's one of the acquisitions we could see in 2024?

Patrick Pouyanné *TotalEnergies SE - Chairman & CEO*

No. Let's be clear, it's not necessarily one, it could be several. So you will see soon one, a small one. It could be a sum of small assets. The question for me is: M&A is good if you buy at a good price, cheap price. That's all. So we have time. I need the gas by 2027. I don't need the gas tomorrow morning. We are clear, we want to hedge our LNG position in the US with more upstream gas. So there are opportunities. But don't expect us to make a giant acquisition. We are shy people in the US, reasonable people.

Giacomo Romeo *Jefferies*

Just one more on cost inflation. You talked about rigs. Can you probably talk about other areas where you're seeing cost inflation and perhaps related to that, there have been headlines suggesting you're seeing some cost increases in Uganda relating to the pipeline. So perhaps if you can talk about what you're seeing there.

Patrick Pouyanné *TotalEnergies SE - Chairman & CEO*

No. This one, we observed it in 2022. I remember, the teams came to us with a huge increase on the steel, it was in March or April. I said, no panic, relax. They said: we will be late, I said: okay, we will be late. No, in fact we will not be late because we have other events by the way, in this project. And in fact, towards the end, we put the order on the steel, I think in the beginning of 2023 and it was a very reasonable price. So, sometimes, it's just a question of arbitration between the planning and the costs. And that's true that sometimes our project managers, they want to be within the planning. I said no, it's within planning, within budget, it's both.

So, sometimes, it's just a question for the management to arbitrate between both. And, again, if on some of the projects we have announced today, we have a debate - I mentioned we want to sanction Sépia 2, Atapu 2, Suriname and Kaminho - if we have to delay one, we'll delay one. But on Suriname, we are trying to work on an innovative solution: looking carefully to what our big friend in Guyana is doing to benefit from their own way to develop fields. So we try to transfer part of their way to manage some of the leased FPSO in order to be efficient on the costs.

So the costs, for me, are fundamental. What we should not do is replicating some mistakes we've done in 2010 by being driven more by volume than value, so managing the costs. So you have to look to different options. Our teams love to operate. We want to operate, but does it mean that we own or we lease? There are alternatives in the market which have been developed. It's not because we are at $80, we should forget them. So we are working on it very clearly. If I have to choose, sometimes, I will prefer to delay. The oil will not disappear. So if I need to delay a project, we can wait a little.

Kim Fustier *HSBC*

Hi. Thank you. I had a follow-up on hydrogen. I was wondering in which parts of the world you're seeing the most attractive bids on your 500,000 ton green hydrogen tender. And I seem to remember that your comments in New York a few months ago were a lot less positive on hydrogen back then.

And then, my second question is on short-cycle upstream Capex. I see it's $1.5 billion this year. Is it an increase compared to the previous run rate of about $1 billion or is it about the same? And is there enough runway to continue with this level of short-cycle activity going forward?

Patrick Pouyanné *TotalEnergies SE - Chairman & CEO*

Thank you for the second question, because I forgot to comment it. On this slide, there were four messages and I forgot one. So thank you. No, it's not an increase. We keep this flexibility. I mentioned $1.5 billion to $2 billion. It's a good way to arbitrate. If suddenly, we have another COVID pandemic, which I don't hope, we have this flexibility. In fact, we just announced that we have put into production Akpo West in Nigeria. It's typically the type of tieback that we have been able to do, deciding that one year-and-a-half ago, and putting it into production, benefiting from a high price. We have some in our portfolio, in Nigeria, Angola, but also in the North Sea on Culzean, for example, on Halfdan in Denmark. And also, by the way, we have some shale in our production in Argentina or in the US, so we can make this type of short cycles.

We decided that we need to have $1.5 billion to $2 billion of short cycle every year in in case of a crash, to be able to arbitrate. And also, today, it's a more positive way to benefit from a good price: they are very profitable, and they are profitable at $50. Of course, when we launch Akpo West with production at $80, profitability is very high. So this is very important in the way we appreciate keeping this flexibility in our Capex that we mentioned in September.

On hydrogen, this is linked to where the demand is. The demand exists in Europe - and we are a refiner in Europe - because there is a policy which is quite a complex one where you have some ETS advantage from credits when you are using green hydrogen in your refined products. So as we are paying quite a high price and there is an increased CO_2 burden in Europe, you can find a way not only to promote green hydrogen but also having some credits, so it makes things economically viable. Again, it's completely linked to this framework, the European framework. Is there today a demand for green hydrogen itself without this type of framework? No. The reality is no. That's why you have more supply than demand. I mentioned the volume but the question today is what will be the price at which it can be delivered. Knowing that we don't want ammonia, we want hydrogen, which is a little more complex, as you have to transform ammonia.

Where does it come from? At the end of the day, my view is that it will mainly come from local European producers, you will see. There will be a mix. It's not so easy to manage. We'll see because there are also today some uncertainties because the regulation, for example, in the US is not truly completely approved.

So is the green hydrogen produced in the US exactly acceptable as a green hydrogen in Europe? There is a regulatory debate there. That's one of the debates. We also know that there are some big plants being built in the Middle East. So, for me, it's a good way to see at which price they can deliver these volumes to Europe.

So we cannot tell you more because we received all of these offers, we are working on it, and it would take six months probably to better qualify them. But we are working actively, and you have different type of producers: you have the large hydrogen producers, but you also have a lot of developers. So, we are looking at that, and we will give you more information. I know a lot of people are looking at our tender to better understand where the market is, so, we will give more information when we have it. We'll not get it at $3 per kilogram, but under $6, it will be okay. We'll see if they meet the challenge.

Bertrand Hodée *Kepler Cheuvreux*

I have two small questions left. Can you update us on the progress you're making on your Oman LNG bunkering project and how this project is innovative. If I remember well, it is fully electrified.

And the second question is on Shell SPDC exit in Nigeria. I haven't seen any press release from TotalEnergies following that decision. I assume that you will exit as well. Can we assume it is under the same terms or is there other negotiation that needs to be done for TotalEnergies to exit?

Patrick Pouyanné *TotalEnergies SE - Chairman & CEO*

No, no. We are on the same way. We want to keep control. We have difficulties with the oil part, which we want to exit. But we have the gas, and the gas resources are very important for the expansion of NLNG. So we need to find a way to be sure that the gas is developed. So I think the Shell scheme, which is, in fact, to create a sort of SPV for the gas, where you keep the economic rights but the costs as well, is a good scheme. The difficulty comes because SPDC is a company which is super complex to carve out. The idea initially was to carve out a gas license. It's super complex in the Nigerian system. So we have to be more innovative to do that. But fundamentally, the exit is clear and we will probably be able to announce soon what we'll do. We are aligned, with the same view as Shell, to try to maintain an SPV on the gas and it's aligned with the NNPC GMD.

And again, it's consistent: we cannot launch a new LNG train and not take care of the upstream gas, relying on others. We will never manage that. Because in the Nigerian system, most of the value is in the downstream, not in the upstream. This is where today we have some disconnect with some of our partners. But we are aligned on this. Fundamentally, because producing this oil in the Niger Delta is not in line with our HSE policies, it is a real difficulty. So we have some buyers, but we want to put that in order, and we are waiting to see. Because we wanted to respect Shell first before moving forward ourselves, in connection with Nigerian authorities. Because in the end, we need their approval. So I went to Nigeria, to Lagos, and we discussed. We want to do that in partnership, not aggressively. If you are aggressive, they can stop you. They have the right or not, but then it is a mess. So we want to do that in good intelligence with the Nigerian authorities.

Oman LNG: you are the one who follow us very carefully. It's a decision we have to take in 2024, do we proceed or not? The reality is that we have that option, of course - and it's a good and attractive option. But Oman has other plans as well to develop another train on Oman LNG. So there is a debate on the allocation of the gas today. We will do that as well in connection with the Omani authorities.

Bertrand Hodée *Kepler Cheuvreux*

Maybe I can take a very small one. It's a follow-up on Nigeria on Train 7. Do you believe there will be enough gas, or the other way to say that is that do you think the plant will be delayed if there is not enough gas, and when do you anticipate Train 7 in Nigeria to start up?

Patrick Pouyanné *TotalEnergies SE - Chairman & CEO*

I think I answered to you in my previous answer. It's part of the story of the gas. I said clearly to my colleagues and to Nigeria that it would be crazy to have a train with no gas. So, I want the gas. But the gas is part of all these developments. And, that's one of the complexities today. We are working actively on this one.

We covered everything. So, it's exactly 11:45 AM. I know what we have our Norwegian friends this afternoon in London. That you will rush to listen to them. No but we are in good connections. We have put our sequence before, earlier this morning, we asked you to come, not to have any overlap. We take care of you. Our two teams are connecting regularly in order to organize this for you. Thank you for your attendance this morning.

As a conclusion, I would say, we have a clear strategy. We are consistent in terms of execution. We don't change. I think it's a clear message. And I think in this energy business, maybe because I have been there for 10 years, my lesson is, let's stick to what you think, including in the distribution policies, try to establish a clear framework rather than moving around permanently. I think it took time for me to understand it, but now, I'm there, and I'm sticking to it. So maybe for the hedge funds, it's not a lot of fun. But for long-term shareholders, it's a lot of fun. It's better. And we are more targeting this type of shareholder for making this company a success. Thank you.