

SN#66

The Shareholders' Newsletter

Summer 2021



Annual Shareholders'
Meeting special issue

Total
is becoming
TotalEnergies



TotalEnergies

CHAIRMAN'S MESSAGE



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Dear Shareholders,

A great many of you followed the Annual Shareholders' Meeting that I may even call "historic", because it marks our collective desire to transform your company into a broad-energy company and a major player in the energy transition, whose strategy is anchored in its very name: TotalEnergies.

You have almost unanimously voted in favor of our new name, and the vast majority – over 90% of you – supported TotalEnergies' ambition for sustainable development and the energy transition to carbon neutrality and the related objectives defined for 2030, which demonstrates your confidence in the sincerity of our commitment.

Meeting the energy needs of a growing world population while limiting global warming is the twofold challenge that informs TotalEnergies' *raison d'être* and mission, which is to provide more affordable, more reliable and cleaner energy to as many people as possible.

TotalEnergies puts sustainable development, in all its dimensions, at the heart of its strategy, its responsible business model and therefore its projects and initiatives to contribute to the well-being of people.

That requires that we reinvent energy – that we reinvent the way we produce energy but also the way we consume energy in order to achieve carbon neutrality by 2050, together with society.

TotalEnergies has the resources, the scale, and above all the skills of its 100,000 employees on which to draw in order to successfully play its role in the energy revolution now under way.

Our new identity is symbolic of the energy journey on which TotalEnergies has embarked to help reinvent energy: oil, gas, electricity, hydrogen, biomass, wind and solar. 7 energies, like the seven colors of the rainbow in our new logo, in which TotalEnergies will invest to serve its customers.

We are going to transform ourselves, with strong ambitions for profitable growth, since we want to produce 30% more energy over the next decade: an increase from 17 petajoules (PJ) per day to 23 PJ per day. 50% of the growth will come from gas and 50% from renewables because, in order to gradually reduce the average carbon footprint of the energy products we sell, we need to make a firm shift in our portfolio to carbon-free energies, especially electricity. Alongside that, our petroleum product sales will decrease by over 30% over the next ten years.

Half of our yearly capital expenditure is devoted to growth – our future: 50% dedicated to renewables and electricity and 50% to our other businesses, notably liquefied natural gas. In doing so, we are positioning ourselves on the two fastest-growing energy markets, power production from renewable sources and LNG. The other half of our capital expenditure is devoted to maintaining the Company's traditional businesses from which we draw the bulk of our cash flow – in other words, our present. Today's energies, oil and gas, are financing tomorrow's energies.

“TotalEnergies puts sustainable development, in all its dimensions, at the heart of its strategy, its responsible business model and therefore its projects and initiatives to contribute to the well-being of people.”

We are convinced this strategy will be a source of value creation; value that is shared with our employees, our host States and with you, our shareholders. We want you to be proud to invest in a company that has resolutely embarked on the energy transition and is taking on its responsibility to be a world leader in combining adaptation/anticipation and profitability.

I would also like to thank the new shareholders who have joined us, since the number of individual shareholders has risen from 450,000 to 550,000 in one year.

I thank you for your ongoing trust and loyalty.

Patrick Pouyanné

Chairman and Chief Executive Officer of TotalEnergies

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LATEST NEWS

France Aviation fuel

TotalEnergies has begun producing sustainable aviation fuel (SAF) in France at its La Mède biorefinery and its Oudalle facility. The biojet fuel, made from used cooking oil, will be delivered to French airports. TotalEnergies will also produce sustainable aviation fuels as from 2024 at its zero-crude Grandpuits platform. All of these sustainable aviation fuels will be made from animal fat, used cooking oil and other waste and residue sourced from the circular economy. TotalEnergies will not use vegetable oils as feedstock. In this way, TotalEnergies will be in a position to respond from its production sites in France to new French legislation that calls for aircraft to use at least 1% biojet fuel by 2022, 2% by 2025 and 5% by 2030.



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Taiwan Offshore wind

At the end of April this year, TotalEnergies signed an agreement with the German company wpd to acquire a 23% interest in Yunlin Holding GmbH, the owner of Yunlin offshore wind farm located off the coast of Taiwan. The project, currently under construction, represents production capacity of 640 MW and benefits from a 20-year guaranteed-price power purchase agreement (PPA). Located around 10 kilometers offshore at water depths ranging from 7 to 35 meters, the wind farm will comprise 80 wind turbines with a unit capacity of 8 MW. In 2022, the project will produce 2.4 terawatt hours (TWh) of renewable electricity per year, enough to serve the power needs of 605,000 households.

China Liquefied Natural Gas

TotalEnergies and Shenergy Group, the leading energy player in Shanghai, signed binding agreements in March for the supply of up to 1.4 million tons of Liquefied Natural Gas (LNG) per annum for a term of 20 years from TotalEnergies, as well as the creation of a joint venture (TotalEnergies 49%, Shenergy Group 51%) to expand LNG marketing in China. The partnership is in line with TotalEnergies' strategy to grow along the entire gas value chain.



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Uganda and Tanzania oil

Final agreements were signed in April for the Lake Albert resources development project, which encompasses the Tilenga and Kingfisher upstream oil projects in Uganda and the construction of the East African Crude Oil Pipeline (EACOP) in Uganda and Tanzania. The Tilenga project, operated by TotalEnergies, and the Kingfisher project, operated by CNOOC, are expected to deliver a combined production of 230,000 barrels per day at plateau.

First oil export is planned in early 2025. All the partners are committed to implementing these projects in an exemplary manner and taking into highest consideration the biodiversity and environmental stakes as well as the local communities' rights and within the stringent environmental and social performance standards of the International Finance Corporation (IFC).

France Solar power

TotalEnergies, through its affiliate Total Quadran - one of the leading renewables players in France - announced two achievements in the solar energies sector in France in March. The solarization project at L'Oréal's Vichy production plant has been commissioned. The project consists of photovoltaic parking lot awnings and charge points for electric vehicles. The renewable energy produced will cover 33% of the plant's energy needs. Moreover a Corporate Power Purchase Agreement has been signed with Orange. Total will supply Orange with 100 GWh a year of renewable electricity over a period of 20 years. This agreement will thus enable the development, by 2024, of a dozen new solar power plants in France, with a cumulative capacity of 80 MW.



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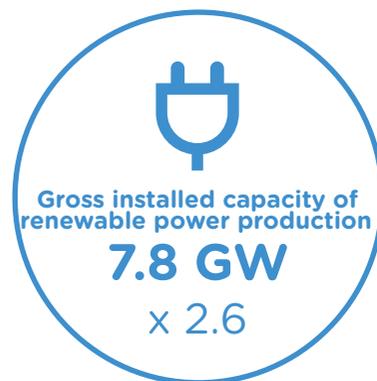
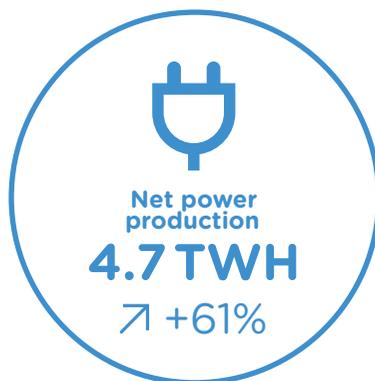
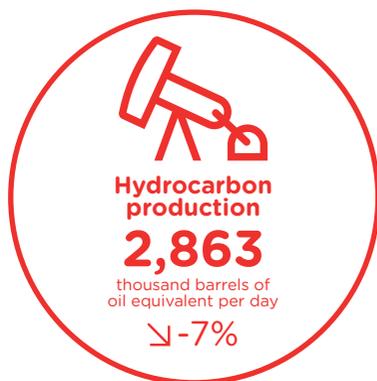
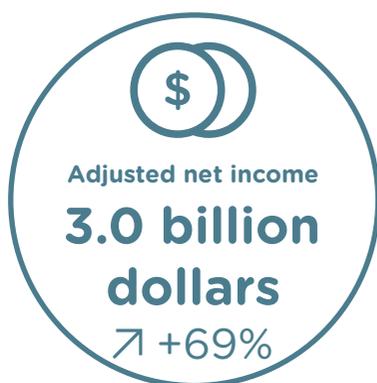


Find all the press releases on totalenergies.com under the heading Media.

KEY FIGURES for 1st quarter 2021

Find the main results for the 1st quarter 2021 published on April 29 and consult the main indicators for the same period. The variations are expressed relative to the 1st quarter 2020.

Our results



*Debt-adjusted cash flow (DACF)

Indicators



“The Integrated Gas, Renewables & Power segment has achieved an adjusted net operating income of 1 billion dollars - its highest ever on record.”



By Jean-Pierre Sbraire,
Chief Financial Officer

In the first quarter, the Company fully benefited from rising oil and gas prices, up 38% and 24% respectively compared to the 4th quarter 2020, and its strategy to grow Liquefied Natural Gas (LNG) and Renewables and Electricity.

© Lutt Julien - Capa - Total

The Company reported adjusted net income of \$3 billion, above the pre-crisis first quarter of 2019, despite a less favorable environment by taking advantage of the action plans implemented during the crisis. Cash-flow (DACF*) increased to \$5.8 billion and gearing already decreased to less than 20% in the first quarter of 2021. The Board of Directors confirms the objective of anchoring the Company's gearing sustainably below 20%. The organic cash breakeven was less than \$25 per barrel in the first quarter.

The Integrated Gas, Renewables & Power (iGRP) segment reported adjusted net operating income of \$1 billion, the highest in its history, and generated cash flow of more than \$1 billion, thanks to growing LNG sales and the positive contribution from Renewables and Electricity. Over the past year, gross installed renewable power generation capacity grew from 3 GW to 7.8 GW, renewable power production more than doubled, net power production increased by more than 60% and the Company now has more than 5 million customers in France.

With an adjusted net operating income of \$2 billion, Exploration & Production fully captured the higher oil price and provided a strong cash flow contribution of \$3.8 billion.

The improved Upstream environment contrasts with depressed European refining margins, down 80% from a year ago, reflecting weak demand for petroleum products.

Downstream adjusted net operating income was more than \$500 million, supported by strong petrochemicals performance and resilient Marketing & Services.

Faced with uncertainties in the environment, the Company maintains spending discipline with an operating cost savings target of \$0.5 billion in 2021 and production costs close to \$5 per barrel of oil equivalent. Net investments are expected to be between \$12-13 billion in 2021, half to maintain the Company's activities and half for growth. Nearly 50% of these growth investments will be allocated to renewables and electricity.

In a 2021 hydrocarbon price environment maintained at the level of the first quarter (Brent at \$60 per barrel, European gas at \$6 per MBtu), and with European refining margins at \$10-15 per ton, the Company would expect to generate cash flow (DACF*) on the order of \$24 billion in 2021 and a return on capital employed of close to 10%.

Net-debt-to-capital ratio

The net debt divided by (net debt + equity Shareholders' equity + non-controlling interests).

This ratio is used to compare the net financial debt of the company with its equity.

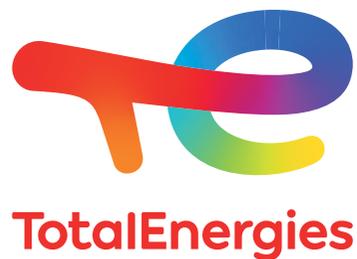
The Company confirms its priorities in terms of cash-flow allocation: investing in profitable projects to implement its strategy to transform the Company into a broad-energy company, supporting the dividend through economic cycles, and maintaining a solid balance sheet with a minimum long-term “A” rating, by deleveraging to anchor the net debt-to-capital ratio sustainably below 20%.

EVENT

Looking back on the Shareholders' Meeting

Total is becoming TotalEnergies

At the Shareholders' meeting, shareholders approved the resolution to change the company's name from Total SE to TotalEnergies SE, the company of responsible energies. With the change in name goes a new visual identity, with a new dynamic logo, in motion, to illustrate the energy transition, multi-colored to express the plurality of energies, energizing and intimate, to express the commitment of TotalEnergies to nurturing close relationships with all of its stakeholders. The new name and new logo explicitly state what TotalEnergies wants to be: a leader engaged in reinventing energy and addressing the double challenge of more energy and fewer emissions for the world's population.



Discover the film explaining the new logo on the totalenergies.com home page. (www.totalenergies.com/energy-is-reinventing-itself).

Board of Directors

Renewal of terms of Directors

The terms of Mr. Patrick Pouyanné and Ms. Anne-Marie Idrac were renewed for a three-year period. The Board of Directors decided to renew the terms as Chairman of the Board and as Chief Executive Officer of Mr. Patrick Pouyanné, for the duration of his new term as Director i.e., until the Shareholders' Meeting of 2024, at its meeting that was held on May 28, 2021 following the Shareholders' Meeting.

Two new Directors

In view of the rules on directors' independence, the Board decided not to propose the renewal of the term of Mr. Patrick Artus, a renowned economist, appointed in May 2009. The Board thanked Mr. Patrick Artus for the quality of his contribution to the work of the Board of Directors and its Committees. In order to keep an economist on the Board and to strengthen the presence of international profiles within its ranks, Mr. Glenn Hubbard, an American economist, and Professor of Economics and Finance at Columbia University, has joined the Board of Directors for a period of three years. Mr. Jacques Aschenbroich, Chairman and Chief Executive Officer of Valeo, was also appointed as Director for a period of three years. Mr. Jacques Aschenbroich will bring to the Board his knowledge in transportation, a key sector in terms of evolution in energy demand, and his experience at the head of a large industrial company.



Mr. Jacques Aschenbroich
Chairman and Chief Executive
Officer of Valeo



Mr. Glenn Hubbard
American Economist

Governance

Increase in the weight of ESG criteria in the remuneration of the CEO and Directors

The weight of the criteria relative to the company's transformation strategy in the variable remuneration of the Executive Officer has been stepped up. All the ESG (Environmental, Social and Governance) criteria now represent 39% in the variable remuneration of the Chairman and Chief Executive Officer. Moreover, consistent with the carbon neutrality ambition of TotalEnergies, a new criterion regarding the reduction in indirect (Scope 3) emissions related to the use of the Company's energy products by its customers in Europe has been introduced and will account for 15% of the conditions for allocating performance shares to the Chairman and Chief Executive Officer and to the 11,000 employees who benefit from this allocation plan. Overall, all the ESG criteria represent 30% of allocation criteria.

TotalEnergies' ambition for sustainable development and the energy transition supported by its shareholders

Energy is fundamental to human life and enables progress. Energy is central to human activities: cooking, heating, lighting or getting around. So, supplying energy means contributing to the economic and social development, as well as the well-being of all people on the planet.

The Board presented a resolution for an advisory vote on the Company's ambition for sustainable development and energy transition to carbon neutrality and its related objectives defined for 2030. This strategic direction, supported by 91.9% of the shareholders, represents a pledge by TotalEnergies to take action.

Rising to the dual challenge of meeting the energy needs of a growing world population while limiting global warming, reinventing energy production and consumption in order to get to Net Zero by 2050, together with society: those challenges underlie the *raison d'être* of TotalEnergies which is to provide more affordable, more reliable and cleaner energy to as many people as possible.

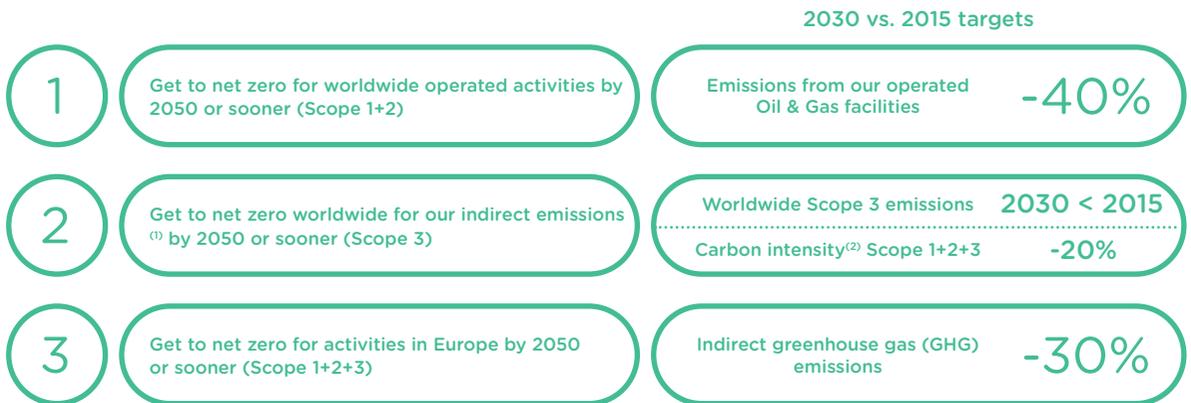
TotalEnergies' ambition is to be one of the major players of the energy transition, which means notably:

- Investing profitably so as to become one of the top five world producers of renewable electricity (wind and solar).
- Deploying across the entire electricity value chain, from production to the end user, through storage and trading.

- Having a responsible approach to fossil energies: focusing on value by selecting low-cost developments that are the most efficient in terms of greenhouse gas emissions, producing more green gases (biogas, etc.) and green fuels (biofuels, etc.).
- Being one of the top 3 companies worldwide in low-carbon LNG.
- Being a reference in the decarbonization of gas and oil chains.
- Becoming a leader in the mass production of clean hydrogen.
- Being our customers' partner for carbon neutrality.
- Being as recognized by customers in tomorrow's electrical mobility market as in today's fuel market.
- Promoting circular economy in the use of biomass and plastics.
- Developing carbon storage.
- Being a recognized leader in sustainable development.

TotalEnergies puts sustainable development at the heart of its strategy and its projects and operations, and wants to be a leading name in terms of commitment to the Sustainable Development Goals.

To achieve its ambition of carbon neutrality (net zero emissions) by 2050, from production to the use of energy products sold to its customers (scope 1+2+3), together with society, TotalEnergies acts on three main axes and commits to targets for 2030:



(1) related to the use by our customers of energy products sold for end use

(2) average energy products used by our customers

Each year, TotalEnergies will inform shareholders at the Shareholders' Meeting of the progress made.



To access the replay of the Shareholders' Meeting, go to totalenergies.com > investors > Annual Shareholders' meetings.

FOR YOU



Executive Committee

Stéphane Michel appointed President, Gas, Renewables & Power

As of March 1, 2021, Stéphane Michel is President Gas, Renewables and Power (GRP) and a Total, now TotalEnergies, Executive Committee member, a position previously held by Philippe Sauquet, who has exercised his retirement rights. A graduate of the *École Polytechnique* (1994) and the *École des Mines de Paris* (1997), Stéphane Michel is a chief *Corps des Mines* engineer. Having served as Energy Advisor to the French Minister for Economic, Financial and Industrial Affairs from 2002 to 2004, Stéphane Michel joined the Group in 2005 as development manager in the Refining & Marketing Asia-Pacific division. Since April 1, 2014, Stéphane Michel was Senior Vice President Middle East/North Africa and a member of the Executive Committee of Exploration & Production.



*The mnemonic ID for TotalEnergies has changed. From now on, on the Euronext markets (Paris, Brussels), the London Stock Exchange and the New York Stock Exchange (ADR), the code is TTE.

TotalEnergies Shareholding

Significant increase in the number of individual shareholders

Over 100,000 new individual shareholders put their trust in TotalEnergies in 2020 – almost a 25% increase compared with the previous year. Today, there are over 550,000 individual shareholders representing around 9% of corporate equity. Thank you for your trust and loyalty.

Registered shares

Identification of securities holders stepped up

Regulations on the identification of securities holders for registered shares have been strengthened. Société Générale Securities Services (SGSS) must check the identity of anybody listed in its database by collecting, for each registered account:

- 2 proofs of identity, one of which must include photo ID.
- Bank details that must be in the last name and first name(s) of the account holder.

As of end June 2021, SGSS will gradually phase out the issue of payments to benefit shareholders with registered shares, and the acceptance of certain instructions such as the purchase of shares if the aforementioned documents are not provided. For further information, visit www.sharinbox.societegenerale.com or contact Nomilia Customer Services on +33 (0) 2 51 85 67 89 Monday to Friday, from 9:30 a.m. to 6 p.m. (GMT +1).



Find the calendar of financial announcements on totalenergies.com under the heading **Media > Calendar**.

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