

# SN#73

The Shareholders' Newsletter

Spring 2024



**TotalEnergies**  
delivers robust  
results and confirms  
the relevance  
of its strategy



**TotalEnergies**

# CHAIRMAN'S MESSAGE



© Khanh Renaud

Dear Shareholders,

2024 is a special year for TotalEnergies, because the Company is celebrating its centenary! TotalEnergies was founded in 1924, after the First World War, under the name Compagnie Française des Pétroles. France had scarcely any oil or gas reserves; the country needed a

“national oil policy” and secure energy supply. Over the last hundred years, we have never stopped surpassing ourselves as we adapted to the changing market, met our customers’ expectations and successfully faced technological challenges to produce affordable energy.

Since 2020, we have been firmly committed to the energy transition. To that end, your Company is deploying a balanced transition strategy combining profitable growth and sustainable development, anchored on two pillars: responsible production of oil and gas, notably LNG, which are the energies of today, with sharp reductions in greenhouse gas emissions; and electricity, mainly renewable, the energy at the heart of the transition.

In 2023, TotalEnergies generated adjusted net income of \$23.2 billion and cash flow of \$35.9 billion. IFRS net income came to \$21.4 billion (€19.8 billion). Moreover, in 2023 as in 2022, TotalEnergies was the most profitable of the energy majors, with a return on capital employed of 19%, and simultaneously the biggest investor in the energy transition.

We invested \$16.8 billion in 2023, including 35% in low-carbon energies, essentially electricity. The Company’s dividend payout was up by 7.1%, and we completed \$9 billion in share buybacks, \$1.5 billion of which came from our Canadian asset disposals. We further reduced net debt, which now stands at \$6 billion, for gearing of 5%. In 2023, the total shareholder payout represented 46.0% of cash flow.

**“The Board of Directors will propose at the Shareholders’ Meeting the distribution of a final 2023 dividend of €0.79 per share, resulting in an increase of 7.1% for the ordinary 2023 dividend compared to the ordinary 2022 dividend, to €3.01 per share.”**

In accordance with the shareholder return policy announced in September 2023 targeting >40% CFFO payout on a through-cycle basis, your Board of Directors will propose at the Shareholders’ Meeting the distribution of a final 2023 dividend of €0.79 per share, resulting in an increase of 7.1% for the ordinary 2023 dividend compared to the ordinary 2022 dividend, to €3.01 per share. Furthermore, your Board of Directors has confirmed a shareholder return policy for 2024 targeting over 40% of cash flow, which will combine an increase in interim dividends of 6.8% to €0.79 per share and \$2 billion of share buybacks in the first quarter, which will remain the base level for quarterly buybacks in the current environment.

Thank you for your trust in us and your loyalty.

**Patrick Pouyanné,**  
Chairman and CEO of TotalEnergies

## LATEST NEWS



### **Namibia Oil** TotalEnergies boosts its stake in two offshore blocks with considerable potential

TotalEnergies has signed an agreement with Impact Oil and Gas Namibia (Pty) Ltd. (“Impact”) to acquire an additional 9.39% interest in Block 2912 and a further 10.5% stake in Block 2913B. Both blocks are operated by TotalEnergies.

The transaction gives the Company a larger share of the Venus discovery, one of the biggest oil discoveries ever made in sub-Saharan Africa, and of the remaining prospects in those blocks.



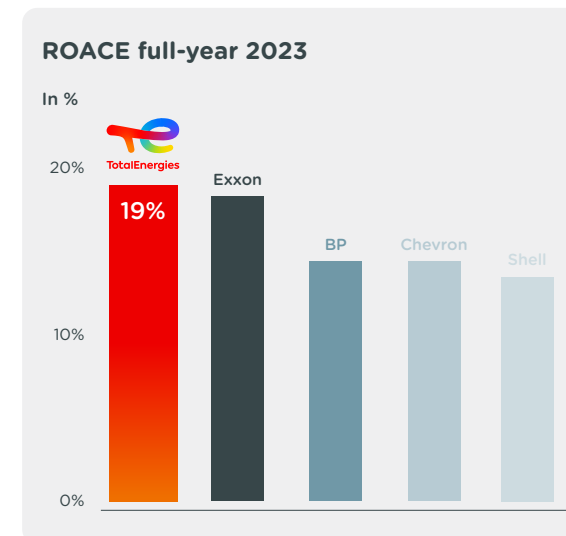
### **Germany Electricity** TotalEnergies is expanding its operations in Germany’s electricity market – Europe’s largest – with two acquisition agreements

Under the first agreement, TotalEnergies is acquiring the share capital of Quadra Energy, one of Germany’s top three aggregators of renewable power generation. The second cements the Company’s acquisition of Kyon Energy, a leading German developer of battery storage systems.

These acquisitions follow two big wins in 2023: a marine concession to develop a giant, 3 GW offshore wind farm, as well as a contract to install and operate 1,100 high-power charge points for electric vehicles.



### **World Finance** TotalEnergies, the most profitable major



### **France Sustainable aviation fuel** Airbus and TotalEnergies forge a strategic partnership

TotalEnergies will supply enough sustainable aviation fuel (SAF) to meet more than half of Airbus’s needs in Europe, and the two partners will also be developing a research and innovation program.

In line with the goal of net carbon neutrality in air transportation by 2050, the partnership is aimed at helping reduce the sector’s carbon emissions, where SAF plays an essential role.

The SAF supplied by TotalEnergies, produced from waste and residues from the circular economy, will yield reductions of up to 90% in lifecycle CO<sub>2</sub> emissions compared to fossil-fuel equivalents.



### **Asia Gas** TotalEnergies has signed an agreement with OMV to acquire its 50% stake in Malaysia’s SapuraOMV Upstream (SapuraOMV), an independent gas producer and operator

With their low production costs and GHG intensity, SapuraOMV’s assets will be a perfect fit with TotalEnergies’ portfolio and help meet the growing demand for natural gas in Asia.



### **Europe Hydrogen** TotalEnergies and Air Liquide have announced the launch of joint venture TEAL Mobility

The equally owned TEAL Mobility combines the expertise of the two founding companies: hydrogen technology and expertise across the hydrogen value chain on the one hand, and the operation and management of station networks and the distribution of energy to B2B customers on the other.

Beginning this year, TEAL Mobility will operate about twenty stations under the TotalEnergies brand in France, the Netherlands, Belgium, Luxembourg and Germany, including twelve stations currently operated by TotalEnergies.



You can find all our press releases on our Media page at [totalenergies.com](https://totalenergies.com)

## CONTENTS

### 02 CHAIRMAN'S MESSAGE

by Patrick Pouyanné,  
Chairman and Chief Executive Officer

### 03 LATEST NEWS

Recent key events

### 04 KEY FIGURES

Our 2023 Results

### 05 ANALYSIS & OUTLOOK

by Jean-Pierre Sbraire,  
Chief Financial Officer

### 06 STRATEGY

“More energy, less emissions”  
by Aurélien Hamelle,  
President Strategy  
& Sustainability

### 07 DEVELOPMENT

Brazil, an iconic example  
of the TotalEnergies strategy

### 08 INNOVATION

AUSEA: A Tool for Reducing  
Methane Emissions

### 09 YOUR QUESTIONS

10 FOR YOU  
Shareholders' information

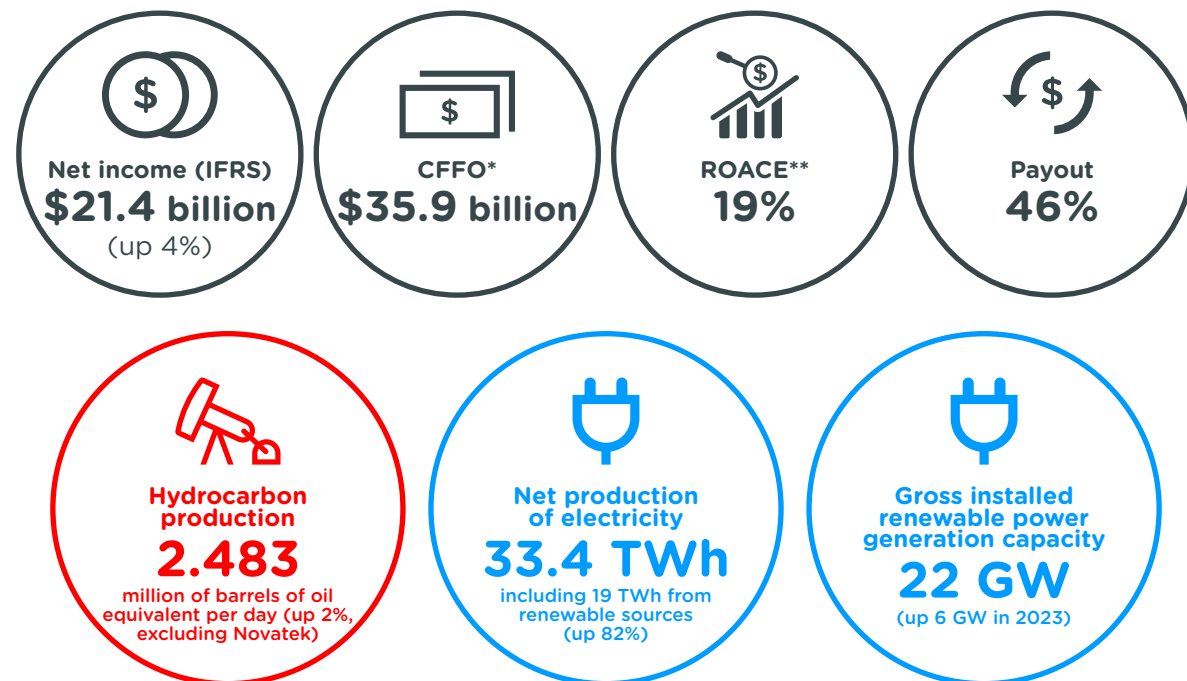


## KEY FIGURES

In an uncertain environment, TotalEnergies is delivering robust results in line with its objectives.

## Our 2023 Results

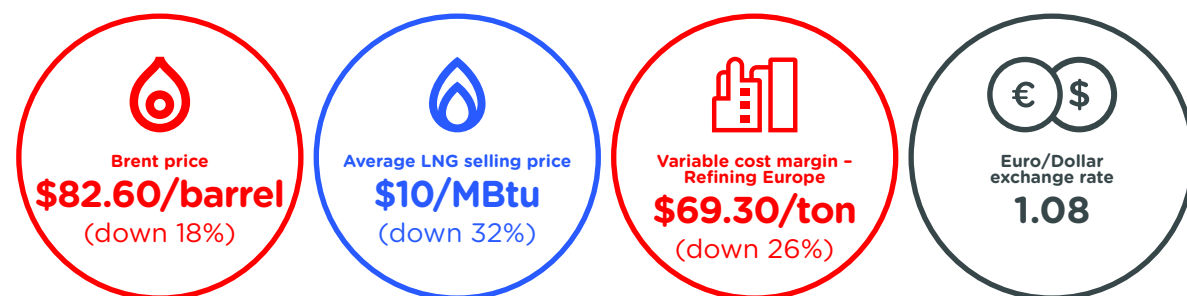
(All comparisons are with 2022)



\* Cash flow from operations excluding working capital  
 \*\* Return on average capital employed

## Key Indicators

(All comparisons are with 2022.)



## ANALYSIS & OUTLOOK

“Confident in the strong fundamentals of the Company, the Board of Directors confirmed a shareholder return policy for 2024 targeting a >40% CFO payout.”



© Lutt Julien - Capa - TotalEnergies

By Jean-Pierre Sbraire  
 Chief Financial Officer

At the start of 2024, Brent prices are hovering around \$80/barrel in an uncertain economic environment. Oil markets are facing both geopolitical tensions in the Middle East and non-OPEC

production growth balanced by OPEC+ policy. According to the IEA<sup>(1)</sup>, global oil demand is anticipated to grow by 1.2 Mb/d in 2024, which is in line with the average annual demand growth rate during 2000-2023 of 1.2%/year.

LNG markets should remain in tension due to very limited LNG capacity additions expected in 2024 (2%) and growing demand thanks to lower LNG prices. TotalEnergies expects LNG sales above 40 Mt over the year. Given the evolution of oil and gas prices in recent months and the lag effect on price formulas, TotalEnergies anticipates that its average LNG selling price should be stable around \$10/MBtu in the first quarter 2024.

First quarter 2024 expected hydrocarbon production should be above 2.4 Mboe/d due to the start-up of Mero 2 in Brazil and the disposals of Canadian upstream assets, effective during fourth quarter 2023. For 2024, TotalEnergies anticipates hydrocarbon production will grow 2% compared to 2023 excluding Canada. Production will benefit from several additional project start-ups, including Tyra in Denmark and Anchor in the U.S.

The full-year refining utilization rate is expected to increase to above 85% in 2024 with no major turnarounds planned.

Momentum continues in Integrated Power growth in 2024 with cash flow before working capital (CFO) forecast to increase to between \$2.5 and \$3 billion. The increase is supported by a net electricity generation increase to more than 45 TWh in the context of renewables gross installed capacity increasing by around 6 GW to 28 GW.

In 2024, TotalEnergies expects net investments of \$17-18 billion, including \$5 billion dedicated to Integrated Power.

Confident in the strong fundamentals of the Company, which celebrates its 100 year anniversary in 2024, the Board of Directors confirmed a shareholder return policy for 2024 targeting a >40% CFO payout, which will combine an increase in interim dividends of 6.8% to €0.79/share and \$2 billion of share buybacks in the first quarter of 2024, in line with the following cash flow allocation priorities:

- A sustainable ordinary dividend through cycles, that was not cut during the Covid crisis, and whose increase is supported by underlying cash flow growth.
- Investments in support of a strategy balanced between the various energies.
- Maintaining a strong balance sheet.
- Buybacks to share surplus cash flow generated at high prices.

(1) International Energy Agency

# STRATEGY

## “More energy, less emissions”

Energy lies at the heart of the major challenge of the 21st century, as defined in the United Nations’ 2030 Agenda for Sustainable Development. That challenge is fighting climate change while meeting the energy needs of a growing global population. At TotalEnergies, our ambition is to be a major player in the energy transition. Our shareholders gave us broad support for this ambition at the 2021 Shareholders’ Meeting, where the Company also undertook to report on its progress every year. We talked to Aurélien Hamelle about the release of the *Sustainability & Climate - 2024 Progress Report*.



Aurélien Hamelle  
President, Strategy & Sustainability

### Why is this publication so important to TotalEnergies?

**Aurélien Hamelle** / This report provides an instructive and transparent roundup of the progress achieved in 2023 and the implementation of our balanced transition strategy to an integrated multi-energy Company. Its release is a significant event in the Company’s calendar, because it presents our financial and

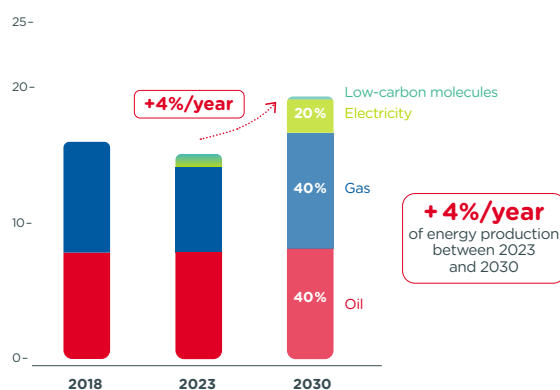
non-financial results alongside our 2030 objectives and 2050 ambition. In other words, it presents the progress we have achieved and the next milestones. “More energy, less emissions” is no soundbite: it means serious commitments, a concrete action plan and material progress. Since 2015, we have reduced emissions from our operated sites, Scope 1 and 2, by 24%, and we are on track to reach our goal for a net reduction of 40% by 2030. We have posted even more impressive results in methane, a very powerful greenhouse gas, with a 47% reduction in operated emissions since 2020, and a target for 80% by 2030. We also help our customers to decarbonize their own energy use, with a 13% reduction in the life cycle carbon intensity of the energy mix we sell them since 2015.

### How does the Company combine the energy transition with profitable growth?

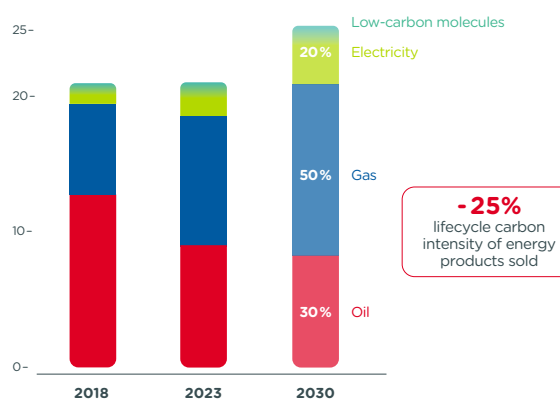
**A.H./** To meet the challenge of the energy transition while ensuring the rapid availability of reliable energy for the most affordable price, we have to invest in two energy systems at the same time. The energy system of today, that powers today’s society, and the energy system of tomorrow, based on electricity and low-carbon energies. That is precisely our strategy, which is balanced between two pillars: oil and gas, particularly LNG, on one side, and electricity, the energy of the transition, on the other. So we are continuing to develop new oil and gas projects, at low cost and low emissions, because the pace of the transition varies across the world. And at the same time, we are expanding our operations throughout the electricity value chain and investing massively in renewable energy projects in order to build a decarbonized electricity system. Thanks to both these pillars, we will increase our energy production by 4% a year up to 2030. That balanced transition strategy, diligently and consistently implemented for the last several years, allows us to achieve increasingly demanding targets for emissions reductions and to reduce the energy intensity of the products we sell to our customers, while continuing to post very robust financial results.

### ENERGY PRODUCTION AND SALES

#### Energy production In PJ/d



#### Energy sales In PJ/d



“More energy, less emissions”: click here for the *Sustainability & Climate - 2024 Progress Report* and the full pack, including webcast and press release, on [totalenergies.com](https://totalenergies.com)

# DEVELOPMENT

## Brazil, an iconic example of the TotalEnergies strategy

TotalEnergies has operated in Brazil for nearly forty years and forged a long-term partnership with the country, where our multi-energy strategy is proving highly successful.

### Low-cost, low-emission oil projects

Brazil’s oil and gas resources are among the world’s largest, particularly in the presalt reservoirs of the Santos Basin, located in deep waters off the coast of Rio de Janeiro.

As a long-time partner to the national oil company Petrobras, with whom it has signed a strategic partnership agreement, TotalEnergies has acquired stakes in several fields in production or development, some of which number among the world’s most prolific. The Company has interests in the Libra (20%), Iara (22.5%), Atapu (22.5%), Sepia (28%) and Lapa (45%) blocks, and has become the first international company from outside Brazil to develop a field in the country as operator.

These projects meet TotalEnergies’ criteria for developing and producing reserves only on the condition that they offer low carbon intensity and competitive technical costs (see inset).

TotalEnergies’ production share in Brazil climbed to 135,000 barrels of oil equivalent (boe) per day in 2023, and is expected to reach 200,000 boe per day by 2026.



Sepetiba FPSO, Brazil

### LNG: A solid partnership with Compass, Brazil’s leading natural gas distributor

In 2021 TotalEnergies signed a ten-year contract with Compass to supply up to 3 million tons of liquefied natural gas (LNG) annually to the regasification terminal at the Port of Santos in São Paulo, Brazil’s economic powerhouse. That partnership is bolstering our position as the world’s third biggest distributor of LNG.



Watch the video “Brazil, Energy Transition in Progress” on [totalenergies.com](https://totalenergies.com)

### Renewables: A dynamic, deregulated market for electricity

Renewable energies are seeing robust growth in Brazil. TotalEnergies has been operating in renewables since 2013, and signed a strategic partnership with Casa dos Ventos, Brazil’s foremost developer of onshore wind farms in October 2022, to develop a 12 GW renewables portfolio of wind and solar projects. That transaction is one of TotalEnergies’ biggest investments to date in renewable energy. It testifies to its determination to pursue further growth in power generation worldwide as it builds the energy system of the future.

Estimated daily production of **200,000** barrels of oil equivalent by **2026**

Joint venture with Casa dos Ventos: **12 GW** to be developed

### Producing oil at low cost and low emissions

The wells located in the Santos and Campos Basins meet TotalEnergies’ two main criteria for development: costs of less than \$20 a barrel and emissions under 19 kilograms of CO<sub>2</sub> per barrel of oil equivalent.

How? Thanks to the superb productivity of these wells, they can be developed at little expense: just one Mero well in the Libra field can produce 50,000 barrels a day, which is equivalent to the entire daily production of some oil-producing countries.

And TotalEnergies is working with its partners to prevent and further reduce the emissions associated with its production at the fields through the use of innovative technology. More recently, the partners announced the development of a pilot unit at the Mero field that can separate oil from CO<sub>2</sub>-rich gas on the ocean floor, allowing the gas to be directly reinjected into the reservoir.

Also by TotalEnergies in Brazil...

More than **3,500** employees

**240** service stations



# INNOVATION

## AUSEA: A Tool for Reducing Methane Emissions

Methane is a greenhouse gas with a global warming potential 28 times higher than that of CO<sub>2</sub> and a much shorter atmospheric lifetime\*. That makes fighting methane emissions a priority in efforts to attenuate global warming. As a pioneer in detecting and quantifying its emissions in real-world conditions, TotalEnergies has joined with its partners to develop AUSEA\*\*, an innovative, high-precision technology.

### Unique TotalEnergies technology

Developed with France's National Centre for Scientific Research (CNRS) and the University of Reims Champagne-Ardenne, AUSEA consists of a miniature dual sensor that can detect and measure methane and carbon dioxide emissions and identify the source of those emissions. The drone-mounted, ultralight technology can reach hard-to-access emission hotspots and take highly precise readings at any type of industrial site, both onshore and offshore.

### Deployment of AUSEA drones: From estimates to accurate methane measurements

As part of our emissions reduction program, TotalEnergies has been deploying the AUSEA technology at all of our operated oil & gas sites, refining facilities and gas-fired power plants worldwide since 2022. It can be tailored to the distinct nature of each site to target specific sources of methane, including venting, flaring, fugitive emissions and incomplete combustion. It represents a major advance over conventional techniques for detecting and quantifying methane emissions, such as infrared cameras, ground-based sensors and satellites, which can only detect very sizable leaks\*\*\*.

\*Methane emissions – European Commission (europa.eu)  
 \*\*Airborne Ultralight Spectrometer for Environmental Applications  
 \*\*\*More than 100 kilograms per hour



### Achieving net zero emissions calls for a collective effort by industry

TotalEnergies is a member of the United Nations Oil & Gas Methane Partnership (OGMP 2.0) and intends to play a leading role in combating methane emissions. The Company has signed cooperation agreements with national oil and gas companies such as Brazil's Petrobras, SOCAR in Azerbaijan, Sonangol in Angola, Nigeria's NNPC and ONGC in India to deploy campaigns for detecting and measuring methane emissions at their oil and gas facilities using the AUSEA technology.

### Zero methane and tangible objectives for emissions reduction

Having halved methane emissions at its operated sites between 2010 and 2020, TotalEnergies has set ambitious goals for redoubling its efforts and reducing its methane emissions by further 50% by 2025 – and ideally a year earlier, by 2024 – and by 80% from 2020 levels by 2030.

TotalEnergies is encouraging other national and international oil companies to adopt the OGMP 2.0 reporting framework.

In addition, the Company has been awarded OGMP Gold Standard status for three consecutive years.



“For the Oil & Gas industry, cutting methane emissions from operations is a priority as technologies are available. The first step is to measure emissions, asset by asset. By making our AUSEA technology available to our partners, TotalEnergies is taking a concrete step to encourage the whole industry, including national companies, to aim for zero methane emissions.”

Patrick Pouyanné,  
 Chairman and CEO of TotalEnergies

# YOUR QUESTIONS

At TotalEnergies, our priority is to keep you informed through listening and dialogue. Here are some of your questions.



### Is the dividend policy at TotalEnergies comparable to that of other industry firms?

TotalEnergies prioritizes payment of an attractive, long-term dividend across cycles and distributes a quarterly dividend, as do the four other industry majors (Exxon, Chevron, Shell, BP). That decision is reflected in our practice of allocating cash flow generated by our operations to dividend payments as a matter of priority, and of conducting share buyback programs to promote higher dividends over time.

The dividend amount (€0.79/share at the next payout) is climbing steadily; it is up 6.8% for the first quarter of 2024. In 2023 it rose by more than 7%.

Unlike that of other industry firms, the TotalEnergies dividend was maintained during the Covid pandemic, and it offers a return above 5%, putting it at the high end of the range among the majors.

The distribution to Company shareholders takes two forms: the dividend and a share buyback program (\$2 billion expected for the first quarter of 2024), with a shareholder return policy that is this year targeting a payout above 40% of cash flow, while the Company is maintaining a sizable level of investment (\$17-18 billion for 2024, including \$5 billion allocated to Integrated Power).

Thanks to those distribution policies, maintained over the long term across cycles, TotalEnergies has conferred a higher average annual payout over the past decade than any other company\*, while continuing to invest the most in the energy transition.

\*Source: Financial Times, February 13, 2024



### Industry analysts increasingly view the strategy adopted by TotalEnergies as the most promising response to the energy transition. In what sense is that true? How does the Company's strategy differ from that of its peers?

TotalEnergies' strategy for tackling the energy transition is considered the most judicious insofar as it is balanced: it maintains a focus on responding to current demand, which is still based heavily on hydrocarbons, especially (and increasingly) natural gas, while building the decarbonized energy system of the future.

So TotalEnergies is successfully coupling growth in oil and gas – liquefied natural gas (LNG) and low-cost, low-emission oil projects – with growth in the production and sale of electricity, primarily renewable power (Integrated Power).

That strategy, developed more than five years ago, is a long-term commitment and it has delivered solid results quarter after quarter.

From that perspective, at the close of 2023 TotalEnergies is uniquely positioned within the sector in terms of the energy transition, strategic balance and financial performance. That's reflected in the combination of a net \$5 billion investment in Integrated Power, a 9% hike in LNG production and top-class profitability among the industry majors at 19%.



# For you

## Publications

### Release of the Sustainability & Climate – 2024 Progress Report

This report presents the concrete results of the transition that TotalEnergies embarked on in 2020. It contains our ambition and our progress, the results of the climate impact of our strategy and our targets, as well as our action for a just transition for our employees, the environment and our stakeholders. In line with the resolution that you approved in May 2022, setting out TotalEnergies' ambition for sustainability and energy transition toward net zero, your Board of Directors will submit this report to your consultative vote at the 2024 Shareholders' Meeting.



**Sustainability & Climate - 2024 Progress Report**

## Events

### TotalEnergies is celebrating its centenary in 2024!

The TotalEnergies story begins at the end of the First World War, when French President Raymond Poincaré asked the prominent industrialist Ernest Mercier to establish a company that could secure France's energy sovereignty. The result was the Compagnie Française des Pétroles (CFP), founded in 1924.

Since that time, TotalEnergies has never stopped changing and has continued to stand apart through its pioneer spirit. Whether expanding into new parts of the world or pushing the limits of technology, our ability to continually adapt is also reflected in our successful mergers with companies like Petrofina and Elf Aquitaine and, more recently, Saft, Maersk Oil and Direct Energie.

Thanks to that pioneer spirit that has inspired the men and women of TotalEnergies since 1924, your Company has become an international force at the heart of the global energy challenges of the 21st century.

[Our 100 years of history at totalenergies.com](https://totalenergies.com) > [Our Company](#) > [Our identity](#) > [Our history](#)



© TotalEnergies

## Shareholder return policy

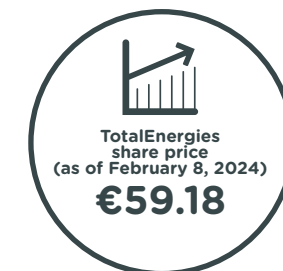
### TotalEnergies is proposing an ordinary dividend of €3.01 per share, a 7.1% increase over the ordinary dividend for fiscal year 2022

The Board of Directors will propose at the Shareholders' Meeting to be held on May 24, 2024, the distribution of a final 2023 dividend of €0.79/share, bringing the dividend to €3.01/share, representing an increase of 7.1% over the ordinary 2022 dividend of €2.81/share.

Subject to approval at the Shareholders' Meeting, the final ordinary dividend will be paid in cash, according to the following timetable:

	Shareholders	ADS* Holders
Ex-dividend date	June 19, 2024	June 18, 2024
Payment date	July 1, 2024	July 11, 2024

\*ADS = American Depositary Shares (TotalEnergies shares quoted in US dollars on the New York Stock Exchange)



\*Subject to approval at the Annual Shareholders' Meeting on May 24, 2024.

## 2024 Annual Shareholders' Meeting

The next TotalEnergies SE Annual Shareholders' Meeting will take place on Friday, May 24, 2024. As usual, you can watch the Shareholders' Meeting streaming live on the [totalenergies.com](https://totalenergies.com) website (under Investors > Annual Shareholders' Meeting).

In advance of the Shareholders' Meeting, we encourage you to vote online. The process is simple and secure and uses the VOTACCESS platform, accessible via the Sharinbox website operated by Société Générale Securities Services, or via your financial institution's web portal (if it is connected to the platform).

## Contact us

Individual Shareholder Relations Department  
2, place Jean Millier  
Arche Nord - Coupole/Regnault  
92078 Paris La Défense cedex

Send us a message through the website  
[totalenergies.com](https://totalenergies.com) > Investors > Investors contacts  
> individual shareholders

#73 - Design and production: Terre de Siègne/TotalEnergies Investor Relations Division - Editorial Director: Vincent Granier - Editorial Manager: Stéphanie Daub-Laurent - Information determined on February 08, 2024 - Share capital: 5,967,116,185 euros - Registered in Nanterre, France 542 051 180





**TotalEnergies**  
is developing  
electricity storage  
to support the  
deployment of  
renewable energy  
in the grid.



**TotalEnergies**