



S A G E S S

**Société Anonyme
de Gestion de Stocks de Sécurité**

Investor Presentation

Eurobond off EMTN program

November 2023

CEO and CFO



**Pierre-Yves LOISEAU,
CEO & Chairman**

After a few years in the banking sector, Pierre-Yves began his career in the oil sector in the Elf group in Russia. Subsequently, he held various positions in TOTAL refining and marketing in Asia, before becoming Chief Financial Officer of TOTAL France. Before joining SAGESS in April 2018, he was successively CEO of TOTAL Gaz and Air TOTAL International.



**Son LENGOC,
CFO & Corporate Secretary**

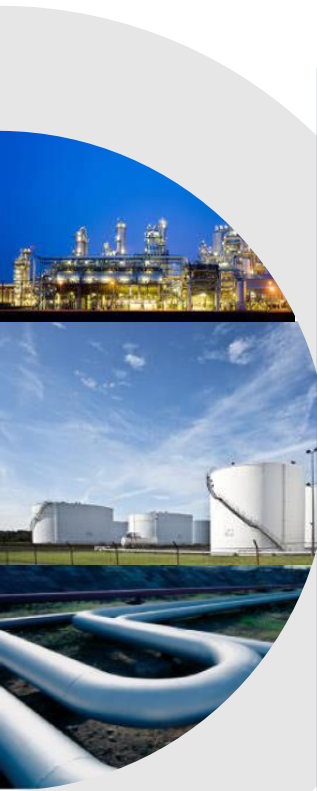
Son joined SAGESS in June 2019. He was previously CFO of Shell France. During his career he has occupied various managerial positions in Finance and Trading. He spent more than 30 years in the Shell Group.

Agenda

- I. SAGESS, a key player in the French Oil Reserve System**
- II. Operational Profile**
- III. Financials**

I. SAGESS, a key player in the French Oil Reserve System

SAGESS at a glance: French Strategic Stocks



1

SAGESS is operating in a robust regulatory environment: IEA⁽¹⁾, EU⁽²⁾, French State. With 13.2 millions tons of oil and oil products, SAGESS covers 80% of the French National Obligation and 85% of the delegated part to CPSSP⁽³⁾.

2

SAGESS has become over the years a key actor in the oil supplies market. The company is committed to making oil stocks available to operators on French public authorities request in the event of a crisis and ensuring a timely response in releasing oil stocks for the benefit of a regular supply of oil operators and consumers.

3

SAGESS is an evidence of the close ties and interdependence between State and oil operators. On September 30th, 2023, Standard and Poor's confirmed SAGESS' long term issuer credit at « AA negative outlook », therefore equalizing the rating of Sages with the French Republic one.

Source: Base Prospectus dated on 5/15/2023

⁽¹⁾International Energy Agency

⁽²⁾European Union

⁽³⁾Comité Professionnel des Stocks Stratégiques Pétroliers

SAGESS at a glance: A unique and sound issuer

- SAGESS role is defined in Code de l'Énergie and in the Oil Law voted in 1992
- SAGESS role has been reaffirmed by law in March 2021 and approved by Prime Minister decree
- As an ODAC ⁽¹⁾, SAGESS' debt is included in the French National debt (despite SAGESS private shareholding with no direct guarantee from the State)
- SAGESS is protected by a Convention⁽²⁾ providing a full cost coverage, signed with CPSSP⁽³⁾ and approved by Arrêté since 1993
- Original tax scheme exemption (art. 1655 quater General Tax Code)
- Levels of storage capacities delegation fixed by French Law
- Minister's agreement in 2022 on recourse to long term financings following Supreme Court decision (Conseil d'Etat). Finance law (LFPF 2023-2027), under discussion at the Parliament, should maintain SAGESS exception (allowing to use long term financing)
- High rated shareholding with prominent signatures
- Board and management of SAGESS composed of oil operators and the one of CPSSP by their professional organisations
- Patrimonial value of the stocks exceeding by far their book-value
- Stocks placed in commercial storages spread in the full country, in proximity with the consumption
- A long standing positive valuation by the markets thanks to 35 years of stakeholders' satisfaction

⁽¹⁾ Organismes Divers d'Administration Centrale i.e. Miscellaneous central government agencies

⁽²⁾ This agreement (Evergreen agreement with a 5-year cancellation notice) has been regularly updated, the latest version being dated on 1/31/2022 and being approved by an Arrêté from the Minister of Energy dated on 4/12/2022

⁽³⁾ Comité Professionnel des Stocks Stratégiques Pétroliers, a Public entity

Oil Reserves: A Regulated Framework

International Framework

- ⇒ The International Energy Agency (IEA) established in 1974, is an autonomous agency linked to the OECD and the energy forum for 31 industrialized countries:
 - **Members commit to permanently maintain strategic oil stocks equiv. to 90 days of net oil imports**
- ⇒ In accordance with the Council Directive 2009/1119/EC, of the 14 September 2009, as amended:
 - **Each country of the EU has to permanently maintain strategic reserves of oil products at 90 days of net imports of the previous year**

French Legislation

- ⇒ **Since 1925, French legislation has introduced the obligation to maintain strategic oil reserve, to cope with possible oil supply difficulties or disruptions**
- ⇒ The December 1992 "Oil Law" and the decrees still in force are codified in the Code of energy and the Code of Defense
- ⇒ **Requirement of each operator to build up and permanently maintain strategic stocks equal to 29.5% of the quantities released for consumption or for refueling of aircraft in metropolitan France in the previous calendar year (i.e. 108 days)**

Comparable Reserve Management Systems

- ⇒ Differences in set up, but all under close State supervision:
 - Stocks held directly by the operators
 - Dedicated "agency"
 - Government
 - **Privately held stocks through a dedicated structure: (SAGESS)**

No foreseeable changes in the Regulatory Framework

- ⇒ **Current strategic reserve system maintained and possibly strengthened**
 - Stability and criticality of International, EU and National frameworks
 - Update of Energy and Defense Codes in 2012 to include EU Directive recommendations
 - SAGESS and CPSSP role fulfilled at the satisfaction of all stakeholders
 - EU 2009 Directive on emergency oil stocks regime, aligned with IEA framework

SAGESS in the Set-up of Strategic Reserves

Operators' obligations

- ➔ Each operator having the status of "authorised warehouse keeper" must choose to delegate to the CPSSP⁽¹⁾ either 56% or 90% of its reserve obligation, the remainder (44% or 10%) is to be covered by its own stocks or by provisions made by other operators having the status of "authorised warehouse keeper".

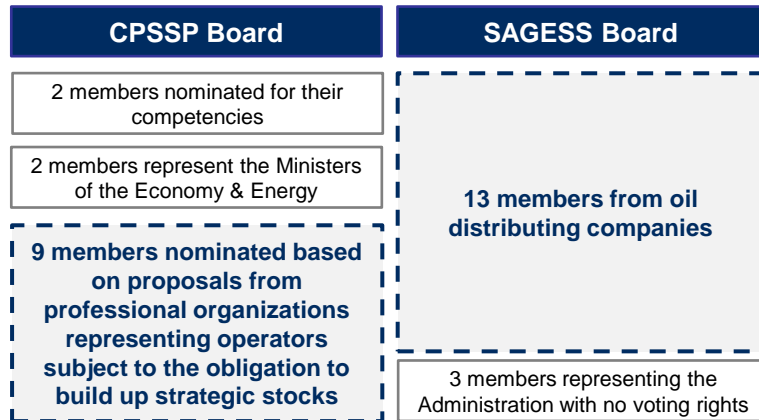
CPSSP responsibilities

- ➔ Agree with SAGESS, depending on its means, the level of physical stocks required
- ➔ Decide the purchase of Tickets⁽²⁾ proposed by the operators in France and in Europe
- ➔ Decide the fees to be paid by the operators
- ➔ Agree on SAGESS' stocks sales, should this be required

*Convention:
Long term
"commercial
agreement"⁽³⁾*

SAGESS responsibilities

- ➔ Build up and maintain strategic stocks of crude oil and petroleum products
- ➔ Buy and sell crude oil and petroleum products within cases endorsed by the CPSSP and in the limit of its own means
- ➔ **Stocks remain the property of SAGESS**
- ➔ Stocks can be disposed in following cases
 - ➔ At the request of the CPSSP
 - ➔ As any player, SAGESS, in case of crisis, is subject to official request by the Minister of Energy
 - ➔ SAGESS owned means, management or technical constraints



⁽¹⁾ Comité Professionnel des Stocks Stratégiques Pétroliers, a Public entity

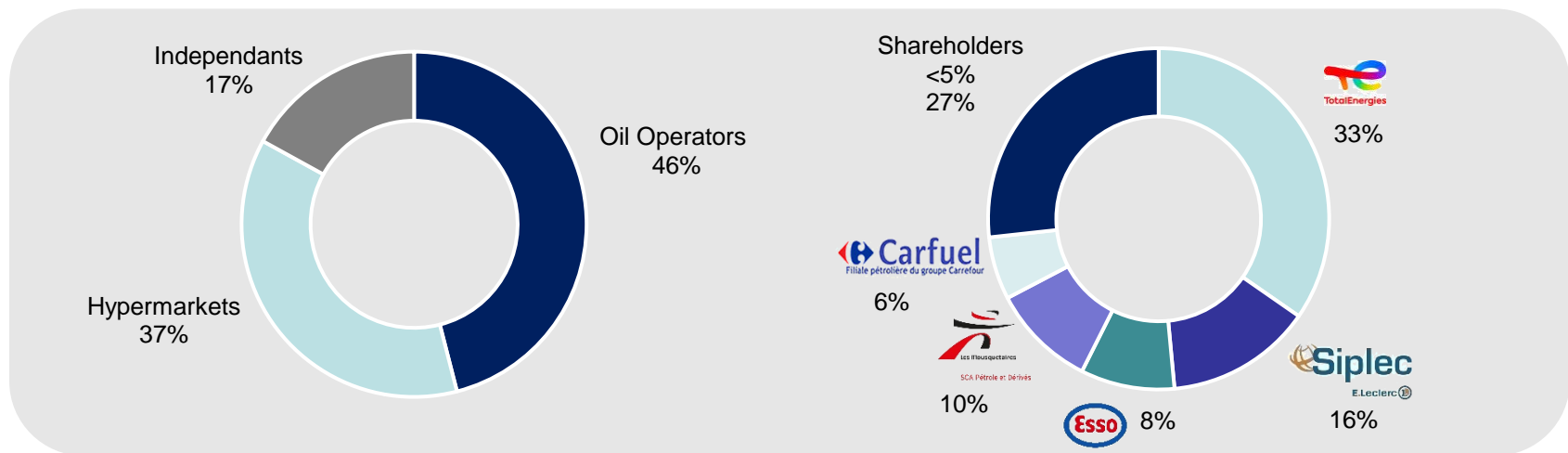
⁽²⁾ Short term option to purchase physical stocks

⁽³⁾ This agreement (Evergreen agreement with a 5-year cancellation notice) has been regularly updated, the latest version being dated on 1/31/2022 and being approved by an Arrêté from the Minister of Energy dated on 4/12/2022

A Private Shareholding Composed By Authorized Warehouse Keepers⁽¹⁾

SAGESS IS A PRIVATE COMPANY OWNED BY LEADING OIL SECTOR PLAYERS

- SAGESS is a “Société Anonyme” with **private** shareholders and **senior management** coming from **experienced oil players**
- **Shareholding split is adjusted each year** based on the sales of oil products carried out from the preceding year
- **38 shareholders** as of December 2022:



SAGESS' OWNERSHIP STRUCTURE IS BACKED BY STRONG REGULATION

- SAGESS shareholders may **only be the oil operators bearing the status of “authorized warehouse keeper⁽¹⁾”** and releasing **products for domestic consumption**
- Pursuant to Article 1655 quater of the Tax Law, the shareholding, which must represent preceding year oil sales market share, is controlled and approved every year by the Ministers

Source: Base Prospectus dated on 5/15/2023

⁽¹⁾ The status of “authorised warehouse keeper” is a regulated activity and is delivered by the customs administration (direction générale des douanes et droits indirects) on request. Such status of “authorised warehouse keeper” is governed by the circular of 10/15/ 2020 on the tax warehousing regime (circulaire du 15 octobre 2020 relative au régime de l'entrepôt fiscal de stockage) and the related forms (Bulletin officiel des douanes 7390)

SAGESS' Oil Stocks Management



Transparent Stock Acquisition Policy

- ➔ Purchase and sale of oil products are carried out through **transparent Tender process**
- ➔ Most oil industry players are invited (French and international refiners and traders)

Products in Stock

- ➔ **Gasolines, diesel oil/heating oil, jet fuel and crude oil**
- ➔ Crude oil is allowed as a substitute for finished products up to a maximum substitution allowance⁽¹⁾

Highly Secure Storage Policy

- ➔ SAGESS is **responsible** for its storage management
- ➔ Stocks must be kept in bonded warehouses⁽²⁾
- ➔ Selection of sites is made by a dedicated "Storage Commission" through a transparent Request For Proposal process. Currently, SAGESS stocks are spread in almost **90 third party sites**

Quality Control process meeting the highest international standards

- ➔ Quantities and quality are regularly controlled
- ➔ Products in storage are periodically rotated to ensure that they meet the regulatory specifications

Source: Base Prospectus dated on 5/15/2023

⁽¹⁾ One ton of crude = 0.8 ton of finished product

⁽²⁾ Entrepôts fiscaux de stockage

II. Operational Profile

A Proven Stable & Efficient Business Model ...

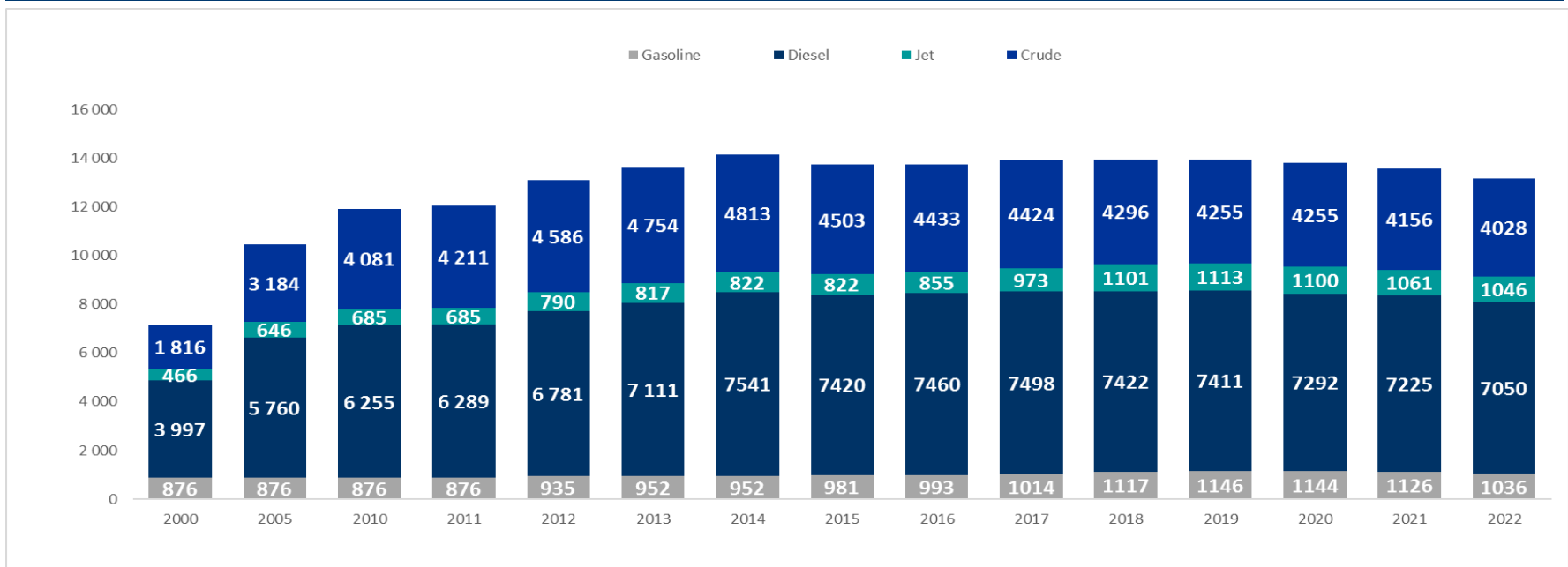
OIL OPERATORS' DELEGATION

Since 2000, SAGESS stocks have almost doubled and represent 80% of the global French obligation (as of July 1st , 2022)

The overall continuous increase of storage level is related to :

- Higher level of the national reserve obligation correlated to consumption increase
- The economical arbitrage made by operators in favor of the maximum level of storage delegation (90%)
- CPSSP's preference for physical stocks held by SAGESS over short term options

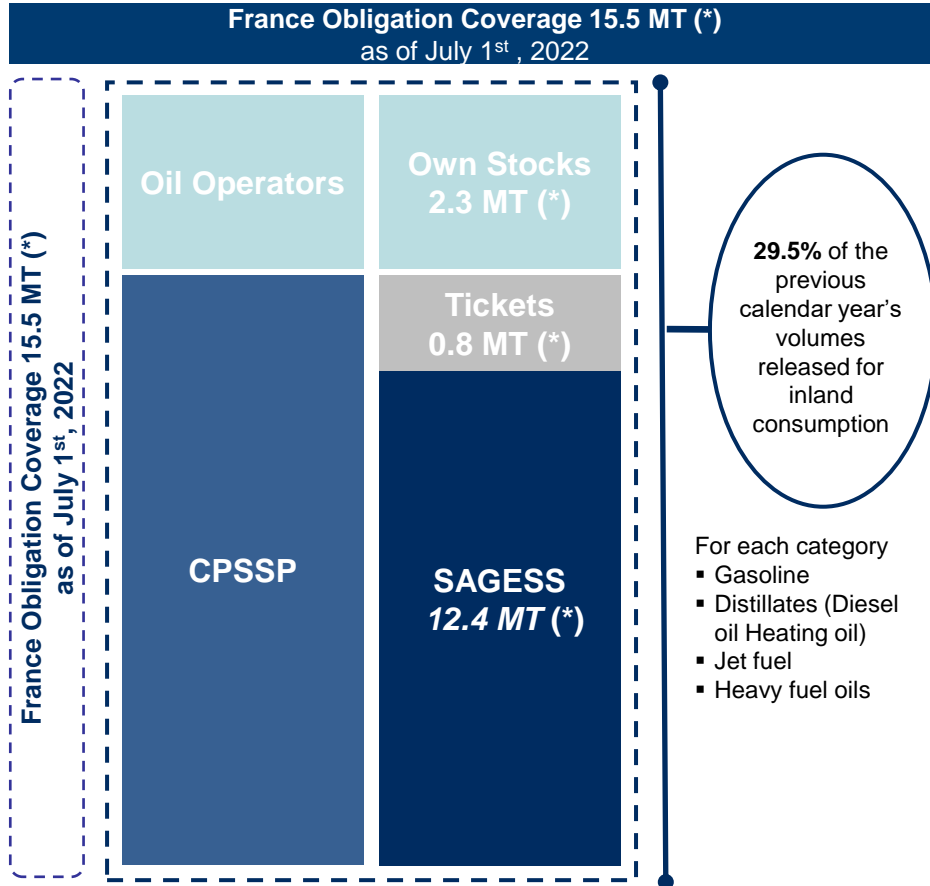
SAGESS'S Historical Stocks (in KT)



Source: Base Prospectus dated on 5/15/2023

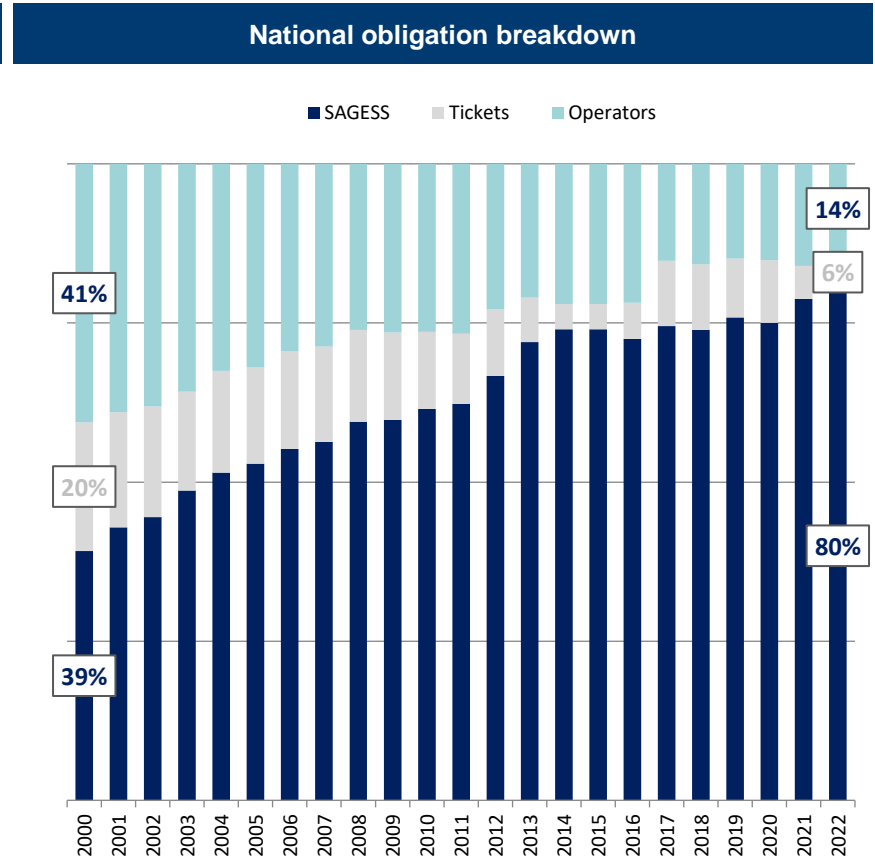
... Leading To Increasing Recourse To SAGESSE Stocks

- SAGESSE's increasing importance in France's storage obligation fulfillment
- SAGESSE stocks level represents almost 80% of France strategic stocks as of July 1st, 2022



29.5% of the previous calendar year's volumes released for inland consumption

- For each category
- Gasoline
 - Distillates (Diesel oil Heating oil)
 - Jet fuel
 - Heavy fuel oils



Source: Base Prospectus dated on 5/15/2023

(*) ton eqpf: One ton of crude count for 0.8 ton of finished product

Environmental, Social and Societal Commitments

ENVIRONMENT

Preventing Environmental Risks and Pollution

- At end 2022, 61% of our major storage facilities had ISO 14001 certification, and 35% had OHSAS 18001 certification (or equivalent)
- After an extensive 4-years review, at end 2022, 100% of storage facilities assessed on the property damage risk and 100% on the environmental damage risk

Minimizing environmental impacts from Climate Change

- Volume stored in the natural caverns in Manosque is less vulnerable and reduces the aboveground footprint of storage space. It also reduces the risk of fire, explosions, and terrorism

BUSINESS ETHICS & STAKEHOLDER RELATIONSHIPS

Anti-Corruption / Anti Money Laundering

- All Partners (storage facilities, petroleum product suppliers and buyers, and banks) and all SAGESS employees have agreed to comply to the Code of Business Conduct which include Anti Corruption and Anti Money Laundering initiative

Unsolicited ratings by VIGEO-EIRIS and ISS-ESG (OEKOM)



ISS-ESG (OEKOM) – October 2020 rating:

- SAGESS is classified among “Commercial Services and Supplies” panel sector
- **Score C+ Prime status: Sagess is in the top 5% of its category**



VIGEO-EIRIS – October 2021 rating:

- SAGESS is classified among “Specific Purpose Banks & Agencies” panel sector
- **Global score = 63%** (Score: Environment = 61% ; Social = 65% ; Governance = 64%) ; **Rating Advanced, Ranking 7 / 21**

III. Financials

SAGESS' Financial Strategy: Transparent & Responsible

Current Debt Structure

- **Current smooth debt distribution**
- Access to **diversified** source of fundings, at end 2022:
 - 99% (€3,961m) Bonds & long-term CPSSP loan
 - 1% (€50m) from NEU CP
- The NEU CP program of 1 400M€ is covered by undrawn Revolving Credit Facility of 1 250M€ in case of shortage in the market

Risk Management

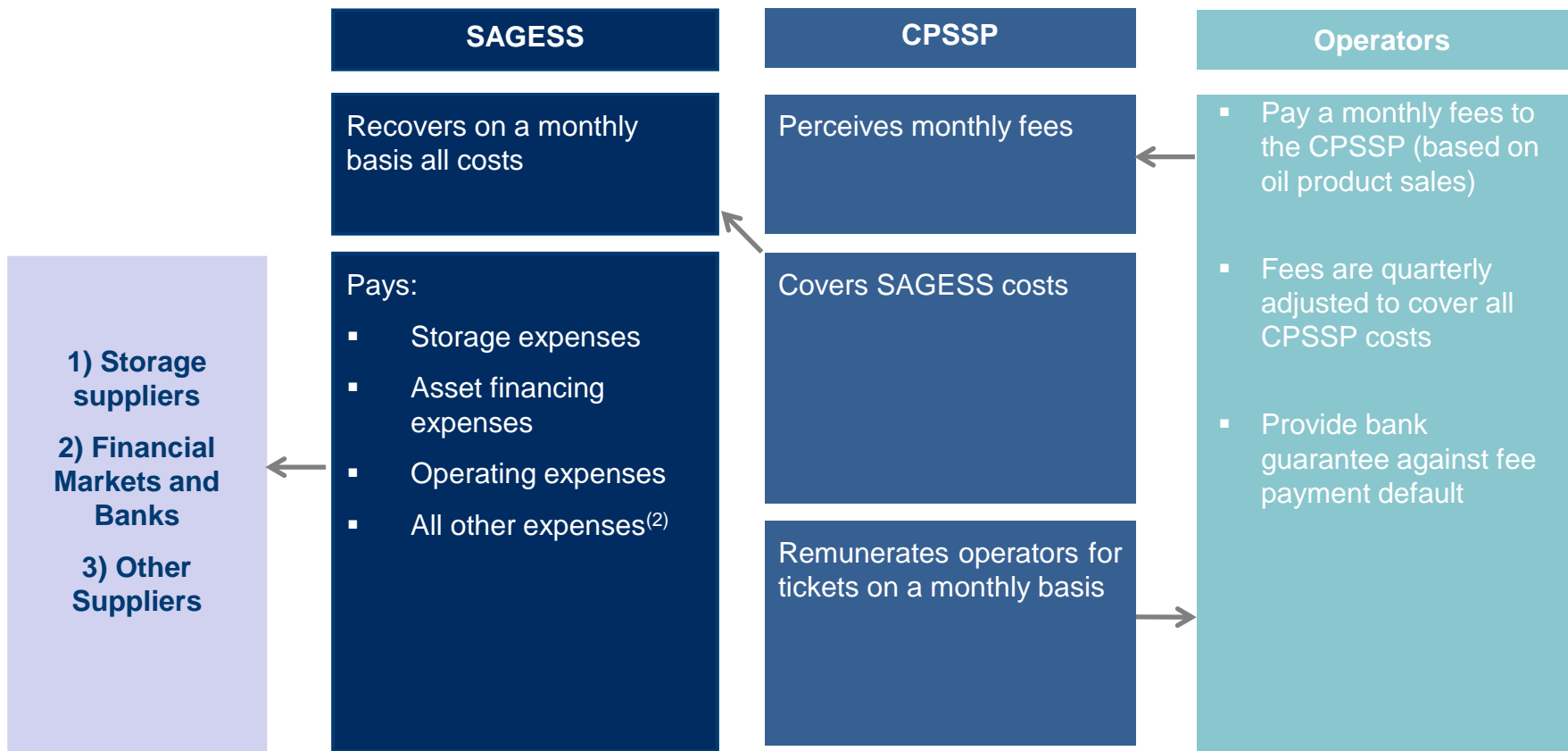
- Any derivative that is used requires prior Board approval
- No loss due to currencies or oil price volatility i) benefiting from the **full CPSSP cost recovery mechanism** ii) all non-cash transactions in foreign currencies subject to Board approval iii) all petroleum product purchases and sales are in euros
- Periodic insurance risk assessment, insurance contracts in place (property products, environment, third party, fraud), high limits and limited deductibles

Objectives

- Match long-term asset (stocks) with mid to long-term funding by **continuing funding diversification: banks loans and capital markets (Eurobond)**

CPSSP Full Cost Recovery Mechanism

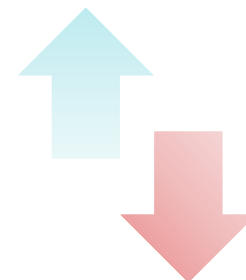
- A long-term commercial agreement⁽¹⁾
- Evergreen agreement with a 5 years cancellation notice
- Guarantees the full cost recovery principle



⁽¹⁾ "Convention" CPSSP - SAGESS renewed on January 31, 2022 and re-approved by French Government

⁽²⁾ In accordance with the terms and conditions of the agreement between the CPSSP and SAGESS

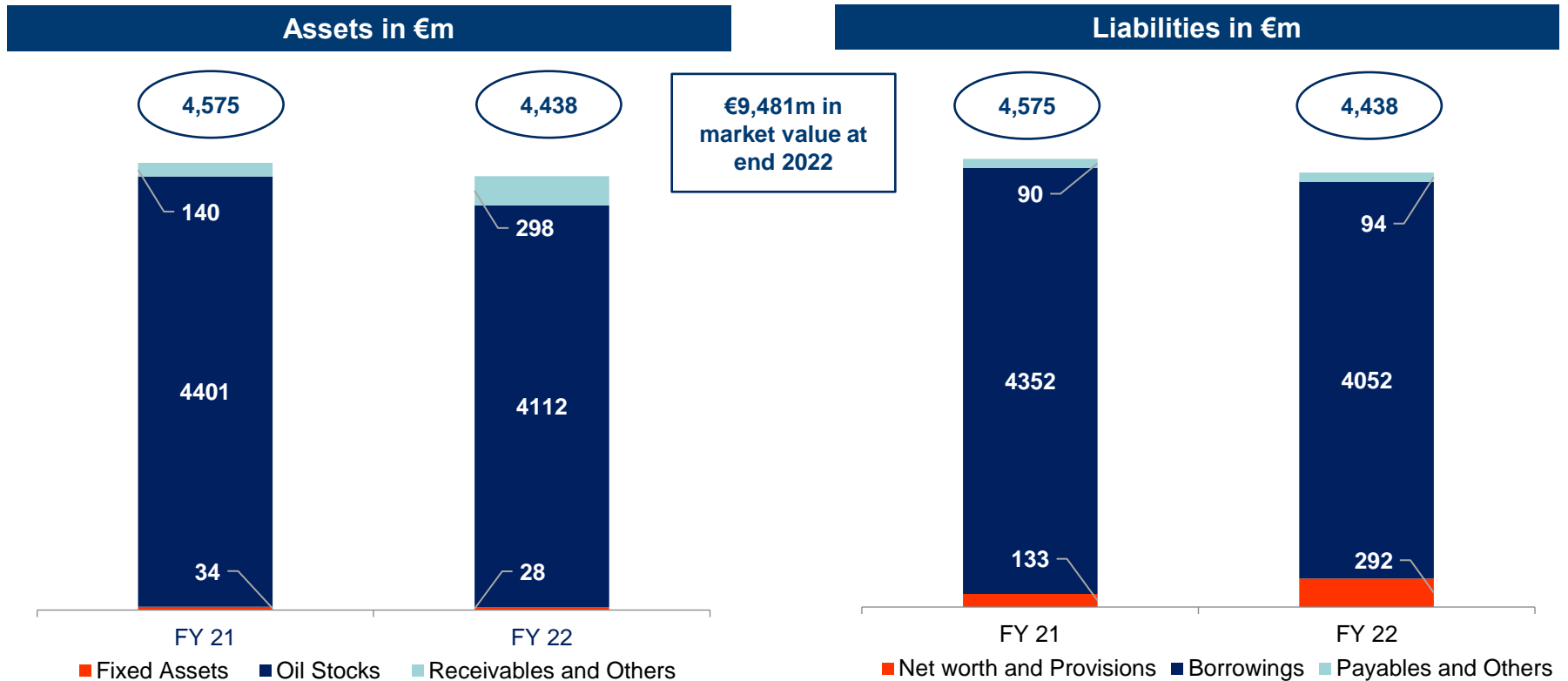
SAGESS FY 22 Profit & Loss Account



- ➔ Full cost recovery from CPSSP
- ➔ Preferential tax regime – No income tax but tax directly paid by shareholders upon profit distribution
 - ⇒ Profit from sales are distributed or booked to reserves (subject to Ministers' approval when booked to reserves)
 - ⇒ A tax article in the General Tax Code (1655 quater) exempts SAGESS from corporate taxes under condition, the taxation is applicable to shareholders on the dividends' distribution.
- ➔ SAGESS sold €291.5M in petroleum products, generating €159.8M in net income

€m	2022	2021	Variation
Cost recovery from CPSSP	342,2	332,2	+3%
Other income	33,9	3,9	+769%
Sales of oil products	291,5	107,5	+171%
Strategic stocks variation			
Purchases of petroleum products and variations in stocks	(131,8)	(74)	+78%
Other purchases and external charges	(334,6)	(312,1)	+7%
Other operating costs	(4,6)	(2,9)	+59%
Financial charges	(36,8)	(21,1)	+74%
Net result	159,8	33,5	+377%

SAGESS Sound Balance Sheet...



▪ As of December 31st, 2022:

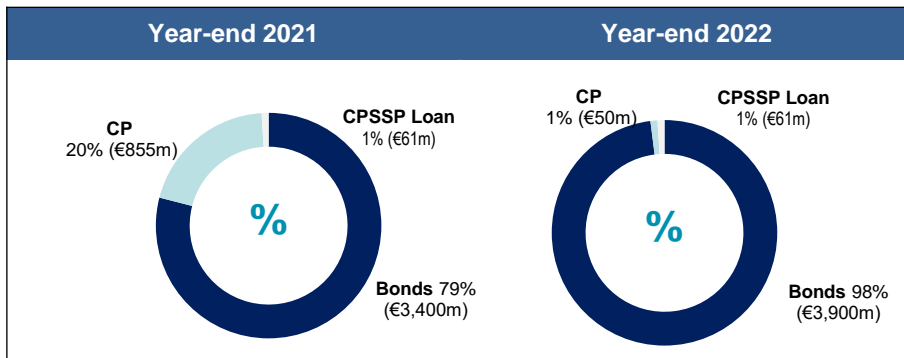
- Oil stocks accounting value was **€4,112m** (92.7% of the balance sheet) vs. market value **€9,481m...**
- Stocks are booked at their average historical acquisition value...

▪ As of December 31st, 2022:

- Borrowings was **€4,052m** (91.3% of the balance sheet)
- Stocks are financed with borrowings

...and A Very Strong Liquidity Profile

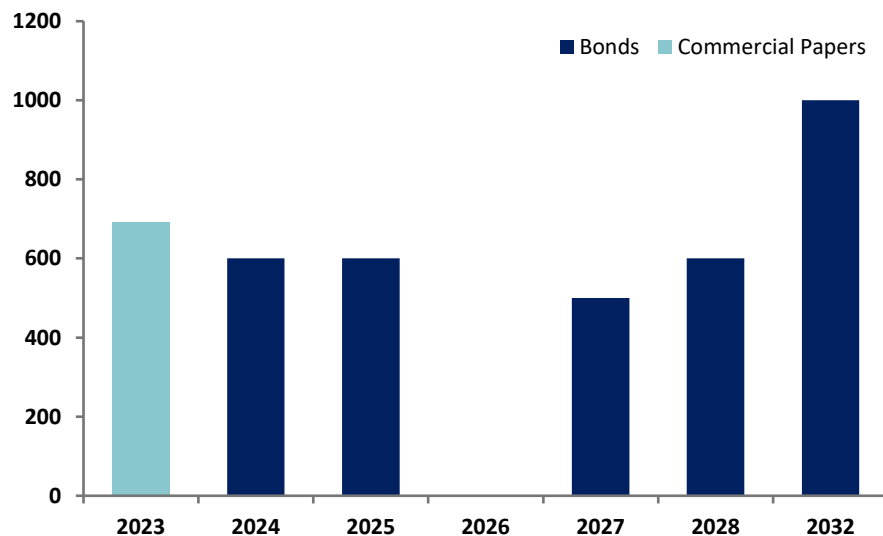
Debt structure: Diversified Funding Sources



SAGESS' debt accounted by the State in the French national debt through ODAC mechanism

Capacity of SAGESS guaranteed by full costs and losses coverage by CPSSP

Debt Redemption Profile €m (May 2023)



As of end December 2022, total Financial Debt of SAGESS represent **€4,011m** of which **more than half** are indexed on **variable rates**

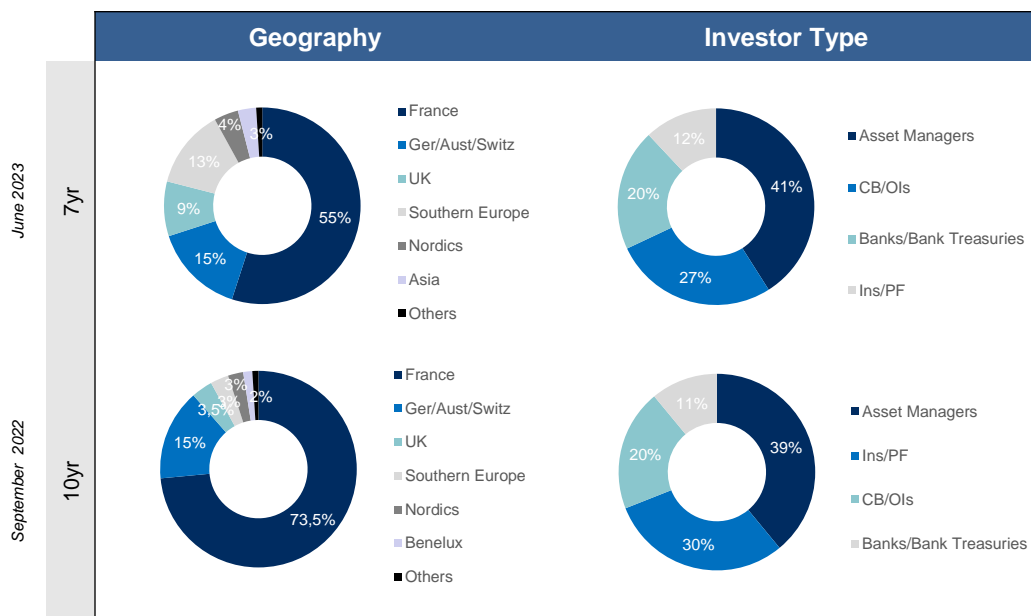
With Diversified Sources of Funding

- ⇒ Bonds, representing 98% (€3,900m) of total debt
- ⇒ Commercial Paper (Neu CP), representing 1% (€50m) of total debt
- ⇒ CPSSP zero interest long term loan: €61m
- ⇒ Undrawn Revolving Credit Facility of €1,250m:
 - €750m - 1 year maturity
 - €500m - 3 years maturity

And Strong access to liquidity

- ⇒ **Commercial Paper (NEU CP)** program of €1,400m is currently in place

Regular issuer between 2001-2016, SAGESS managed a successful come back since 2022



* Distribution statistics of SAGESS bond issues realised in June 23 and September 22

Outstanding Bonds (Oct 2023)

Bond issue	Maturity	Coupon (%)	Total amount (€m)
Jan 2012	Jan 24 th , 2024	4.000	600
March 2013	March 6 th , 2025	2.625	600
Sept 2015	Oct. 25 th , 2027	1.500	500
Oct 2016	Oct 20 th , 2028	0.625	600
Sept 2022	Sept 7 th , 2032	2.875	1000
June 2023	June 29 th , 2030	3,375	500

Demonstrated access to the bond market from 2001-2023:

- ⇒ At the end of May 2023:
 - **6 outstanding bond issues** with size between €500m and €1000m
- ⇒ SAGESS eager to **pursue its bond issuances with a diversified investor base** (domestic and non-domestic investors)

A smooth maturity profile:

- ⇒ No redemption peak: average redemption size up to €1000m per year
- ⇒ At the end of Oct 2023, the **average debt maturity is 4.3 year**

A welcome recovery of our long-term financing capacities

- ⇒ In 2013 a legislation prohibited access to financial markets for more than 1 year financings to companies listed as ODAC⁽¹⁾, with such list to be established by the Minister of Budget and regularly published.
- ⇒ In 2014, INSEE⁽²⁾ listed SAGESS as ODAC and therefore Minister issued the list of ODAC prohibited of long-term financing ⁽³⁾, considering he couldn't deviate from the INSEE listing.
- ⇒ In 2016 SAGESS issued its latest bond transaction and introduced legal recourses.
- ⇒ In 2022 Conseil d'Etat stated the Minister was not locked by the listing established by INSEE and he should make its own appreciation of the necessity to incorporate SAGESS in the list of ODAC prohibited of long-term financing. Previous decisions were cancelled.
- ⇒ On April 6th 2022 the Minister issued a letter confirming SAGESS' ability to contract long term financings. This put an end to all legal recourses.
- ⇒ In 2023 Finance law (LPFP 2023-2027), under discussion at the Parliament, should maintain SAGESS exception (allowing to use long term financing)
- ⇒ In September 2022 SAGESS successfully issued €1000m bond, followed by another €500m bond in June 2023

Source: Company reports, Base Prospectus dated on 5/15/2023

⁽¹⁾ Organismes divers d'administration centrale i.e. Miscellaneous central government agencies

⁽²⁾ Institut national de la statistique et des études économiques i.e. French National Institute for Statistic and Economics Studies

⁽³⁾ The list of ODAC entities that cannot enter loans with a term longer than 12 months or issue debt securities with a maturity exceeding such duration

⁽⁴⁾ Conseil d'Etat

SAGESS Key Highlights



S&P Global

On September 30th, 2023, Standard and Poor's confirmed SAGESS' long term issuer credit at "AA negative outlook" and short-term issuer credit at "A-1+" (The Commercial Paper program of €1 400m was confirmed at "A-1+").

⁽¹⁾ As of July 1st, 2022

Appendix

Governing texts background

Reference texts: background

Creation and mission of SAGESS

- Law 87-1060 of December 30, 1987
- Decrees 88-269 and 88-270 of March 22, 1988
- Article 3 II of Law No. 92-1443 of December 31, 1992

Reference texts: basics of SAGESS / CPSSP

SAGESS' by-laws in force

Creation of the CPSSP and state control

- Article L.642-5 of energy code
- Article 8 of decree No. 93-132 of January 29, 1993

Relationship between SAGESS / CPSSP

- Article L.642-6 of energy code
- Article 9-b of decree No. 93-132 of January 29, 1993

Reference texts: specific regulations on strategic reserves

How the French system operates

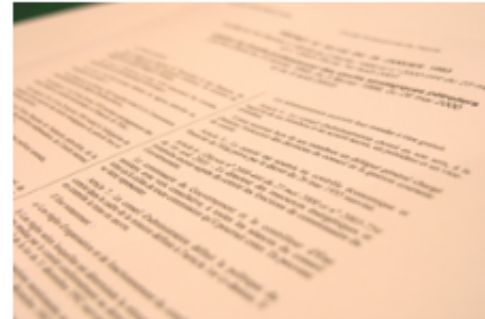
- Articles L.642-1, L.642-2, L.642-3, L.642-4 of energy code and Oil law 92-1443 of December 31, 1992
- Articles D.1336-47, D.1336-48, D.1336-49, D.1336-50, D.1336-51 and D.1336-52 of defense code
- Decree N°. 93-132 of January 29, 1993
- Decree N°. 2016-55 of January 29, 2016
- Order dated March 25, 2016 (strategic stocks in France, Martinique, Guadeloupe, French Guyana, Reunion and Mayotte)

Safeguards, controls and sanctions

- Article L.642-7, 1° of energy code and Oil law 92-1443 of December 31, 1992 (Article 12, I, II and III)

Obligation of strategic reserves in Europe

- European Directive n° 2009/119 of September 14, 2009



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