THE SHELL INVESTMENT CASE

POWERING PROGRESS
Our strategy to accelerate the transition to net-zero emissions, purposefully and profitably

GENERATING SHAREHOLDER VALUE
Growing value through a dynamic portfolio and disciplined capital allocation

RESPECTING NATURE
Protecting the environment, reducing waste and making a positive contribution to biodiversity

POWERING LIVES
Powering lives through our products and activities, and supporting an inclusive society

ACHIEVING NET-ZERO EMISSIONS
Working with our customers and sectors to accelerate the energy transition to net-zero emissions

UNDERPINNED BY OUR CORE VALUES AND OUR FOCUS ON SAFETY
DELIVERING THE STRATEGY
OUR VISION FOR THE FUTURE OF ENERGY

GROWTH PILLAR:
THE FUTURE OF ENERGY MARKETS

TRANSITION PILLAR:
ENABLING OUR STRATEGY ASSETS

UPSTREAM PILLAR:
FUNDING OUR STRATEGY RESOURCES

Enhanced value delivery through trading and optimisation
CAPITAL ALLOCATION

OUR PLAN

SHELL

STRATEGY DAY

2021
**CAPITAL ALLOCATION**

**DELIVERING THE STRATEGY – DRIVING GROWTH AND RETURNS**

<table>
<thead>
<tr>
<th>ATTRACT CAPITAL</th>
<th>MANAGE RISK</th>
<th>GROW VALUE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Competitive shareholder returns</td>
<td>Resilient portfolio</td>
<td>Advanced products and customer solutions</td>
</tr>
<tr>
<td>Balance sheet strength</td>
<td>Strength and diversity of cash flow</td>
<td>Grow cash flow</td>
</tr>
</tbody>
</table>

Growing value through a dynamic portfolio and disciplined capital allocation
CAPITAL ALLOCATION
DISCIPLINED APPROACH ACROSS LEVELS

Invest in the most competitive projects
- Pursue projects with sector-leading returns
- Focus on resilience through the cycle using most appropriate criteria

Maximise value
- Ensure balance sheet strength
- Reward shareholders
- Invest in growth in a measured and disciplined way

Maintain a balanced and robust portfolio
- Enable transition and delivery of returns, growth and carbon targets
- Manage portfolio risks, including geography, commodity, technology and across time horizons

ENTERPRISE
- Shareholders
- Investments
- Balance sheet

PORTFOLIO
- Deliver strategy
- Manage risk

PROJECT
- Resilient
- Competitive
## Capital Allocation

**Target Shareholder Distributions of 20-30% of CFFO**

<table>
<thead>
<tr>
<th>Clear capital allocation framework</th>
<th>Operationalising the framework</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>1st Priority</strong></td>
<td></td>
</tr>
<tr>
<td>Near-term Cash capex</td>
<td>Reapportion near-term $19.22 billion Cash capex:</td>
</tr>
<tr>
<td>Ordinary progressive dividend</td>
<td>- Marketing ~$3 billion; Renewables and Energy Solutions $2.3 billion; Integrated Gas ~$4 billion; Chemicals and Products $4.5 billion; Upstream ~$8 billion</td>
</tr>
<tr>
<td></td>
<td>- Inorganic capex included in range</td>
</tr>
<tr>
<td></td>
<td>- ~4% dividend per share growth annually, subject to Board approval</td>
</tr>
<tr>
<td><strong>2nd Priority</strong></td>
<td></td>
</tr>
<tr>
<td>AA credit metrics through the cycle</td>
<td>Reducing net debt to $65 billion</td>
</tr>
<tr>
<td></td>
<td>- Milestone for AA credit metrics threshold in the near term</td>
</tr>
<tr>
<td><strong>3rd Priority</strong></td>
<td></td>
</tr>
<tr>
<td>Additional shareholder distributions</td>
<td>Total shareholder distributions of 20-30% of CFFO (on reaching net debt of $65 billion)</td>
</tr>
<tr>
<td></td>
<td>- Distributions include dividends and share buybacks</td>
</tr>
<tr>
<td><strong>4th Priority</strong></td>
<td></td>
</tr>
<tr>
<td>Capex growth</td>
<td>Measured, disciplined capex growth to enable strategy</td>
</tr>
<tr>
<td>Continued balance sheet strengthening</td>
<td>Further reduce net debt to achieve firm long-term AA credit metrics</td>
</tr>
</tbody>
</table>

First cash priority also includes interest paid (CFFI). Near-term Cash capex numbers split by business are rounded and total will be managed within the near-term range of $19.22 billion.
**Capital Allocation**

**Balanced Approach to Investment Decisions Across Pillars**

<table>
<thead>
<tr>
<th>ASSET INTEGRITY</th>
<th><strong>Growth Pillar:</strong> The Future of Energy</th>
<th><strong>Transition Pillar:</strong> Enabling Our Energy</th>
<th><strong>Upstream Pillar:</strong> Funding Our Strategy</th>
</tr>
</thead>
<tbody>
<tr>
<td>SUSTAIN VALUE</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>GROW VALUE</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Innovation**

<table>
<thead>
<tr>
<th>Business models</th>
<th>Process technologies</th>
<th>Asset management</th>
</tr>
</thead>
<tbody>
<tr>
<td>Customer solutions</td>
<td>Customer solutions</td>
<td>Risk mitigation</td>
</tr>
</tbody>
</table>

Significant proportion of Upstream and Transition spend necessarily focused on asset integrity and sustaining value; Growth pillar spend predominantly supports growing future value.
CAPITAL ALLOCATION
WELL-POSITIONED FOR THE FUTURE OF ENERGY
THROUGH DIFFERENTIATED STRENGTHS

DIFFERENTIATED STRENGTHS

- Customer insight and scale
- Sectoral decarbonisation approach
- Integrated business models
- World-class trading business
- Innovation culture
- Most valuable brand in the industry

VALUE DRIVERS SHIFTING WITH STRATEGY

<table>
<thead>
<tr>
<th>Advantaged assets</th>
<th>Advanced products</th>
</tr>
</thead>
<tbody>
<tr>
<td>Resource positions</td>
<td>Market positions</td>
</tr>
<tr>
<td>Asset value chain</td>
<td>Customer value chain and customer integrated offerings</td>
</tr>
<tr>
<td>Fewer, larger projects</td>
<td>More small and medium-size projects</td>
</tr>
<tr>
<td>Long-term positions</td>
<td>Dynamic positions and capital recycling</td>
</tr>
</tbody>
</table>

Capital allocation driving economic returns through innovative business models
**CAPITAL ALLOCATION**
**CAPEX EVOLVING TOWARDS GROWTH PILLAR**

**SUSTAINING OUR STRATEGY** - Net debt above $65 billion

Cash Priority: Strengthen balance sheet and maintain ~4% dividend per share growth annually, subject to Board approval

- Cash capex of $19-22 billion per annum
- Minimum capex to deliver the strategy
- Growth pillar spend continues to sustain our strategy
- Underlying opex of less than $35 billion per annum
- Divestments on average $4 billion per annum

**ACCELERATING OUR STRATEGY** - Net debt below $65 billion

Cash Priority: Shareholder distributions in the range of 20-30% of CFFO

- Increase Cash capex to $23-27 billion per annum
- Around 50% of incremental capex to Growth pillar
- Disciplined capex growth balanced with additional shareholder distributions

---

**Cash capex evolution**

<table>
<thead>
<tr>
<th>Year</th>
<th>Net debt &gt;$65 billion</th>
<th>Net debt &lt;$65 billion</th>
<th>Beyond 2025</th>
</tr>
</thead>
<tbody>
<tr>
<td>2020</td>
<td>16%</td>
<td>~25%</td>
<td>35-40%</td>
</tr>
<tr>
<td></td>
<td>43%</td>
<td>~30%</td>
<td>30-40%</td>
</tr>
<tr>
<td></td>
<td>42%</td>
<td>35-40%</td>
<td>25-30%</td>
</tr>
</tbody>
</table>

1. Upstream
2. Transition
3. Growth

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2020 Cash capex percentages are rounded.
CAPITAL ALLOCATION
CONSISTENT APPLICATION OF INVESTMENT DECISION-MAKING AT THE PROJECT LEVEL

VALUE-ACCRETIVE INVESTMENTS

- Most competitive opportunities
- Returns in excess of cost of capital
- Integrated value

COMPETITIVE

SECTOR-LEADING RETURNS

BALANCED CASH FLOW PROFILE

- Payback period
- Impact on portfolio cash profile

RESILIENT

MANAGE RISK

- Robust financial performance through the cycle
- Manage carbon
- Technical, environmental and non-technical risks
# Capital Allocation

**Differentiated Return Expectations by Business**

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Marketing</strong></td>
<td>Lower capital requirement with sustainable cash flow growth</td>
<td>Integrated Gas</td>
<td>Capital-intensive with longer-term cash flow profile and limited downside</td>
</tr>
<tr>
<td><strong>Renewables and Energy Solutions</strong></td>
<td></td>
<td><strong>Chemicals and Products</strong></td>
<td>Higher volatility with upside exposure</td>
</tr>
<tr>
<td><strong>Upstream</strong></td>
<td></td>
<td><strong>Upstream</strong></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>AVERAGE PROJECT RETURNS</th>
<th>IRR 15-25%</th>
<th>Integrated Power IRR &gt;10%</th>
<th>IRR 14-18%</th>
<th>IRR 10-15%</th>
<th>IRR 20-25%</th>
</tr>
</thead>
</table>

Enhanced by trading and optimisation

<table>
<thead>
<tr>
<th>ADDITIONAL CONSIDERATIONS</th>
<th>Payback 48 years</th>
<th>Equity IRR</th>
<th>Payback before 2040</th>
<th>Payback ~10 years</th>
<th>Payback before 2035</th>
<th>Average BEP ~$30/boe</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Opex yield &gt;60%</td>
<td>Recycle capital</td>
<td>UTC &lt;$5/MMBtu</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
CASH POTENTIAL
DIVERSIFIED CASH FLOW EVOLVES WITH SHIFT IN BUSINESS MODELS

Track record of sector-leading CFFO

Future-proofing our cash flows

$ billion

0 10 20 30 40 50 60


Graph on left: Peer range comprises ExxonMobil, Chevron, BP and Total, CFFO for Shell corrected for interest received (in CFI) and interest paid (CFF).
CASH POTENTIAL
DIVERSIFIED AND RESILIENT CASH GENERATION ACROSS THE CYCLE

- Medium-term cash flow sensitivities per $10/bbl Brent movement
  - Upstream: CFFO impact $4 billion
  - Integrated Gas: CFFO impact $2 billion
- Cash flows from Growth pillar businesses and Chemicals and Products have limited exposure to commodity prices

Historical 5-year average

$/bbl Brent

- Upstream
- Integrated Gas
- Chemicals and Products
- Marketing
- Renewables and Energy Solutions

Royal Dutch Shell | February 11, 2021

*Historical data as reported, not corrected for IFRS 16. Medium-term cash potential at $50 per barrel real terms 2020 and $60 per barrel real terms 2020.*
CARBON
OUR PLAN
CARBON
OUR CARBON TARGETS

OUR CLIMATE TARGET

NET ZERO BY 2050
Net-zero emissions energy business by 2050 including all emissions (Scopes 1, 2 and 3) in step with society

FROM 1.7 GTPA TO ZERO
Total carbon emissions from energy sold peaked in 2018 at around 1.7 Gtpa and will be brought down to 0 by 2050

We address the emissions from all the energy we sell

Across all three scopes we will reduce to net zero
By providing our customers with zero- and low-carbon energy and helping them store and offset any residual carbon, while also reducing and offsetting all of our own operational emissions.
We measure our progress against our short, medium- and long-term targets.

Reducing the carbon intensity of all energy sold

<table>
<thead>
<tr>
<th>Year</th>
<th>2016 baseline</th>
<th>2023</th>
<th>2030</th>
<th>2035</th>
<th>2050</th>
</tr>
</thead>
<tbody>
<tr>
<td>gCO₂e/MJ</td>
<td>-68%</td>
<td>-20%</td>
<td>-45%</td>
<td>-100%</td>
<td></td>
</tr>
</tbody>
</table>

Scope 1 & 2 = Our operational emissions
Scope 3 = Emissions from use of energy sold by Shell (own production)
Scope 3 = Full lifecycle emissions from energy sold by Shell (produced by others)

Royal Dutch Shell | February 11, 2021 Chart on left: based on 2018 data. 1Carbon intensity measured by our NCF methodology, available on our website.
Getting the energy system on a path to net zero will require coordinated action between energy providers, energy users and governments, working together over the next decades to define rapid, realistic, decarbonisation pathways, sector by sector.
# Carbon: Examples of Energy Transition Milestones by 2030

<table>
<thead>
<tr>
<th>Operational efficiency&lt;sup&gt;1&lt;/sup&gt;</th>
<th>Natural gas shift</th>
<th>Low-carbon power business</th>
<th>Low-carbon fuels (biofuels, hydrogen)</th>
<th>CCS</th>
<th>Natural sinks</th>
</tr>
</thead>
</table>
| Eliminating routine flaring        | Oil production peaked in 2019, expected to decline 1-2% per annum | Doubling electricity sold | Producing 8 times more low-carbon fuels than today | Targeting over 25 mtpa CCS (by 2035) | - Aiming for ~120 mtpa of nature-based solutions
| Maintaining methane emissions intensity <0.2% (2025) | No new frontier exploration entries anticipated post-2025 | Delivering equivalent of >50 million households with renewable electricity | Increasing low-carbon fuels sales to >10% of transport fuels (up from 3% in 2020) | | - High-quality offsets only |
| Growing gas share of hydrocarbon production to ~55% | Growing gas share of hydrocarbon production to ~55% | Operating ~2.5 million EV charge points | | | |

Milestones for 2030 unless otherwise stated.<sup>1</sup>For assets we operate.
EV charge points include charge points at Shell forecourts and new locations as well as operated charge points owned by customers and third parties.
# CARBON ACTIONS TO SUPPORT DELIVERY THROUGH ACCOUNTABILITY

## Governance & transparency

<table>
<thead>
<tr>
<th>Accountability</th>
<th>Present Energy Transition plan for advisory shareholder vote every 3 years from 2021 onwards. Annual advisory shareholder vote on progress against the plan.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aligning with external standards</td>
<td>Work with the Science Based Targets initiative (SBTi), CDP, Transition Pathways Initiative (TPI) and other standard-setting bodies to develop a standard for our industry, with which we intend to align our targets.</td>
</tr>
<tr>
<td>Decision-making</td>
<td>Drive down carbon intensity of operations and energy products sold through a Shell-wide approach, including through an allocation of internal ‘carbon budgets’.</td>
</tr>
<tr>
<td>Incentive structures</td>
<td>Double the weight of carbon and energy transition metrics in our long-term incentive share awards, affecting &gt;16,500 employees. For the most senior leaders weighting doubles from 10% to 20%.</td>
</tr>
<tr>
<td>Lobbying &amp; transparency</td>
<td>Further increase transparency around our approach to corporate political engagement; drive change through participation in industry associations and related advocacy platforms and partnerships. Report progress publicly via website and Industry Association Climate Review.</td>
</tr>
<tr>
<td>Climate-related disclosures</td>
<td>Remain aligned with the Task Force on Climate-related Financial Disclosures (TCFD) best practices as they further evolve.</td>
</tr>
</tbody>
</table>
GROWTH PILLAR
DELIVERING THROUGH THREE PILLARS
MARKETING
PERFORMING STRONGLY AND A PLATFORM FOR FUTURE GROWTH

Strategic delivery on track; resilient growth through cycle

<table>
<thead>
<tr>
<th>Year</th>
<th>Retail</th>
<th>Lubricants</th>
<th>Others</th>
<th>Marketing as % of Shell Adjusted Earnings</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>2</td>
<td>3</td>
<td>2</td>
<td>5</td>
</tr>
<tr>
<td>2017</td>
<td>3</td>
<td>4</td>
<td>3</td>
<td>7</td>
</tr>
<tr>
<td>2020</td>
<td>4</td>
<td>5</td>
<td>4</td>
<td>8</td>
</tr>
<tr>
<td>2025 ambition</td>
<td>5</td>
<td>6</td>
<td>5</td>
<td>10</td>
</tr>
</tbody>
</table>

% of Shell Adjusted Earnings

Differentiated offerings contributing >50%

<table>
<thead>
<tr>
<th>Category</th>
<th>Offerings</th>
</tr>
</thead>
<tbody>
<tr>
<td>Main-grade Fuels</td>
<td>Convenience Retail, Shell Recharge, Fleet Solutions, V-Power™, Loyalty</td>
</tr>
<tr>
<td>Mainstream Lubricants</td>
<td>Digital and Services, B2B Premium Synthetics, Pure Plus™, Global Accounts</td>
</tr>
</tbody>
</table>

Retail | Lubricants

Customer access as key competitive differentiator

- ~30 million customers per day
- ~46 thousand sites in ~80 countries
- >50 million loyalty members
- >1 million B2B customers in >160 countries
### Profitably Decarbonising with Our Customers

- **2020 delivery**
  - ~30 million
  - ~46,000
  - 1/9 on average
  - >12,000
  - >60,000

- **2025 targets**
  - 40 million
  - 55,000
  - 1/8
  - 15,000
  - >500,000

### Strategic levers

- **New revenues**
  - New convenience stores
  - Digital and Services

- **Resilient sectors**
  - Fleet Solutions
  - Industrial Lubricants

- **New customers**
  - Market share growth in China, India, Indonesia, Mexico, Russia
  - New locations

- **Grow base**
  - Premium growth: V-Power™+ Lubricants
  - New locations

- **Decarbonise mobility & sectors**
  - EV charging leadership
  - Aviation, Marine, Road Transport

### Progress examples

- >2,000
  - New convenience stores vs. 2017

- #1 in Industrial Lubricants
  - Global market leader since 2018

- >1,000
  - New sites in growth markets vs. 2017

- >20%
  - Record-high premium lubricants volume and V-Power™ margin contribution vs. 2017

- 5x
  - Sustainable Aviation Fuels volume increase vs. 2019

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Royal Dutch Shell | February 11, 2021

EV charge points include charge points at Shell forecourts and new locations as well as operated charge points owned by customers and third parties.
MARKETING
WE ALREADY HAVE THE SCALE AND CUSTOMER ACCESS THAT OTHERS ASPIRE TO BUILD

Most valuable brand in the industry

Leading mobility with unparalleled scale, network and customer access

#1 global lubricants supplier for 14 years in a row

- Differentiated customer propositions
- Highest brand share preference

- Increase customer spend in mobility, energy and digital transitions
- Grow new revenues including EV charging and convenience retail

- Improving customers’ energy efficiency, performance and total cost of ownership
- Across all major sectors in >160 markets

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Sources: Brand Finance Global 500 (2021), Kline & Company (2019), Shell analysis based on most recent competitor reports and publications.
MARKETING - MOBILITY OFFER OF THE FUTURE

WE WILL PROFITABLY EVOLVE OUR OFFER, INCREASE OUR CUSTOMER SPEND AND HELP TO DECARBONISE MOBILITY

Shell Recharge

>30k charge points at Shell Recharge by 2025
Up to 100% carbon emissions reduction for EV drivers

Customer proximity and brand value | Network and scale benefits | Integrated power value chain

Shell Hydrogen
Convenience retail & Food kiosk
Digital and new Services
MARKETING
SHELL HAS THE FOUNDATION TO GROW LOW-CARBON FUELS PROFITABLY

More than 10 billion litres of low-carbon fuel components sold under the Shell brand in 2019

RENEWABLE NATURAL GAS FOR ROAD TRANSPORT
Took FID on two RNG production opportunities and Shell’s first RCNG dispensary in California and signed two agreements in Los Angeles for the supply of RCNG

AVIATION
Selling sustainable aviation fuel to Air France, Lufthansa and Amazon Air and expanding

TRADING AND SUPPLY
Blended 5.4 billion litres of low-carbon fuel components in 2019 for sales under the Shell brand

MANUFACTURING
Producing low-carbon fuels through co-processing in Rheinland, enough to fill around 600 thousand vehicles

ADVANCED TECHNOLOGY
Announced a JV with Enerkem to produce low-carbon fuels and renewable chemicals from waste feedstock and green H2 in Canada

Raízen JV – Shell 50%

- Markets up to 100% ethanol blend in Brazil and is one of the largest traders of sugarcane ethanol globally
- Integrated bio-energy parks already capable of:
  - 2.5 billion litres of sugar-cane ethanol produced in 2019
  - 55 million litres of second-generation ethanol produced since 2015
  - 2.1 TWh of electricity produced from biomass per annum
  - 21 MW biogas plant able to produce 138 MWh per annum of renewable power, the 4th largest in the world

If Raízen was a country, it would be the 5th largest producer of ethanol globally
RENEWABLES AND ENERGY SOLUTIONS
INTEGRATED POWER PORTFOLIO – DELIVERING CUSTOMER-CENTRIC ENERGY SOLUTIONS

- A new Shell business established in 2016
- More than 650 professionals, around a third being external hires with experience across the power sector, and more than 3,400 staff in Shell portfolio companies
- $3.2 billion invested over 2016 - 2020
- A strong brand with unique customer access
  - More than 1 million residential and small business customers, predominantly in Europe, and expanding globally
  - More than 10,000 commercial and industrial customers
  - Strategic alliances with Microsoft and Amazon
- Decades of experience in power trading and wholesale supply
  - Global power sales to end customers at ~255 TWh in 2020
  - One of the top three power wholesale traders in North America
- Managing green electrons for our customers
  - Access to 5.6 GW of operating renewable power capacity globally
  - 1.9 GW of renewable generation capacity in operation and 7.8 GW in development¹

¹Renewable generation capacity figures are gross. Shell share: ~1 GW in operation, ~3.9 GW in development.
RENEWABLES AND ENERGY SOLUTIONS
A CUSTOMER-FIRST STRATEGY – INTEGRATED CLEAN ENERGY SYSTEMS DRIVE HIGHER RETURNS

Simplifying customer decarbonisation journeys by offering integrated energy solutions

Leveraging Shell’s core advantages in power:
- Existing global customer base with significant ambitions to decarbonise via renewable electrification
- Established trading capability across multiple markets and products
- Proven risk management capability enabling integrated solutions within and beyond power

Digitally-enabled product platforms

Managing green electrons via trading and targeted asset strategy

Our Ambition
A leading provider of clean Power-as-a-Service
- Our customer-first strategy will differentiate us from our peers and target greater than 10% unlevered IRR
- Higher margins through a hard-to-replicate Power-as-a-Service integrated business model
- Digital will be a key enabler and through partnerships we will accelerate our capability
- We will invest $2-3 billion per annum on average in the near term and leverage third-party capital to grow a material asset base, focusing on renewable generation capacity where it enables our customer solutions
- We aim to substantially increase our investment to build a material business for Shell so that by 2030 we have:

>15 mln
Customers served

>560 TWh
Sales to customers

- We aim for our sales to be, generally, on average of lower carbon intensity than the grid average, contributing to greening the grid where we sell power

Royal Dutch Shell | February 11, 2021

Renewable and Energy Solutions additional financial disclosures from 2022.
Customers under pressure to decarbonise in an increasingly complex energy market

- How can I move towards net zero economically?
- How much disruption will this cause to my business operations and profitability?
- How can I make it simple and avoid this confusing web of products, technology and regulatory options?
- How can I manage my mobility, industrial and building energy needs and not have a patchwork of single point solutions?
- What are the benefits of having my own generation and/or storage equipment?
- How can I afford the required investments?
- Are my green efforts paying off and what information do I have to showcase this?

Simple solutions to reduce costs and/or carbon emissions

- Business model to simplify the decarbonisation, decentralisation and digitization journey of customers
- Aggregate and control assets, resources and demand across the power system
- Leverage Shell’s existing strengths in managing integrated, asset-and power infrastructure and providing value to customers ‘as a service’
- Combined offering of power and technology, analytics, personalised services and grid access to deliver lower cost, lower carbon energy solutions
- As part of aggregation, help customers connect and manage customer assets on the grid to generate revenues income with spare or flexible capacity and demand
- Provide insights into customers’ energy and carbon footprints to guide them along their energy transition journey
RENEWABLES AND ENERGY SOLUTIONS
CREATING A CLEAN HYDROGEN MARKET TO SERVE INDUSTRY AND HEAVY-DUTY TRANSPORT

Clean hydrogen¹ global demand projections

<table>
<thead>
<tr>
<th>Year</th>
<th>Low case</th>
<th>High case</th>
</tr>
</thead>
<tbody>
<tr>
<td>2020</td>
<td>&lt;1</td>
<td>10</td>
</tr>
<tr>
<td>2030</td>
<td>40</td>
<td>50</td>
</tr>
<tr>
<td>2040</td>
<td>190</td>
<td>187</td>
</tr>
<tr>
<td>2050</td>
<td>696</td>
<td></td>
</tr>
</tbody>
</table>

- Million tonnes per annum
- Low case: 700
- High case: 696

The clean hydrogen market could grow to up to 50% of today’s oil demand by 2050

Shell’s leading position in a fast-growing market

- Decades of expertise in hydrogen retailing with more than 50 Shell-operated sites globally and working to enable the mass-market roll-out of hydrogen trucks
- A strong funnel of green hydrogen projects with more than 4 GW of capacity announced
- Experience of building integrated new value chains at scale starting from customer needs

Our hydrogen strategy

- Orchestrate integrated hydrogen hubs to serve industry and heavy-duty transport, anchored on Shell’s own demand
- Utilise unique integration opportunities across Shell’s portfolio:
  - Access to green electrons, natural gas and CCS
  - Established relationships with mobility and industrial customers
  - Repurposing of existing infrastructure like retail sites and gas pipelines
- Aim to replicate the scale, flexibility and success of our LNG market position and capture a doubledigit share of global clean hydrogen sales


¹Clean hydrogen includes green hydrogen and hydrogen made from fossil fuels with carbon capture.
**RENEWABLES AND ENERGY SOLUTIONS**  
**CREATING A CLEAN HYDROGEN MARKET BY ORCHESTRATING INTEGRATED HYDROGEN HUBS**

<table>
<thead>
<tr>
<th>Timeline</th>
<th>Taking a phased approach</th>
<th>Proof points¹</th>
</tr>
</thead>
</table>
|         | **Step 0 – Building capability**  
Building on our expertise of handling molecules, established a funnel of clean hydrogen projects and a leading hydrogen retail position | ▪ H2 Mobility JV (100 stations), Germany  
▪ First California H2 stations, USA  
▪ Liquid H2 shipping demo, Japan |
| 2021    | **Step 1 – Own use**  
Focus on serving own assets as anchor demand in hubs. This enables us to build supply positions and gain experience and credibility | ▪ RefHyne electrolyser (10 MW with 100 MW expansion in design), Germany  
▪ Rotterdam electrolyser (200 MW), NL |
|         | **Step 2 – Serving the hubs**  
Expand to serve third-party customers in local hubs. This creates markets and solutions and expands our supply position and hydrogen supply corridors. Through early fuel cell electric vehicle adopters, we prove viability, use case, technology and excellent customer experience for road transportation market | ▪ China electrolyser (20 MW)  
▪ Hamburg electrolyser (100 MW), Germany  
▪ California stations (50 stations)  
▪ H2Accelerate - Phase 1, Europe  
▪ H-Vision, NL |
|         | **Step 3 – Starting the clusters**  
Ready to serve inter-regional and international industrial demand through an expanding hydrogen backbone network, including accelerated rollout of vehicles and refuelling infrastructure | ▪ NortH2 (4-10 GW), NL  
▪ H2Accelerate - Phase 2, Europe |
| 2035    | **Step 4 – Fully developed, traded hydrogen market**  
Facilitated by a widespread hydrogen pipeline network, including import. Mass adoption of hydrogen fuel cell electric vehicles for commercial road transport and developing shipping and aviation markets | ▪ Rotterdam import  
▪ Supplying aviation and marine transport sectors |

¹Projects in different stages of development.

A Shell hydrogen station in California, USA

A 10 MW RefHyne electrolyser construction to be completed in mid2021, Germany
RENEWABLES AND ENERGY SOLUTIONS
INTEGRATED CLEAN ENERGY SYSTEMS
DRIVING HIGHER RETURNS

- The energy system increasingly needs system-wide optimisation and the integration of flexible assets including the optimisation of customers’ own assets

- Shell’s capabilities to match supply and demand for all our customer use cases and energy types in an integrated infrastructure are essential in any future energy system

- Digital platforms provide new means to meet customer demand enabling Shell to tap into these growing value pools

- These digitally-enabled solutions go beyond power and will integrate into all areas of customer activities including EV charging, demand management, virtual power plants, LNG, CCS, hydrogen

- Our competitive edge to make these integrated systems carbon- and cost-efficient, as well as trade, optimise and convert flows of clean power, net-zero natural gas and clean hydrogen, will generate higher returns for investors
RENEWABLES AND ENERGY SOLUTIONS

INTEGRATED CLEAN ENERGY SYSTEMS – ROTTERDAM EXAMPLE

- Customer-centric approach
- Digitally-enabled product platforms
- Customer-demand-backed asset development

Example: Rotterdam Clean Energy Hub

- Our offtake agreement from the Hollandse Kust (Noord) wind farm (759 MW capacity) enables Shell to:
  - Supply power via a 250 MW PPA to an anchor customer in support of its decarbonisation objectives
  - Trade power on the open market to serve additional customers and/or Shell own use
  - Power a 200 MW electrolyser
- Hydrogen plays a balancing role as an energy storage solution to increase system resilience
- By anchoring demand on the Shell Pernis refinery, we support the development of the green hydrogen infrastructure for the trucking sector
- Porthos CCS adds optionality to the system by enabling blue hydrogen

Royal Dutch Shell | February 11, 2021
Since 2015, the number of internet-connected devices has quadrupled

- In parallel, the growth of cloud-based technology has enabled more flexible processing and accelerated software development
- The information we can obtain around generation, storage and consumption of power has never been greater, and the associated value continues to grow
- Just as the cloud enabled software-as-a-service, the development of these technologies is creating the opportunity to offer Power-as-a-Service to customers
- Digital technology and deeper data insight provide the ability to personalise the offerings to businesses and consumers. Internet-supported devices enable remotely controlled hardware and automated live optimisation
- AI provides the opportunity to optimise the manner in which the personalised offering is delivered – maximising the use of renewables and improving margins
- Shell’s own digital investment, partnerships and acquisitions of digital companies like Limejump, sonnen and NewMotion will make us a leader in this emerging market
RENEWABLES AND ENERGY SOLUTIONS
OUR POWER-AS-A-SERVICE STRATEGY TARGETING GREATER THAN 10% UNLEVERED IRR

SHELL’S BASE
BUSINESS MODELS
Strong fundamentals

SHELL’S DIGITAL
INTEGRATION APPROACH
Creating higher margins

A COMPETITIVE,
HIGHER-RETURN BUSINESS

Business, digital and energy system integration
A strong brand value position in the sector

RENEWABLE GENERATION & INFRASTRUCTURE ASSETS
Infrastructure returns

- Customer demand-backed investments in infrastructure control points
- Market-competitive project delivery
- Greater investment velocity enabled by third-party capital

DIGITAL PLATFORM ECONOMICS
Strong unit economics

- Core Power-as-a-Service and demand-supply optimisation business model
- Integrated customer-led product development with a mix of power and non-commodity sales
- Capturing margin uplift potential through economies of scale

Acquisitions and partnerships to accelerate growth and product development
Real-time cross-commodity optimisation

BALANCED PORTFOLIO
Greater than 10% unlevered IRR

- Scalable and growth-focused integrated model
- Resilient portfolio with diversified exposure to rapid energy transition growth
- Through-cycle capital optimisation and faster rotation
- Shell manages offtake, leveraging our existing ability to de-risk markets and generate higher returns for our shareholders
Acquired in Q3 2019

Second-largest commercial and industrial retailer of electricity in Australia (more than 20% market share)

Established customer solutions platform across generation, trading and diversified customer value propositions:
- ~4,500 customers
- ~17 TWh of power sales in 2020
- ~0.6 GW of generation capacity
- Selling directly to customers in both gas and electricity markets

Added more than 250 energy professionals stationed throughout Australia

De-risks and accelerates Shell’s ambitions to tap into a growing value pool

Supply-demand matching capability between asset developers and customers in a core market

Winning customers and enabling higher service premiums thanks to having the highest customer satisfaction rating for nine consecutive years

Rebranding to ‘Shell Energy’ in early 2021
RENEWABLES AND ENERGY SOLUTIONS
INTEGRATED POWER STRATEGY – OPERATING MODEL FOCUSED ON REGIONAL LEADERSHIP 1/2

**United States**
- One of the top three power wholesale traders in North America

**Energy solutions**
- Growing portfolio of commercial and industrial customers and PPAs with customers including Wells Fargo, Rice University and Danone
- Helping global customers including Microsoft and Amazon with their renewable energy goals

**Trading and optimisation**
- The third-largest power wholesale trader in North America

**Renewable assets**
- US-focused solar development platform (Silicon Ranch), operating capacity ~1.1 GW, Shell share 46.47%
- 1.6 GW wind farm (Mayflower) in development, Shell share 50%
- 2.5 GW wind farm (Atlantic Shores) in development, Shell share 50%

**Europe**
- In top three EV charging operators by volume

**Energy solutions**
- ~1 million customers of integrated home energy solutions (Shell Energy Retail)
- More than 60,000 operated EV charge points (primarily through NewMotion)
- Intelligent home battery energy storage (60,000 sonnen battery customers worldwide)
- Sustained growth of the commercial and industrial portfolio with more than 900 customers across key markets

**Trading and optimisation**
- Growing power trading business across Europe
- A leading player in the UK distributed energy market (Limejump)

**Renewable assets**
- NL – 160 MW of renewable generation capacity in operation and 1.6 GW in development across solar and wind
- Germany – 10 MW hydrogen electrolyser (RefHyne) in development
- Ireland – 300 MW floating wind farm (Emerald) in early-stage development, Shell share 51%
**RENEWABLES AND ENERGY SOLUTIONS**

**INTEGRATED POWER STRATEGY – OPERATING MODEL FOCUSED ON REGIONAL LEADERSHIP** 2/2

### Australia
- A fully integrated position built through a series of acquisitions and leveraging the Shell brand
- Significant synergies with our natural gas business

### Energy solutions
- Achieved number one in customer satisfaction among business electricity retailers by offering tailored, convenient and cost-competitive energy solutions (ERM Power)
- Partnering with landowners to develop carbon farming projects that generate carbon credits, offered for sale through the Australian Government’s Emissions Reduction Fund and other markets (Select Carbon)

### Trading and optimisation
- Supplying 17 TWh load to commercial and industrial customers via ERM Power (#2 in Australia\(^\text{1}\))

### Renewable assets
- One of Australia’s largest solar developers that has delivered six projects totaling 680 MW to the market (ESCO Pacific)
- 120 MW solar farm (Gangarri) in development

### Asia
- Providing reliable electricity to an increasing number of customers without it today
- Building power trading capabilities in the region

### Energy solutions
- Financing, constructing, owning and operating high-quality photovoltaic rooftops for commercial and industrial customers (Cleantech Solar)
- Minority investments in companies providing access to energy (including Husk Power, Orb Energy and d.light)

### Trading and optimisation
- Power trading capabilities with hubs in Japan, China and Philippines
- HySTRA demonstration project, which aims to ship hydrogen from Australia to Japan

### Renewable assets
- India and South-east Asia - More than 250 MW combined capacity of solar power plants (Cleantech Solar)
- South Korea – Up to 800 MW floating wind farm (Munmu Baram Phase 1) in early-stage development, Shell share 80%
- China – 20 MW green hydrogen electrolyser in development

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\(^{1}\)Second-largest retailer in Australia to commercial and industrial customers by load, based on publicly available data.
RENEWABLES AND ENERGY SOLUTIONS

A LEADING PROVIDER OF CARBON-NEUTRAL SOLUTIONS ENABLED BY NATURE-BASED PROJECTS

A portfolio of carbon credits to meet current and future customer demand

- One of the world’s largest carbon credits marketers and traders with hubs in Brisbane, Calgary, London, San Diego, Shanghai, and Singapore
- In 2020, Shell retired more than 4 million credits as part of carbon solutions for customers
- An ambition to invest around $100 million per year in nature-based projects that reduce or avoid CO₂ emissions, and offer other valuable ecosystem services

Solutions for customer decarbonisation journeys

- Carbon-neutral driving is available to fleet customers in more than 12 countries and to private customers at more than 4,600 retail sites in Austria, Canada, Denmark, Germany, the Netherlands, Switzerland and the UK
- Seven carbon-neutral LNG cargoes delivered to customers in Asia
- Carbon-neutral lubricants available for wind turbines, engines and the shipping sector in three markets
- Carbon-neutral home energy chosen by 18,000 UK Shell Energy customers
- Carbon-neutral fuels offered to commercial and industrial customers in Denmark, Germany, the Netherlands, UAE, and the United Kingdom
- Carbon-neutral gas offered to customers in Germany, Italy, and Spain

Robust screening process
We maintain a rigorous internal screening process to ensure the projects we invest in and buy from are certified under credible and independent carbon crediting standards, which include third-party verification.

Select Carbon, Australia
In 2020, Shell acquired Select Carbon, which runs more than 70 carbon farming projects that span an area of around 10 million hectares across Australia.

*Carbon-neutral* means that Shell has engaged in a transaction where an amount of carbon dioxide equivalent associated with the production, delivery and usage of the fuel has been removed from the atmosphere through a nature-based process or emissions saved through avoided deforestation.
RENEWABLES AND ENERGY SOLUTIONS
DEVELOPING CCS TO ACCELERATE DECARBONISATION

Shell is working on CCS opportunities that enable:
- Netzero emissions from own operations
- Low-carbon gas
- Low-carbon hydrogen
- Bio-energy with CCS
- Decarbonising sectors
- Direct air capture

Shell’s CCS strategy
- Develop commercial CCS hubs that enable decarbonisation of multiple customers and support Shell’s role in the energy transition
- Ambition to store over 2.5 million tonnes CO₂ per annum by 2035
- Work with governments to help shape their net-zero emission pathways and advocate for CCS through active membership in industrial organisations

Announced CCS projects
- Operational or postFID projects
- PreFID projects

- Multiple projects and opportunities in the funnel across different regions with the potential to decarbonise multiple value chains and customers
- Involved in the entire value chain including operating assets, capturing CO₂, building transport and storage infrastructure and developing commercial CCS applications
- Active research and development program advancing technology and supporting project deployment
TRANSITION PILLAR
DELIVERING THROUGH THREE PILLARS
INTEGRATED GAS
LNG DEMAND TO GROW AS GAS PROVIDES MORE AND CLEANER ENERGY

Reduce CO₂ and improve air quality

- Natural gas emits between 45% and 55% less GHG than coal when used to generate electricity and less than one-tenth of the air pollutants
- More than 750 million tonnes of CO₂ savings as a result of coal-to-gas switching over the last decade
- In 2020, for the first time on record, the number of coal-fired power stations decreased

CO₂ savings from coal-to-gas switching

LNG needed to connect natural gas supply and demand growth

Estimated LNG trade volume in 2040, million tonnes

Royal Dutch Shell | February 11, 2021

INTEGRATED GAS
WORLD LEADER IN LNG: RESILIENT CASH GENERATION INTO THE FUTURE

**Lead** the market
- Leverage world-class innovation, flexibility and LNG trading capabilities
- Grow market footprint by creating new markets and embracing new customers
- Build material LNG for transport business by 2030 with >20% share in LNG bunkering sales

**Run** the business
- Unmatched portfolio optionality and resilience; proven in market downturn
- Pearl GTL with record production in 2020; aiming to grow value from GTL products
- Target ~20% opex reduction by 2022

**Grow** the business
- Selective investment in competitive LNG assets, >7 mtpa of new capacity onstream by middle of the decade
- Competitive project funnel with expected average IRR of 14-18% and unit technical cost below $5/MMBtu
- Greater value, volume and optionality with diversified sources of supply

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**LNG portfolios in 2020**

<table>
<thead>
<tr>
<th>mtpa</th>
<th>Shell</th>
<th>QP</th>
<th>Total</th>
<th>Petronas</th>
<th>Exxon</th>
<th>Cheniere</th>
<th>Chevron</th>
<th>BP</th>
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</table>

*JV marketed* | *Equity lifting* | *Third-party supply*

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**Cash flow from operations**

<table>
<thead>
<tr>
<th>Year</th>
<th>$ billion</th>
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</thead>
<tbody>
<tr>
<td>2017</td>
<td>8.2</td>
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<tr>
<td>2018</td>
<td>14.8</td>
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<tr>
<td>2019</td>
<td>15.8</td>
</tr>
<tr>
<td>2020</td>
<td>10.7</td>
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</tbody>
</table>

*JCC3 (year average)*

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**Unit technical cost**

<table>
<thead>
<tr>
<th>Year</th>
<th>$ per MMBtu</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>8.0</td>
</tr>
<tr>
<td>2016</td>
<td>6.8</td>
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<tr>
<td>2017</td>
<td>6.0</td>
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<tr>
<td>2018</td>
<td>5.0</td>
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<tr>
<td>2019</td>
<td>5.0</td>
</tr>
<tr>
<td>2020</td>
<td>4.0</td>
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</tbody>
</table>

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**Serve customers in the fastest growing energy markets**

**Deliver resilient results**

**Further extend our leading position**

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Opex reduction versus 2019. LNG portfolios represent LNG available for sale in 2020; Shell interpretation of Wood Mackenzie, IHS and other publicly disclosed data.
INTEGRATED GAS
PATHWAYS TO NET-ZERO FOR NATURAL GAS

Help customers offset emissions through carbon-neutral LNG
- Delivered the first 7 carbon-neutral LNG cargoes to customers in Asia
- Enough to power nearly 1 million homes for a year
- Gas sold to commercial and industrial customers and used to make hydrogen for refuelling stations

Decarbonise transport emissions through renewable natural gas
- Build biogas liquefaction plant in Germany by 2023, with capacity to supply thousands of trucks with bioLNG
- Plan to grow European LNG refuelling stations to 50 sites (up from 24) by end of 2021 for bioLNG distribution
- In 2020, signed two agreements in Los Angeles for the supply of R-CNG supported by two RNG investments in the US

Reduce Shell and industry emissions through CCS
- Invest in CCS in North West Europe through a portfolio of projects in the UK, Norway and the Netherlands
- Northern Lights project under construction in Norway. Stores up to 1.5 million tonnes of CO₂ per annum
- Invest in CCS to unlock low-carbon blue hydrogen production for industrial decarbonisation
INTEGRATED GAS
GAS CONTINUES TO PROVIDE MORE AND CLEANER ENERGY

Reduce CO₂ and improve air quality

- Natural gas emits between 45% and 55% less GHG than coal when used to generate electricity and less than one-tenth of the air pollutants.
- More than 750 million tonnes of CO₂ savings as a result of coal-to-gas switching over the last decade.
- In 2020, for the first time on record, the number of coal-fired power stations decreased.

CO₂ savings from coal-to-gas switching

<table>
<thead>
<tr>
<th>Year</th>
<th>Global</th>
<th>Rest of world</th>
<th>India</th>
<th>Europe</th>
<th>China</th>
<th>United States</th>
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<tbody>
<tr>
<td>2011</td>
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</table>

Reduce methane emissions

- Lead a coalition of companies and civil society to continuously reduce methane emissions in the natural gas supply chain.
- Co-developer and founding signatory of OGMP 2.0 – the new gold standard for methane emissions reporting.
- Drive improvement in Shell:
  - Target to maintain methane emissions intensity below 0.20% by 2025.
  - Implement programmes to detect, quantify and mitigate methane emissions, including use of drones with specialised cameras and laser detection technology.

INTEGRATED GAS
GLOBAL LNG – MORE MARKETS, GROWING DEMAND
LNG DEMAND EXPECTED TO GROW, UP TO 4% PER YEAR UNTIL 2040

LNG needed to connect natural gas supply and demand growth

Estimated LNG trade volume in 2040, million tonnes

Gas demand expected to grow across sectors

Global gas demand growth by sector, BCM

<table>
<thead>
<tr>
<th>Year</th>
<th>Power</th>
<th>Industry</th>
<th>Residential/commercial</th>
<th>Transport</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2020</td>
<td>35%</td>
<td>27%</td>
<td>29%</td>
<td>9%</td>
<td>5,000</td>
</tr>
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</table>

LNG in transport showing significant potential

>10 MTPA
China LNG road transport demand in 2020

~8 MTPA
European LNG road transport demand by 2030

30-50 MTPA
Global LNG bunker demand by 2040

Sources: Shell interpretation of IHS Markit and Wood Mackenzie data.
INTEGRATED GAS
EXTEND OUR LEAD IN A GROWING LNG MARKET

Leverage world-class trading portfolio
- Supplied 70 mtpa of LNG to customers in 2020. Leading supplier to China
- Diverse portfolio with varying contract duration, flexibility and indexation
- 37 countries supplied from global portfolio with a fleet of 60 LNG carriers

Create new markets
- Developing 3 mtpa of new LNG markets by 2025
- Providing initial supply for Croatia, Hong Kong and Ghana
- Ambition to create new markets in Philippines, Indonesia, Brazil, Pakistan, Bahamas and other countries

Deliver LNG for transport
- Supply >20% of growing global LNG bunkering demand
- Largest global LNG bunkering network with 6 operating vessels; >400 ship-to-ship LNG bunkering operations
- Expansion of own-use programme with >60 vessels and barges on order
- Building a retail network for LNG for road transport in Europe, China and India
INTEGRATED GAS
GROW OUR UNMATCHED LNG SUPPLY PORTFOLIO

Competitive funnel of opportunities
- Selective investment in competitive LNG assets; including backfill and expansion options
- Unit technical cost reduced by around 40% to $4.8/MMBtu since 2015
- Project funnel with expected average IRR of 14-18%
- Exploration focused on backfill opportunities

Deliver projects
- More than 7 mtpa of capacity to be added from LNG Canada and Nigeria LNG Train 7
- Both projects on track to deliver first cargo by the middle of the decade

Diversified supply chain
- Identify most competitive sources of supply to further strengthen and diversify portfolio
- Expand supply portfolio through additional offtake agreements, e.g. with Mozambique LNG, Venture Global

Unit technical cost

<table>
<thead>
<tr>
<th>Year</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cost</td>
<td>8</td>
<td>6</td>
<td>4</td>
<td>2</td>
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</table>

Key
- Shell equity (existing and under construction)
- Thirdparty term supply (existing and under construction)

Map excludes thirdparty supply contracts with unspecified supply location.
INTEGRATED GAS

INTEGRATED ENERGY SOLUTIONS IN QUEENSLAND, AUSTRALIA

1. LNG export & domestic gas sales serve local and global customers...
   - **7.8 MT** sold globally
   - **2.5 BCM** domestic sales

2. ...with power retailing established and a solid customer base...
   - **0.5 BCM** supplied to QGC

3. ...and renewable energy investments supply core customer demand...
   - **Gangarri 120 MW** solar farm being built
   - **Since 2016** providing energy storage

4. ...and nature-based solutions help offset emissions
   - **ESCO Pacific 680 MW** solar projects developed and sold
   - **SelectCarbon 10 million ha** in 70 projects

Royal Dutch Shell | February 11, 2021

All sales volumes reported are 100% sales volumes for 2020 in/from Australia.
INTEGRATED GAS
CREATING AN INTEGRATED GAS & POWER VALUE CHAIN IN INDIA

- Transforming a traditional LNG regas business into a fully owned and integrated Shell value chain
- Supporting India to increase the share of natural gas in its primary energy consumption from 6% towards its aspired target of 15% by 2030
- Contributing to approximately 25% of Gujarat’s energy mix, natural gas provides air quality improvements for the state and reduces costs for companies

1. LNG import provides the backbone...
   - 75 cargoes record delivery in 2020
   - ~20% of India’s LNG imports
   - Access to national/regional gas grids enabling sales to customers across India

2. ...to serve customers downstream, including those not connected to the gas grid...
   - 1 BCM direct sales to customers
   - 5 BCM throughput capacity sold to third-party users
   - Truck loading unit commissioned & deliveries commenced, unlocking off-grid gas sales

3. ...supporting customers’ decarbonisation journey through solar deployment...
   - 49% stake in Cleantech Solar
   - >500 MW solar systems portfolio

4. ...providing reliable electricity supply to communities...
   - 100 community mini-grids through Husk
   - >5,000 micro-enterprise customers
   - Other Energy Access investments such as d.light and Orb Energy

5. ...and making a positive contribution to society.
   - >1,200 ha mangrove plantations
   - >6 million saplings planted
CHEMICALS AND PRODUCTS

DELIVERING LOW-CARBON SOLUTIONS THROUGH INTEGRATED ENERGY AND CHEMICALS PARKS

Transition to 6 core Energy and Chemicals Parks

- Delivering synergies through integrating Refining and Chemicals, bringing customers and assets together
- Expanding to low-carbon product offerings
- Utilising existing infrastructure and assets enables a faster and more efficient transition
- Progress made on transforming 6 core assets to low-carbon solutions driven by customer demand:
  - Divestment of Martinez and Fredericia
  - Conversion of Tabangao
  - Closure of Convent
  - Rightsizing capacity at Bukom
  - Porthos CCS at Pernis
- Selective growth in Chemicals

Transformation of 6 core Energy and Chemicals parks driven by pace of energy transition and customer demand. Aim to complete before end of this decade.
# Chemicals and Products: Growing Leadership in Performance Chemicals

## Chemicals enable everyday life and decarbonisation of society

**Energy savers**  
Save energy use and help reduce CO₂ emissions

**Care**  
Protecting, caring for and healing us

**Connecting us**  
Connect us all and help bring us together

**In the home**  
Help make a house a home

## Growth linked to GDP+ with higher returns

### Shell performance products

<table>
<thead>
<tr>
<th>Year</th>
<th>GDP</th>
<th>Chemicals</th>
<th>Performance Chemicals</th>
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<td>200</td>
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</tr>
<tr>
<td>2010</td>
<td>300</td>
<td>300</td>
<td>300</td>
</tr>
</tbody>
</table>

- Priced on their benefit to society/individuals
- Higher returns than commodity chemicals (increased resilience/lower volatility)
- Growing from the customers’ demand

## Focus on sustainable chemicals

- Selective value chains where we have competitive advantage
- Proprietary technology
- Market access
- Advantaged feedstocks
- Scale
- Purposeful investments that increase:
  - Performance chemicals – Pennsylvania Chemicals and Geismar
  - Presence in high-growth markets – Nanhai expansion
- Developing sustainable product offering through:
  - Circular products; target 1 mtpa plastic waste processed by 2025
  - Opportunity to use biomass feedstocks and electricity and hydrogen as power sources
**Reducing fuel production at Energy and Chemicals Parks**

- **2020**: [Chart showing fuel production decomposed into base oils, bitumen, chemicals, and fuels]
- **2030**: [Chart showing reduced fuel production, with a focus on chemicals and fuels]

**Reduce commodity exposure**
- Transforming to reduce emissions (Scope 3) from our products
- Reducing traditional fuel production from ~100 to ~45 mtpa by 2030

**Unlock integrated value with trading and optimisation**
- Optimise the output from our assets in real time
- Unique competitive advantage in volatile commodity markets

**Grow chemicals as an enabler**
- Further reduce commodity exposure by ~70% by 2030, increasing margins through intermediate and performance chemicals investments
- Investment in integrated petrochemical complexes in emerging markets
- Healthy funnel of opportunities to increase annual CFFO by up to an additional $1 to $2 billion by 2030 compared with the medium-term cash generation
UPSTREAM PILLAR
DELIVERING THROUGH THREE PILLARS

SHELL STRATEGY DAY 2021
Focusing the portfolio

- Prioritising 9 core advantaged positions that generate more than 80% of Upstream CFFO
- Core positions to attract ~80% of Cash capex
- Maximising value from lean positions: develop into core, harvest for cash or divest
- Focusing exploration on core positions (>80% spend) with an emphasis on Deep Water (>70% spend)
- De-risking our current frontier positions by 2025. Thereafter, no new frontier exploration entries anticipated
- Total oil production peaked in 2019 and a gradual decline of about 1-2% per annum through 2030 is expected
UPSTREAM
DELIVERING THE ENERGY OF TODAY WHILE FUNDING THE ENERGY OF TOMORROW

Operating responsibly

- Actively reducing GHG emissions from our operations
  - On track to eliminate routine flaring by 2030. Achieved more than 60% reduction since 2016
  - Maintaining methane emissions intensity <0.2%
  - Reducing scope 1 and 2 total emissions. Achieved ~20%¹ reduction since 2016
- Actively reviewing our operational response and portfolio options for onshore oil in Nigeria
- Continuously raising the standards on safety, ethics, and transparency, and powering lives through local employment and tax contributions

Delivering competitively

- Driving operational excellence: aiming for 20-30% opex reduction by 2025
- Leading developer and resilient pre-FID projects portfolio
  - Average project IRR 20.25%
  - Average breakeven price around $30/bbl
  - Average project payback time of 7 years
- Maximising value from our molecules through industry-leading integration with trading and Integrated Gas portfolio

- UDC reduced by more than 50% since 2015
- Ambition to further reduce UDC by ~10% by 2025 through simplification, standardisation, and replication across the portfolio

- Controllable Availability improved to around 90% in 2020
- Controllable Reliability in 2020 was 94%

- UOC reduced by more than 25% since 2015
- Ambition to further reduce UOC by ~20% by 2025 by driving cost and production improvements in the front line of our assets, enabled by digitalisation

- CFFO per barrel increased by almost 70% since 2015, at an even lower oil price in 2020
- High-grading the portfolio, further focus on cost and operational excellence will underpin continued industry-leading CFFO per barrel
UPSTREAM

ACTIVELY REVIEWING OUR OPERATIONAL RESPONSE AND PORTFOLIO OPTION FOR ONSHORE OIL IN NIGERIA

- Onshore footprint reduced by 50% since 2010
- A focused operational response by SPDC has resulted in notable improvements on spills in 2020
  - Total volume spilled is the lowest recorded since 2011
  - Total third-party incidents are down 24% from 2019
- Over 350 wellhead cages have been fitted for asset protection, significantly reducing interference
- Enhanced engagements with communities driving increased awareness of the negative impact of theft and sabotage
- Remediation has been hampered in 2020 by COVID. This work, including Bodo remediation, carries on where possible and remains a priority for a full return to normal activity as soon as possible
- Despite these interventions sabotage and theft continues – a total of 143 third-party incidents were recorded in 2020
CAPITAL ALLOCATION
BREAK-OUT

SHELL STRATEGY DAY 2021
Portfolio allocation objectives

- Strategy robust to multiple scenarios
- Achieve attractive risk-adjusted returns across all time horizons
- Flexible acceleration to Growth pillar

Explore scenarios
- Pace of energy transition
- GDP growth, commodity supply and demand

Appraise/Adjust
- Measure progress
- Apply learnings

Apply strategy
- Powering Progress goals
- Competitive advantages
- Role of each business

Optimise and deliver
- Select best allocation by business
- Deliver financial and carbon targets

Construct multiple portfolios
- Test attractiveness, resilience, carbon, flexibility

Through an iterative annual process
# Disciplined Capital Allocation at the Project Level

## Portfolio Capital Allocation

<table>
<thead>
<tr>
<th>IRR hurdle rates</th>
<th>Marketing</th>
<th>Renewables and Energy Solutions</th>
<th>Integrated Gas</th>
<th>Chemicals and Products</th>
<th>Upstream</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>15%</td>
<td>&gt;10% Integrated Power</td>
<td>12%</td>
<td>12%</td>
<td>18%</td>
</tr>
</tbody>
</table>

## Additional Considerations

- Net present value
- Capital efficiency
- Optionality
- Carbon
- Opex yield
- Payback period
- Unit cost
- Breakeven price
- Nontechical risks
- Near- and long-term cash flow profile
- Operational risk

## Final Investment Decisions

Supported by robust governance, independent assurance and post-investment reviews
WHALE DEVELOPMENT GULF OF MEXICO

- Operated by Shell (60%)
- Discovery in 2017, FID in 2021
- Production facility capacity of 100 kboe/d and 200 MMScf/d
- Water depth of ~8000 feet
- GHG intensity <0.065 tCO₂eq/THC

<table>
<thead>
<tr>
<th>Project level approach</th>
</tr>
</thead>
<tbody>
<tr>
<td>Returns IRR</td>
</tr>
<tr>
<td>Payback period Year</td>
</tr>
<tr>
<td>Break-even price $/boe</td>
</tr>
<tr>
<td></td>
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<td></td>
</tr>
</tbody>
</table>
CAPITAL ALLOCATION
HIGHLY PROFITABLE GLOBAL RETAIL PORTFOLIO

Strong financial performance through dynamic capital allocation and consistent project delivery

Global investment programme to execute strategic priorities

Actual cash returns against original investment plan

<table>
<thead>
<tr>
<th>Year</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Return</td>
<td>109%</td>
<td>106%</td>
<td>102%</td>
<td>111%</td>
</tr>
</tbody>
</table>

- More than 2000 growth projects annually
- Dynamic capital allocation including in-year capital redeployment
- Rigorous execution, on-budget project delivery and active portfolio management

Global investment programme

- New sites opened in 2020: >1,000
- New stores upgraded in 2020: >1,000

- Returns
  - IRR: >15%
  - Payback period: 6–8 years

- Payback period
  - UK: 145 stores upgraded in 2020
  - China: 195 new sites opened in 2020

Notes:
- Cash returns is equivalent to direct operating pretax cash flows before overhead costs, monitored on a 3-year rolling basis.
BORSSELE III & IV OFFSHORE WIND FARM

- Operated by Blauwind Consortium, Shell share 20%
- Reached first power in 2020
- 732 MW capacity wind farm in the Netherlands

Returns
- >7% unlevered IRR
- Procurement optimisation increases resilience

Leverage
- Lower risk cash flows allow for increased leverage
- Overall >12% equity return at project level

Capital recycling
- Active portfolio management with sell-down of equity interest from 40% to 20%
- Capital released available for reinvestment in other Integrated Power projects

Integrated returns optimisation
- Shell retains 50% of the power output creating potential for additional value creation
POWERING PROGRESS
OUR STRATEGY

SHELL STRATEGY DAY 2021
THE SHELL INVESTMENT CASE

GENERATING SHAREHOLDER VALUE
Growing value through a dynamic portfolio and disciplined capital allocation

POWERING PROGRESS
Our strategy to accelerate the transition to net-zero emissions, purposefully and profitably

RESPECTING NATURE
Protecting the environment, reducing waste and making a positive contribution to biodiversity

POWERING LIVES
Powering lives through our products and activities, and supporting an inclusive society

ACHIEVING NET-ZERO EMISSIONS
Working with our customers and sectors to accelerate the energy transition to net-zero emissions

UNDERPINNED BY OUR CORE VALUES AND OUR FOCUS ON SAFETY
Pace of digital adoption is accelerating at an almost exponential rate. Digitalisation and AI to drive efficiency in our existing businesses.

Strong foundation, capabilities and collaborations with industry leaders to accelerate the value from digitalisation:

1.3 trn
Rows of sensor data in data lake

~350
Staff in math & computer science discipline + 800 citizen data scientists

INDUSTRY COLLABORATION
- Shell and Microsoft entered strategic energy and technology alliance to support each other in achieving net-zero targets
- Shell, C3 AI, Baker Hughes and Microsoft Launch the Open AI Energy Initiative
- Shell and SAP collaborating on embedding carbon offsets in digital commerce platforms

Deployment of digital applications increased exponentially across all businesses, improving efficiency, improving safety and enabling new opportunities:

1.7mln
Registered users of AI powered loyalty program with 31 million rewards issued

64
AI powered applications being developed and deployed in 2020

5200
Pieces of equipment monitored by AI across our assets

10x
Increase in use of virtual rooms in 2020 powered by augmented reality

Value enabled through digitalisation

- Digital technologies are deployed throughout the integrated value-chain allowing us to better serve our customers with new and more convenient products/services and improving how we design our projects and run our operations.
- Enabling $2 billion of value in 2020, doubling from $1 billion in 2019, through:
  - Lower costs
  - Improved production
  - Improved utilisation / reduced downtime
  - Increased margins

- Value from deployment of digital technologies will grow significantly year on year.
SHELL ENERGY TRANSFORMATION SCENARIOS
ALL THREE PATHWAYS DECARBONISE – THE ISSUE IS SPEED

2100 GLOBAL AVERAGE SURFACE TEMPERATURE RISE VS. 1850-1900
1.5°C Sky 1.5
2.3°C Waves
2.5°C Islands

CUMULATIVE SINKS USING TECHNOLOGY AND NATURE TO 2100

Carbon capture and storage (CO₂)
Sky 1.5
Waves
Islands
10 Gt
122 Gt

Human-induced land carbon change (as CO₂)
Waves +160 Gt
Sky 1.5 +390 Gt
Islands -60 Gt

Solar becomes the largest energy source
Solar & wind become the major sources of electricity
Net zero CO₂ emissions is reached
CO₂ emissions down 50% vs. 2019
Electric vehicles reach 20% on the road
Electrification reaches 30%
Electrification reaches 50%
End of coal use in power generation
End of net deforestation globally

Global GDP doubles versus 2019
Oil use falls below 1970 levels
Fossil fuel use at half peak levels
Commercial hydrogen shipping emerges

Sky 1.5
Waves
Islands
2020-2050
2050-2100
2100+

Royal Dutch Shell | February 11, 2021
Energy demand grows and the energy system decarbonises – the issue is speed

Energy demand rises, with Sky 1.5 levelling off late-century

Total primary energy

CO₂ emissions decline towards net-zero, but the pace varies

CO₂ emissions

Source graph on left: Shell analysis based on data from the IEA (2020) World Energy Balances [Link], all rights reserved.
Source graph on right: Shell analysis based on data from Global Carbon Project (2020) and the IEA (2020) World Energy Balances [Link], all rights reserved.
SHELL ENERGY TRANSFORMATION SCENARIOS
ACTION ACCELERATORS

Sky 1.5 Scenario
Total final consumption of energy + carbon removals

Pace of decarbonisation

Crisis can galvanise action. To quicken progress towards netzero emissions requires:
- Alignment – policies, sectors, governments
- Policy frameworks and incentives
- Pioneer leaders

Source graph on left: Shell analysis based on data from the IEA (2020) World Energy Balances [Link], all rights reserved.
Source graph on right: Shell analysis, MIT joint program on Global Change.
<table>
<thead>
<tr>
<th>STRATEGY DAY 2021 DISCLOSURE OVERVIEW (1/3)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>GROWTH PILLAR:</strong> THE FUTURE OF ENERGY</td>
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<tr>
<td><strong>RDS</strong></td>
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<tr>
<td>Cash capex</td>
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<tr>
<td>Average project returns (IRR)</td>
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<tr>
<td>Hurdle rate (IRR)</td>
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<tr>
<td>Payback period</td>
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<tr>
<td>Underlying opex</td>
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<tr>
<td>Divestments</td>
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<tr>
<td>CFFO</td>
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</table>

Near-term Cash capex split by business are rounded and will be managed within the near-term range of $19.22 billion.
STRATEGY DAY 2021 DISCLOSURE OVERVIEW (2/3)

**Carbon**
- Netzero emissions energy business by 2050 including all emissions (Scopes 1, 2 and 3), in line with society
  - 2023: 68% reduction
  - 2030: 20% reduction
  - 2035: 45% reduction
  - 2050: 100% reduction
- Eliminate routine flaring by 2030
- Maintaining methane emissions intensity <0.2% by 2025
- Oil production expected to decline by 1-2% per annum by 2030
- Growing gas share of hydrocarbon production to ~55% by 2030
- Delivering equivalent of >50 million households with renewable electricity by 2030

**Marketing**
- Adjusted Earnings expected to grow to >$6 billion by 2025
- 40 million customers served at retail service stations daily by 2025
- 55,000 Shell-branded retail service stations by 2025
- 1/8 machines and engines protected by Shell Lubricants by 2025
- 15,000 convenience stores by 2025
- EV charge points:
  - >500,000 by 2025, of which >30,000 charge points at Shell Recharge
  - ~2.5 million by 2030
- Opex yield >60%

**Renewables and Energy Solutions**
- >15 million customers by 2030
- >560 TWh power sales to customers by 2030
- Capture double-digit share of global clean hydrogen sales by 2035
- Producing 8 times more low-carbon fuels than today
- Invest ~$100 million per annum in nature-based projects
- ~120 mtpa of nature-based solutions by 2030
- Targeting over 25 mtpa CCS by 2035

EV charge points include charge points at Shell forecourts and new locations as well as operated charge points owned by customers and third parties.
### Integrated Gas
- Opex reduction of ~20% by 2022 vs. 2019
- >20% share in LNG bunkering sales by 2030
- >7 mtpa of new LNG capacity onstream by the middle of the decade
- Develop 3 mtpa of new LNG markets by 2025
- Project competitiveness: UTC <$5/MMBtu

### Chemicals and Products
- 1 mtpa plastic waste processed by 2025
- Reducing traditional fuel production from ~100 to ~45 mtpa by 2030
- Reduce chemicals commodity exposure by ~70% by 2030
- $1-2 billion annual CFFO by 2030 from new projects, compared with the medium-term cash generation

### Upstream
- ~80% of Cash capex to core positions
- Exploration:
  - >80% of spend to core positions
  - >70% of spend to Deep Water
  - No new frontier exploration entries anticipated after 2025
- Opex reduction of 20-30% by 2025 vs. 2019
- UDC reduction of ~10% by 2025
- UOC reduction of ~20% by 2025
- Project competitiveness: Average breakeven price of ~$30/boe
Thank you for your interest in Royal Dutch Shell plc. Please understand that an investment in Royal Dutch Shell plc securities carries with it the risk that you could sustain losses as a result of your investment. Therefore, an investment in Royal Dutch Shell plc securities may not be appropriate for all investors. Accordingly, before investing in our securities we urge you to read our Annual Report and Form 20-F and consider the risks discussed within. You can find our full disclaimer on the next slide in this presentation. You can download the full presentation slides, including the disclaimer, and our Annual Report and Form 20-F at http://www.shell.com/investors
This presentation contains the following forward-looking Non-GAAP measures: Adjusted Earnings, Cash capital expenditure, Underlying operating expenses, and Divestment proceeds. We are unable to provide a reconciliation of the above forward-looking Non-GAAP measures to the most comparable GAAP financial measures because certain information needed to reconcile the above Non-GAAP measure to the most comparable GAAP financial measure is dependent on future events some of which are outside the control of the company, such as oil prices, interest rates and exchange rates. Moreover, estimating such GAAP measures consistent with the company accounting policies and the required precision necessary to provide a meaningful reconciliation is extremely difficult and could not be accomplished without unreasonable effort. Non-GAAP measures in respect of future periods which cannot be reconciled to the most comparable GAAP financial measure are calculated in a manner which is consistent with the accounting policies applied in Royal Dutch Shell plc’s financial statements. The future potential for Cash capital expenditure and cash flow from operations is an average of multiple years. The presented medium-term outlook is an average of multiple years post economic recovery. Shell’s reporting segments under IFRS 8 remain Integrated Gas, Upstream, Oil Products, Chemicals and Corporate.

Shell’s scenarios are not intended to be projections or forecasts of the future. Shell’s scenarios, including the scenarios contained in this report, are not Shell’s strategy or business plan. When developing Shell’s strategy, our scenarios are one of many variables that we consider. Ultimately, whether society meets its goals to decarbonise is not within Shell’s control. While we intend to travel this journey in step with society, only governments can create the framework for success. The Sky 1.5 scenario starts with data from Shell’s Sky scenario, but there are important updates. First, the outlook uses the most recent modelling for the impact and recovery from COVID19 consistent with a Sky 1.5 scenario narrative. Second, it blends this projection into existing Sky (2018) energy system data by around 2030. Third, the extensiveness of the current solutions is brought into the core scenario, which benefits from extensive new modelling of that scale. (In 2018, nature-based solutions required to achieve 1.5°C above preindustrial levels by the end of this century were analysed as a sensitivity to Sky. This analysis was also reviewed and included in the IPCC Special Report on Global Warming of 1.5°C (SR15).) Fourth, our new oil and natural gas supply modelling, with an outlook consistent with the Sky 1.5 narrative and demand, is presented for the first time. Fifth, the Sky 1.5 scenario draws on the latest historical data and estimates to 2020 from various sources, particularly the extensive Energy Intensity Agency energy statistics. As with this, Sky scenario, this assumes that society achieves the 1.25°C storm goal of the Paris Agreement. It is rooted in stretching but realistic development dynamics today but explores a goals (end point) way to achieve that ambition. We believe that our approach in designing how this could occur, considering the realities of the situation today and taking into account realistic timelines for change. Of course, there is a range of possible paths in detail that society could take to achieve this goal. Although achieving the goals of the Paris Agreement and the future depicted in Sky 1.5 while maintaining growing global economy will be extremely challenging, today it still is a technically possible path. However, we believe the window for success for quickly closing. Also, in this presentation we may refer to Shell’s “Net Carbon Footprint”, which includes Shell’s carbon emissions from supplying energy for our products, our suppliers’ carbon emissions in supplying energy for that production and our customers’ carbon emissions associated with the use of our energy products. We sell Shell controls its own emissions. The use of the term Shell’s “Net Carbon Footprint” is for convenience only and not intended to suggest these emissions are those of Shell or its subsidiaries. It is important to note that as of February 11, 2021, Shell’s operating plans and budgets do not reflect Shell’s Net Zero Emissions target. Shell’s aim is that, in the future, its operating plans and budgets will change to reflect this movement towards its new Net Zero Emissions target. However, these plans and budgets need to be in step with the movement towards a Net Zero Emissions economy within society and among Shell’s customers.

The companies in which Royal Dutch Shell plc directly and indirectly owns investments are separate legal entities. In this presentation “Shell”, “Shell Group” and “Royal Dutch Shell” are sometimes used for convenience where references are made to Royal Dutch Shell plc and its subsidiaries in general. Likewise, the words “we”, “us” and “our” are also used to refer to Royal Dutch Shell plc and its subsidiaries in general or to those who work for them. These terms are also used where no useful purpose is served by identifying the particularity or entities. “Subsidiaries”, “Shell subsidiaries” and “Shell companies” as used in this presentation refer to entities over which Royal Dutch Shell plc either directly or indirectly has control. Entities and unincorporated arrangements over which Shell has joint control are generally referred to as “joint ventures” and “joint operations”, respectively. Entities over which Shell has significant influence but neither control nor joint control are referred to as “associates”. The term “Shell interest” is used for convenience to indicate the direct and/or indirect ownership interest held by Shell in an entity or unincorporated joint arrangement, after exclusion of all third-party interest.

This presentation contains forward-looking statements (within the meaning of the U.S. Private Securities Litigation Reform Act of 1995) concerning the financial condition, results of operations and businesses of Royal Dutch Shell. All statements other than statements of historical fact are, or may be deemed to be, forward-looking statements. Forward-looking statements are statements of future expectations that are based on management’s current expectations and assumptions and involve known and unknown risks and uncertainties that could cause actual results, performance or events to differ materially from those expressed or implied in these statements. Forward-looking statements include, among other things, statements concerning the potential exposure of Royal Dutch Shell to market risks and statements expressing management’s expectations, beliefs, estimates, forecasts, projections and assumptions. These forward-looking statements are identified by their use of terms and phrases such as “aim”, “ambition”, “anticipate”, “believe”, “could”, “estimate”, “expect”, “goals”, “intend”, “may”, “objective”, “outlook”, “plan”, “probably”, “project”, “risk”, “schedules”, “seek”, “should”, “target”, “will” and similar terms and phrases. There is a number of factors that could affect the future operations of Royal Dutch Shell and could cause those results to differ materially from those expressed in the forward-looking statements included in this presentation, including (without limitation): (a) price fluctuations in crude oil and natural gas; (b) changes in demand for Shell’s products; (c) currency fluctuations; (d) drilling and production results; (e) reserves estimates; (f) loss of market share and industry competition; (g) physical and environmental risks; (h) risks associated with the identification of suitable potential acquisition properties and targets, and successful negotiation and completion of such transactions; (i) the risk of doing business in developing countries and countries subject to international sanctions; (j) legislative, fiscal and regulatory developments including regulatory measures addressing climate change; (k) economic and financial market conditions in various countries and regions; (l) political risks, including the risks of expropriation and renegotiation of the terms of contracts with governmental entities; (m) delays or advancements in the reimbursement for shared costs; (n) risks associated with the impact of pandemics, such as the COVID19 (coronavirus) outbreak; and (o) changes in trading conditions. No assurance is provided that future dividend payments will match or exceed previous dividend payments. All forward-looking statements contained in this presentation are expressly qualified in their entirety by the cautionary statements contained in this section or referred to in this section. Readers should not place undue reliance on forward-looking statements. Additional risk factors that may affect future results are contained in Royal Dutch Shell’s Form 20F for the year ended December 31, 2019 (available at www.shell.com/investors and www.sec.gov). These risk factors also expressly qualify all forward-looking statements contained in this presentation and should be considered by the reader. Each forward-looking statement speaks only as of the date of this presentation, February 11, 2021. Neither Royal Dutch Shell plc nor any of its subsidiaries undertake any obligation to publicly update or revise any forward-looking statement as a result of new information, future events or other information. In light of these risks, results could differ materially from those stated, implied or inferred from the forward-looking statements contained in this presentation. We may have used certain terms, such as resources, in this presentation that the United States Securities and Exchange Commission (SEC) strictly prohibits us from including in our filings with the SEC. Investors are urged to consider closely the disclosure in our Form 20F, File No. 123257/6, available on the SEC website www.sec.gov.
## DEFINITIONS

<table>
<thead>
<tr>
<th>Metric</th>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Adjusted Earnings</strong></td>
<td>Income attributable to RDS plc shareholders for the period, adjusted for the after-tax effect of oil price changes on inventory and for identified items.</td>
</tr>
<tr>
<td><strong>Average project IRRs</strong></td>
<td>The capital weighted average project forward-looking unlevered expected rate of return where NPV equals zero, calculated at FID for preFID projects. For Upstream and Integrated Gas price assumption of $60 per barrel Brent real terms 2020.</td>
</tr>
<tr>
<td><strong>Breakeven price</strong></td>
<td>The forward-looking breakeven price for a preFID project is calculated at FID based on all forwardlooking costs associated with that project. Accordingly, this typically excludes exploration &amp; appraisal costs, lease bonuses, exploration seismic, exploration team overhead costs, etc. The forward-looking breakeven price for a preFID project is calculated based on our estimate of resources volumes (2C). As these preFID projects are expected to be multidecade producing projects, projection will not be reflected either in earnings or cash flow in the next five years.</td>
</tr>
<tr>
<td><strong>Cash capital expenditure</strong></td>
<td>Cash capital expenditure comprises the following lines from the Consolidated Statement of Cash Flows: Capital expenditure, Investments in joint ventures and associates and Investments in equity securities.</td>
</tr>
<tr>
<td><strong>Controllable availability</strong></td>
<td>1 minus scheduled deferment (%) minus controllable unscheduled deferment (%).</td>
</tr>
<tr>
<td><strong>Controllable reliability</strong></td>
<td>1 minus controllable unscheduled deferment (%).</td>
</tr>
<tr>
<td><strong>Divestment proceeds</strong></td>
<td>The sum of (i) proceeds from sale of property, plant and equipment and businesses, (ii) proceeds from sale of joint ventures and associates; and (iii) proceeds from sale of equity securities.</td>
</tr>
<tr>
<td><strong>IRR hurdle rates</strong></td>
<td>Targeted minimum projects unlevered rate of return where NPV equals zero, calculated at FID. For Upstream and Integrated Gas price assumption of $60 per barrel Brent real terms 2020.</td>
</tr>
<tr>
<td><strong>Underlying operating expenses</strong></td>
<td>Operating expenses excluding identified items. Operating expenses consist of the following lines in the Consolidated Statement of Income: (i) production and manufacturing expenses; (ii) selling, distribution and administrative expenses; and (iii) research and development expenses.</td>
</tr>
<tr>
<td><strong>Opex yield</strong></td>
<td>Net earnings divided over operating costs (excluding depreciation, disposal proceeds, income from loans to Associates and other Investments).</td>
</tr>
<tr>
<td><strong>Payback period</strong></td>
<td>The period of time it takes from FID to recover the forward-looking cost of investment.</td>
</tr>
<tr>
<td><strong>Unit development cost</strong></td>
<td>Shell share of lifecycle capex spend, in real terms 2020, for major projects, divided by nominal Shell working interest share (SWIS) production.</td>
</tr>
<tr>
<td><strong>Unit operating cost</strong></td>
<td>Shell share of operating cost divided by Shell working interest share (SWIS) production.</td>
</tr>
<tr>
<td><strong>Unit technical cost</strong></td>
<td>Present value of real terms capital and operating expenditure divided by the production profile discounted to the reference date.</td>
</tr>
</tbody>
</table>
# Abbreviations

<table>
<thead>
<tr>
<th>Abbreviation</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>BEP</td>
<td>Break-even price</td>
</tr>
<tr>
<td>Capex</td>
<td>Capital expenditure</td>
</tr>
<tr>
<td>CCS</td>
<td>Carbon capture and storage</td>
</tr>
<tr>
<td>CFFO excluding WC</td>
<td>Cash flow from operations excluding working capital</td>
</tr>
<tr>
<td>FID</td>
<td>Final Investment Decision</td>
</tr>
<tr>
<td>GHG</td>
<td>Greenhouse gas emissions</td>
</tr>
<tr>
<td>GTL</td>
<td>Gas-to-liquids</td>
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<tr>
<td>IRR</td>
<td>Internal rate of return</td>
</tr>
<tr>
<td>LNG</td>
<td>Liquefied natural gas</td>
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<tr>
<td>NCF</td>
<td>Net Carbon Footprint</td>
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<tr>
<td>Opex</td>
<td>Operating expenditure</td>
</tr>
<tr>
<td>RNG</td>
<td>Renewable natural gas</td>
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<tr>
<td>R-CNG</td>
<td>Renewable compressed natural gas</td>
</tr>
<tr>
<td>UOC</td>
<td>Unit operating costs</td>
</tr>
<tr>
<td>UDC</td>
<td>Unit development costs</td>
</tr>
<tr>
<td>UTC</td>
<td>Unit technical costs</td>
</tr>
</tbody>
</table>