



Welcome to Shell's Capital Markets Day.

I am Tjerk Huysinga, Executive Vice President Investor Relations.

I am very happy to see so many familiar faces here in New York.

I also want to welcome everyone who is following this presentation through the livestream.

## Agenda

### In person and virtual (ET)

8:30 – 8:35	AM	Welcome – Tjerk Huysinga – EVP Investor Relations
8:35 – 9:30	AM	Wael Sawan – Chief Executive Officer Sinead Gorman – Chief Financial Officer
9:30 – 9:45	AM	Break
9:45 – 10:15	AM	Zoë Yujnovich – Integrated Gas and Upstream Director <sup>1</sup>
10:15 – 10:45	AM	Huibert Vigeveno – Downstream and Renewables & Energy Solutions Director <sup>1</sup>
10:45 – 11:00	AM	Break
11:00 – 11:45	AM	Wael Sawan & Team – Key takeaways & General Q&A

### In person only

12:00 – 1:30	PM	Lunch
1:30 – 2:30	PM	Break-out sessions
2:30 – 3:30	PM	Reception

<sup>1</sup>Effective July 1, 2023



Today's meeting has several sessions.

We will start with Wael Sawan, our Chief Executive Officer, and Sinead Gorman, our Chief Financial Officer.

After a short break, Zoë Yujnovich, our Integrated Gas and Upstream Director, and Huibert Vigeveno, our Downstream and Renewables & Energy Solutions Director, will each provide an update on their businesses.

You will get the opportunity to ask all executives questions at the end of the presentations.

After the Q&A, our livestream will end.

We will have lunch with everyone here... followed by an opportunity to ask further questions in one of three break-out sessions with Sinead, Zoë and Huibert.

By the time we finish, I know I'll welcome some refreshments... and I hope many of you here will join us.

## Cautionary note

The companies in which Shell plc directly and indirectly owns investments are separate legal entities. In this presentation "Shell", "Shell Group" and "Group" are sometimes used for convenience where references are made to Shell plc and its subsidiaries in general. Likewise, the words "we", "us" and "our" are also used to refer to 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 particular entity or entities. "Subsidiaries", "Shell subsidiaries" and "Shell companies" as used in this presentation refer to entities over which 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. "Joint ventures" and "joint operations" are collectively referred to as "joint arrangements". 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 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 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", "milestones", "objectives", "outlook", "plan", "probably", "project", "risks", "schedule", "seek", "should", "target", "will" and similar terms and phrases. There are a number of factors that could affect the future operations of 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) environmental and physical 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, judicial, 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, delays or advancements in the approval of projects and delays in the reimbursement for shared costs; (m) risks associated with the impact of pandemics, such as the COVID-19 (coronavirus) outbreak; and (n) 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 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 Shell plc's Form 20-F for the year ended December 31, 2022 (available at [www.shell.com/investor](http://www.shell.com/investor) and [www.sec.gov](http://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, June 14, 2023. Neither 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.

Also, in this presentation we may refer to Shell's "Net Carbon Intensity", which includes Shell's carbon emissions from the production of our energy products, our suppliers' carbon emissions in supplying energy for that production and our customers' carbon emissions associated with their use of the energy products we sell. Shell only controls its own emissions. The use of the term Shell's "Net Carbon Intensity" is for convenience only and not intended to suggest these emissions are those of Shell plc or its subsidiaries.

Shell's operating plan, outlook and budgets are forecasted for a ten-year period and are updated every year. They reflect the current economic environment and what we can reasonably expect to see over the next ten years. Accordingly, they reflect our Scope 1, Scope 2 and Net Carbon Intensity (NCI) targets over the next ten years. However, Shell's operating plans cannot reflect our 2050 net-zero emissions target and 2035 NCI target, as these targets are currently outside our planning period. In the future, as society moves towards net-zero emissions, we expect Shell's operating plans to reflect this movement. However, if society is not net zero in 2050, as of today, there would be significant risk that Shell may not meet this target.

This presentation may contain certain forward-looking non-GAAP measures such as cash capital expenditure and divestments. We are unable to provide a reconciliation of these forward-looking non-GAAP measures to the most comparable GAAP financial measures because certain information needed to reconcile those non-GAAP measures to the most comparable GAAP financial measures is dependent on future events some of which are outside the control of Shell, such as oil and gas prices, interest rates and exchange rates. Moreover, estimating such GAAP measures with 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 Shell plc's consolidated financial statements.

The contents of websites referred to in this presentation do not form part of 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 20-F, File No 1-32575, available on the SEC website [www.sec.gov](http://www.sec.gov).

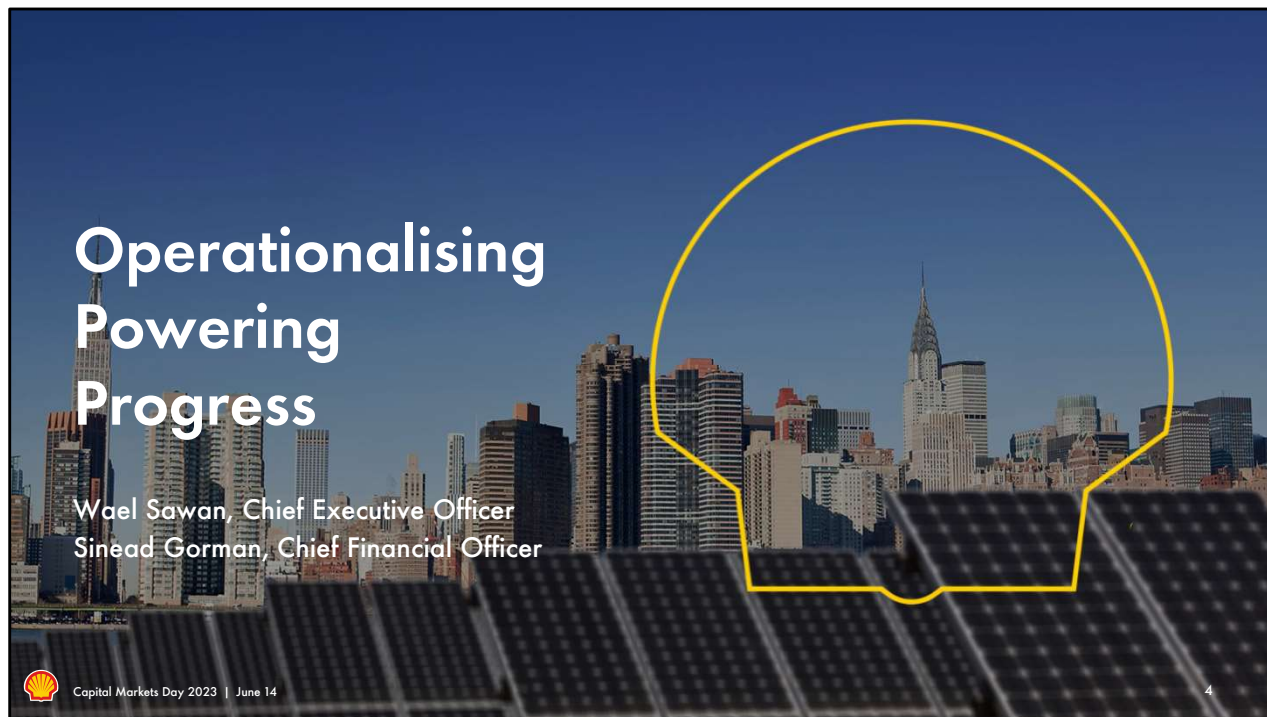
**Contacts** Media: International +44 207 934 5550; USA +1 832 337 4355



The cautionary note you see here might not look very exciting, but it contains a crucial message.

So please familiarise yourself with our cautionary note, which you can also find online.

And with that, I would like to give the floor to Wael Sawan.



Thank you, Tjerk... and welcome everyone to our Capital Markets Day 2023. It's great to see so many of you in person and welcome to those of you joining online.

Today, we announce how we will deliver more value with less emissions.

We do that on the back of a differentiated strategy for a BALANCED energy transition. This is underpinned by a commitment to our world leading Integrated Gas and Upstream businesses...and by leveraging adjacencies and strengths in our differentiated Downstream businesses to develop profitable low- carbon opportunities that enable the energy transition.

We target a 10% per annum FCF per share growth through to 2025 with a ruthless focus on performance, discipline and simplification...enabled by a structural cost reduction of \$2-3 billion by end 2025 and a lowering of our capital spend to \$22-25 billion per annum over 2024 and 2025. This allows us to enhance our shareholder distributions to 30-40% of CFFO.

Our confidence in a sustainable increase to our free cash flow also leads us today to announce a dividend per share increase of 15% at Q2 subject to Board approval, and a minimum buyback programme of \$5 billion for the second half of the year, as we preferentially aim to allocate capital to share buybacks.

In short, today we will outline our plan to become THE investment case through the Energy Transition. But before we dive into all that, let me start off by introducing my management team.

Today's Speakers

## Experienced leadership team



**Wael Sawan**

- Chief Executive Officer
- With Shell since 1997



**Sinead Gorman**

- Chief Financial Officer
- With Shell since 1999



**Zoë Yujnovich**

- Integrated Gas and Upstream Director<sup>1</sup>
- With Shell since 2014



**Huibert Vigeveno**

- Downstream and Renewables & Energy Solutions Director<sup>1</sup>
- With Shell since 1995

<sup>1</sup>Effective July 1, 2023



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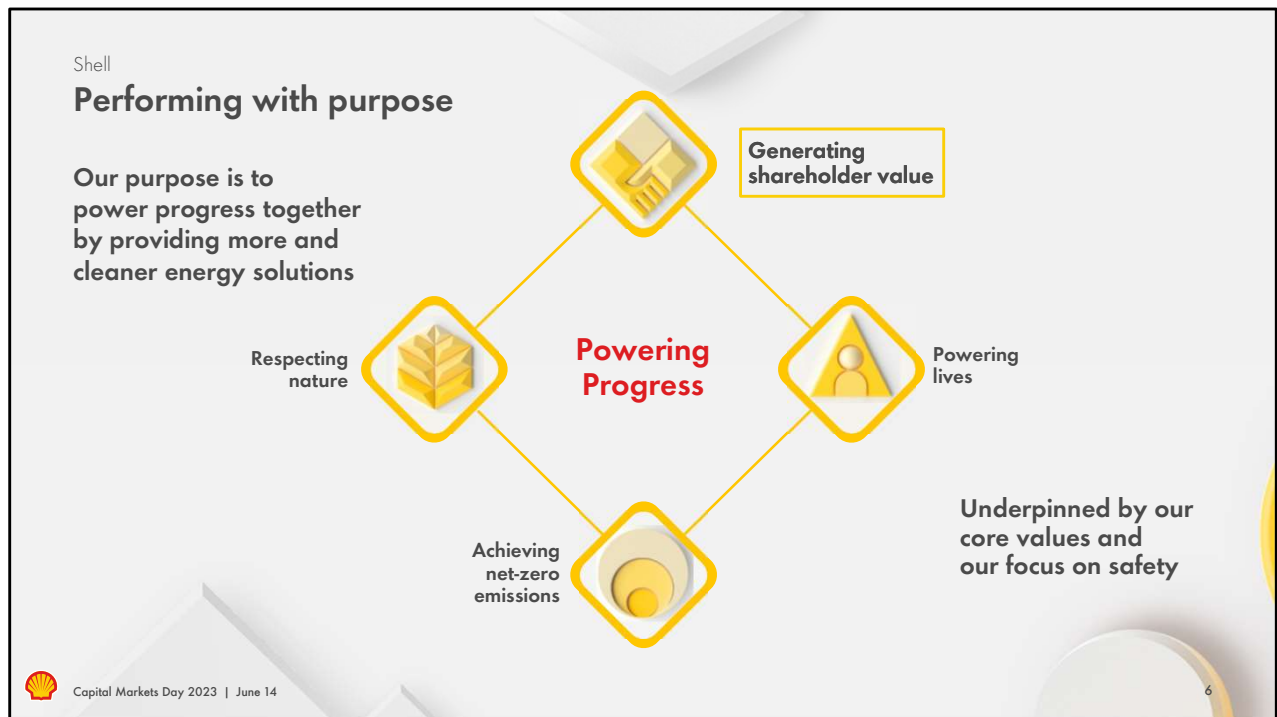
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First, Sinead. Sinead has been with Shell for 24 years... she has excelled in roles across the company... from Upstream to Projects & Technology... and from Integrated Gas to Trading.

Next is Zoë Yujnovich... Zoë had a very successful career outside of Shell and since joining she has continued her excellent track record of delivery across Upstream and Integrated Gas while bringing an external perspective to our Executive Committee.

Finally, we have Huibert Vigeveno... who has had a distinguished career at Shell in numerous roles across the world.... Huibert is a specialist in Downstream and I don't know anyone with more knowledge about our customers.

Together, we have a lot of ground to cover touching on what will stay the same and what will change. Let me start with what isn't changing... our strategy.



Powering Progress sets out our strategy to create value, first and foremost for our shareholders, as well as for our customers, and wider society. We do this by focusing on generating sustained shareholder value, reducing carbon emissions, powering lives, and respecting nature.

Our purpose remains the same, and continues to be as relevant today as it was in 2021... to provide more and cleaner energy solutions. We will profitably transition Shell to become a net-zero emissions energy business by 2050. Powering Progress has withstood significant external volatility and discontinuities and shown it continues to be the right strategy.

The last three years have not only been a huge challenge for the world... they have significantly challenged the energy system. As a consequence of the Russian invasion of Ukraine, governments grappled with the importance of energy security - a mere 1% reduction in global energy supply had significant consequences for trade flows and commodity price volatility.

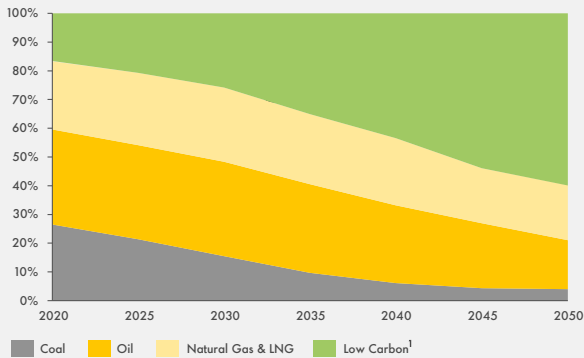
Despite these challenges, the company performed well and its response only strengthened our convictions and fundamental beliefs. And... we have not been standing still as you will have seen in our latest Energy Transition Progress Report. We will provide an update on our energy transition strategy in early 2024.

Let's now take a look at the energy system.

Shell

## Evolving global demand requires a balanced multi-energy transition

World Primary Energy Mix



Hydrocarbons will be critical for energy security for the foreseeable future

LNG will continue to grow and displace coal while low-carbon solutions mature

Low-carbon molecules and electrons will underpin the future energy system

Source: Shell internal analysis of the IPCC Sixth Assessment Report C2 scenarios database hosted by IIASA  
†Includes renewable electricity, nuclear and biomass



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How the energy system will look in 5... 10... or 20 years from now is impossible to say. But in the midst of this uncertainty there will be developments we can be fairly sure of:

The global energy mix is changing, however demand for energy services will continue to grow and will have to be met by a combination of different types of energy. There is no one solution.

It is critical that the world avoids dismantling the current energy system faster than we are able to build the clean energy system of the future.

Oil and gas WILL continue to play a crucial role in the energy system for a long time to come... with demand reducing only gradually over time.

Continued investment in oil and gas is critical to ensure a balanced energy transition... because of the growing energy demand I just mentioned... as well as natural decline rates and severe underinvestment in recent years.

We also believe that liquefied natural gas... or LNG... will play an even bigger role in the energy system of the future than it plays today.

The reasons are clear... LNG can be easily transported to places where it is needed most and... what's more... on average, natural gas emits about 50% less carbon emissions than coal when used to produce electricity, making it the natural lower-carbon substitute in the

near term.

The pace of the transition from fossil fuels to low-carbon energy depends on many things including...government policy and regulations... the affordability of energy... development of new technologies... and importantly, changing customer demand.

Low-carbon energy is expected to represent a growing proportion of worldwide energy demand in the future in the form of both molecules and electrons.

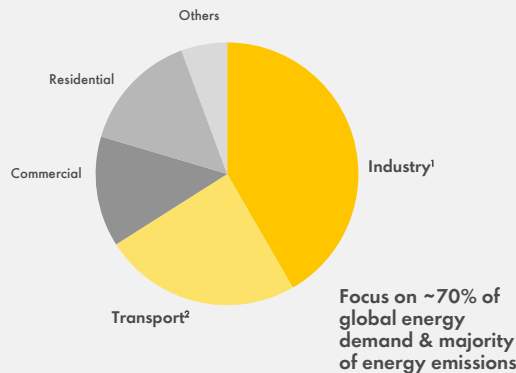
I believe Shell has the customer access and relationships that will allow us to thrive in this context... which brings me to the next slide.



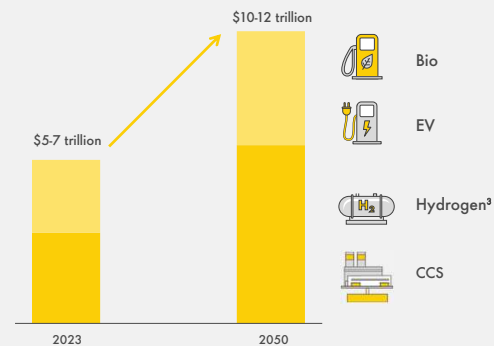
Shell

## Prioritise hard-to-abate sectors to capitalise on growth opportunities

Global Energy Demand Mix Today



Growth in Shell Addressable Energy Market



Source: Shell internal analysis of the IPCC Sixth Assessment Report C2 scenarios database hosted by IIASA and IEA World Energy Investment 2022 Report  
<sup>1</sup>Industry and feedstock use; <sup>2</sup>Aviation, marine, rail & road; <sup>3</sup>Hydrogen plus derivatives



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There are only a few energy companies that can successfully build new business models in more complex and hard-to-abate sectors... such as Transport and Industry. We are amongst the leading global players today in both sectors, satisfying more than 3% of energy demand.

These sectors matter... they currently make up around 70% of total energy demand, representing more than 55% of emissions, and the combined addressable market is expected to conservatively double to around \$10-12 trillion by 2050.

They are both sectors where we have incumbency, system understanding and control points, and will therefore be our focus areas.

We will address our customers' needs with a focus on molecules, given our natural strengths in that area.

We will selectively invest in renewable generation, and mostly supplement with electrons from others. We recognise our distinct advantages are less in generation and much more in Trading and Optimisation, B2B customer intimacy, and eventually, low-carbon molecules which are enabled by green electrons.

In short... we want to play to our strengths... where we can uniquely add value.

Shell

## The investment case through the energy transition

### Providing Energy Security

Committed to oil and gas, with a focus on LNG growth  
Investing ~\$40 billion<sup>1</sup> in Leading Integrated Gas & Advantaged Upstream

### Enabling the Energy Transition

Providing molecules to decarbonise the transport and industry sectors, while high-grading the Downstream business  
Investing ~\$35 billion<sup>2</sup> into Downstream and Renewable & Energy Solutions, of which \$10-15 billion<sup>1</sup> is directly into low-carbon energy solutions.

### Performance, Discipline, Simplification

Reduce structural cost by \$2-3 billion by end-2025 & lower capital spend to \$22-25 billion p.a. in 2024 and 2025  
Grow FCF/share >10% p.a. through 2025<sup>3</sup>

### Committed to Enhancing Shareholder Returns

Shareholder returns increased to 30-40% of CFO through the cycle  
Dividend per share increase of 15% at Q2 2023<sup>4</sup> & second half 2023 buybacks of at least \$5 billion<sup>5</sup>

<sup>1</sup> 2023-2025 <sup>2</sup> Includes infrastructure & assets (~\$20 billion) and low-carbon energy solutions (\$10-15 billion) <sup>3</sup> 2022 to 2025, for price assumptions see appendix <sup>4</sup> Subject to Board approval

<sup>5</sup> Share buyback programmes for the second half of 2023 will be announced at the Q2 and Q3 results announcements and are expected to be completed by the Q4 2023 results announcement



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While the destination of a net-zero emissions energy system remains clear, this will not be a linear journey as different places transition at different paces.

Let's be honest, no one knows the exact pace at which this will evolve in every country. And therefore, we will be pragmatic in our approach. And dynamic in our response.

We are absolutely committed to our world-class Upstream and Integrated Gas businesses which will increasingly have lower emissions and through which we will continue to provide secure energy.

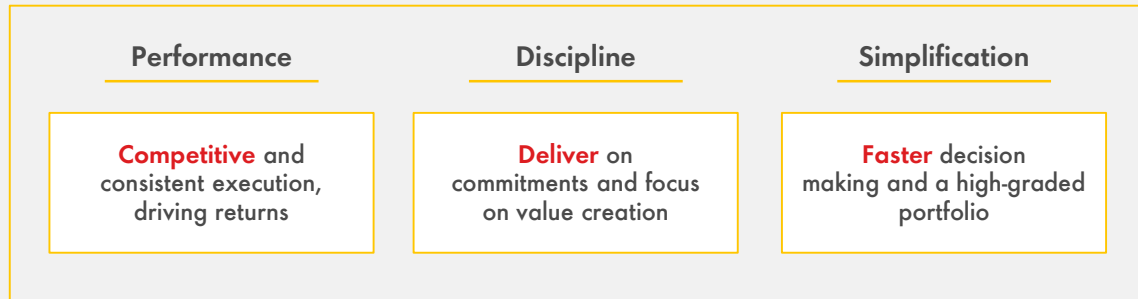
We will profitably enable the energy transition by leaning into low-carbon opportunities, not everywhere, but where we have adjacencies, a track record and see the right environment to invest. We will focus, as the market evolves, on low-carbon molecules serving the transport and industry sectors. And we will do this with a relentless focus on performance, discipline and simplification across the organisation.

This will allow us to reward our shareholders, today, and well into the future.

With the portfolio we have and the direction we have set out, I firmly believe that Shell, in addition to being recognised as a great company, will be 'THE investment case through the energy transition'.

So how do we accomplish that...?

## Our guiding principles



I've previously talked about operationalising Powering Progress... that means focusing on delivery during the here and now. Having the right strategy is critical, but is not enough to ensure that we deliver to our full potential.

We have to take our strategy and translate it into everyday actions and those actions need to be guided by certain principles if we are to be successful. Those principles are... Performance, Discipline and Simplification.

With these principles in mind, we embark on our first sprint. We use the concept of a sprint...through to 2025...to establish a track record under this management team, with a focus on delivering the targets we have promised over this period while investing to take advantage of opportunities for our future.

Getting the most out of the great assets we have means delivering on a consistent basis. Quarter after quarter, year after year. Take Deep Water. In Q1 we saw the highest controllable availability in a decade at our Gulf of Mexico assets and the business has been performing close to its potential for a prolonged period. This is what performance looks like, delivering world-class results day in and day out. But results are not just absolute, it is our commitment to ensure that we make the most out of our portfolio on a relative basis vs. our peers and this is what I want to drive across the company. We are embedding accountability for delivery through the business lines and deeper into the organisation.

To deliver excellent performance, you need a company that is focused on creating value, and

that diligently delivers what it promises. That takes discipline. Discipline in how we invest and allocate capital...discipline in how we spend...and discipline in how we execute. Every dollar of our shareholders' money needs to be stewarded with care. You will hear more about this from Sinead shortly.

We have not always been known for our speed and simplicity... that is changing. You will have seen that we began the year by streamlining our Executive Committee to enable faster & more nimble decision-making.

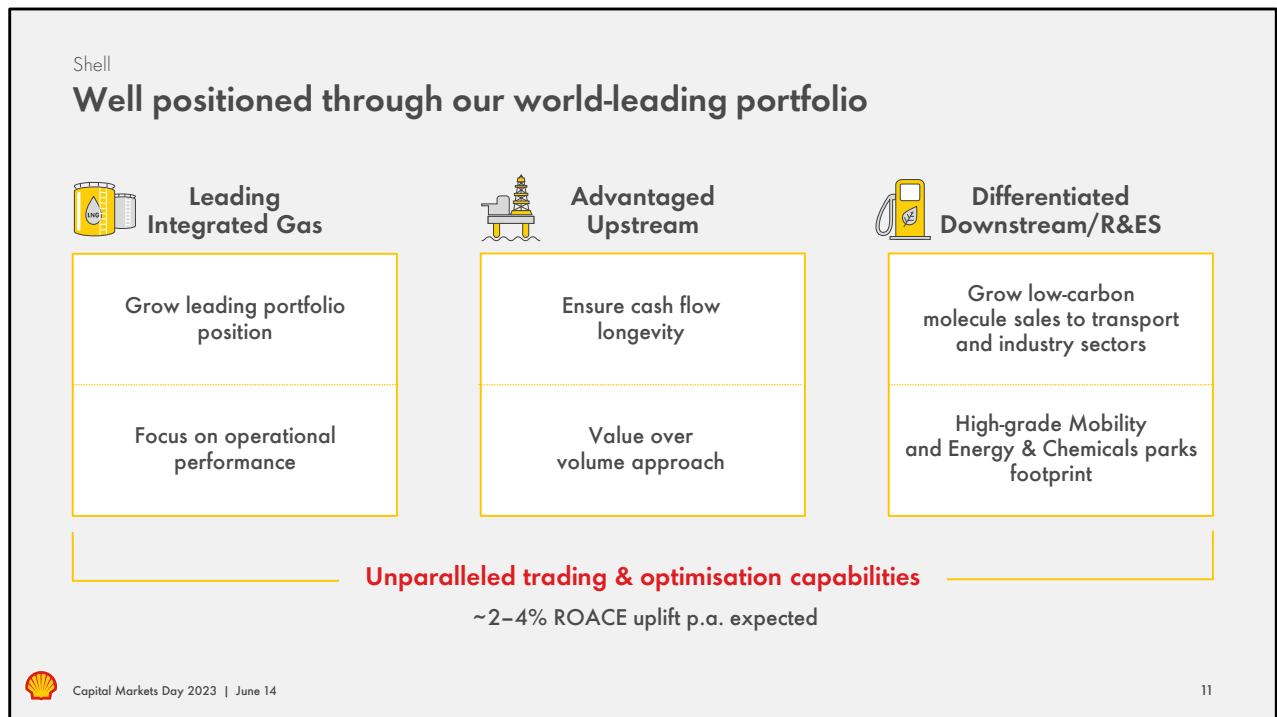
Shortly after, we took the decision not to proceed with the biofuels unit and base oils plant investments at our Singapore Energy and Chemicals park.

Last week we announced the divestment of the European Shell Energy Retail business... And today... we are announcing not only the plan to market our interest in Shell Pakistan, but also the strategic review of the Singapore Energy and Chemicals park.

This is more than just disciplined capital allocation - this is about decisively simplifying and high-grading our portfolio.

And it's not just the organisation and portfolio that we are simplifying. We are also moving from over 40 business and financial commitments to 4 very focused Group-level financial targets that you will see later in the slide pack.

So... we are making choices... questioning projects and assets... with one goal in mind: every single part of our business needs to help us deliver more shareholder value while lowering emissions.



Having just covered the ‘how’, let’s now discuss the ‘what’. We are blessed with an incredibly well-positioned portfolio, which we must get the most out of and develop further.

You will hear more about the specifics of each of the businesses from Zoë and Huibert shortly, however, let me give you a sense of what we will be focusing on.

We have a leading integrated gas business which we intend to grow while addressing the key challenges that we have experienced in our operations. We see considerable potential to create further value here... with new production coming on stream and having signed a number of attractive third-party purchase contracts for LNG.

Earlier I outlined our conviction that oil and gas will be required for the foreseeable future and it is our advantaged upstream portfolio, along with Integrated Gas, that will contribute to enabling us to deliver the secure energy that the world needs today and for a long time to come. We will continue to do so with a focus on value over volume and an expectation that liquids production will remain stable through to 2030, having met our high-grading target in 2022.

On to our differentiated Downstream Renewables & Energy Solutions business, which is our primary customer-facing vehicle. First, we will focus on value over volume in our Marketing business by reducing our mobility footprint and getting the most out of the portfolio. We will also high-grade our Chemicals & Products business... improve delivery from our Energy and Chemicals parks while repurposing them to provide the cleaner molecules that our customers

demand.

We will achieve all of this by leveraging our world-class trading and optimisation capabilities, which have served us well and which we expect will deliver some 2 to 4% of ROACE uplift depending on market conditions.

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## Delivering more value, with less emissions

Enhanced Distributions	30-40% of CFO through the cycle
Strong Financial Performance	>10% p.a. FCF per share growth <sup>1</sup>
Less Emissions	\$10-15 billion <sup>2</sup> of investment in low-carbon energy solutions

<sup>1</sup>FCF 2022 - 2025, for price assumptions see appendix <sup>2</sup>2023-2025



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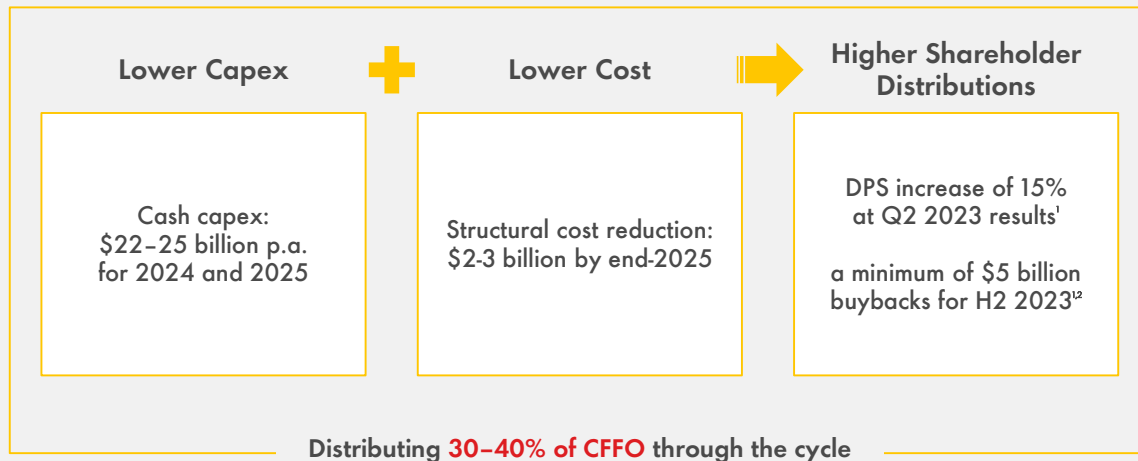
Simply put, all of this gives us the confidence to announce enhanced distributions of 30-40% of CFO through the cycle which will be underpinned by a greater than 10% per annum free cash flow per share growth through to 2025.

And... we will invest \$10-15 billion between 2023 and 2025 in low-carbon energy solutions...positioning us to capture the significant value opportunities we expect will emerge through the energy transition in our focus markets.

In short, we will deliver more value, with less emissions.

With that, it's time for me to hand over to Sinead to talk us through how we are going to achieve this.

## Enhancing distributions through disciplined delivery



<sup>1</sup> Subject to Board approval

<sup>2</sup> Share buyback programmes for the second half of 2023 will be announced at the Q2 and Q3 results announcements and are expected to be completed by the Q4 2023 results announcement



Thank you, Wael.

We take our responsibility as custodians of our shareholders' capital extremely seriously.

At the heart of everything that we do will be a ruthless approach to capital allocation and a singular focus on creating long-term value.

We will make every dollar count, be unemotional with our spend, and deliver performance not promises... And so... this is not just about distributions, but also about how we drive discipline across the entire organisation enabling us to reduce both opex and capex.

Despite inflationary pressures and a volatile external context, today we are lowering our cash capex range from \$23-27 billion to \$22-25 billion for both 2024 and 2025. I will say more on this shortly, but first let me outline our plans for cost.

We aim to achieve \$2-3 billion of structural cost reductions by end-2025.

This is about streamlining the way we work. Simplifying our processes and being laser-focused.

We will seek to achieve structural savings across all parts of Shell. This will require focusing the portfolio by exiting high-cost and lower-return businesses and simplifying the remaining core.



To give you a sense of how focusing the company can contribute - the exit from Shell Energy Retail alone will remove some \$300 million per annum of operating expenses both directly and in terms of overheads and management's time.

And, in terms of our approach to businesses that remain - during my time in Upstream, over a period of 3 years, we reduced cost by some 10% in our lean assets within our conventional oil and gas portfolio... We achieved this through simplifying the operating model - removing layers, increasing accountabilities and taking a risk-based approach to all activities... We intend to replicate this across the company and expect significant savings.

Focusing the company isn't just about the portfolio, it extends to the sectors we serve, as Wael said earlier.

We will prioritise hard-to-abate sectors, namely transport and industry, to help grow and decarbonise our customer base...

This will lead to opportunities to further simplify and take cost out.

We will identify and go after opportunities quarter after quarter, year after year.

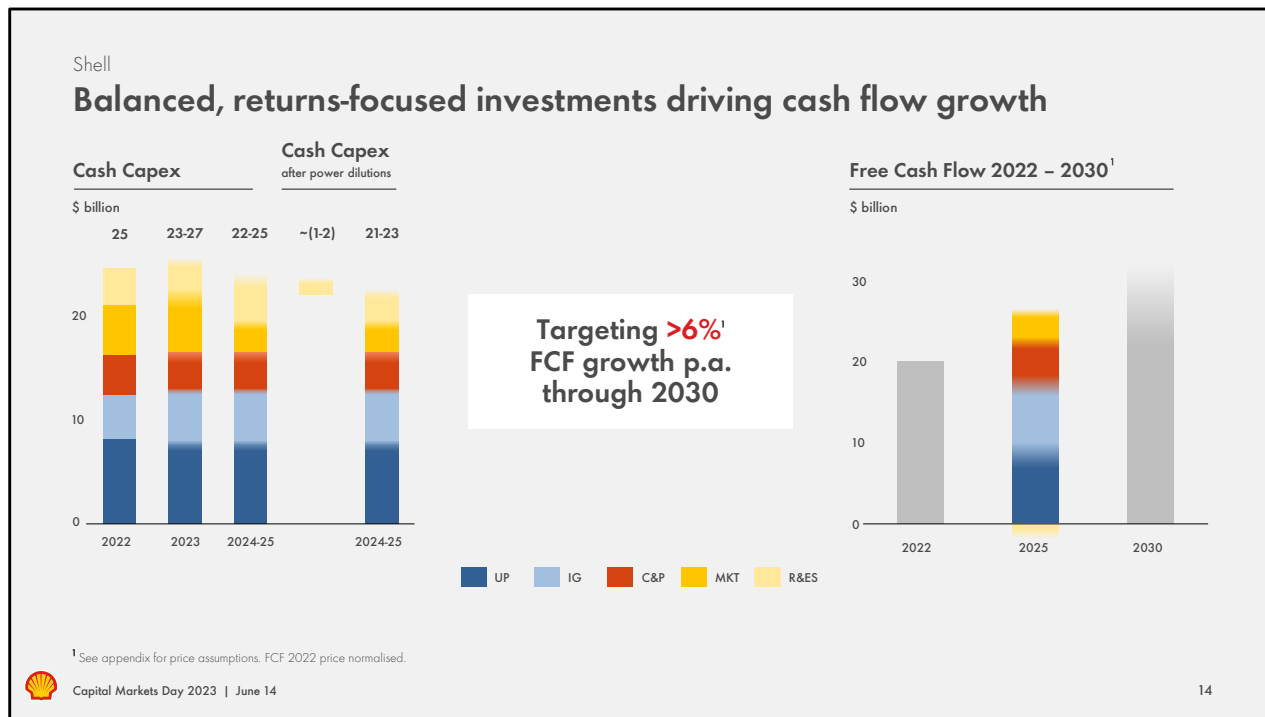
All of this will enable us to enhance shareholder distributions.

We remain confident in the performance of the business, which is why today we are announcing our plan to increase the dividend per share by an expected 15% at Q2, subject to Board approval.

We continue to believe that we are undervalued and as a result... we will preferentially allocate capital to share buybacks. That is why we are announcing buybacks for the second half of this year of a minimum of \$5 billion, to be completed by the Q4 results announcement, subject to Board approval.

In short, being more disciplined in cost and capital generates more cash to support a growing dividend and continuing with buybacks.

Now let me cover capex...



In the recent past, our spend has been at the higher end of our peer group and we believe that constraining capital will force us to make tough choices, ensuring that only the most attractive projects receive funding.

This will reinforce focus on delivery across the company during the first sprint, through to end-2025.

As stated earlier, we will be lowering our cash capex range to \$22-25 billion for both 2024 and 2025.

We expect to spend some \$13 billion per annum in Integrated Gas and Upstream going forward, with both continuing to contribute significantly to cash flows for the foreseeable future, allowing us to sustain our liquids production and grow LNG sales.

Having made a number of organic and inorganic investments in Marketing, such as Nature Energy in Denmark & Landmark in the US, we will now reduce capital expenditure in the short term and focus on getting the most out of the investments we have already made. In Chemicals & Products we will largely focus on spend that sustains our current business, with an expectation that capital employed will be flat in 2030 vs. today.

And finally, in Renewables and Energy Solutions, we will take a measured approach. We will selectively take development risk in renewable generation projects, diluting as they mature, and retaining access to the green electrons. In hydrogen and CCS, we will invest to

decarbonise our own assets first and help to decarbonise our customers over time. Our annual cash capex after power dilutions will be some \$21-23 billion for both 2024 and 2025.

Capital and carbon allocation will be managed centrally. We will allocate carbon in a similar way to how we allocate capital -pragmatic in our approach and dynamic in our response.

We expect to grow free cash flow on an absolute basis by a rate of more than 6% through to 2030. This is compared to a normalised 2022, which was an exceptional year, and is based on a \$65 per barrel real term oil price.

Now let's cover how we are going to allocate the cash that we deliver, beyond capex.

Shell

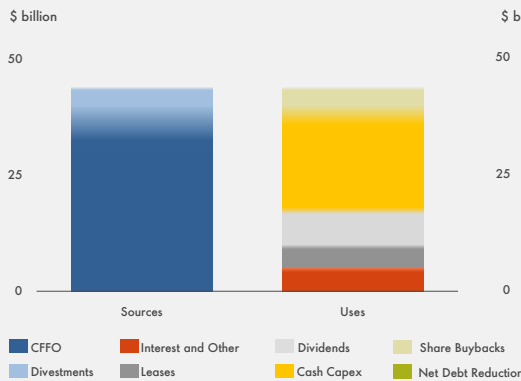
## Resilient distributions, underpinned by attractive growth

**>10% FCF**  
growth p.a. per  
share through  
2025<sup>1</sup>

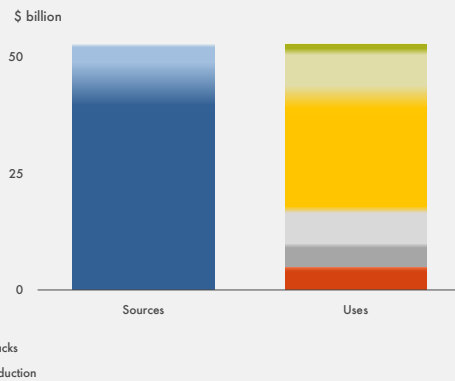
Dividend  
Break-even  
**at ~\$40**  
per barrel

Buybacks  
**at ~\$50**  
per barrel

Cash Generation and Uses at \$50/bbl Brent<sup>2</sup>



Cash Generation and Uses at \$65/bbl Brent<sup>3</sup>



<sup>1</sup> FCF 2022 to 2025, for price assumptions see appendix <sup>2</sup> Nominal Brent, illustrative scenario for the next few years  
<sup>3</sup> Real Brent (2022) / ~\$70 Brent nominal, illustrative scenario for the next few years



The cash-generating ability of the business and the actions we are taking allows us to both continue to pay our dividend and allocate capital to buybacks in line with our new 30-40% of CFO guidance in both a \$50 and \$65/bbl world. The additional cash flows in a \$65 world would go to a mix of both buybacks and deleveraging.

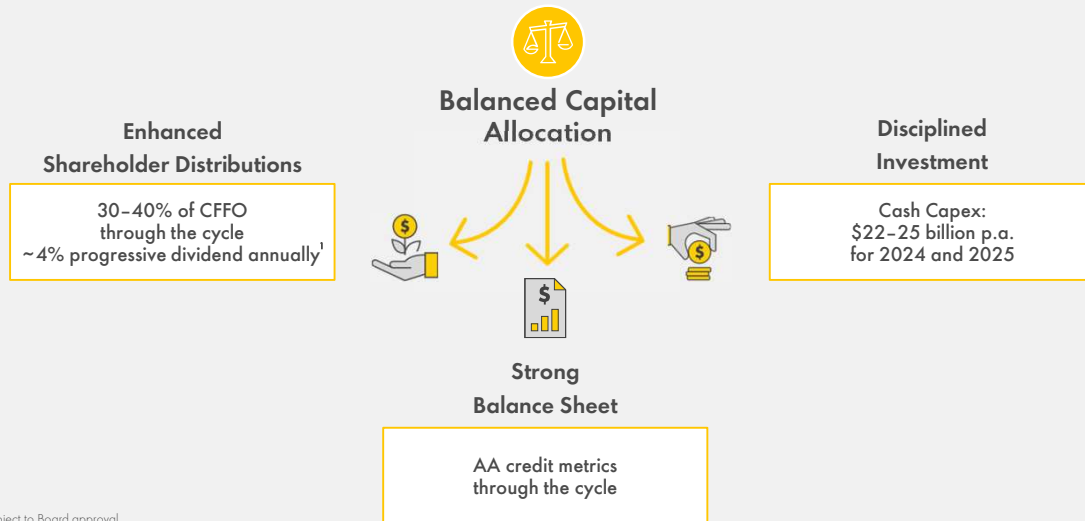
We continue to believe share repurchases are a good use of our cash, and hence you will see us allocate capital towards buybacks, even at \$50/bbl.

Continued share count reduction and growing free cash flow means that we expect an annual free cash flow per share growth rate of greater than 10% through 2025.

The dividend remains our number one financial priority and our confidence in our ability to sustain the increase that we have announced today, together with a progressive approach, is well supported given that our dividend break-even stands at some \$40/bbl.

Shell

## A pragmatic approach to capital allocation



<sup>1</sup>Subject to Board approval

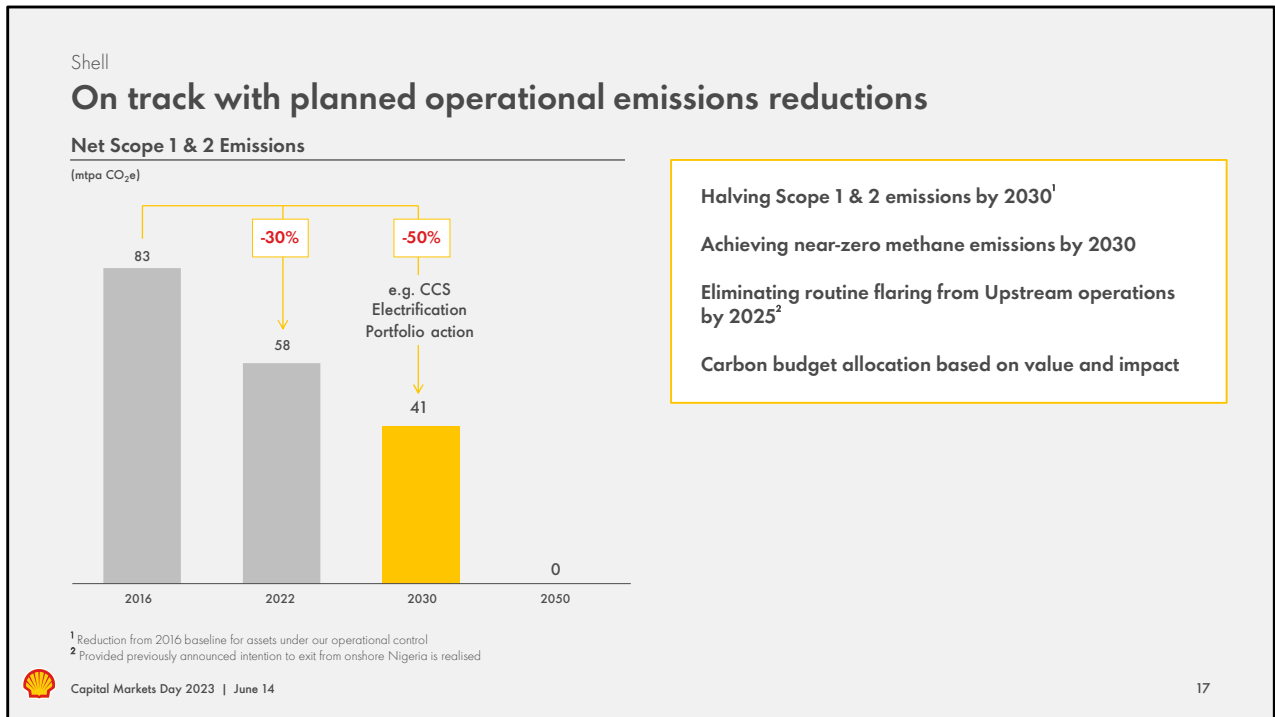
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Everything that I have covered so far feeds into our financial framework. It is clear that we believe in pragmatism and balance - this means allocating capital based on value. We place importance on the strength of our balance sheet, and our ambition to have AA credit metrics through the cycle remains. We will continue to look for opportunities to reduce net debt, while staying true to our preference for share buybacks.

The improvements that we are making will continue to be allocated to shareholders. We will reduce opex, reduce capex, instill more discipline and increase our distributions. Simply put... More for our money, meaning more for our shareholders...

Thank you, now back to Wael...



Thank you, Sinead.

As we delivered the oil and gas the world needs today, we reduced carbon emissions from our operations by 30% by the end of 2022 as compared with 2016 on a net basis. This is more than halfway towards our target of a 50% reduction by 2030. We achieved this, while globally, energy-related emissions increased by around 4% over the same period.

We continue to bring down emissions at pace and have made excellent progress. And we are going further.

As an industry it is imperative that we do our utmost to reduce and ultimately eliminate methane emissions. At Shell, we will aim to achieve near-zero methane emissions by 2030.

In the shorter term, we aim to eliminate routine flaring from our Upstream operations by 2025, challenging ourselves to move faster than the World Bank's Zero Routine Flaring 2030 initiative.

As we transition this company, we will approach both capital and carbon allocation with the same discipline and value focus.

What this means in terms of carbon is that we will preferentially allocate our budget to businesses such as Integrated Gas in which we have a strategic advantage and that lower the overall carbon footprint of the energy system. Furthermore, we will invest in carbon

abatement projects in these businesses to minimise their impact. As a consequence, this will require us to achieve reductions disproportionately from parts of the company that we are less advantaged in... such as Chemicals & Products.

The world needs companies like Shell to reduce carbon in the energy system, while exercising pragmatism. For example...we will work together with our customers to displace high-carbon energy sources such as coal with cleaner alternatives such as gas.

Shell

## Supporting customer decarbonisation to achieve net-zero

Investing \$10–15 billion<sup>1</sup>  
in low-carbon energy  
solutions



Focusing on the hard-  
to-abate Transport and  
Industry sectors



Advocating for policies  
supporting and enabling  
the energy transition



2022: 40%+ of R&D spend  
on proving and scaling  
innovative technologies



**Committed to Net-Zero by 2050**

<sup>1</sup>2023-2025



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**Beyond working to cut carbon emissions from our own operations... we are committed to supporting our customers in their decarbonisation journey.**

**For this to happen, we need a fundamental change in demand, along with supply... from fossil fuels to low-carbon energy solutions. This will need to be supported by regulation as well as the development of new technologies. We at Shell will play our part.**

**We plan to invest some \$10 to 15 billion across 2023 to 2025 to support the development of low-carbon energy solutions including biofuels, hydrogen, electric vehicle charging and carbon capture and storage.**

**Take Holland Hydrogen 1 - we will produce hydrogen from renewable power to cut emissions from our own operations and help decarbonise our customers.**

**In short, we will develop enabling infrastructure in areas where we see adjacencies with our integrated businesses and pathways to attractive returns in the medium term, while we also seed longer-term opportunities.**

**We are leveraging our strengths in hard-to-abate sectors such as transport and industry... supplying products and services that we believe will be commercially viable and truly move the needle...**

**These sectors and others will need bold government policies and regulations that stimulate the**



demand for low-carbon energy... which in turn allow businesses like ours to continue to invest. We will continue to transparently advocate in favour of these enabling policies.

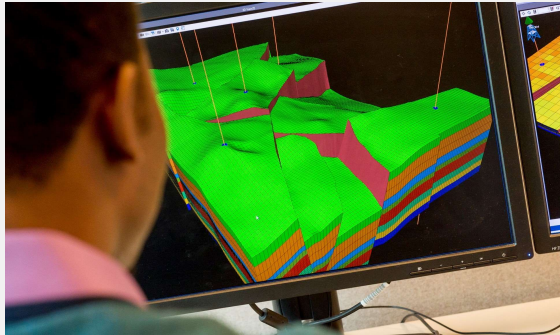
We will also embrace innovation in support of the transition. At our technology hubs... we take ideas from concept to customer... enabling them to transition faster. In 2022, 40% of our total R&D spend went to proving and scaling low-carbon products and services.

That nicely leads me to two critical enablers I believe we have to deliver more value, with less emissions.

Shell

## Leveraging technical capabilities and an empowered workforce

### Technology and Innovation Leadership



### Exceptional People



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Technology and people are the backbone of our success today and will be critical for our success in the future.

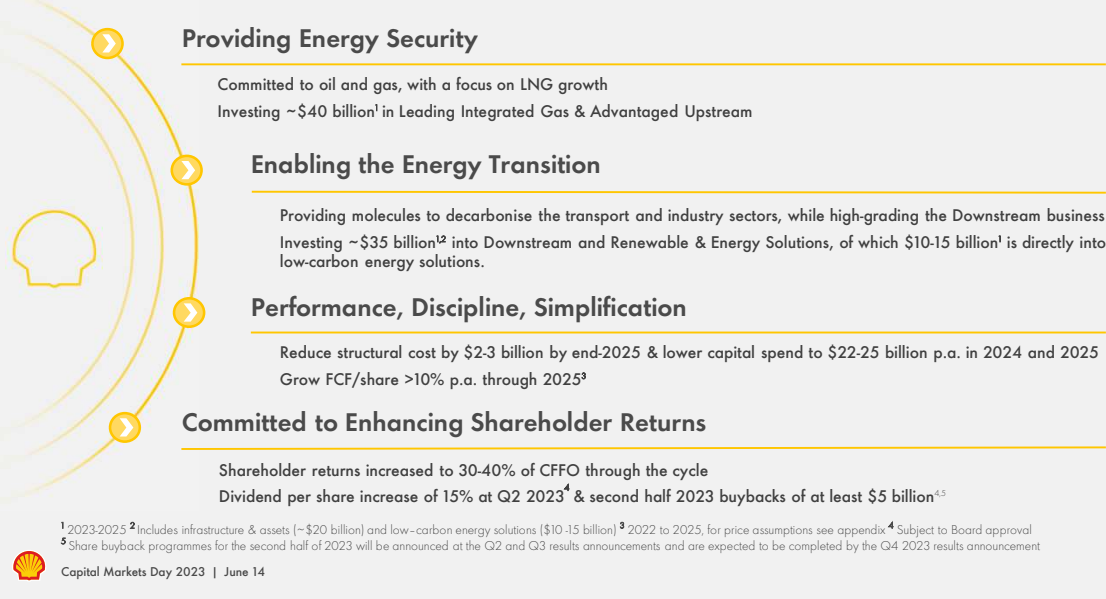
Our technology hubs are providing innovations leveraging capabilities such as high-performance cloud computing and digital solutions in our oil and gas business, doubling the speed of seismic data processing... and artificial intelligence has allowed us to increase LNG production by 1-2% with no extra capital spend. In other words, adding significant and tangible value today. And we are also developing the technologies for our lower-carbon future, such as our Cansolv® technology to capture CO<sub>2</sub>... which won 8 consecutive bids we competed for in 2022.

But the heart of Shell is in our 93 thousand-strong staff.

Our employee survey results last year reflected some of the highest scores we have seen in a decade, confirming our people are as engaged as ever and that we have a great workplace culture. And we work hard on improving this further. For example, through our drive to become one of the most diverse and inclusive companies in the world...today, 30% of our senior leaders are women.

This management team's opportunity is to fully mobilise the tremendous energy amongst our people to deliver the targets and ambitions that we have set for ourselves.

## The investment case through the energy transition



So let me summarise what I hope you will take away today.

We will provide the secure energy that the world needs by investing around \$40 billion in our Integrated Gas and Upstream businesses while investing \$10-15 billion in low-carbon energy solutions between 2023 and 2025, positioning us for the transition.

Performance, Discipline & Simplification will be our guiding principles. The additional free cash flow that we will deliver will accrue to our shareholders resulting in distributions of 30-40% of CFFO.

We continue to believe our shares represent significant value and so we will preferentially allocate capital to buybacks. For this reason, in addition to increasing the dividend per share by 15%, we are also announcing buybacks for the second half of the year of a minimum of \$5 billion.

All of this means we will deliver a free cash flow per share growth rate of greater than 10% through to 2025.

In short, we aim to be THE investment case through the transition.

With that, I thank you for your attendance both in person and online and now, Sinead and I will take your questions.



Welcome back, and now as scheduled, the following presentation comes from our Integrated Gas and Upstream Director - Zoë Yujnovich.

Thank you, Tjerk.

Wael spoke earlier about our focus on performance, discipline and simplification... and I'm going to talk about how we are applying this to Integrated Gas and Upstream... two of Shell's leading businesses that are key to our success.

Integrated Gas and Upstream

## Leading Integrated Gas and Advantaged Upstream

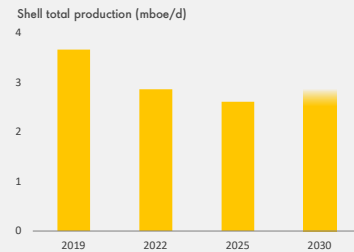
Global leader in LNG and GTL with strong cash generation through the cycle



Best-in-class Deepwater complemented by resilient Conventional Oil & Gas



Production longevity underpinned by stable liquids and growth in gas



**#1**

in global LNG sales & GTL product sales

**11 Mtpa**

LNG capacity additions by 2030<sup>1</sup>

**\$30** per bbl

Average Break-even price

**>500** kboe/d

New production by 2025

**~\$13** billion p.a.

Cash capex in IG & UP through 2030

**>20** years

Commercial resource life

<sup>1</sup> Includes North Field South project in Qatar. Transaction is subject to completion.



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Specifically, Integrated Gas and Upstream feature four outstanding businesses; Conventional Oil and Gas, Gas to Liquids, Liquefied Natural Gas, or LNG, and Deep Water. Today, I'm going to focus my comments on the distinctive world-class capabilities of LNG and Deep Water.

We are the world leader in LNG... supplying our customers with secure and reliable energy today and in the future. LNG is deeply integrated with our trading and optimisation activities... which enable us to capture additional value from the scale and breadth of our global LNG portfolio.

And we are growing that portfolio even more.... with around 11 million tonnes per year of new LNG capacity under construction, which will come on stream in the second half of the decade... that is almost a third of our current LNG portfolio.

In our Upstream business, Deep Water has a proven track record of sustained cash flows from high-margin, lower-carbon barrels.

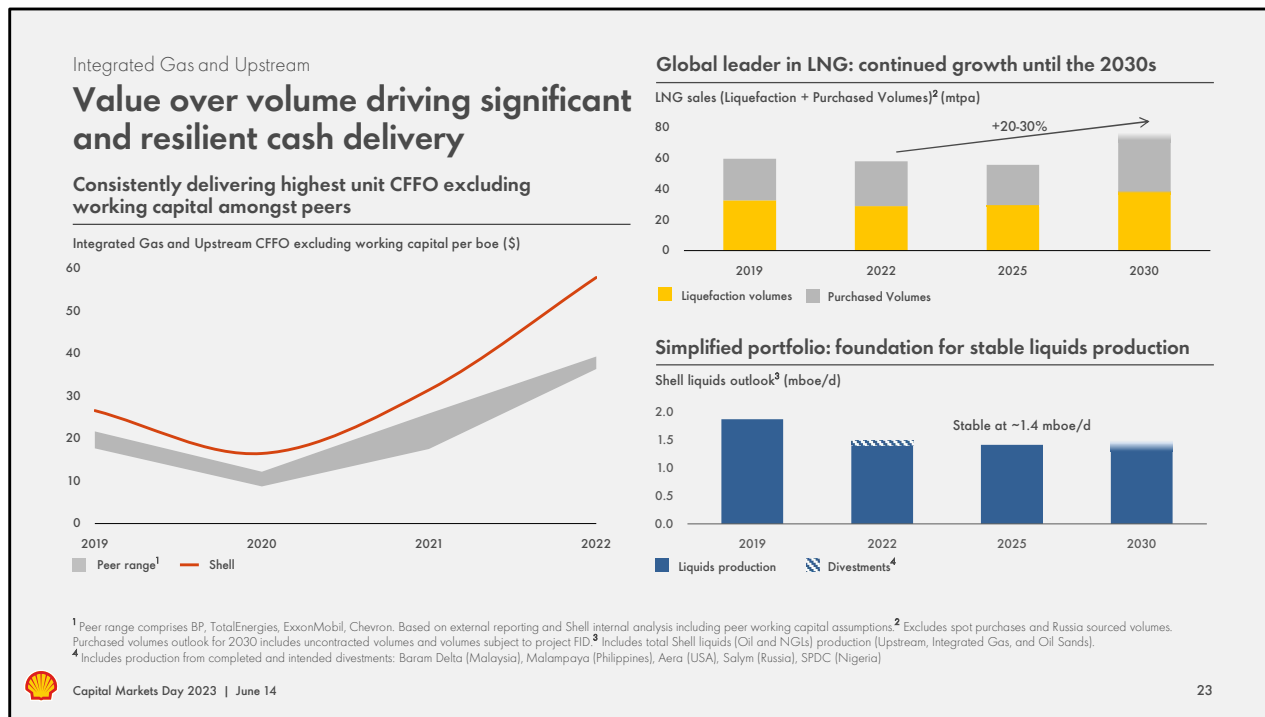
And thanks to a strong portfolio of Upstream projects... which includes our resilient Conventional Oil and Gas business....we have a break-even price of \$30 per barrel on projects coming on stream between 2023 and 2025.

Continued investments in oil and gas will be needed to make sure that the energy transition happens in a balanced way... with a secure supply of affordable and increasingly lower-

carbon energy.

We will contribute to this balanced transition... by focusing our investments on the most profitable and carbon-competitive projects... spending about \$13 billion a year of capex in our Integrated Gas and Upstream businesses through the decade. Total production will grow from 2025...given our confidence in our portfolio and capabilities.

Now let's see in more detail how these businesses will continue to extend their market leadership.



Our focus on value over volume, performance and discipline has driven sector-leading unit cash flows... with our Integrated Gas and Upstream portfolios generating more cash flow per barrel than any other integrated oil and gas company over the past four years.

LNG will play a key role in a balanced energy transition, as it produces fewer greenhouse gas emissions than coal when used to generate electricity and fewer emissions than petrol or diesel when used for transport fuel. We see continued strong demand for LNG in the medium term... and expect to grow our LNG term sales by 20-30% by 2030.

When we launched our Powering Progress strategy... we said that we expected a gradual decline in our oil production of around 1-2% a year to the end of 2030.

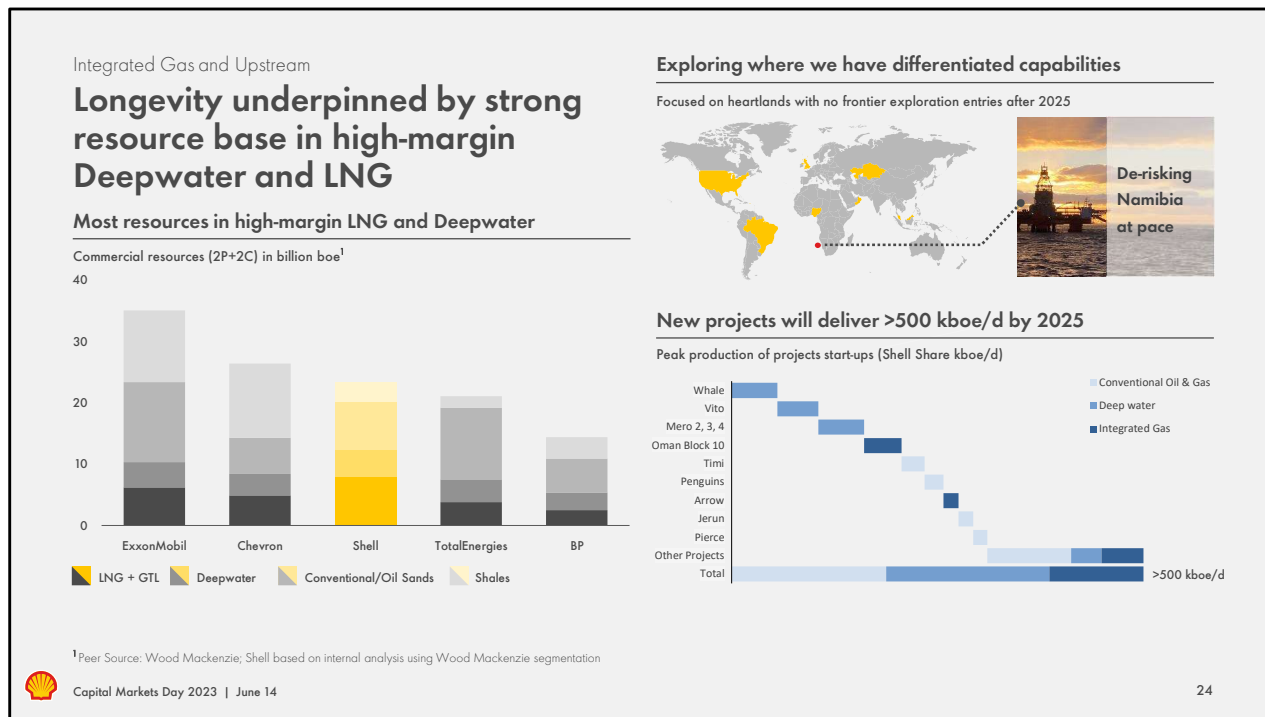
We have achieved that reduction earlier than expected through targeted divestments... and now expect to maintain our liquids production at approximately 1.4 million barrels of oil equivalent a day to the end of the decade. This takes into account the decline we'll see from portfolio simplification in areas like onshore Nigeria where we intend to reduce our involvement in onshore oil production while remaining in deep-water and gas positions.

As our oil production then stabilises over the next few years... we will keep our focus on value over volume.

As Sinead mentioned earlier, we'll achieve operating cost reductions through further portfolio simplification and through testing new business models and ways of working... For example,

our Upstream position in the Netherlands has reduced base operating expenses, excluding utilities, by 30% since 2019 through the implementation of a lean operating model. We will continue to high-grade the portfolio... focusing our spending and expertise on opportunities with higher margins and lower carbon emissions.





As I just highlighted, our portfolio positions us well to generate significant cash flows into the next decade.

Integrated Gas and Upstream combined have commercial resources with a life of more than 20 years... and if you look at total resources alone, we are right in the middle of our peer group ... the sweet spot for a company pursuing a balanced energy transition.

But what really differentiates our portfolio is the significant portion of high-margin activities... with the largest percentage of commercial resources in LNG and Deep Water among our peers... both areas where we are world leading.

From the beginning of 2023 through 2025, we will have brought on line projects with a total peak production of more than 500,000 barrels of oil equivalent a day. This includes two new platforms in the Gulf of Mexico, three floating production storage and offloading vessels in Brazil, as well as the Pierce and Penguins oil and gas fields in the UK. We are also developing many smaller projects, as shown in the chart on the lower right.

We will invest in areas where we have proven ourselves or have deep experience with the geology. Our hurdle rates for Integrated Gas will adjust to an 11% IRR... for Upstream to a 15% IRR...and only where we see a risk profile consistent with that return.

Although we believe that hydrocarbons will be needed for a long time to come, we are also acutely aware that these barrels will need to be increasingly lower carbon. With this in mind, I

hope it is clear that hurdle rates alone will not solely dictate our capital allocation but they remain an important factor.

As stated before, Shell does not anticipate new frontier exploration entries after 2025. We will focus our exploration efforts on extending the life of our heartland positions... and on the Atlantic Margin, where we have unique expertise and deep understanding of the geological features of this basin.

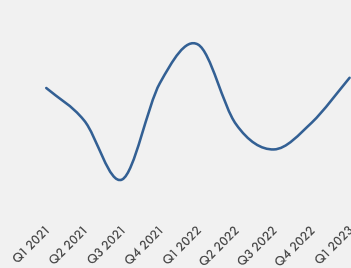
Before I move on to LNG, let me briefly comment on our opportunity in Namibia, which is evolving quickly.

Since 2022, we have drilled three exploration wells and one appraisal well in Namibia. We also recently completed a successful flow test... the first ever test of this kind in the country. We are in the process of reviewing the encouraging results and are focused on determining commercial potential, moving cost-effectively and at pace.

## Integrated Gas value chain generates significant value

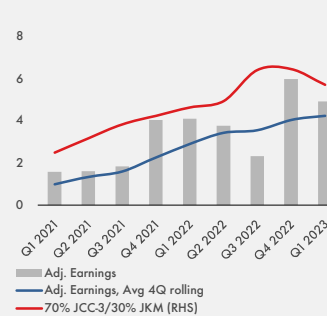
### Optimising portfolio for demand in Northern Hemisphere winter

Net term volumes<sup>1</sup>



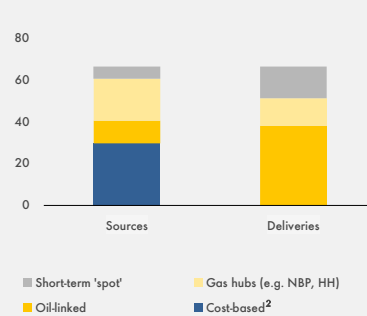
### IG Adjusted Earnings trending with LNG price markers

\$ billion



### Managing cross-commodity exposure for value

LNG sales in 2022 (mtpa)



~2-4% IG ROACE uplift per annum expected through LNG Trading & Optimisation

<sup>1</sup> (Term Purchases - Term Sales), excludes JV marketed volumes

<sup>2</sup> Cost based volumes are exposed to LNG JV costs, typically a mix of operational cost and cost to purchase natural gas



In LNG, our integrated model is at the heart of value creation... as we are the leading global marketer... with a business spanning upstream, liquefaction, shipping, marketing, optimising for our customers... and trading.

To give you an idea of what I mean by value creation... we estimate that LNG marketing, trading and optimisation contributes a 2-4% increase in the return on average capital employed in Integrated Gas.

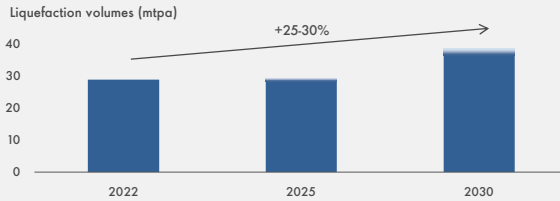
And despite some quarterly volatility... and partly because of our decision to position our portfolio towards the northern hemisphere winter... earnings over a 12-month period are stable... and largely follow oil and gas price benchmarks.

The marketing side of our LNG business uses this supply portfolio to serve our extensive network of customers... and generates stable margins from the spread between our portfolio of supply and sales contracts... in some cases by purchasing gas against prices linked to Henry Hub... and selling gas against prices linked to oil.

With our global market presence, unrivalled access to customers and knowledge, our trading and optimisation organisation can create further upside... and take positions that add value... especially during times of high price volatility.

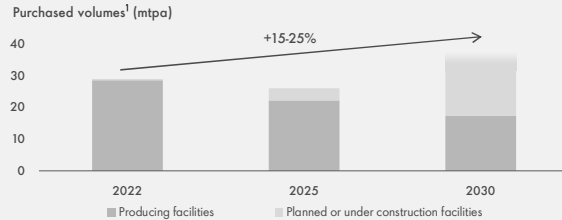
## Integrated Gas volumes will grow through end of decade

### Growing equity volumes through selective investment



Projects under construction	Country	Shell share %	LNG capacity 100%, mtpa
LNG Canada Train 1-2	Canada	40	14
NLNG Train 7	Nigeria	26	7.6
North Field East Expansion	Qatar	25	8
North Field South Expansion <sup>2</sup>	Qatar	9.4	16

### Contracting for reliable and competitive offtake



3 <sup>rd</sup> party offtake agreements	Country	Project status	LNG offtake mtpa
Venture Global - Calcasieu Pass	USA	Producing	2.0
Mozambique LNG	Mozambique	Under construction	2.0
Venture Global - Plaquemines LNG phase 1	USA	Under construction	1.9
Mexico Pacific - Train 1+2	Mexico	Pre-FID	2.6
Mexico Pacific - Train 3	Mexico	Pre-FID	1.1
Energy Transfer - Lake Charles	USA	Pre-FID	2.1
Next Decade - Rio Grande LNG	USA	Pre-FID	2.0

Volumes exclude spot purchases and Russia sourced volumes.

<sup>1</sup> Includes 3rd party purchases and purchases from JV's in addition to liquefaction volumes. Outlook for 2030

includes uncontracted volumes and volumes subject to project FID

<sup>2</sup> Subject to transaction completion



## We invest in LNG capacity where we have a competitive advantage...

For example, we are adding 11 million tonnes per year of LNG capacity through new projects in Qatar.... along with an additional processing unit in Nigeria... and of course our project in Canada, where the plant is now more than 80% complete and on track for first cargo by the middle of the decade. Critically, this world-class project is designed to achieve a lower carbon intensity than any other LNG plant in operation in the world today.

Beyond our own production, we also add scale and flexibility to our LNG portfolio by buying LNG from others. Most of our new contracted volumes will come from North America, for example from LNG projects like Venture Global Plaquemines and Mexico Pacific. We can use our scale and balance sheet to enter contracts in the early stages of projects... and to obtain attractive terms.

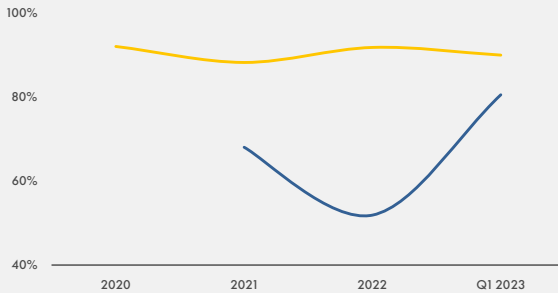
## Progressing on LNG feedgas supply and operational excellence

Securing feedgas supply by investing \$2 billion p.a. on backfill<sup>1</sup>

Increasing Prelude availability



Controllable midstream availability %



● Examples of LNG plants with feedgas projects (planned or under construction)

— LNG Portfolio excl. Prelude — Prelude

<sup>1</sup> Over 2023-2025



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Increasing utilisation at existing LNG plants is the most important way we can increase short-term value... as these are our lowest-cost additional LNG volumes available.

That's why I have made it a top priority to address the supply and operational issues that have caused the under-utilisation of our LNG assets... and it's why... over the next three years... we expect to invest around \$2 billion every year in projects that increase the supply of natural gas to our existing LNG facilities.

I'm pleased to say that in the first half of 2023... we have already made progress.

In Trinidad and Tobago, for example, we have increased gas production through delivery of the Colibri and Barracuda projects. And we have further gas supply options including the Manatee gas project.

In Nigeria we have increased our capacity to produce gas in our Upstream business... but are facing severe challenges in our work to increase the gas supply to the Nigeria LNG plant due to continued vandalism of the pipelines ... Our teams continue to collaborate with the Nigerian government and other stakeholders with the aim of addressing crude theft from our facilities, and the resulting impacts on gas production. These efforts have already led to improved security.

Another area where we are focusing on performance is Prelude... our floating LNG facility in Australia... which is a complex design with many first-time applications... in a remote location.

Our operational record at Prelude has been challenging... but we are seeing steady improvement... and recently exceeded 100 days of continuous operation for the first time. We are also seeing faster recovery from operational trips... with record production in March and April.

We have a multi-year plan to improve Prelude's operational performance... including a planned turnaround later in the year... which will help to reduce its vulnerabilities.

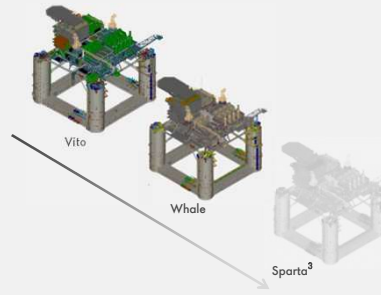
We have demonstrated before... for example when we commissioned our Pearl gas to liquids plant in Qatar... that we can use the breadth of Shell's organisational capabilities to move from a challenged start... to a high-performing world-class asset.

## Deepwater: Competitive delivery through advantaged capabilities

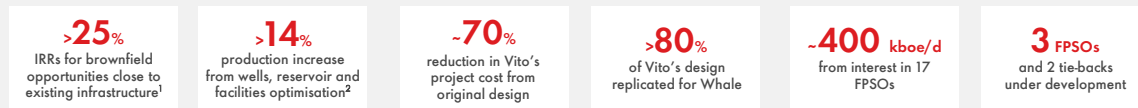
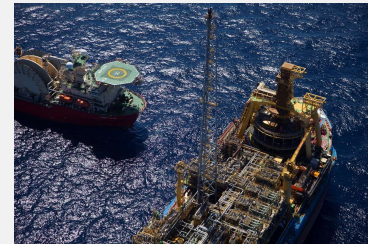
### Leading operator in the Gulf of Mexico



### Simplifying and replicating projects



### Top foreign producer in Brazil



<sup>1</sup> Opportunities on rig schedule in the next 5 years. <sup>2</sup> Refers to full year 2022 base production  
<sup>3</sup> Potential future project, currently pre-FID



Turning our attention to another high-margin business where we have unique capabilities... let's look at Deep Water...

This is a business with higher barriers to entry... and not only have we been first movers in deep water from the start... but we will continue to reach even higher levels of performance... through our near-field opportunities... our technical expertise... our strong partnerships... and our model of simplification and replication... as we develop deep-water fields into the next decade.

We are the largest operator in the Gulf of Mexico and we are making the most of our portfolio... creating the most value... by focusing on opportunities close to our existing assets which are in the best corridors of the Gulf of Mexico. This allows us to have access to the critical infrastructure to develop shorter-cycle high-value, tieback opportunities... We are top quartile in well optimisation, according to industry benchmarks, which enables us to protect and grow our existing production, bringing us some of the lowest-cost barrels available.

We also continue to innovate and add new volumes ... projects like Vito, our newest platform in the Gulf of Mexico, with a peak production of 100 thousand barrels of oil equivalent per day. Improvements to the original design of Vito reduced costs by more than 70% from the original concept and will reduce carbon emissions by about 80% over the lifetime of the facility... Vito will serve as a blueprint for other projects such as Whale.

In Brazil, where we are the largest foreign producer, we are adding three additional Mero

floating production storage and offloading vessels in the Santos Basin. And we are adding barrels where we have opportunities to leverage our world-class partnership and technical understanding for greater value... for example, by increasing our stake in the Atapu field.



## Leading Integrated Gas and Advantaged Upstream



### Value over volume driving significant and resilient cash delivery

Leading positions in high-margin LNG and Deepwater  
Average break-even price of \$30 per bbl

### Longevity of cash flows underpinned by strong resource base

Sustain liquids production of ~1.4 mboe/d through 2030  
Grow liquefaction capacity by 11 mtpa & LNG purchases by 15-25% by 2030  
20 years of commercial resource life

### Improving reliability and asset utilisation

Securing feedgas through \$2 billion p.a. investments in backfill  
Improving Prelude reliability

### Disciplined capital allocation and project delivery

Investing ~\$40 billion<sup>1</sup> in Leading Integrated Gas & Advantaged Upstream  
IRR hurdle rates: 11% for IG and 15% for Upstream  
Deliver >500 kboe/d in new production by 2025

<sup>1</sup> - \$13 billion per annum during 2023-2025



Let me summarise before going to your questions.

We believe oil and gas will play a significant role as the world transitions to a low-carbon energy system.

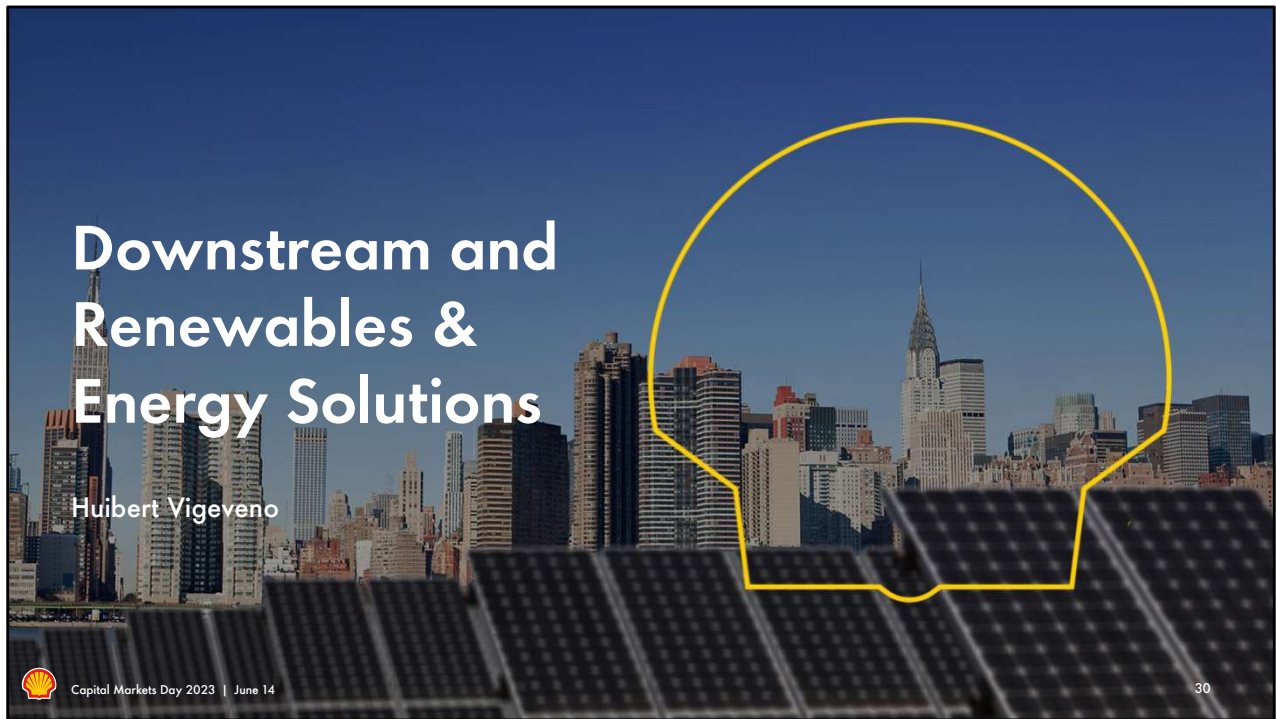
Our leading Integrated Gas and advantaged Upstream businesses will continue to drive cash generation for Shell into the next decade.

Our performance is underpinned by our value over volume approach and a strong resource base.

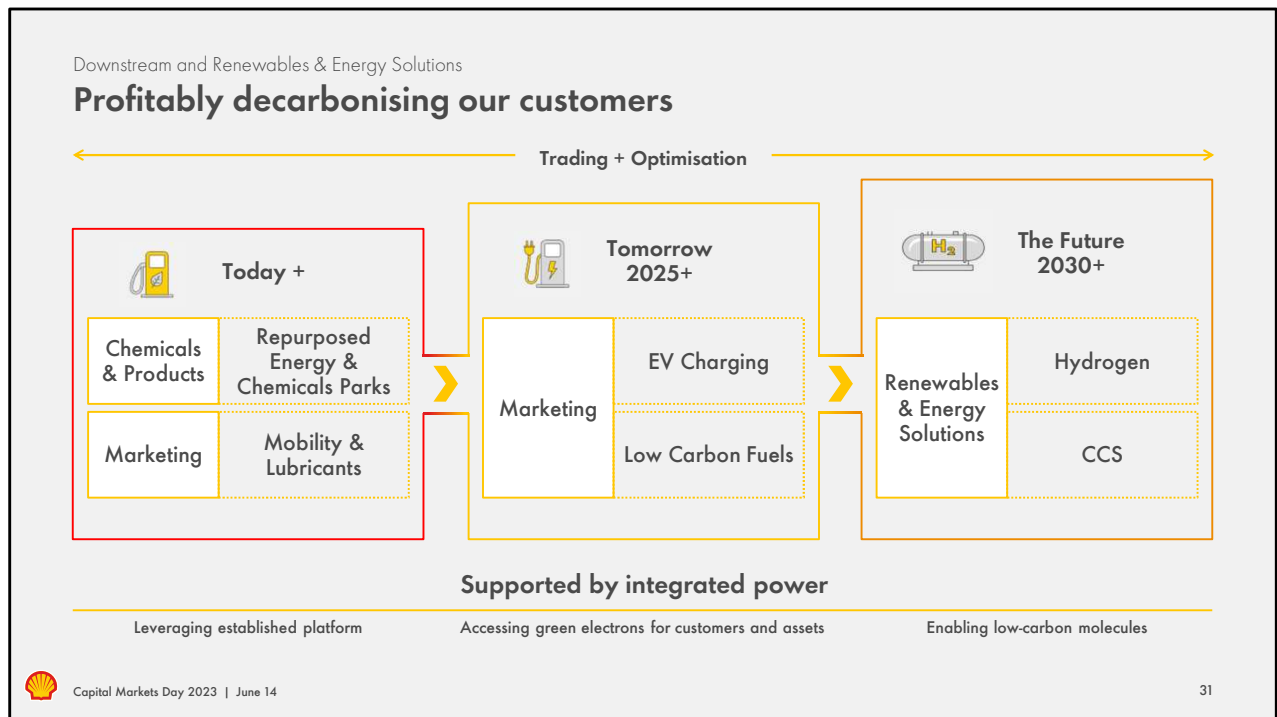
We will be disciplined with our capital... allocating around \$13 billion in annual cash capex towards higher-margin and carbon-competitive opportunities.

I'm excited about creating even more value from this simplified structure of a combined Integrated Gas and Upstream directorate.

Now we will move on to your questions....



Thank you, Zoë.



You've just heard about our leading Upstream and Integrated Gas businesses... and now I want to tell you about the Downstream, Renewables & Energy Solutions businesses... where customers are at the heart of everything we do...

Bringing these businesses together enhances our ability to help our customers decarbonise through the energy transition. What our customers need will change over time. Therefore, our focus will change over time.

Today, we have leading businesses like Marketing, which we will get the most value out of.

For tomorrow, we are building businesses such as Low Carbon Fuels that will allow us to capture attractive growth... leveraging our competitive advantages.

And to be ready for the future, we are seeding options in parts of the energy system where we have the capabilities to win. For example, in hydrogen.

Wael spoke earlier about our focus on molecules...

To enable the molecules businesses of today, tomorrow, and the future, we will need access to green electrons... both to decarbonise our own assets and to help decarbonise our customers... especially those in transport and industry.

Our optimisation capabilities will be key to us successfully delivering this strategy...

We are starting from a place of strength. Our extensive customer reach means we are well-placed to deliver more value, with less emissions.

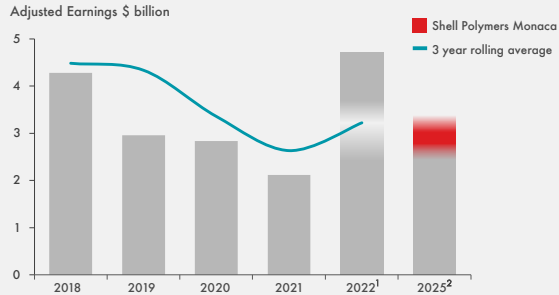
Let me talk you through how we will enhance the value of our business, as we help our customers decarbonise ...

## Today: Repurposing Energy & Chemicals Parks to help decarbonise customers

### Portfolio high-grading



### Strengthen financial delivery



**Strategic review**  
of Singapore Energy &  
Chemicals Park

**High-grade**  
European Energy &  
Chemicals Parks

**~\$3 billion**  
Cash capex p.a.  
2024-2025<sup>3</sup>

**Capital employed**  
Constrained - Stable  
through the decade

<sup>1</sup> Refinery margins of ~\$18/bbl due to disruptions <sup>2</sup> For price assumptions see appendix.  
<sup>3</sup> Chemicals & Products excludes pipelines and oil sands



Our Chemicals and Products business includes both chemicals and refining, in addition to trading and optimisation of crude and oil products.

Over a number of years we have high-graded our chemicals and refining portfolio, resulting in a more focused set of assets...

Since 2020, Shell has divested five refineries, closed one, and converted one into a terminal.

We are now repurposing our portfolio... to offer more low-carbon solutions to our customers.

We will focus on our assets in North America and China which are well placed to enable this...

This means we are initiating a strategic review of both our Bukom and Jurong Island assets in Singapore... this is mainly driven by the nature of the products they make and the demand that they serve.

We will also high-grade and right-size our European Energy and Chemicals Parks. This means retiring certain units and continuing with some divestments we have already announced.

The remaining parks in our portfolio will support our low-carbon opportunities... with investments like our HEFA biofuels plant, which will enable us to provide cleaner fuels to our customers.

In the short term... our financial delivery will be supported by the ramp-up of Shell Polymers Monaca in Pennsylvania...

Given our investments to date and our focus on low-carbon solutions, our capital employed will remain stable over the decade.

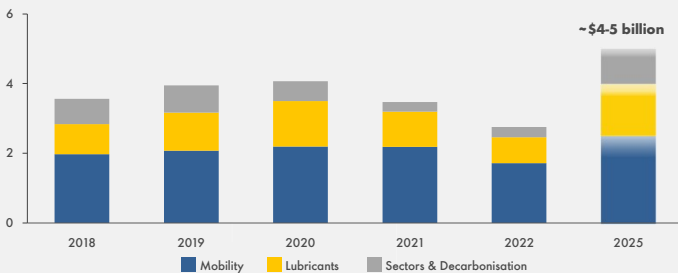
This means investing around \$3 billion a year to maintain and manage our assets, with some capital for brownfield development only where we see attractive returns.

Through simplifying and exercising discipline, we expect to generate Adjusted Earnings in the range of \$3 to \$4 billion by 2025.

Moving on to our Marketing business...

## Today: Delivering improved Marketing performance

Adjusted Earnings \$ billion



### High-grade network

Disposing of ~500 sites annually

### Paced growth

~\$3 billion cash capex p.a. 2024-2025  
IRR hurdle rate of 15%<sup>2</sup>

### Grow premium margin

V-Power fuels, Lubricants and premium charging  
e.g., Pennzoil, Jiffy Lube and fast EV charging

### Leveraging competitive differentiators

**Most valuable**  
Brand in the industry<sup>3</sup>

**#1**  
Global finished  
lubricants supplier<sup>4</sup>

**~32 million**  
Customers served daily

<sup>1</sup> Shell owned sites (including joint ventures) to 2025 <sup>2</sup> Excludes Low Carbon Fuels, EV charging  
<sup>3</sup> Brand Finance Global 500 (2023) <sup>4</sup> Kline & Company (2022)



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To start with, I'd like to acknowledge that our performance in recent years was below expectations.

Today we are lowering our expected 2025 earnings to \$4 to 5 billion. We recognise that... we need to earn back the right to GROW... and therefore we are reducing our capex to some \$3 billion a year from \$6 billion this year.

We have a world-leading Marketing business... and it's our obligation to get the most out of it. This will be our focus. And we will do this by applying value over volume across our footprint, identifying and driving cost efficiencies, and selectively growing where we see truly compelling opportunities.

We have the most valuable brand in the industry, valued at around \$50 billion....

We're the number one global lubricants supplier... and have been for 16 years running.

And we serve around 32 million customers daily at our mobility sites.

But how can we turn these enablers into better financial performance?

Going forward... there are three things we will do to improve...

First... we will high-grade our network. We will retire our ambition for 55,000 Shell-branded

Mobility stations by 2025... and drive value over volume, disposing of sites and taking opportunities when they arise... allowing us to focus on attractive markets only. As an example, we plan to exit our shareholding in Shell Pakistan Ltd subject to regulatory approvals. Shell Pakistan has a large retail and lubricants business, and we are seeing strong interest from international buyers.

Second... we will pursue paced growth in key markets where we can generate high returns, like here in the US... and increase direct ownership of our retail stations. For instance, with the purchase of Landmark, including the Timewise brand in Texas, we have more control over convenience retail... and that is where we want to keep growing. Since 2018, our convenience retail business has achieved an average growth rate of 5% through increased basket sizes, sales of ready-to-cook meals and greater margins from coffee... up 57% since 2018...

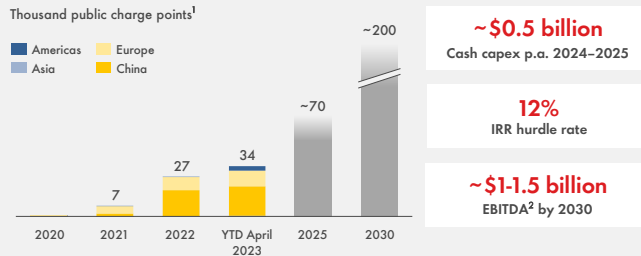
And third... we will grow our premium margin, and expand offerings such as V-Power and premium lubricant products. Gross margin contribution of premium lubricants, like Helix Ultra, has increased from 39% to 45% over the last four years...

Now let's move to EV charging...

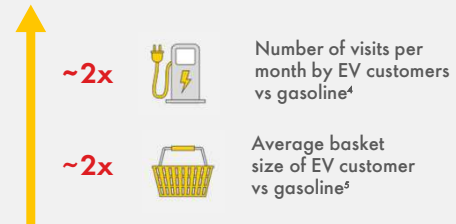


## Tomorrow: Positioned for profitable growth in EV charging

### Progressing EV charging growth



### Convenience retail complements EV



### Focused growth



#### Shell Fulham EV

First EV-only hub in the UK  
44%<sup>3</sup> utilisation rate, up from 35% in 2022



#### EV in China

700 EV stations; ~100k customers each day  
25%<sup>6</sup> utilisation; 2.5x better than industry average

<sup>1</sup> Includes charge points at Shell forecourts and new locations. <sup>2</sup> Adjusted EBITDA contribution to Mobility sub-segment. <sup>3</sup> Opening time utilisation Q1 2023. <sup>4</sup> China FY 2022 data. <sup>5</sup> UK only (July 2020 - December 2022). <sup>6</sup> Time utilisation rate reached in 2022.



As electric vehicles become more popular, more people will want to charge on the go... and we are building an EV business for tomorrow's demand...

And as New Yorkers know well, living in a city can mean no driveway and no home charging.

This is the situation for the majority of people in the world.

And even if you do have a home charger, you are likely to need the option of topping up away from home.

So that is why we are focusing on more public charging... faster chargers... at the right locations.

We have the second-largest public EV network among global players after Tesla in terms of country reach.

This is more than 30,000 public charge points, which we expect to increase to around 70,000 by 2025, and 200,000 by 2030.

To measure our progress, we have moved to a public charge-point figure... this is a more meaningful metric, because 60% of the value resides in public charging.

And in terms of the right locations... we have a major advantage, thanks to our global

network of service stations... which none of our peers can match.

And there are synergies with our traditional marketing business that we can use to make our EV charging business more profitable.

As I told you earlier, our convenience retail is thriving. And there is an opportunity to generate further value by growing convenience retail in parallel with our EV offering...

The average basket spend of EV drivers is about twice that of customers who buy gasoline or diesel.

China, Europe and the US are our key markets for EV charging.

In China we saw a 25% utilisation rate of our EV chargers in 2022, which was two-and-a-half times that of the industry average. And we continue to see higher utilisation rates across the network.

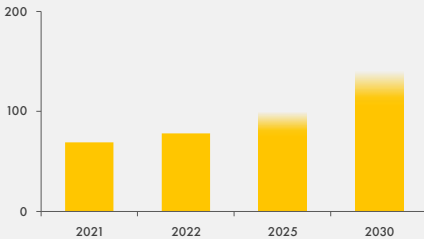
In financial terms, we are targeting an internal rate of return of 12%... and expect to deliver EBITDA of about \$1.0 to \$1.5 billion by 2030.

Let us move on to low-carbon fuels...

## Tomorrow: Growing our Low Carbon Fuels business

### Building on a market-leading position

Sales (mboe per annum)



**~\$1 billion**  
Cash capex p.a. 2024–2025

**12%**  
IRR Hurdle Rate

**\$1–2 billion**  
EBITDA<sup>1</sup> by 2030

### Shell and raízen partnership

**raízen joint venture<sup>2</sup>**  
#1 second generation ethanol producer globally<sup>3</sup>  
#1 sugar-cane ethanol producer<sup>3</sup>



Together one of the world's largest blenders & distributors of biofuels

**World-class assets**  
Nature Energy, raízen, Rotterdam HEFA Plant

**Leading optimiser**  
Advantaged third-party volumes

**Profitably helping decarbonise customers**  
Leverage >1 million B2B customers

<sup>1</sup> Adjusted EBITDA representing the full value chain of Low Carbon Fuels across Shell reporting (sub-)segments.  
<sup>2</sup> Shell interest 44%, not operated by Shell. <sup>3</sup> raízen day 2022.



Low-carbon fuels, such as biofuels, are critical for sectors that cannot easily switch to electricity... like aviation, shipping and heavy industry...

Known as drop-in fuels, they allow customers to decarbonise without making significant investments and changes to their vehicles and machinery...

Here in the US you may have watched the Indy 500 recently.

It was a historic day for Josef Newgarden, who brought home his first Indy 500 victory... but it was also a big day for biofuels... Because all the Indy 500 race cars were powered by Shell's 100% renewable race fuel... a biofuel made from ethanol.

Same cars on the same track... but with different fuel in the tank and less emissions.

We expect the market for low-carbon fuels to grow, driven by stronger regulations and voluntary demand.

Shell has three main competitive advantages in this area:

Our first competitive advantage is that we have access to low-carbon fuels through our own production and those we buy from third parties... through our raízen joint venture, we are the world's largest producer of low-carbon ethanol... in fact, if raízen were a country, it would be the fifth-largest producer of ethanol globally. Another example is our HEFA facility in

Rotterdam, which will be among the biggest in Europe. And our acquisition of Nature Energy earlier this year, which makes us Europe's largest producer of renewable natural gas.

Our second competitive advantage is in trading and optimisation.... which gives us the ability to generate value by connecting supply and demand. Shell is one of the world's largest traders and blenders of biofuels... In 2022 we sold 14 times more low-carbon fuel than we produced... and we delivered an average adjusted EBITDA of more than \$300 million in 2021 and 2022.

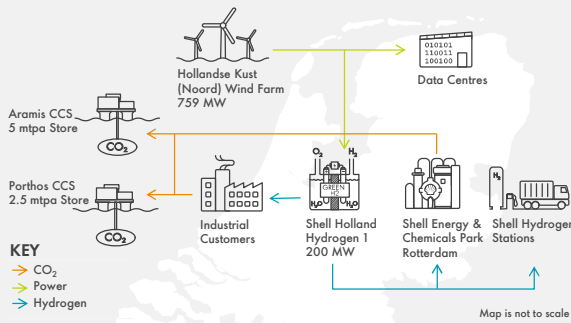
And our third competitive advantage is that we are already starting from a strong customer base... with more than one million B2B customers across transport and industry.

Our low-carbon fuels business is profitable today, and has a pathway to greater profitability in the future...

We expect an internal rate of return greater than 12% for new investments and \$1 to \$2 billion in EBITDA by 2030.

## Future: Hydrogen and CCS

### Rotterdam Clean Energy Hub



### Potential to leverage the Inflation Reduction Act



Enable our **assets**  
to decarbonise

Enable **customers**  
to decarbonise

**Geographic focus**  
USA, Canada,  
North-West Europe  
& Middle East

**< \$1 billion**  
Cash capex<sup>1</sup> p.a.  
2024-2025

<sup>1</sup> For CCS, includes Transport & Storage, excludes Capture



It's one thing having a vision of the future. It's quite another turning a vision into reality.

In line with our molecular emphasis, we see hydrogen and CCS as hugely important low-carbon solutions for the future... Both for Shell, and for our customers, especially in sectors that cannot be fully electrified, like heavy industry and transport.

The technology works... it is already in use today.

But the vision I'm talking about here is of a future where hydrogen and CCS are used at a much larger scale... And where these are profitable businesses for Shell.

Shell is uniquely positioned today, given our natural strengths in this area... such as our understanding of fuels value chains, our experience in delivering complex projects, and our technological ability...

Our plan is to integrate hydrogen and CCS into our existing facilities, like at our Energy and Chemicals Park Rotterdam... allowing us to reduce our own emissions and those of the products we sell.

As the market develops over time, we will unlock opportunities for future deployment at scale and leverage our customer relationships to meet increasing demand.

If we look at the Netherlands in more detail...here we are building Europe's largest green

hydrogen plant, powered by our offshore wind joint venture. The hydrogen produced will help to lower the carbon intensity of the energy products made at the Rotterdam park... CCS also plays an important role with two projects... Porthos, where we are an anchor customer, and Aramis, a joint venture... both are pre-FID...

Projects like these could lower our emissions and those of nearby industries, which make up the Rotterdam Clean Energy Hub...

However, to close the gap between where we are today and the future, stronger policy and regulatory support is needed... a good example is the Inflation Reduction Act here in the US, which can make our investments more resilient and competitive.

We also need growth in voluntary markets and more innovation... helping to scale up and reduce costs.

Our plan is to invest up to \$1 billion a year in hydrogen and CCS in 2024 and 2025, focusing on regions such as north-west Europe, and here, in North America.

Regions where we have an existing footprint, where policy support exists... where demand from customers is expected to be strong... and where we see a pathway to profitability...

That brings me to our Power business, which will help to decarbonise our assets and our customers, and enable our molecular businesses of the future...

## Power: Enabling growth today, tomorrow, and in the future

### Strong gas & power platform for **today**

Top 3 gas & power wholesaler in the USA<sup>1</sup>



### Growing value for **tomorrow**

Focusing on select markets: USA, Europe, India, Australia



### Seeding options for the **future**

Supply renewable power for green hydrogen



### Divesting

B2C business in Europe

### Cash capex after power dilutions

~\$2 billion p.a. 2024-2025

### 6-8%

Unlevered project IRR on power generation **plus** uplift<sup>2</sup>

### >\$3 billion

Adj. EBITDA by 2030

<sup>1</sup>Platts' Power Sales Analysis, Q2 2022. <sup>2</sup>Uplifts from dilution, financing, trading, optimisation, and sales



Let me start by acknowledging that we do not believe we have a distinct competitive advantage when it comes to power generation...

Where we do have a distinct competitive advantage is in the optimisation and marketing of molecules.

But as the energy system continues to electrify, customers who buy molecules from us today... will also expect us to offer alternatives... primarily power.

In addition to serving our customers, we will need renewable power to decarbonise our assets and to enable the production of low-carbon molecules.

As demand for green electrons increases, we expect the market to be tight... so we have been growing our portfolio with solar, wind and storage assets.

We must now deliver value from this portfolio... which means making disciplined and difficult choices such as stepping back from opportunities that do not fit our strategy or do not generate enough returns.

In line with this, we have taken decisions to exit projects in Ireland and France... And are in the process of divesting our home energy retail business in Europe.

We will be disciplined with our investments and will limit capex to \$2 billion a year in 2024

and 2025... This is a net figure... so proceeds from dilutions of around \$1 to \$2 billion offset the gross cash capex figure.

With this capital we will develop our existing assets... and target new opportunities where we can integrate across the value chain... in key markets such as the US, Europe, India, and Australia.

We will leverage our strengths in trading and optimisation... and our existing customer relationships across the industry and transport sectors.

While we expect returns in power generation to be in line with the market... at around 6-8%... there remains upside to this in several areas.... such as trading and optimisation, merchant risk, dilutions, and future growth in low-carbon molecules.

We expect this business to generate more than \$3 billion of EBITDA in 2030.



## Profitably decarbonising our customers



### Value over volume



Repurpose, simplify and high-grade Chemicals & Products business  
Resetting Marketing guidance on Adjusted Earnings to \$4-5 billion p.a. by 2025

### Focused growth on transport & industry sectors



Accessing green electrons enabling low-carbon molecule growth  
Investing at pace in Low Carbon Fuels and EV  
De-risking Hydrogen and CCS business models

### Disciplined capital allocation



Constrain capital employed in Chemicals & Products - stable through the decade  
Paced Marketing growth ~\$3 billion cash capex p.a. in 2024 & 2025  
Cash capex after power dilutions ~\$2 billion p.a. for power in 2024 & 2025  
IRR hurdle rates: 12% for Chemicals & Products, 15% for Marketing<sup>1</sup>, 10% for R&ES excluding Power, Power generation 6-8%.

<sup>1</sup>Excluding LCF and EV charging, with IRR hurdle rates of 12%.



Today we have talked about enhancing the value of our business while helping our customers decarbonise...

Before we wrap up, let me quickly summarise a few key points:

For our established businesses of today, we are focusing on strengthening performance in Marketing... and both repurposing and high-grading our Chemicals and Products business, while holding capital employed stable.

We have attractive growth opportunities in EV charging and Low Carbon Fuels, strengthening these businesses for tomorrow.

And finally... with Hydrogen and CCS we are seeding growth for the energy businesses of the future, which will be supported by Power.

Doing this will allow us to profitably help decarbonise our customers and enable Shell to deliver more value, with less emissions.

With that, I'd like to thank you... and open up the floor for questions.

# Key Takeaways and Q&A

Wael Sawan, Chief Executive Officer



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Before we open for Q&A, let me just run through the key messages that I hope you take away from today.

Shell

## The investment case through the energy transition

### Providing Energy Security

Committed to oil and gas, with a focus on LNG growth  
Investing ~\$40 billion<sup>1</sup> in Leading Integrated Gas & Advantaged Upstream

### Enabling the Energy Transition

Providing molecules to decarbonise the transport and industry sectors, while high-grading the Downstream business  
Investing ~\$35 billion<sup>2</sup> into Downstream and Renewable & Energy Solutions, of which \$10-15 billion<sup>1</sup> is directly into low-carbon energy solutions.

### Performance, Discipline, Simplification

Reduce structural cost by \$2-3 billion by end-2025 & lower capital spend to \$22-25 billion p.a. in 2024 and 2025  
Grow FCF/share >10% p.a. through 2025<sup>3</sup>

### Committed to Enhancing Shareholder Returns

Shareholder returns increased to 30-40% of CFFO through the cycle  
Dividend per share increase of 15% at Q2 2023<sup>4</sup> & second half 2023 buybacks of at least \$5 billion<sup>5</sup>

<sup>1</sup> 2023-2025 <sup>2</sup> Includes infrastructure & assets (~\$20 billion) and low-carbon energy solutions (\$10-15 billion) <sup>3</sup> 2022 to 2025, for price assumptions see appendix <sup>4</sup> Subject to Board approval  
<sup>5</sup> Share buyback programmes for the second half of 2023 will be announced at the Q2 and Q3 results announcements and are expected to be completed by the Q4 2023 results announcement



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Given our belief that oil and gas will continue to play an important part in delivering energy security for the foreseeable future, we will be sustaining our liquids production while growing our leading integrated gas portfolio through 2030.

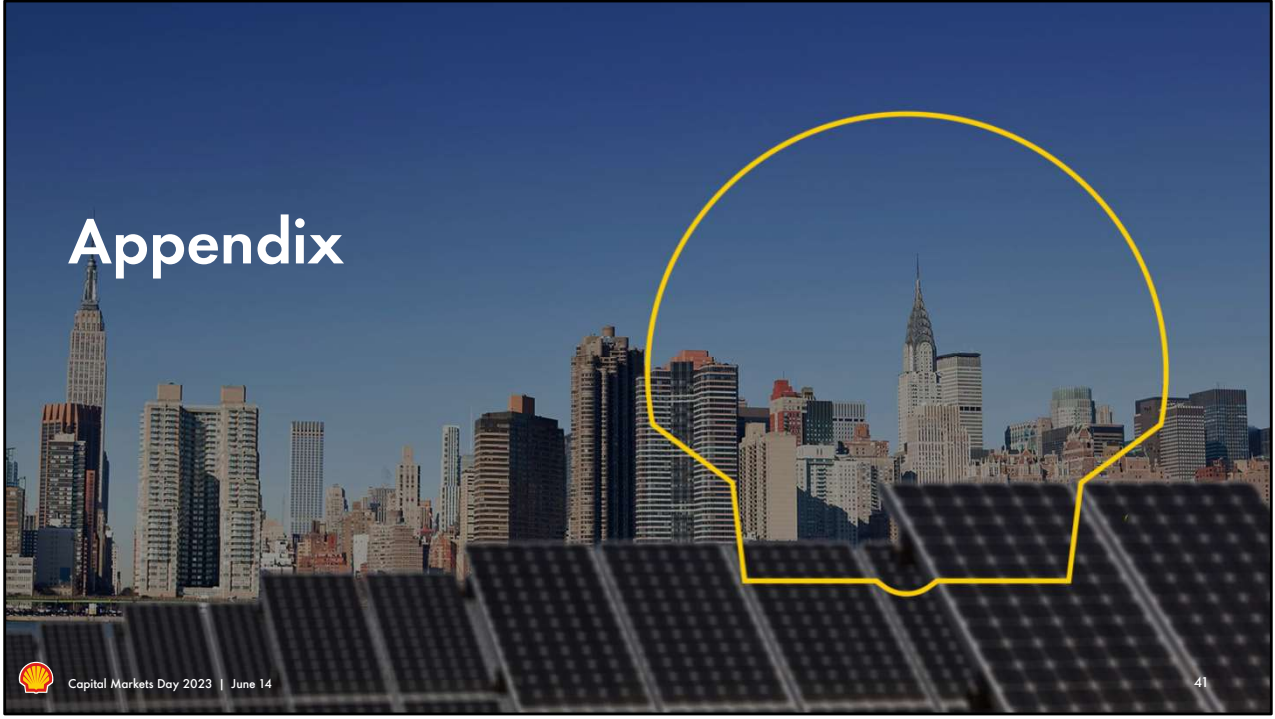
We are clear on the pathway to high grade and improve performance in our Marketing and Chemicals & Products businesses. We will continue to utilise our molecular and customer capabilities by growing our low-carbon fuels and EV charging businesses. Both represent attractive opportunities wherein we can leverage existing adjacencies and play to our strengths in our differentiated Downstream business.

Underpinning all that we do will be a ruthless focus on performance, discipline, and simplification and you heard Sinead outline our plans to get the most out of the opex and capex we spend.

All of this supports our ambition to grow FCF per share by greater than 10% per annum through 2025 and most importantly provides us with the confidence to increase our distributions to 30-40% of CFFO through the cycle. And hence today we have announced our intention to increase the dividend per share by 15% and set a floor for buybacks of \$5 billion for the second half of this year.

And this is why, as I outlined earlier, I believe Shell will be THE investment case through the transition. With that I'd like to thank you and open it up for Q&A.

# Appendix



## Targets

Shareholder distributions of 30-40% of CFFO through the cycle

>6% p.a. absolute free cash flow growth through 2030<sup>1</sup>

Grow FCF/share >10% p.a. through 2025<sup>1</sup>

Structural cost reduction \$2-3 billion by end-2025

Net-zero emissions by 2050 (Scopes 1, 2 and 3)

Halving Scope 1 & 2 emissions by 2030 under operational control (2016 baseline)

Eliminating routine flaring from Upstream operations by 2025<sup>2</sup>

Maintain methane emissions intensity below 0.2% by 2025 and achieve near-zero methane emissions by 2030

The targets on this slide represent all business targets that Shell will report on going forward. All other business targets, including those targets from Shell's Strategy Day in February 2021 have been retired as part of our normal business planning process. Beyond the targets on this slide, forward looking ambitions and projections in Capital Markets Day materials are used internally to guide Shell's business plans but are not targets. These other forward-looking ambitions and projections, such as ROACE uplift are not targets and therefore, will not be reported out against. Shell's Sustainability and climate targets remain in place and are not the focus of our Capital Markets Day presentation. Our climate targets will be managed through Shell's Energy Transition Strategy (ETS) update in March 2024.

<sup>1</sup> FCF 2022 to 2025/2030, for price assumptions see appendix

<sup>2</sup> Provided previously announced intention to exit from onshore Nigeria is realised



Appendix

## Disciplined, value-focused capital allocation

\$ billion	Cash Capex			Power dilutions	Cash Capex after power dilutions	FCF	IRR hurdle rates
	2022	2023	24-25		24-25	2025 <sup>1</sup>	
IG	4	~5	~5		~5	~8	11%
UP	8	~8	~8		~8	~10	15%
IGU	12	~13	~13		~13	17-18	
MKT	5	~6 <sup>2</sup>	~3		~3	~4	MKT ex. LCF/EV 15% LCF 12% EV 12%
C&P	4	3-4	3-4		3-4	~5	12%
R&ES	3	2-4	4-5	(1-2)	~3	~(2)	R&ES excl. power 10% Power generation 6-8%
DSR	12	11-14	10-12		9-10	7-8	
<b>Total</b>	<b>25</b>	<b>23-27</b>	<b>22-25</b>		<b>21-23</b>	<b>24-26</b>	

<sup>1</sup> For price assumptions see appendix <sup>2</sup> Includes acquisition of Nature Energy (nearly \$2 billion)



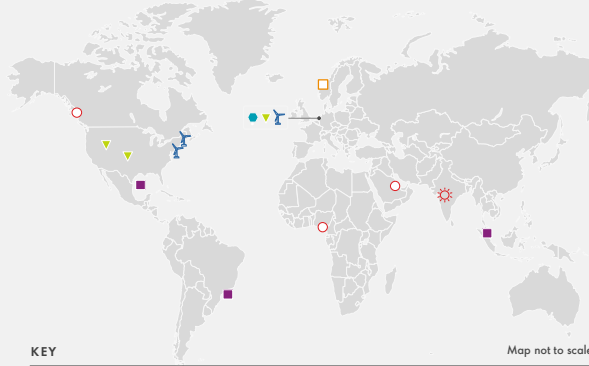
Appendix

# Pipeline of major projects

**2023 updates:**

Vito (USA) and Pierce (UK) start-ups, driving resource longevity

Further details available on [our investors page](#) on shell.com



**KEY**

- Upstream
- ▼ Low Carbon Fuels
- ☀ Solar
- ⚡ Hydrogen electrolyser
- Liquefaction plants
- CCS
- ⚓ Offshore wind

Projects under construction	Peak production/Capacity/Products (100%)	Shell share %	Country
<b>Start-up 2023-2024</b>			
Mero 2 [A]	180 kboe/d	19.3	Brazil
Mero 3 [A]	180 kboe/d	19.3	Brazil
Whale	100 kboe/d	60	USA
Spring Energy (multiple) [B]	456 MW	100	India
Crosswind/HKN [B]	760 MW	80	The Netherlands
Shell Bovarius	400,000 MMBtu RNG	100	USA
Shell Galloway	500,000 MMBtu RNG	100	USA
Northern Lights JV (Phase 1)	1.5 mtpa CO <sub>2</sub> captured and/or stored	33.3	Norway
<b>Start-up 2025+</b>			
Mero 4 [A]	180 kboe/d	19.3	Brazil
Marjoram/Rosmari	100 kboe/d	80	Malaysia
LNG Canada Train 1-2	14 mtpa	40	Canada
NLNG Train 7	7.6 mtpa	26	Nigeria
North Field East Expansion	8 mtpa	25*	Qatar
Biofuels Plant Rotterdam	820,000 tonnes of renewable diesel	100	The Netherlands
Holland Hydrogen I	200 MW	100	The Netherlands
Ecowende/HKW [B]	794 MW	60	The Netherlands
SouthCoast Wind Project 1 [B]	1,200 MW	50	USA
Atlantic Shores - Project 1 [B]	1,509 MW	50	USA

[A] Subject to unitisation agreements, data shown as per operator.

[B] Renewable generation - capacity under construction and/or committed for sale.

\*25% share in a JV company, which will own 25% of the North Field East expansion project.

On October 23, 2022, Shell [announced](#) its selection as partner in the 16 mtpa North Field South LNG project in Qatar with 9.375% participating interest.



Appendix

## Definitions

Metric	Definition
2P+2C	Proved and probable (2P) reserves + best estimate of contingent resources (2C), under the society of Petroleum Engineers Resource Classification System.
Adjusted Earnings	Income attributable to Shell plc shareholders for the period, adjusted for the after-tax effect of oil price changes on inventory carrying amounts and for identified items
Adjusted EBITDA	Adjusted EBITDA is defined as "Income/(loss) for the period" adjusted for current cost of supplies; identified items; tax charge/(credit); depreciation, amortisation and depletion; exploration well write-offs and net interest expense. All items include the non-controlling interest component
Break-even price	The forward-looking price for a project is calculated at FID based on all forward-looking costs associated with that project. These costs typically exclude exploration & appraisal costs, lease bonuses, exploration seismic, exploration team overhead costs, etc. The forward-looking break-even price is calculated based on our estimate of resource volumes (2C). Average break-even price calculated on a Volume-weighted average for portfolio of Upstream-only projects with onstream dates between 2023 and 2025.
Cash capital expenditure	Cash capital expenditure monitors investing activities on a cash basis, excluding items such as lease additions which do not necessarily result in cash outflows for the period. 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
Cash Capex after power dilutions	Cash capital expenditure after power dilutions comprises investments in controlling and non-controlling interests in Renewable Power Generation and Storage assets and Shell Ventures, less proceeds from dilutions and divestments in these interests and investments
Commercial resource life	2022 Commercial resources (2P+2C) divided by 2022 Production; Commercial resources represent 2P and 2C Development pending (December 2022)
Controllable availability	1 minus scheduled deferment (%) minus controllable unscheduled deferment (%)
Dividend break-even	The forward-looking, post dividend, break-even price for Shell plc assuming ~\$22 billion annual cash capex, ~\$4 billion annual divestments, and historical average refining margins and trading margins. Working capital and derivatives movements are assumed to be neutral
EBITDA	Earnings before Interest, Taxes, Depreciation and Amortisation. Forward looking projections refer to Adjusted EBITDA.
Free cash flow	Free cash flow is defined as the sum of cash flow from operating activities and cash flow from investing activities. Free cash flow is used to evaluate cash available for financing activities, including shareholder distributions and debt servicing, after investment in maintaining and growing our business
Free cash flow / per share	Free cash flow divided by shares outstanding at the end of the period. The outstanding number of shares excludes shares held in trust.
IRR hurdle rates	Targeted unlevered rate of return for growth projects excluding inorganic, where NPV equals zero, calculated at FID on forward-looking basis. For Upstream and Integrated Gas price assumption of \$65 per barrel Brent real terms 2022.





## Appendix

# Definitions

Metric	Definition
Frontier entry	A frontier entry refers to Shell participating in new exploration activities (seismic activities, exploratory drilling) outside countries where hydrocarbons have been discovered already (by Shell or other companies).
Low-carbon energy solutions	E-Mobility and Electric Vehicle Charging Services, Low Carbon Fuels (Biofuels/HEFA), Renewable Power Generation (Solar/Wind), Environmental Solutions, Hydrogen, carbon capture and storage. We define low-carbon energy products as those that have an average carbon intensity that is lower than conventional hydrocarbon products, assessed on a lifecycle basis (including emissions from production, processing, distribution and end use).
Operating expenses	Operating expenses is a measure of Shell's cost management performance, comprising the following lines of the Statement of Income: production and manufacturing expenses, selling, distribution and administrative expenses and research and development expenses. Underlying operating expenses is a measure aimed at facilitating a comparative understanding of performance from period to period by removing the effects of identified items, which, either individually or collectively, can cause volatility, in some cases driven by external factors.
Peak Production	Peak Production is the highest production in a full calendar year
Structural cost reductions	Structural cost reductions describe decreases in underlying operating expenses as a result of operational efficiencies, divestments, workforce reductions and other cost saving measures that are expected to be sustainable compared with 2022 levels. The total change between periods in underlying operating expenses will reflect both structural cost reductions and other changes in spend, including market factors, such as inflation and foreign exchange impacts, as well as changes in activity levels and costs associated with new operations. Estimates of cumulative annual structural cost reduction may be revised depending on whether cost reductions realised in prior periods are determined to be sustainable compared to 2022 levels. Structural cost reductions are stewarded internally to support management's oversight of spending over time. 2025 target reflects annualised saving achieved by end-2025.
ROACE	Return on average capital employed measures the efficiency of Shell's utilisation of the capital that it employs. ROACE is defined as income for the period, adjusted for after-tax interest expense, as a percentage of the average capital employed for the period. Capital employed consistent of total equity, current debt and non-current debt.
ROACE uplift	Expectation based on last 3 years historical average ROACE uplift from trading & optimisation. ROACE uplift % is calculated as the difference between Shell's ROACE including and excluding Trading, Supply, Pipelines and Optimisation Adjusted Earnings and capital employed.

## Price assumptions

Year	Assumption
2022 - price adjusted	\$65/bbl Brent, \$4/MMBtu Henry Hub (and related gas markers), and historic average chemical and refining margins
2025 / 2030 projections	\$65/bbl Brent and \$4/MMBtu Henry Hub (both real 2022), indicative chemical margins of \$150 to \$250 per tonne (nominal) and indicative refining margins of \$4 to \$6 per barrel (nominal)



Appendix

## Abbreviations

B2C	Business to consumer	E&C Parks	Energy and Chemicals Parks	LCF	Low Carbon Fuels
boe	Barrels of oil equivalent	EBITDA	Earnings before interest, tax, depreciation and amortisation	LNG	Liquefied natural gas
BEP	Break-even price	EV	Electric vehicle	mtpa	Million tonnes per annum
CAGR	Compounded annual growth rate	FCF	Free cash flow	MW	megawatt
Capex	Capital expenditure	FID	Final Investment Decision	NFE	North Field East (Qatar)
CCS	Carbon capture and storage	FPSO	Floating production, storage and offloading	NFS	North Field South (Qatar)
CFFO	Cash flow from operations	GTL	Gas-to-liquids	NGL	Natural gas liquids
CO <sub>2</sub> e	Carbon dioxide equivalent	GW	Gigawatt	NPV	Net present value
DPS	Dividend per share	HEFA	Hydroprocessed esters and fatty acids	Opex	Operating expenditure
DSR	Downstream and Renewables & Energy Solutions	IG	Integrated Gas	R&D	Research & Development
Downstream	Chemicals & Products and Marketing	IRR	Internal rate of return	R&ES	Renewables and Energy Solutions
		JCC	Japan Customs-cleared Crude	RNG	Renewable natural gas
		JKM	Japan Korea Marker	TWh	Terrawatt hours
				UP	Upstream
				USGC	US Gulf Coast



