



Q4 2021 RESULTS

PRESS RELEASE

London, February 3, 2022

Shell plc Chief Executive Officer, Ben van Beurden

"2021 was a momentous year for Shell. We launched our Powering Progress strategy and simplified our share structure and organisation. Progress made in 2021 will enable us to be bolder and move faster. We have a compelling strategy, with customers at its core. We have ambitious plans to generate shareholder value, to decarbonise our products and to provide energy to our customers while respecting nature.

We delivered very strong financial performance in 2021, and our financial strength and discipline underpin the transformation of our company. Today we are stepping up our distributions with the announcement of an \$8.5 billion share buyback programme and we expect to increase our dividend per share by around 4% for Q1 2022."

STRONG DELIVERY, ACCELERATED DISTRIBUTIONS

- Strong Q4 2021 Adjusted Earnings of \$6.4 billion, supported by higher commodity prices. Continued strong CFFO excluding working capital of \$11.1 billion in Q4 2021. Total CFFO excluding working capital amounted to \$55 billion in 2021.
- Disciplined cash capex: \$20 billion in 2021 and expected to be at the lower end of \$23-27 billion range in 2022.
- Net debt reduced to \$52.6 billion by end-2021, a \$23 billion reduction compared with 2020.
- Share buybacks of \$3.5 billion announced in 2021. Dividend expected to be increased by ~4% to \$0.25 per share for Q1 2022.
- Stepping up pace of distributions by announcing a share buyback programme of \$8.5 billion for the first half of 2022, including the remaining \$5.5 billion of Permian divestment proceeds.

\$ million	Adj. Earnings ¹	Adj. EBITDA (CCS)	CFFO ex. WC	CFFO	Cash capex
Integrated Gas	4,052	6,082	2,399	1,189	2,601
Upstream	2,832	8,491	6,609	7,074	1,537
Oil Products	555	1,742	2,031	(721)	1,341
Refining & Trading	(251)	318			484
Marketing	807	1,424			858
Chemicals	(42)	168	330	383	895
Corporate	(889)	(133)	(228)	245	127
Less: Non-controlling interest	117				
Shell					
Q4 2021	6,391	16,349	11,140	8,170	6,500
Q3 2021	4,130	13,460	17,472	16,025	4,840
FY 2021	19,289	55,004	55,471	45,105	19,698
FY 2020	4,846	36,533	29,495	34,105	17,827

¹Income/(loss) attributable to shareholders for Q4 2021 is \$11.5 billion. Reconciliation of non-GAAP measures can be found in the unaudited results, available on www.shell.com/investors.

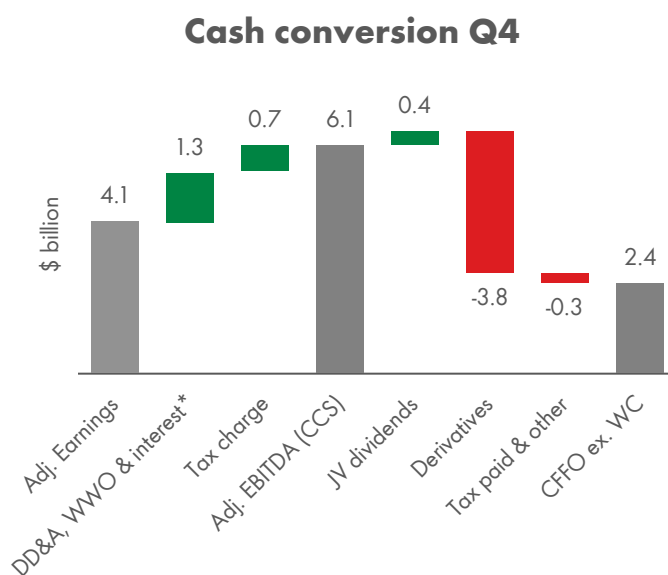
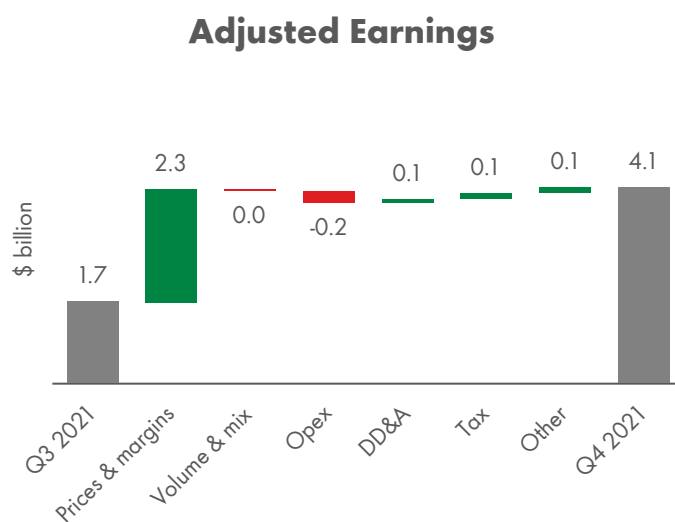
\$ billion	Q4 2020	Q1 2021	Q2 2021	Q3 2021	Q4 2021
Divestment proceeds	0.2	3.4	1.3	1.3	9.1
Free cash flow	0.9	7.7	9.7	12.2	10.7
Net debt	75.4	71.3	65.7	57.5	52.6

Q4 2021 FINANCIAL PERFORMANCE DRIVERS

INTEGRATED GAS, RENEWABLES AND ENERGY SOLUTIONS

Key data	Q3 2021	Q4 2021	Q1 2022 outlook
Realised liquids price (\$/bbl)	68.04	77.75	–
Realised gas price (\$/mscf)	8.36	9.80	–
Production (kboe/d)	938	927	760 - 820
LNG liquefaction volumes (MT)	7.39	7.94	7.7 - 8.3
LNG sales volumes (MT)	15.18	16.72	–

Q1 2022 outlook reflects turnaround in Pearl and Prelude unplanned maintenance.



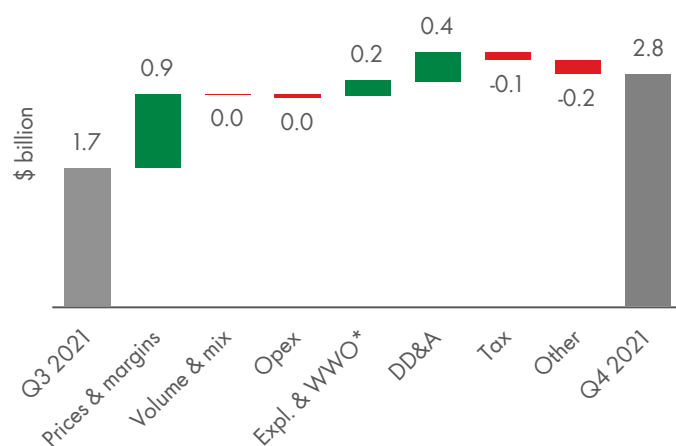
*WWO = well write-offs

- Adjusted Earnings benefited from higher realised prices and significantly higher trading and optimisation margins, overcoming supply issues and capturing unique optimisation opportunities generated through the large scale and scope of our LNG trading portfolio in a high LNG spot price environment.
- CFFO excluding working capital of \$2.4 billion, mainly impacted by derivative outflows of \$3.8 billion.

UPSTREAM

Key data	Q3 2021	Q4 2021	Q1 2022 outlook
Realised liquids price (\$/bbl)	67.10	73.49	–
Realised gas price (\$/mscf)	6.09	8.88	–
Liquids production (kboe/d)	1,497	1,458	–
Gas production (mscf/d)	3,387	4,080	–
Total production (kboe/d)	2,081	2,161	2,000 - 2,200

Adjusted Earnings



Cash conversion Q4



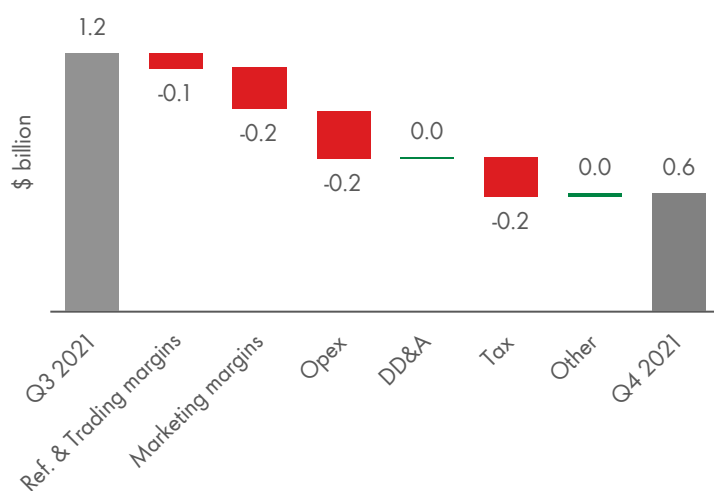
*WWO = well write-offs

- Adjusted Earnings higher by \$1.1 billion compared to Q3 2021, mainly driven by higher prices. Permian divestment completed in Q4, lowering DD&A.
- Continued strong cash conversion, with CFFO excluding working capital of \$6.6 billion, \$0.7 billion above Q3 2021.

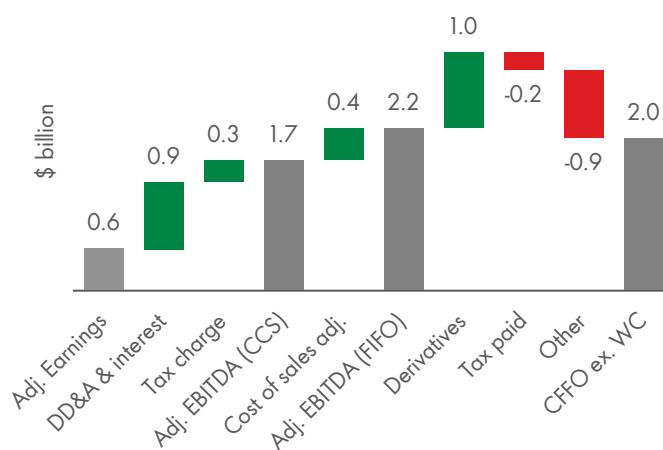
OIL PRODUCTS

Key data	Q3 2021	Q4 2021	Q1 2022 outlook
Sales volumes (kb/d)	4,665	4,451	4,100 - 5,400
Refining & Trading sales volumes (kb/d)	2,578	2,522	1,800 - 2,600
Marketing sales volumes (kb/d)	2,087	1,929	2,300 - 2,800
Refinery utilisation (%)	71	68	71 - 79
Global indicative refining margin (\$/bbl)	5.70	6.55	–

Adjusted Earnings



Cash conversion Q4

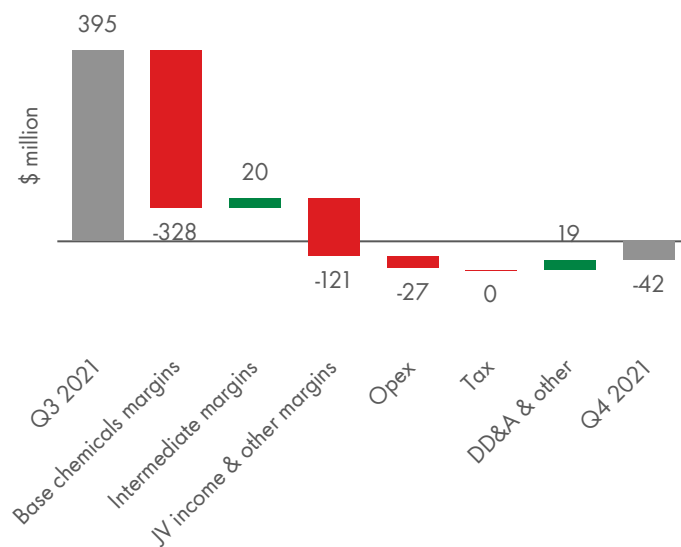


- Refinery utilisation and realised margins impacted by extended turnaround at Scotford, Hurricane Ida recovery efforts at Norco and a smaller portfolio due to ongoing divestments.
- Trading and optimisation contribution to earnings was lower compared with Q3 2021.
- Marketing Adjusted Earnings impacted due to seasonal trends and foreign exchange impacts in Turkey.
- CFFO excluding working capital of \$2.0 billion includes the timing impact of payments for emission certificates relating to German BEHG and US Biofuel programmes, which was offset by derivatives inflows of \$1.0 billion.

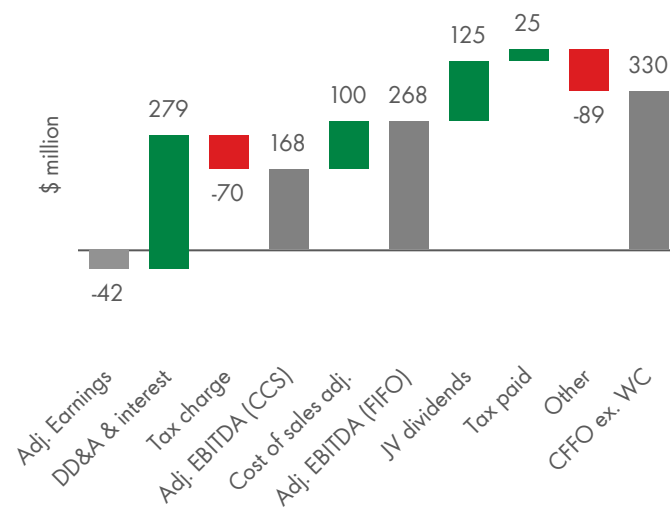
CHEMICALS

Key data	Q3 2021	Q4 2021	Q1 2022 outlook
Sales volumes (kT)	3,549	3,475	3,300 - 3,700
Manufacturing plant utilisation (%)	78	75	78 - 86

Adjusted Earnings



Cash conversion Q4



- Adjusted Earnings around break-even, reflect lower base chemicals spreads resulting in lower margins and JV earnings.
- Manufacturing plant utilisation impacted by Hurricane Ida recovery efforts in US Gulf Coast and an extended turnaround at Scotford.
- Cash conversion helped by timing of dividends from JVs.

CORPORATE

Key data	Q3 2021	Q4 2021	Q1 2022 outlook
Adjusted Earnings (\$ million)	(732)	(889)	(650) - (550)

- Corporate segment Adjusted Earnings were a net expense of \$889 million, including the impact of debt redemption.
- Net debt decreased by \$4.9 billion to \$52.6 billion in Q4 2021 mainly driven by strong CFFO and divestment proceeds.
- The Adjusted Earnings outlook for 2022 is a net expense of \$2,200 - 2,600 million for the full year 2022. This excludes the impact of currency exchange rate effects.

UPCOMING INVESTOR EVENTS

21 February 2022	LNG Outlook & Shell Insights: Integrated Gas Business Update
5 May 2022	First quarter 2022 results and dividends
10 May 2022	Annual ESG Update
24 May 2022	Annual General Meeting
28 July 2022	Second quarter 2022 results and dividends
27 October 2022	Third quarter 2022 results and dividends

USEFUL LINKS

- [Results materials Q4 2021](#)
- [Quarterly Databook Q4 2021](#)
- [Dividend announcement Q4 2021](#)
- [Webcast registration Q4 2021](#)

ALTERNATIVE PERFORMANCE (NON-GAAP) MEASURES

This announcement includes certain measures that are calculated and presented on the basis of methodologies other than in accordance with generally accepted accounting principles (GAAP) such as IFRS, including Adjusted Earnings, Adjusted EBITDA, CFO excluding working capital movements, Cash capital expenditure, free cash flow, Divestment proceeds and Net debt. This information, along with comparable GAAP measures, is useful to investors because it provides a basis for measuring Shell plc's operating performance and ability to retire debt and invest in new business opportunities. Shell plc's management uses these financial measures, along with the most directly comparable GAAP financial measures, in evaluating the business performance.

This announcement contains a forward-looking Non-GAAP measure for cash capital expenditure. We are unable to provide a reconciliation of this forward-looking Non-GAAP measure to the most comparable GAAP financial measure because certain information needed to reconcile the Non-GAAP measure to the most comparable GAAP financial measure is dependent on future events some of which are outside the control of the company, such as oil and gas prices, interest rates and exchange rates. Moreover, estimating such GAAP measure 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 estimated in a manner which is consistent with the accounting policies applied in Shell plc's consolidated financial statements.

CAUTIONARY STATEMENT

All amounts shown throughout this announcement are unaudited. The numbers presented throughout this announcement may not sum precisely to the totals provided and percentages may not precisely reflect the absolute figures, due to rounding.

The companies in which Shell plc directly and indirectly owns investments are separate legal entities. In this announcement "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. 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 announcement 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 announcement, 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 announcement 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, 2020 (available at www.shell.com/investors and www.sec.gov). These risk factors also expressly qualify all forward-looking statements contained in this announcement and should be considered by the reader. Each forward-looking statement speaks only as of the date of this announcement, February 3, 2022. 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 announcement.

The content of websites referred to in this announcement does not form part of this announcement.

We may have used certain terms, such as resources, in this announcement that the 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.

The financial information presented in this announcement does not constitute statutory accounts within the meaning of section 434(3) of the Companies Act 2006 ("the Act"). Statutory accounts for the year ended December 31, 2020 were published in Shell's Annual Report and Accounts, a copy of which was delivered to the Registrar of Companies for England and Wales, and in Shell's Form 20-F. The auditor's report on those accounts was unqualified, did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying the report and did not contain a statement under sections 498(2) or 498(3) of the Act.

The information in this announcement does not constitute the unaudited condensed consolidated financial statements which are contained in Shell's fourth quarter 2021 and full year unaudited results available on www.shell.com/investors.

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