This presentation contains data and analysis from Shell's new Sky scenario. Unlike Shell’s previously published Mountains and Baseline scenarios, the Sky scenario is based on the assumption that society reaches the Paris Agreement’s goal of holding global average temperature to well below 2°C above pre-industrial levels. As such, it represents a very different way of looking at the world. The Sky scenario is designed to present an optimistic view of what Shell could achieve if it were to take full advantage of low carbon technologies and take successful action on climate change. This means the scenarios in this presentation do not reflect Shell’s strategy or plans.

The Sky scenario is based on the assumption that society reduces its emissions fast enough to allow the world’s average temperature to stabilize at 1.5°C above pre-industrial levels by around 2050 and 2°C by 2060. To improve the chances of achieving this outcome, we recommend steps to:

- Increase the pace of technology development and deployment.
- Improve the alignment between climate policy and economic decisions.
- Expand the potential for low carbon technologies.
- Strengthen and extend financial incentives for low carbon technologies.
- Support stronger action through international agreements.

Shell’s ambition is to reach net zero emissions in line with the Paris Agreement goal by around 2050. We have set ourselves the target of reducing our own direct and indirect emissions, associated with producing the energy products that we sell, by around 50% in 2035 and by around 65% in 2050. This is a commitment to the global community. We do not expect Shell alone to achieve this ambition. It will require cooperation between governments, industries, and consumers. Shell is committed to supporting this ambition and to doing our part to help address the challenge of climate change.

We believe that energy transitions will be driven by a combination of market forces and government policy. While Shell cannot control everything that will happen in the future, we can help support the transition by: (a) providing energy products that can help reduce emissions; (b) investing in new low carbon technologies; (c) supporting governments to move towards policies that enable a low carbon future; (d) working to influence consumers to choose low carbon products.

The Sky scenario is based on a transition that begins in the mid-2020s and continues over time. It is not a description of what Shell is planning, but a description of what Shell could achieve if it were to fully implement existing technologies and take every opportunity to innovate or develop new technologies.

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#makethefuture
Shell Eco-marathon, Rotterdam, Netherlands
**Global population**

**World population**

<table>
<thead>
<tr>
<th>Billions of people</th>
</tr>
</thead>
<tbody>
<tr>
<td>2000</td>
</tr>
<tr>
<td>2010</td>
</tr>
<tr>
<td>2020</td>
</tr>
<tr>
<td>2030</td>
</tr>
<tr>
<td>2040</td>
</tr>
<tr>
<td>2050</td>
</tr>
</tbody>
</table>

- **UN Low variant**
- **UN Medium variant**
- **UN High variant**
Golden thread

“Energy is the golden thread that connects economic growth, social equity and environmental sustainability.”

Ban Ki-Moon
Former UN Secretary-General
Strategic ambitions

Focus on delivering strong results

- Thrive in the energy transition
- World-class investment case
- Strong licence to operate
Ford Model-T, 1920
Starship truck – prototype
Catalysts

Catalyst samples, Shell Technology Centre Bangalore, India
Engineers discussing geological information for drilling plans, Houston, USA
Autonomous ships

Marine Autonomous Surface Ship (MASS), Gibraltar
Strong societal licence to operate

Shell has a long history of caring

No harm

Good products

Trusted company
Ben van Beurden
Chief Executive Officer
Royal Dutch Shell plc
2018

- Portfolio reshaped, positioned for long-term resiliency
  - Focus on asset resilience and longevity through the energy transition
  - Growth in areas that will be essential in the energy transition

- Strong financial delivery and strengthened financial framework
  - Simpler organisation with higher returns
  - ~$31 billion of organic free cash flow

- Leading through the energy transition
  - Shorter-term targets to reduce the Net Carbon Footprint
  - Maintain emissions intensity below 0.2% by 2025\(^1\)

1 Methane emissions intensity is for Shell operated oil and gas assets.
## 2018 Financial Summary

<table>
<thead>
<tr>
<th>Metric</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Earnings ($ billion); EPS +34% vs. 2017</td>
<td>21.4</td>
</tr>
<tr>
<td>Cash flow from operations excluding working capital ($ billion)</td>
<td>49.6</td>
</tr>
<tr>
<td>Free cash flow ($ billion)</td>
<td>39.4</td>
</tr>
<tr>
<td>ROACE(^1) (%)</td>
<td>8.7</td>
</tr>
<tr>
<td>Gearing (%)</td>
<td>20.3</td>
</tr>
</tbody>
</table>

Earnings and ROACE on CCS basis, excluding identified items. All data on pre-IFRS basis.

\(^1\) 2018 ROACE restated using revised definition.
Financial framework

Cash allocation

<table>
<thead>
<tr>
<th>Surplus CFFO</th>
<th>Buybacks</th>
</tr>
</thead>
<tbody>
<tr>
<td>■ Intention to purchase $25 billion by the end of 2020</td>
<td></td>
</tr>
<tr>
<td>■ Subject to further progress with debt reduction and oil price conditions</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>CFFO</th>
<th>Capital investment</th>
</tr>
</thead>
<tbody>
<tr>
<td>■ $25-30 billion per annum, organic &amp; inorganic</td>
<td></td>
</tr>
<tr>
<td>■ 2018: $25 billion</td>
<td></td>
</tr>
<tr>
<td>■ 2019: within the $25-30 billion range</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Dividend</th>
</tr>
</thead>
<tbody>
<tr>
<td>■ $15.7 billion in 2018¹</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Interest</th>
</tr>
</thead>
<tbody>
<tr>
<td>■ $3.6 billion in 2018</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Divestment proceeds</th>
<th>Net debt reduction to 20% gearing²</th>
</tr>
</thead>
<tbody>
<tr>
<td>■ 20.3% as of Q4 2018</td>
<td></td>
</tr>
</tbody>
</table>

¹ Dividend distributed to RDS shareholders, 2 20% gearing as a proxy for AA equivalent credit metrics.
Financial framework

Free cash flow performance and payout

2019-2021: ample capacity for debt reduction and share buybacks

2019-2021 outlook: 2016 Real Terms $60 per barrel, mid-cycle Downstream. Dividend distributed to RDS shareholders.

2014 cash dividend includes scrip issuance of $2.4 billion offset by share buybacks. 2014 share buybacks of $3.3 billion presented net of $2.4 billion offsetting scrip issuance.

### Distributions from free cash flow

<table>
<thead>
<tr>
<th>Year</th>
<th>Divestment proceeds less acquisitions</th>
<th>Scrip dividend</th>
<th>Interest paid</th>
<th>Cash dividend</th>
<th>Share buybacks</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>10 $/bbl</td>
<td>5 $/bbl</td>
<td>1 $/bbl</td>
<td>13 $/bbl</td>
<td>0 $/bbl</td>
</tr>
<tr>
<td>2017</td>
<td>19 $/bbl</td>
<td>5 $/bbl</td>
<td>1 $/bbl</td>
<td>12 $/bbl</td>
<td>1 $/bbl</td>
</tr>
<tr>
<td>2018</td>
<td>30 $/bbl</td>
<td>5 $/bbl</td>
<td>1 $/bbl</td>
<td>6 $/bbl</td>
<td>4 $/bbl</td>
</tr>
</tbody>
</table>
Goal Zero on safety

Injuries – TRCF\(^1\) (per million working hours) vs million working hours

- TRCF
- Working hours (RHS\(^2\))

Operational spills

- Thousand tonnes
- Number of spills (RHS)

Upstream flaring

- Million tonnes CO\(_2\)-equivalent

Process safety

- Number of incidents
- Tier 1 incidents
- Tier 2 incidents

Goal Zero
No harm, no leaks

---

1 Total Recordable Case Frequency; 2 Right-hand side.
50:50 joint venture between Shell and ExxonMobil

NAM

January
Earthquake Zeerijp with a force of 3.4 on the Richter scale

February
Gas production locations Loppersum shut down on behalf of Minister Wiebes

March
Minister announces new damage protocol

March
Minister announces proposal: gas production level and completion plan Groningen

March
Temporary commission for mining damage (RVO) opens counter and starts handling outstanding damage claims

June
Heads of Agreement MEAC¹, ExxonMobil, Shell; signed

September
Final report on 6000 outstanding damage claims to MEAC

October
Presentation ‘Nationaal Programma Groningen’

October
Change in ‘Gaswet/Mijnbouwwet’ came into effect

December
Start new ‘National Coordinator Groningen’

December
Announced extension to the new-build arrangement by NAM (at the request of MEAC) until 1 July 2019

Source: www.nam.nl, ¹ Ministry of Economic Affairs and Climate.
April 11, 2019

Ben van Beurden, Chief Executive Officer, Sir Nigel Sheinwald, Non-Executive Director and Chair of the Corporate and Social Responsibility Committee, Harry Brekelmans, Projects & Technology Director, Donny Ching, Legal Director, and Maarten Wetselaar, Integrated Gas & New Energies Director, presented in London during the annual responsible investors briefing.

Slides from presentation at the responsible investor briefing in London, April 11, 2019
Scripted speech text from responsible investor briefing in London, April 11, 2019
Net Carbon Footprint ambition

Ambitions:
- Reduce Net Carbon Footprint of our energy products by ~20% by 2035
- Be in line with society Net Carbon Footprint by 2050
Power value chain

- Adjacencies to existing businesses
- Value chain integrator
- Demand-driven development

CUSTOMERS
Multiple parties are active on the demand side

- New Motion
- MP2 Energy LLC
- First Utility
- GI Energy
- sonnen

OPTIMISATION
Leverage portfolio flexibility and arbitrage opportunities

- Shell Energy North America
- Shell Energy Europe
- Shell Energy Australia
- Shell Energy Brazil
- Carbon emissions rights trading

SUPPLY AND GENERATION
Not all products are supplied by Shell, some are purchased from third parties

- US onshore wind portfolio
- NoordzeeWind
- Borssele 3 and 4 offshore wind
- Silicon Ranch
- Moerdijk solar
- Cleantech Solar

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- Shorter-term targets to reduce the Net Carbon Footprint
- Maintain emissions intensity below 0.2% by 2025¹

Focus on delivering strong results

World-class investment case

¹ Methane emissions intensity is for Shell operated oil and gas assets.
Annual General Meeting
2019

Royal Dutch Shell plc
May 21, 2019

#makethefuture
Achieving the Paris Agreement will require huge changes in society’s relationship with energy…

… Society will need to act in all areas.
We all have a role to play...illustrations for air and road travel

<table>
<thead>
<tr>
<th>Change consumption patterns</th>
<th>Maximise energy efficiency</th>
<th>Use lower carbon energy</th>
<th>Store remaining emissions</th>
</tr>
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</table>

Where Shell has a role to play - the focus of our Net Carbon Footprint Ambition.
Our Net Carbon Footprint ambition focuses where we have most influence...

...we will sell fewer products with higher emissions, and more products with lower or no emissions.

In 2019, we set a 3-year target to reduce our Net Carbon Footprint by 2% to 3% compared to 2016. Our executives’ pay is linked to this target.

...realising our ambition will mean that Shell will be a radically different company in 2050.
**We all have a role to play...illustrations for the heavy industry and housing**

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<tbody>
<tr>
<td><strong>Heavy Industry (e.g. steel)</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Housing</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Reduce hot water and heating/cooling demand? Lower thermostat? Smart metering.</td>
<td>Double-glaze windows. Insulate walls and roofs. Install solar panels, heat pumps, low energy lighting. District heating</td>
<td>Help shift from coal to gas or to low carbon/renewable electricity.</td>
<td>Buy into offset schemes?</td>
</tr>
</tbody>
</table>

Where Shell has a role to play - the focus of our Net Carbon Footprint Ambition.
We all have a role to play...illustrations for light and heavy industry

**Change consumption patterns**

- Light industry e.g. textiles

- Heavy industry e.g. steel
  - Consume less? Produce different grade steel. 3-D metal printing. Recycling.

**Maximise energy efficiency**

- Light industry e.g. textiles
  - Upgrade and electrify machinery. More efficient heating/cooling.

- Heavy industry e.g. steel
  - Optimise use of machinery. Adopt new technology e.g. electric-fed furnaces.

**Use lower carbon energy**

- Light industry e.g. textiles
  - Supply electricity from renewable sources

- Heavy industry e.g. steel
  - Help shift from coal to gas. Supply electricity from renewable sources and in time, (green) Hydrogen.

**Store remaining emissions**

- Light industry e.g. textiles
  - Use of circular economy?

- Heavy industry e.g. steel
  - Application of carbon, [use], capture and storage

Where Shell has a role to play - the focus of our Net Carbon Footprint Ambition.