

Consolidated Financial Statements

238	Consolidated Statement of Income
238	Consolidated Statement of Comprehensive Income
239	Consolidated Balance Sheet
240	Consolidated Statement of Changes in Equity
241	Consolidated Statement of Cash Flows
242	Notes to the Consolidated Financial Statements
242	Note 1 Basis of preparation
242	Note 2 Significant accounting policies, judgements and estimates
252	Note 3 Changes to IFRS not yet adopted
252	Note 4 Climate change and energy transition
261	Note 5 Emission schemes and related environmental plans
262	Note 6 Withdrawal from Russian oil and gas activities
264	Note 7 Capital Management
265	Note 8 Segment information
269	Note 9 Interest and other income
270	Note 10 Interest expense
270	Note 11 Goodwill and other intangible assets
271	Note 12 Property, plant and equipment
275	Note 13 Joint ventures and associates
276	Note 14 Investments in securities
277	Note 15 Trade and other receivables
277	Note 16 Inventories
278	Note 17 Cash and cash equivalents
278	Note 18 Assets held for sale
278	Note 19 Trade and other payables
279	Note 20 Debt
278	Note 21 Leases
283	Note 22 Taxation
285	Note 23 Retirement benefits
292	Note 24 Decommissioning and other provisions
293	Note 25 Financial instruments
299	Note 26 Share capital
300	Note 27 Share-based compensation plans and shares held in trust
301	Note 28 Other reserves
303	Note 29 Dividends
303	Note 30 Earnings per share
303	Note 31 Legal proceedings and other contingencies
306	Note 32 Employees
306	Note 33 Directors and Senior Management
307	Note 34 Auditor's remuneration
307	Note 35 Post-balance sheet events

Consolidated Financial Statements continued

Consolidated Statement of Income

		\$ million		
	Notes	2022	2021	2020
Revenue	8	381,314	261,504	180,543
Share of profit of joint ventures and associates	13	3,972	4,097	1,783
Interest and other income	9	915	7,056	869
Total revenue and other income		386,201	272,657	183,195
Purchases		258,488	174,912	117,093
Production and manufacturing expenses	8	25,518	23,822	24,001
Selling, distribution and administrative expenses	8	12,883	11,328	9,881
Research and development	8	1,075	815	907
Exploration	8	1,712	1,423	1,747
Depreciation, depletion and amortisation	8	18,529	26,921	52,444
Interest expense	10	3,181	3,607	4,089
Total expenditure		321,386	242,828	210,162
Income/(loss) before taxation		64,815	29,829	(26,967)
Taxation charge/(credit)	22	21,941	9,199	(5,433)
Income/(loss) for the period	8	42,874	20,630	(21,534)
Income attributable to non-controlling interest	8	565	529	146
Income/(loss) attributable to Shell plc shareholders	8	42,309	20,101	(21,680)
Basic earnings per share (\$)	30	5.76	2.59	(2.78)
Diluted earnings per share (\$)	30	5.71	2.57	(2.78)

Consolidated Statement of Comprehensive Income

		\$ million		
	Notes	2022	2021	2020
Income/(loss) for the period	8	42,874	20,630	(21,534)
Other comprehensive income/(loss) net of tax				
Items that may be reclassified to income in later periods:				
Currency translation differences	28	(2,986)	(1,413)	1,179
Debt instruments remeasurements	28	(78)	(28)	23
Cash flow hedging (losses)/gains	28	(232)	21	(160)
Net investment hedging gains/(losses)	28	180	295	(423)
Deferred cost of hedging	28	200	(39)	100
Share of other comprehensive income/(loss) of joint ventures and associates	13	274	(109)	(42)
Total		(2,642)	(1,273)	677
Items that are not reclassified to income in later periods:				
Retirement benefits remeasurements		5,466	7,198	(2,702)
Equity instruments remeasurements		(491)	145	64
Share of other comprehensive (loss)/income of joint ventures and associates	13	(253)	3	119
Total		4,722	7,346	(2,519)
Other comprehensive income/(loss) for the period		2,080	6,073	(1,842)
Comprehensive income/(loss) for the period		44,954	26,703	(23,376)
Comprehensive income attributable to non-controlling interest		621	468	136
Comprehensive income/(loss) attributable to Shell plc shareholders		44,333	26,235	(23,512)

Consolidated Financial Statements continued

Consolidated Balance Sheet

		\$ million	
	Notes	Dec 31, 2022	Dec 31, 2021
Assets			
Non-current assets			
Goodwill [A]	11	16,039	14,920
Other intangible assets [A]	11	9,662	9,773
Property, plant and equipment	12	198,642	194,932
Joint ventures and associates	13	23,864	23,415
Investments in securities	14	3,362	3,797
Deferred tax	22	7,815	12,426
Retirement benefits	23	10,200	8,471
Trade and other receivables	15	6,920	7,065
Derivative financial instruments	25	582	815
		277,086	275,614
Current assets			
Inventories	16	31,894	25,258
Trade and other receivables	15	66,510	53,208
Derivative financial instruments	25	24,437	11,369
Cash and cash equivalents	17	40,246	36,970
		163,087	126,805
Assets classified as held for sale	18	2,851	1,960
		165,938	128,765
Total assets		443,024	404,379
Liabilities			
Non-current liabilities			
Debt	20	74,794	80,868
Trade and other payables	19	3,432	2,075
Derivative financial instruments	25	3,563	887
Deferred tax	22	16,186	12,547
Retirement benefits	23	7,296	11,325
Decommissioning and other provisions	24	23,845	25,804
		129,116	133,506
Current liabilities			
Debt	20	9,001	8,218
Trade and other payables	19	79,357	63,173
Derivative financial instruments	25	23,779	16,311
Income taxes payable		4,869	3,254
Decommissioning and other provisions	24	2,910	3,338
		119,916	94,294
Liabilities directly associated with assets classified as held for sale	18	1,395	1,253
		121,311	95,547
Total liabilities		250,427	229,053
Equity			
Share capital	26	584	641
Shares held in trust		(726)	(610)
Other reserves	28	21,132	18,909
Retained earnings		169,482	153,026
Equity attributable to Shell plc shareholders		190,472	171,966
Non-controlling interest		2,125	3,360
Total equity		192,597	175,326
Total liabilities and equity		443,024	404,379

[A] Goodwill, previously presented under Intangible assets, is separately presented as from 2022. Prior period comparatives have been revised to conform with current year presentation.

Signed on behalf of the Board

/s/ Sinead Gorman

Sinead Gorman
Chief Financial Officer
March 8, 2023

Consolidated Financial Statements continued

Consolidated Statement of Changes in Equity

\$ million

	Equity attributable to Shell plc shareholders					Non-controlling interest	Total equity
	Share capital (see Note 26)	Shares held in trust	Other reserves (see Note 28)	Retained earnings	Total		
At January 1, 2022	641	(610)	18,909	153,026	171,966	3,360	175,326
Comprehensive income for the period	—	—	2,024	42,309	44,333	621	44,954
Transfer from other comprehensive income	—	—	(34)	34	—	—	—
Dividends (see Note 29) [A]	—	—	—	(7,283)	(7,283)	(206)	(7,489)
Repurchases of shares [B]	(57)	—	57	(18,547)	(18,547)	—	(18,547)
Share-based compensation	—	(116)	176	131	191	—	191
Other changes	—	—	—	(188)	(188)	(1,650) [C]	(1,838)
At December 31, 2022	584	(726)	21,132	169,482	190,472	2,125	192,597
At January 1, 2021	651	(709)	12,752	142,616	155,310	3,227	158,537
Comprehensive income for the period	—	—	6,134	20,101	26,235	468	26,703
Transfer from other comprehensive income	—	—	(45)	45	—	—	—
Dividends (see Note 29) [A]	—	—	—	(6,321)	(6,321)	(348)	(6,669)
Repurchases of shares	(10)	—	10	(3,513)	(3,513)	—	(3,513)
Share-based compensation	—	99	58	93	250	—	250
Other changes	—	—	—	5	5	13	18
December 31, 2021	641	(610)	18,909	153,026	171,966	3,360	175,326
At January 1, 2020	657	(1,063)	14,451	172,431	186,476	3,987	190,463
Comprehensive (loss)/income for the period	—	—	(1,832)	(21,397)	(23,229)	136	(23,093)
Transfer from other comprehensive income	—	—	270	(270)	—	—	—
Dividends (see Note 29) [A]	—	—	—	(7,270)	(7,270)	(311)	(7,581)
Repurchases of shares	(6)	—	6	(1,214)	(1,214)	—	(1,214)
Share-based compensation	—	354	(143)	(230)	(19)	—	(19)
Other changes	—	—	—	566	566	(585)	(19)
At December 31, 2020	651	(709)	12,752	142,616	155,310	3,227	158,537

[A] The amount charged to retained earnings is based on prevailing exchange rates on payment date.

[B] Includes shares committed to repurchase under irrevocable contracts and repurchases subject to settlement at the end of the year. (See Note 26)

[C] The decrease in the non-controlling interest is mainly attributable to the acquisition of the non-controlling interest in Shell Midstream Partners, L.P.

Consolidated Financial Statements continued

Consolidated Statement of Cash Flows

		\$ million		
	Notes	2022	2021	2020
Income/(loss) before taxation for the period		64,815	29,829	(26,967)
Adjustment for:				
Interest expense (net)		2,135	3,096	3,316
Depreciation, depletion and amortisation		18,529	26,921	52,444
Exploration well write-offs	12	881	639	815
Net gains on sale and revaluation of non-current assets and businesses		(642)	(5,995)	(286)
Share of profit of joint ventures and associates		(3,972)	(4,097)	(1,783)
Dividends received from joint ventures and associates		4,398	3,929	2,591
(Increase)/decrease in inventories		(8,360)	(7,319)	4,477
(Increase)/decrease in current receivables		(8,989)	(20,567)	9,625
Increase/(decrease) in current payables		11,915	17,519	(9,494)
Derivative financial instruments		(2,619)	5,882	977
Retirement benefits		417	16	568
Decommissioning and other provisions		35	(76)	1,104
Other		2,991	803	8
Tax paid		(13,120)	(5,476)	(3,290)
Cash flow from operating activities		68,414	45,104	34,105
Capital expenditure		(22,600)	(19,000)	(16,585)
Investments in joint ventures and associates		(1,973)	(479)	(1,024)
Investment in equity securities		(260)	(218)	(218)
Proceeds from sale of property, plant and equipment and businesses		1,431	14,233	2,489
Proceeds from joint ventures and associates from sale, capital reduction and repayment of long-term loans		511	584	1,240
Proceeds from sale of equity securities		117	296	281
Interest received		906	423	532
Other investing cash inflows		2,060	2,928	3,239
Other investing cash outflows		(2,640)	(3,528)	(3,232)
Cash flow from investing activities		(22,448)	(4,761)	(13,278)
Net increase/(decrease) in debt with maturity period within three months		318	14	(63)
Other debt:				
New borrowings		269	1,791	23,033
Repayments		(8,459)	(21,534)	(17,385)
Interest paid		(3,677)	(4,014)	(4,105)
Derivative financial instruments		(1,799)	(1,165)	1,157
Change in non-controlling interest		(1,965)	19	(42)
Cash dividends paid to:				
Shell plc shareholders [A]		(7,405)	(6,253)	(7,424)
Non-controlling interest		(206)	(348)	(311)
Repurchases of shares		(18,437)	(2,889)	(1,702)
Shares held in trust: net purchases and dividends received		(593)	(285)	(382)
Cash flow from financing activities		(41,954)	(34,664)	(7,224)
Effects of exchange rate changes on cash and cash equivalents		(736)	(539)	172
Increase in cash and cash equivalents		3,276	5,140	13,775
Cash and cash equivalents at beginning of year		36,970	31,830	18,055
Cash and cash equivalents at end of year	17	40,246	36,970	31,830

[A] Cash dividends paid represents the payment of net dividends (after deduction of withholding taxes where applicable) and payment of withholding taxes on dividends paid in the previous quarter.