



Non-IFRS measures reconciliations and definitions for the year ended December 31, 2021

Aramco uses certain non-IFRS financial measures to make informed decisions about its financial position and operating performance or liquidity. These non-IFRS financial measures have been included below to facilitate a better understanding of Aramco's historical trends of operation and financial position.

Aramco uses non-IFRS financial measures as supplementary information to its IFRS-based operating performance and financial position. The non-IFRS financial measures are not defined by, or presented

in accordance with, IFRS. The non-IFRS financial measures are not measurements of Aramco's operating performance or liquidity under IFRS and should not be used instead of, or considered as alternatives to, any measures of performance or liquidity under IFRS. The non-IFRS financial measures relate to the reporting periods described below are not intended to be predictive of future results. In addition, other companies, including those in Aramco's industry, may calculate similarly titled non-IFRS financial measures differently from Aramco.

Because companies do not necessarily calculate these non-IFRS financial measures in the same manner, Aramco's presentation of such non-IFRS financial measures may not be comparable to other similarly titled non-IFRS financial measures used by other companies.

Return on average capital employed (ROACE)

ROACE measures the efficiency of Aramco's utilization of capital. Aramco defines ROACE as net income before finance costs, net of income taxes and zakat, as a percentage of average capital employed, calculated on a 12-month rolling basis. Average capital employed is the average of total borrowings plus total equity at the beginning and end of the

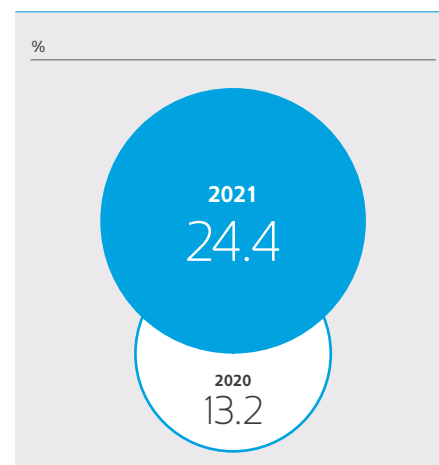
applicable period. Aramco utilizes ROACE to evaluate management's performance and demonstrate to its shareholders that capital has been used effectively.

ROACE for the year ended December 31, 2021, was 24.4%, compared to 13.2% in 2020. This increase was primarily attributable to higher earnings, mainly

reflecting stronger crude oil prices, improved refining and chemicals margins, and the consolidation of SABIC's full-year results. This was partially offset by higher average capital employed during the year, mainly resulting from the acquisition of SABIC in June 2020.

	SAR		USD*			
	Twelve months ended December 31	2021	2020	Twelve months ended December 31	2021	2020
All amounts in millions unless otherwise stated						
Net income		412,396	183,763		109,972	49,003
Finance costs, net of income taxes and zakat		6,029	5,282		1,608	1,409
Net income before finance costs, net of income taxes and zakat		418,425	189,045		111,580	50,412
As at period start:						
Non-current borrowings		436,920	150,690		116,512	40,184
Current borrowings		99,157	24,895		26,442	6,639
Total equity		1,101,094	1,046,235		293,625	278,996
Capital employed		1,637,171	1,221,820		436,579	325,819
As at period end:						
Non-current borrowings		436,371	436,920		116,366	116,512
Current borrowings		74,550	99,157		19,880	26,442
Total equity		1,280,668	1,101,094		341,512	293,625
Capital employed		1,791,589	1,637,171		477,758	436,579
Average capital employed		1,714,380	1,429,496		457,169	381,199
ROACE		24.4%	13.2%		24.4%	13.2%

ROACE



* Supplementary information is converted at a fixed rate of U.S. dollar 1.00 = SAR 3.75 for convenience only.

Free cash flow

Aramco uses free cash flow to evaluate its cash available for financing activities, including dividend payments. Aramco defines free cash flow as net cash provided by operating activities less capital expenditures.

Free cash flow in 2021 was SAR 402,956 (\$107,455), compared to SAR 184,267 (\$49,137) in 2020, an increase of SAR 218,689 (\$58,318), or 118.7%. This was largely due to higher operating

cash flows, mainly driven by stronger crude oil prices and improved refining and chemicals margins. This was partially offset by unfavorable changes in working capital, higher cash paid for the settlement of income, zakat and other taxes, an increase in capital expenditures related to crude oil increments, the Tanajib Gas Plant, other development drilling programs, and the consolidation of SABIC's full-year capital expenditures.

All amounts in millions unless otherwise stated	SAR		USD*	
	Year ended December 31		Year ended December 31	
	2021	2020	2021	2020
Net cash provided by operating activities	522,601	285,297	139,360	76,079
Capital expenditures	(119,645)	(101,030)	(31,905)	(26,942)
Free cash flow	402,956	184,267	107,455	49,137

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Gearing

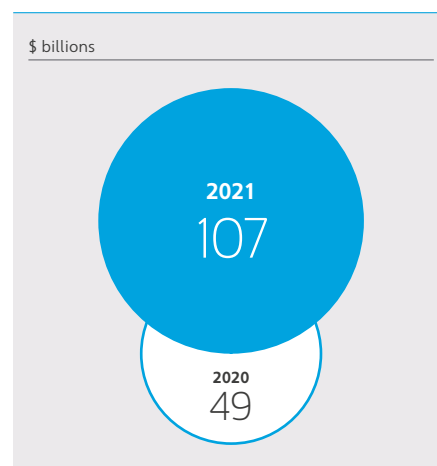
Gearing is a measure of the degree to which Aramco's operations are financed by debt. Aramco defines gearing as the ratio of net debt (total borrowings less cash and cash equivalents) to net debt plus total equity. Management believes that gearing is widely used by analysts and investors in the oil and gas industry to indicate a company's financial health and flexibility.

Aramco's gearing ratio was 14.2% as at December 31, 2021, compared to 23.0% as at December 31, 2020. The decrease in gearing was a result of higher cash and cash equivalents as at December 31, 2021, mainly driven by stronger operating cash flows attributable to higher crude oil prices, improved refining and chemicals margins, the consolidation of SABIC's full-year results and cash proceeds in connection with Aramco's crude oil pipeline transaction.

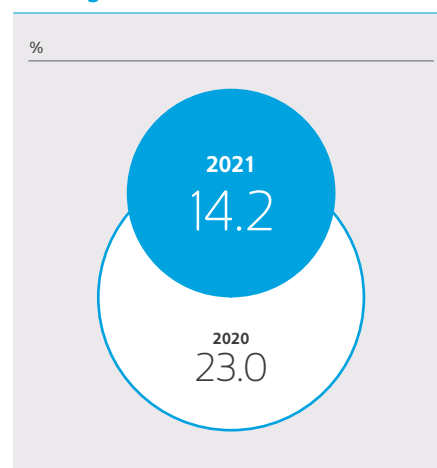
All amounts in millions unless otherwise stated	SAR		USD*	
	As at December 31		As at December 31	
	2021	2020	2021	2020
Total borrowings (current and non-current)	510,921	536,077	136,246	142,954
Cash and cash equivalents	(299,579)	(207,232)	(79,888)	(55,262)
Net debt	211,342	328,845	56,358	87,692
Total equity	1,280,668	1,101,094	341,512	293,625
Total equity and net debt	1,492,010	1,429,939	397,870	381,317
Gearing	14.2%	23.0%	14.2%	23.0%

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Free cash flow



Gearing



Earnings before interest, income taxes and zakat (EBIT)

Aramco defines EBIT as net income plus finance costs and income taxes and zakat, less finance income. Aramco believes EBIT provides useful information regarding its financial performance to analysts and investors.

EBIT for 2021 was SAR 780,174 (\$208,046), compared to SAR 380,217 (\$101,391) in 2020. This increase of SAR 399,957 (\$106,655), or 105.2%, principally reflects the impact of stronger crude oil prices, improved refining and chemicals margins, and the consolidation of SABIC's full-year results.

	SAR		USD*	
	Year ended December 31		Year ended December 31	
All amounts in millions unless otherwise stated	2021	2020	2021	2020
Net income	412,396	183,763	109,972	49,003
Finance income	(1,405)	(2,771)	(375)	(739)
Finance costs	12,058	10,564	3,215	2,817
Income taxes and zakat	357,125	188,661	95,234	50,310
Earnings before interest, income taxes and zakat	780,174	380,217	208,046	101,391

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EBIT

