2. Results and performance

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Maintaining supplier reliability

Oil Supply Planning and Scheduling, Dhahran, Saudi Arabia

Aramco's 24-hour command center in its Dhahran headquarters uses leading technology to track and control all of its production.

Electronic screens across the center's walls consolidate thousands of real-time remote data points.

From the giant electronic viewing platform, Aramco keeps a finger on the pulse of delivery to its local and international customers.

Key 2023 metrics

Financial highlights

Net income
(billion)

SAR 455

$121
2022: $161

Net cash provided by operating activities
(billion)

SAR 538

$143
2022: $186

Dividends paid
(billion)

SAR 367

$98
2022: $75

Earnings per share
(basic and diluted)

SAR 1.87

$0.50
2022: $0.66[2]

EBIT*
(billion)

SAR 865

$231
2022: $307

Capital expenditures[1]
(billion)

SAR 158

$42
2022: $38

Dividends paid per share

SAR 1.55

$0.41
2022: $0.35

Average realized crude oil price
($/barrel)

83.6

2022: 100.2

Free cash flow*
(billion)

SAR 380

$101
2022: $149

ROACE*
(%)

22.5

2022: 31.6

Gearing*
(%)

(6.3)

2022: (7.9)

▲ **Offshore installations**
Arabian Gulf

1. Capital expenditures do not include external investments.
2. Earnings per share have been adjusted to reflect the effect of the bonus shares issuance.
* Non-IFRS measures: refer to "Non-IFRS measures reconciliations and definitions" for further details.

Operational highlights

MSC
(mmbpd)

12.0

2022: 12.0

Net refining capacity
(mmbpd)

4.1

2022: 4.1

Upstream carbon intensity[6]
(kg of CO_2e/boe)

10.7

2022: 10.3

Total hydrocarbon production
(mmboed)

12.8

2022: 13.6

Net chemicals production capacity[4]
(million tons per year)

59.6

2022: 56.3

Flaring intensity[6]
(scf/boe)

5.64

2022: 4.60

Total liquids production[3]
(mmbpd)

10.7

2022: 11.5

Reliability[5]
(%)

99.8

2022: 99.9

Total recordable case rate[6]
(per 200,000 work hours)

0.042

2022: 0.050

3. Total liquids is comprised of crude oil, NGL, and condensate.
4. Excludes SABIC Agri-Nutrients and Metals (Hadeed) businesses.
5. Applies to Saudi Arabian Oil Company (the Company).
6. Refer to Section 3: Sustainability for further information.

Dear Shareholders,

In 2023, Aramco delivered robust financial results and profitability despite ongoing inflationary pressures and global economic uncertainty. Following our remarkable performance in 2022, we are very proud to have delivered our second-highest published annual profits. For the year ended December 31, 2023, Aramco delivered net income of SAR 454.8 billion ($121.3 billion) and free cash flow of SAR 379.5 billion ($101.2 billion). We also generated strong capital returns with ROACE of 22.5%. Meanwhile, our gearing ratio of (6.3)% remains strong at the end of 2023.

These results – alongside maintaining a strong balance sheet as well as prudent cash and debt management – enabled us to enhance our dividend distributions in 2023. In line with our commitment to deliver value to shareholders, the Board has declared a fourth quarter base dividend of SAR 76.1 billion ($20.3 billion), an increase of 4.0% compared to the previous quarter, and a performance-linked dividend distribution of SAR 40.4 billion ($10.8 billion). Both dividends will be paid in the first quarter of 2024.

Advancing our growth strategy

In 2023, we continued to demonstrate our financial flexibility as we scaled up the ongoing implementation of the largest capital program in our Company's history. Our capital expenditures in 2023 were SAR 158.3 billion ($42.2 billion), representing an increase of 12.1% from the previous year. We expect our capital expenditures to continue to rise until the middle of the decade as we deliver our crude oil increment projects to maintain our MSC at 12.0 mmbpd as directed by the Government, and continue to make long-term investments across the hydrocarbon chain to capture value from anticipated demand growth.

As our capital program progresses, we have advanced our efforts to maintain a high investment-grade credit rating and optimize our capital structure, which remain fundamental to our financial strategy. As well, to further deleverage our balance sheet, the Company made two prepayments and a scheduled payment in 2023 to fully settle the deferred consideration related to our SABIC acquisition. These payments resulted in savings of SAR 10.5 billion ($2.8 billion) for Aramco.

In support of Aramco's growth ambitions and advancement of our liquids-to-chemicals strategy, we completed the acquisitions of Valvoline Inc.'s global products business and a 10% interest in Rongsheng Petrochemical in China. The former complements Aramco's line of premium-branded lubricant products, while the latter aligns with our goal to enhance our Downstream business in high-growth geographies.

Alongside these investments, our acquisition of SABIC in 2020 continues to support our downstream growth and deliver value. We are targeting approximately SAR 11.3 billion to SAR 15.0 billion ($3.0 billion to 4.0 billion) in annual recurring synergies by 2025.

We also announced our intention to enter the global liquefied natural gas (LNG) market for the first time through the signing of definitive agreements to acquire a strategic minority stake in MidOcean Energy. We believe LNG is positioned for structural, long-term growth and this investment would provide us an opportunity to capitalize on rising LNG demand. Additionally, we completed our purchase of a 100% equity stake in Esmax, a leading diversified downstream fuels and lubricants retailers in Chile. This represents our first downstream retail investment in South America and provides new market opportunities, including fuel placement from Motiva and an expanded market for our Valvoline-branded lubricants. We also signed definitive agreements to acquire a 40% equity stake in Gas & Oil Pakistan, one of the largest retail and storage companies in Pakistan, marking our first entry into the country's fuels retail market.

> We continued to demonstrate our financial flexibility as we scaled up the ongoing implementation of the largest capital program in our Company's history.

In 2023 we made progress in our efforts to build industry leadership positions in new energies, including blue ammonia and renewables. During the year we successfully delivered three shipments of blue ammonia to customers in Asia, and we entered into a shareholders' agreement to develop two photovoltaic solar projects at Al Shuaibah. These actions demonstrate our desire to support an orderly global energy transition and grow our business sustainably through technology and innovation that could reduce climate impacts.

SAR366.7bn

Total dividends paid in 2023 ($97.8 billion)

Maximizing shareholder value

Our focus on maximizing shareholder returns through a balanced mix of growth and yield remains unchanged. And our corresponding approach to dividends is based on three main factors. First, we aim to deliver a sustainable and progressive base dividend, which provides downside resilience when necessary. Second, we aim to share the upside with our shareholders, which we expect to do through our newly introduced performance-linked dividends. Finally, we intend to continue to heavily reinvest in our business through unique growth opportunities.

The positive impact of our dividend distribution strategy was on full display in 2023. Our total base dividends paid in 2023 of SAR 292.7 billion ($78.0 billion) were 4.0% higher than the dividends paid in 2022. In addition, we also paid out performance-linked dividends totaling SAR 74.0 billion ($19.8 billion) in 2023. As a result, the total dividends paid during the year were SAR 366.7 billion ($97.8 billion), which is 30.4% higher than the dividends paid to shareholders in 2022.

Looking forward to the full-year results of 2024 and onward, our intention is for any performance-linked dividends to be in the amount of 50-70% of the Group's annual free cash flow. This will be net of the base dividend and other amounts including external investments, to be determined and announced with the full-year results of each year and distributed over the subsequent four quarters.

The Board of Directors' recommendation to once again issue bonus shares was approved at the Company's Extraordinary General Assembly meeting in May. As a result, SAR 15.0 billion ($4.0 billion) of retained earnings were capitalized to support the distribution of one bonus share for every 10 shares held to eligible shareholders. The Company's share capital increased by a corresponding amount to SAR 90.0 billion ($24.0 billion).

Investing for the future

In 2023 we made significant progress on delivering our growth strategy by investing in our portfolio while maintaining a strong balance sheet. We aim to continue to provide stable energy supplies to our customers as well as consistent and long-term value creation for our shareholders. As ever, we will take a disciplined approach as we invest in unique opportunities that will underpin long-term cash flow generation and sustainable growth.

Ziad T. Al Murshed
Executive Vice President & Chief Financial Officer

▲ **Dhahran, Saudi Arabia**
Aramco has consistently generated value for its shareholders across crude oil price cycles.

Delivering shareholder value through resilient performance

The financial information of Aramco set forth below, as at December 31, 2023 and 2022, and for the years then ended, has been derived without material adjustment from, and is qualified in its entirety by, the financial statements contained in Section 7: Consolidated financial statements. It should be read in conjunction with the financial statements, Section 4: Risk, and other financial data included elsewhere in this Annual Report.

Key factors affecting Aramco's financial results

The following is a discussion of the most significant factors that have impacted Aramco's financial position, results of operations, and cash flows for the year ended December 31, 2023.

Supply, demand, and prices for hydrocarbons, and refined and chemicals products

Aramco's results of operations and cash flows are primarily driven by market prices and volumes sold of hydrocarbons, as well as refined and chemicals products. International crude oil prices have fluctuated significantly in the past and may remain volatile. Fluctuations in the price at which Aramco is able to sell crude oil could cause Aramco's results of operations and cash flow to vary significantly.

Crude oil is also a major component of the cost of production of refined products and chemicals that use hydrocarbons as a feedstock. However, because prices for refined products and chemicals may not timely adjust to reflect movements in crude oil prices, such movements could, in the short-term, positively or negatively impact margins for downstream products that use crude oil as a feedstock. The prices for refined products and chemicals are also impacted by changes in supply and demand and economic cycles. Ongoing economic uncertainty in 2023 resulted in lower prices for hydrocarbons and lower refining and chemicals margins, compared to the same period in 2022.

The Government regulates the oil and gas industry and sets the Kingdom's maximum level of crude oil production in the exercise of its sovereign prerogative. Accordingly, the Government may in its sole discretion increase or decrease the Kingdom's maximum hydrocarbon production levels at any time based on its strategic energy security goals or for any other reason. Therefore, Aramco's results of operations and cash flows may depend in part on these sovereign decisions with respect to production levels.

Portfolio and funding optimization

In January 2023, Aramco received a payment of SAR 15.6 billion ($4.2 billion) related to the financing arrangement with the Jazan Integrated Gasification and Power Company (JIGPC). This is the second of three payments received by Aramco as a result of the financing arrangement. The remaining amount to be received under the financing arrangement as at December 31, 2023 is SAR 2.0 billion ($0.5 billion).

With respect to the deferred consideration related to the SABIC acquisition, the Company made total payments in the amount of SAR 117.0 billion ($31.2 billion), in 2023 resulting in the full settlement of the deferred consideration. These payments resulted in a decrease in total borrowings and cash and cash equivalents, and a net gain of SAR 5.8 billion ($1.5 billion).

In relation to SABIC's agreement to sell its 100% shareholding in Hadeed to PIF, the assets and liabilities of Hadeed were remeasured and classified as held for sale as at September 30, 2023. As a result, a loss on fair value measurement of SAR 3.2 billion ($0.85 billion) was recognized in the consolidated statement of income.

Investments in affiliates and securities

In March 2023, Aramco completed its acquisition of Valvoline Inc.'s global products business (VGP Holdings LLC) for approximately SAR 10.34 billion ($2.76 billion), including customary adjustments. This transaction resulted in Aramco recognizing assets acquired and liabilities assumed at fair value in the net amount of SAR 9.93 billion ($2.65 billion) and goodwill of SAR 0.41 billion ($0.11 billion). Subsequent to the acquisition, VGP Holdings LLC contributed revenues of SAR 9.43 billion ($2.51 billion) and net income of SAR 0.67 billion ($0.18 billion), which is included in the consolidated statement of income.

With regard to Aramco's acquisition of a 10% equity interest in Rongsheng Petrochemical in July 2023, Aramco recognized an equity investment at fair value through other comprehensive income within investments in securities of SAR 6.4 billion ($1.7 billion), and a non-current other asset of SAR 5.9 billion ($1.6 billion) relating to a payment made for a long-term sales agreement.

Government share transfer and Bonus share distribution

On April 16, 2023, the Government announced it has transferred 4% of the Company's issued shares to Sanabil Investments Company. In addition, on March 7, 2024, the Government announced it had transferred an additional 8% of the Company's issued shares to PIF's wholly-owned companies. These private transfers did not affect the Company's total number of issued shares and do not have any impact on the Company's operations, strategy, dividend distribution policy, or governance framework. The Government remains Aramco's largest shareholder, retaining an 82.19% direct shareholding.

On May 8, 2023, the Company's Extraordinary General Assembly approved the Board of Directors' recommendation to increase the Company's share capital through capitalizing SAR 15.0 billion ($4.0 billion) of the Company's retained earnings to support the distribution of bonus shares to eligible shareholders, in the amount of one share for every 10 shares held. This resulted in the increase of issued ordinary shares from 220 billion to 242 billion and a corresponding increase in share capital of SAR 15.0 billion ($4.0 billion).

Shareholder returns

During 2023, the Company declared and paid base dividend payments totaling SAR 292.7 billion ($78.0 billion). In addition to the base dividend, the Company established a mechanism for performance-linked dividends to be paid in the amount of 50-70% of the Group's annual free cash flow, net of the base dividend and other amounts including external investments[1]. The first performance-linked dividends were calculated based on the Group's combined full-year results of 2022 and 2023 and are intended to be paid over six quarters. The first distribution of SAR 37.0 billion ($9.9 billion) was paid in the third-quarter of 2023 based on the full-year results of 2022 and the six-month results for the period ended June 30, 2023. The second distribution of SAR 37.0 billion ($9.9 billion) was paid in the fourth quarter based on the full-year results of 2022 and the nine-month results for the period ended September 30, 2023, resulting in a total payment of performance-linked dividends of SAR 74.0 billion ($19.8 billion) in 2023. These dividends payments resulted in a decrease in cash and cash equivalents and a corresponding reduction in shareholders' equity in the consolidated balance sheet.

1. For the purpose of calculating performance-linked dividends, external investments include acquisition of affiliates, net of cash acquired, additional investments in joint ventures and associates, and certain amounts recognized in net investment in securities. Please see the consolidated statement of cash flows for more information.

Summarized consolidated statement of income

All amounts in millions unless otherwise stated	SAR Year ended December 31 2023	SAR 2022	USD* Year ended December 31 2023	USD* 2022	% change
Revenue and other income related to sales	**1,856,373**	2,266,373	**495,033**	604,366	**(18.1)%**
Operating costs	**(988,086)**	(1,122,296)	**(263,489)**	(299,279)	**(12.0)%**
Operating income	**868,287**	1,144,077	**231,544**	305,087	**(24.1)%**
Income before income taxes and zakat	**888,067**	1,152,962	**236,818**	307,456	**(23.0)%**
Income taxes and zakat	**(433,303)**	(548,957)	**(115,547)**	(146,388)	**(21.1)%**
Net income	**454,764**	604,005	**121,271**	161,068	**(24.7)%**
Average realized crude oil price ($/bbl)			**83.6**	100.2	**(16.6)%**
ROACE**	**22.5%**	31.6%	**22.5%**	31.6%	**(9.1) pp**

* Supplementary information is converted at a fixed rate of U.S. dollar 1.00 = SAR 3.75 for convenience only.
** Refer to "Non-IFRS measures reconciliations and definitions" for further details.

Financial results

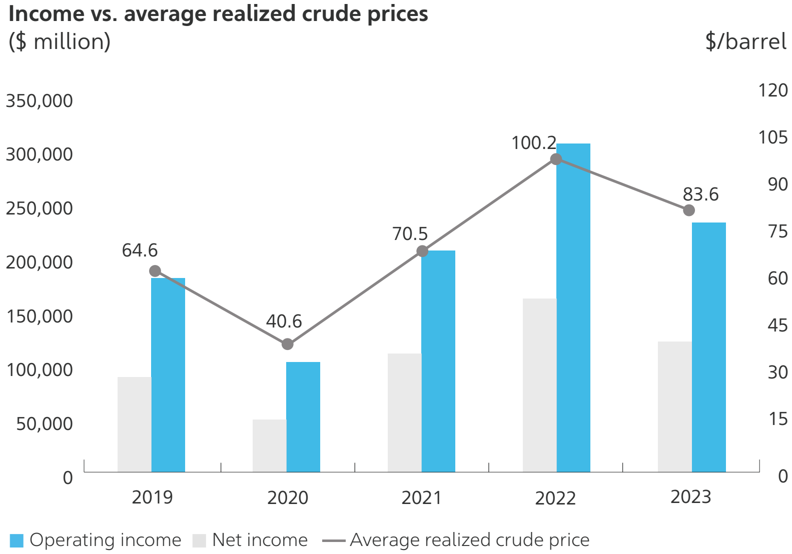
Revenue and other income related to sales for the year ended December 31, 2023, was SAR 1,856,373 ($495,033), compared to SAR 2,266,373 ($604,366), for the year ended December 31, 2022. The decrease of 18.1% was primarily attributable to lower crude oil prices and lower volumes sold, as well as lower refining and chemicals products prices.

Operating costs decreased by SAR 134,210 ($35,790), or 12.0%, from SAR 1,122,296 ($299,279) to SAR 988,086 ($263,489), for the years ended December 31, 2022 and 2023, respectively. This was principally due to a decrease in production royalties resulting from a lower average effective royalty rate, lower crude oil prices and lower volumes sold. Operating costs also decreased due to lower purchases of gas, refined and chemical products partially offset by an increase in crude oil purchases during the year.

Income before income taxes and zakat decreased by SAR 264,895 ($70,638), or 23.0%, which mainly reflects the impact of the lower crude oil prices and lower volumes sold, weakening refining and chemicals margins. This was partially offset by a decrease in production royalties.

Income taxes and zakat for the year ended December 31, 2023, were SAR 433,303 ($115,547), compared to SAR 548,957 ($146,388), in 2022. The decrease was mainly driven by lower taxable income recorded in 2023.

Income vs. average realized crude prices



All amounts in millions unless otherwise stated

Summarized consolidated balance sheet

All amounts in millions unless otherwise stated	SAR As at December 31 2023	SAR As at December 31 2022	USD* As at December 31 2023	USD* As at December 31 2022	% change
Total assets	**2,477,940**	2,492,924	**660,784**	664,780	**(0.6)%**
Total liabilities	**740,848**	826,777	**197,559**	220,474	**(10.4)%**
Significant balance sheet movements:					
Short-term investments	**184,343**	281,215	**49,158**	74,991	**(34.4)%**
Property, plant and equipment	**1,384,717**	1,303,266	**369,258**	347,538	**6.2%**
Other assets and receivables (non-current and current)	**82,012**	63,472	**21,870**	16,926	**29.2%**
Cash and cash equivalents	**198,973**	226,047	**53,059**	60,279	**(12.0)%**
Inventories	**85,951**	100,528	**22,920**	26,808	**(14.5)%**
Assets classified as held for sale	**15,424**	–	**4,113**	–	**Not applicable**
Borrowings (non-current and current)	**290,147**	393,144	**77,373**	104,838	**(26.2)%**
Income taxes and zakat payable	**82,539**	104,978	**22,010**	27,995	**(21.4)%**
Deferred income tax liabilities	**142,449**	122,311	**37,986**	32,616	**16.5%**
Trade payables and other liabilities	**151,553**	135,390	**40,414**	36,104	**11.9%**
Gearing**	**(6.3)%**	(7.9)%	**(6.3)%**	(7.9)%	**(1.6) pp**

* Supplementary information is converted at a fixed rate of U.S. dollar 1.00 = SAR 3.75 for convenience only.
** Refer to "Non-IFRS measures reconciliations and definitions" for further details.

Financial position

Total assets were SAR 2,477,940 ($660,784) as at December 31, 2023, compared to SAR 2,492,924 ($664,780) as at December 31, 2022. The movement was largely due to a decrease in short-term investments, cash and cash equivalents and inventories. This was partially offset by an increase in property, plant and equipment and other assets and receivables.

The decrease in short-term investments reflects the maturities of USD denominated time deposits.

The increase in property, plant and equipment reflects increased drilling and development activities related to crude oil increments, and ongoing progress of multiple gas projects toward the goal of expanding gas production. This was partially offset by the reclassification of Hadeed's assets as held for sale.

The increase in other assets and receivables is mainly due to the recognition of the long-term sales agreement associated with the Rongsheng Petrochemical acquisition and higher other long-term receivables and advances outstanding at year-end.

The lower cash and cash equivalents balance is primarily due to lower earnings during the year and higher cash paid for dividend distributions. This was partially offset by lower cash paid for settlement of income, zakat and other taxes, and cash inflows from maturities of short-term investments.

The change in assets classified as held for sale is due to reclassification of major classes of Hadeed's assets that comprise property, plant and equipment, intangible assets, inventories, trade receivables, and other assets.

The lower inventories balance is principally due to a decrease in crude oil, refined and chemical product inventories compared to the prior year, which is predominantly associated with lower product prices at year end and a reduction in materials and supplies inventories compared to the prior year.

Total liabilities were SAR 740,848 ($197,559) at December 31, 2023, compared to SAR 826,777 ($220,474) as at December 31, 2022. The decrease largely reflects the impact of reduction in borrowings and income taxes and zakat payable, partially offset by higher deferred income tax liabilities and trade and other payables.

The reduction in borrowings was predominately driven by the payment of the deferred consideration related to the SABIC acquisition, which was fully settled during the year.

Income taxes and zakat payable decreased due to the impact of lower taxable income during the year.

The increase in deferred income tax liabilities is mainly driven by changes in taxable temporary differences associated with property, plant and equipment, and provisions and other liabilities.

Trade payables and other liabilities increased primarily as a result of higher purchases and other accrued materials and services outstanding at year-end.

Summarized consolidated statement of cash flows

	SAR		USD*		
	Year ended December 31		Year ended December 31		
All amounts in millions unless otherwise stated	**2023**	2022	**2023**	2022	**% change**
Net cash provided by operating activities	**537,814**	698,152	**143,417**	186,174	**(23.0)%**
Net cash used in investing activities	**(54,019)**	(389,009)	**(14,405)**	(103,736)	**(86.1)%**
Net cash used in financing activities	**(510,869)**	(382,675)	**(136,232)**	(102,047)	**33.5%**
Cash and cash equivalents at end of the year	**198,973**	226,047	**53,059**	60,279	**(12.0)%**
Capital expenditures	**(158,308)**	(141,161)	**(42,215)**	(37,643)	**12.1%**
Free cash flow**	**379,506**	556,991	**101,202**	148,531	**(31.9)%**

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

** Refer to "Non-IFRS measures reconciliations and definitions" for further details.

Cash flows

Net cash provided by operating activities was SAR 537,814 ($143,417) for the year ended December 31, 2023, compared to SAR 698,152 ($186,174) reported in 2022. The decrease of SAR 160,338 ($42,757) mainly reflects lower earnings resulting from lower crude oil prices and lower volumes sold, and weakening refining and chemicals margins. This was partially offset by favorable movements in working capital and a decrease in cash paid for the settlement of income, zakat and other taxes.

Net cash used in investing activities was SAR 54,019 ($14,405) for the year ended December 31, 2023, compared to SAR 389,009 ($103,736) in 2022, resulting in a change of SAR 334,990 ($89,331). This was primarily due to net cash inflow from maturities of short-term investments compared to a net outflow in 2022, partially offset by cash consideration paid for the Valvoline Inc. global products business acquisition and higher upstream capital expenditures.

Net cash used in financing activities was SAR 510,869 ($136,232) in 2023, compared to SAR 382,675 ($102,047) in 2022. The increase in financing-related cash outflows of SAR 128,194 ($34,185) predominately reflects payments associated with the performance-linked dividends, an increase of 4.0% in base dividends, and an absence of cash received in connection with Aramco's gas pipeline transaction in the prior year. This was partially offset by an increase in cash proceeds from borrowings.

Non-IFRS measures reconciliations and definitions

This Annual Report includes certain non-IFRS financial measures (ROACE, free cash flow, EBIT, and gearing) which Aramco uses to make informed decisions about its financial position, operating performance or liquidity. These non-IFRS financial measures have been included in this Report 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 in this Annual Report and 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. As such, these measures should be read and interpreted in conjunction with the financial statements and other financial data included elsewhere in this Report.

All amounts in millions unless otherwise stated

Return on average capital employed (ROACE)

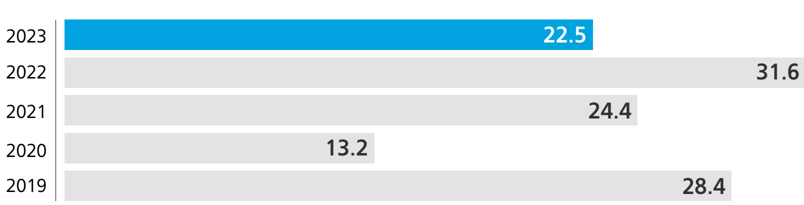
	SAR		USD*	
	Twelve months ended December 31		Twelve months ended December 31	
All amounts in millions unless otherwise stated	**2023**	2022	**2023**	2022
Net income	**454,764**	604,005	**121,271**	161,068
Finance costs, net of income taxes and zakat	**4,093**	4,441	**1,092**	1,185
Net income before finance costs, net of income taxes and zakat	**458,857**	608,446	**122,363**	162,253
As at period start:				
Non-current borrowings	**318,380**	436,371	**84,901**	116,366
Current borrowings	**74,764**	74,550	**19,937**	19,880
Total equity	**1,666,147**	1,280,668	**444,306**	341,512
Capital employed	**2,059,291**	1,791,589	**549,144**	477,758
As at period end:				
Non-current borrowings	**226,481**	318,380	**60,395**	84,901
Current borrowings	**63,666**	74,764	**16,978**	19,937
Total equity	**1,737,092**	1,666,147	**463,225**	444,306
Capital employed	**2,027,239**	2,059,291	**540,598**	549,144
Average capital employed	**2,043,265**	1,925,440	**544,871**	513,451
ROACE	**22.5%**	31.6%	**22.5%**	31.6%

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

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, 2023, was 22.5%, compared to 31.6% in 2022. The decrease in ROACE, calculated on a 12-month rolling basis, was primarily attributable to lower earnings largely reflecting the decline in crude oil prices and lower volumes sold, weakening refining and chemicals margins, and higher average capital employed.

ROACE
(%)



Free cash flow

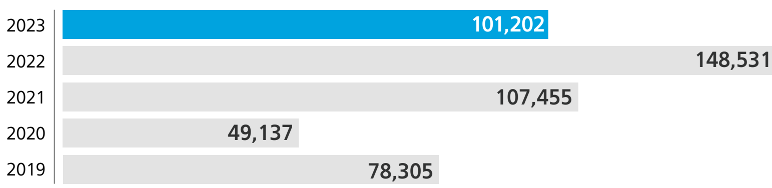
	SAR		USD*	
	Year ended December 31		Year ended December 31	
All amounts in millions unless otherwise stated	**2023**	2022	**2023**	2022
Net cash provided by operating activities	**537,814**	698,152	**143,417**	186,174
Capital expenditures	**(158,308)**	(141,161)	**(42,215)**	(37,643)
Free cash flow	**379,506**	556,991	**101,202**	148,531

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

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 2023 was SAR 379,506 ($101,202), compared to SAR 556,991 ($148,531), in 2022, a decrease of SAR 177,485 ($47,329) or 31.9%. This was mainly due to lower operating cash flows primarily resulting from lower earnings and higher upstream capital expenditures, partially offset by favorable movements in working capital, and a reduction in cash paid for the settlement of income, zakat and other taxes.

Free cash flow
($ million)



Earnings before interest, income taxes and zakat (EBIT)

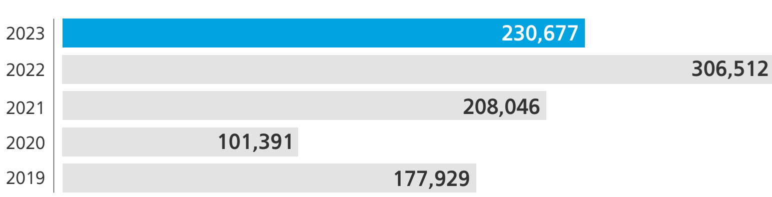
	SAR		USD*	
	Year ended December 31		Year ended December 31	
All amounts in millions unless otherwise stated	**2023**	2022	**2023**	2022
Net income	**454,764**	604,005	**121,271**	161,068
Finance income	**(31,216)**	(12,425)	**(8,324)**	(3,313)
Finance costs	**8,186**	8,882	**2,183**	2,369
Income taxes and zakat	**433,303**	548,957	**115,547**	146,388
Earnings before interest, income taxes and zakat	**865,037**	1,149,419	**230,677**	306,512

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

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 2023 was SAR 865,037 ($230,677) compared to SAR 1,149,419 ($306,512), in 2022. This decrease of SAR 284,382 ($75,835) or 24.7%, principally represents the impact of lower crude oil prices and lower volumes sold, and weakening refining and chemicals margins, partially offset by a decrease in production royalties during the year.

EBIT
($ million)



All amounts in millions unless otherwise stated

Gearing

All amounts in millions unless otherwise stated	SAR		USD*	
	As at December 31		As at December 31	
	2023	2022	**2023**	2022
Total borrowings (current and non-current)	**290,147**	393,144	**77,373**	104,838
Cash and cash equivalents	**(198,973)**	(226,047)	**(53,059)**	(60,279)
Short-term investments	**(184,343)**	(281,215)	**(49,158)**	(74,991)
Investments in debt securities (current and non-current)[1]	**(9,584)**	(8,565)	**(2,556)**	(2,282)
Non-current cash investments	**–**	–	**–**	–
Net cash	**(102,753)**	(122,683)	**(27,400)**	(32,714)
Total equity	**1,737,092**	1,666,147	**463,225**	444,306
Total equity and net cash	**1,634,339**	1,543,464	**435,825**	411,592
Gearing	**(6.3)%**	(7.9)%	**(6.3)%**	(7.9)%

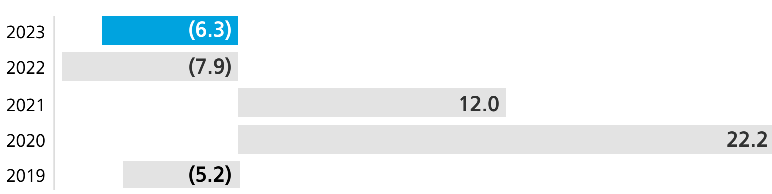
* Supplementary information is converted at a fixed rate of U.S. dollar 1.00 = SAR 3.75 for convenience only.

1. As at December 31, 2023, investments in debt securities (current and non-current) are comprised of SAR 1,249 ($333) and SAR 8,335 ($2,223) which form part of other assets and receivables under current assets, and investments in securities under non-current assets, respectively. As at December 31, 2022, investments in debt securities (current and non-current) are comprised of SAR 906 ($240) and SAR 7,659 ($2,042) which form part of other assets and receivables under current assets, and investments in securities under non-current assets, respectively.

Gearing is a measure of the degree to which Aramco's operations are financed by debt and reflects available liquidity held in current and non-current investments and cash management instruments. Aramco defines gearing as the ratio of net (cash) / debt (total borrowings less cash and cash equivalents, short-term investments, investments in debt securities (current and non-current), and non-current cash investments) to total equity and net (cash) / debt. 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 (6.3)% as at December 31, 2023, compared to (7.9)% as at December, 2022. The increase in gearing reflects the impact of lower net (cash) position and higher total equity. The decrease in net (cash) was largely due to a decrease in short-term investments and cash and cash equivalents, partially offset by a reduction in total borrowings.

Gearing[2]
(%)



2. Comparative ratios for the years 2021, 2020, and 2019 have been amended to reflect Aramco's revised gearing definition.

▲ **Newly-installed wellhead platform**
Arabian Gulf

▲ **Khurais Oil Train-4**
Saudi Arabia

Upstream competitive strengths

Unrivaled scale

One of the world's largest producers of crude oil and condensate, with a vast reserves base.

12.8 mmboed

Total daily hydrocarbon production in 2023

251.2 billion boe

Hydrocarbon reserves under the Concession agreement as at December 31, 2023

Unique operational flexibility

Spare capacity created by maintaining an MSC provides operational flexibility to rapidly increase crude oil production.

12.0 mmbpd

MSC as at December 31, 2023

Multiple crude grades

Ability to produce a range of crude grades that are highly compatible with most refineries globally and delivered through an established network of access points to the global marketplace.

5 grades

Arabian crude oil produced

▲ **Hawiyah Gas Plant**
Saudi Arabia

Long reserves life

Strong track record of low-cost reserve replacement, leveraging cutting-edge reservoir stimulation technologies and proven exploration success.

High-quality gas reserves

Extensive high-quality gas reserves with exclusive access to the Kingdom's large and growing domestic marketplace.

207.5 tscf

Natural gas reserves under the Concession agreement as at December 31, 2023

Low upstream carbon intensity

Effective reservoir management, a low depletion rate operational model, and a focus on energy efficiency reduce the Company's upstream carbon intensity associated with production of oil, which is one of the lowest among major producers.

10.7 kgCO_2e/boe

Upstream carbon intensity

Low-cost operations

Low lifting costs and capital expenditures per barrel of oil equivalent produced stemming from the unique nature of the Kingdom's geological formations, the location of reservoirs in favorable onshore and offshore environments, access to a large infrastructure and logistics network, and the scaled application of technology.

3.19 $/per boe

Average upstream lifting costs

6.3 $/per boe

Average upstream capital expenditures

Optimized recovery and depletion rates

Prolific reserves and spare capacity allow for balanced production between maturing and newer production sources to optimize depletion rates and increase capital efficiency.

Large upstream capital projects

Ability to execute some of the world's largest upstream capital projects.

Upstream overview

"

Upstream successfully commissioned long-term projects, progressed multiple growth projects including the Middle East's largest shale gas development, made multiple discoveries, and initiated our first global liquefied natural gas investment, while delivering safe and reliable operations.

Nasir K. Al-Naimi
Upstream President

The Upstream segment explores for, develops, and produces crude oil, condensate, natural gas, and NGL. Aramco manages the Kingdom's unique reserves and resource base to optimize production and maximize long-term value pursuant to the Hydrocarbons Law, which mandates Aramco's hydrocarbon operations, promotes long-term productivity of the Kingdom's reservoirs, and supports the prudent stewardship of its hydrocarbon resources.

As set out in the Concession, Aramco has the exclusive right to explore, develop, and produce the Kingdom's hydrocarbon resources, except in the Excluded Areas, for an initial period of 40 years, which will be extended by the Government for 20 years provided Aramco satisfies certain conditions commensurate with current operating practices. For more information, see Section 6: Additional financial and legal information – The Concession.

As at December 31, 2023, Aramco's reserves under the Concession agreement were 251.2 billion boe (2022: 258.8 billion boe), including 191.3 billion barrels of crude oil and condensate (2022: 200.8 billion barrels), 26.0 billion barrels of NGL (2022: 25.2 billion barrels), and 207.5 tscf of natural gas (2022: 201.9 tscf).

The Government sets the Kingdom's maximum level of crude oil production in the exercise of its sovereign prerogative and requires Aramco to maintain MSC in

Key events in 2023

12.0 mmbpd

MSC maintained

Progressed engineering, procurement, and construction activities to support the Government mandated MSC of 12.0 mmbpd ensuring spare capacity and operational flexibility to maintain production levels.

Unconventional gas development

Progressed with the development of the Jafurah unconventional gas field, which is expected to commence production in 2025.

1.5 bscfd

Hawiyah Unayzah Gas Reservoir Storage

Hawiyah Unayzah Gas Reservoir Storage, the first underground natural gas storage in the Kingdom, achieved its maximum injection target of 1.5 bscfd.

800 mmscfd

Hawiyah Gas Plant expansion

The Hawiyah Gas Plant expansion was successfully commissioned and brought onstream, increasing the plant's raw gas processing capacity by 800 mmscfd including approximately 750 mmscfd of natural gas capacity.

$0.5 bn

International LNG investment

Announced first international investment in LNG by signing definitive agreements to acquire a strategic minority stake in MidOcean Energy for SAR 1.88 billion ($0.5 billion).

accordance with the Hydrocarbons Law. In January 2024, the Government directed Aramco to maintain MSC at 12.0 mmbpd. This directive will have no impact on announced, near-term projects including the Dammam development and the Marjan, Berri, and Zuluf crude oil increments. Production from these projects will be used to maintain MSC at 12.0 mmbpd, which provides operational flexibility to increase production. Aramco also uses this spare capacity as an alternative supply option in case of unplanned production outages and to maintain its production levels.

Aramco maintained its position as one of the world's largest producers of crude oil and condensate with an average total daily hydrocarbon production of 12.8 mmboed (2022: 13.6 mmboed). For the year ended December 31, 2023, approximately 84% (2022: 85%) of the aggregate hydrocarbon production consisted of liquids, which generally command a higher margin.

Average upstream lifting costs in 2023 were SAR 11.96 ($3.19) per boe produced (2022: SAR 11.44 ($3.05)), while upstream capital expenditures averaged SAR 23.7 ($6.3) per boe produced (2022: SAR 20.3 ($5.4)). This competitive advantage is a result of the Company's robust fiscal discipline, its low depletion rate operational model, the unique nature of the Kingdom's geological formations, favorable onshore and shallow water offshore environments in which Aramco's reservoirs are located, synergies available from Aramco's use of its large infrastructure and logistics networks, and its scaled application of technology. Given the quality of most of Aramco's reservoirs and its operational model, it is possible to achieve high recovery factors while maintaining relatively low water cut levels for long periods of time.

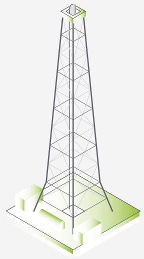
As the sole supplier of gas to the Kingdom and consistent with the Company's strategy to further expand its gas business, Aramco will aim to increase gas production by more than 60% by 2030 compared to 2021 production levels, subject to domestic demand. With this anticipated increase in gas production, Aramco expects an increase of up to one mmbpd in high value associated liquids production, and approximately one mmbpd additional liquids released from the substitution of liquids burning with gas in the utility sector.

Aramco announced its first international investment in LNG by signing definitive agreements to acquire a strategic minority stake in MidOcean Energy. This investment provides the ability to capitalize on demand-led growth for LNG.

9 plants

Gas compression projects onstream

Nine plants placed onstream completing the gas compression projects at the Haradh and Hawiyah fields.



Gas discoveries

Exploration activities resulted in the discovery of two natural gas fields in the Empty Quarter.

First unconventional gas production

First unconventional tight gas produced from the South Ghawar operational area two months ahead of schedule, marking a milestone in the gas expansion strategy.

Outlook for 2024

2024

Aramco's Upstream segment will continue its investments in future growth projects including crude increments to maintain MSC at 12.0 mmbpd, as well as growing gas production consistent with the goal of a greater than 60% increase over 2021 production levels by 2030, subject to domestic demand.

Upstream hydrocarbon production

		Year ended December 31		
		2023	2022	**% change**
Total liquids[1]	mbpd	**10,682**	11,540	**(7.4)%**
Total gas[2]	mmscfd	**10,672**	10,617	**0.5%**
Total hydrocarbon production[3]	mboed	**12,767**	13,617	**(6.2)%**

1. Total liquids is comprised of crude oil, NGL, and condensate.
2. Total gas includes natural gas and ethane.
3. Total hydrocarbon production (mboed) is derived from mmscfd (for natural gas and ethane) by dividing the relevant product production by 5.400 (in the case of natural gas) and 3.330 (in the case of ethane).

Upstream financial results

	SAR		USD*		
	Year ended December 31		Year ended December 31		
All amounts in millions unless otherwise stated	**2023**	2022	**2023**	2022	**% change**
Revenue and other income related to sales (including inter-segment revenue)	**1,211,773**	1,573,405	**323,139**	419,575	**(23.0)%**
Earnings before interest, income taxes and zakat	**863,549**	1,092,425	**230,280**	291,313	**(21.0)%**
Capital expenditures - cash basis	**123,543**	109,789	**32,945**	29,277	**12.5%**

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

Earnings before interest, income taxes and zakat (EBIT) for the year ended December 31, 2023, totaled SAR 863,549 ($230,280), compared to SAR 1,092,425 ($291,313) in 2022. The decrease in EBIT resulted primarily from lower average realized crude oil prices and from lower volumes sold. The decrease in EBIT was partly offset by lower crude oil production royalties.

Capital expenditures in 2023 increased by 12.5%, compared to the year ended December 31, 2022, from SAR 109,789 ($29,277) to SAR 123,543 ($32,945). This increase reflects increased drilling and development activities related to crude oil increments, and ongoing progress of multiple gas projects toward the goal of expanding gas production.

▼ **Marjan field**
Saudi Arabia

▼ **Kingdom-1 drilling rig**
Arabian Gulf

Crude oil

Overview

Aramco actively manages its prolific reserves base to maximize long-term value while optimizing ultimate recovery from its fields. Because of the size, number, and spare capacity of its fields, the Company is able to maintain its level of overall production by tapping into new reservoirs when required to improve long-term value through portfolio capacity optimization. Diversification of supply sources for crude oil from fresh reservoirs has the benefit of allowing lower depletion rates from existing fields and deferring costs for additional wells and facilities to handle higher total fluid displacement rates at such fields.

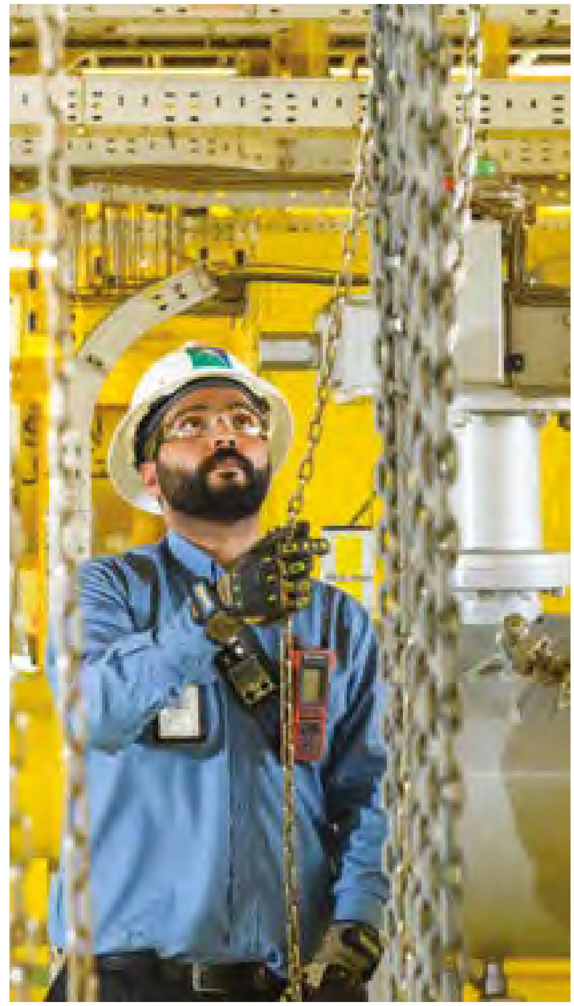
Aramco's principal fields are located in close proximity to each other within the central region and Eastern Provinces of the Kingdom. Aramco believes that its portfolio includes the world's largest discovered conventional onshore oil field (Ghawar) and largest discovered conventional offshore oil field (Safaniyah). The crude oil, condensate, natural gas, and NGL that Aramco produces from its fields travel through the extensive network of pipelines to multiple facilities for processing into refined and petrochemical products, or to domestic customers or export terminals. In particular, Aramco's East-West Pipeline is critical in linking oil production facilities in the Eastern Province with Yanbu' on the west coast, and providing flexibility to export from the east and west coasts of the Kingdom.

600mbpd

Expected processing capacity from the Zuluf field by 2026.

Aramco owns and operates the Abqaiq facility, which is its largest oil processing facility and the largest crude oil stabilization plant in the world. Aramco also operates four crude export terminals that contribute to its operational flexibility and supply reliability. In addition, Aramco has strategic international delivery points located in Rotterdam (the Netherlands), Sidi Kerir (Egypt), Okinawa and Kiire (Japan), and Ulsan (South Korea).

Aramco consistently produces five grades of Arabian crude oil: Arabian Super Light, Arabian Extra Light, Arabian Light, Arabian Medium, and Arabian Heavy. These crude grades and the wide range of blends that can be produced from them are compatible with most global refineries. In 2023, Arabian Super Light, Arabian Extra Light, and Arabian Light accounted for approximately 68% (2022: 68%) of Aramco's total crude oil production and were classified as premium grades. In 2023, Aramco's Downstream business was the largest customer of the upstream crude oil production, utilizing 47% (2022: 44%), while the remainder was sold to international and domestic third-party customers.



▲ **Wellhead platform**
Arabian Gulf

Highlights and developments

- Progress continues with construction and engineering activities on the Marjan and Berri crude oil increments, which are expected to be onstream by 2025 and add crude oil production capacity of 300 mbpd and 250 mbpd, respectively.
- Construction activities are continuing on the Dammam development project, which is expected to add crude oil production of 25 mbpd in 2024 and 50 mbpd in 2027.
- Progress is ongoing with the Zuluf crude oil increment, which is expected to process 600 mbpd of crude oil from the Zuluf field through a central facility by 2026.

Gas and NGL

Overview

Pursuant to the Concession, Aramco is the exclusive marketer and distributor of natural gas in the Kingdom and its gas portfolio is rich in liquids, demonstrated by the production of both NGL and unblended condensate.

The Company's nonassociated gas fields vary widely in reservoir properties, depths, pressures, and compositions. In general, the southern area around the Ghawar field has rich gas at moderate depths and permeability, while the northern offshore fields (Karan, Arabiyah, and Hasbah) have leaner gas in deeper reservoirs with high permeability. Additionally, Aramco's crude oil production provides a base load of associated gas, which is rich in liquids. Aramco's primary natural gas processing and fractionation facilities are located in Ghawar and the northern and western areas of the Kingdom. The Company's facilities are strategically located near its fields to reduce transportation and pipeline compression costs, as well as the time required to deliver gas products to market.

2.6 bscfd

Planned additional processing capacity from the Tanajib Gas Plant, expected onstream by 2025.

Aramco owns and operates the Master Gas System (MGS), which is an extensive network of pipelines that connects its key gas production and processing sites throughout the Kingdom. As at December 31, 2023, the total conventional and unconventional raw gas processing capacity was 19.1 bscfd (2022: 18.3 bscfd), which primarily feeds into the MGS.

The Company sells natural gas to power generation plants primarily pursuant to long-term contracts and to customers in the Kingdom's industrial sector. The supply of natural gas to domestic customers is regulated by the Energy Supply Law (which superseded the GSPR and became effective in March 2023), and the prices paid by domestic customers are set by resolutions issued from time to time by the Council of Ministers. Aramco also exports a portion of its NGL production.

▼ **Hawiyah Gas Storage**
Saudi Arabia

Highlights and developments

- In 2023, Aramco's average gas production was approximately 10.7 bscfd (2022: 10.6 bscfd) including both natural gas and ethane.
- Design and construction activities continued on the Jafurah Gas Plant, part of the Jafurah unconventional gas field, which is expected to commence production in 2025 and is expected to gradually increase natural gas deliveries to reach a sustainable rate of 2.0 bscfd by 2030.
- Construction and procurement activities continued at the Tanajib Gas Plant, part of the Marjan development program. The plant is expected to be onstream by 2025 and add 2.6 bscfd of additional processing capacity from the Marjan and Zuluf fields.
- Hawiyah Unayzah Gas Reservoir Storage, the first underground natural gas storage in the Kingdom, achieved its maximum injection target of 1.5 bscfd. This program is expected to provide up to 2.0 bscfd of natural gas for reintroduction into the Master Gas System by 2024.
- The Hawiyah Gas Plant expansion, part of the Haradh gas increment program, was successfully commissioned and brought onstream, increasing the plant's raw gas processing capacity by 800 mmscfd which includes approximately 750 mmscfd of natural gas capacity.
- Commissioning activities for the gas compression projects at the Haradh and Hawiyah fields were completed, with nine plants commissioned and brought fully onstream in 2023.
- Aramco announced its first international investment in LNG by signing definitive agreements to acquire a strategic minority stake in MidOcean Energy for SAR 1.88 billion ($0.5 billion). The agreements include the option for Aramco to increase its shareholding and associated rights in MidOcean Energy in the future. Completion of the transaction is subject to closing conditions which include regulatory approvals.
- Aramco successfully produced the first unconventional tight gas from its South Ghawar operational area two months ahead of schedule with a raw gas processing capacity of 300 mmscfd and 38 mbpd of condensate processing capacity.

Exploration

Overview

Through Aramco's exploration program, the Company continued its efforts to achieve the strategic objectives and associated targets of growing the Kingdom's oil and nonassociated gas initially in place endowments. Aramco has historically replaced reserves on an organic basis through revisions of reserve estimates at existing fields and through delineation and exploration to identify new fields. As a result, the Kingdom's estimated proved reserves at the largest oil fields operated by Aramco have increased since the time of original production. Aramco's exploration program is aligned with strategic value drivers to maximize profitability and lower future finding and development costs through exploring for high-value premium crude and accelerating infrastructure-led gas exploration and delineation programs.

Crude oil

The majority of Aramco's current crude oil exploration activities are focused in the Eastern Province, with smaller scale of exploration activities in known hydrocarbon-bearing basins in the Empty Quarter, Northwest, and Summan regions. Aramco places a strong emphasis on improving the operational performance of its drilling activities by applying innovative technologies and benchmarking of key metrics to identify trends and potential areas for enhancement. Aramco believes that its approach to drilling and development has led to high levels of well integrity.

Autonomous seismic acquisition device
Dhahran, Saudi Arabia

Natural gas

Aramco's nonassociated gas exploration activities have yielded a number of major discoveries, with particular success in the Ghawar area and in deep reservoirs in the Arabian Gulf. Aramco has enjoyed high success rates in locating new reserves in known hydrocarbon-bearing basins adjacent to its existing fields and production infrastructure, allowing it to meet growing domestic demand at low cost, while also exploring in new basins with high potential. Aramco is looking to further expand its natural gas reserves through new field discoveries, new reservoir additions in existing fields, and the delineation and reassessment of existing reservoirs and fields.

Unconventional resources

Aramco, through its unconventional resource program, is assessing several areas within the Kingdom for their potential to deliver gas and associated liquids to help meet future domestic energy needs. The unconventional resource program consists of exploration activities, pilots, producing wells, and production facilities, with the objective of developing unconventional gas resources in support of the Kingdom's growing demand for gas, and to offset the use of crude oil for power generation.

Highlights and developments

- Aramco's exploration activities resulted in the discovery of two natural gas fields in the Empty Quarter.

▲ **Ras Tanura**
Saudi Arabia

▲ **Polypropylene viscosity experiment**
S-OIL, South Korea

Downstream competitive strengths

Captive downstream system

Ability to monetize upstream production into a high-quality external customer base and through a captive downstream system.

47%

of the Company's crude oil production was utilized by Aramco's downstream operations in 2023

Reliable supplier

Strong track record of supply reliability[1].

99.8%

of delivery obligations fulfilled within 24 hours of the scheduled time in 2023

1. Applies to Saudi Arabian Oil Company (the Company).

Major integrated refiner

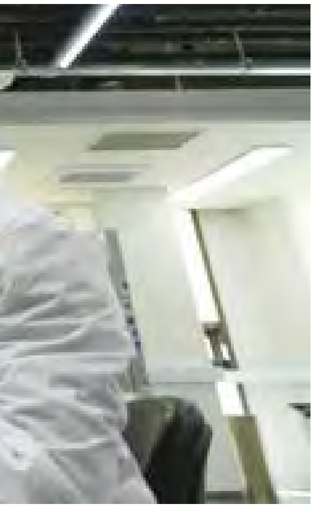
Major integrated refiner and base oils and lubricants producer with a global network of complex, reliable assets in key regional markets and hubs.

7.9 mmbpd

of gross refining capacity as at December 31, 2023

4.4 million tons

of base oils sold



▲ **Arabian Gulf**
Saudi Arabia

Large global refining & petrochemical portfolio

Scale advantage with one of the largest refining and petrochemicals portfolios globally.

4.1 mmbpd

of net refining capacity as at December 31, 2023

59.6 million tons

per year of net chemicals production capacity[2] as at December 31, 2023

2. Excludes SABIC Agri-Nutrients and Metals (Hadeed) businesses.

World-class partners

World class partners that provide access to additional geographies, technological expertise, operational know-how, and marketing capabilities.

Globally integrated trading

Globally integrated trading activities, which optimizes product supply to maximize returns.

6.8 mmbpd

average crude oil and refined products traded

4.7 million tons

of liquid chemical products traded

Large downstream capital projects

Ability to execute some of the world's largest downstream capital projects.

Downstream overview

"Downstream made strategic investments and partnerships in key global markets, commenced construction of new refining and petrochemical complexes, and continued to deliver on its transformation program.

Mohammed Y. Al Qahtani
Downstream President

Aramco has a large and growing, strategically integrated global Downstream business that provides opportunities to secure and de-risk liquids demand to capture incremental value from the hydrocarbon supply chain by selling to its dedicated system of domestic and international refineries and petrochemical plants. The Downstream segment's activities consist primarily of refining and petrochemicals, base oils and lubricants, retail operations, distribution, supply and trading, and power generation. Aramco is also developing renewables, undertaking projects to capture emissions from its own facilities and the facilities of others, and has ambitions to develop new fuels and products, including blue hydrogen and blue ammonia.

Aramco's downstream investments diversify its revenue and integrate its oil and gas operations to optimize value across the hydrocarbon chain, supporting crude oil and gas demand and facilitating the placement of its crude oil. This crude oil placement provides significant benefits to downstream operations, offering a secure and reliable supply of high-quality crude oil, which helps to ensure a secure and reliable supply of refined products to its downstream customers. Aramco intends to continue the strategic integration of its Upstream and Downstream businesses to facilitate the placement of the Company's crude oil in larger offtake volumes and intends to grow its liquids-to-chemicals volumes up to

Key events in 2023

$2.76bn

Acquired Valvoline Inc.'s global products business

Aramco completed its acquisition of Valvoline Inc.'s global products business for approximately SAR 10.34 billion ($2.76 billion), including customary adjustments.

$7.0bn

Petrochemical steam cracker

Aramco and its affiliate, S-OIL, commenced construction at the SAR 26.3 billion ($7.0 billion) Shaheen project in South Korea to develop one of the world's largest refinery-integrated petrochemical steam crackers.

$11.8bn

Integrated refinery and petrochemical complex

Construction commenced at the SAR 44.4 billion ($11.8 billion) integrated refinery and petrochemical complex being developed by HAPCO, a joint venture between Aramco, North Huajin, and Panjin Xincheng.

2.66GW

Solar projects partnership

Aramco entered into a shareholders' agreement with PIF and ACWA Power Company for the development of the Al Shuaibah 1 and Al Shuaibah 2 photovoltaic solar projects which are expected to have a combined capacity of 2.66 GW and an estimated cost of SAR 8.9 billion ($2.37 billion).

$3.4bn

Rongsheng Petrochemical deal completed

Aramco completed its strategic acquisition of a 10% interest in Rongsheng Petrochemical with a right to supply 480 mbpd or 60% of the crude oil for a total transaction value of SAR 12.8 billion ($3.4 billion).

$11.0bn

Amiral EPC contracts awarded

Aramco awarded engineering, procurement, and construction contracts for the SAR 41.3 billion ($11.0 billion) new petrochemical complex to be built by SATORP, Aramco's joint venture with TotalEnergies.

four million barrels per day by 2030. In 2023, the crude oil utilized by Aramco's downstream operations accounted for 47% (2022: 44%) of the Company's crude oil production. At December 31, 2023, Aramco's net refining capacity was 4.1 mmbpd (2022: 4.1 mmbpd), while the gross refining capacity at December 31, 2023 was 7.9 mmbpd (2022: 7.1 mmbpd).

The integration of Aramco's refining and chemicals manufacturing assets provides an opportunity to capture additional value and continue the shift of its product portfolio to improve the balance of fuels and chemicals production. Through its June 2020 acquisition of a majority interest in SABIC, a globally diversified chemicals company with manufacturing in the Americas, Europe, Middle East, and Asia Pacific, Aramco increased the proportion of petrochemicals production in its Downstream portfolio. The chemicals business spans production of basic chemicals, such as aromatics, olefins, and polyolefins, to more complex products, such as polyols, isocyanates, and synthetic rubber. It continues to grow through capacity expansions and new investments, and operates in over 50 countries with a net chemicals production capacity[1] of 59.6 million tons per year as at December 31, 2023, (2022: 56.3 million tons per year).

Aramco's Downstream business also includes its crude oil marketing and product sales, distribution, retail, and trading operations. These operations support Aramco's upstream and downstream operations by enabling it to optimize crude oil sales and product placement through its significant infrastructure network of pipelines and terminals and access to shipping and logistics resources.

The Downstream segment launched a transformation program in 2021, seeking to realize incremental value from its portfolio through yield enhancements, stream integration, and cost reductions. In support of this effort, a new Downstream operating model has been implemented, creating a more agile business. The ongoing transformation program has delivered estimated incremental EBIT of over SAR 15.0 billion ($4.0 billion) in 2023.

1. Excludes SABIC Agri-Nutrients and Metals (Hadeed) businesses.

Three blue ammonia shipments

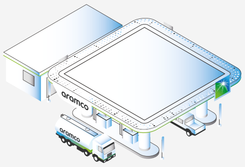
Aramco delivered three shipments of accredited, blue ammonia through its affiliates ATC and SABIC Agri-Nutrients.

South America retail investment

Aramco agreed to purchase a 100% equity stake in the Chilean retailer Esmax, representing Aramco's first downstream retail investment in South America. The transaction was completed in March 2024.

First entry into the Pakistani fuels retail market

Aramco signed definitive agreements to acquire a 40% equity stake in Gas & Oil Pakistan Limited.



Hadeed divestment

SABIC agreed to the sale of its 100% shareholding in the Saudi Iron and Steel Company (Hadeed) to PIF.

Global Lighthouse Network status

The Yanbu' Refinery becomes the fourth Aramco facility to receive WEF Global Lighthouse Network status.

Outlook for 2024

Aramco's Downstream segment will continue to strategically expand and integrate across the hydrocarbon value chain, leverage the potential of its products in order to meet anticipated demand for petrochemical products, and expand its business in key global markets.

To continue creating value, the Downstream segment aims to increase refining capacity, grow liquids-to-chemicals production, expand trading activities, and leverage the Downstream transformation program to further enhance its earning potential.

Downstream financial results

All amounts in millions unless otherwise stated	SAR Year ended December 31 2023	SAR Year ended December 31 2022	USD* Year ended December 31 2023	USD* Year ended December 31 2022	% change
Revenue and other income related to sales (including inter-segment revenue)	**1,033,512**	1,199,714	**275,603**	319,924	**(13.9)%**
Earnings before interest, income taxes and zakat	**21,184**	79,292	**5,649**	21,145	**(73.3)%**
Capital expenditures - cash basis	**32,735**	29,541	**8,729**	7,878	**10.8%**

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

Earnings before interest, income taxes and zakat (EBIT) for the year decreased by 73.3% from SAR 79,292 ($21,145) in 2022 to SAR 21,184 ($5,649) in 2023. This decrease was primarily driven by lower refining and chemicals margins, and inventory valuation movement.

Capital expenditures increased by 10.8% from SAR 29,541 ($7,878) in 2022, to SAR 32,735 ($8,729) in 2023. This increase was primarily attributable to increased investments in projects including the construction of the refinery-integrated petrochemical steam cracker being developed by S-OIL.

Refining

26%

Aramco's crude oil production utilized by in-Kingdom wholly-owned and affiliated refineries

Overview

Aramco operates one of the world's largest refining businesses, with gross refining capacity of 7.9 mmbpd as at December 31, 2023, (December 31, 2022: 7.1 mmbpd), and net refining capacity of 4.1 mmbpd (December 31, 2022: 4.1 mmbpd). Aramco's refining operations are conducted in the Kingdom and internationally through wholly-owned and affiliated refineries. The refining operations allow Aramco to transform its crude oil and NGL into refined products for sale within the Kingdom and internationally.

Specifically, Aramco designs and configures its refining system to optimize production using the crude oil it produces. This helps reduce supply chain cost and improves efficiency in refining operations, and therefore the supply of refined products to its downstream customers.

Domestic refining

Aramco's in-Kingdom refineries, both wholly-owned and affiliated, receive their crude oil supply from Aramco's upstream production. These refineries accounted for 62% of Aramco's net refining capacity in 2023 (December 31, 2022: 63%). Together with the local distribution system, this provides Aramco unique access to the large domestic marketplace to which it is the sole supplier.

In 2023, Aramco placed 26% (2022: 26%) of its crude oil production to in-Kingdom wholly-owned and affiliated refineries. Aramco's equity share of refined products and the refined products produced through its wholly-owned refineries located within the Kingdom are primarily distributed wholesale to domestic fuel retailers and industrial customers through Aramco's pipelines, distribution, and terminals system.

Aramco has five wholly-owned and four domestic affiliated refineries in the Kingdom, which help to meet domestic refined product demand. Through long-term supply agreements with these ventures, Aramco has the right to supply all crude processed at these refineries.

International refining

In addition to increasing its in-Kingdom refining capability, Aramco seeks to expand its strategically integrated Downstream business in high-growth economies such as China, India, and Southeast Asia, while maintaining its current participation in material demand centers, such as the United States and Europe, and countries that rely on importing crude oil, such as Japan and South Korea.

Aramco has invested in two refining and petrochemical joint ventures with PETRONAS, collectively known as PRefChem. These assets are located in Johor, Malaysia, adjacent to Asia's refined products trading hub in Singapore.

In 2023, Aramco's weighted average ownership percentage in its international refineries was 34% (2022: 41%), but it supplied an average of 54% (2022: 56%) of the crude oil used by those refineries. This crude placement provides significant benefits to Aramco's operations, including a secure and reliable supply of high-quality crude oil, which helps to ensure a secure and reliable supply of refined products to its downstream customers.

The net refining capacity of Aramco's international wholly-owned and affiliated refineries was 1.6 mmbpd (2022: 1.5 mmbpd). Product sales by Aramco's international ventures are generally facilitated through multiple distribution channels, including systems owned by the respective joint venture through a network of more than 17,200 branded company-owned, company-operated or dealer-owned, dealer-operated retail networks.

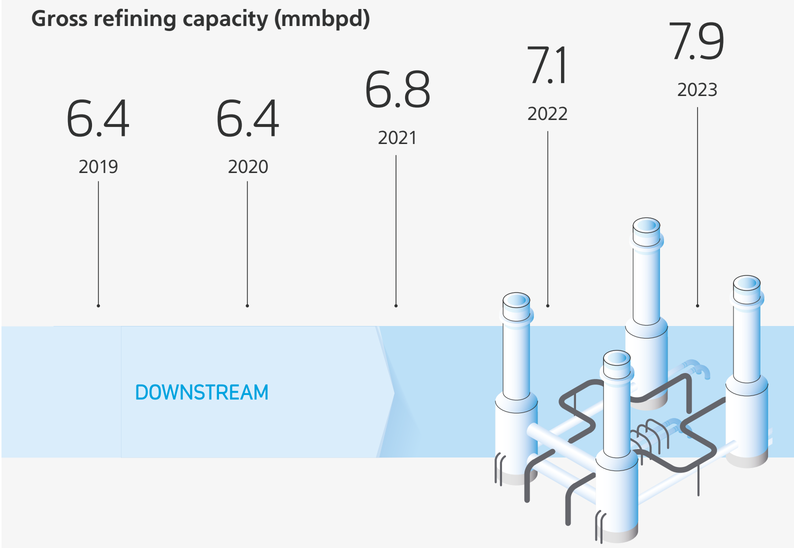
Highlights and developments

- Aramco completed its strategic acquisition of a 10% interest in Rongsheng Petrochemical for a total transaction value of SAR 12.8 billion ($3.4 billion). Under a long-term sales agreement, Aramco has the right to supply 480 mbpd or 60% of the crude oil to Rongsheng Petrochemical's affiliate, Zhejiang Petroleum and Chemical Company Limited (ZPC). ZPC owns and operates one of the largest integrated refining and chemicals complexes in China with a conversion rate into chemicals of more than 50%, capacity to process 800 mbpd of crude oil, and to produce 4.2 million metric tons of ethylene per year. The acquisition aligns with Aramco's strategic goal to enhance its Downstream business in high-growth geographies and advance its liquids-to-chemicals strategy.
- Construction commenced at the major integrated refinery and petrochemical complex being developed by HAPCO, a joint venture between Aramco (30%), North Huajin Chemical Industries Group Corporation (51%), and Panjin Xincheng Industrial Group Company Limited (19%). The complex, which has an estimated construction cost of SAR 44.4 billion ($11.8 billion) and is expected to be fully operational by 2026, will include a 300 mbpd refinery and petrochemical plant with annual production capacity of 1.65 million metric tons of ethylene, two million metric tons of paraxylene, and a conversion rate into chemicals of more than 50%. Under a long-term agreement, Aramco has the right to supply up to 210 mbpd or 70% of crude oil feedstock to the complex.
- Joining the Abqaiq Oil Processing and Crude Stabilization Facility, the 'Uthmaniyah Gas Plant, and the Khurais Oil Complex, the Yanbu' Refinery became the fourth Aramco facility to be added to the World Economic Forum (WEF) Global Lighthouse Network, having been recognized for its pioneering deployment of cutting-edge technologies to deliver a range of operational, commercial, and environmental benefits. This recognition by WEF reflects Aramco's sustained focus on the development and deployment of state-of-the-art Fourth Industrial Revolution technologies, which enhance its operations and contribute to its sustainability objectives.

Strategy in action

Expanding placement of Aramco's crude oil in its downstream operations allows it to capture additional value, expand its sources of earnings, and provide resilience to oil price volatility.

Gross refining capacity (mmbpd)



Chemicals

Overview

Aramco's chemicals business represents an extension of the hydrocarbon value chain and strategically complements its refining operations. Aramco's chemicals business, including its interest in SABIC, operates in over 50 countries and produces a range of chemicals. Aramco's growing operations in chemicals include participation in high-growth chemicals markets with demand from industries such as packaging, automotive, and appliances.

Following the acquisition of SABIC, Aramco is a major global producer of petrochemicals with manufacturing in the Americas, Europe, Middle East, and Asia Pacific. The acquisition also expands Aramco's capabilities in procurement, manufacturing, marketing and sales. SABIC is an industry leader in multiple chemical segments, and produces a wide range of products, including olefins, methanol, MTBE, aromatics, glycols, linear alpha olefins, polyethylene, polypropylene, polyethylene terephthalate, polyvinyl chloride, polystyrene, polycarbonate, and engineering thermoplastics and their blends.

$3-4 bn

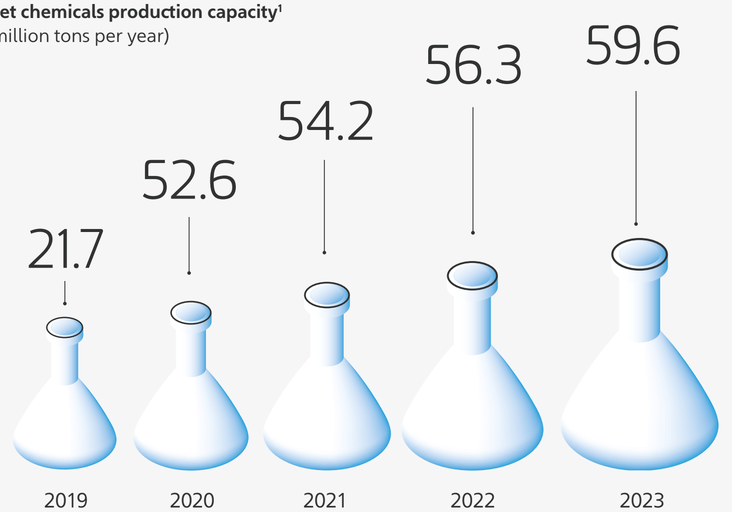
Targeted annual recurring synergies by 2025

Since the acquisition of SABIC, Aramco has sought to achieve synergies mainly in procurement, supply chain, marketing, feedstock optimization, stream integration, operations, and maintenance. Aramco is targeting to capture approximately SAR 11.3 billion to SAR 15.0 billion ($3.0 billion to 4.0 billion) in annual recurring synergies by 2025.

Strategy in action

Changing patterns of demand, including forecasted growth in chemicals, is driving Aramco's decision to favor investments in facilities with high liquids-to-chemicals conversion rates.

Net chemicals production capacity[1]
(million tons per year)



Aramco also conducts petrochemical manufacturing through affiliates located in the Kingdom, China, Japan, South Korea, Malaysia, the United States, and the Netherlands, with other key industry players, including Dow (Sadara), Sumitomo (Petro Rabigh), TotalEnergies (SATORP), PETRONAS (PRefChem), and Sinopec (YASREF and FREP). Through these affiliates and joint ventures, Aramco produces a wide range of commodity and differentiated petrochemicals.

Aramco's chemicals business continues to grow through capacity expansion and new investments. Including SABIC, Aramco had a net chemicals production capacity[1] of 59.6 million tons per year as at December 31, 2023, (2022: 56.3 million tons per year).

Highlights and developments

- Construction has commenced for one of the world's largest refinery-integrated petrochemical steam crackers being developed by Aramco's affiliate, S-OIL. The SAR 26.3 billion ($7.0 billion) project, with a planned annual production capacity of up to 3.2 million tons of petrochemicals, is aligned with Aramco's strategy to maximize the liquids-to-chemicals value chain.
- Aramco and TotalEnergies awarded engineering, procurement, and construction contracts for the SAR 41.3 billion ($11.0 billion) Amiral complex, a future world-scale petrochemicals facility expansion at SATORP refinery in Jubail, Saudi Arabia. The new complex, to be owned and operated by SATORP, aims to house one of the largest mixed-load steam crackers in the region, with a capacity to produce 1.65 million tons per annum of ethylene and other industrial gases. The petrochemical complex is expected to enable SATORP to advance Aramco's liquids-to-chemicals strategy with expected commercial operation in 2027.
- Aramco delivered three shipments of accredited blue ammonia through its affiliates ATC and SABIC Agri-Nutrients. These shipments align with the Company's strategy of developing new products and solutions such as ammonia, renewables, synthetic fuels, nonmetallics, and crude-to-chemicals, and represent the supply of blue ammonia for fertilizer production and power generation in markets such as India, Japan, and Taiwan.

1. Excludes SABIC Agri-Nutrients and Metals (Hadeed) businesses.

- SABIC agreed to the sale of all its shares in the Saudi Iron and Steel Company (Hadeed) to PIF. The transaction, which is subject to certain customary approvals and satisfaction of certain conditions, is expected to enable SABIC to optimize its portfolio, focus on its core business, and support its vision to become the preferred world leader in chemicals. The transaction is expected to be completed in the first quarter of 2024.
- SABIC announced its final investment decision to participate in the development of a world scale petrochemical complex located in China's Fujian province, in partnership with Fujian Fuhua Gulei Petrochemical Company Limited. The complex will consist of a mixed feed steam cracker with an expected annual ethylene maximum capacity of up to 1.8 million tons and world-class downstream facilities. The project, which will be jointly owned by SABIC (51%) and Fujian Fuhua Gulei Petrochemical (49%), has an estimated cost of SAR 24.0 billion ($6.4 billion) with expected construction completion in 2027.

Base oils and lubricants

4.4 million tons

Base oils sold in 2023

Overview

In keeping with Aramco's strategy to capture incremental value across the hydrocarbon chain, Aramco has a growing presence in domestic and international lubricants markets. Aramco's products are engineered to the highest of standards that meet the latest lubricant specifications required by original equipment manufacturers. In 2023, including the acquisition of Valvoline Inc.'s global products business, Aramco sold 0.9 million tons (2022: 0.2 million tons) of finished lubricants.

Aramco's three major producers and marketers of base oils, Luberef, Motiva, and S-OIL, continue to deliver high-quality and technically differentiated products to its global customer base. Aramco markets its base oil products using the official Aramco brands: aramcoDURA® (Group I), aramcoPRIMA® (Group II), and aramcoULTRA® (Group III).

In 2023, Aramco sold 4.4 million tons (2022: 4.6 million tons) of base oils, maintaining its position as one of the leading marketers of base oils globally.

Highlights and developments

- Aramco completed its acquisition of Valvoline Inc.'s global products business for approximately SAR 10.34 billion ($2.76 billion), including customary adjustments. The acquisition is expected to complement Aramco's line of premium-branded lubricant products, optimize its global base oils production capabilities, and expand Aramco's own R&D activities and partnerships with original equipment manufacturers. Additionally, the acquisition is expected to enhance market presence by leveraging the Valvoline brand and products through the Aston Martin Aramco Formula One® Team.

▲ **Valvoline**
Saudi Arabia

Retail operations

Overview

Aramco has developed a retail strategy that focuses on establishing its own brand presence in the Kingdom and internationally as part of its long-term goal to be a primary global retail player. This includes offering consumers a new line of automotive services, coupled with branded finished lubricant products, as part of its commitment to diversify its Downstream portfolio.

>17,200

Service stations worldwide

Aramco and TotalEnergies continue to grow their joint network of retail service stations throughout the Kingdom. The in-Kingdom retail network comprises more than 200 service stations and expands the range of quality retail services available across the Kingdom. This network is comprised of Aramco and TotalEnergies-branded stations, providing customers with premium fuels and retail services.

Aramco continued to grow its fuel retail presence through its affiliates and investments, with more than 17,200 service stations worldwide with 5,300 located in the United States, 5,500 in China and South Korea, more than 6,400 in Japan, and more than 200 in Saudi Arabia.

Highlights and developments

- Aramco agreed to purchase a 100% equity stake in the Chilean retailer Esmax from Southern Cross Group, representing Aramco's first downstream retail investment in South America. Esmax is one of the leading diversified downstream fuels and lubricants retailers in Chile, and its operations include retail fuel stations, airport operations, fuel distribution terminals, and a lubricant blending plant. The transaction was completed in March 2024.
- Aramco signed definitive agreements to acquire a 40% equity stake in Gas & Oil Pakistan Limited (GO). GO, a diversified downstream fuels, lubricants, and convenience stores operator, is one of the largest retail and storage companies in Pakistan. The transaction, which is subject to certain customary conditions and regulatory approvals, represents Aramco's first entry into the Pakistani fuels retail market.

Both agreements align with Aramco's downstream expansion strategy, and would enable Aramco to secure outlets for its refined products, create a platform to launch the Aramco brand while strengthening its downstream value chain, and unlock new market opportunities for its Valvoline-branded lubricants.

▼ **Riyadh**
Saudi Arabia

Pipelines, distribution and terminals

9.6 bscfd

Overall gas supply capacity

Overview

Aramco's Kingdom-wide distribution network includes pipelines, bulk plants, air refueling sites, and terminals that deliver crude oil, NGL, natural gas, and refined products. The pipelines and bulk plants network, and the terminals on the east and west coast, enable the transportation of hydrocarbons for export and for delivery to customers across the Kingdom. Further, Aramco's East-West Pipeline links oil production facilities in the Eastern Province with Yanbu' on the west coast, providing flexibility to export from the east and west coasts of the Kingdom.

Aramco's MGS, an extensive network of pipelines that connects its key gas production and processing sites with customers throughout the Kingdom, is currently undergoing an expansion. The system's current capacity is 9.6 bscfd of natural gas, and supplies eastern, central, and western industrial complexes. The MGS Expansion Phase II will increase overall gas supply capacity to 12.5 bscfd to accommodate the increase in the Kingdom's natural gas demand, including expansion of the East-West MGS to ultimately deliver 5.2 bscfd to the central and western regions to support future utility and industrial development.

In addition, Aramco has a 15% equity interest in the Arab Petroleum Pipeline Company (Sumed), a joint venture which operates the Sumed pipeline. The pipeline runs from the Red Sea to the Mediterranean Sea through Egypt and provides an alternative to the Suez Canal.

Highlights and developments

- In 2023, the operational resilience of the Company's infrastructure was demonstrated with hydrocarbons continuing to be delivered to customers safely and on time. The well-established emergency response systems and contingency plans aim to prepare the Company to respond effectively to potential incidents.

▼ **Ju'aymah Terminal single-point mooring**
Saudi Arabia

Supply and trading

Overview

Aramco manages crude oil sales operations, along with a large and growing portfolio of refining and chemicals facilities in Asia, Europe, and North America. As part of its strategy to unlock additional value, Aramco is expanding its crude oil, refined products, and chemicals trading to significantly grow total traded volumes over the next few years.

Aramco is pursuing a globally integrated business model to capture additional value through greater market access and coverage as it seeks to grow its worldwide trading activities.

Aramco's trading activities are conducted primarily through ATC and its subsidiaries. In addition to its expanding trading activities in crude oil, refined products, and chemicals, Aramco sees the potential to grow its trading activities and has progressed a number of initiatives to offer crude oil that has lower upstream carbon intensity associated with its production than the production of crude oil produced by other major producers, including the trading of biofuels.

Aramco is well positioned to use its production and distribution network to optimize its supply and trading capabilities. By optimizing the production, refining, and distribution processes and integrating them with its trading business, Aramco seeks to ensure that customers receive reliable service and consistent products. In addition, there is the potential to optimize product flows on a domestic and international basis across regional and global supply chains to maximize value.

These operations support Aramco's upstream and downstream activities by enabling it to optimize crude oil sales and product placement through its significant infrastructure network of pipelines and terminals, and access to shipping and logistics resources. Aramco also maintains flexibility to respond to fluctuations in demand through its five crude grades and MSC.

In 2023, Aramco traded an average of 6.8 mmbpd (2022: 6.7 mmbpd) of crude oil and refined petroleum products, and 4.7 million tons of liquid chemical products (2022: 2.7 million tons). In 2023, Aramco's total crude oil exports averaged 6.6 mmbpd (2022: 7.1 mmbpd).

The Company continued to demonstrate its strong operational flexibility and supply reliability by delivering crude and other products in a timely manner with a reliability[1] of 99.8% in 2023 (2022: 99.9%).

Highlights and developments

- Aramco advanced its strategy to expand and integrate its global trading operations by agreeing to an internal reorganization of its U.S. trading business, leading to the launch of Aramco Trading Americas LLC, a wholly-owned subsidiary of ATC. As a result, ATC supplies Motiva with crude oil and feedstocks, as well as offtakes and trades refined products and chemicals generated by Motiva. In addition, ATC gains access to incremental volumes and markets that further strengthen ATC's trading capabilities, and enhances optimization of downstream global assets.

Strategy in action

Aramco seeks to maintain its position as one of the world's most reliable crude oil suppliers.

Reliability[1]

99.9% 2022

99.9% 2021

99.9% 2020

99.2% 2019

1. Applies to Saudi Arabian Oil Company (the Company).

Power

Overview

As at December 31, 2023, Aramco's power operations comprised 18 captive power plants (2022: 17) and associated transmission and distribution assets located across the Kingdom. These assets are primarily designed to provide electricity and steam to Aramco's oil and gas production facilities, gas processing plants and wholly-owned refineries in a safe, reliable, and efficient manner. Some of these power assets are wholly-owned while others are owned by joint ventures in which Aramco has an ownership interest. Aramco also enters into offtake arrangements with independent power producers.

5.3GW

Total generated power in 2023

In addition, Aramco currently owns a 6.9% stake in the Saudi Electricity Company (SEC), the Kingdom's national electricity utility company, and an effective 29.8% stake in Marafiq, a domestic utility company that serves the industrial areas of Jubail and Yanbu'. In 2023, Aramco generated 5.3 GW (2022: 4.8 GW) of power, of which 4.2 GW (2022: 3.5 GW) was used to meet internal demand, and 1.1 GW (2022: 1.3 GW) of spill power was transferred to the national grid.

The Company also remains committed to the global energy transition and views renewable energy as a complement to its own energy products, supported by vast solar and wind resources in-Kingdom. As such, Aramco intends to invest in 12 GW of solar and wind energy by 2030 in support of the Kingdom's National Renewable Energy Program.

Highlights and developments

- Aramco entered into a shareholders' agreement with PIF, and ACWA Power Company for the development of the Al Shuaibah 1 and Al Shuaibah 2 photovoltaic solar projects. The projects, located in Makkah Province, are expected to have a combined capacity of 2.66 GW and estimated total cost of SAR 8.9 billion ($2.37 billion), with commercial operations expected to commence by 2025.
- Sudair Solar PV plant, one of the largest solar plants in the region with a capacity of 1.5 GW, reached commercial operation for the full capacity in January 2024. The project is jointly owned by Aramco (30%), PIF (35%), and ACWA Power Company (35%).

Jazan Economic City
Saudi Arabia

Corporate overview

Aramco's corporate activities primarily support the Upstream and Downstream segments, as well as the overall business. The corporate activities include technical services that are essential to the success of Aramco's core business, as well as human resources, finance, legal, corporate affairs, and information technology.

Aramco's integrated corporate development organization is mandated to maximize value creation through portfolio optimization by assessing and monetizing certain existing assets, and evaluating investments related to the Kingdom's economic development and improving access to services and parts to enhance operational efficiencies. This enables the Company to unlock the value of its assets and redeploy capital toward opportunities with growth prospects and attractive returns. The corporate development activities also seek to build a world-class local supply chain to serve the needs of the Company and its partners.

Highlights and developments

- Aramco continues to optimize its cost of capital and diversify its funding sources through new pools of liquidity with an aim to strengthen its balance sheet, while simultaneously enabling financing flexibility. As part of this financial strategy, the Company signed a framework agreement in March 2023 with the Export-Import Bank of Korea for facilities of up to SAR 22.5 billion ($6.0 billion) to explore strategic financing solutions in support of the Company's business and investment activities involving Korean companies. The Company also signed two heads of terms, one with Korea Trade Insurance Corporation and the other with Italy's Export Credit Agency, to further optimize its capital structure.
- In January 2024, Aramco expanded its investment in Aramco Ventures, its global venture capital branch, by SAR 15.0 billion ($4.0 billion). This increase more than doubles the investment funds to SAR 26.3 billion ($7.0 billion) from SAR 11.3 billion ($3.0 billion).
- On January 1, 2024, the Aston Martin Formula One® Team was rebranded as the Aston Martin Aramco Formula One® Team under a new five-year agreement lasting until 2028. This strategic partnership underscores a commitment to collaborative innovation in new mobility solutions, both on and off the track.
- As part of Aramco's corporate development activities and in support of the development of the local supply chain, Aramco promotes multiple unique initiatives through its National Champions program including Namaat and Taleed.
  - Under the flagship Namaat industrial investment program, Aramco signed a shareholders' agreement with Baoshan Iron & Steel Co. and PIF to establish the first fully integrated world-class steel plate manufacturing complex in the Kingdom and the GCC. The complex is expected to enhance the domestic manufacturing sector through localizing the production of heavy steel plates, transferring knowledge and creating export opportunities.
  - To further enhance its long-term commercial interests and reduce procurement costs, in March 2023 Aramco and DHL signed a shareholders' agreement for a new Procurement and Logistics Hub in Saudi Arabia with an aim to achieve industry best practices in procurement, transport, and warehousing solutions. Aramco also formed the Advance Supply Management Operations (ASMO) joint venture through an equity partnership with DHL. ASMO will offer comprehensive end-to-end supply chain services including sourcing, procurement, warehousing, and inventory management.

Corporate financial results

	SAR		USD*		
	Year ended December 31		Year ended December 31		
All amounts in millions unless otherwise stated	**2023**	2022	**2023**	2022	**% change**
Earnings (losses) before interest, income taxes and zakat	**(18,220)**	(19,667)	**(4,859)**	(5,245)	**(7.4)%**
Capital expenditures – cash basis	**2,030**	1,831	**541**	488	**10.9%**

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

Earnings (losses) before interest, income taxes and zakat (EBIT) are principally driven by the cost of the corporate organization, the affiliates recognized under the corporate segment, and the corporate outreach and citizenship activities. The decrease in losses in 2023 mainly reflects the favorable impact of discount rates on employee home loans, and recognition of interest income related to the net change in post-employment benefit obligation, partially offset by an increase in public service costs during the year.

Corporate capital expenditures increased during the year due to higher various industrial support projects and community development projects.

▼ **Reservoir management**
Dhahran, Saudi Arabia