

IMPORTANT NOTICE

THE ATTACHED BASE PROSPECTUS MAY ONLY BE DISTRIBUTED TO INVESTORS WHO ARE EITHER (1) QIBs (AS DEFINED BELOW) OR (2) NON-U.S. PERSONS (AS DEFINED BELOW) LOCATED OUTSIDE THE UNITED STATES.

IMPORTANT: You must read the following disclaimer before continuing. The following disclaimer applies to the base prospectus attached to this electronic transmission (the “**Base Prospectus**”) and you are therefore advised to read this disclaimer carefully before reading, accessing or making any other use of the Base Prospectus. In accessing the Base Prospectus, you agree to be bound by the following terms and conditions, including any modifications to them from time to time, each time you receive any information from the Issuer, the Arrangers or the Dealers (each as defined in the Base Prospectus) as a result of such access.

Confirmation of Your Representation: In order to be eligible and by accessing the Base Prospectus, you are deemed to have confirmed to the Arrangers, the Dealers, the Issuer that (i) you have understood and agreed to the terms set out herein, (ii) you and any customer you represent are either (a) outside of the United States and not a U.S. person within the meaning of Regulation S under the U.S. Securities Act 1933, as amended (the “**Securities Act**”) (a “**non-U.S. Person**”), and are not acting for the account or benefit of any U.S. person, and that the electronic mail address you have given to us is not located in the United States, its territories and possessions, or (b) a person that is a “qualified institutional buyer” (within the meaning of Rule 144A under the Securities Act) (a “**QIB**”), and the rules and regulations thereunder, (iii) you consent to delivery by electronic transmission, (iv) you will not transmit the Base Prospectus (or any copy of it or part thereof) or disclose, whether orally or in writing, any of its contents to any other person except with the consent of the Arrangers and the Dealers, and (v) you acknowledge that you will make your own assessment regarding any legal, taxation or other economic considerations with respect to your decision to subscribe for, or purchase any of, the Notes.

You are reminded that the Base Prospectus has been delivered to you on the basis that you are a person into whose possession the Base Prospectus may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located and you may not, nor are you authorised to, deliver the Base Prospectus, electronically or otherwise, to any other person and in particular to any U.S. person or to any U.S. address. Failure to comply with this directive may result in a violation of the Securities Act or the applicable securities laws of other jurisdictions.

RESTRICTIONS: NOTHING IN THIS ELECTRONIC TRANSMISSION CONSTITUTES AN OFFER OF SECURITIES FOR SALE IN THE UNITED STATES OR ANY OTHER JURISDICTION WHERE IT IS UNLAWFUL TO DO SO.

THE NOTES HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE SECURITIES ACT, OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES OR OTHER JURISDICTION, AND THE NOTES MAY NOT BE OFFERED OR SOLD, DIRECTLY OR INDIRECTLY, WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT (“REGULATION S”)) EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND APPLICABLE STATE OR LOCAL SECURITIES LAWS.

THE BASE PROSPECTUS MAY NOT BE FORWARDED OR DISTRIBUTED TO ANY OTHER PERSON AND MAY NOT BE REPRODUCED IN ANY MANNER WHATSOEVER AND, IN PARTICULAR, MAY NOT BE FORWARDED TO ANY U.S. PERSON OR U.S. ADDRESS. ANY FORWARDING, DISTRIBUTION OR REPRODUCTION OF THE BASE PROSPECTUS IN WHOLE OR IN PART IS UNAUTHORISED. FAILURE TO COMPLY WITH THIS DIRECTIVE MAY RESULT IN A VIOLATION OF THE SECURITIES ACT OR THE APPLICABLE SECURITIES LAWS OF OTHER JURISDICTIONS. IF YOU HAVE GAINED ACCESS TO THIS TRANSMISSION CONTRARY TO ANY OF THE FOREGOING RESTRICTIONS, YOU ARE NOT AUTHORISED, AND WILL NOT BE ABLE, TO PURCHASE ANY OF THE SECURITIES DESCRIBED HEREIN.

Under no circumstances shall the Base Prospectus constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the Notes in any jurisdiction in which such offer, solicitation or sale would be unlawful.

The Base Prospectus is not being distributed to, and must not be passed on to, the general public in the United Kingdom. The communication of the Base Prospectus is only being made to the following persons: (i) persons who are investment professionals as defined in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the “**Financial Promotion Order**”); (ii) persons falling within any of the categories of persons described in Article 49(2)(a) to (d) (high net worth companies, unincorporated associations, etc.) of the Financial Promotion Order; and (iii) any other persons to whom the Base Prospectus may otherwise be distributed without contravention of the FSMA, or any other person to whom it may otherwise lawfully be made in accordance with the Financial Promotion Order.

This communication is being directed only at persons having professional experience in matters relating to investments and any investment or investment activity to which this communication relates will be engaged in only with such persons. No other person should rely on it.

The Base Prospectus has been sent to you in an electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of electronic transmission and consequently none of the Arrangers, the Dealers, the Trustee, the Agents or any person who controls any of the Arrangers, the Dealers, the Issuer, the Trustee, the Agents, any director, officer, employee or agent of or public official representing any of them, or any affiliate of any such person accepts any liability or responsibility whatsoever in respect of any difference between the Base Prospectus distributed to you in electronic format and the hard copy version available to you on request from any of the Arrangers or the Dealers.

If you received the Base Prospectus by e-mail, you should not reply by e-mail to this communication. Any reply e-mail communications, including those you generate by using the "Reply" function on your email software, will be ignored or rejected. If you receive the Base Prospectus by e-mail, your use of this e-mail is at your own risk and it is your responsibility to take precautions to ensure that it is free from viruses and other items of a destructive nature.

The materials relating to the offering do not constitute, and may not be used in connection with, an offer or solicitation in any place where such offers or solicitations are not permitted by law. If a jurisdiction requires that the offering be made by a licensed broker or dealer and the Arrangers, the Dealers or any of their respective affiliates is a licensed broker or dealer in that jurisdiction, the offering shall be deemed to be made by the Arrangers, the Dealers or such respective affiliate(s) on behalf of the Issuer in such jurisdiction.

Recipients of the Base Prospectus who intend to subscribe for or purchase the Notes are reminded that any subscription or purchase may only be made on the basis of the information contained in the Base Prospectus.

The distribution of the Base Prospectus in certain jurisdictions may be restricted by law. Persons into whose possession the Base Prospectus comes are required by the Arrangers, the Dealers and the Issuer to inform themselves about, and to observe, any such restrictions.



SAUDI ARABIAN OIL COMPANY (SAUDI ARAMCO)
(incorporated as a joint stock company under the laws of the Kingdom of Saudi Arabia)
Global Medium Term Note Programme

Saudi Arabian Oil Company (Saudi Aramco) (the “**Issuer**” or the “**Company**”) has established a Global Medium Term Note Programme (the “**Programme**”), pursuant to which it may from time to time issue notes (the “**Notes**”) denominated in any currency agreed with the relevant Dealer(s) (as defined below). The Notes will be constituted by and have the benefit of an amended and restated trust deed dated 9 July 2024 (as may be supplemented, amended or restated from time to time, the “**Trust Deed**”) between the Issuer and Citibank N.A., London Branch (the “**Trustee**”, which term shall include any successor trustee under the Trust Deed).

This Base Prospectus has been approved as a base prospectus by the United Kingdom Financial Conduct Authority (the “**FCA**”) as competent authority under Regulation (EU) No 2017/1129 as it forms part of United Kingdom (the “**UK**”) domestic law by virtue of the European Union (Withdrawal) Act 2018 (as amended, the “**EUWA**”), (the “**UK Prospectus Regulation**”). The FCA only approves this Base Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the UK Prospectus Regulation. Such approval should not be considered as an endorsement of the Issuer or of the quality of the Notes that are the subject of this Base Prospectus. Investors should make their own assessment as to the suitability of investing in the Notes.

Application has been made to the FCA in its capacity as competent authority under the Financial Services and Markets Act 2000, as amended (the “**FSMA**”), for the Notes issued under the Programme during the period of 12 months from the date of this Base Prospectus to be admitted to the official list of the FCA (the “**Official List**”) and to the London Stock Exchange plc (the “**London Stock Exchange**”) for such Notes to be admitted to trading on the London Stock Exchange’s Main Market (the “**Main Market**”). References in this Base Prospectus to Notes being “**listed**” (and all related references) shall, unless the context otherwise requires, mean that such Notes have been admitted to the Official List and have been admitted to trading on the Main Market. References in this Base Prospectus to “**unlisted Notes**” are to Notes for which no prospectus is required to be published pursuant to the UK Prospectus Regulation. Information contained in this Base Prospectus regarding unlisted Notes shall not be deemed to form part of this Base Prospectus and the FCA has neither approved nor reviewed information contained in this Base Prospectus in connection with the offering and sale of unlisted Notes. The Main Market is a regulated market for the purposes of Article 2(1)(13A) of Regulation (EU) No 600/2014 on markets in financial instruments as it forms part of UK domestic law by virtue of the EUWA (“**UK MiFIR**”). Notice of the aggregate nominal amount of, interest (if any) payable in respect of, the issue price of, and the completion of certain other terms and conditions which are applicable to, each Tranche (as defined below) of Notes will be set forth in final terms (the “**Final Terms**”), which, in order for Notes to be admitted to the Official List and to be admitted to trading on the Main Market, will be delivered to the FCA and to the London Stock Exchange on or before the date of issue of the Notes of such Tranche.

This Base Prospectus is valid for 12 months from its date in relation to Notes which are to be admitted to trading on a regulated market in the UK. The obligation to supplement this Base Prospectus in the event of a significant new factor, material mistake or material inaccuracy does not apply when this Base Prospectus is no longer valid.

AN INVESTMENT IN THE NOTES INVOLVES RISKS. SEE “RISK FACTORS”.

The Notes have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the “**Securities Act**”). Notes may be offered and sold (i) within the United States to qualified institutional buyers (“**QIBs**”) (as defined in Rule 144A under the Securities Act (“**Rule 144A**”)), in reliance on the exemption from registration provided by Rule 144A (“**Rule 144A Notes**”) and (ii) outside the United States to non-U.S. persons in offshore transactions in reliance on Regulation S (“**Regulation S**”) under the Securities Act (“**Regulation S Notes**”). Prospective purchasers are hereby notified that sellers of Notes may be relying on an exemption from the provisions of Section 5 of the Securities Act provided by Rule 144A.

The minimum denomination of any Notes issued under the Programme shall be €100,000 (or its equivalent in any other currency as at the date of issue of the relevant Notes). Subject thereto and in compliance with all applicable legal, regulatory or central bank requirements, Notes will be issued in such denominations as may be specified in the applicable Final Terms.

The Issuer has been assigned a long-term issuer rating of Aa3 with a stable outlook by Moody’s Deutschland GmbH (“**Moody’s**”) and A+ with a stable outlook by Fitch Ratings Ltd. The Programme has been assigned a credit rating of (P)Aa3 by Moody’s and A+ by Fitch Australia Pty Ltd. Moody’s is established in the European Union (the “**EU**”) and is registered under Regulation (EC) No. 1060/2009 (as amended) (the “**CRA Regulation**”). Fitch Ratings Ltd is established in the UK and is registered by the Financial Conduct Authority (“**FCA**”) pursuant to the Credit Rating Agencies (Amendment etc.) (EU Exit) Regulations 2019 and in accordance with Regulation (EC) No. 1060/2009 (as amended) as it forms part of the domestic law of the UK by virtue of the EUWA (the “**UK CRA Regulation**”). Fitch Australia Pty Ltd is established under the Corporations Law of Queensland, and is registered with ASIC as an Australian Financial Services Licensee pursuant to section 913B of the Corporations Act 2001. Neither Moody’s nor Fitch Australia Pty Ltd is established in the UK or registered in accordance with the UK CRA Regulation. The ratings issued by Moody’s and Fitch Australia Pty Ltd have been endorsed by Moody’s Investors Service Limited and Fitch Ratings Ltd, respectively, in each case in accordance with the UK CRA Regulation. Moody’s is included in the list of credit rating agencies published by the European Securities and Markets Authority (“**ESMA**”) on its website (at <https://www.esma.europa.eu/supervision/credit-rating-agencies/risk>) in accordance with the CRA Regulation. Each of Moody’s Investors Service Limited and Fitch Ratings Ltd are included in the list of credit rating agencies published by the FCA’s Financial Services Register on its website (at <https://www.fca.org.uk/firms/credit-rating-agencies>) in accordance with the UK CRA Regulation. Certain Tranches of the Notes to be issued under the Programme may be rated or unrated and, if rated, the credit rating agency issuing such rating will be specified in the Final Terms. Where a Tranche is rated, such rating will not necessarily be equivalent to the ratings assigned to the Issuer. A credit

rating is not a recommendation to buy, sell or hold the Notes, does not address the likelihood or timing of repayment and may be subject to revision, suspension or withdrawal at any time by the assigning rating organisation.

Amounts payable on Floating Rate Notes may be calculated by reference to either EURIBOR or SOFR as specified in the Final Terms. As at the date of this Base Prospectus, the administrator of EURIBOR (the European Monetary Markets Institute) is included in the register of administrators and benchmarks established and maintained by ESMA pursuant to Article 36 of Regulation (EU) 2016/1011 (the “**EU Benchmarks Regulation**”) and in the register of administrators of the FCA under Article 36 of Regulation (EU) 2016/1011 as it forms part of UK domestic law by virtue of the EUWA (the “**UK Benchmarks Regulation**”, and, together with the EU Benchmarks Regulation, the “**Benchmarks Regulations**”). As at the date of this Base Prospectus, the administrator of SOFR (the “**Federal Reserve**”) is not included in such registers. As far as the Issuer is aware, under Article 2 of the Benchmarks Regulations, the Federal Reserve is not required to obtain authorisation or registration as at the date of this Base Prospectus.

Arrangers and Dealers

Citigroup

HSBC

J.P. Morgan

Dealers

Goldman Sachs International

Morgan Stanley

SNB Capital

This Base Prospectus should be read and construed together with any supplements hereto and, in relation to any Tranche of Notes, should be read and construed together with the applicable Final Terms. The information on the websites to which this Base Prospectus refers do not form part of this Base Prospectus. This Base Prospectus comprises a base prospectus for the purposes of Article 8 of the UK Prospectus Regulation.

Notes may be issued on a continuing basis to one or more of the dealers specified under “*Overview—Overview of the Programme*” and any additional dealers appointed under the Programme from time to time by the Issuer (each, a “**Dealer**” and, together, the “**Dealers**”), which appointment may be for a specific issue of Notes or on an ongoing basis. In the context of a discussion of an issue of a particular Tranche of Notes, reference in this Base Prospectus to “**relevant Dealer**” or “**relevant Dealers**” shall be to the Dealer or Dealers agreeing to subscribe for the particular Tranche of Notes.

As used herein, “**Tranche**” means Notes which are identical in all respects (including as to listing and admission to trading) and “**Series**” means a Tranche of Notes together with any further Tranche or Tranches of Notes which (a) are expressed to be consolidated and form a single series and (b) have the same terms and conditions or terms and conditions which are the same in all respects save for the amount and date of the first payment of interest thereon and the date from which interest starts to accrue.

The language of this Base Prospectus and the Final Terms in respect of any Tranche of Notes is English. Certain legislative references and technical terms have been cited in their original language in order that the correct technical meaning may be ascribed to them under applicable law.

No person is or has been authorised to give any information or to make any representation not contained in or not consistent with this Base Prospectus or any other document entered into in relation to the Programme or any information supplied by the Issuer or such other information as is in the public domain and, if given or made, such information or representation should not be relied upon as having been authorised by the Issuer, the Trustee or any Dealer or the Registrar, the Exchange Agent, any Paying Agent, any Transfer Agent or the Calculation Agent (collectively, the “**Agents**”).

Neither this Base Prospectus nor any Final Terms are intended to provide the basis of any credit or other evaluation, and should not be considered as a recommendation by the Issuer, the Trustee, the Dealers, the Arrangers or the Agents or any of their respective affiliates that any recipient of this Base Prospectus or any Final Terms or any other information supplied relating to the Programme or any Notes, should purchase any Notes. Each investor contemplating purchasing any Notes should make its own independent investigation of the financial position and affairs, and its own appraisal of the creditworthiness, of the Issuer. Neither this Base Prospectus nor any other information supplied in connection with the Programme or the issue of any Notes constitutes an offer or invitation by or on behalf of the Issuer or any of the Trustee, the Dealers, the Arrangers, the Agents or any other person to any person to subscribe for or to purchase any Notes in any jurisdiction where such offer or invitation is prohibited.

No representation or warranty is made or implied by the Trustee, the Dealers, the Arrangers, the Agents or any of their respective affiliates, and none of the Trustee, the Dealers, the Arrangers, the Agents nor any of their respective affiliates makes any representation or warranty or accepts any responsibility as to the accuracy or completeness of the information contained in this Base Prospectus. Neither the delivery of this Base Prospectus or any Final Terms nor the offering, sale or delivery of any Note shall, in any circumstances, create any implication that the information contained in this Base Prospectus is true subsequent to the date hereof or the date upon which this Base Prospectus has been most recently amended or supplemented or that there has been no adverse change, or any event reasonably likely to involve any adverse change, in the condition (financial or otherwise) of the Issuer since the date hereof or, if later, the date upon which this Base Prospectus has been most recently amended or supplemented, or that any other information supplied in connection with the Programme is correct at any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.

Furthermore, none of the Issuer, the Trustee, the Dealers, the Arrangers or the Agents makes any representation about the treatment for taxation purposes of payments or receipts in respect of any Notes received by any Noteholder. Each investor contemplating acquiring Notes under the Programme must seek such tax or other professional advice as it considers necessary for the purpose.

IMPORTANT INFORMATION RELATING TO THE USE OF THIS BASE PROSPECTUS AND OFFERS OF NOTES GENERALLY

This Base Prospectus does not constitute an offer to sell or the solicitation of an offer to buy any Notes in any jurisdiction to any person to whom it is unlawful to make the offer or solicitation in such jurisdiction. The information on the websites to which this Base Prospectus refers do not form part of this Base Prospectus. The distribution of this Base Prospectus and the offer or sale of Notes may be restricted by law in certain jurisdictions. The Issuer, the Arrangers, the Dealers, the Trustee, the Agents and their affiliates do not represent that this Base Prospectus may be lawfully distributed, or that any Notes may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Issuer, the Arrangers, the Dealers, the Trustee, the Agents or any of their respective affiliates which is intended to permit a public offering of any Notes or distribution of this Base Prospectus in any jurisdiction where action for that purpose is required. Accordingly, no Notes may be offered or sold, directly or indirectly, and neither this Base Prospectus nor any advertisement or other offering materials may be distributed or published in any jurisdiction, except in circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Base Prospectus or any Final Terms comes are required by the Issuer, the Arrangers and the Dealers to inform themselves about and to observe any such restrictions. For a description of certain restrictions on offers, sales and deliveries of Notes and on the distribution of this Base Prospectus or any Final Terms and other offering material relating to the Notes, see “*Subscription and Sale*”. In particular, the Notes have not been and will not be registered under the Securities Act and may be subject to U.S. tax law requirements.

None of the Arrangers, the Dealers, the Trustee, any Agents, any of their respective affiliates, the Issuer makes any representation to any investor in the Notes regarding the legality of its investment under any applicable laws. Any investor in the Notes should be able to bear the economic risk of an investment in the Notes for an indefinite period of time. Each investor should consult with its own advisers as to the legal, tax, business, financial and related aspects of the purchase of any Notes.

Prospective purchasers must comply with all laws that apply to them in any place in which they buy, offer or sell any Notes or possess this Base Prospectus. Any consents or approvals that are needed in order to purchase any Notes must be obtained prior to the deadline specified for any such consent or approval. The Issuer, the Arrangers, the Dealers, the Trustee, the Agents and their respective affiliates are not responsible for compliance with these legal requirements.

The Notes may not be a suitable investment for all investors. Each potential investor in the Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

- (a) have sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained or incorporated by reference in this Base Prospectus and any applicable supplement;
- (b) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact the Notes will have on its overall investment portfolio;
- (c) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including Notes with principal or interest payable in one or more currencies, or where the currency for principal or interest payments is different from the potential investor’s currency;
- (d) understand thoroughly the terms of the Notes and be familiar with the behaviour of any relevant indices and financial markets; and
- (e) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

Some Notes may be complex financial instruments. Sophisticated institutional investors generally do not purchase complex financial instruments as stand-alone investments. They generally purchase complex financial instruments as a way to reduce risk or enhance yield with an understood, measured and appropriate addition of risk to their overall portfolios. A potential investor should not invest in an issue of Notes which are complex financial instruments unless it has the expertise (either alone or with a financial adviser) to evaluate how the Notes will perform under changing conditions, the resulting effects on the value of the Notes and the impact this investment will have on the potential investor's overall investment portfolio.

The investment activities of certain investors are subject to applicable legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal and tax advisers to determine whether and to what extent: (i) the Notes are legal investments for it; (ii) the Notes can be used as collateral for various types of borrowing; and (iii) other restrictions apply to its purchase or pledge of any Notes. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of the Notes under any applicable risk-based capital or similar rules.

The distribution of this Base Prospectus, any supplement and any Final Terms and the offering, sale and delivery of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Base Prospectus, any supplement or any Final Terms comes are required by the Issuer and the Dealers to inform themselves about and to observe any such restrictions. For a description of certain restrictions on offers, sales and deliveries of Notes and on the distribution of this Base Prospectus, any supplement or any Final Terms and other offering material relating to the Notes, see "*Transfer Restrictions*" and "*Subscription and Sale*".

This Base Prospectus may be communicated solely to (A) persons outside the United Kingdom or (B) persons inside the United Kingdom who are (i) investment professionals falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the "**Order**"), (ii) high net worth entities, and other persons to whom it may lawfully be communicated, falling within Article 49(2)(a) to (d) of the Order or (iii) persons to whom an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the Financial Services and Markets Act 2000, as amended) in connection with the issue or sale of any securities may otherwise lawfully be communicated or caused to be communicated (all such persons in (A) and (B) above being "**relevant persons**"). Any such materials are directed only at relevant persons and must not be acted on or relied on by persons who are not relevant persons. Any investment activity to which this communication relates will only be available to and will only be engaged with relevant persons. Any person who is not a relevant person should not act or rely on this communication.

THE NOTES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE U.S. SECURITIES AND EXCHANGE COMMISSION (THE "SEC"), ANY STATE SECURITIES COMMISSION IN THE UNITED STATES OR ANY OTHER U.S. REGULATORY AUTHORITY, NOR HAVE ANY OF THE FOREGOING AUTHORITIES PASSED UPON OR ENDORSED THE MERITS OF THE NOTES OR THE ACCURACY OR THE ADEQUACY OF THIS BASE PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENCE IN THE UNITED STATES.

MIFID II PRODUCT GOVERNANCE / TARGET MARKET

The Final Terms in respect of any Notes may include a legend entitled "MiFID II Product Governance", which will outline the target market assessment in respect of the Notes and which channels for distribution of Notes are appropriate. Any person subsequently offering, selling or recommending Notes (a "**distributor**") should take into consideration the target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

A determination will be made in relation to each issue of Notes whether, for the purpose of the product governance rules under EU Delegated Directive 2017/593 (the "**MiFID Product Governance Rules**"), any Dealer subscribing for any Notes is a manufacturer in respect of such Notes, but otherwise neither the Arrangers nor the Dealers nor any of their respective affiliates will be a manufacturer for purposes of the MiFID Product Governance Rules.

UK MIFIR PRODUCT GOVERNANCE / TARGET MARKET

The Final Terms in respect of any Notes may include a legend entitled “UK MiFIR Product Governance” which will outline the target market assessment in respect of the Notes and which channels for distribution of the Notes are appropriate. Any person subsequently offering, selling or recommending the Notes (a “**distributor**”) should take into consideration the target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the “**UK MiFIR Product Governance Rules**”) is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

A determination will be made in relation to each issue about whether, for the purpose of the UK MiFIR Product Governance Rules, any Dealer subscribing for any Notes is a manufacturer in respect of such Notes, but otherwise neither the Arranger nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the UK MiFIR Product Governance Rules.

NOTICE TO EEA RETAIL INVESTORS

If the Final Terms in respect of any Notes includes a legend entitled “Prohibition of Sales to EEA Retail Investors”, the Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (the “**EEA**”). For these purposes, a “retail investor” means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or (ii) a customer within the meaning of Directive (EU) 2016/97 (as amended, the “**Insurance Distribution Directive**”), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. Consequently, no key information document required by Regulation (EU) No 1286/2014 (as amended, the “**PRIIPs Regulation**”) for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

NOTICE TO UNITED KINGDOM RETAIL INVESTORS

If the Final Terms in respect of any Notes includes a legend entitled “Prohibition of Sales to UK Retail Investors”, the Notes are not intended to be offered, sold or otherwise made available to, and with effect from such date, should not be offered, sold or otherwise made available to any retail investor in the UK. For these purposes, a “retail investor” means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of UK domestic law by virtue of the EUWA; or (ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement the Insurance Distribution Directive, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of UK domestic law by virtue of the EUWA. Consequently, no key information document required by Regulation (EU) No 1286/2014 as it forms part of UK domestic law by virtue of the EUWA (the “**UK PRIIPs Regulation**”) for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

NOTIFICATION UNDER SECTION 309B(1)(C) OF THE SECURITIES AND FUTURES ACT 2001 OF SINGAPORE, AS MODIFIED OR AMENDED FROM TIME TO TIME (THE “SFA”)

Unless otherwise specified in the applicable Final Terms, the Issuer has determined and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA) that all Notes issued or to be issued under the Programme shall be prescribed capital markets products (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

STABILISATION

In connection with the issue of any Tranche of Notes, the Dealer or Dealers (if any) named as the Stabilisation Manager(s) (or persons acting on behalf of any Stabilisation Manager(s)) in the applicable Final Terms may over-allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, stabilisation may not necessarily occur. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the relevant Tranche of Notes is made and, if begun, may cease at any time, but it must end no later than the earlier of 30 days after the issue date of the relevant Tranche of Notes and 60 days after the date of the allotment of the relevant Tranche of Notes. Any stabilisation or over-allotment must be conducted by the Stabilisation Manager(s) (or person(s) acting on behalf of any Stabilisation Manager(s)) in accordance with all applicable laws, regulations and rules.

ADDITIONAL INFORMATION

The Issuer is not required to file periodic reports under Section 13 or 15(d) of the U.S. Securities Exchange Act of 1934, as amended (the “**Exchange Act**”). For so long as the Issuer is not a reporting company under Section 13 or 15(d) of the Exchange Act or is exempt from reporting pursuant to Rule 12g3-2(b) thereunder, the Issuer will, upon request, furnish to each holder of Notes that are “restricted securities” (within the meaning of Rule 144(a)(3) under the Securities Act) and to each prospective purchaser thereof designated by such holder upon request of such holder or prospective purchaser, in connection with a transfer or proposed transfer of any Rule 144A Notes, the information required to be delivered pursuant to Rule 144A(d)(4) under the Securities Act. As long as the relevant Notes are represented by a Rule 144A Global Note (as defined herein), for the purposes of this paragraph, the expression “holder” shall be deemed to include account holders in the clearing systems who have interests in the relevant Rule 144A Global Note.

NOTICE TO RESIDENTS OF THE KINGDOM OF SAUDI ARABIA

This document may not be distributed in the Kingdom except to such persons as are permitted under the Rules on the Offer of Securities and Continuing Obligations issued by the Capital Market Authority.

The Capital Market Authority does not make any representation as to the accuracy or completeness of this document, and expressly disclaims any liability whatsoever for any loss arising from, or incurred in reliance upon, any part of this document. Prospective purchasers of the securities offered hereby should conduct their own due diligence on the accuracy of the information relating to the securities. If you do not understand the contents of this document, you should consult an authorised financial advisor.

NOTICE TO RESIDENTS OF CANADA

Any Notes to be issued under the Programme may be sold only to purchasers in Canada purchasing, or deemed to be purchasing, as principal that are accredited investors, as defined in National Instrument 45-106 Prospectus Exemptions or subsection 73.3(1) of the Securities Act (Ontario), and are permitted clients, as defined in National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations. Any resale of the Notes must be made in accordance with an exemption from, or in a transaction not subject to, the prospectus requirements of applicable securities laws.

Securities legislation in certain provinces or territories of Canada may provide a purchaser with remedies for rescission or damages if this Base Prospectus (including any amendment thereto) or any applicable Final Terms contains a misrepresentation, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser’s province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser’s province or territory for particulars of these rights or consult with a legal adviser.

Pursuant to section 3A.3 of National Instrument 33-105 Underwriting Conflicts (“**NI 33-105**”) or Ontario Instrument 33-507 *Exemption from Underwriting Conflicts Disclosure Requirements*, the Dealers are not required

to comply with the disclosure requirements of NI 33-105 regarding underwriter conflicts of interest in connection with the offering of any Notes under the Programme.

NOTICE TO RESIDENTS OF THE KINGDOM OF BAHRAIN

In relation to investors in the Kingdom of Bahrain, Notes issued in connection with this Base Prospectus and related offering documents may only be offered in registered form to existing accountholders and accredited investors as defined by the Central Bank of Bahrain (the “**CBB**”) in the Kingdom of Bahrain where such investors make a minimum investment of at least U.S.\$100,000 or any equivalent amount in another currency or such other amount as the CBB may determine.

This Base Prospectus does not constitute an offer of securities in the Kingdom of Bahrain pursuant to the terms of Article (81) of the Central Bank and Financial Institutions Law 2006 (decree Law No. 64 of 2006). This Base Prospectus and any related offering documents have not been and will not be registered as a prospectus with the CBB. Accordingly, no Notes may be offered, sold or made the subject of an invitation for subscription or purchase nor will this Base Prospectus or any other related document or material be used in connection with any offer, sale or invitation to subscribe or purchase Notes, whether directly or indirectly, to persons in the Kingdom of Bahrain, other than to accredited investors (as such term is defined by the CBB) for an offer outside the Kingdom of Bahrain.

The CBB has not reviewed, approved or registered this Base Prospectus or related offering documents and it has not in any way considered the merits of the Notes to be offered for investment, whether in or outside the Kingdom of Bahrain. Therefore, the CBB assumes no responsibility for the accuracy and completeness of the statements and information contained in this Base Prospectus and expressly disclaims any liability whatsoever for any loss howsoever arising from reliance upon the whole or any part of the content of this Base Prospectus. No offer of Notes will be made to the public in the Kingdom of Bahrain and this Base Prospectus must be read by the addressee only and must not be issued, passed to, or made available to the public generally.

NOTICE TO RESIDENTS OF THE STATE OF QATAR

Any Notes to be issued under the Programme will not be offered, sold or delivered at any time, directly or indirectly, in the State of Qatar (including the Qatar Financial Centre) in a manner that would constitute a public offering. This Base Prospectus has not been and will not be reviewed or approved by, or registered with, the Qatar Financial Markets Authority, the Qatar Central Bank, the Qatar Stock Exchange or the Qatar Financial Centre Regulatory Authority in accordance with their regulations or any other regulations in the State of Qatar (including the Qatar Financial Centre). The Notes are not and will not be traded on the Qatar Stock Exchange. The Notes and interests therein will not be offered to investors domiciled or resident in Qatar and do not constitute debt financing in the State of Qatar under the Commercial Companies Law No. (11) of 2015 or otherwise under the laws of State of Qatar.

NOTICE TO RESIDENTS OF MALAYSIA

Any Notes to be issued under the Programme may not be offered for subscription or purchase and no invitation to subscribe for or purchase such Notes in Malaysia may be made, directly or indirectly, and this Base Prospectus or any document or other materials in connection therewith may not be distributed in Malaysia other than to persons falling within the categories set out in Part I of Schedule 6 or Section 229(1)(b), Part I of Schedule 7 or Section 230(1)(b) and Schedule 8 or Section 257(3), read together with Schedule 9 or Section 257(3) of the Capital Market and Services Act 2007 of Malaysia as may be amended and/or varied from time to time and subject to any amendments to the applicable laws from time to time. The Securities Commission of Malaysia shall not be liable for any non-disclosure on the part of the Issuer and assumes no responsibility for the correctness of any statements made or opinions or reports expressed in this Base Prospectus.

U.S. INFORMATION

This Base Prospectus is being submitted on a confidential basis in the United States to a limited number of QIBs for informational use solely in connection with the consideration of the purchase of the Notes being offered hereby.

Its use for any other purpose in the United States is not authorised. It may not be copied or reproduced in whole or in part nor may it be distributed or any of its contents disclosed to anyone other than the prospective investors to whom it is originally submitted.

Notes may be offered or sold within the United States only to QIBs in transactions exempt from registration under the Securities Act. Each U.S. purchaser of Notes is hereby notified that the offer and sale of any Notes to it may be made in reliance upon the exemption from the registration requirements of the Securities Act provided by Rule 144A.

Each purchaser or holder of Notes represented by a Rule 144A Global Note (as defined below) or any Notes issued in exchange or substitution therefor (together, “**Legended Notes**”) will be deemed, by its acceptance or purchase of any such Legended Notes, to have made certain representations and agreements intended to restrict the resale or other transfer of such Notes as set out in “*Transfer Restrictions*” and “*Subscription and Sale*”.

PRESENTATION OF FINANCIAL, RESERVES AND CERTAIN OTHER INFORMATION

Certain Terms

See Appendix A for a glossary of defined terms used in this Base Prospectus and see Appendix B for a glossary of measurement and technical terms used in this Base Prospectus.

In this Base Prospectus, references to “**Saudi Aramco**” are to Saudi Arabian Oil Company (Saudi Aramco) together with its consolidated subsidiaries, and where the context requires, its joint operations, joint ventures and associates.

Certain figures and percentages included in this Base Prospectus have been subject to rounding adjustments. Accordingly, figures shown in the same category presented in different tables may vary slightly and figures shown as totals in certain tables may not be an arithmetic aggregation of the figures which precede them.

Financial and Statistical Information

The 2023 Financial Statements and 2024 Financial Statements (each as defined below) have been prepared in accordance with IFRS (as defined below) and have been audited by Saudi Aramco’s independent auditor, PricewaterhouseCoopers Public Accountants, as stated in their independent auditor’s reports related thereto appearing on pages F-105 and F-21 of this Base Prospectus, respectively. The 2025 Three-Month Interim Period Financial Statements (as defined below) have been prepared in accordance with IAS 34 (as defined below).

Saudi Aramco’s financial information as at and for the year ended 31 December 2022 included in this Base Prospectus has been derived without material adjustment from the comparative column of the 2023 Financial Statements. Saudi Aramco’s financial information as at and for the years ended 31 December 2023 and 2024 included in this Base Prospectus has been derived without material adjustment from the 2023 Financial Statements and 2024 Financial Statements, respectively. Saudi Aramco’s financial information as at and for the three-month period ended 31 March 2024 included in this Base Prospectus has been derived without material adjustment from the unaudited comparative column of the 2025 Three-Month Interim Period Financial Statements and Saudi Aramco’s financial information as at and for the three-month period ended 31 March 2025 included in this Base Prospectus has been derived without material adjustment from the 2025 Three-Month Interim Period Financial Statements. This Base Prospectus includes certain non-IFRS financial measures. See “*Alternative Performance Measures*” below.

Some of the financial and statistical information contained herein have been rounded up to the nearest integer. Accordingly, in case of aggregating the figures shown in the tables, there might be slight deviations in the figures shown in the Financial Statements compared to those shown in this Base Prospectus.

Certain Reserves and Production Information

All natural resources within the Kingdom, including hydrocarbons, are owned by the Kingdom. Through the Concession (as defined below), the Government has granted the Company the exclusive right to explore, develop

and produce the Kingdom's hydrocarbon resources, except in the Excluded Areas (for more information, please refer to "*Business—Relationship with the Kingdom—The Concession*"). Any reference in this Base Prospectus to reserves of crude oil and condensate, natural gas or other hydrocarbons are reserves owned by the Kingdom that the Company has the right to operate and develop through the Concession and excludes reserves other entities have the right to develop, including AGOC (as defined below), the Company's wholly owned subsidiary, which operates in the partitioned territory and its adjoining offshore areas between the Kingdom and the State of Kuwait. In addition, any reference in this Base Prospectus to amounts produced includes blended condensate and AGOC's oil production in the partitioned territory and its adjoining offshore areas in accordance with the agreements between the Kingdom and the State of Kuwait, and excludes the Kingdom of Bahrain's entitlement to volumes produced from the Abu Sa'fah field. Pursuant to an agreement between the Kingdom and the Kingdom of Bahrain regarding the Abu Sa'fah field, the Kingdom of Bahrain is entitled to 50% of the net income derived from crude oil produced from Abu Sa'fah.

The reserve estimates in this Base Prospectus conform to the SPE-PRMS definitions and guidelines, which are the internationally recognised industry standards promulgated by the Society of Petroleum Engineers, the American Association of Petroleum Geologists, the World Petroleum Council, the Society of Petroleum Evaluation Engineers, the Society of Exploration Geophysicists, the Society of Petrophysicists and Well Log Analysts and the European Association of Geoscientists and Engineers. Reserve estimation is an inherently complex process that principally relies on a combination of knowledge, experience and engineering judgment and, with respect to the Company's reserves, takes into account the Government's production decisions. The accuracy of any reserve estimate is a function of a number of variable factors and assumptions, many of which are beyond the Company's control. Therefore, the reserves information in this Base Prospectus represent only estimates. In addition, results of drilling, testing and production subsequent to the date of an estimate may justify revising the original estimate. Accordingly, due to the inherent uncertainties and the necessarily limited nature of reservoir data and the inherently imprecise nature of reserve estimates, the initial reserve estimates may differ from the quantities of oil and natural gas that are ultimately recovered. Thus, investors should not place undue reliance on the Company's ability to determine actual reserves or on comparisons of reserves of other companies. In addition, except to the extent that the Company conducts successful exploration and development activities, the Company's reserves will decline as they are produced. For more information, see "*Business—Operating Segments—Upstream—Reserves*".

Industry and Other Information

This Base Prospectus includes information regarding the industry and the geographies in which Saudi Aramco operates and competes. Certain economic and industry data and forecasts contained in this Base Prospectus were obtained from market research, governmental and other publicly available information and independent industry publications and reports. These generally state that the information contained therein has been obtained from sources believed to be reliable, but that the accuracy and completeness of such information is not guaranteed. Forecasts and other forward-looking information obtained from these sources are subject to the same qualifications and uncertainties as the other forward-looking statements in this Base Prospectus. See "*Forward-Looking Statements*". Maps contained in this Base Prospectus are for reference only and do not necessarily reflect international borders or other locations accurately.

In addition, certain statements regarding the oil and gas industry and Saudi Aramco's position in the industry are not based on published statistical data or information obtained from independent third parties, but are based solely on Saudi Aramco's experience, its internal studies and estimates and its own investigation of industry conditions.

Currencies and Exchange Rates

All references in this Base Prospectus to:

- "**Euro**", "**EUR**" and "**€**" are to the currency introduced at the start of the third stage of European Economic and Monetary Union pursuant to the Treaty establishing the European Community, as amended;
- "**Pounds Sterling**" and "**£**" are to Pounds Sterling, the legal currency of the United Kingdom;

- “**Saudi Riyal**” and “**SAR**” are to the Saudi Arabian Riyal, the legal currency of the Kingdom; and
- “**U.S. Dollar**”, “**USD**”, “**\$**” and “**U.S.\$**” are to the United States Dollar, the legal currency of the United States.

For all periods presented in this Base Prospectus, the Saudi Riyal has been pegged to the U.S. Dollar at a fixed exchange rate of SAR 3.75 = U.S.\$1.00. In cases where amounts included in this Base Prospectus were converted from Saudi Riyals into U.S. Dollars, this fixed exchange rate has been used for convenience. No representation is made that Saudi Riyal amounts referred to could have been or could be converted into U.S. Dollars at any particular rate on any date.

General Provisions

The websites and reports referenced in this Base Prospectus are not a part of, and are not incorporated by reference into, this Base Prospectus.

Alternative Performance Measures

Saudi Aramco supplements its use of IFRS financial measures with non-IFRS financial measures, including Free Cash Flow, Gearing, ROACE, EBIT, and EBITDA which the Company uses in the analysis of its business and financial position. These non-IFRS financial measures are not defined by, nor presented in accordance with, IFRS, are not measurements of Saudi 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 and are not intended to be predictive of future results. Other companies, including those in Saudi Aramco’s industry, may calculate similarly titled non-IFRS financial measures differently. Because companies do not necessarily calculate these non-IFRS financial measures in the same manner, Saudi 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. For more information on the Non-IFRS Financial Measures and a reconciliation to the comparable IFRS measures, see “*Non-IFRS Financial Measures*”.

The definition, method of calculation and rationale for the inclusion of such measures are summarised in the following table.

Metric	Method of calculation	Rationale
Free Cash Flow	Calculated as net cash provided by operating activities less capital expenditures.	Liquidity measure
Gearing	Calculated 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.	Liquidity measure
Return on Average Capital Employed (“ ROACE ”)	Calculated as net income before finance costs, net of income taxes and zakat, for a period as a percentage of average capital employed during that period. Average capital employed is the average of Saudi Aramco’s total borrowings plus total equity at the beginning and end of the applicable period.	Performance measure
Earnings Before Interest and Taxes (“ EBIT ”)	Calculated as net income plus finance costs and income taxes and zakat, less finance income.	Performance measure
Earnings Before Interest, Taxes, Depreciation and Amortisation (“ EBITDA ”)	Calculated as net income plus finance costs, income taxes and zakat, depreciation and amortisation, less finance income.	Performance measure

FORWARD-LOOKING STATEMENTS

This Base Prospectus, any supplement thereto and any Final Terms may contain certain forward-looking statements with respect to Saudi Aramco’s financial position, results of operations and business and certain of Saudi Aramco’s plans, intentions, expectations, assumptions, goals and beliefs. These statements include all matters that are not historical fact and generally, but not always, may be identified by the use of words such as “believes”, “expects”, “are expected to”, “anticipates”, “intends”, “estimates”, “should”, “will”, “shall”, “may”, “is likely to”, “plans” or similar expressions, including variations and the negatives thereof or comparable terminology.

Prospective investors should be aware that forward-looking statements are not guarantees of future performance and that Saudi Aramco’s actual financial position, results of operations and business and the development of the industries in which it operates may differ significantly from those made in or suggested by these forward-looking statements. In addition, even if Saudi Aramco’s financial position, results of operations and business and the development of the industries in which it operates are consistent with these forward-looking statements, those results or developments may not be indicative of results or developments in subsequent periods.

Factors that could cause actual results to differ materially from Saudi Aramco’s expectations are contained in cautionary statements in this Base Prospectus and include, among other things, the following:

- global supply, demand and price fluctuations of oil, gas and petrochemicals;
- global economic conditions;
- competition in the industries in which Saudi Aramco operates;

- climate change concerns, weather conditions and related impacts on the global demand for hydrocarbons and hydrocarbon-based products;
- risks related to Saudi Aramco’s ability to successfully meet its environmental, social and governance (“ESG”) targets, including any failure to fully meet its GHG emissions reduction targets by 2050;
- conditions affecting the transportation of products;
- operational risk and hazards common in the oil and gas, refining and petrochemicals industries;
- the cyclical nature of the oil and gas, refining and petrochemicals industries;
- political and social instability and unrest and actual or potential armed conflicts in the MENA region and other areas;
- natural disasters and public health pandemics or epidemics;
- the management of Saudi Aramco’s growth;
- the management of the Company’s subsidiaries, joint operations, joint ventures, associates and entities in which it holds a minority interest;
- Saudi Aramco’s exposure to inflation, interest rate risk and foreign exchange risk;
- risks related to operating in a regulated industry and changes to oil, gas, environmental or other regulations that impact the industries in which Saudi Aramco operates; and
- legal proceedings, international trade matters, and other disputes or agreements.

The sections of this Base Prospectus entitled “*Risk Factors*” and “*Management’s Discussion and Analysis of Financial Position and Results of Operations*” contain a more complete discussion of the factors that could affect Saudi Aramco’s future performance and the industries in which it operates. In light of these risks, uncertainties and assumptions, the forward-looking events described in this Base Prospectus, any supplement thereto and any Final Terms may not occur.

Saudi Aramco undertakes no obligation to update or revise any forward-looking statement, whether as a result of new information, future events or otherwise. All subsequent written and oral forward-looking statements attributable to Saudi Aramco or to persons acting on its behalf are expressly qualified in their entirety by the cautionary statements referred to above and contained elsewhere in this Base Prospectus, any supplement thereto and any Final Terms.

RESPONSIBILITY STATEMENT

This Base Prospectus comprises a base prospectus for the purposes of Article 8 of the UK Prospectus Regulation and for the purpose of giving information with regard to Saudi Aramco and the Notes, which is necessary to enable investors to make an informed assessment of Saudi Aramco's assets and liabilities, financial position and profit and losses and prospects.

The Issuer accepts responsibility for the information contained in this Base Prospectus. To the best of the knowledge of the Issuer, the information contained in this Base Prospectus is in accordance with the facts and this Base Prospectus makes no omission likely to affect its import. Where third-party information has been used in this Base Prospectus, the source of such information has been identified. Such information has been accurately reproduced and, as far as the Issuer is aware and is able to ascertain from the information published by such third parties, no facts have been omitted which would render the reproduced information inaccurate or misleading.

The opinions, assumptions, intentions, projections and forecasts expressed in this Base Prospectus with regard to the Issuer are honestly held by the Issuer, not misleading in any material respect, have been reached after considering all relevant circumstances and are based on reasonable assumptions.

SUPPLEMENTS TO THIS BASE PROSPECTUS

Following the publication of this Base Prospectus, supplements may be prepared by the Issuer and approved by the FCA in accordance with Article 23 of the UK Prospectus Regulation. Statements contained in any such supplement shall, to the extent applicable (whether expressly, by implication or otherwise), be deemed to modify or supersede statements contained in this Base Prospectus. Any statement so modified or superseded shall not, except as so modified or superseded, constitute a part of this Base Prospectus.

The Issuer will, in the event of any significant new factor, material mistake or material inaccuracy relating to information included in this Base Prospectus that is capable of affecting the assessment of any Notes, prepare a supplement to this Base Prospectus or publish a new Base Prospectus for use in connection with any subsequent issue of Notes.

The Issuer may agree with any Dealer that a Series of Notes may be issued in a form not contemplated by the Conditions (as defined herein), in which event a supplemental Base Prospectus will be published, if appropriate, which will describe the effect of the agreement reached in relation to such Series of Notes.

SERVICE OF PROCESS AND ENFORCEMENT OF CIVIL LIABILITIES

The Issuer is a joint stock company incorporated in the Kingdom and a substantial portion of its assets and operations are located there. As a result, it may not be possible for investors to effect service of process outside the Kingdom upon the Issuer.

Furthermore, in the absence of a treaty for the reciprocal enforcement of foreign judgments with the jurisdiction in which a judgment is obtained, the courts of the Kingdom are unlikely to enforce a judgment obtained in courts outside the Kingdom without re-examining the merits of the claim and may not consequently observe the choice by the parties of English law as the governing law of the Notes, including any judgment predicated upon United States federal securities laws or the securities laws of any state or territory within the United States. In addition, the courts of the Kingdom may (i) decline to enforce a foreign judgment if certain criteria are not met, including, but not limited to, compliance with public policy of the Kingdom, or (ii) decline to entertain original actions brought in the Kingdom against the Issuer or its directors or officers predicated upon the securities laws of the United States or any state in the United States.

The Notes are governed by English law and disputes in respect of the Notes may be settled under the Rules of the London Court of International Arbitration (the "**LCIA**"). The Kingdom is a signatory to the New York Convention on Recognition and Enforcement of Arbitral Awards (1958) (the "**New York Convention**") and as such, any arbitral award could be enforceable in Saudi Arabia but subject to filing a legal action for recognition and enforcement of

foreign arbitral awards with the enforcement courts which can take considerable time. Enforcement in Saudi Arabia of a foreign arbitral award is not certain. For example, there are a number of circumstances in which recognition of an arbitral award under the New York Convention may be declined, including where the award is contrary to the public policy of the receiving state. As a consequence, any arbitral award deemed by a court in Saudi Arabia as contrary to the public policy of Saudi Arabia (being *Shari'a*) may not be enforceable in Saudi Arabia.

For more information, see “*Risk Factors—Risks Related to Enforcement*”.

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DOCUMENTS INCORPORATED BY REFERENCE

The following publicly available documents shall be incorporated in, and form part of, this Base Prospectus:

- (a) the Terms and Conditions of the Notes contained on pages 140 to 168 (inclusive) in the base prospectus dated 1 April 2019 in connection with the Programme (https://www.rns-pdf.londonstockexchange.com/rns/6727U_1-2019-4-1.pdf);
- (b) the Terms and Conditions of the Notes contained on pages 171 to 204 (inclusive) in the base prospectus dated 16 November 2020 in connection with the Programme (https://www.rns-pdf.londonstockexchange.com/rns/4106F_1-2020-11-16.pdf); and
- (c) the Terms and Conditions of the Notes contained on pages 165 to 213 (inclusive) in the base prospectus dated 9 July 2024 in connection with the Programme (https://www.rns-pdf.londonstockexchange.com/rns/7206V_1-2024-7-9.pdf).

Any documents themselves incorporated by reference in the documents incorporated by reference in this Base Prospectus shall not form part of this Base Prospectus.

Only certain parts of the documents referred to above are incorporated by reference in this Base Prospectus. The non-incorporated parts of the documents referred to above are either not relevant for investors or are covered elsewhere in this Base Prospectus.

Following the publication of this Base Prospectus, a supplement may be prepared by the Issuer. Statements contained in any such supplement (or contained in any document incorporated by reference therein) shall, to the extent applicable (whether expressly, by implication or otherwise), be deemed to modify or supersede statements contained in this Base Prospectus or in a document which is incorporated by reference in this Base Prospectus. Any statement so modified or superseded shall not, except as so modified or superseded, constitute a part of this Base Prospectus.

RISK FACTORS

Prospective investors should carefully consider the material risks to Saudi Aramco and the Notes described below before making an investment decision. If any of the risks described below materialise, Saudi Aramco's business, financial position, cash flow and results of operations and the trading price of the Notes may be materially adversely affected. In such case, investors in the Notes may lose all or part of their investment. Additional risks and uncertainties not currently known to Saudi Aramco or that Saudi Aramco currently deems immaterial may also materially and adversely affect Saudi Aramco and the trading price of the Notes.

Risks Related to Saudi Aramco's Operations and Activities

Saudi Aramco's results of operations and cash flow are significantly impacted by international crude oil supply and demand and the price at which it sells crude oil.

Sales of crude oil are the largest component of Saudi Aramco's consolidated revenue and other income related to sales, accounting for 50.3%, 47.9%, 47.0% and 47.8% for the years ended 31 December 2022, 2023 and 2024, and for the three-month period ended 31 March 2025, respectively. Accordingly, Saudi Aramco's results of operations and cash flow are significantly impacted by the price at which it sells crude oil.

International crude oil supply and demand and the sales price for crude oil are affected by many factors that are beyond Saudi Aramco's control, including:

- market expectations with respect to future supply, demand and price of petroleum and petroleum products;
- global economic and political conditions and geopolitical events, including any that impact international trade (including trade routes);
- decisions regarding production levels by the Kingdom or other producing states (the Kingdom is a member country of OPEC) (see “*Business – Relationship with the Kingdom*”);
- the impact of natural disasters and public health pandemics or epidemics on supply and demand for crude oil, general economic conditions and the ability to deliver crude oil;
- the development of new crude oil exploration, production and transportation methods or technological advancements in existing methods;
- capital investments of oil and gas companies relating to the exploration, development and production of crude oil reserves;
- the impact of climate change on the demand for, and price of, hydrocarbons (see “*Risk Factors—Risks Related to Saudi Aramco's Operations and Activities—Climate change concerns and impacts could reduce global demand for hydrocarbons and hydrocarbon-based products and could cause Saudi Aramco to incur costs or invest additional capital. In addition, Saudi Aramco may not fully meet its announced net-zero ambitions by 2050*”);
- changes to environmental or other regulations or laws applicable to crude oil and related products or the energy industry (see “*Risk Factors—Legal and Regulatory Risks—Saudi Aramco's operations are subject to environmental protection, health and safety laws and regulations. Increased concerns regarding the safe use of various materials, including chemicals and plastics, and their potential impact on the environment, have resulted in more restrictive regulations and could lead to the implementation of new regulations*”);
- prices and availability of alternative energies, including renewable energy;
- the electrification of transportation, technological developments in the cost or endurance of fuel cells for electric vehicles and changes in transportation-mode preferences;
- weather conditions affecting supply and demand;

- fluctuations in the value of the U.S. Dollar, the currency in which crude oil is priced globally; and
- crude oil trading activities.

International crude oil prices have fluctuated significantly in the past and may do so in the future. For example, Brent prices rose significantly in February 2022 in response to the Russia-Ukraine conflict, related international sanctions and other macroeconomic factors. Since then, Brent prices generally fluctuated between \$60 and \$100 per barrel. As at 23 May 2025, the Brent price was approximately \$64 per barrel.

Fluctuations in the price at which Saudi Aramco sells crude oil, have in the past and could in the future, cause its results of operations and cash flow to vary significantly. In addition, decreases in the price at which Saudi Aramco is able to sell its crude oil could have a material adverse effect on Saudi Aramco's results of operations and cash flow.

Saudi Aramco operates in a highly competitive environment. Competitive pressure could have a material adverse impact on the price at which it sells crude oil and other products.

The sale of crude oil outside the Kingdom is very competitive. Saudi Aramco's primary competitors for the sale of crude oil outside the Kingdom include national and international oil companies, many of which have substantial crude oil reserves and financial resources. The primary factors affecting competition are the price, reliability, quantity, quality and geographic location of crude oil produced. Increased competitive pressures could have a material adverse impact on prices at which Saudi Aramco can sell crude oil and its regional and global market share.

In addition, outside the Kingdom, refining and petrochemical plants in Saudi Aramco's downstream segment are subject to competition in the geographies into which they sell refined and chemicals products. Competitors include, but are not limited to, refining and petrochemical plants located in, or in close proximity to, relevant markets, and in the case of refining and petrochemical plants that are net importers, from other international producers. Operating efficiencies and production costs are key factors affecting competition for refined and chemicals products. Accordingly, if the operating efficiencies and production costs of Saudi Aramco's refineries are not sufficiently competitive in the geographies they serve, Saudi Aramco's business, financial position and results of operations could be materially and adversely impacted.

Climate change concerns and impacts could reduce global demand for hydrocarbons and hydrocarbon-based products and could cause Saudi Aramco to incur costs or invest additional capital. In addition, Saudi Aramco may not fully meet its announced ambition to achieve net-zero Scope 1 and Scope 2 GHG emissions across its wholly-owned operated assets by 2050.

Climate change concerns manifested in public sentiment, government policies, laws and regulations, international agreements and treaties, lawsuits against energy companies, company net-zero and other targets, fossil fuel divestment campaigns and other actions may reduce global demand for hydrocarbons and hydrocarbon-based products and propel a shift toward lower carbon intensity fossil fuels, such as gas, or alternative energy sources. In particular, increasing pressure on governments, businesses, organisations and individuals to reduce GHG emissions has led to a variety of actions that aim to reduce the use of fossil fuels and the implementation of international agreements to limit or reduce GHG emissions. In addition, the landscape of GHG related laws and regulations has been in a state of constant reassessment and it is difficult to predict the ultimate impact that GHG related laws, regulations and international agreements will have on Saudi Aramco. Furthermore, jurisdictions in which Saudi Aramco operates or its products are sold that are not currently subject to GHG regulation may become regulated and existing GHG regulations in other jurisdictions may become more stringent. As climate change concerns grow, investors may choose to allocate their funds toward other investments, such as renewable energy projects. This shift in investment priorities may also reduce the capital available for hydrocarbon-based projects and exploration. A reduction in demand for hydrocarbons and hydrocarbon-based products or limitations on the ability to raise capital for new projects or investments on favourable terms could have a material adverse effect on Saudi Aramco's business, financial position and results of operations.

In line with the Kingdom's announced aims and the Saudi Green Initiative Forum, Saudi Aramco announced its ambition to achieve net-zero Scope 1 and Scope 2 GHG emissions across its wholly owned operated assets by 2050 to support the Kingdom's 2060 net-zero goal through the circular carbon economy approach including, among other things, reducing carbon emissions and capturing, storing and using carbon dioxide to produce chemicals, fuels and other products. Saudi Aramco may incur substantial costs and capital expenditures to achieve its net-zero ambition. In addition, Saudi Aramco may not fully meet its announced net-zero ambition by 2050.

Saudi Aramco exports a substantial portion of its crude oil and refined and chemicals products to customers in Asia, and adverse economic or political developments in Asia could impact its results of operations.

Saudi Aramco exports a substantial portion of its crude oil and refined and chemicals products to customers in Asia. In 2022, 2023 and 2024, customers in Asia, including Saudi Aramco's affiliated refineries located in Asia, purchased 79%, 82% and 81%, respectively, of its crude oil exports. See "*Management's Discussion and Analysis of Financial Position and Results of Operations—Factors Affecting Saudi Aramco's Financial Position and Results of Operations—Upstream Liquids Sales*". Saudi Aramco expects to export additional crude oil to Asia as new downstream assets in Asia commence operations. See "*Business—Overview—Downstream*". In addition, the refined, chemical, petrochemical, base oil and finished lubricant products that are produced at Saudi Aramco's joint ventures and international operations in Asia are generally sold locally and exported to other Asian countries.

If there is a slowdown in economic growth, an economic recession or other adverse economic or political developments in Asia, Saudi Aramco may experience a material reduction in demand for its products by its customers located in the region. Moreover, any such development in other parts of the world (including political and social instability or armed conflict) may result in other producers supplying surplus capacity to Asia, thereby increasing competition for customers in Asia, which could negatively impact the prices at which Saudi Aramco sells its products to customers there. A significant decrease in demand for Saudi Aramco's products in Asia could have a material adverse effect on its business, financial position and results of operations.

Saudi Aramco is subject to operational risks and hazards that may have a significant impact on its operations or result in significant liabilities and costs.

Saudi Aramco is subject to operational risks common in the oil and gas and petrochemical industries, including:

- crude oil or gas spills, pipeline leaks and ruptures, storage tank leaks and accidents involving explosions, fires, blow outs and surface cratering;
- power shortages or failures;
- mechanical or equipment failures;
- transportation interruptions and accidents;
- tropical monsoons, storms, floods and other natural disasters (including weather conditions associated with climate change); and
- chemical spills, discharges or releases of toxic or hazardous substances or gases.

These risks could result in damage to, or destruction of, Saudi Aramco's properties and facilities, death or injury to people and harm to the environment, which could have a significant impact on its operations or result in significant liabilities and remediation costs. In addition, Saudi Aramco is not insured against all risks and insurance in connection with certain risks and hazards may not be available. See "*Risk Factors—Risks Related to Saudi Aramco's Operations and Activities—Risks related to insufficient insurance*". To the extent a subcontractor is responsible for the damage, Saudi Aramco's recourse to the relevant subcontractor may be limited by contract or the financial viability of such subcontractor. Such occurrences could also interrupt Saudi Aramco's operations, delay Saudi Aramco projects or damage its reputation, which could have a material adverse effect on its business.

Furthermore, the majority of Saudi Aramco's assets are located in the Kingdom and it relies heavily on a cross country pipeline system and terminal facilities to transport crude oil and products through the Kingdom. Saudi Aramco also depends on critical assets to process its crude oil, such as the Abqaiq facility, which is its largest oil processing facility and processes a significant amount of Saudi Aramco's daily produced crude oil. The East-West pipeline, the Shaybah NGL facility, the Abqaiq facility and the Khurais processing facility were subject to attacks in 2019. If Saudi Aramco's critical transport systems or processing facilities were subject to a significant disruption, it could have a material adverse effect on Saudi Aramco's business, financial position and results of operations. See *"Risk Factors—Risks Related to Saudi Aramco's Operations and Activities—Terrorism and armed conflict may materially and adversely affect Saudi Aramco"*.

Saudi Aramco's ability to achieve its strategic growth objectives depends on the successful delivery of current and future projects and achieving these objectives may not have the anticipated impact.

Saudi Aramco's ability to achieve its strategic growth objectives depends, in part, on the successful, timely and cost-effective delivery of capital projects, which are carried out by Saudi Aramco or by it along with joint ventures or partners and affiliates. Saudi Aramco faces challenges in developing such projects, including:

- fluctuations in the prices for hydrocarbons, which may impact its ability to finance its projects from its cash flow from operating activities or make projects less economically feasible or rendered uneconomic;
- making economic estimates or assumptions based on data or conditions, including demand and price assumptions, which may change;
- constraints on the availability and cost of skilled labour, contractors, materials, equipment and facilities;
- its ability to obtain funding necessary for the implementation of the relevant project on terms acceptable to it, or at all;
- uncertainty regarding the implementation and duration of regulations and incentives that support investments to reduce GHG emissions;
- difficulties in obtaining necessary permits, complying with applicable regulations and changes to applicable law or regulations;
- difficulties coordinating multiple contractors and sub-contractors involved in complex projects;
- its ability to find major global industry partners and new opportunities for downstream investments globally;
- market factors outside of its control affecting its ability to fund such projects, including constraints that prevent or limit financing providers' ability to invest in hydrocarbons-related projects; and
- undertaking projects or ventures in new lines of business in which Saudi Aramco has limited or no prior operating experience.

These challenges have led and could lead to delays in the completion of projects and increased project costs. If projects are delayed, cost more than expected or do not generate the expected return, Saudi Aramco's operations and expected levels of production could be impacted. These occurrences could result in Saudi Aramco recognising impairments on its projects, assuming liabilities of joint ventures or partners and affiliates or other consequences, any of which could have a material adverse effect on Saudi Aramco's business, financial position and results of operations.

Saudi Aramco is pursuing lower carbon intensity products and operations to help address climate-related risks and opportunities. Other oil and gas companies benefit from governmental incentives, such as financial incentives provided by the U.S. Inflation Reduction Act enacted in August 2022 for clean energy, including hydrogen, energy

storage, clean energy vehicles and CCS, which could impact Saudi Aramco's competitive position. In addition, Saudi Aramco's ability to develop lower-carbon products and solutions will also depend on the market acceptance of and regulatory support for these products.

The financial impact resulting from some of Saudi Aramco's strategic growth projects is uncertain. There is a risk that even if Saudi Aramco is able to achieve its strategic growth objectives, their impact on its business may not be as profitable or as beneficial as anticipated, which may have a material adverse effect on its business, financial position, and results of operations.

Furthermore, many of Saudi Aramco's projects require significant capital expenditures. If cash flow from operating activities and funds from external financial resources are not sufficient to cover Saudi Aramco's capital expenditure requirements, Saudi Aramco may be required to reallocate available capital among its projects or modify its capital expenditure plans, which may result in delays to, or cancellation of, certain projects or deferral of certain capital expenditures. Any change to Saudi Aramco's capital expenditure plans could, in turn, have a material adverse effect on Saudi Aramco's growth objectives and its business, financial position and results of operations. For a more detailed discussion on Saudi Aramco's capital expenditures, see "*Management's Discussion and Analysis of Financial Position and Results of Operations—Liquidity and Capital Resources—Cash Used in Investing Activities—Capital Expenditures*".

Saudi Aramco could be subject to losses from risks related to insufficient insurance.

Saudi Aramco insures against risk primarily by self-insuring through its captive insurance subsidiary, Stellar, which provides insurance exclusively to Saudi Aramco. Saudi Aramco also obtains insurance in certain areas from third-party providers in excess of the coverage provided through Stellar. For more information, see "*Material Agreements—The Concession—Insurance*".

Saudi Aramco does not insure against all risks and its insurance may not protect it against liability from all potential events, particularly catastrophic events such as major crude oil spills, environmental disasters, terrorist attacks or acts of war. In addition, it does not maintain business interruption insurance for disruptions to its operations and certain operations are insured separately from the rest of its business.

Furthermore, there can be no assurance that Saudi Aramco can continue to renew its existing levels of coverage on commercially acceptable terms, or at all. As a result, it could incur significant losses from uninsured risks or risks for which its insurance does not cover the entire loss. Any such losses could have a material adverse effect on Saudi Aramco's business, financial position and results of operations.

Terrorism and armed conflict may materially and adversely affect Saudi Aramco.

Saudi Aramco's facilities have been targeted by terrorist and other attacks. In March 2022, a storage facility in Jeddah was subject to attack by unmanned aerial vehicles and missiles and, in March 2021, the Riyadh refinery was subject to an attack by unmanned aerial vehicles. In addition, in September 2019, the Abqaiq facility and the Khurais processing facility were subject to attack by unmanned aerial vehicles and missiles. As a result of the attacks on the Abqaiq facility and the Khurais processing facility, crude oil production and associated gas production were temporarily reduced and Saudi Aramco took a number of actions to minimise the impact of lower Arabian Light and Arabian Extra Light production by tapping into Saudi Aramco's inventories located outside of the Kingdom and swapping crude oil grades of deliveries to Arabian Medium and Arabian Heavy.

Furthermore, in both May and August 2019, the East-West pipeline and the Shaybah field, respectively, were targeted by unmanned aerial vehicle attacks. These attacks resulted in a brief shutdown of the pipeline and fires and damage to the processing and cogeneration infrastructure at the Shaybah NGL facility.

Additional terrorist or other attacks or armed conflict could impact Saudi Aramco's operations and have a material adverse effect on Saudi Aramco's business, financial position and results of operations, could cause Saudi Aramco to expend significant funds and could impact the market price of the Notes.

Estimates of proved hydrocarbon reserves depend on significant interpretations, assumptions and judgments. Any significant deviation or changes in existing economic and operating conditions could affect the estimated quantity and value of Saudi Aramco's proved reserves.

Saudi Aramco's reserve estimates conform to the SPE-PRMS definitions and guidelines, which are internationally recognised industry standards promulgated by the Society of Petroleum Engineers, the World Petroleum Council, the American Association of Petroleum Geologists, the Society of Petroleum Evaluation Engineers, the Society of Exploration Geophysicists, the Society of Petrophysicists and Well Log Analysts and the European Association of Geoscientists and Engineers. Reserve estimation is an inherently complex process that principally relies on a combination of knowledge, experience and judgment. Saudi Aramco's estimates of the quantity of Saudi Aramco's proved hydrocarbon reserves depend on significant interpretations, assumptions and judgments relating to available geological, geophysical, engineering, contractual, economic and other information, and take into account existing economic and operating conditions and commercial viability as at the date the reserve estimates are made. See "Business—Overview—Upstream" for a discussion of the process utilised by Saudi Aramco to estimate its reserves.

There can be no assurance that the interpretations, assumptions and judgments utilised by Saudi Aramco to estimate proved reserves will prove to be appropriate or accurate. Any significant deviation from these interpretations, assumptions or judgments could materially affect the estimated quantity or value of Saudi Aramco's proved reserves. In addition, these estimates could change due to new information from production or drilling activities, future adjustments to MSC, changes in economic factors, including changes in the price of hydrocarbons, changes to laws, regulations or the terms of the Concession or other events. Further, declining hydrocarbon prices may cause certain proved reserves to no longer be considered commercially viable, which could result in downward adjustments to Saudi Aramco's estimates of its proved reserves, impairment of its assets or changes to its capital expenditures and production plans. Moreover, proved reserve estimates are subject to change due to errors in the application of published rules and changes in guidance. Any material reduction in the quantity or value of Saudi Aramco's proved reserves could adversely affect Saudi Aramco's business and reputation.

Future epidemics or pandemics and their impact on business and economic conditions may have negative effects on Saudi Aramco's business.

Future epidemics or pandemics may have a widespread impact on business and economic conditions and, in particular, on Saudi Aramco's business, including on the demand for crude oil, natural gas and refined and chemicals products. For example, in 2020, public health authorities and governments at local, national, and international levels implemented various measures in response to the COVID-19 pandemic, including restrictions on travel, voluntary and mandatory quarantines, reductions of nonessential personnel reporting into workplaces, and restrictions on business activities. These measures led to lower demand for crude oil, natural gas and refined and chemicals products, which had a direct impact on Saudi Aramco's business. In addition, an epidemic or pandemic may result in volatility in global capital markets and investor sentiment, which may affect the availability, amount, and type of financing available to Saudi Aramco.

Furthermore, if a significant percentage of Saudi Aramco's workforce is unable to work, or if Saudi Aramco is required to close facilities because of illness or government restrictions, Saudi Aramco's operations and business may be negatively affected.

Saudi Aramco may not realise some or all of the expected benefits of recent or future acquisitions.

Saudi Aramco has engaged in, and may continue to engage in, acquisitions of businesses, technologies, services, products and other assets from time to time. Any such acquisition entails various risks, including that Saudi Aramco may not be able to accurately assess the value, strengths and weaknesses of the acquisition or investment targets, effectively integrate the purchased businesses or assets, achieve the expected synergies or recover the purchase costs of the acquired businesses or assets. Saudi Aramco may also incur unanticipated costs or assume unexpected liabilities and losses in connection with any business or asset it acquires, including in relation to the retention of key employees, legal contingencies (such as, contractual, financial, regulatory, environmental or other obligations and liabilities) and risks related to the acquired business, and the maintenance and integration of procedures, controls and quality standards. These difficulties could impact Saudi Aramco's ongoing business, distract its

management and employees and increase its expenses which could, in turn, have a material adverse effect on its business, financial position and results of operations.

Saudi Aramco is exposed to risks related to operating in several countries.

A substantial portion of Saudi Aramco's downstream operations are conducted outside the Kingdom. Risks inherent in operating in several countries include, without limitation:

- complying with, and managing changes to and developments in, a variety of laws and regulations, including, without limitation, with respect to price regulations, data privacy, cybersecurity, the environment, forced divestment of assets, expropriation of property and cancellation or forced renegotiation of contract rights;
- complying with tax regimes in multiple jurisdictions and the imposition of new or increased withholding or other taxes or royalties;
- the imposition of new, or changes to existing, transfer pricing regulations or the imposition of new restrictions on foreign trade, investment or travel;
- political and economic instabilities resulting in a material reduction in demand for its products by its customers located in that region;
- adverse changes in economic and trade sanctions, import or export controls and national security measures resulting in business disruptions, including delays or denials of import or export licences or blocked or rejected financial transactions;
- conducting business with subsidiaries, joint operations and joint ventures and their potential challenges implementing policies and procedures consistent with the Company's policies and procedures; and
- fluctuations in foreign currency exchange rates.

Operating in several countries also requires significant management attention and resources. The occurrence of any of these risks may be burdensome and could have a material adverse effect on Saudi Aramco's business, financial position and results of operations.

Saudi Aramco is dependent on Senior Management and key personnel.

Saudi Aramco operates in a competitive environment, and its success depends upon its ability to identify, hire, develop, motivate and retain highly-qualified Senior Management and other key personnel. Saudi Aramco's Senior Management and other key personnel may voluntarily terminate their employment with Saudi Aramco or leave their positions due to reasons beyond Saudi Aramco's control. If Saudi Aramco experiences a large number of departures of its oil and gas experts in a relatively short period of time, attracting and retaining a sufficient number of replacement personnel may be challenging. If Saudi Aramco is unable to hire and retain Senior Management and other key personnel with requisite skills and expertise, it could have a material adverse effect on Saudi Aramco's business, financial position and results of operations.

Saudi Aramco's operations are dependent on the reliability and security of its IT systems.

Saudi Aramco relies on the security of critical information and operational technology systems for, among other things, the exploration, development, production, storage and distribution of hydrocarbons, the processing, use and security of financial records, proprietary information, intellectual property, personal information and operating data, and communications with management, personnel and business partners. Cyber incidents may negatively impact these or other functions and, particularly in relation to industrial control systems, may result in physical damage, injury or loss of life and environmental harm. Saudi Aramco's systems are a high-profile target for sophisticated cyberattacks by nation states, and criminal hackers, and it routinely fends off malicious attempts to gain unauthorised systems access. While Saudi Aramco seeks to maintain a secure network infrastructure to protect against critical data loss and to ensure operational integrity and continuity, there is a risk that determined attackers with access to the necessary resources could successfully penetrate its systems. To date, none of these attempts have been material to Saudi Aramco's financial performance or reputation. Nonetheless, the nature and breadth of any potential future cyberattack remain unknown and technology that has allowed an increase in remote working arrangements may increase the risk of cybersecurity incidents, data breaches or cyberattacks. Such incidents could result in significant costs, including investigation and remediation expenses, regulatory scrutiny, legal liability and the loss of personal or sensitive business or third-party information, and could have a material adverse effect on Saudi Aramco's operations and reputation. For further information on Saudi Aramco's cybersecurity, see "*Business—IT and Cybersecurity*".

Legal and Regulatory Risks

Saudi Aramco is and has been subject to significant litigation and other actions.

Saudi Aramco is and has been subject to significant litigation, primarily in the United States and the Kingdom. Some of the most significant U.S. litigation has involved allegations of violations of antitrust laws arising, in part, from the Kingdom's membership and participation in OPEC. Such antitrust litigation sought extensive relief, including treble damages, divestiture of assets in the United States and disgorgement of profits. If granted, this relief could have had a material adverse impact on Saudi Aramco. To date, the OPEC-related antitrust lawsuits have been dismissed on the basis of various sovereign defences under U.S. law. However, there is no assurance that Saudi Aramco will prevail on the basis of these defences in the future in connection with OPEC-related or other lawsuits, and Saudi Aramco and its affiliates could be subject to similar claims elsewhere. In addition, there is a risk that laws could be enacted in the future that would expressly remove or weaken certain sovereign defences.

In addition, increasing attention on climate change risks may result in increased litigation against Saudi Aramco and its affiliates. Claims relating to climate change matters have been filed against companies in the oil and gas industry by private parties, shareholders of such companies, public interest organisations, state attorneys general, cities and other localities, especially in the United States and Europe. These lawsuits seek a variety of remedies, including financial compensation for alleged past and future damages resulting from climate change and court orders requiring energy companies to reduce GHG emissions. Furthermore, oil and gas companies have been subject to a growing number of lawsuits alleging damages from the companies' contributions to climate change, failure to protect the environment from the effects of their operations, concealing information about the consequences of the use of their products on climate change and similar matters. Motiva has been named in several of these lawsuits, and Saudi Aramco and its affiliates may be named in similar lawsuits in the future.

In addition, oil and gas companies are also increasingly subject to lawsuits based on allegations that certain public statements regarding ESG matters or net-zero or carbon neutrality targets are false and misleading "greenwashing" campaigns, or that climate-related disclosures made by companies are inadequate. Saudi Aramco could be subject to, and Motiva has been named in and is defending, this type of lawsuit.

Litigation could result in substantial costs (including civil or criminal penalties, or both, damages or the imposition of import trade measures) and require Saudi Aramco to devote substantial resources and divert management attention, any of which may have a material adverse effect on its business, financial position and results of operations.

Moreover, exports of crude oil and refined and chemicals products by Saudi Aramco or its affiliates to foreign countries may be affected by litigation, regulatory actions, investigations, disputes or agreements that lead to the imposition of import trade measures, including anti-dumping and countervailing duties, safeguard measures, import licensing and customs requirements, and new or increased tariffs, quotas or embargos. The possibility and effect of any such measures will depend on the laws governing the foreign country to which the applicable products are being exported and applicable international trade agreements. Foreign countries may take such measures for political or other reasons, including reasons unrelated to Saudi Aramco actions or operations. Because the majority of Saudi Aramco's products are exported, any such measures may have a material adverse effect on Saudi Aramco's business, financial position and results of operations.

In addition, the Kingdom is a party to international trade agreements, such as World Trade Organization agreements, that include commitments by the Kingdom with respect to the composition of its laws, regulations and practices that impact international trade. The Kingdom may become a party to other such agreements in the future. Compliance by the Kingdom with any such commitments may directly or indirectly impact Saudi Aramco and could cause it to alter its operations in a manner that is costly or otherwise has a material adverse effect on its business, financial position or results of operations. If the Kingdom is deemed to be non-compliant, Saudi Aramco's business operations could be exposed to scrutiny and Saudi Aramco or its affiliates' exports could be subject to potential remedial measures, such as duties, which could have a material adverse effect on Saudi Aramco's business, financial position and results of operations.

Saudi Aramco operates in a regulated industry and its business may be affected by regulatory changes.

The oil and gas industry in the Kingdom is a regulated industry. See “*Material Agreements—The Concession*” and “*Regulation of the Oil and Gas Industry in the Kingdom*” for a description of the Concession and the regulations and royal decrees that apply to Saudi Aramco in the Kingdom. Any change in the Kingdom's laws, regulations, policies or practices relating to the oil and gas industry could have a material adverse effect on Saudi Aramco's business, financial position and results of operations. In addition, although the Concession provides for an initial period of 40 years, which will be extended by the Government for 20 years provided Saudi Aramco satisfies certain conditions commensurate with current operating practices (and may be amended and extended for an additional 40 years thereafter subject to Saudi Aramco and the Government agreeing on the terms of the extension), there is no assurance that the Government will not revoke the Concession in whole or in part or adversely change Saudi Aramco's rights in respect of the Concession, which would have a significant adverse effect on Saudi Aramco's business, financial position and results of operations.

In addition, Saudi Aramco's operations and products are subject to a number of laws and regulations in jurisdictions in which it operates or sells products. These laws and regulations result in an often complex, uncertain and changing legal and regulatory environment for Saudi Aramco's global businesses and operations. Changes in laws or regulations, including how they are interpreted and enforced, can and does impact all aspects of Saudi Aramco's business.

Sanctions and trade restrictions, as well as anti-bribery and anti-corruption laws, could adversely affect Saudi Aramco.

Saudi Aramco currently engages in business activities, and could in the future decide to take part in new business activities, involving locations subject to trade restrictions and where certain parties are subject to sanctions, as well as anti-bribery and anti-corruption laws, imposed by the United States, the European Union, the United Kingdom and other sanctioning or regulatory bodies. Laws and regulations governing sanctions, trade restrictions and bribery and corruption are complex and are subject to change. For example, sanctions against Russia, products therefrom and Russian individuals and entities have increased following the start of the Russia-Ukraine conflict and additional sanctions could be imposed in the future.

Sanctions on parties with which Saudi Aramco does business or trade restrictions affecting its markets could have a material adverse effect on Saudi Aramco's business. In addition, there can be no assurance that Saudi Aramco's corporate governance, compliance and ethics policies and procedures (including with respect to sanctions, trade restrictions, anti-bribery and anti-corruption) will protect it from the improper conduct of its employees or business

partners, which conduct could result in substantial civil or criminal penalties, or otherwise have a material adverse effect on Saudi Aramco's business. Furthermore, if Saudi Aramco were to be sanctioned in the future, as a result of its transactions with other parties or otherwise, such sanctions could result in blocking measures or asset freezes against Saudi Aramco, restrictions on investors trading securities issued by Saudi Aramco or other adverse consequences. Such penalties or sanctions could have a material adverse effect on Saudi Aramco's business, financial position and results of operations.

Saudi Aramco is required to obtain, maintain and renew governmental licences, permits and approvals in order to operate its businesses.

The rights granted to Saudi Aramco under the Concession constitute its licences, permits and approvals necessary to conduct hydrocarbons operations and related activities in the Kingdom. However, Saudi Aramco is required to obtain and maintain licences, permits and approvals required under the Hydrocarbons Law and the Energy Supply Law (which superseded the GSPR and became effective in March 2023). See "*Material Agreements—The Concession*" and "*Regulation of the Oil and Gas Industry in the Kingdom*". As a result of the Energy Supply Law superseding the GSPR, Saudi Aramco will need to obtain new licences for activities that were previously governed by the GSPR after the relevant implementing regulations have been adopted.

In addition, Saudi Aramco is currently in discussions with the Ministry of Energy concerning the gas facilities licences mandated by the GSPR. Saudi Aramco is required to have licences, permits and approvals necessary to conduct business in jurisdictions in which it operates or sells products and with respect to certain activities unrelated to hydrocarbons operations.

There can be no assurance that Saudi Aramco will receive any necessary licences, permits or approvals. Any failure to obtain or maintain required licences, permits or approvals, or the revocation or termination thereof, may interrupt Saudi Aramco's operations, could result in financial and other penalties and could have a material adverse effect on Saudi Aramco's business, financial position and results of operations.

Saudi Aramco's operations are subject to environmental protection, health and safety laws and regulations. Increased concerns regarding the safe use of various materials, including chemicals and plastics, and their potential impact on the environment, have resulted in more restrictive regulations and could lead to the implementation of new regulations.

Saudi Aramco's operations are subject to laws and regulations relating to environmental protection, health and safety. These laws and regulations govern, among other things, the generation, storage, handling, use, disposal and transportation of hazardous materials, the emission and discharge of hazardous materials, groundwater use and contamination and the health and safety of Saudi Aramco's employees and the communities in which it operates. Compliance with these obligations can result in significant expenditures. If Saudi Aramco fails to comply with applicable laws and regulations, it could be subject to fines or the partial or total shutdown of related operations. Saudi Aramco has, from time to time, shutdown certain facilities in order to ensure compliance with applicable laws and regulations.

The regulations relating to air quality in the Kingdom impose stringent limits on emissions from various types of facilities. The Company has conducted several engagements with the Ministry of Energy relating to certain requirements set out under these regulations. Depending on the outcome of the discussions with the regulator, there is a risk that material corrective costs could be required to bring Saudi Aramco's facilities into compliance with these regulations. In addition, a stricter interpretation of existing laws and regulations, any changes in these laws and regulations or the enactment of new laws and regulations may impose new obligations on Saudi Aramco or otherwise adversely affect Saudi Aramco's business, financial position and results of operations. See "*Business—Sustainability, Health and Safety and Environment*".

Saudi Aramco may also (i) incur significant costs associated with the investigation, clean up and restoration of contaminated land, water or ecosystems, as well as claims for damage to property and (ii) face claims of death or injury to persons resulting from exposure to hazardous materials or adverse impacts on natural resources and properties of others resulting from its operations (including potentially from the transportation of hazardous

substances and products, feedstock or chemical pollution). Any such costs or liabilities could have a material adverse effect on Saudi Aramco's business, financial position and results of operations. In particular, in the United States, Motiva and other companies in the petroleum refining and marketing industry historically used MTBE as a gasoline additive. Motiva is a party to pending lawsuits concerning alleged environmental impacts associated with historic releases of MTBE in the United States, many of which involve other petroleum marketers and refiners. Plaintiffs in these MTBE lawsuits generally seek to spread liability among large groups of oil companies and seek substantial damages. Additional lawsuits and claims related to the use of MTBE, including personal-injury claims, may be filed in the future. Motiva could be subject to material liabilities relating to MTBE claims.

Moreover, concerns regarding chemicals and plastics, including their safe use and potential impact on the environment, and how plastics contribute to climate change, reflect a growing trend in societal demands for increasing levels of product safety, less plastic use, environmental protection and recycling. These concerns have led to more restrictive regulations and could lead to new regulations. They could also manifest themselves in shareholder proposals, delays or failures in obtaining or retaining regulatory approvals, increased costs related to complying with more restrictive regulations, delayed product launches, lack of market acceptance, lower sales volumes or discontinuance of chemicals or plastics products, continued pressure for more stringent regulatory intervention and increased litigation. These consequences could also have an adverse effect on Saudi Aramco's business, financial position, results of operations and reputation.

The mechanism for equalisation compensation Saudi Aramco receives from the Government in respect of domestic sales of certain hydrocarbons may be changed.

The Concession requires Saudi Aramco to meet domestic demand for hydrocarbons, petroleum products and LPG through domestic production or imports. In addition, pursuant to the Kingdom's regulatory regime, Saudi Aramco is required to sell crude oil and certain refined products to third parties in the Kingdom at the Government's regulated prices. The regulated prices for these products have historically generated less revenue for Saudi Aramco than if the same product had been sold for export.

Pursuant to an equalisation mechanism, the Government compensates Saudi Aramco for the revenue it directly forgoes as a result of selling these products in the Kingdom at regulated prices. Under this mechanism, Saudi Aramco receives compensation for the difference between regulated prices and equalisation prices in respect of such sales. See "*Regulation of the Oil and Gas Industry in the Kingdom—Regulated Domestic Pricing of Certain Hydrocarbons*" and "*Management's Discussion and Analysis of Financial Position and Results of Operations—Factors Affecting Saudi Aramco's Financial Position and Results of Operations—Fiscal Regime*". Effective 17 September 2019, the Government implemented an equalisation mechanism to compensate Saudi Aramco for the revenue it directly forgoes as a result of selling Regulated Gas Products in the Kingdom at Domestic Gas Prices to ensure Saudi Aramco receives a commercial rate of return on each project. Under this mechanism, Saudi Aramco receives compensation for the difference between Domestic Gas Prices and Blended Prices in respect of such sales. See "*Regulation of the Oil and Gas Industry in the Kingdom—Regulated Domestic Pricing of Certain Hydrocarbons—Gas Pricing*" and "*Management's Discussion and Analysis of Financial Position and Results of Operations—Factors Affecting Saudi Aramco's Financial Position and Results of Operations—Fiscal Regime*".

No assurance can be given that either equalisation mechanism will not be revoked or amended on terms less favourable to Saudi Aramco than the existing mechanism. In addition, in the event that the equalisation price is less than the regulated price, in the case of liquids, or the Blended Price is less than the Domestic Gas Price, in the case of natural gas, the difference would be due from Saudi Aramco to the Government. Any such event could have an adverse effect on Saudi Aramco's earnings, cash flow, financial position and results of operations.

Risks Related to the Kingdom

The Government determines the Kingdom's maximum level of crude oil production and target MSC.

The Government determines 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 level of crude oil production at any time based on its sovereign energy security goals or for any other reason.

In order to facilitate rapid changes in production volumes, the Government requires Saudi Aramco to maintain MSC in accordance with the Government's exclusive authority to set MSC under the Hydrocarbons Law. Saudi Aramco incurs substantial costs to maintain MSC and has historically utilised a significant amount of this spare capacity. However, there can be no assurance that it will utilise spare capacity in the future. The Government has decided in the past and may in the future decide to adjust MSC. On 30 January 2024, the Government (acting through the Ministry of Energy) directed Saudi Aramco to maintain MSC at the current level of 12.0 million barrels of crude oil per day. Future increases in MSC could require Saudi Aramco to incur significant additional capital expenditures.

The Government's decisions regarding maximum level of crude oil production and MSC, and Saudi Aramco's costs of complying with such decisions, may not maximise returns for Saudi Aramco. For example, Saudi Aramco may be precluded from producing more crude oil in response to either a decrease or increase in prices, which may limit its ability to generate additional revenue or to increase its production of downstream products. Any of these actions could have a material adverse effect on Saudi Aramco's business, financial position and results of operations.

If growth in domestic gas demand is less than expected, Saudi Aramco may not receive its expected return on its gas infrastructure investments.

The Concession requires that Saudi Aramco meet domestic demand for gas which is expected to grow substantially by 2030 due to continued economic and industrial development and the Government's plans to substitute liquids burning with gas in the utility sector. In response to the expected increase in demand for gas in the Kingdom, Saudi Aramco is undertaking several projects to grow its gas supply. Saudi Aramco's gas infrastructure investment costs may include costs related to well drilling, upgrades to existing facilities and the construction of new facilities to handle additional volumes, including gas processing facilities, pipelines and distribution networks including MGS, and storage facilities. Saudi Aramco is compensated for its sales of natural gas to domestic consumers based on usage. See "*Management's Discussion and Analysis of Financial Position and Results of Operations—Factors Affecting Saudi Aramco's Financial Position and Results of Operations—Fiscal Regime—Gas Price System*". Therefore, if the forecasted growth in domestic demand for natural gas is less than expected, Saudi Aramco may not receive its expected return on its gas infrastructure investments, which may have a material adverse effect on its business, financial position and results of operations.

The Kingdom's public finances are highly connected to the hydrocarbon industry.

The oil sector accounted for 35.9%, 29.6% and 27.9% of the Kingdom's real GDP in the years ended 31 December 2022, 2023 and 2024, respectively. In addition, the oil sector accounted for 63.0%, 62.3% and for an estimated 61.6% of the Government's total revenues in the years ended 31 December 2022, 2023 and 2024, respectively.

The Government is expected to continue to rely on royalties, taxes and dividends from Saudi Aramco and other income from the hydrocarbon industry for a significant portion of its revenue. Any change in crude oil, condensate, NGL, oil product, chemical and natural gas prices or other occurrences that negatively affect Saudi Aramco's results of operations could materially affect the macroeconomic indicators of the Kingdom, including GDP, balance of payments and foreign trade and the amount of cash available to the Government. A shortfall in funding to the Government or a decision to seek more revenue from hydrocarbons may lead the Government to change the fiscal regime to which hydrocarbon producers in the Kingdom, including Saudi Aramco, are subject. Any such change could have a material adverse effect on Saudi Aramco's business, financial position and results of operations. See "*Management's Discussion and Analysis of Financial Position and Results of Operations—Factors Affecting Saudi Aramco's Financial Position and Results of Operations—Fiscal Regime*".

Political and social instability and unrest and actual or potential armed conflicts in the MENA region may affect Saudi Aramco's results of operations and financial position.

Saudi Aramco is headquartered and conducts much of its business in the MENA region. The MENA region is strategically important geopolitically and has been subject to political and security concerns and social unrest. For example, in recent years, a number of countries in the region have witnessed significant social unrest, including widespread public demonstrations and, in certain cases, armed conflict, terrorist attacks, diplomatic disputes,

foreign military intervention and change of government. Such social unrest and other political and security concerns may not abate, may worsen and may spread to additional countries. Some of Saudi Aramco's facilities, infrastructure and reserves are located near the borders of countries that have been or may be impacted. No assurance can be given that these political or security concerns or social unrest will not have a material adverse effect on Saudi Aramco's business, financial position and results of operations.

In addition, the majority of Saudi Aramco's crude oil production is exported using international supply routes. In particular, the Strait of Hormuz, the Red Sea and the Suez Canal are key shipping routes for Saudi Aramco's crude oil and are located in areas subject to political or armed conflict from time to time. For example, on 27 April 2023 and 3 May 2023, two oil tankers belonging to other oil companies were seized by Iranian forces in the Strait of Hormuz. In addition, in early 2024, drone and missile attacks in the Red Sea disrupted maritime trade through the Suez Canal. Any political or armed conflict or other event, including those described above, that impacts Saudi Aramco's use of the Strait of Hormuz, the Red Sea, Suez Canal or other international shipping routes could have a material adverse effect on Saudi Aramco's business, financial position and results of operations.

Moreover, the majority of Saudi Aramco's assets and operations are located in the Kingdom and accordingly, may be affected by the political, social and economic conditions from time to time prevailing in or affecting the Kingdom or the wider MENA region. Any unexpected changes in political, social or economic conditions may have a material adverse effect on Saudi Aramco, which could in turn have a material adverse effect on Saudi Aramco's business, financial position and results of operations or investments that Saudi Aramco has made or may make in the future.

Furthermore, any of the events described above may contribute to instability in the MENA region and may have a material adverse effect on investors' willingness to invest in the Kingdom or companies that are based in the Kingdom, which may in turn adversely affect the market value of the Notes.

Saudi Aramco's financial position and results of operations may be adversely affected if the Kingdom stops pegging the SAR to the U.S. Dollar.

Saudi Aramco has determined that the U.S. Dollar is its functional currency because a substantial amount of its products are traded in U.S. Dollars in international markets. A portion of Saudi Aramco's capital expenditures and operating expenses are denominated in Saudi Riyals, while a significant portion of its revenues and long-term liabilities are denominated in U.S. Dollars. The Saudi Riyal has been pegged to the U.S. Dollar in the Kingdom since 1986. If the Kingdom's policy of pegging the SAR to the U.S. Dollar were to change in the future and the SAR were to become stronger relative to the U.S. Dollar, Saudi Aramco may experience an increase in the SAR denominated costs of its operations. Such an increase could have a material adverse effect on Saudi Aramco's business, financial position and results of operations.

In addition, Saudi Aramco pays dividends to the Government, in its capacity as a shareholder of the Company, in U.S. Dollars and to other shareholders in SAR. If the SAR is no longer pegged to the U.S. Dollar and the SAR were to become stronger relative to the U.S. Dollar, Saudi Aramco may be required to expend additional cash to fund its SAR denominated dividends. Such changes could have a material adverse effect on Saudi Aramco's financial position.

The Government may direct Saudi Aramco to undertake projects or provide assistance for initiatives outside Saudi Aramco's core business, which may not be consistent with Saudi Aramco's immediate commercial objectives.

The Government has directed, and may in the future direct, Saudi Aramco to undertake projects or provide assistance for initiatives outside Saudi Aramco's core business in furtherance of the Government's macroeconomic, social or other objectives, leveraging Saudi Aramco's know-how, resources and operational capabilities. For instance, the Government has previously directed Saudi Aramco to develop and construct large infrastructure projects and provide management, logistical and other technical assistance for certain Government initiatives. See "Business—Corporate Citizenship". The Concession requires that all Saudi Aramco contracts with any Government agency or any arrangement for the furnishing of hydrocarbons, services or otherwise shall be on a commercial basis and, on 5 September 2019, Saudi Aramco and the Government entered into a framework

agreement to govern the furnishing of services by Saudi Aramco to the Government. See “*Related Party Transactions*”. While these projects and initiatives have generally been of national importance to the Kingdom and in Saudi Aramco’s long-term commercial interests, they have often been outside of Saudi Aramco’s core businesses and have not always been consistent with its immediate commercial objectives. If the Government directs Saudi Aramco to undertake future projects other than on a commercial basis, Saudi Aramco’s financial position and results of operation may be materially and adversely affected.

Risks Related to the Structure of a Particular Issue of Notes

A wide range of Notes may be issued under the Programme. A number of these Notes may have features which contain particular risks for potential investors. Set out below is a description of the most common such features.

Saudi Aramco’s financial obligations, including its obligations under the Notes, are not guaranteed by the Government.

Although Saudi Aramco is majority-owned by the Government, Saudi Aramco’s obligations under the Notes are not guaranteed by the Government. In addition, the Government is under no obligation to extend financial support to Saudi Aramco. Accordingly, Saudi Aramco’s financial obligations, including its obligations under the Notes, are not, and should not be regarded as, obligations of the Government. Saudi Aramco’s ability to meet its financial obligations under the Notes is dependent on its ability to fund such amounts from its revenue, net income and cash flows. Therefore, any decline in Saudi Aramco’s operating revenues, profits and cash flows, or any difficulty in securing external funding, could have a material and adverse effect on the ability of Saudi Aramco to meet its payment obligations under the Notes.

Inverse floating rate Notes may be volatile.

Inverse floating rate Notes have an interest rate equal to a fixed rate minus a rate based upon a reference rate (such as SOFR or EURIBOR). The market values of these Notes typically are more volatile than market values of other conventional floating rate debt securities based on the same reference rate (and with otherwise comparable terms). Inverse floating rate Notes are more volatile because an increase in the reference rate not only decreases the interest rate of such Notes, but may also reflect an increase in prevailing interest rates, which further adversely affects the market value of such Notes.

Fixed/floating rate Notes have risks that conventional fixed rate notes do not.

Fixed/floating rate Notes may bear interest at a rate that converts from a fixed rate to a floating rate, or from a floating rate to a fixed rate. Where the Issuer has the right to effect such a conversion, this will affect the secondary market and the market value of the Notes since the Issuer may be expected to convert the rate when it is likely to produce a lower overall cost of borrowing. If the Issuer converts from a fixed rate to a floating rate in such circumstances, the spread on the fixed/floating rate Notes may be less favourable than then prevailing spreads on comparable floating rate Notes tied to the same reference rate. In addition, the new floating rate at any time may be lower than the rates on other Notes. If the Issuer converts from a floating rate to a fixed rate in such circumstances, the fixed rate may be lower than then prevailing rates on its Notes.

Notes may be issued at a substantial discount or premium and the market value thereof may be volatile.

The market values of securities issued at a substantial discount or premium from their principal amount tend to fluctuate more in relation to general changes in interest rates than do prices for conventional interest-bearing securities. Generally, the longer the remaining term of the securities, the greater the price volatility as compared to conventional interest-bearing securities with comparable maturities.

The trading price of any fixed rate Notes is dependent on the interest rate environment and the trading price will fall as prevailing interest rates rise.

The trading price of any fixed rate Notes will depend on a variety of factors, including, without limitation, the interest rate environment. Each of these factors may be volatile, and may or may not be within Saudi Aramco’s

control. Generally, if interest rates rise, or are expected to rise, during the term of any fixed rate Notes, the trading price of such Notes will decrease.

The Notes may be redeemed prior to their final maturity date for tax reasons.

If the Issuer becomes obligated to pay any additional amounts in respect of the Notes as provided or referred to in Condition 7 (*Taxation*) as a result of any change in, or amendment to, the tax laws or regulations of the Kingdom or any other Relevant Tax Jurisdiction or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the date on which agreement is reached to issue a Tranche of the Notes, the Issuer may redeem all but not less than all, of the outstanding Notes of such Tranche in accordance with Condition 6.2 (*Redemption for tax reasons*). In such circumstances, an investor may not be able to reinvest the redemption proceeds in a comparable security with a similar rate of return, which may have an adverse effect on the position of such investor.

Make Whole Amounts may not be sufficient when they are payable.

In the case of Notes with a make whole feature, the relevant Make Whole Amount due and payable on such Notes may not be sufficient to cover the difference between the yield which the Noteholders would expect to receive if they held such Notes until scheduled maturity and any alternative investment which the Noteholders may make at the time of redemption with the proceeds of such redemption.

The regulation and reform of "benchmarks" may adversely affect the value of Notes linked to or referencing such "benchmarks".

Reference rates and indices, including interest rate benchmarks, such as EURIBOR, which are used to determine the amounts payable under financial instruments or the value of such financial instruments ("**Benchmarks**"), have, in recent years, been the subject of political and regulatory scrutiny as to how they are created and operated. This has resulted in regulatory reform and changes to existing Benchmarks, with further changes anticipated. These reforms may cause Benchmarks to perform differently than in the past, be discontinued, or have other consequences which cannot be predicted. Any such consequence could have a material adverse effect on any Notes referencing or linked to any Benchmark.

The EU Benchmarks Regulation applies, subject to certain transitional provisions, to the provision of Benchmarks, the contribution of input data to a Benchmark and the use of a Benchmark within the EU. Among other things, it (i) requires Benchmark administrators to be authorised or registered (or, if non-EU-based, to be subject to an equivalent regime or otherwise recognised or endorsed) and (ii) prevents certain uses by EU supervised entities of Benchmarks of administrators that are not authorised or registered (or, if non-EU based, not deemed equivalent or recognised or endorsed). The UK Benchmarks Regulation, among other things, applies to the provision of Benchmarks and the use of a Benchmark in the UK. Similarly, it prohibits the use in the UK by UK supervised entities of Benchmarks of administrators that are not authorised by the FCA or registered on the FCA register (or, if non-UK based, not deemed equivalent or recognised or endorsed).

The EU Benchmarks Regulation and/or the UK Benchmarks Regulation, as applicable, could have a material impact on any Notes linked to or referencing a Benchmark in particular, if the methodology or other terms of the relevant Benchmark are changed in order to comply with the requirements of any such regulation. Such changes could, amongst other things, have the effect of reducing, increasing or otherwise affecting the volatility of the published rate or level of the relevant Benchmark.

More broadly, any of the international or national reforms, or the general increased regulatory scrutiny of Benchmarks, could increase the costs and risks of administering or otherwise participating in the setting of a Benchmark and complying with any such regulations or requirements.

Investors should consult their own independent advisers and make their own assessment about the potential risks imposed by the EU Benchmarks Regulation and/or the UK Benchmarks Regulation, as applicable, or any of the international or national reforms and the possible application of the benchmark replacement provisions of Notes in making any investment decision with respect to any Notes linked to or referencing a Benchmark.

Benchmark discontinuation under the Conditions.

The Conditions provide for certain fallback arrangements in the event that a Benchmark Event or a Benchmark Transition Event (as applicable) occurs in respect of the Original Reference Rate for the relevant series of Notes, including (without limitation) if an inter-bank offered rate (such as EURIBOR) or other relevant reference rate (which could include, without limitation, any mid-swap rate), and/or any page on which such benchmark may be published (or any other successor service) becomes unavailable or a Benchmark Event or a Benchmark Transition Event (each as defined in the Conditions), as applicable, otherwise occurs.

Such fallback arrangements include the possibility that the rate of interest could be set by reference to a successor, alternative or a Benchmark Replacement (as defined in the Conditions) together with the application of an adjustment spread or Benchmark Replacement Adjustment (as defined in the Conditions) (which could be positive, negative or zero), and may include amendments to the terms and conditions of the Notes to ensure the proper operation of the new benchmark, all as determined by the Issuer (acting in good faith and in consultation with an Independent Adviser) and as more fully described at Condition 4.2 (*Interest on Floating Rate Notes*). It is possible that the adoption of a successor or alternative reference rate or Benchmark Replacement, including any adjustment spread or Benchmark Replacement Adjustment, may result in a rate of interest less favourable to holders than the Original Reference Rate.

There is also a risk that the relevant fallback provisions may not operate as expected or as intended at the relevant time.

The market continues to develop in relation to SOFR as a reference rate.

The international debt capital markets continue to develop in relation to SOFR as a reference rate and its adoption as an alternative to U.S. dollar LIBOR. In particular, market participants and relevant working groups are exploring alternative reference rates based on SOFR, including term SOFR reference rates (which seek to measure the market's forward expectation of an average SOFR rate over a designated term).

SOFR is published by the Federal Reserve and is intended to be a broad measure of the cost of borrowing cash overnight collateralised by U.S. Treasury securities and is a current preferred replacement rate to U.S. dollar LIBOR. SOFR differs from U.S. dollar LIBOR in a number of material respects. As such, investors in Floating Rate Notes that reference SOFR should be aware that U.S. dollar LIBOR and SOFR may behave materially differently.

The future performance of SOFR is impossible to predict. The level of SOFR over the term of Floating Rate Notes may bear little or no relation to the historical level of SOFR. Prior observed patterns, if any, in the behaviour of market variables, such as correlations, may change in the future. Whilst some pre-publication hypothetical performance data has been published by the Federal Reserve, such data inherently involves assumptions, estimates and approximations. As such, no future performance of SOFR or Floating Rate Notes linked to or which reference a SOFR rate may be inferred from any of the hypothetical or actual historical performance data.

In addition, the market or a significant part thereof may adopt an application of SOFR that differs significantly from that set out in the Conditions. The Issuer may also in the future issue Notes referencing SOFR that differ materially in respect of interest determination when compared with any Notes referencing SOFR previously issued by it under the Conditions. As SOFR is published and calculated by third parties based on data received from other sources, the Issuer has no control over its determination, calculation or publication. There can be no guarantee that SOFR will not be discontinued or fundamentally altered in a manner that is materially adverse to the interests of investors in Floating Rate Notes linked to or which reference a SOFR rate (or that any applicable benchmark fallback provisions provided for in the Conditions will provide a rate which is economically equivalent for Noteholders).

The Federal Reserve has no obligation to consider the interests of Noteholders in calculating, adjusting, converting, revising or discontinuing SOFR. If the manner in which SOFR is calculated is changed, that change may result in a reduction of the amount of interest payable on such Notes and the trading price of such Notes. Further, the Rate of Interest payable on Floating Rate Notes which reference a SOFR rate is only capable of being determined at the end of the relevant Interest Period and shortly prior to the relevant Interest Payment Date. It may therefore be

difficult for investors in Floating Rate Notes which reference a SOFR rate to reliably estimate the amount of interest which will be payable on such Notes. Further, in contrast to U.S. dollar LIBOR-based Notes, if Notes referencing SOFR become due and payable as a result of an Event of Default under Condition 9.1 (*Events of Default*), or are otherwise redeemed early on a date which is not an Interest Payment Date, the final Rate of Interest payable in respect of such Notes shall only be determined on the date on which the Notes become due and payable and shall not be reset thereafter.

Investors should also be aware that the manner of adoption or application of SOFR as a reference rate in the international debt capital markets may differ materially compared with the application and adoption of SOFR in other markets, such as the derivatives and loan markets. Investors should carefully consider how any mismatch between the adoption of SOFR as a reference rate across these markets may impact any hedging or other arrangements which they may put in place in connection with any acquisition, holding or disposal of Floating Rate Notes linked to or which reference a SOFR rate.

Since SOFR is a relatively new market index (publication of SOFR having only commenced on 3 April 2018), Floating Rate Notes linked to or which reference a SOFR rate may have no established trading market when issued, and an established trading market may never develop or may not be very liquid. Market terms for debt securities linked to or which reference a SOFR rate may evolve over time and, as a result, trading prices of such Notes may be lower than those of Notes that are linked to or which reference a SOFR rate that are issued later. Further, if SOFR does not prove to be widely used in securities like the Notes, the trading price of Floating Rate Notes linked to or which reference a SOFR rate may be lower than those of Notes linked to or which reference indices that are more widely used. Investors in such Notes may not be able to sell such Notes at all or may not be able to sell such Notes at prices that will provide them with a yield comparable to similar investments that have a developed secondary market, and may consequently suffer from increased pricing volatility and market risk.

Investors should note that interest on Notes linked to or which reference a SOFR rate will be calculated and paid in accordance with the detailed provisions of the Conditions and the applicable Final Terms.

Investors should consider these matters when making their investment decision with respect to any Floating Rate Notes linked to or which reference a SOFR rate.

Terms and expressions used but not defined in this risk factor have the respective meanings given to them in the Conditions.

Risks Related to the Notes Generally

Noteholders are exposed to the consequences of a minimum specified denomination plus a higher integral multiple for the Notes to be traded in clearing systems.

The Conditions provide that Notes shall be issued with a minimum denomination of €100,000 (or its equivalent in another currency) and integral multiples of an amount in excess thereof in the relevant Specified Currency. Where Notes are traded in a clearing system, it is possible that the clearing systems may process trades which could result in amounts being held in denominations smaller than the minimum denominations specified in the relevant Final Terms related to an issue of Notes. If Definitive Notes are required to be issued in relation to such Notes in accordance with the provisions of the terms of the applicable Global Notes, a holder who does not have an integral multiple of the minimum denomination in its account with the relevant clearing system at the relevant time may not receive all of its entitlement in the form of Definitive Notes unless and until such time as its holding becomes an integral multiple of the minimum denomination.

An active trading market for Notes may not develop.

Notes issued under the Programme may have no established trading market when issued, and one may never develop. If a market does develop, it may not be very liquid. Therefore, investors may not be able to sell their Notes easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. This is particularly the case for Notes that are especially sensitive to interest rate, currency or market risks, are designed for specific investment objectives or strategies or have been structured to meet the

investment requirements of limited categories of investors. These types of Notes generally would have a more limited secondary market and more price volatility than conventional debt securities. Illiquidity could have a material adverse effect on the market value of Notes.

Application has been made for the listing of Notes on the Official List and for trading on the Main Market of the London Stock Exchange. There can be no assurance that either such listings or declaration will be obtained or, if such listings or declaration is obtained, that an active trading market will develop or be sustained. In addition, the liquidity of any market for Notes will depend on the number of holders of Notes, the interest of securities dealers in making a market in Notes and other factors. Accordingly, there can be no assurance as to the development or liquidity of any market for Notes.

The market price of Notes may be volatile.

The market price of Notes could be subject to significant fluctuations in response to actual or anticipated variations in the Issuer's operating results and those of its competitors, adverse business developments, changes to the regulatory environment in which the Issuer operates, changes in financial estimates by securities analysts, as well as other factors. In addition, the market price of the Notes could be affected by the actual or expected issuance of additional indebtedness of the Issuer.

Furthermore, in recent years the global financial markets have experienced significant price and volume fluctuations, which, if repeated in the future, could have a material adverse effect on the market price of Notes without regard to the Issuer's business, prospects, financial position, cash flows or results of operations. Factors, including increased competition, fluctuations in commodity prices or the Issuer's operating results, the regulatory environment, availability of reserves, general market conditions, natural disasters, terrorist attacks and war, could have a material adverse effect on the market price of Notes.

Exchange rate risks exist to the extent payments in respect of Notes are made in a currency other than the currency in which an investor's activities are denominated.

The Issuer will pay principal and interest on the Notes in the Specified Currency (as defined in the Final Terms). This presents certain risks relating to currency conversions if the Investor's Currency is different from the Specified Currency. These include the risk that exchange rates may significantly change (including changes due to devaluation of the Specified Currency or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. In addition, such risks generally depend on economic and political events over which the Issuer has no control. An appreciation in the value of the Investor's Currency relative to the Specified Currency would decrease: (i) the Investor's Currency equivalent yield on the Notes; (ii) the Investor's Currency equivalent value of the principal payable on the Notes; and (iii) the Investor's Currency equivalent market value of the Notes.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate as well as the availability of a specified foreign currency at the time of payment of principal or interest, if any, on Notes. As a result, investors may receive less interest or principal than expected, or no interest or principal. Even if there are no actual exchange controls, it is possible that the Specified Currency for any particular Note not denominated in U.S. Dollars would not be available at the maturity of a series of Notes. In that event, the Issuer would make required payments in U.S. Dollars on the basis of the market exchange rate on the date of such payment, or if such rate of exchange is not then available, on the basis of the market exchange rate as at the most recent practicable date.

Credit ratings may not reflect all risks.

One or more independent credit rating agencies may assign credit ratings to the Notes. The Issuer's credit ratings are an assessment by the relevant rating agencies of its ability to pay its debts when due. The ratings may not reflect the potential impact of all risks related to the structure and marketing of Notes issued under this Base Prospectus, and other factors that may affect the value of the Notes. A credit rating is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by the rating agency at any time.

In general, European regulated investors are restricted under the CRA Regulation from using credit ratings for regulatory purposes in the EEA, unless such ratings are issued by a credit rating agency established in the EEA and registered under the CRA Regulation (and such registration has not been withdrawn or suspended, subject to transitional provisions that apply in certain circumstances). Such general restriction will also apply in the case of credit ratings issued by third country non-EEA credit rating agencies, unless the relevant credit ratings are endorsed by an EEA-registered credit rating agency or the relevant third country rating agency is certified in accordance with the CRA Regulation (and such endorsement action or certification, as the case may be, has not been withdrawn or suspended, subject to transitional provisions that apply in certain circumstances). The list of registered and certified rating agencies published by the ESMA on its website in accordance with the CRA Regulation is not conclusive evidence of the status of the relevant rating agency being included in such list as there may be delays between certain supervisory measures being taken against a relevant rating agency and publication of an updated ESMA list.

Investors regulated in the UK are subject to similar restrictions under the UK CRA Regulation. As such, UK regulated investors are required to use for UK regulatory purposes ratings issued by a credit rating agency established in the UK and registered under the UK CRA Regulation. In the case of ratings issued by third country non-UK credit rating agencies, third country credit ratings can either be: (a) endorsed by a UK registered credit rating agency; or (b) issued by a third country credit rating agency that is certified in accordance with the UK CRA Regulation. This is subject, in each case, to (a) the relevant UK registration, certification or endorsement, as the case may be, not having been withdrawn or suspended, and (b) transitional provisions that apply in certain circumstances.

If the status of the rating agency rating the Notes changes for the purposes of the CRA Regulation or the UK CRA Regulation, relevant regulated investors may no longer be able to use the rating for regulatory purposes in the EEA or the UK, as applicable, and the Notes may have a different regulatory treatment, which may impact the value of the Notes and their liquidity in any secondary market. Certain information with respect to the credit rating agencies and ratings is set out on the cover of this Base Prospectus.

Any future downgrade or withdrawal at any time of a credit rating assigned to the Issuer by any rating agency could have a material adverse effect on the market value of the Notes, the Issuer's cost of borrowing and its access to debt capital markets. In addition, the Issuer's credit rating could be affected by changes in the Kingdom's credit rating.

Legal investment considerations may restrict certain investments.

The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent: (i) Notes constitute legal investments for it; (ii) Notes can be used as collateral for various types of borrowing; and (iii) other restrictions apply to any purchase or pledge of any Notes by the investor. Financial institutions should consult their legal advisers or the relevant regulators to determine the appropriate treatment of Notes under any applicable risk-based capital or similar rules and regulations.

The Issuer may, without the consent of the Noteholders, issue additional Notes. These additional Notes, even if they are treated for non-tax purposes as part of the same series as the original Notes, may be treated as a separate series for U.S. federal income tax purposes.

The Issuer may, without the consent of the holders of the Notes of the relevant Series, issue additional Tranches of Notes which may be consolidated and form a single Series with one or more Tranches previously issued. Notwithstanding the foregoing, such additional Tranches may be treated as a separate series for U.S. federal income tax purposes. In such a case, the Notes of any such additional Tranche may be considered to have been issued with "original issue discount" for U.S. federal income tax purposes and this may reduce the market value of the Notes of such Tranche to certain classes of investors.

Risks Related to Enforcement

Enforcement in the Kingdom of an arbitral award relating to the Notes may be challenged in certain circumstances and enforcement may take a significant amount of time.

Any dispute in relation to the Trust Deed, the Conditions, and any non-contractual obligations arising out of or in connection with them, shall be referred to, and finally resolved by, arbitration under the Arbitration Rules of the LCIA, in London, England. Noteholders will therefore only have recourse to LCIA arbitration in order to enforce their contractual rights relating to the Notes.

Foreign judgements and arbitral awards may be enforced in the Kingdom by submitting such judgment or award to the enforcement courts of the Kingdom in accordance with the enforcement law issued by Royal Decree No. M/53 dated 13/08/1433 in the Hijri calendar (corresponding to 3 July 2012) (as most recently amended by Royal Decree No. M/52 dated 22/04/1444 in the Hijri calendar (corresponding to 16 November 2022)) and its implementing regulations issued by ministerial resolution No. 526 dated 20/02/1439 in the Hijri calendar (corresponding to 9 November 2017) (as amended by Ministerial Decision of the Minister of Justice No. 5502 dated 21/11/1440 in the Hijri calendar (corresponding to 24 July 2019) and Ministerial Decision of the Minister of Justice No. 7207 dated 04/06/1441 in the Hijri calendar (corresponding to 29 January 2020)) (the “**Enforcement Regulations**”).

The Enforcement Regulations require an enforcement judge when enforcing foreign judgements and arbitral awards to observe and adhere to international treaties and conventions, including the New York Convention acceded to by the Kingdom by virtue of Royal Decree No. M/11 dated 16/7/1414 in the Hijri calendar (corresponding to 29 December 1993).

In addition, subject to adhering to international treaties and conventions, the Enforcement Regulations require enforcement judges to verify the following before enforcing a foreign judgement or arbitral award: (i) there is reciprocity in the enforcement of Saudi Arabian judgements or arbitral awards in the courts of the relevant jurisdiction; (ii) the courts of the Kingdom do not hold jurisdiction over the dispute and the foreign judgment or arbitral award was issued in accordance with the jurisdictional rules of that country; (iii) the respective parties to the foreign judgement or arbitral award were present, duly represented and able to defend themselves; (iv) the judgment or arbitral award is final; (v) the judgment or arbitral award does not conflict with any ruling or order issued by a court of competent jurisdiction on the same matter in the Kingdom; and (vi) the judgment or arbitral award is not contrary to any public policy of the Kingdom, including the principles of *Shari’a*.

The courts and adjudicatory bodies in Saudi Arabia have wide discretion as to how laws, regulations and principles of Islamic law (*Shari’a*) are applied to a particular set of circumstances. There is no doctrine of binding precedent in the courts of Saudi Arabia, decisions of various courts and judicial committees of Saudi Arabia and Royal Decrees, ministerial decisions and resolutions, departmental circulars and other pronouncements of official bodies of Saudi Arabia which have the force of law are not generally or consistently indexed and collected in a central place or made publicly available. Accordingly, it is uncertain exactly how and to what extent any Note, the Conditions and/or the Transaction Documents would be enforced by a Saudi Arabian court or any other Saudi Arabian adjudicatory body, should circumstances dictate that they have jurisdiction. Further, in some circumstances, it may not be possible to obtain the legal remedies provided under the laws and regulations of Saudi Arabia in a timely manner. As a result of these and other factors, the outcome of any legal disputes in Saudi Arabia may be uncertain.

The Kingdom is a signatory to the New York Convention. Accordingly, courts in the Kingdom have an obligation to recognise and enforce foreign arbitral awards issued in other signatory states to the New York Convention unless (i) the party opposing enforcement can prove one of the grounds under Article V of the New York Convention to refuse enforcement, which include, without limitation, that the agreement is not valid under the law governing it, the party against whom the award is invoked was not given proper notice of the arbitration proceeding, the award contains decisions beyond the scope of the matters submitted to arbitration and the award has been set aside or suspended by a competent authority of the country in which, or under the law of which, the award was made, or (ii) the Kingdom courts find that the subject matter of the dispute is not capable of settlement by arbitration or

enforcement or would be contrary to the public policy of the Kingdom. For example, the laws of the Kingdom do not recognise the concept of a trust and, accordingly, the Kingdom courts may recharacterise the trust established pursuant to the Trust Deed in the context of the concept of *amanah*. Under Saudi Arabian law, an *amin* is a person who is charged with the responsibility of holding and/or looking after assets belonging to another (*amanah*). An *amin* would be responsible for maintaining the assets it is holding for another and would be liable for any damage or loss caused to such assets where the damage or loss is caused by the *amin*'s negligence or by acting *ultra vires*. As such, there can be no assurance that the obligations of the Trustee under the Trust Deed to act on behalf of the Noteholders in accordance with their instructions would be enforceable or recognised under the laws of the Kingdom in the same manner as under English law. In addition, pursuant to any New York Convention, enforcement of any arbitral award in the Kingdom is subject to filing a legal action for recognition and enforcement of the foreign arbitral award with the enforcement courts in the Kingdom, which can take considerable time.

As a result, enforcement of an arbitral award relating to the Notes in the Kingdom may take a significant amount of time and enforcement of any arbitration award in the Kingdom may be challenged in the circumstances described above. Since a substantial portion of the Issuer's assets and operations are located in the Kingdom, delay in enforcement in the Kingdom of an arbitral award relating to the Notes or any inability to enforce an arbitral award in the Kingdom could have a material adverse effect on Noteholders' recourse to the Issuer's assets to satisfy amounts due under the Notes.

Foreign judgments may not be enforceable against the Issuer, and it may not be possible to effect service of process on the Issuer.

In the absence of a treaty for the reciprocal enforcement of foreign judgments with the jurisdiction in which a judgment is obtained, the courts of the Kingdom are unlikely to enforce a judgment obtained in courts outside the Kingdom without re-examining the merits of the claim, including any judgment predicated upon United States federal securities laws or the securities laws of any state or territory within the United States. In addition, the courts of the Kingdom may (i) decline to enforce a foreign judgment if certain criteria are not met, including, but not limited to, compliance with public policy of the Kingdom or (ii) decline to entertain original actions brought in the Kingdom against the Issuer or its directors or officers predicated upon the securities laws of the United States or any state in the United States.

Additionally, the Issuer is a joint stock company incorporated in the Kingdom and a substantial portion of its assets and operations are located there. As a result, it may not be possible for investors to effect service of process upon the Issuer outside the Kingdom.

The inability to enforce a foreign judgment or effect service of process in the Kingdom could have a material adverse effect on Noteholders' recourse to the Issuer's assets with respect to any claim.

Contractual obligations governing the payment of interest may not be enforceable under Saudi Arabian law.

The legal regime in the Kingdom governing transactions such as the issuance of the Notes includes *Shari'a* principles which are often expressed in general terms, providing Saudi Arabian courts and adjudicatory bodies with considerable discretion as to how to apply such principles. Under *Shari'a* principles as applied in the Kingdom, the charging and payment of interest, which is deemed to constitute unlawful gain (*riba*), is prohibited. To the extent that any contractual provision of the Notes is viewed or characterised by a Saudi Arabian court or adjudicatory body as relating to interest, such provision may not be enforceable in the Kingdom.

A court or judicial committee in Saudi Arabia is likely to refuse to give a judgment in respect of principal amounts to the payee of such amounts in an amount greater than the principal sums found by such court or judicial committee to be due and payable less the amount of sums in the nature of interest (however described) already paid by the payer to the payee. Any amounts previously paid to the Noteholders on the Notes and/or pursuant to the Transaction Documents in respect of sums in the nature of commission or profit may therefore reduce the amount receivable by the Noteholders in relation to payments of principal.

Courts and judicial committees of the Kingdom will not give effect to penalties and certain types of indemnities.

Prospective Noteholders should note that should any provision of the Transaction Documents be construed by a court or judicial committee in the Kingdom to be an agreement to pay a penalty rather than a genuine estimate of loss incurred, such provision may not be enforced in the Kingdom. Nor would such a provision be likely to be enforceable where a loss had not in fact been incurred by the claimant. Further, any indemnity provided by the Issuer pursuant to the Transaction Documents or in relation to any Series may not be enforceable under the laws and regulations of the Kingdom to the extent that it (i) purports to be effective notwithstanding any judgment or order of a court to the contrary, or (ii) is contrary to any applicable law or public policy relating thereto, which could in turn have a material adverse effect on Noteholders' recourse against the Issuer to satisfy amounts due under the Notes.

A court may not grant an order for specific performance.

In the event that the Issuer fails to perform its obligations under any Transaction Document to which it is a party, the potential remedies available to the Trustee include obtaining an order for specific performance of the obligations of the Issuer. There is no assurance that a court will provide an order for specific performance, as this is generally a matter for the discretion of the relevant court and there can be no assurance that any order for specific performance granted by an English court will be recognised or enforced by the courts in the Kingdom. Specific performance, injunctive relief and declaratory judgments and remedies are available in very limited situations as judicial and other adjudicative remedies in the Kingdom. The amount of damages which a court may award in respect of a breach will depend upon a number of possible factors, including an obligation on the Trustee to mitigate any loss arising as a result of such breach. No assurance is provided on the level of damages which a court may award in the event of a failure by the Issuer to perform its obligations set out in the Transaction Documents to which it is a party. Indirect damages or other speculative damages are not awarded in the Kingdom by the courts or other adjudicatory authorities, and only actual, direct and proven damages are awarded (including loss of profit resulting directly from the damage caused).

Any of the foregoing may have a material adverse effect on Noteholders' recourse against the Issuer to satisfy amounts due under the Notes.

Noteholders are subject to risks related to a possible change in law.

The structure of the issue of Notes is based on English law and administrative practices in effect as at the date of this Base Prospectus. No assurance can be given as to the impact of any possible change to English law or administrative practices after the date of this Base Prospectus, nor can any assurance be given as to whether any such change could adversely affect the ability of the Issuer to make payments under the Notes.

No assurance can be given as to the impact of any possible judicial decision or changes in English law or administrative practice after the date of this Base Prospectus.

There can be no assurance as to whether the waiver of immunity provided by the Issuer will be valid and binding under the laws of the Kingdom.

The Issuer has waived its rights in relation to sovereign immunity in relation to any judicial proceedings to which it is a party in any jurisdiction with respect to the Notes. However, there can be no assurance as to whether such waiver of immunity from execution or attachment or other legal process are valid and binding under the laws of the Kingdom. If the waiver of immunity is not valid and binding, there is a risk that the waiver may not be able to be enforced against the Issuer.

Provisions of Notes permit defined majorities to bind all Noteholders and the Trustee to take certain actions.

The Conditions contain provisions for calling meetings of Noteholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Noteholders, including Noteholders who did not attend and vote at the relevant meeting and Noteholders who voted in a manner contrary to the majority.

The Conditions also provide that the Trustee may, without the consent of Noteholders, agree to: (i) certain modifications of, or to the waiver or authorisation of any breach or proposed breach of, any of the provisions of the Notes or the Trust Deed or (ii) determine without the consent of the Noteholders that any Event of Default (as defined in the Trust Deed) or potential Event of Default shall not be treated as such where, in each case, it is not materially prejudicial to the interests of the Noteholders.

Risks Related to Notes Denominated in Renminbi

*Notes denominated in Renminbi (“**RMB Notes**”) may be issued under the Programme. A description of risks which may be relevant to an investor in RMB Notes is set out below:*

Renminbi is not freely convertible and there are significant restrictions on the remittance of Renminbi into and out of the People’s Republic of China (the “PRC”), which may adversely affect the Issuer’s ability to satisfy its obligations under RMB Notes.

The government of the PRC (the “**PRC Government**”) continues to regulate conversion between Renminbi and foreign currencies. Currently, the Renminbi is not freely convertible into other currencies.

However, there has been significant reduction in control by the PRC Government in recent years, particularly over trade transactions involving import and export of goods and services as well as other frequent routine foreign exchange transactions. These transactions are known as current account items.

On the other hand, remittance of Renminbi into and out of the PRC for the settlement of capital account items, such as capital contributions, debt financing and securities investment, is generally only permitted upon obtaining specific approvals from, or completing specific registrations or filings with, the relevant authorities on a case-by-case basis and is subject to a strict monitoring system. Regulations in the PRC on the remittance of Renminbi into and out of the PRC for settlement of capital account items are being adjusted from time to time to match the policies of the PRC Government.

Although, from 1 October 2016, Renminbi has been added to the Special Drawing Rights basket created by the International Monetary Fund, and policies for further improving accessibility to Renminbi to settle cross-border transactions in foreign currencies were issued, there is no assurance that the PRC Government will continue to gradually liberalise control over cross-border remittance of Renminbi that the schemes for Renminbi cross-border utilisation will not be discontinued or that new regulations in the PRC will not be promulgated in the future which have the effect of restricting or eliminating the remittance of Renminbi into or out of the PRC. Despite the Renminbi internationalisation pilot programme and efforts in recent years to internationalise the currency, there can be no assurance that the PRC Government will not impose interim or long-term restrictions on the cross-border remittance of Renminbi. In the event that funds cannot be repatriated out of the PRC in Renminbi, this may affect the availability of Renminbi outside the PRC and the ability of the Issuer to source Renminbi to satisfy its obligations under RMB Notes.

There is only limited availability of Renminbi outside the PRC, which may affect the liquidity of the RMB Notes and the ability of the Issuer to source Renminbi outside the PRC to service RMB Notes.

As a result of the restrictions imposed by the PRC Government on cross-border Renminbi fund flows, the availability of Renminbi outside the PRC is limited.

While the People’s Bank of China (“**PBoC**”) has (i) established Renminbi clearing and settlement mechanisms for participating banks in various countries through settlement agreements (the “**Settlement Arrangements**”) on the clearing of Renminbi business with financial institutions (the “**Renminbi Clearing Banks**”) in a number of financial centres and cities, including but not limited to Hong Kong, (ii) established the Cross-Border Inter-Bank Payments System to facilitate cross-border Renminbi settlement and (iii) is further in the process of establishing Renminbi clearing and settlement mechanisms in several other jurisdictions, the current size of Renminbi denominated financial assets outside the PRC is limited.

There are restrictions imposed by the PBoC on Renminbi business-participating banks in respect of cross-border Renminbi settlement, such as those relating to direct transactions with PRC enterprises. Furthermore, Renminbi business-participating banks do not have direct Renminbi liquidity support from PBoC, although PBoC has gradually allowed participating banks to access the PRC's onshore inter-bank market for the purchase and sale of Renminbi. The Renminbi Clearing Banks only have limited access to onshore liquidity support from PBoC for the purpose of squaring open positions of participating banks for limited types of transactions, including open positions resulting from conversion services for corporations relating to cross-border trade settlement, and are not obliged to square for participating banks any open positions resulting from other foreign exchange transactions or conversion services. In cases where the participating banks cannot source sufficient Renminbi through the above channels, they will need to source Renminbi from outside the PRC to square such open positions.

Although it is expected that the offshore Renminbi market will continue to grow in depth and size, its growth is subject to many constraints as a result of PRC laws and regulations on foreign exchange. There is no assurance that new PRC regulations will not be promulgated or that the Settlement Arrangements will not be terminated or amended in the future which will have the effect of restricting availability of Renminbi outside the PRC. The limited availability of Renminbi outside the PRC may affect the liquidity of the RMB Notes. To the extent the Issuer is required to source Renminbi in the offshore market to service the RMB Notes, there is no assurance that the Issuer will be able to source such Renminbi on satisfactory terms, if at all.

Investment in RMB Notes is subject to exchange rate risks.

The value of Renminbi against the U.S. Dollar and other foreign currencies fluctuates from time to time and is affected by changes in the PRC and international political and economic conditions as well as many other factors. In August 2015, the PBoC implemented changes to the way it calculates the Renminbi's daily mid-point against the U.S. dollar to take into account market-maker quotes before announcing such daily mid-point. This change, and others that may be implemented, may increase the volatility in the value of the Renminbi against foreign currencies. In May 2017, the PBoC further decided to introduce counter-cyclical factors to offset the market pro-cyclicality, so that the midpoint quotes could adequately reflect the PRC's actual economic performance. However, the volatility in the value of the Renminbi against other currencies still exists. All payments of interest and principal will be made in Renminbi with respect to the RMB Notes unless otherwise specified. As a result, the value of these Renminbi payments in U.S. dollar or other foreign currency terms may vary with the changes in the prevailing exchange rates in the marketplace. If the value of Renminbi depreciates against the U.S. dollar or another foreign currency, the value of the investment made by a holder of the RMB Notes in that foreign currency will decline.

Investment in the RMB Notes is subject to currency risk.

If the Issuer is not able, or it is impracticable for it, to satisfy its obligation to pay interest and principal on the RMB Notes as a result of a Renminbi Currency Event (as defined in Condition 5.6 (*Renminbi Currency Event*)), the Issuer shall be entitled, on giving notice as soon as practicable to the investors in accordance with the Conditions stating the occurrence of the Renminbi Currency Event, giving details thereof and the action proposed in relation thereto, to settle any such payment in the Relevant Currency (as specified in the applicable Final Terms) converted using the Spot Rate for the relevant Rate Calculation Date (as defined in the Conditions) of any such interest or principal, as the case may be.

Investment in the RMB Notes is subject to interest rate risk.

The PRC Government has gradually liberalised the regulation of interest rates in recent years. Further liberalisation may increase interest rate volatility. In addition, the interest rate for Renminbi in markets outside the PRC may significantly deviate from the interest rate for Renminbi in the PRC as a result of foreign exchange controls imposed by PRC law and regulations and prevailing market conditions. The RMB Notes may carry a fixed interest rate. Consequently, the trading price of such Notes will vary with fluctuations in Renminbi interest rates. If a holder of RMB Notes tries to sell such Notes before their maturity, they may receive an offer that is less than the amount invested.

Payments with respect to the RMB Notes may be made only in the manner designated in the RMB Notes.

All payments to investors in respect of the RMB Notes will be made solely: (i) for so long as the RMB Notes are represented by global certificates held with a common depositary for Clearstream, Luxembourg and Euroclear or any alternative clearing system, by transfer to a Renminbi bank account maintained in Hong Kong or in the Renminbi Settlement Centre(s), if so specified in the applicable Final Terms; (ii) for so long as the RMB Notes are represented by global certificates, by transfer to a Renminbi bank account maintained in Hong Kong in accordance with prevailing rules and procedures; or (iii) for so long as the RMB Notes are in definitive form, by transfer to a Renminbi bank account maintained in Hong Kong or in the Renminbi Settlement Centre(s), if so specified in the applicable Final Terms, in accordance with prevailing rules and regulations. The Issuer cannot be required to make payment by any other means (including in any other currency or by transfer to a bank account in the PRC). Investors may be required to provide certification and other information (including Renminbi account information) in order to receive payments in Renminbi in accordance with the Renminbi clearing and settlement system for participating banks in a number of financial centres and cities.

Gains on the transfer of the RMB Notes may become subject to income taxes under PRC tax laws.

Under the prevailing PRC Enterprise Income Tax Law, the PRC Individual Income Tax Law and the relevant implementing rules, as amended from time to time, any gain realised on the transfer of RMB Notes by a non-PRC tax resident enterprise or individual holders may be subject to PRC enterprise income tax (“EIT”) or PRC individual income tax (“IIT”) if such gain is regarded as income derived from sources within the PRC. The PRC Enterprise Income Tax Law levies EIT at the rate of 20% of the gains derived by such non-PRC tax resident enterprise holder from the transfer of RMB Notes but its implementation rules have reduced the EIT rate to 10%. The PRC Individual Income Tax Law levies IIT at a rate of 20% of the gains derived by such non-PRC tax resident individual holder from the transfer of RMB Notes.

However, uncertainty remains as to whether the gains realised from the transfer of RMB Notes by a non-PRC tax resident enterprise or individual holders would be treated as income derived from sources within the PRC and become subject to the EIT or IIT. This will depend on how the PRC tax authorities interpret, apply or enforce the PRC Enterprise Income Tax Law, the PRC Individual Income Tax Law and the relevant implementing rules.

Notwithstanding the above, certain tax treaties between PRC and the jurisdiction in which such non-PRC tax resident enterprise or individual holders of RMB Notes reside in terms of tax residency may contain provisions that would reduce or exempt the relevant EIT or IIT. For example, according to the arrangement between the PRC and Hong Kong, for avoidance of double taxation, for holders who are residents of Hong Kong, including enterprise holders and individual holders, an exchange of RMB Notes is not listed as a taxable transaction in the PRC.

Therefore, if non-PRC tax resident enterprise or individual holders are required to pay PRC income tax on gains derived from the transfer of RMB Notes, unless there is an applicable tax treaty between PRC and the jurisdiction in which such non-PRC tax resident enterprise or individual holders of RMB Notes reside that reduces or exempts the relevant EIT or IIT, the value of their investment in RMB Notes may be materially and adversely affected.

Investment in Notes denominated in Renminbi may be subject to PRC tax.

In considering whether to invest in the Notes denominated in Renminbi, investors should consult their individual tax advisers with regard to the application of PRC tax laws to their particular situations as well as any tax consequences arising under the laws of any other tax jurisdictions. The value of the Noteholders’ investment in the Notes denominated in Renminbi may be materially and adversely affected if the Noteholder is required to pay PRC tax with respect to acquiring, holding or disposing of and receiving payments under those Notes.

OVERVIEW

This overview must be read as an introduction to this Base Prospectus and any decision to invest in the Notes should be based on a consideration of this Base Prospectus as a whole. The following overview does not purport to be complete and is taken from, and is qualified in its entirety by, the remainder of this Base Prospectus and, in relation to the terms and conditions of any particular Tranche of Notes, is completed by the applicable Final Terms. In particular, it is important to carefully consider the section entitled “Risk Factors” prior to making an investment decision with respect to Notes.

All natural resources within the Kingdom, including hydrocarbons, are owned by the Kingdom. Through the Concession, the Government has granted Saudi Aramco the exclusive right to explore, develop and produce the Kingdom’s hydrocarbon resources, except in the Excluded Areas. See “Business—Relationship with the Kingdom—The Concession”. Unless otherwise indicated, any reference in this Base Prospectus to reserves of crude oil and condensate, natural gas or other hydrocarbons are reserves owned by the Kingdom that Saudi Aramco has the right to operate and develop through the Concession and excludes reserves other entities have the right to develop, including AGOC, which operates in the partitioned territory between the Kingdom and the State of Kuwait.

Overview of Saudi Aramco

Saudi Aramco is the world’s largest integrated energy and chemicals company. In the three-month period ended 31 March 2025, it produced 12.3 million barrels per day of oil equivalent and for the year ended 31 December 2024, it produced 12.4 million barrels per day of oil equivalent, including 10.3 million barrels per day of liquids and 10.8 bscfd of natural gas and ethane. As at 31 December 2024, its proved liquids reserves were 215.8 billion barrels and it had gross refining capacity of 7.7 million barrels per day and net chemicals production capacity of 57.6 million tonnes per annum.

Saudi Aramco seeks to enhance its preeminent upstream position by maintaining its oil and growing its gas production capacity and continuing to pursue integration of its upstream and downstream operations to secure demand for its crude oil. It also is continuing to enhance the resilience and strategic integration of its refining and chemicals portfolios to capture additional value across the hydrocarbon value chain and to improve the balance of its fuels and chemicals production.

Saudi Aramco aims to grow its business more sustainably by leveraging technology and innovation to continue to lower its climate impact and by undertaking lower carbon energy and sustainability initiatives throughout its operations both in the Kingdom and abroad with international partners. In October 2021, Saudi Aramco announced its ambition to achieve net-zero Scope 1 and Scope 2 GHG emissions across its wholly owned operated assets by 2050 and, in November 2019, endorsed the World Bank’s “Zero Routine Flaring by 2030” (ZRF) Initiative. It also intends to maintain its position as a leader in upstream carbon intensity, with one of the lowest average upstream carbon intensities per unit of hydrocarbons produced and is pursuing a wide range of initiatives to reduce its upstream carbon intensity by at least 15% by 2035 against its 2018 baseline. It has also set an ambition to reduce its upstream methane intensity to near zero by 2030 and has made recent investments in renewable energy, CCS and lower carbon fuels.

Saudi Aramco’s heritage dates back to 1933 as an upstream venture founded by predecessors to Chevron and ExxonMobil. Its upstream operations are predominantly based in the Kingdom, and it operates a global downstream business. Saudi Aramco has two reportable segments, namely upstream and downstream, which are supported by corporate activities.

For the year ended 31 December 2024 and the three-month period ended 31 March 2025, Saudi Aramco generated SAR 508.9 billion (\$135.7 billion) and SAR 118.9 billion (\$31.7 billion) in net cash provided by operating activities and SAR 320.0 billion (\$85.3 billion) and SAR 71.8 billion (\$19.2 billion) of Free Cash Flow, respectively. Saudi Aramco operates within a conservative financial framework that ensures its ability to invest through oil price cycles to maximise its long-term value and meet its sustainability ambitions. Its Gearing ratio was 4.5% and 5.3% as at 31 December 2024 and 31 March 2025, respectively. Free Cash Flow and Gearing are non-IFRS financial measures.

For a definition of Free Cash Flow and Gearing and a reconciliation to the nearest financial measures calculated in accordance with IFRS, see “*Non-IFRS Financial Measures*”.

Upstream

Saudi Aramco is a major producer of crude oil and condensate. For the three-month period ended 31 March 2025, it produced 12.3 million barrels per day of oil equivalent and, for the year ended 31 December 2024, it produced 12.4 million barrels per day of oil equivalent, including 10.3 million barrels per day of liquids. Saudi Aramco manages the Kingdom’s unique reserves and resource base to maximise long-term value pursuant to the Hydrocarbons Law, which mandates that Saudi Aramco’s hydrocarbon operations promote long-term productivity of the Kingdom’s reservoirs and support the prudent stewardship of its hydrocarbon resources.

As at 31 December 2024, the Kingdom’s reserves in the fields Saudi Aramco operates consisted of 341.3 billion barrels of oil equivalent, including 261.7 billion barrels of crude oil and condensate, 37.5 billion barrels of NGL and 255.1 trillion standard cubic feet of natural gas.

Pursuant to the Concession, effective 24 December 2017, Saudi 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 Saudi Aramco satisfies certain conditions commensurate with current operating practices. In addition, the Concession may be extended for an additional 40 years beyond the prior 60-year period subject to Saudi Aramco and the Government agreeing on the terms of the extension. See “*Material Agreements—The Concession*”. The provision of a specified term in the Concession impacts the calculation of Saudi Aramco’s reserves as compared to the Kingdom’s reserves in the fields Saudi Aramco operates. The Concession also requires Saudi Aramco to meet domestic demand for certain hydrocarbons, petroleum products and LPG through domestic production or imports.

As at 31 December 2024, based on the initial 40-year period (which began in 2017) and 20-year extension of the Concession, Saudi Aramco’s reserves were 250.0 billion barrels of oil equivalent (sufficient for a proved reserves life of 55 years), consisting of 189.8 billion barrels of crude oil and condensate, 26.1 billion barrels of NGL and 209.8 trillion standard cubic feet of natural gas.

Saudi Aramco’s average upstream lifting cost was SAR 13.24 (\$3.53) per barrel of oil equivalent produced in 2024. In addition, its upstream capital expenditures for the year ended 31 December 2024 averaged SAR 31.1 (\$8.3) per barrel of oil equivalent produced. Saudi Aramco’s low cost position is due to its low depletion rate operational model, the unique nature of the Kingdom’s geological formations, favourable onshore and shallow water offshore environments in which Saudi Aramco’s reservoirs are located, synergies available from Saudi Aramco’s use of its large infrastructure and logistics networks and its scaled application of technology. Given the quality of most of Saudi 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.

The Government determines the Kingdom’s maximum level of crude oil production in the exercise of its sovereign prerogative and requires Saudi Aramco to maintain MSC in excess of its then current production in accordance with the Hydrocarbons Law. It also uses this spare capacity as an alternative supply option in case of unplanned production outages and to maintain its production levels.

Saudi Aramco is the exclusive supplier of natural gas in the Kingdom. It owns and operates the Master Gas System (the “**MGS**”), which is an extensive network of pipelines that connects its key gas production and processing sites with customers throughout the Kingdom. The system’s current capacity is 12.5 bscfd of natural gas and it supplies eastern, central, and western industrial complexes. Saudi Aramco has also commenced reproduction activities from the Hawiyah Unayzah reservoir gas storage programme, which supplies up to 2.0 bscfd of gas for reintroduction into the MGS. This enhances Saudi Aramco’s ability to respond to seasonality of demand, driven by utility sector demand patterns, and improves the utilisation rate of its gas assets. In support of its plan to develop its unconventional resources, in November 2021, Saudi Aramco commenced development of the Jafurah unconventional gas field. The Jafurah field is expected to commence production in 2025 and will gradually increase

natural gas deliveries to reach a rate of 2.0 bscfd by 2030, which is expected to support growing local energy demand and provide feedstock for hydrogen and ammonia production.

Saudi Aramco expects to further expand its oil and gas reserves through new field discoveries, new reservoir additions in existing fields and delineation and reassessment of existing reservoirs and fields.

Downstream

Saudi Aramco has a large and growing, strategically integrated global downstream business. The downstream segment's activities consist primarily of refining, petrochemicals, supply and trading, distribution, retail, base oils, lubricants and power generation.

As at 31 December 2024, Saudi Aramco had gross refining capacity of 7.7 million barrels per day and net refining capacity of 4.1 million barrels per day. The strategic integration of Saudi Aramco's upstream and downstream segments provides opportunities for Saudi Aramco 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. In addition, the integration of Saudi 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.

Saudi Aramco's downstream business is the single largest customer for the upstream business's crude oil production, consuming 53% and 56% of its crude oil production in the year ended 31 December 2024 and the three-month period ended 31 March 2025, respectively. Its upstream business produces all the crude oil supplied to and processed by Saudi Aramco's refineries in the Kingdom and the majority of crude oil used by its international refineries. As at 31 December 2024, Saudi Aramco's weighted average ownership percentage in its international refineries was 35%, but it supplied an average of 53% of the crude oil used by those refineries for the year ended 31 December 2024. This crude oil placement provides benefits to both Upstream and Downstream by safeguarding outlets for Upstream with additional benefits to the downstream operations, including a secure and reliable supply of high-quality crude oil, which helps to ensure a secure and reliable supply of refined and chemicals products to its downstream customers. In addition, Saudi Aramco intends to continue to grow its liquids-to-chemicals business, with a goal to increase its capacity in petrochemical producing complexes to up to four million barrels per day by 2030.

As the sole supplier to the large domestic marketplace, Saudi Aramco's refining operations in the Kingdom, including its domestic affiliates, accounted for 62% of its net refining capacity in 2024. In addition to its domestic focus, Saudi Aramco is focusing its downstream investments in economies of high-growth, including China, India and Southeast Asia, while maintaining and opportunistically expanding its participation in material demand centres, such as the United States and Europe, and countries that rely on importing crude oil, such as Japan and South Korea.

Saudi Aramco's chemicals business operates in numerous countries around the world and spans from production of basic chemicals such as aromatics, olefins and polyolefins to more complex products such as polyols, isocyanates and synthetic rubber. The chemicals business continues to grow through capacity expansions in the Kingdom, increased ownership positions in affiliates and new investments. Since the acquisition of a 70% stake in Saudi Basic Industries Corporation ("SABIC"), Saudi Aramco has sought to achieve synergies in procurement, supply chain, marketing, feedstock optimisation, stream integration, operations and maintenance. Saudi Aramco expects to capture approximately SAR 11.3 billion to SAR 15.0 billion (\$3.0 billion to \$4.0 billion) in annual recurring synergies from this acquisition by the end of 2025. Its investment in SABIC makes it a major global producer of petrochemicals and expands its capabilities in technology and product innovation, marketing and sales, procurement and manufacturing, among others. Its chemicals business is focused on participation in high-growth chemical markets with demand from industries such as electronics, automotive, appliances and packaging, among others.

In 2021, Saudi Aramco's downstream segment launched a transformation programme, seeking to realise incremental value from its portfolio through yield enhancements, hydrocarbon value integration, trading and cost reduction. In support of this effort, a new Downstream operating model has been implemented, creating a more

agile business. The ongoing transformation programme has delivered estimated incremental EBIT of SAR 15.0 billion (\$4.0 billion) in 2024 against its 2021 baseline.

Saudi Aramco's downstream segment also includes its crude oil marketing and product sales, distribution, retail and trading operations. These operations support Saudi Aramco's upstream and downstream operations by enabling it to optimise crude oil sales and product placement through its significant infrastructure network of pipelines and terminals and access to shipping and logistics resources. Saudi Aramco has trading offices operating in five global geographic locations worldwide, giving wider access to customers and greater market coverage. Saudi Aramco also maintains flexibility to respond to fluctuations in demand through its five crude oil grades and MSC. This flexibility contributes to its ability to meet its customers' needs and its reputation as one of the most reliable suppliers of crude oil and refined products, gas and NGL, meeting 99.9% of its delivery obligations on time in 2022, 99.8% in 2023, 99.7% in 2024 and 100% for the first three months of 2025.

Corporate

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

Furthermore, Saudi Aramco intends to foster domestic businesses with the aim to grow its returns, enhance the reliability and resilience of its local supply chain and support the economic growth and diversification of the Kingdom's economy. Under its National Champions programme, which encompasses a set of initiatives to enable in-Kingdom business development, Saudi Aramco seeks to facilitate the creation of a diverse, sustainable, and globally competitive in-Kingdom energy sector as well as other diversified sectors. The National Champions programme encompasses a set of programmes (Namaat, Taleed, Wa'ed and Lab 7) focused around four strategic domains, namely manufacturing, industrial, sustainability, and digital, that aim to support the development of initial ideas for small, medium and large-sized enterprises to become global businesses, and aligns with the Kingdom's Vision 2030 and its Shareek programme as well as other government incentives programmes. National Champions together with the other corporate program, iktva, support in-Kingdom economic growth, innovation, job creation and small, medium and large-sized enterprise development.

Corporate History and Evolution

On 29 May 1933, the Government granted a concession to Socal giving it the right to explore for oil within the Kingdom's borders. Later that year, Socal incorporated CASOC as a subsidiary to manage the concession. Texaco acquired a 50% interest in CASOC in 1936. CASOC's first commercial success came in 1938 at a drill site in Dhahran, which quickly began producing more than 1,500 barrels of crude oil per day. In 1944, CASOC was renamed Arabian American Oil Company. In 1948, Standard Oil Company of New Jersey, which later became Exxon, purchased 30% of Arabian American Oil Company, and Socony-Vacuum Oil Company, which later became Mobil, purchased 10% to help provide market outlets and capital for the Kingdom's hydrocarbon reserves. In 1952, Arabian American Oil Company's headquarters moved from New York to Dhahran, and in 1973, the Government acquired an initial 25% participating interest in the concession, which increased to 60% in the following year. Arabian American Oil Company continued to grow and had become the world's largest oil producer in terms of volume produced in a single year by 1976. Between 1980 and 1981, the Government increased its participation interest in Arabian American Oil Company's crude oil concession rights, production and facilities to 100%. During the 1980s, Arabian American Oil Company increased its production volumes and expanded its infrastructure with the construction of the East-West pipeline, a 1,200 kilometer pipeline dedicated to transporting crude oil from Dhahran to Yanbu' on the Red Sea. In the 1980s and 1990s, Arabian American Oil Company established refining and marketing joint ventures in strategic geographies around the globe in order to further expand its market and product offerings.

In 1988, Saudi Arabian Oil Company, also known as Saudi Aramco, was established as a company with limited liability by virtue of Royal Decree No. M/8, dated 04/04/1409 in the Hijri calendar (corresponding to 13 November 1988), to assume the privileges and rights under the Original Concession.

On 1 January 2018, the Company was converted into a joint stock company pursuant to Council of Ministers Resolution No. 180 dated 01/04/1439 in the Hijri calendar (corresponding to 19 December 2017) and was registered in the city of Dhahran under commercial registration No. 2052101150 dated 11/07/1439 in the Hijri calendar (corresponding to 28 March 2018) with Saudi Arabian Oil Company (Saudi Aramco) as its official name.

On 11 December 2019, the Company completed its initial public offering (“**IPO**”) and its ordinary shares were listed on the Saudi Exchange. In connection with the IPO, the Government, being the sole owner of the Shares at such time, sold 3.45 billion ordinary shares, or 1.725% of the Shares. In addition, concurrently with the IPO, the Company acquired 117.2 million of its Shares from the Government for a cash payment of SAR 3.75 billion (\$1.0 billion) and classified them as treasury shares for use by the Company for its employee share plans. On 13 February 2022, the Government announced the transfer of 4% of the Company’s issued Shares to the Public Investment Fund (“**PIF**”), followed by an additional 4% on 16 April 2023 to Sanabil Investments, a wholly owned subsidiary of the PIF, and an additional 8% on 7 March 2024 to the portfolios of PIF’s wholly-owned companies. In June 2024, the Government completed a secondary public offering of its shares in the Company, selling 1.7 billion ordinary shares (the “**Secondary Public Offering**”), equivalent to 0.7% of the Shares (including the overallotment option). This includes 137.6 million ordinary shares acquired by the Company from the Government for a cash payment of SAR 3,750 million, which have been classified as treasury shares. These treasury shares will be used by the Company for its employee share plans. As a result, the Government currently directly owns 81.48% of the Shares.

The Company’s registered office is P.O. Box 5000, Dhahran 31311, Kingdom of Saudi Arabia and its telephone number is +966 13 873-6050. The Company’s website is www.aramco.com.

Vision

Saudi Aramco’s vision is to be the world’s pre-eminent integrated energy and chemicals company, operating in a safe, sustainable and reliable manner.

Mission

Saudi Aramco strives to provide reliable, affordable and more sustainable energy to communities around the world, and to deliver value to its shareholders through business cycles by maintaining its pre-eminence in oil and gas production and its leading position in chemicals, aiming to capture value across the energy value chain and profitably growing its portfolio.

Strategy

- Saudi Aramco intends to continue to invest in crude oil exploration and production to maintain its position as the world’s largest crude oil company by production volume.
- Saudi Aramco plans to further expand its gas business, including by developing its unconventional gas resources, increasing production and investing in additional infrastructure to meet the large and growing domestic demand for low-cost, lower carbon intensity energy.
- Saudi Aramco intends to continue the strategic integration of its upstream and downstream businesses to capture additional value across the hydrocarbon chain.
- Saudi Aramco’s strategy for lower carbon intensity energy, which seeks to address climate-related risks and opportunities, aims to de-risk its business and maintain competitiveness and differentiation in carbon-constrained scenarios.
- Saudi Aramco is seeking to foster domestic businesses that will increase the long-term reliability of its supply chain and contribute to the Kingdom’s economic development.

Key Enablers

The key enablers of Saudi Aramco’s strategies are its people, technology and approach to portfolio optimisation.

Competitive Strengths and Advantages of Saudi Aramco

Upstream Competitive Strengths

- Unrivalled scale of crude oil and condensate production and conventional proved reserves
- Long reserves life and proven track record of low-cost reserves replacement
- Ability to produce multiple crude oil grades with access to global delivery points
- Extensive high-quality gas reserves with exclusive access to the Kingdom's large and growing domestic marketplace
- Unique ability to capture value through exclusive active management of the world's largest conventional hydrocarbons reserves base
- Unique operational flexibility and opportunities to rapidly increase its crude oil production
- Crude oil extraction with one of the lowest average upstream carbon intensities in the industry
- Low lifting costs and capital expenditures per barrel of oil equivalent

Downstream Competitive Strengths

- Ability to monetise upstream production into a high-quality external customer base and through a captive downstream system
- Strong track record of supply reliability
- World class partners that provide access to additional geographies, technological expertise, operational know-how and marketing capabilities
- Major petrochemicals producer globally
- Major integrated refiner and base oils and finished lubricant producer with a global network of complex, reliable assets in key regional markets and hubs
- Scale advantage with one of the largest refining portfolios globally
- Globally integrated trading activities, which optimizes crude and product supply to maximise returns

Financial and Other Competitive Strengths

- High Operating Cash Flow, Free Cash Flow, EBIT and ROACE and low Gearing
- Ability to execute some of the world's largest upstream and downstream capital projects
- History of responsible environmental stewardship
- World scale integrated upstream and downstream infrastructure

Overview of the Programme

The following general description does not purport to be complete and is qualified in its entirety by the remainder of this Base Prospectus. Words and expressions defined in “Form of the Notes”, or “Terms and Conditions of Notes” below shall have the same meanings in this general description.

Issuer	Saudi Arabian Oil Company (Saudi Aramco).
Issuer’s Legal Entity Identifier (LEI):	5586006WD91QHB7J4X50.
Description	Global Medium Term Note Programme.
Arrangers and Dealers	Citigroup Global Markets Limited HSBC Bank plc J.P. Morgan Securities plc
Dealers	Citigroup Global Markets Limited Goldman Sachs International HSBC Bank plc J.P. Morgan Securities plc Morgan Stanley & Co. International plc SNB Capital Company and any other Dealers appointed in accordance with the Dealer Agreement.
Trustee	Citibank N.A., London Branch.
Principal Paying Agent, Transfer Agent and the Calculation Agent	Citibank N.A., London Branch.
Registrar	Citibank Europe plc, Germany Branch.
Programme Size	The Programme size is unlimited.
Issuance	Notes will be issued on a syndicated or non-syndicated basis. Notes will be issued in Series. Each Series may comprise one or more Tranches issued on different issue dates. The Notes of each Series will all be subject to identical terms, except that the issue date, issue price and the amount of the first payment of interest may be different in respect of different Tranches. The Notes of each Tranche will all be subject to identical terms in all respects save that a Tranche may comprise Notes of different denominations. Each Tranche will be the subject of Final Terms which, for the purposes of that Tranche only, completes the Conditions of the Notes and must be read in conjunction with this Base Prospectus. The terms and conditions applicable to any particular Tranche of Notes are the terms and conditions of the Notes set out herein (the “ Conditions ”) as completed by the applicable Final Terms. See Condition 1 (<i>Form, Denomination and Title</i>) and “ <i>Form of Final Terms</i> ”.

Forms of Notes	Each Series of Notes will be issued in registered form only. The Rule 144A Notes and the Regulation S Notes will initially be represented by the Rule 144A Global Note and the Regulation S Global Note, respectively. The Global Notes will be exchangeable for Definitive Notes (as defined herein) in the limited circumstances specified in the Global Notes. See Condition 1 (<i>Form, Denomination and Title</i>).
Clearing Systems	Unless otherwise agreed, DTC (in relation to any Rule 144A Notes) and Clearstream, Luxembourg and Euroclear (in relation to any Regulation S Notes) and such other clearing system as may be agreed among the Issuer, the Principal Paying Agent, the Trustee and the relevant Dealer(s). See “<i>Form of the Notes</i>”.
Currencies	Notes may be denominated in any currency or currencies, subject to compliance with all applicable legal and/or regulatory and/or central bank requirements, as specified in the applicable Final Terms. Payments in respect of Notes may, subject to such compliance, be made in, and/or linked to, any currency or currencies other than the currency in which such Notes are denominated. See “<i>Form of Final Terms</i>”.
Status of the Notes	The Notes will constitute direct, general, unconditional and unsecured obligations of the Issuer which will rank <i>pari passu</i> in right of payment with all other present and future unsubordinated obligations of the Issuer, save only for such obligations as may be preferred by mandatory provisions of applicable law. See Condition 3 (<i>Status of the Notes</i>).
Issue Price.....	Notes may be issued on a fully-paid basis and at any price, as specified in the applicable Final Terms. See “<i>Form of Final Terms</i>”.
Maturities	Any maturity, as specified in the applicable Final Terms, subject, in relation to specific currencies, to compliance with all applicable legal and/or regulatory and/or central bank requirements. See Condition 6 (<i>Redemption and Purchase</i>) and “<i>Form of Final Terms</i>”.
Redemption	The applicable Final Terms will indicate either that the relevant Notes cannot be redeemed prior to their stated maturity (other than (i) for taxation reasons as described in Condition 6.2 (<i>Redemption for tax reasons</i>) or (ii) following an Event of Default) or that such Notes will be redeemable at the option of the Issuer and/or the Noteholders (including, where specified as being applicable in the applicable Final Terms following the occurrence of a Change of Control Put Event, as described below) upon giving notice to the Noteholders or the Issuer, as the case may be, on a date or dates specified in the applicable Final Terms prior to such stated maturity, and at a price or prices specified

in the applicable Final Terms and on such other terms as may be agreed between the Issuer and the relevant Dealer(s).

See Condition 6 (*Redemption and Purchase*) and “*Form of Final Terms*”.

Make Whole Redemption

The Final Terms will state whether such Notes may be subject to a make whole redemption prior to their stated maturity at the option of the Issuer (either in whole or in part), and if so the terms applicable to such redemption.

See Condition 6.5 (*Redemption at the option of the Issuer (Make Whole Call)*) and “*Form of Final Terms*”.

Change of Control Put

If so specified in the applicable Final Terms, on the occurrence of a Change of Control Put Event, the Noteholders will have the option to require the Issuer to redeem the Notes.

See Condition 6.7 (*Redemption at the option of the Noteholders (Change of Control Put)*).

Specified Denomination

The Notes will be issued in such denominations as may be agreed between the Issuer and the relevant Dealer(s) save that (i) the minimum denomination of each Note will be such amount as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the relevant specified currency and (ii) the minimum denomination of each Note will be €100,000 (or, if the Notes are denominated in a currency other than Euro, the equivalent amount in such currency).

For so long as the Notes are represented by a Global Note, and the relevant clearing system(s) so permit, the Notes shall be tradeable only in the minimum authorised denomination of €100,000 and higher integral multiples of any smaller amount specified in the applicable Final Terms.

Notes (including Notes denominated in sterling) which have a maturity of less than one year and in respect of which the issue proceeds are to be accepted by the Issuer in the United Kingdom or whose issue otherwise constitutes a contravention of Section 19 of the FSMA will have a minimum denomination of £100,000 (or its equivalent in another currency).

See Condition 1 (*Form, Denomination and Title*).

Interest.....

Notes may be interest bearing or non-interest bearing. Interest (if any) may accrue at a fixed rate or a floating rate.

See Condition 4 (*Interest*) and “*Form of Final Terms*”.

Fixed Rate Notes

Fixed interest will be payable in arrear on such date or dates as may be agreed between the Issuer and the relevant Dealer(s) and on redemption and will be calculated on the basis of such Day Count Fraction as may be agreed between the Issuer and the relevant Dealer(s).

See Condition 4.1 (*Interest on Fixed Rate Notes*) and “*Form of Final Terms*”.

Floating Rate Notes

Floating Rate Notes will bear interest at a rate determined:

- (a) on the same basis as the floating rate under a notional interest rate swap transaction in the relevant Specified Currency governed by an agreement incorporating either the 2006 ISDA Definitions (as published by the International Swaps and Derivatives Association, Inc., (“**ISDA**”) and as amended and updated as at the Issue Date of the first Tranche of the Notes of the relevant Series) or the latest version of 2021 ISDA Interest Rate Derivatives Definitions (as published by ISDA as of the Issue Date of the first Tranche of the Notes of the relevant Series);
- (b) on the basis of a reference rate (EURIBOR or SOFR) appearing on the agreed screen page of a commercial quotation service; or
- (c) on such other basis as may be agreed between the Issuer and the relevant Dealer(s).

The margin (if any) relating to such floating rate will be agreed between the Issuer and the relevant Dealer(s) for each Series of Floating Rate Notes.

Floating Rate Notes may also have a maximum interest rate, a minimum interest rate or both.

Interest on Floating Rate Notes in respect of each Interest Period, as agreed prior to issue by the Issuer and the relevant Dealer(s), will be payable on such Interest Payment Dates, and will be calculated on the basis of such Day Count Fraction, as may be agreed between the Issuer and the relevant Dealer(s).

See Condition 4.2 (*Interest on Floating Rate Notes*) and “*Form of Final Terms*”.

Zero Coupon Notes.....

Zero Coupon Notes will be offered and sold at a discount to their nominal amount and will not bear interest.

Negative Pledge.....

The Notes contain no negative pledge.

Cross Default.....

The Notes contain no cross default.

Taxation.....

All payments in respect of Notes will be made free and clear of withholding taxes of the Kingdom and other Relevant Tax Jurisdictions (as defined in Condition 7 (*Taxation*)) unless the withholding is required by law.

In the event that any taxes, duties, assessments or governmental charges are imposed, levied, collected, withheld or assessed by the Kingdom of Saudi Arabia or any other relevant jurisdictions on payments of principal and interest in respect of the Notes, the Issuer will, subject to certain exceptions and limitations, pay such additional amounts to the holder of any Note as will result in receipt by the

Noteholders of such amounts as would have been received by them if no such withholding or deduction on account of any such taxes had been required.

See Condition 7 (*Taxation*).

ERISA..... Generally, Notes may be acquired and held by employee benefit plans and other plans that are subject to the U.S. Employee Retirement Income Security Act of 1974, as amended (“**ERISA**”), or Section 4975 of the Code (as defined below) and by other employee benefit plans, subject to certain restrictions. Purchasers, transferees and holders of Notes will be deemed to have given certain assurances regarding ERISA and Section 4975 of the Code.

Ratings..... Tranches of Notes may be rated or unrated. Where a Tranche of Notes is to be rated, such rating will be specified in the applicable Final Terms.

A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.

Governing Law English law.

See Condition 17.1 (*Governing Law*).

Listing..... Application has been made for Notes issued under the Programme to be admitted to the Official List and to be admitted to trading on the Main Market. This Base Prospectus and any supplement will only be valid for listing Notes on the Official List and admitting Notes to trading on the Main Market in respect of Notes having a denomination of at least €100,000 (or its equivalent in any other currency as at the date of issue of the Notes) during a period of 12 months from the date of this Base Prospectus.

Selling Restrictions The offering and sale of Notes is subject to applicable laws and regulation, including, without limitation, those of the United States, Canada, the European Economic Area, the United Kingdom, Switzerland, the Kingdom of Saudi Arabia, the Kingdom of Bahrain, the State of Kuwait, the United Arab Emirates (excluding the Abu Dhabi Global Market (the “**ADGM**”) and the Dubai International Financial Centre (the “**DIFC**”)), the ADGM, the DIFC, the State of Qatar (including the Qatar Financial Centre), Japan, Hong Kong, South Korea, Singapore, Malaysia, Indonesia, Brunei, the People’s Republic of China, the Republic of Italy and Taiwan. See “*Subscription and Sale*”.

Risk Factors Investing in the Notes involves a high degree of risk.

See “*Risk Factors*”.

USE OF PROCEEDS

The net proceeds from each issue of Notes will be used by Saudi Aramco for general corporate purposes or for any other purpose specified in the Final Terms for a Series of Notes.

CAPITALISATION

The following table provides the capitalisation of Saudi Aramco as at 31 December 2024 and 31 March 2025. The following table should be read in conjunction with “*Selected Consolidated Financial Information*”, “*Management’s Discussion and Analysis of Financial Position and Results of Operations*” and the Financial Statements.

	As at 31 December 2024		As at 31 March 2025	
	SAR	U.S.\$	SAR	U.S.\$
	(in millions)			
Cash and cash equivalents	216,642	57,771	202,698	54,053
Current liabilities	299,263	79,804	283,956	75,722
Non-current liabilities	473,012	126,136	493,718	131,658
Total equity:				
Share capital	90,000	24,000	90,000	24,000
Additional paid-in capital	26,981	7,195	26,981	7,195
Treasury shares	(3,943)	(1,052)	(3,528)	(941)
Retained earnings:				
Unappropriated	1,342,442	357,984	1,356,603	361,761
Appropriated	6,000	1,600	6,000	1,600
Other reserves	(3,251)	(866)	(2,438)	(650)
Non-controlling interests	193,126	51,500	193,510	51,603
Total equity	1,651,355	440,361	1,667,128	444,568
Total capitalisation	2,640,272	704,072	2,647,500	706,001

Source: The Company and the Financial Statements.

SELECTED CONSOLIDATED FINANCIAL INFORMATION

The financial information of Saudi Aramco set forth below as at and for the years ended 31 December 2022, 2023 and 2024 and for the three-month periods ended 31 March 2024 and 2025 has been derived from, and should be read in conjunction with, the Financial Statements contained elsewhere in this Base Prospectus.

Prospective investors should read the selected financial information in conjunction with the information presented under the headings “Risk Factors” and “Management’s Discussion and Analysis of Financial Position and Results of Operations” and the Financial Statements and other financial data included elsewhere in this Base Prospectus.

Consolidated Statement of Income Data

	Year Ended 31 December				Three-Month Period Ended 31 March		
	2022	2023	2024	2024	2024	2025	2025
	SAR	SAR	SAR	U.S.\$	SAR	SAR	U.S.\$
	(in millions)						
Revenue	2,006,955	1,653,281	1,637,299	436,613	402,037	405,646	108,172
Other income related to sales	259,418	203,092	164,375	43,833	35,810	23,966	6,391
Revenue and other income related to sales	2,266,373	1,856,373	1,801,674	480,446	437,847	429,612	114,563
Royalties and other taxes	(341,510)	(231,795)	(200,532)	(53,475)	(52,232)	(40,799)	(10,880)
Purchases	(490,690)	(471,225)	(509,430)	(135,848)	(110,011)	(120,163)	(32,043)
Producing and manufacturing	(101,912)	(96,523)	(110,275)	(29,406)	(24,271)	(32,389)	(8,637)
Selling, administrative and general	(83,700)	(76,890)	(89,235)	(23,796)	(22,109)	(18,852)	(5,027)
Exploration	(8,447)	(9,416)	(8,552)	(2,281)	(2,593)	(2,008)	(535)
Research and development	(4,419)	(5,197)	(5,816)	(1,550)	(1,156)	(1,142)	(305)
Depreciation and amortisation	(91,618)	(97,040)	(103,209)	(27,523)	(23,427)	(22,898)	(6,106)
Operating costs	(1,122,296)	(988,086)	(1,027,049)	(273,879)	(235,799)	(238,251)	(63,533)
Operating income	1,144,077	868,287	774,625	206,567	202,048	191,361	51,030
Share of results of joint ventures and associates	2,873	(4,001)	(4,966)	(1,324)	(778)	(1,962)	(523)
Finance and other income	14,894	31,967	22,891	6,104	6,769	3,661	976
Finance costs	(8,882)	(8,186)	(10,540)	(2,811)	(3,025)	(2,766)	(738)
Income before income taxes and zakat	1,152,962	888,067	782,010	208,536	205,014	190,294	50,745
Income taxes and zakat	(548,957)	(433,303)	(383,588)	(102,290)	(102,743)	(92,751)	(24,734)
Net income	604,005	454,764	398,422	106,246	102,271	97,543	26,011
Net income/(loss) attributable to:							
Shareholders’ equity	597,215	452,753	393,891	105,038	103,356	95,676	25,513
Non-controlling interests	6,790	2,011	4,531	1,208	(1,085)	1,867	498
	604,005	454,764	398,422	106,246	102,271	97,543	26,011

Source: The Financial Statements.

Selected Consolidated Balance Sheet Data

	As at 31 December				As at 31 March		
	2022	2023	2024	2024	2024	2025	2025
	SAR	SAR	SAR	U.S.\$	SAR	SAR	U.S.\$
	(in millions)						
Cash and cash equivalents	226,047	198,973	216,642	57,771	243,972	202,698	54,053
Property, plant and equipment	1,303,266	1,384,717	1,494,318	398,485	1,411,857	1,532,437	408,650
Total assets	2,492,924	2,477,940	2,423,630	646,301	2,481,139	2,444,802	651,948
Total borrowings	393,144	290,147	319,290	85,143	291,831	326,068	86,952
Total liabilities	826,777	740,848	772,275	205,940	758,764	777,674	207,380
Total equity	1,666,147	1,737,092	1,651,355	440,361	1,722,375	1,667,128	444,568

Source: The Financial Statements.

Selected Consolidated Statement of Cash Flows Data

	Year Ended 31 December				Three-Month Periods Ended 31 March		
	2022	2023	2024	2024	2024	2025	2025
	SAR	SAR	SAR	U.S.\$	SAR	SAR	U.S.\$
	(in millions)						
Net cash provided by/(used in):							
Operating activities	698,152	537,814	508,888	135,704	125,969	118,908	31,709
Investing activities	(389,009)	(54,019)	(2,861)	(763)	48,030	(47,007)	(12,535)
Financing activities	(382,675)	(510,869)	(488,358)	(130,229)	(129,000)	(85,845)	(22,892)

Source: The Financial Statements.

NON-IFRS FINANCIAL MEASURES

Prospective investors should read the below information in conjunction with the information presented under the headings “Risk Factors”, “Selected Consolidated Financial Information” and “Management’s Discussion and Analysis of Financial Position and Results of Operations” and the Financial Statements and other financial data included elsewhere in this Base Prospectus.

Saudi Aramco supplements its use of IFRS financial measures with non-IFRS financial measures, including Free Cash Flow, Gearing, ROACE, EBIT and EBITDA, which the Company uses in the analysis of its business and financial position. These non-IFRS financial measures are not defined by, nor presented in accordance with, IFRS. These non-IFRS financial measures are not measurements of Saudi 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. These non-IFRS financial measures are not intended to be predictive of future results. In addition, other companies, including those in Saudi Aramco’s industry, may calculate similarly titled non-IFRS financial measures differently. Because companies do not necessarily calculate these non-IFRS financial measures in the same manner, Saudi 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.

Free Cash Flow

Saudi Aramco uses Free Cash Flow to evaluate Saudi Aramco’s cash available for financing activities, including dividend payments. Saudi Aramco defines Free Cash Flow as net cash provided by operating activities less capital expenditures.

The following table sets forth Saudi Aramco’s Free Cash Flow for the years ended 31 December 2022, 2023 and 2024 and for the three-month periods ended 31 March 2024 and 2025:

	Year Ended 31 December				Three-Month Periods Ended 31 March		
	2022 SAR	2023 SAR	2024 SAR	2024 U.S.\$	2024 SAR <i>(in millions)</i>	2025 SAR	2025 U.S.\$
Net cash provided by operating activities	698,152	537,814	508,888	135,704	125,969	118,908	31,709
Capital expenditures	(141,161)	(158,308)	(188,890)	(50,371)	(40,621)	(47,059)	(12,549)
Free Cash Flow	556,991	379,506	319,998	85,333	85,348	71,849	19,160

Source: The Company.

Gearing

Gearing is a measure of the degree to which Saudi Aramco’s operations are financed by debt. Saudi Aramco defines Gearing as the ratio of net (cash)/debt (total borrowings less cash and cash equivalents, short-term investments, investment 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.

The following table sets forth Saudi Aramco's Gearing as at 31 December 2022, 2023 and 2024, and as at 31 March 2025.

	As at 31 December				As at 31 March	
	2022	2023	2024	2024	2025	2025
	SAR	SAR	SAR	U.S.\$	SAR	U.S.\$
			(in millions, except percentages)			
Current borrowings	74,764	63,666	57,557	15,348	45,204	12,054
Non-current borrowings	318,380	226,481	261,733	69,795	280,864	74,898
Total borrowings	393,144	290,147	319,290	85,143	326,068	86,952
Cash and cash equivalents	(226,047)	(198,973)	(216,642)	(57,771)	(202,698)	(54,053)
Short-term investments	(281,215)	(184,343)	(13,186)	(3,516)	(19,327)	(5,154)
Investment in debt securities ⁽¹⁾	(8,565)	(9,584)	(11,384)	(3,037)	(11,602)	(3,094)
Non-current cash investments	-	-	-	-	-	-
Net debt/(cash)	(122,683)	(102,753)	78,078	20,819	92,441	24,651
Total equity	1,666,147	1,737,092	1,651,355	440,361	1,667,128	444,568
Total equity and net debt/(cash)	1,543,464	1,634,339	1,729,433	461,180	1,759,569	469,219
Gearing	(7.9)%	(6.3)%	4.5%	4.5%	5.3%	5.3%

Source: The Company.

- (1) Investments in debt securities form part of other assets and receivables under current assets, and investments in securities under non-current assets. Investments in debt securities (current and non-current) are comprised of SAR 1,866 million (\$498 million) and SAR 9,736 million (\$2,596 million) as at 31 March 2025, and SAR 1,656 million (\$442 million) and SAR 9,728 million (\$2,595 million) as at 31 December 2024.

Return on Average Capital Employed

ROACE measures the efficiency of Saudi Aramco's utilisation of capital. Saudi Aramco defines ROACE as net income before finance costs, net of income taxes and zakat, for a period as a percentage of average capital employed during that period. Average capital employed is the average of Saudi Aramco's total borrowings plus total equity at the beginning and end of the applicable period. Saudi Aramco utilises ROACE to evaluate management's performance and demonstrate to its shareholders that capital has been used effectively.

The following table sets forth Saudi Aramco's ROACE for the years ended 31 December 2022, 2023 and 2024 and for the twelve months ended 31 March 2025:

	Year Ended 31 December				Twelve Months Ended 31 March	
	2022	2023	2024	2024	2025	2025
	SAR	SAR	SAR	U.S.\$	SAR	U.S.\$
			(in millions, except percentages)			
Net income	604,005	454,764	398,422	106,246	393,694	104,985
Finance costs, net of income taxes and zakat	4,441	4,093	5,270	1,406	5,141	1,371
Net income before finance costs, net of income taxes and zakat	608,446	458,857	403,692	107,652	398,835	106,356
As at period start:						
Current borrowings	74,550	74,764	63,666	16,978	51,521	13,739
Non-current borrowings	436,371	318,380	226,481	60,395	240,310	64,083
Total equity	1,280,668	1,666,147	1,737,092	463,225	1,722,375	459,300
Capital employed	1,791,589	2,059,291	2,027,239	540,598	2,014,206	537,122
As at period end:						
Current borrowings	74,764	63,666	57,557	15,348	45,204	12,054
Non-current borrowings	318,380	226,481	261,733	69,795	280,864	74,898
Total equity	1,666,147	1,737,092	1,651,355	440,361	1,667,128	444,568
Capital employed	2,059,291	2,027,239	1,970,645	525,504	1,993,196	531,520
Average capital employed	1,925,440	2,043,265	1,998,942	533,051	2,003,701	534,321
ROACE	31.6%	22.5%	20.2%	20.2%	19.9%	19.9%

Source: The Company.

EBIT and EBITDA

Saudi Aramco defines EBIT as net income plus finance costs and income taxes and zakat, less finance income and EBITDA as net income plus finance costs, income taxes and zakat, depreciation and amortisation, less finance

income. Saudi Aramco believes EBIT and EBITDA provide useful information regarding its financial performance to analysts and investors.

The following table sets forth Saudi Aramco's EBIT and EBITDA for the years ended 31 December 2022, 2023 and 2024 and for the three-month periods ended 31 March 2024 and 2025:

	2022	Year Ended 31 December		2024	Three-Month Periods Ended 31 March		
	SAR	2023	2024	2024	2024	2025	2025
		SAR	SAR	U.S.\$	SAR	SAR	U.S.\$
				(in millions)			
Net income	604,005	454,764	398,422	106,246	102,271	97,543	26,011
Finance income	(12,425)	(31,216)	(20,254)	(5,401)	(6,655)	(3,532)	(942)
Finance costs	8,882	8,186	10,540	2,811	3,025	2,766	738
Income taxes and zakat	548,957	433,303	383,588	102,290	102,743	92,751	24,734
EBIT	1,149,419	865,037	772,296	205,946	201,384	189,528	50,541
Depreciation and amortisation	91,618	97,040	103,209	27,523	23,427	22,898	6,106
EBITDA	1,241,037	962,077	875,505	233,469	224,811	212,426	56,647

Source: The Company.

MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL POSITION AND RESULTS OF OPERATIONS

The following management’s discussion and analysis of Saudi Aramco’s financial position and results of operations should be read in conjunction with the Financial Statements and other financial data included elsewhere in this Base Prospectus. This management’s discussion and analysis contains forward-looking statements, which involve risks and uncertainties. See “Forward-Looking Statements”. Saudi Aramco’s future actual results could differ materially from those anticipated in the forward-looking statements contained herein for several reasons, including those presented under the section entitled “Risk Factors” and elsewhere in this Base Prospectus.

Overview

Saudi Aramco is the world’s largest integrated energy and chemicals company. In the three-month period ended 31 March 2025, it produced 12.3 million barrels per day of oil equivalent and for the year ended 2024 it produced 12.4 million barrels per day of oil equivalent, including 10.3 million barrels per day of liquids and 10.8 bscfd of natural gas and ethane. As at 31 March 2025, Saudi Aramco had two reportable segments, upstream and downstream, which are supported by corporate activities.

The largest portion of Saudi Aramco’s revenues have historically been derived from its upstream segment. However, the percentage has been decreasing as a result of Saudi Aramco’s recent expansions of its downstream operations. The following table highlights Saudi Aramco’s revenue and other income related to sales by business segment for the years ended 31 December 2022, 2023 and 2024 and for the three-month periods ended 31 March 2024 and 2025, excluding inter-segment revenue:

	2022 SAR		Year Ended 31 December 2023 SAR (in millions, except percentages)		2024 SAR		2024 U.S.\$
Upstream	1,110,103	49%	856,003	46%	774,129	43%	206,434
Downstream	1,154,624	51%	998,419	54%	1,026,447	57%	273,719
Corporate	1,646	—	1,951	—	1,098	—	293
Total	2,266,373	100%	1,856,373	100%	1,801,674	100%	480,446

(1) Total does not include inter-segment revenue.

	2024 SAR		Three-Month Periods Ended 31 March 2025 SAR (in millions, except percentages)			2025 US\$
Upstream	196,837	45%	184,378	43%		49,168
Downstream	240,276	55%	244,492	57%		65,199
Corporate	734	—	742	—		198
Total	437,847	100%	429,612	100%		114,565

(1) Total does not include inter-segment revenue.

In addition, certain of Saudi Aramco’s downstream products sold in the Kingdom are sold at regulated prices mandated by the Government. The regulated prices often are lower than the prices at which Saudi Aramco could otherwise have sold such refined and chemicals products. Pursuant to an equalisation mechanism (which the Government expanded to include LPG and certain other products effective 1 January 2020), the Government compensates Saudi Aramco for the revenue it directly forgoes as a result of its compliance with the mandates related to crude oil and certain refined and chemicals products, with equalisation compensation recorded as other income related to sales. For sales of downstream products that are not subject to Government pricing mandates, prices are unregulated. See “Management’s Discussion and Analysis of Financial Position and Results of Operations—Factors Affecting Saudi Aramco’s Financial Position and Results of Operations—Fiscal Regime”.

Factors Affecting Saudi Aramco’s Financial Position and Results of Operations

The following is a discussion of the most significant factors affecting Saudi Aramco’s financial position and results of operations.

Supply, Demand and Price for Hydrocarbons

Saudi Aramco's upstream segment results of operations are driven primarily by its sales of crude oil, condensate and NGL and depend on global demand and prices for these products. Sales of crude oil are the largest component of Saudi Aramco's consolidated revenue and other income related to sales, accounting for 50.3%, 47.9%, 47.0% and 47.8% of its consolidated revenue and other income related to sales for the years ended 31 December 2022, 2023 and 2024, and for the three-month period ended 31 March 2025, respectively. Accordingly, Saudi Aramco's results of operations and cash flow are significantly impacted by the price at which it sells crude oil.

International crude oil prices have fluctuated significantly in the past and remain volatile. Fluctuations in the price at which Saudi Aramco is able to sell crude oil could cause Saudi Aramco's results of operations and cash flow to vary significantly. In addition, decreases in the price at which Saudi Aramco is able to sell its crude oil could have a material adverse effect on Saudi Aramco's results of operations and cash flow. For further discussion regarding factors affecting the market price for crude oil, see *“Risk Factors—Risks Related to Saudi Aramco's Operations and Activities—Saudi Aramco's results of operations and cash flow are significantly impacted by international crude oil supply and demand and the price at which it sells crude oil”*.

Crude oil is also a major component of the cost of production of refined and chemicals products that use hydrocarbons as a feedstock. However, because prices for refined and chemicals products 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 and chemicals products are also impacted by changes in supply and demand and economic cycles.

In the Kingdom, the Government regulates the oil and gas industry and establishes the Kingdom's maximum level of hydrocarbon 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 at any time based on its strategic energy security goals or for any other reason. Therefore, Saudi Aramco's results of operations may depend in part on sovereign decisions with respect to production levels that are made by the Government.

In addition, the Concession requires the Company to meet domestic demand for certain hydrocarbons, petroleum products and LPG. See *“Material Agreements—The Concession”*. Saudi Aramco's downstream product mix includes a high proportion of low margin refined and chemicals products, such as fuel oil, to satisfy domestic demand for such products. As domestic demand for hydrocarbon products grows and new dedicated outlets for crude oil production in Saudi Aramco's downstream segment reach capacity, volumes of crude oil available for export may decrease.

Upstream Liquids Sales

Almost all of the crude oil that Saudi Aramco produces in a given year is sold within that year. Saudi Aramco sells crude oil to its downstream refineries under long-term sales or offtake agreements. Saudi Aramco's crude oil sales agreements with its third-party customers generally have a term of one year and are automatically renewed if not terminated. All of these agreements are typically for a specified volume and grade of crude oil at a price based on a formula that reflects the market prices in the relevant geographical region in which the oil will be delivered. The pricing formulas use “marker crude oils” in each geographical region to determine a market-based price. The formulas also include price differentials for each grade in each region, which are set by Saudi Aramco on a monthly basis, and reflect crude oil quality differences vis-à-vis the marker crude oil and other factors, such as the value of competing crude oils, in-transit losses, freight allowances and other commercial considerations. As a result, because Saudi Aramco's crude oil prices are tied to global crude oil market prices, Saudi Aramco's results of operations for any given period will reflect volatility in those prices. See *“Business—Operating Segments—Crude Oil and Condensate—Sales and Marketing”*.

In the three-month period ended 31 March 2025, 56% of Saudi Aramco's crude oil production volumes were sold to its downstream refining system, compared to 53% in 2024, 47% in 2023 and 44% in 2022. In anticipation of expected growth in oil demand from Asia, Saudi Aramco is focused on crude oil exports to Asia. In 2022, 2023

and 2024, customers in Asia, including Saudi Aramco's affiliated refineries located in Asia, purchased 79%, 82% and 81%, respectively, of its crude oil exports.

Upstream Gas Sales

Pursuant to the Concession, the Company is the exclusive supplier of natural gas in the Kingdom. From 2003 to 2024, the Company significantly expanded its gas processing capacity from 9.3 bscfd to 19.1 bscfd. The Company intends to continue to expand its capacity over the next few years to meet domestic demand for low-cost, lower carbon intensity energy and swing production capacity in the peak summer season. The Company expects that the Kingdom will increasingly rely on natural gas as a feedstock for its power generation facilities, reducing the volumes of crude oil used by power generators. This displacement of crude oil by gas used domestically is expected to increase crude oil volumes available for export. In addition, the Company expects demand for natural gas to be driven by water desalination, petrochemical production and other industrial consumption including providing feedstock for the production of hydrogen and ammonia.

The Company sells natural gas within the Kingdom at regulated prices mandated by the Government and is obligated under the Concession to meet domestic hydrocarbon demand through either domestic production or imports. Effective 27 March 2018, the Government implemented a mechanism under which regulations passed by the Council of Ministers empower the Ministry of Energy, in agreement with the Ministry of Finance, to enable the Company to receive a commercial rate of return suitable for the development and exploitation of the gas resources of the Kingdom. See "*Management's Discussion and Analysis of Financial Position and Results of Operations—Factors Affecting Saudi Aramco's Financial Position and Results of Operations—Fiscal Regime*".

In-Kingdom Downstream Product Sales

Saudi Aramco's downstream products sold domestically through sales agreements include gasoline, diesel, fuel oil, LPG, asphalt, kerosene, naphtha and jet fuels. These sales agreements generally have a term of one year, except for sales agreements with customers in the utility and aviation sectors which generally have a longer term. Typically, these agreements are automatically renewed if not terminated. In the Kingdom, these products are sold at regulated prices mandated by the Government. The regulated prices often are lower than the prices at which Saudi Aramco could otherwise have sold these products. Pursuant to an equalisation mechanism, the Government compensates Saudi Aramco for the revenue it directly forgoes as a result of Saudi Aramco's compliance with the mandates related to crude oil and certain refined and chemicals products, with equalisation compensation recorded as other income related to sales. Effective 1 January 2020, the Government expanded the equalisation mechanism to include LPG and certain other products. See "*Management's Discussion and Analysis of Financial Position and Results of Operations—Factors Affecting Saudi Aramco's Financial Position and Results of Operations—Fiscal Regime*". For sales of downstream products that are not subject to Government pricing mandates, prices are unregulated.

Investments and Acquisitions in Expansion of the Downstream Segment

The downstream segment's activities consist primarily of refining, petrochemicals, supply and trading, distribution, retail, base oils, lubricants and power generation. A significant portion of the downstream business is conducted through affiliates. Saudi Aramco has expanded its downstream operations by undertaking expansion projects at its existing downstream facilities and increasing control in existing downstream investments, as well as entering new downstream ventures and acquiring new downstream assets.

The integration of Saudi Aramco's upstream and downstream segments provides a unique opportunity for Saudi Aramco to secure crude oil demand by selling to its captive system of domestic and international refineries. For the years ended 31 December 2022, 2023, 2024 and for the three-month period ended 31 March 2025, the downstream segment utilised 44%, 47%, 53% and 56% of the upstream segment's total crude oil production in those periods, respectively, making Saudi Aramco's downstream business the largest single customer of its upstream business in those periods. Saudi Aramco believes an integrated global downstream business, coupled with future downstream investments, will facilitate the placement of Saudi Aramco's crude oil in larger offtake

volumes in assets designed specifically to economically process Arabian crude oil, allow it to capture additional value across the hydrocarbon value chain, expand its sources of earnings and provide resilience to market volatility.

In addition, Saudi Aramco has undertaken significant expansion projects at its downstream facilities. Its capital expenditures in its downstream segment on a cash basis were SAR 29.5 billion in 2022, SAR 32.7 billion in 2023, SAR 39.0 billion (\$10.4 billion) in 2024 and SAR 8.6 billion (\$2.3 billion) in the three-month period ended 31 March 2025. See “*Management’s Discussion and Analysis of Financial Position and Results of Operations—Liquidity and Capital Resources—Cash Used in Investing Activities—Capital Expenditures*”.

Furthermore, Saudi Aramco has continued to enter into new downstream ventures and financings.

In February 2022, Saudi Aramco completed a transaction pursuant to which it leased its specified gas products pipelines to one of its wholly owned subsidiaries for 20 years and leased back the exclusive rights to use, operate and maintain these pipelines for that period. Saudi Aramco then sold 49% of the equity of the subsidiary to a consortium of international and domestic investors for upfront sale proceeds of SAR 58.1 billion (\$15.5 billion) in cash. During the 20-year lease period, the subsidiary will receive quarterly, volume-based tariff payments from Saudi Aramco, backed by minimum volume commitments. Saudi Aramco will at all times retain title to, and full operational control of, the specified gas products pipeline network and the transaction does not impose any restrictions on Saudi Aramco’s gas production volumes. See “*Pipelines, Distribution and Terminals*”.

In November 2022, Saudi Aramco acquired from PKN Orlen a 30% equity stake in a 210,000 barrels per day refinery in Gdansk, Poland, a 100% equity stake in an associated wholesale business and a 50% equity stake in a jet fuel marketing joint venture with BP in Poland for a total purchase price of PLN 2,226.4 million (approximately SAR 1.8 billion (\$0.5 billion) as of November 2022). In addition, in March 2023, Saudi Aramco acquired Valvoline Global Operations for SAR 10.34 billion (\$2.76 billion). This acquisition is intended to complement Saudi Aramco’s line of premium branded lubricant products, optimise its global base oils production capabilities and expand Saudi Aramco’s own research and development activities and partnerships with original equipment manufacturers. Furthermore, in July 2023, Saudi Aramco acquired a 10% equity stake in Rongsheng for SAR 12.8 billion (\$3.4 billion) and in March 2024, Saudi Aramco acquired 100% of Esmac, a diversified downstream fuels and lubricants retailer in Chile.

Fiscal Regime

In recent years, the Government has adopted a number of changes to the fiscal regime under which Saudi Aramco operates. Among other things, these changes align the fiscal regime to which Saudi Aramco and other domestic hydrocarbon producers are subject to tax and royalty rates that are customary in other hydrocarbon producing jurisdictions. Below is a summary of these changes and their impact on Saudi Aramco.

- o ***Income, Taxes and Zakat.*** The Kingdom’s Income Tax Law includes a multi-tiered structure of income tax rates for authorised producers of oil and hydrocarbons, which are based on the amount of in-Kingdom capital investments (with the income tax rate decreasing as the level of in-Kingdom capital investment increases). Under this structure, an income tax of 50% applies to Saudi Aramco, however, a 20% rate applies to Saudi Aramco’s taxable income related to the exploration and production of non-associated natural gas (including gas condensates) as well as the collection, treatment, processing and transportation of associated and non-associated natural gas and their liquids, gas condensates and other associated elements. Further, under the Kingdom’s Income Tax Law, Saudi Aramco’s interest in non-publicly traded in-Kingdom companies are generally subject to a 20% tax rate, unless such company is engaged in the production of oil and its associated hydrocarbon products, in which case, the 50% to 85% multi-tiered structure of income tax rates applies, except that a 20% rate would apply to such company’s taxable income related to certain natural gas activities, as described above.

Additionally, Saudi Aramco is subject to an income tax rate of 20% on its Downstream activities and on the activities of exploration and production of non-associated natural gas, including gas condensates, as well as the collection, treatment, processing, fractionation and transportation of associated and non-associated natural gas and their liquids, gas condensates and other associated elements. All other activities

are subject to an income tax rate of 50%, in accordance with the Tax Law. The 20% income tax rate applicable to the Company's Downstream activities came into effect on 1 January 2020. This was conditional on the Company separating its Downstream activities under the control of one or more separate wholly-owned subsidiaries before the due date of 31 December 2024, otherwise the Company's Downstream activities will be retroactively taxed at 50%. An extension of the due date to 31 December 2030 is in progress and the Company expects that it will be granted. Consequently, the Company continues to apply the 20% income tax rate to its Downstream activities. If the Company does not comply with this condition by the deadline, its domestic downstream business will be subject to retrospective tax on an annual basis in accordance with the multi-tiered tax rates applicable to domestic oil and hydrocarbon production companies.

Moreover, by Royal Decree No. M/153 dated 05/11/1441 in the Hijri calendar (corresponding to 26 June 2020), the Income Tax Law was amended to provide that, effective 1 January 2020, as an exception from the Income Tax Law, shares owned (directly or indirectly) by persons engaged in oil and hydrocarbon production activities in companies listed on the Saudi Exchange are subject to zakat, including their indirect interest in those companies (at the level of the investee/subsidiary of such listed companies). As a result, Saudi Aramco's ownership interests in certain entities, including SABIC, Petro Rabigh, Saudi Electricity Company, Luberef, Marafiq and The National Shipping Company of Saudi Arabia (Bahri) are subject to zakat instead of corporate income taxes.

- o *Royalties.* Royalties are payable on crude oil and condensate, natural gas, ethane and NGL based on their production value. See "*Material Agreements—The Concession*". Accordingly, the amount of royalties payable is recognised as an expense at the time of production and in Saudi Aramco's consolidated statement of income as "production royalties".

Crude oil and condensate production value is based each month on Saudi Aramco's official selling prices for each destination. As of 1 January 2020, the effective royalty rate is determined based on a baseline rate of 15% applied to Brent prices up to \$70 per barrel, increasing to 45% applied to Brent prices above \$70 per barrel up to \$100 per barrel and 80% applied to Brent prices above \$100 per barrel.

Pursuant to the Ministry of Energy's authority under the Concession, on 25 February 2018, the Ministry of Energy decided not to collect royalties from Saudi Aramco on condensate production for a grace period of five years beginning on 1 January 2018. On 17 September 2019, the Ministry of Energy issued Ministerial Resolution No. 1/422/1441, dated 18/01/1441 in the Hijri calendar (corresponding to 17 September 2019), which extends the period for which Saudi Aramco will not be obligated to pay royalties on condensate production for an additional 10-year period from 1 January 2023, the day following the expiration of the five-year grace period, extendable for an additional 10-year period, and which may be further extended for subsequent 10-year periods, unless the Government determines the economics impacting gas field development do not warrant such an extension.

Production royalties due on natural gas, ethane and NGL, excluding those volumes used by Saudi Aramco for upstream operations and related operations (including transportation, pipelines and storage and export facilities, fractionation plants, gas and NGL plants) are calculated based on a flat royalty rate of 12.5% applied to a factor established by the Ministry of Energy. As at 31 December 2024, the factor to which this royalty is applied is \$0.035 per mmbTU for NGL (propane, butane and natural gasoline) and \$0.00 per mmbTU for natural gas (methane) and ethane. The Minister of Energy may amend the factors used, taking into account the price that achieves the targeted internal rate of return for natural gas, ethane and NGL production set by the Ministry of Energy in coordination with Saudi Aramco.

- o *Price Equalisation.* Pursuant to the Concession, the Company possesses the exclusive right to distribute hydrocarbons (including crude oil), petroleum products (including certain refined products), and liquid petroleum gas in the Kingdom. The Government mandates that crude oil and certain refined chemical products sold to third parties in the Kingdom are to be sold at regulated prices if they are used solely for burning. These regulated prices are typically lower than what the Company could have otherwise charged

for such products. Pursuant to an equalisation mechanism, the Government compensates the Company for the revenue it directly forgoes as a result of the Company's compliance with the mandates related to crude oil and certain refined products. Effective 1 January 2020, the Government expanded the equalisation mechanism to include LPG and certain other products. The Company records the equalisation amount as other income related to sales on its consolidated statement of income and such amount is subject to income tax. The Company may offset its income taxes payable by the equalisation amount in the period in which such taxes are due. If the income taxes payable to the Government are not adequate to offset the equalisation amount, the Company may offset any other amounts it owes to the Government against the equalisation amount. The offsetting mechanism occurs on a monthly basis when payments to the Government are due. In the event the equalisation price is less than the regulated price, the difference would be due from the Company to the Government. See *"Regulation of the Oil and Gas Industry in the Kingdom—Regulated Domestic Pricing of Certain Hydrocarbons"*.

The Government has publicly announced its intention to gradually increase the regulated prices at which refined and chemicals products are sold in the Kingdom. The regulated prices will be linked as a percentage to the reference equalisation price of the relevant product and will fluctuate according to fluctuations in global markets. As regulated prices increase, the Company expects that equalisation compensation will decrease and that, in turn, the amount of other income related to sales recorded by the Company will decrease, with an offsetting increase in revenue from product sales.

- o *Gas Price System.* Gas sales in the Kingdom are regulated by the Government, including the Ministry of Energy, which allocates, among others, volumes for sales of Regulated Gas Products in the Kingdom to domestic customers pursuant to the Energy Supply Law. The price that domestic customers pay for hydrocarbon liquids, including natural gas and ethane, is traditionally set by the Council of Ministers, which has empowered the Ministry of Energy, in agreement with the Ministry of Finance, to specify the Blended Price in order to provide licensees making gas investments a suitable rate of return for these products in the Kingdom.

Effective 17 September 2019, the Government implemented an equalisation mechanism to compensate licensees for revenue they directly forgo as a result of compliance with the mandates related to Regulated Gas Products. Under this mechanism, when licensees sell any Regulated Gas Products domestically at a domestic price below the corresponding Blended Price, the licensees are entitled to compensation from the Government in an amount equal to the cost of the revenues directly forgone. Saudi Aramco records the equalisation amount as other income related to sales on its consolidated statement of income and such amount is subject to income tax. Saudi Aramco may offset the compensation it is due against any taxes payable, and in the event taxes are insufficient, any other amounts due and payable by Saudi Aramco to the Government, such as royalties. If domestic prices are higher than the Blended Price, Saudi Aramco is required to pay the difference to the Government. See *"Regulation of the Oil and Gas Industry in the Kingdom—Regulated Domestic Pricing of Certain Hydrocarbons—Gas Pricing"*.

- o *Government guarantee.* Saudi Aramco sells hydrocarbon products to various Government and semi-Government entities, including ministries and other branches of the Government, and separate legal entities in which the Government has share ownership or control. The Government guarantees amounts due to Saudi Aramco from certain Government and semi-Government entities, including ministries of the Government and separate legal entities in which the Government has share ownership or control that are unable to settle within terms agreed with Saudi Aramco, subject to limits on the amount of the guarantee for each entity. The aggregate amount guaranteed in respect of 2022, 2023 and 2024 was SAR 11.2 billion, SAR 13.2 billion and SAR 10.8 billion (\$2.88 billion), respectively.

Pursuant to certain governmental resolutions as further described in *"Regulation of the Oil and Gas Industry in the Kingdom—Regulated Domestic Pricing of Certain Hydrocarbons —Government Guarantee"*, Saudi Aramco may offset any amounts owed by Government or semi-Government entities under any agreement with such customers from its income taxes payable to the Government. This includes amounts due to Saudi Aramco from sales of crude oil and refined and chemicals products to Government-affiliated companies.

If the amounts of the income taxes payable to the Government are not adequate to offset the amounts owed by such customers, Saudi Aramco may offset such amounts against any other amounts Saudi Aramco owes to the Government.

- o *Compensation for Saudi Strategic Storage Programme.* Under the Saudi Strategic Storage Programme, the Government requires Saudi Aramco to handle the operation and maintenance of reserves of certain petroleum products. Effective 1 January 2020, the Government compensates Saudi Aramco for carrying costs associated with maintaining Government-mandated petroleum product reserves in an agreed-upon amount. This amount is reviewed every five years by the Ministry of Energy, the Ministry of Finance and Saudi Aramco.

Seasonality

The operating results of Saudi Aramco's upstream and downstream segments may fluctuate slightly from quarter to quarter as a result of a variety of seasonal factors affecting energy demand. For example, there is generally an increase in natural gas demand for the utilities sector during the summer months in the Kingdom (June, July and August). As such, Saudi Aramco's upstream segment produces and sells more natural gas during this period. In addition, there is usually an increased demand for diesel, gasoline and jet fuel in the Kingdom around its major holidays, including Eid al-Fitr, Hajj season and Eid al-Adha, the timing of which varies from year to year as determined by the Hijri calendar. During this time, Saudi Aramco's downstream segment sells more diesel, gasoline and jet fuel. Saudi Aramco expects these trends to continue in future years.

Components of Results of Operations

Revenue

Revenue primarily consists of sales of crude oil, natural gas, refined and chemicals products. Revenue also includes services provided to third parties, joint operations, joint ventures, associates and government agencies, such as the operation and maintenance of facilities for third parties.

Saudi Aramco delivers Arabian crude oil to customers around the world. However, for financial reporting purposes, it records revenue by geographical area based on the location of the entity that generated the revenue. Saudi Aramco sells crude oil, gas, refined and chemicals products under different sales incoterms. Its sales are primarily made on a free on board basis at the point of shipment, pursuant to which the buyer assumes all costs and liabilities once the goods are placed onto a ship for delivery. A smaller portion of its sales are made on a free in pipe basis, pursuant to which the buyer assumes all costs and liabilities once the product passes into the buyer's receiving pipeline system. The balance of its sales are made on a cost, insurance and freight basis, pursuant to which the seller assumes all costs and liabilities until the goods are received by the buyer, or another sales incoterm. As Saudi Aramco produces all its crude oil in the Kingdom and the sales are recorded by an entity located in the Kingdom, free on board export sales of crude oil are recorded as in-Kingdom revenue in Saudi Aramco's financial statements.

Other Income Related to Sales

Other income related to sales reflects the equalisation payments received from the Government to compensate Saudi Aramco for the difference between the equalisation prices and the regulated prices for the sales of certain hydrocarbon and refined and chemicals products within the Kingdom. See "*Fiscal Regime—Price Equalisation and—Gas Price System*".

Royalties and Other Taxes

Royalties and other taxes primarily consist of the royalties attributable to the production of crude oil, natural gas and NGL. Royalties are accounted for as an expense. Other taxes consist of amounts paid by Motiva based on its operations in the United States. See "*Fiscal Regime—Royalties*".

Purchases

Purchases primarily consist of refined and chemicals products, crude oil and NGL purchased from third parties for use in Saudi Aramco's downstream operations and to meet demand for products in the Kingdom when it exceeds Saudi Aramco's production of the relevant product. Saudi Aramco also purchases products from third parties when it is cost effective. For example, various downstream operations from time to time purchase crude oil, NGL and other products from third parties to use as a feedstock. Purchases also include Aramco Trading Company ("ATC") and its subsidiaries' procurement of crude oil, refined and chemicals products as part of their trading operations.

Producing and Manufacturing

Producing and manufacturing costs consist primarily of the operating expenses related to producing hydrocarbons and refined and chemical products. Producing and manufacturing costs also include the upstream segment's and downstream segment's support services expenses, including engineering and operational services. In addition, producing and manufacturing costs include labour and employee-related expenses directly related to producing Saudi Aramco's products.

Selling, Administrative and General

Selling, administrative and general expenses consist of costs related to supporting the operations and services of Saudi Aramco and certain other expenses. Costs related to supporting the operations and services of Saudi Aramco include:

- pipeline, distribution and terminal expenses;
- gains or losses on derivative transactions;
- selling and administrative expenses; and
- corporate, support and administrative services (such as human resources, finance, corporate affairs and legal) and expenses related to Saudi Aramco's employee home ownership programme.

Other expenses included in selling, administrative and general expenses consist of:

- freight and storage expenses; and
- costs related to corporate citizenship projects and initiatives.

Saudi Aramco engages in a range of corporate citizenship projects and initiatives outside Saudi Aramco's core business to support the communities and environment in which it operates. Saudi Aramco initiates some of these projects and initiatives and others are undertaken in coordination with, and at the direction of, the Government. Government-directed projects and initiatives have generally been of national importance to the Kingdom and support Saudi Aramco's long-term commercial interests. The Concession requires that all Saudi Aramco contracts with any Government agency or any arrangement for the furnishing of hydrocarbons, services or otherwise shall be on a commercial basis. In addition, on 5 September 2019, Saudi Aramco and the Government entered into a framework agreement to govern the furnishing of services by Saudi Aramco to the Government. The Government previously compensated Saudi Aramco for its efforts relating to such activities by either allowing Saudi Aramco to reduce its taxable income by the amount of costs incurred or directly reimbursing Saudi Aramco through a tax deduction. See "*Business—Corporate Citizenship*".

Costs related to Saudi Aramco-initiated projects and initiatives are expensed as incurred and reflected in selling, administrative and general expenses. Costs related to Government-directed projects and initiatives are treated in different ways by Saudi Aramco. For certain projects directed by the Government, the Government provides a ministerial decree from the relevant Government ministry which allows Saudi Aramco to deduct its costs related to these projects against Saudi Aramco's tax liability. Costs related to other Government-directed projects are

primarily expensed as incurred, deductible for tax purposes and reflected in selling, administrative and general expenses. See “*Related Party Transactions—Other Transactions*” and “*Business—Corporate Citizenship*”.

Saudi Aramco expects to continue to engage in a range of corporate citizenship projects and initiatives in the future.

Exploration

Exploration expenses consist of the costs for the evaluation of subsurface geological areas for hydrocarbon resources, including geological and geophysical surveys, and write-offs related to unsuccessful exploratory wells.

Research and Development

Research and development expenses consist of the costs incurred to research new technologies. If development costs are expected to generate probable future economic benefits, they are capitalised as intangible assets.

Depreciation and Amortisation

Depreciation is attributable to property, plant and equipment. Amortisation is attributable to capitalised costs, which are intangible assets and thus amortised rather than depreciated.

Impairments

Impairments are recognised when events or changes in circumstances indicate that the carrying amount of certain assets on Saudi Aramco’s balance sheet may not be recoverable, which occurs when the assets’ carrying value is greater than the discounted future cash flows the asset is expected to generate over its remaining useful life.

Share of Results of Joint Ventures and Associates

Share of results of joint ventures and associates includes Saudi Aramco’s share of profit or loss related to entities that are accounted for using the equity method. A significant portion of Saudi Aramco’s downstream business is conducted through joint ventures and associates.

Finance and Other Income

Finance and other income includes interest income, dividend income, gains or losses on disposal of equity investments and insurance settlements.

Finance Costs

Finance costs include interest expense incurred in connection with Saudi Aramco’s finance lease liabilities and borrowing liabilities, including its revolving credit facility agreement, the deferred consideration due to the PIF in connection with the acquisition of a 70% equity interest in SABIC (for the year ended 31 December 2022), the issuance of senior unsecured notes under the Programme and trust certificates issued under the Trust Certificate (sukuk) Issuance Programme and the Domestic Sukuk Programme.

Consolidated Statement of Income for the Years Ended 31 December 2022, 2023 and 2024 and for the Three-Month Periods Ended 31 March 2024 and 2025

The following table sets forth Saudi Aramco's consolidated statement of income for the years ended 31 December 2022, 2023 and 2024 and for the three-month periods ended 31 March 2024 and 2025:

	2022	Year Ended 31 December		2024	Three-Month Periods Ended 31 March		
	SAR	2023	2024	2024	2024	2025	2025
		SAR	SAR	U.S.\$	SAR	SAR	U.S.\$
					(in millions)		
Revenue	2,006,955	1,653,281	1,637,299	436,613	402,037	405,646	108,172
Other income related to sales	259,418	203,092	164,375	43,833	35,810	23,966	6,391
Revenue and other income related to sales	2,266,373	1,856,373	1,801,674	480,446	437,847	429,612	114,563
Royalties and other taxes	(341,510)	(231,795)	(200,532)	(53,475)	(52,232)	(40,799)	(10,880)
Purchases	(490,690)	(471,225)	(509,430)	(135,848)	(110,011)	(120,163)	(32,043)
Producing and manufacturing	(101,912)	(96,523)	(110,275)	(29,406)	(24,271)	(32,389)	(8,637)
Selling, administrative and general	(83,700)	(76,890)	(89,235)	(23,796)	(22,109)	(18,852)	(5,027)
Exploration	(8,447)	(9,416)	(8,552)	(2,281)	(2,593)	(2,008)	(535)
Research and development	(4,419)	(5,197)	(5,816)	(1,550)	(1,156)	(1,142)	(305)
Depreciation and amortisation	(91,618)	(97,040)	(103,209)	(27,523)	(23,427)	(22,898)	(6,106)
Operating costs	(1,122,296)	(988,086)	(1,027,049)	(273,879)	(235,799)	(238,251)	(63,533)
Operating income	1,144,077	868,287	774,625	206,567	202,048	191,361	51,030
Share of results of joint ventures and associates	2,873	(4,001)	(4,966)	(1,324)	(778)	(1,962)	(523)
Finance and other income	14,894	31,967	22,891	6,104	6,769	3,661	976
Finance costs	(8,882)	(8,186)	(10,540)	(2,811)	(3,025)	(2,766)	(738)
Income before income taxes and zakat	1,152,962	888,067	782,010	208,536	205,014	190,294	50,745
Income taxes and zakat	(548,957)	(433,303)	(383,588)	(102,290)	(102,743)	(92,751)	(24,734)
Net income	604,005	454,764	398,422	106,246	102,271	97,543	26,011
Net income/(loss) attributable to:							
Shareholders' equity	597,215	452,753	393,891	105,038	103,356	95,676	25,513
Non-controlling interests	6,790	2,011	4,531	1,208	(1,085)	1,867	498
	604,005	454,764	398,422	106,246	102,271	97,543	26,011

Source: The Financial Statements.

Comparison of Three-Month Period Ended 31 March 2025 and Three-Month Period Ended 31 March 2024

Revenue and Other Income Related to Sales

For the three-month periods ended 31 March 2025 and 2024, Saudi Aramco's revenue and other income related to sales was SAR 429.6 billion (\$114.6 billion) and SAR 437.8 billion, respectively. This 1.9% decrease was driven by lower other income related to sales, partially offset by higher revenue.

Upstream

For the three-month periods ended 31 March 2025 and 2024, the upstream segment's external revenue was SAR 176.5 billion (\$47.1 billion) and SAR 186.4 billion, respectively. This 5.3% decrease was primarily due to lower crude oil volumes sold and lower crude oil prices compared to the prior period. For the periods ended 31 March 2025 and 2024, the upstream segment's other income related to sales was SAR 7.9 billion (\$2.1 billion) and SAR 10.4 billion, respectively. This 24% decrease was due to lower price equalisation compensation primarily driven by lower reference equalisation prices and higher regulated prices for crude oil.

Downstream

For the three-month periods ended 31 March 2025 and 2024, the downstream segment's external revenue was SAR 228.4 billion (\$60.9 billion) and SAR 214.9 billion, respectively. This 6.3% increase was primarily due to higher volumes sold of refined and chemical products and higher traded volumes of crude oil, partially offset by lower refined and chemicals product prices. For the periods ended 31 March 2025 and 2024, the downstream segment's other income related to sales was SAR 16.1 billion (\$4.3 billion) and SAR 25.4 billion, respectively.

This 36.6% decrease was primarily due to lower price equalisation compensation primarily due to lower reference equalisation prices and higher regulated prices of refined products.

Corporate

For the three-month periods ended 31 March 2025 and 2024, Saudi Aramco's corporate activities' external revenue was SAR 0.7 billion (\$0.2 billion) and SAR 0.7 billion, respectively.

Royalties and Other Taxes

For the three-month periods ended 31 March 2025 and 2024, Saudi Aramco recorded royalties and other taxes of SAR 40.8 billion (\$10.9 billion) and SAR 52.2 billion, respectively. This 21.8% decrease primarily reflects lower average effective royalty rate and lower crude oil prices compared to the same quarter of the previous year.

Purchases

For the three-month periods ended 31 March 2025 and 2024, Saudi Aramco purchases totalled SAR 120.2 billion (\$32.0 billion) and SAR 110.0 billion, respectively. This 9.3% increase in total purchases mainly reflects the impact of higher volumes purchased of crude oil, partially offset by lower crude oil prices.

Producing and Manufacturing

For the three-month periods ended 31 March 2025 and 2024, producing and manufacturing expenses were SAR 32.4 billion (\$8.6 billion) and SAR 24.3 billion, respectively. This 33.3% increase was primarily due to higher utilities and other costs as well as inventory valuation movement compared to the same quarter of the previous year.

Selling, Administrative and General

For the three-month periods ended 31 March 2025 and 2024, Saudi Aramco incurred selling, administrative and general expenses of SAR 18.9 billion (\$5.0 billion) and SAR 22.1 billion, respectively. This 14.5% decrease was primarily due to lower losses associated with derivative instruments as compared to the same quarter of the previous year.

Exploration

For the three-month periods ended 31 March 2025 and 2024, Saudi Aramco incurred exploration expenses of SAR 2.0 billion (\$0.5 billion) and SAR 2.6 billion, respectively. This 23.1% decrease was primarily due to lower write-offs of dry-hole costs.

Research and Development

For the three-month periods ended 31 March 2025 and 2024, Saudi Aramco incurred research and development expenses of SAR 1.1 billion (\$0.3 billion) and SAR 1.2 billion, respectively.

Depreciation and Amortisation

For the three-month periods ended 31 March 2025 and 2024, Saudi Aramco recognised depreciation and amortisation expenses of SAR 22.9 billion (\$6.1 billion) and SAR 23.4 billion, respectively.

Share of Results of Joint Ventures and Associates

For the three-month periods ended 31 March 2025 and 2024, Saudi Aramco recorded loss of SAR 2.0 billion (\$0.5 billion) and SAR 0.8 billion, respectively, in its share of results of joint ventures and associates.

Finance and Other Income

For the three-month periods ended 31 March 2025 and 2024, Saudi Aramco had finance and other income of SAR 3.7 billion (\$1.0 billion) and SAR 6.8 billion, respectively. This 45.6% decrease was primarily due to lower interest income resulting from a decrease in short-term investments and time deposits.

Finance Costs

For the three-month periods ended 31 March 2025 and 2024, Saudi Aramco incurred finance costs of SAR 2.8 billion (\$0.7 billion) and SAR 3.0 billion, respectively.

Income Taxes and Zakat

For the three-month periods ended 31 March 2025 and 2024, Saudi Aramco incurred income taxes and zakat expenses of SAR 92.8 billion (\$24.7 billion) and SAR 102.7 billion, respectively. This 9.6% decrease was primarily attributable to lower taxable income recorded during the period.

Net Income

Saudi Aramco's net income decreased to SAR 97.5 billion (\$26.0 billion) for the three-month period ended 31 March 2025 from SAR 102.3 billion for the three-month period ended 31 March 2024 as a result of the above factors.

Comparison of Fiscal Year Ended 31 December 2024, Fiscal Year Ended 31 December 2023 and Fiscal Year Ended 31 December 2022

Revenue and Other Income Related to Sales

For the years ended 31 December 2024 and 2023, Saudi Aramco's revenue and other income related to sales was SAR 1,801.7 billion (\$480.4 billion) and SAR 1,856.4 billion, respectively. The decrease was primarily attributable to lower prices and volumes sold of crude oil, as well as lower refined and chemical product prices. This was partially offset by higher volumes sold of refined and chemical products during the year.

Other income related to sales for 2024 decreased by 19.0% from 2023, which was driven by lower price equalisation compensation mainly resulting from higher regulated prices of refined products and crude oil sold in the Kingdom.

For the years ended 31 December 2023 and 2022, Saudi Aramco's revenue and other income related to sales was SAR 1,856.4 billion and SAR 2,266.4 billion, respectively. This 18.1% decrease was primarily attributable to lower average realised crude oil prices and lower volumes sold, as well as lower refining and chemical products prices.

Other income related to sales for 2023 decreased by 22.2% from 2022 which was primarily attributable to lower reference equalisation prices for refined and crude oil sold in the Kingdom at regulated prices. See "*Management's Discussion and Analysis of Financial Position and Results of Operations—Factors Affecting Saudi Aramco's Financial Position and Results of Operations—Fiscal Regime*".

Upstream

For the years ended 31 December 2024 and 2023, the upstream segment's external revenue was SAR 719.2 billion (\$191.8 billion) and SAR 784.6 billion, respectively. This 8.3% decrease was primarily due to lower volumes sold and lower crude oil prices compared to the previous year. For the years ended 31 December 2023 and 2022, the upstream segment's external revenue was SAR 784.6 billion and SAR 1,024.6 billion, respectively. This 23.4% decrease was primarily due to lower average realised crude oil prices and lower volumes sold.

For the years ended 31 December 2024 and 2023, the upstream segment's other income related to sales was SAR 55.0 billion (\$14.7 billion) and SAR 71.4 billion, respectively. This 23.0% decrease was due to lower price equalisation compensation primarily resulting from higher regulated prices of crude oil sold in the Kingdom. For the years ended 31 December 2023 and 2022, the upstream segment's other income related to sales was SAR 71.4 billion and SAR 85.5 billion, respectively. This 16.5% decrease was primarily due to a decrease in the reference equalisation price for crude oil. See "*Revenue and Royalties and Other Taxes*".

Downstream

For the years ended 31 December 2024 and 2023, the downstream segment's external revenue was SAR 917.0 billion (\$244.5 billion) and SAR 866.7 billion, respectively. This 5.8% increase was primarily due to higher traded volumes of crude oil and higher volumes sold of refined and chemical products, partially offset by lower refined and chemicals product prices. For the years ended 31 December 2023 and 2022, the downstream segment's external revenue was SAR 866.7 billion and SAR 980.7 billion, respectively. This 11.6% decrease was primarily due to lower refining and chemicals product prices.

For the years ended 31 December 2024 and 2023, the downstream segment's other income related to sales was SAR 109.4 billion (\$29.2 billion) and SAR 131.7 billion, respectively. This 16.9% decrease was primarily due to lower price equalisation compensation primarily resulting from higher regulated prices of refined products sold in the Kingdom. For the years ended 31 December 2023 and 2022, the downstream segment's other income related to sales was SAR 131.7 billion and SAR 173.9 billion, respectively. This 24.2% decrease was primarily due to lower reference equalisation prices of refined products sold in the Kingdom at regulated prices.

Corporate

For the years ended 31 December 2022, 2023 and 2024, Saudi Aramco's corporate activities' external revenue was SAR 1.6 billion, SAR 2.0 billion and SAR 1.1 billion (\$0.3 billion), respectively. The corporate activities primarily support the upstream segment's and downstream segment's activities.

Royalties and Other Taxes

For the years ended 31 December 2024 and 2023, Saudi Aramco recorded royalties and other taxes of SAR 200.5 billion (\$53.5 billion) and SAR 231.8 billion, respectively. This 13.5% decrease was largely due to lower prices and volumes sold of crude oil, as well as a lower average effective royalty rate compared to the previous year.

For the years ended 31 December 2023 and 2022, Saudi Aramco recorded royalties and other taxes of SAR 231.8 billion and SAR 341.5 billion, respectively. This 32.1% decrease was primarily due to a lower average effective royalty rate, lower crude oil prices and lower volumes sold. See "*Management's Discussion and Analysis of Financial Position and Results of Operations—Factors Affecting Saudi Aramco's Financial Position and Results of Operations—Fiscal Regime*" and "*Material Agreements—The Concession*".

Purchases

For the years ended 31 December 2024 and 2023, Saudi Aramco purchases totalled SAR 509.4 billion (\$135.8 billion) and SAR 471.2 billion, respectively. This 8.1% increase in total purchases mainly reflects the impact of higher purchases of crude oil and refined and chemical products.

For the years ended 31 December 2023 and 2022, Saudi Aramco purchases totalled SAR 471.2 billion and SAR 490.7 billion, respectively. This 4.0% decrease was primarily attributable to lower purchases of gas, refined and chemical products, partially offset by an increase in crude oil purchases during the year.

Producing and Manufacturing

For the years ended 31 December 2024 and 2023, producing and manufacturing expenses were SAR 110.3 billion (\$29.4 billion) and SAR 96.5 billion, respectively. This 14.3% increase was primarily attributable to higher service, labour and other costs as well as inventory valuation movement during the year.

For the years ended 31 December 2023 and 2022, producing and manufacturing expenses were SAR 96.5 billion and SAR 101.9 billion, respectively. This 5.3% decrease was primarily attributable to lower utility and other costs.

Selling, Administrative and General

For the years ended 31 December 2024 and 2023, Saudi Aramco incurred selling, administrative and general expenses of SAR 89.2 billion (\$23.8 billion) and SAR 76.9 billion, respectively. This 16% increase was primarily attributable to higher freight and service costs compared to the prior year.

For the years ended 31 December 2023 and 2022, Saudi Aramco incurred selling, administrative and general expenses of SAR 76.9 billion and SAR 83.7 billion, respectively. This 8% decrease was primarily attributable to lower losses associated with derivative instruments and lower freight costs, partially offset by higher employee related costs.

Exploration

For the years ended 31 December 2024 and 2023, Saudi Aramco incurred exploration expenses of SAR 8.6 billion (\$2.3 billion) and SAR 9.4 billion, respectively. This 8.5% decrease was primarily attributable to lower write-offs of dry-hole costs, partially offset by an increase in geological and geophysical survey costs.

For the years ended 31 December 2023 and 2022, Saudi Aramco incurred exploration expenses of SAR 9.4 billion and SAR 8.4 billion, respectively. This 12% increase was primarily attributable to an increase in geological and geophysical survey costs, partially offset by lower write-offs of dry-hole costs related to gas exploration activities.

Research and Development

For the years ended 31 December 2024 and 2023, Saudi Aramco incurred research and development expenses of SAR 5.8 billion (\$1.6 billion) and SAR 5.2 billion, respectively.

For the years ended 31 December 2023 and 2022, Saudi Aramco incurred research and development expenses of SAR 5.2 billion and SAR 4.4 billion, respectively.

Depreciation and Amortisation

For the years ended 31 December 2024 and 2023, Saudi Aramco recognised depreciation and amortisation expenses of SAR 103.2 billion (\$27.5 billion) and SAR 97.0 billion, respectively. This 6.4% increase was primarily attributable to higher impairment charges mainly related to certain domestic and international downstream facilities.

For the years ended 31 December 2023 and 2022, Saudi Aramco recognised depreciation and amortisation expenses of SAR 97.0 billion and SAR 91.6 billion, respectively. This 6% increase was primarily attributable to depreciation incurred on additional assets capitalised.

Share of Results of Joint Ventures and Associates

For the years ended 31 December 2024 and 2023, Saudi Aramco recorded a loss of SAR 5.0 billion (\$1.3 billion) and a loss of SAR 4.0 billion, respectively, in its share of results of joint ventures and associates.

For the years ended 31 December 2023 and 2022, Saudi Aramco recorded a loss of SAR 4.0 billion and income of SAR 2.9 billion, respectively, in its share of results of joint ventures and associates.

Finance and Other Income

For the years ended 31 December 2024 and 2023, Saudi Aramco had finance and other income of SAR 22.9 billion (\$6.1 billion) and SAR 32.0 billion, respectively. This 28% decrease was primarily driven by lower interest income and the absence of the gain related to the prepayment of the deferred consideration in the previous year.

For the years ended 31 December 2023 and 2022, Saudi Aramco had finance and other income of SAR 32.0 billion and SAR 14.9 billion, respectively. This 115% increase was primarily attributable to higher interest income

resulting from an increase in interest rates and higher short-term investments and time deposits, and higher gain resulting from the prepayment of the deferred consideration related to the SABIC acquisition.

Finance Costs

For the years ended 31 December 2024 and 2023, Saudi Aramco incurred finance costs of SAR 10.5 billion (\$2.8 billion) and SAR 8.2 billion, respectively. This 28.4% increase was primarily due to the recognition of higher interest expense associated with the international bond and sukuk issuances during 2024.

For the years ended 31 December 2023 and 2022, Saudi Aramco incurred finance costs of SAR 8.2 billion and SAR 8.9 billion, respectively. This 8% decrease was primarily due to higher capitalisation of the borrowing cost and lower interest expense incurred on the deferred consideration related to the SABIC acquisition, partially offset by higher interest expense recorded by affiliates.

Income Taxes and Zakat

For the years ended 31 December 2024 and 2023, Saudi Aramco incurred income taxes and zakat expenses of SAR 383.6 billion (\$102.3 billion) and SAR 433.3 billion, respectively, a decrease of 11.5%. This decrease was primarily attributable to lower taxable income recorded in 2024.

For the years ended 31 December 2023 and 2022, Saudi Aramco incurred income taxes and zakat expenses of SAR 433.3 billion and SAR 549.0 billion, respectively, a decrease of 21.1%. This decrease was primarily attributable to lower taxable income recorded in 2023.

Net Income

For the years ended 31 December 2024 and 2023, Saudi Aramco's net income was SAR 398.4 billion (\$106.2 billion) and SAR 454.8 billion, respectively, as a result of the above factors.

For the years ended 31 December 2023 and 2022, Saudi Aramco's net income was SAR 454.8 billion and SAR 604.0 billion, respectively, as a result of the above factors.

Summary of Consolidated Balance Sheet as at 31 December 2022, 2023 and 2024, and as at 31 March 2025

The following table sets forth the summary of Saudi Aramco's consolidated balance sheet as at 31 December 2022, 2023 and 2024, and as at 31 March 2025:

	2022 SAR	As at 31 December		2024 U.S.\$	As at 31 March	
		2023 SAR	2024 SAR		2025 SAR	2025 U.S.\$
			(in millions)			
Cash and cash equivalents	226,047	198,973	216,642	57,771	202,698	54,053
Property, plant and equipment	1,303,266	1,384,717	1,494,318	398,485	1,532,437	408,650
Total assets	2,492,924	2,477,940	2,423,630	646,301	2,444,802	651,948
Total borrowings	393,144	290,147	319,290	85,143	326,068	86,952
Total liabilities	826,777	740,848	772,275	205,940	777,674	207,380
Total equity	1,666,147	1,737,092	1,651,355	440,361	1,667,128	444,568

Source: The Financial Statements.

Total Assets

As at 31 March 2025, total assets were SAR 2,444.8 billion (\$651.9 billion) compared to SAR 2,423.6 billion as at 31 December 2024.

As at 31 December 2024, total assets were SAR 2,423.6 billion (\$646.3 billion) compared to SAR 2,477.9 billion as at 31 December 2023. This decrease largely reflects a decrease in short-term investments, assets classified as held for sale and due from the Government. This was partially offset by an increase in property, plant and equipment, and cash and cash equivalents. The decrease in short-term investments largely reflects the maturities of USD-denominated time deposits. The decrease in assets classified as held for sale was primarily due to derecognition of assets resulting from the transfer of SABIC's ownership in Hadeed to PIF, partially offset by reclassification of

assets held for sale as a result of SABIC's agreement to sell its 20.62% shareholding in ALBA to Ma'aden. The decrease in due from the Government was largely attributable to lower price equalisation compensation primarily resulting from higher regulated prices of crude oil and refined products sold in the Kingdom. The increase in property, plant and equipment mainly reflects the progress of crude oil increments and advancement of multiple gas projects supporting the strategic expansion of Saudi Aramco's gas business, partially offset by depreciation recorded during the year, and impairment charges mainly relating to plant, machinery and equipment of certain domestic and international Downstream facilities. The increase in cash and cash equivalents balance primarily reflects operating cash inflows, maturities of short-term investments, partially offset by dividend payments and capital expenditures during the year.

As at 31 December 2023, total assets were SAR 2,477.9 billion compared to SAR 2,492.9 billion as at 31 December 2022. This decrease was primarily attributable 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 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 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. 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 Saudi Iron and Steel Company (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 acquisition and other long-term receivables and advances outstanding at year end.

Total Liabilities

As at 31 March 2025, total liabilities were SAR 777.7 billion (\$207.4 billion) compared to SAR 772.3 billion as at 31 December 2024.

As at 31 December 2024, total liabilities were SAR 772.3 billion (\$205.9 billion) compared to SAR 740.8 billion as at 31 December 2023. The increase mainly reflects the impact of higher borrowings and an increase in deferred income tax liabilities, partially offset by lower income taxes and zakat payable and the absence of liabilities directly associated with assets classified as held for sale. The increase in borrowings was driven by proceeds from borrowings mainly reflecting the issuances of international bonds and sukuk, partially offset by the repayments of borrowings during the year. The increase in deferred income tax liabilities was mainly driven by changes in taxable temporary differences associated with property, plant, and equipment. Income taxes and zakat payable decreased due to the impact of lower taxable income during the year. The change in liabilities directly associated with assets classified as held for sale reflects the derecognition of liabilities resulting from the transfer of SABIC's ownership in Hadeed to PIF.

As at 31 December 2023, total liabilities were SAR 740.8 billion compared to SAR 826.8 billion as at 31 December 2022. The decrease was primarily attributable to 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.

Total equity

As at 31 March 2025, total equity was SAR 1,667.1 billion (\$444.6 billion) compared to SAR 1,651.4 billion as at 31 December 2024.

As at 31 December 2024, total equity was SAR 1,651.4 billion (\$440.4 billion) compared to SAR 1,737.1 billion as at 31 December 2023. This decrease was primarily attributable to dividends paid net of profits generated in the year.

As at 31 December 2023, total equity was SAR 1,737.1 billion compared to SAR 1,666.1 billion as at 31 December 2022. This increase was primarily attributable to an increase in profits generated in the period net of dividends paid.

Liquidity and Capital Resources

The following table sets forth Saudi Aramco's summarised cash flow for the years ended 31 December 2022, 2023 and 2024 and for the three-month periods ended 31 March 2024 and 2025:

	Year Ended 31 December				Three-Month Periods Ended 31 March		
	2022 SAR	2023 SAR	2024 SAR	2024 U.S.\$	2024 SAR (in millions)	2025 SAR	2025 U.S.\$
Net cash provided by/(used in):							
Operating activities	698,152	537,814	508,888	135,704	125,969	118,908	31,709
Investing activities	(389,009)	(54,019)	(2,861)	(763)	48,030	(47,007)	(12,535)
Financing activities	(382,675)	(510,869)	(488,358)	(130,229)	(129,000)	(85,845)	(22,892)

Source: The Financial Statements.

The Company primarily funds its operations with cash generated from operating activities and proceeds from borrowings as set out in “*Management's Discussion and Analysis of Financial Position and Results of Operations - Liquidity and Capital Resources – Liquidity*” below. Saudi Aramco's primary current uses of cash are ongoing operating expenses, capital expenditures and payments to, and settlements with, the Government of royalties, income, zakat and other taxes and dividends.

Saudi Aramco's future capital requirements will depend on many factors, including the capacity expansion of the MGS and further strategic integration and diversification of its downstream operations.

Cash Provided by Operating Activities

Saudi Aramco's cash flow is primarily generated from its operations. Net cash provided by operating activities for the three-month period ended 31 March 2025 amounted to SAR 118.9 billion (\$31.7 billion) as compared to SAR 126.0 billion for the three-month period ended 31 March 2024. This 5.6% decrease was primarily due to lower earnings, partially offset by a reduction in cash paid for the settlement of income, zakat and other taxes.

Net cash provided by operating activities for the year ended 31 December 2024 amounted to SAR 508.9 billion (\$135.7 billion) as compared to SAR 537.8 billion for the year ended 31 December 2023. This 5.4% decrease mainly reflects lower earnings, partially offset by a reduction in cash paid for the settlement of income, zakat and other taxes.

Net cash provided by operating activities for the year ended 31 December 2023 amounted to SAR 537.8 billion as compared to SAR 698.2 billion for the year ended 31 December 2022. This 23% decrease mainly reflects lower earnings resulting from lower crude oil prices and lower volumes sold, and lower refining and chemicals product prices. This was partially offset by favourable movements in working capital and a decrease in cash paid for the settlement of income, zakat and other taxes.

Cash Used in or Provided by Investing Activities

Net cash used in investing activities for the three-month period ended 31 March 2025 amounted to SAR 47.0 billion (\$12.5 billion) as compared to net cash provided by investing activities of SAR 48.0 billion for the three-month period ended 31 March 2024. The change was primarily due to net cash outflow from purchases of short-term investments compared to a net cash inflow in the prior year.

Net cash used in investing activities for the year ended 31 December 2024 amounted to SAR 2.9 billion (\$0.8 billion) as compared to SAR 54.0 billion for the year ended 31 December 2023. This 95% decrease was primarily due to higher maturities of short-term investments, and the absence of cash consideration paid for the acquisition of Valvoline Inc's. global product business in 2023. This was partially offset by higher upstream capital expenditures during the year.

Net cash used in investing activities for the year ended 31 December 2023 amounted to SAR 54.0 billion as compared to SAR 389.0 billion for the year ended 31 December 2022. This 86% decrease 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 acquisition of Valvoline Global Operations and higher upstream capital expenditures.

Capital Expenditures

The following table sets forth Saudi Aramco's capital expenditures on a cash basis for each of its business segments for the years ended 31 December 2022, 2023 and 2024 and for the three-month periods ended 31 March 2024 and 2025:

	2022 SAR	Year Ended 31 December		2024 U.S.\$	Three-Month Periods Ended 31 March		
		2023 SAR	2024 SAR	(in millions)	2024 SAR	2025 SAR	2025 U.S.\$
Upstream ⁽¹⁾	109,789	123,543	147,135	39,236	33,114	37,217	9,925
Downstream	29,541	32,735	38,989	10,397	6,882	8,607	2,295
Corporate	1,831	2,030	2,766	738	625	1,235	329
Total	141,161	158,308	188,890	50,371	40,621	47,059	12,549

Source: The Company and Financial Statements.

(1) Includes exploration capital expenditures of SAR 10,939 million, SAR 15,750 million, SAR 22,610 million (\$6,029 million), and SAR 7,706 million (\$2,055 million) for the years ended 31 December 2022, 2023 and 2024 and the three-month period ended 31 March 2025, respectively, and development capital expenditures of SAR 42,278 million, SAR 49,470 million, SAR 52,079 million (\$13,888 million), and SAR 11,316 million (\$3,018 million) for the years ended 31 December 2022, 2023 and 2024 and the three-month period ended 31 March 2025, respectively.

Saudi Aramco's capital expenditures for the three-month period ended 31 March 2025 amounted to SAR 47.1 billion (\$12.5 billion) as compared to SAR 40.6 billion for three-month period ended 31 March 2024. This 16.0% increase was primarily due to higher upstream capital expenditures reflecting increased development activity to support strategic expansion of the Company's gas business.

Saudi Aramco's capital expenditures for the year ended 31 December 2024 amounted to SAR 188.9 billion (\$50.4 billion) as compared to SAR 158.3 billion for the year ended 31 December 2023. This 19.3% increase was primarily due to higher upstream capital expenditures reflecting progress of crude oil increments aimed at maintaining an MSC of 12.0 mmbpd and advancement of multiple gas projects supporting the strategic expansion of the Company's gas business.

Saudi Aramco's capital expenditures for the year ended 31 December 2023 amounted to SAR 158.3 billion (\$42.2 billion) as compared to SAR 141.2 billion for the year ended 31 December 2022. This 12.1% increase was primarily attributable to increased drilling and development activities related to crude oil increments, and ongoing progress of multiple gas projects toward the goal of expanding gas production.

Capital investments are expected to continue to grow through the middle of the decade.

Cash Used in Financing Activities

Net cash used in financing activities for the three-month period ended 31 March 2025 amounted to SAR 85.8 billion (\$22.9 billion) as compared to SAR 129.0 billion for three-month period ended 31 March 2024. This 33.5% decrease was mainly driven by lower dividend payments and an increase in cash proceeds from borrowings.

Net cash used in financing activities for the year ended 31 December 2024 amounted to SAR 488.4 billion (\$130.2 billion) as compared to SAR 510.9 billion for the year ended 31 December 2023. This 4.4% decrease largely reflects lower repayments of borrowings compared to 2023 due to the absence of the deferred consideration prepayment related to the SABIC acquisition, and higher cash proceeds from borrowings largely attributable to the issuances of international bonds and sukuk. This was partially offset by higher dividends paid and the purchase of treasury shares associated with the secondary public offering in 2024.

Net cash used in financing activities for the year ended 31 December 2023 amounted to SAR 510.9 billion (\$136.2 billion) as compared to SAR 382.7 billion for the year ended 31 December 2022. This 33.5% increase predominately reflects payments associated with performance-linked dividends, an increase of 4.0% in base dividends and an absence of cash received in connection with Saudi Aramco's gas pipeline transaction in the prior year. This was partially offset by an increase in cash proceeds from borrowings.

Dividends and Distributions

In accordance with the Company's dividend policy, the Company's Board of Directors intends to declare regular and interim dividends at any time at its discretion. In 2022, 2023 and 2024, the Company's dividend payments totalled SAR 281.3 billion, SAR 366.7 billion and SAR 465.9 billion (\$124.2 billion), respectively. In the three-month period ended 31 March 2025, the Company's dividend payments totalled SAR 80.1 billion (\$21.4 billion).

The Company currently distributes and intends to maintain a sustainable and progressive base dividend. The base dividend declared in each of the first and second quarters of 2025 was SAR 79.3 billion (\$21.14 billion) each. Based on these dividend amounts, the Company expects to declare total base dividends of SAR 317.2 billion (\$84.6 billion) in 2025. The base dividend amounts to be declared in the third and fourth quarters of 2025 are subject to the discretion of the Board.

In addition to the base dividend, in 2023, the Company introduced a mechanism for performance-linked dividends to support its aim to deliver a balanced mix of growth and yield to shareholders, which is intended to be paid in the amount of 50-70% of Saudi Aramco's combined full-year free cash flow, net of the base dividend and other amounts, including external investments. The total performance-linked dividend paid in the years ended 2023, and 2024, and in the three-months ended 31 March 2025 was SAR 74.0 billion (\$19.8 billion), SAR 161.6 billion (\$43.1 billion), and SAR 0.8 billion (\$0.2 billion) respectively. The Board of Directors will declare any performance-linked dividends at their discretion, after considering the Company's financial position and ability to fund commitments, including growth capital plans, and in accordance with the Company's dividend distribution policy.

Royal Order No. A/42, dated 26/01/1441 in the Hijri calendar (corresponding to 25 September 2019) provides that, to the extent that the Board of Directors determines that the amount of any quarterly cash dividend declared with respect to calendar years 2020 through 2024 would have been less than \$0.09375 per ordinary share (based on 200,000,000,000 ordinary shares outstanding) but for the Government forgoing its rights to such dividend as follows, the Government will forgo its right to receive the portion of cash dividends on its ordinary shares equal to the amount necessary to enable Saudi Aramco to first pay the minimum quarterly cash dividend amount described above to holders of ordinary shares other than the Government. The remaining amount of the declared dividend as determined by the Board of Directors in its discretion will be paid to the Government. In addition, dividends forgone will not accrue or otherwise be paid to the Government and the waiver applies to all ordinary shares not held by the Government from time to time and held from 2020 to 2024. In 2024, no shareholder of the Company waived any rights to dividends.

Any decision to pay dividends on the Shares and the amount of dividends to be paid will be made at the discretion of the Board subject to the Company's dividend distribution policy. Additionally, the dividend distribution policy may be changed by vote of an Ordinary General Assembly.

Borrowings

The following table sets forth the Company's borrowings as at 31 December 2022, 2023 and 2024.

Borrowings as at 31 December 2022, 2023 and 2024

	2022			2023			2024		
	SAR			SAR			SAR		
	(in millions)			(in millions)			(in millions)		
	Non-current	Current	Total	Non-current	Current	Total	Non-current	Current	Total
Conventional:									
Deferred consideration	81,168	40,995	122,163	-	-	-	-	-	-
Debentures	89,585	7,627	97,212	81,092	9,683	90,775	99,815	6,468	106,283
Bank borrowings	20,998	2,166	23,164	22,853	3,630	26,483	24,741	1,821	26,562
Short-term borrowings	-	10,205	10,205	-	18,378	18,378	-	21,242	21,242
Revolving credit facilities	-	-	-	-	1,237	1,237	-	703	703
Export credit agencies	1,582	657	2,239	941	656	1,597	-	880	880
Public Investment Fund	820	365	1,185	455	365	820	-	416	416
Other financing arrangements	23,570	408	23,978	36,070	200	36,270	35,527	455	35,982
	217,723	62,423	280,146	141,411	34,149	175,560	160,083	31,985	192,068
Non-conventional:									
Sukuk	34,300	281	34,581	18,689	15,000	33,689	29,991	11,398	41,389
Murabaha	16,158	2,135	18,293	13,830	2,089	15,919	12,593	1,843	14,436
Saudi Industrial Development Fund	3,441	295	3,736	3,057	281	3,338	3,800	319	4,119
Ijarah/Procurement	2,688	13	2,701	3,499	13	3,512	3,140	400	3,540
Wakala	997	26	1,023	771	27	798	1,227	28	1,255
	57,584	2,750	60,334	39,846	17,410	57,256	50,751	13,988	64,739
Borrowings – other than leases	275,307	65,173	340,480	181,257	51,559	232,816	210,834	45,973	256,807
Lease liabilities	43,073	9,591	52,664	45,224	12,107	57,331	50,899	11,584	62,483
Total borrowings	318,380	74,764	393,144	226,481	63,666	290,147	261,733	57,557	319,290

Source: The Financial Statements.

The Company has entered into long-term financing arrangements with various lenders. The carrying values of assets held as collateral against these financing arrangements, predominantly property, plant and equipment, are SAR 95,018 million, SAR 94,091 million, and SAR 108,561 million (\$28.9 million) for 2022, 2023, and 2024, respectively. For further information, see Note 20 to the 2024 Financial Statements and Note 20 to the 2023 Financial Statements included elsewhere in this Base Prospectus.

The following table sets forth the Company's borrowing facilities as at 31 December 2024.

Borrowing facilities as at 31 December 2024

	Total facility ⁽¹⁾	Loan duration	Repaid during the year (in millions SAR)	Balance as at 31 December 2024	Maturity date
Bank borrowings	35,149	1 to 24 years	(5,337)	26,562	2025 – 2045
Sukuk (Shari'a compliant)	41,389	3 to 14 years	(3,842)	41,389	2025 – 2034
Export credit agencies	12,289	15 to 17 years	(687)	880	2025 – 2039
Public Investment Fund	3,049	15 years	(404)	416	2025
Saudi Industrial Development Fund (Shari'a compliant)	7,363	7 to 17 years	(461)	4,119	2025-2035
Ijarah / Procurement (Shari'a compliant)	3,705	7 to 23 years	-	3,540	2026-2039
Murabaha (Shari'a compliant)	25,488	5 to 24 years	(4,878)	14,436	2028-2032
Wakala (Shari'a compliant) and other Islamic financing	2,460	7 to 16 years	-	1,255	2028 – 2038
Revolving Credit Facilities	36,880	1 to 5 years	(534)	703	2025 – 2029
Short-term borrowings	37,487	Under 1 year	(5,787)	21,242	2025
Debentures	106,283	10 to 50 years	(9,552)	106,283	2025 – 2070
Lease liabilities	-	-	(15,344)	62,483	Not defined
Other financing arrangements	35,982	11 to 25 years	-	35,982	2028 – 2046
	347,524		(46,826)	319,290	

Source: The Company and the Financial Statements

(1) Includes total facility amounts and carrying amounts for certain long-term loans being repaid in instalments.

Liquidity

Saudi Aramco believes that its existing cash and cash equivalents balance, together with amounts available under its committed borrowing arrangements and cash generated from operations, will be sufficient to meet its working capital requirements for at least the next 12 months. Saudi Aramco currently has access to revolving credit facilities, the Programme, its Trust Certificate (sukuk) Issuance Programme and its Domestic Sukuk Programme. Certain of Saudi Aramco's subsidiaries also have entered into and have access to credit facilities, sukuk or other financing.

Cash that may be temporarily available as surplus to Saudi Aramco's immediate needs is carefully managed based on counterparty quality and investment guidelines to ensure it is secure and readily available to meet Saudi Aramco's cash requirements.

Revolving Credit Facilities

On 4 April 2022, the Company entered into new five-year unsecured revolving credit facilities aggregating to SAR 37.5 billion (\$10 billion) to replace the previously expired \$10 billion revolving credit facilities. The new facilities comprise USD denominated conventional facilities of SAR 30 billion (\$8 billion) and a SAR denominated Shari'a compliant Murabaha facility of SAR 7.5 billion (\$2 billion). The Company will apply all amounts advanced to it under these facilities for general corporate purposes and towards its general working capital requirements. The Company has the option of up to two extensions of one year each. The Company exercised the extension options in 2023 and 2024, and accordingly, the maturity date of the facilities has been extended until April 2029. No amounts have been drawn against these facilities as of 31 December 2024. In addition, Saudi Aramco has a number of other revolving credit facilities with an aggregate carrying amount of SAR 0.7 billion (\$0.2 billion) and undrawn amounts of SAR 6.2 billion (\$1.7 billion) as of 31 December 2024.

Domestic Sukuk Programme

On 21 March 2017, Saudi Aramco established a Saudi Riyal denominated Domestic Sukuk Program for the issuance of up to SAR 37.5 billion (\$10 billion) in aggregate nominal amount of sukuk and was updated on 24 February 2021. On 11 March 2025, the maturity date of the sukuk issued on 10 April 2017, with a par value of SAR 11.25 billion, which was previously extended from its original maturity date of 10 April 2024 to 10 April 2025, was further extended to 10 April 2032. Accordingly, the outstanding amount was reclassified from current to non-current borrowings. The Company has an option to early redeem the sukuk on 10 October 2031.

Trust Certificate (sukuk) Issuance Programme

On 7 June 2021, Saudi Aramco established a Trust Certificate (sukuk) Issuance Programme with an unlimited programme size. On 17 June 2021, SAR 22.5 billion (\$6.0 billion) in aggregate face amount of trust certificates were issued in three series under this programme: SAR 3.75 billion (\$1.0 billion) trust certificates due 17 June 2024, SAR 7.5 billion (\$2.0 billion) trust certificates due June 2026 and SAR 11.25 billion (\$3.0 billion) trust certificates due 2031. On 17 June 2024, certificates with three-year maturities, aggregating to a principal amount of SAR 3.75 billion (\$1.0 billion) were repaid. On 2 October 2024, SAR 11.3 billion (\$3.0 billion) in aggregate face amount of trust certificates were issued in two series under this programme: SAR 5.6 billion (\$1.5 billion) 4.25% trust certificates due 2029 and SAR 5.6 billion (\$1.5 billion) 4.75% trust certificates due 2034.

The Programme

On 1 April 2019, Saudi Aramco established the Programme pursuant to which it may from time to time issue notes. On 16 April 2019, Saudi Aramco issued \$12.0 billion in aggregate principal amount of senior unsecured notes under the Programme comprising five series: \$1.0 billion 2.750% notes due 2022; \$2.0 billion 2.875% notes due 2024; \$3.0 billion 3.500% notes due 2029; \$3.0 billion 4.250% notes due 2039 and \$3.0 billion 4.375% notes due 2049. On 16 April 2022, notes with three-year maturities, aggregating to a principal amount of SAR 3.75 billion (\$1.0 billion) and carrying a coupon rate of 2.75%, were repaid. On 16 April 2024, notes with five-year maturities, aggregating to a principal amount of SAR 7.5 billion (\$2.0 billion) and carrying a coupon rate of 2.875%, were repaid.

On 24 November 2020, Saudi Aramco issued \$8.0 billion in aggregate principal amount of new senior unsecured medium term notes under the Programme comprising five series: \$0.5 billion 1.250% notes due 2023; \$1.0 billion 1.625% notes due 2025; \$2.0 billion 2.250% notes due 2030; \$2.25 billion 3.250% notes due 2050 and \$2.25 billion 3.500% notes due 2070. On 24 November 2023, notes with three-year maturities, aggregating to a principal amount of SAR 1.875 billion (\$0.5 billion) and carrying a coupon rate of 1.25%, were repaid.

On 17 July 2024, Saudi Aramco issued \$6.0 billion in aggregate principal amount of senior unsecured medium term notes under the Programme comprising three series: \$2.0 billion 5.250% notes due 2034; \$2.0 billion 5.750% notes due 2054 and \$2.0 billion 5.875% notes due 2064.

Contractual Obligations

The following table sets forth Saudi Aramco's contractual obligations as at 31 December 2024:

	Less than 1 year SAR	Payments Due Per Period		Total SAR SAR
		1 – 5 years SAR	More than 5 years SAR	
		(in millions)		
Borrowings – other than leases ⁽¹⁾	48,496	111,898	237,014	397,408
Leases ⁽¹⁾	13,970	30,232	30,964	75,166
Total	62,466	142,130	267,978	472,574

Source: The Company.

(1) Maturities at contractual value of long-term borrowings and debentures and leases, including interest payments due under such instruments.

The following table sets forth Saudi Aramco's asset retirement and environmental provisions for the years ended 31 December 2022, 2023 and 2024:

	Year Ended 31 December		
	2022	2023	2024
	SAR	SAR	SAR
		(in millions)	
Asset retirement ⁽¹⁾	17,568	15,150	13,529
Environmental ⁽¹⁾	770	698	706

Source: The Financial Statements.

(1) Represents present value of expenditures required to settle the obligation.

Saudi Aramco's off-balance sheet arrangements primarily relate to commitments and contingencies under guarantees issued by Saudi Aramco in connection with financing arrangements at Sadara and Petro Rabigh.

On 25 March 2021, Saudi Aramco and Dow, partners in Sadara, entered into agreements to provide Sadara additional feedstock by increasing the quantity of ethane and natural gasoline supplied by Saudi Aramco. These agreements also include a gradual increase in Saudi Aramco's rights to market, through SABIC, the finished products produced by Sadara over the next five years through an executive sales and operations planning committee. Additionally, Saudi Aramco and Dow agreed to guarantee up to an aggregate of SAR 13.9 billion (\$3.7 billion) in principal amount of senior debt in proportion to their ownership interests in Sadara.

In 2020, Saudi Aramco and Sumitomo entered into a debt service undertaking with the lenders of the Rabigh II Project, whereby each of them severally undertakes to pay 50% of any shortfalls in Rabigh II debt service until the final repayment date in June 2032, on a scheduled and not accelerated basis. The semi-annual scheduled principal debt service under the Rabigh II financing is approximately SAR 890 million. Saudi Aramco and Sumitomo also arranged equity bridge loans in an aggregate amount of SAR 11.3 billion which they have severally guaranteed to meet the equity financing requirements under the senior finance agreements. Petro Rabigh repaid SAR 1.9 billion of the equity bridge loans out of the proceeds of a rights issuance in July 2022. The remaining equity bridge loans of SAR 9.3 billion matured in March 2023 and were refinanced by Petro Rabigh. Under the refinancing arrangement, Sumitomo guaranteed its share of the equity bridge loans, amounting to SAR 4.7 billion that was fully financed by external lenders. In addition, Saudi Aramco provided Petro Rabigh an equity bridge loan of SAR 3.0 billion while the remaining amount of its share, amounting to SAR 1.7 billion was provided by external lenders and was guaranteed by the Company. The refinanced equity bridge loans mature on 20 December 2027.

Quantitative and Qualitative Disclosure About Market Risk

General

Saudi Aramco is exposed to a number of market risks arising from its normal business activities. Such market risks principally involve the possibility that changes in commodity prices, currency exchange rates or interest rates will adversely affect the value of its financial assets and liabilities or future cash flows and earnings.

Commodity derivatives contracts

Saudi Aramco trades crude, natural gas liquids and various refined and bulk petrochemical products and uses commodity derivatives as a means of managing price and timing of risks arising from its trading. Saudi Aramco operates within policies and procedures designed to ensure that risks, including those related to the default of counterparties, are managed within authorised limits.

Risk Management

Financial risks include market risk (including foreign currency exchange risk, price risk, and interest rate risk), credit risk, and liquidity risk. Financial risk management is carried out primarily by a central treasury department. The adequacy of financial risk management policies is regularly reviewed with consideration of current activities and market conditions on a consolidated basis. Saudi Aramco uses derivative financial instruments with limited complexity to manage certain risk exposures and does not enter into financial instruments, including derivative financial instruments, for speculative purposes.

Foreign Currency Exchange Risk

Saudi Aramco operates internationally, it has limited exposure to the risk of foreign currency exchange rates as most significant transactions dominated in its functional currency, are linked to its functional currency or are hedged. Saudi Aramco's limited foreign currency exchange risk arises from future commercial transactions or recognised assets or liabilities denominated in a currency that is not its functional currency. In addition, a substantial portion of Saudi Aramco's costs are denominated in SAR which has been at a fixed rate to US Dollars since 1986. A change in the fixed exchange rate would result in foreign exchange differences being recognized in the Financial Statements.

Saudi Aramco engages in foreign currency hedging activities through the use of currency forward contracts to manage its exposure from significant transactions denominated in a foreign currency. The hedge ratio considers variability in potential outcomes, spot rates, as well as interest rates on a transaction by transaction basis.

Interest Rate Risk

Saudi Aramco is exposed to interest rate risk from changes in interest rates that affect the fair value or future cash flows of financial instruments, principally borrowings, issued at variable and fixed rates. Borrowings issued at variable rates expose Saudi Aramco to cash flow interest rate risk which is partially offset by short-term time deposits and debt securities held at variable rates. Borrowings issued at fixed rates expose Saudi Aramco to fair value interest rate risk. Saudi Aramco may enter into interest rate swap agreements as part of its overall strategy to manage the interest rate risk on its debt. See “*Derivative Instruments and Hedging Activities*” below.

Credit Risk

Saudi Aramco is exposed to credit risk related to its counterparties not performing or honouring their obligations which could result in financial loss. Credit risk arises from credit exposures on trade and other receivables as well as from cash and cash equivalents, short-term investments, debt securities, and derivatives with financial institutions. The maximum exposure to credit risk is the carrying value of these assets.

Saudi Aramco’s trade receivables arise from a global customer base which limits geographic concentrations of credit risk. Moreover, a credit risk policy is in place to ensure credit limits are extended to creditworthy counterparties and risk mitigation measures are defined and implemented accordingly. Saudi Aramco performs ongoing evaluations of its counterparties’ financial standing and takes additional measures to mitigate credit risk when considered appropriate, including but not limited to by means of letters of credit, bank guarantees or parent company guarantees.

In addition, the credit risk policy limits the amount of credit exposure to any individual counterparty based on their credit rating as well as other factors. Moreover, Saudi Aramco’s investment policy limits exposure to credit risk arising from investment activities. The policy requires that cash and cash equivalents and short-term investments be invested with a diversified group of financial institutions with acceptable credit ratings. Saudi Aramco ensures that each counterparty is of an acceptable credit quality by relying on quantitative and qualitative measures compiled from internal and third party rating models. As at 31 December 2024, all the short-term investments were with financial institutions assigned a long-term credit rating of “BBB” or above.

Liquidity Risk

Saudi Aramco’s liquidity risk management includes maintaining sufficient cash and cash equivalents and ensuring the availability of incremental funding through credit facilities. Management also monitors and forecasts Saudi Aramco’s liquidity requirements based on current and non-current expected cash flows.

Saudi Aramco invests surplus cash in current accounts, time deposits, money market deposits, government repurchase agreements, and marketable securities, choosing instruments with appropriate maturities or sufficient liquidity to meet forecasted cash flow requirements. Saudi Aramco prioritises security and liquidity over yield.

Saudi Aramco’s derivative liabilities relate to contracts that mature within 12 months from the balance sheet date, except for certain interest rate swaps and financial liabilities – options and forward contracts that have maturity dates of more than five years.

Saudi Aramco has financial guarantees arising in the ordinary course of business. The earliest period in which such guarantees can be called is the effective date as defined in the related agreements. The maximum exposure is limited to the gross value of such guarantees.

Investments in securities price risk

Saudi Aramco has limited its exposure to price risk arising from investments in securities carried at fair value. Saudi Aramco regularly reviews its positions in investment in securities considering current and expected future economic trends.

Summary of Material Accounting Policies

The 2023 Financial Statements and the 2024 Financial Statements were prepared in accordance with IFRS. The 2025 Three-Month Interim Period Financial Statements were prepared in accordance with IAS 34. Below is a summary of material accounting policies applied by Saudi Aramco in preparing the Financial Statements:

Principles of Consolidation, Acquisition and Equity Accounting

Subsidiaries

The consolidated financial statements reflect the assets, liabilities and operations of Saudi Aramco and its subsidiaries. Subsidiaries are entities over which Saudi Aramco has control. Saudi Aramco controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are consolidated from the date on which Saudi Aramco obtains control and continue to be consolidated until the date that such control ceases.

Intercompany balances and transactions, including unrealised profits and losses arising from intragroup transactions, have been eliminated. Where necessary, adjustments are made to the financial statements of subsidiaries to align the accounting policies with those used by Saudi Aramco.

The acquisition method of accounting is used to account for business combinations, including those acquisitions of businesses under common control that have commercial substance. Acquisition related costs are expensed as incurred. The consideration transferred for the acquisition of a subsidiary comprises the fair value of the assets transferred, liabilities incurred to the former owners of the acquired business, equity interests issued by Saudi Aramco, the fair value of any asset or liability resulting from a contingent consideration arrangement and the fair value of any pre-existing equity interest in the subsidiary. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at fair value at the date the assets and liabilities are exchanged, irrespective of the extent of any non-controlling interests. The excess of the consideration transferred and the amount of any non-controlling interest in the acquired entity over the fair value of the acquired identifiable net assets is recorded as goodwill. Where settlement of any part of the cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained under comparable terms and conditions. Any goodwill arising on acquisition is allocated to each of the cash-generating units, or groups of cash-generating units, expected to benefit from the business combination's synergies. Non-controlling interests represent the equity in subsidiaries that is not attributable, directly or indirectly, to Saudi Aramco.

Saudi Aramco recognises any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets. Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statements of income and comprehensive income, the consolidated statement of changes in equity and the consolidated balance sheet, respectively.

Saudi Aramco treats transactions with non-controlling interests that do not result in a loss of control as transactions between equity owners of the group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised in equity.

If the business combination is achieved in stages, the acquisition date carrying value of the previously held equity interest is re-measured to fair value at the acquisition date with any gains or losses arising from such re-measurement recognised in net income or other comprehensive income, as appropriate.

Joint Arrangements

Under IFRS 11 (Joint Arrangements), an arrangement in which two or more parties have joint control, is a joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control. Investments in joint arrangements are classified as either joint operations or joint ventures. The classification depends on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangement. Saudi Aramco has interests in both joint operations and joint ventures.

Joint Operations

Joint operations arise where the investors have rights to the assets and obligations for the liabilities of a joint arrangement. Saudi Aramco recognises its direct right to the assets, liabilities, revenues and expenses of joint operations and its share of any jointly held or incurred assets, liabilities, revenues and expenses.

Joint Ventures

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement. Investments in joint ventures are accounted for using the equity method of accounting and are initially recognised at cost.

Saudi Aramco's share of results of its joint ventures is recognised within net income, while its share of post-acquisition movements in other comprehensive income is recognised within other comprehensive income. The cumulative effect of these changes is adjusted against the carrying amount of Saudi Aramco's investments in joint ventures, which is presented separately in Saudi Aramco's consolidated balance sheet. When Saudi Aramco's share of losses in a joint venture equals or exceeds its interest in the joint venture including any other unsecured non-current receivables, Saudi Aramco does not recognise further losses, unless it has incurred obligations or made payments on behalf of the joint venture.

If the ownership interest in a joint venture or an associate is reduced but joint control or significant influence is retained, the difference between the carrying amount derecognised and the proceeds received is recognised in the consolidated statement of income.

Gains and losses on transactions between Saudi Aramco and joint ventures not realised through a sale to a third-party are eliminated to the extent of Saudi Aramco's interest in the joint ventures. Where necessary, adjustments are made to the financial statements of joint ventures to align their accounting policies with those used by Saudi Aramco.

Saudi Aramco's investments in joint ventures includes, when applicable, goodwill identified on acquisition, net of any accumulated impairment loss. Goodwill represents the excess of the cost of an acquisition over the fair value of Saudi Aramco's share of the net identifiable assets of the acquired joint venture at the date of acquisition.

Dividends received or receivable from joint ventures are recognised as a reduction in the carrying amount of the investment.

Associates

Associates are entities over which Saudi Aramco has significant influence. Significant influence is the power to participate in financial and operating policy decisions but without control or joint control over those policies and is generally reflected by a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting and are initially recognised at cost. The accounting policies for joint ventures detailed above are also applied by Saudi Aramco to its associates.

Significant Accounting Judgments and Estimates

The acquisition of subsidiaries, joint arrangements and associates require management to estimate the fair values of the assets acquired and liabilities assumed. In addition, judgments are applied in the determination of whether control, joint control or significant influence is present with respect to investments in subsidiaries, joint arrangements or associates. Judgement is applied when determining if an entity is controlled by voting rights, potential voting rights or other rights granted through contractual arrangements and includes consideration of an entity's purpose and design, among other factors. Judgement is applied when assessing whether an arrangement is jointly controlled by all of its parties or by a group of the parties by taking decisions about relevant activities through unanimous consent of the parties sharing control. Judgement is also applied as to whether a joint arrangement is classified as a joint venture or joint operation taking into account specific facts and circumstances, such as the purpose and design of the arrangement, including with respect to its output, its relationship to the parties and its source of cash flows. Judgement is applied in determining whether significant influence is held by assessing factors such as representation on the Board of Directors, participation in policy-making processes, material transactions with the entity, interchange of managerial personnel, and provision of essential technical information. See Notes 7, 34, 35, 38, 39 and 40 to the 2024 Financial Statements.

Intangible Assets

Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill is not amortised but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired. Goodwill is carried at cost less accumulated impairment losses. For the purpose of impairment testing, goodwill is allocated to cash-generating units or groups of cash-generating units that are expected to benefit from the acquisition in which the goodwill arose. The units or groups of units are identified at the lowest level at which goodwill is monitored for internal management purposes.

Intangible assets other than exploration and evaluation costs and those with indefinite useful lives such as goodwill and brands acquired on acquisition of certain subsidiaries, consist primarily of brands and trademarks, franchise/customer relationships and computer software. See Notes 2I, 4 and 6 to the 2024 Financial Statements. If acquired in a business combination, these intangible assets are recognised at their fair value at the date of acquisition and, if acquired separately, these intangible assets are recognised at cost. All these intangible assets are subsequently amortised on a straight-line basis over their estimated useful lives.

The following table sets forth estimated useful lives, in years, of the principal groups of these intangible assets:

Brands and trademarks	10 to 22
Franchise/customer relationships	5 to 25
Computer software	3 to 15

Source: The Company.

Amortisation is recorded in depreciation and amortisation in Saudi Aramco's consolidated statement of income.

Exploration and Evaluation

Exploration and evaluation costs are recorded under the successful efforts method. Under the successful efforts method, geological and geophysical costs are recognised as an expense when incurred and exploration costs associated with exploratory wells are initially capitalised on Saudi Aramco's consolidated balance sheet as an intangible asset until the drilling of the well is complete and the results have been evaluated. If potential commercial quantities of hydrocarbons are found, these costs continue to be capitalised, subject to further appraisal activities that would determine the commercial viability and technical feasibility of the reserves. If potentially commercial quantities of hydrocarbons have not been found, and no alternative use of the well is determined, the previously capitalised costs are written off to exploration in Saudi Aramco's consolidated statement of income.

Exploratory wells remain capitalised while additional appraisal drilling on the potential oil or gas field is performed or while optimum development plans are established. All such capitalised costs are not subject to amortisation, but at each reporting date are subject to regular technical and management review to confirm the continued intent to develop, or otherwise extract value from, the well. Where such intent no longer exists, the costs are written off to

exploration in Saudi Aramco’s consolidated statement of income. Capitalised exploratory expenditures are, at each reporting date, subject to review for impairment indicators.

When proved reserves of hydrocarbons are determined and there is a firm plan for development approved by management, the relevant capitalised costs are transferred to property, plant and equipment.

Property, Plant and Equipment

Property, plant and equipment is stated on Saudi Aramco’s consolidated balance sheet at cost less accumulated depreciation and impairment losses, if any. Cost includes expenditures directly attributable to the construction or acquisition of the asset. Land and construction-in-progress are not depreciated. When a construction-in-progress asset is deemed available for use as intended by management, depreciation commences.

Subsequent expenditures, including major renovations, are included in an asset’s carrying amount or recognised as a separate asset only when it is probable that future economic benefits associated with the item will flow to Saudi Aramco and the cost of the item can be measured reliably. The carrying amount of the replaced item is derecognised. All other repair and maintenance expenditures are expensed as incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met. See Notes 2(g) and 5 to the 2024 Financial Statements.

Where the life of expected hydrocarbon reserves substantially exceeds the economic or technical lives of the underlying assets, the straight-line method of depreciation is used. The unit of production method is used for fields where the expected reserve life is approximately equal to or less than the estimated useful lives of the underlying assets. Depletion rates are calculated on the basis of a group of wells or fields with similar characteristics based on proved developed reserves. The estimation of expected reserve lives reflects management’s assessment of proved developed reserves and the related depletion strategy on a field-by-field basis. Depreciation expense on all other assets is calculated using the straight-line method to allocate the cost less residual values over the estimated useful lives. Depreciation expense is recorded in Saudi Aramco’s consolidated statement of income.

Depreciation expense is calculated after determining an estimate of an asset’s expected useful life and the expected residual value at the end of its useful life. The useful lives and residual values are determined by management at the time the asset is initially recognised and are reviewed annually for appropriateness or when events or conditions occur that impact capitalised costs, hydrocarbon reserves, residual values or estimated useful lives.

The estimated useful lives or, the lease term, if shorter, for right of use assets in years of principal groups of depreciable assets is as follows:

Land and land improvements	3 to 54
Buildings	5 to 50
Oil and gas properties	15 to 30
Plant, machinery and equipment	2 to 52
Depots, storage tanks and pipelines	4 to 30
Fixtures, IT and office equipment	2 to 20

Source: The Company.

Gains and losses on disposals of depreciable assets are recognised in net income. See Notes 2(g), 2(h) and 5 to the 2024 Financial Statements.

Impairment of Non-Financial Assets

At each reporting date, Saudi Aramco assesses whether there are any indications that a non-financial asset with a definite life might be impaired. Assets with indefinite useful lives such as goodwill and brand acquired on acquisition of certain subsidiaries (see Note 2(h) to the 2024 Financial Statements) are reviewed for impairment on an annual basis. If an indication of impairment exists, or when annual impairment testing for an asset is required, the asset’s recoverable amount is estimated. An impairment loss is recognised for the amount by which the asset’s carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset’s fair value less costs of disposal or value in use (“VIU”). The fair value less costs of disposal calculation is based on either post-tax discounted cash flow models or available data from binding arm’s length sales transactions for similar assets,

or observable market prices less incremental costs of disposing of the asset. The VIU calculation is based on a post-tax risk adjusted discounted cash flow model. The use of post-tax discount rates in determining VIU does not result in a materially different determination of the need for, or the amount of, impairment that would be required if pre-tax discount rates had been used.

Impairment losses are recognised as a component of net income and are presented within depreciation and amortisation in the consolidated statement of income. If, in a subsequent period, the amount of a non-goodwill impairment loss decreases, a reversal of the previously recognised impairment loss is recognised in net income.

Significant Accounting Judgments and Estimates

Impairment tests are undertaken on the basis of the smallest identifiable group of assets (cash-generating unit), or individual assets, for which there are largely independent cash inflows. The key assumptions used to determine the different cash-generating units involve significant judgment by management.

For the purposes of determining whether impairment of non-financial assets has occurred, and the extent of any impairment or its reversal, the key assumptions management uses in estimating future cash flows for its VIU calculations are forecasted future oil, gas, refined product and chemical prices, expected production volumes, future operating and development costs, refining and petrochemical margins and changes to the discount rate used for the discounted cash flow model. There is an inherent uncertainty over forecasted information and assumptions. Changes in these assumptions and forecasts could impact the recoverable amounts of assets and any calculated impairment and reversals thereof.

Leases

Saudi Aramco's portfolio of leased assets mainly comprises land and buildings, drilling rigs, marine vessels, industrial facilities, equipment, storage and tanks, aircraft and vehicles. The determination of whether the contract is, or contains, a lease is based on the substance of the contract at the inception of the lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Saudi Aramco recognises right-of-use assets and lease liabilities at the lease commencement date. Right-of-use assets are initially measured at cost, which comprises lease liabilities at initial measurement, any initial direct costs incurred, any lease payments made at or before the commencement date and restoration costs less any lease incentives received. Subsequent to initial recognition the right-of-use assets are measured at cost less accumulated depreciation and accumulated impairment losses, if any, and adjusted for any remeasurement of the lease liability. Right-of-use assets are depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis unless the lease transfers ownership of the underlying asset by the end of the lease term or if the cost of the asset reflects the exercise of the purchase option, in which case right of use assets are depreciated over the useful life of the underlying asset. Depreciation expense is recorded in the Consolidated Statement of Income. Right-of-use assets are included under property, plant and equipment. See Note 5 to the 2024 Financial Statements.

Lease liabilities are initially measured at the present value of lease payments. Lease payments include fixed lease payments, variable lease payments that depend on an index or rate, amounts payable for guaranteed residual values and payments to be made under extension or purchase or termination options, where applicable. The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions. Subsequent to initial recognition, the lease liabilities are measured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and adjusted for remeasurement to reflect any reassessments or lease modifications. Lease liabilities are included under borrowings. See Note 20 to the 2024 Financial Statements. Lease payments are allocated between the principal and finance costs. Finance costs are recorded as an expense in Saudi Aramco's consolidated statement of income over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Saudi Aramco has elected not to recognise right-of-use assets and lease liabilities for short-term and low-value leases. Lease payments under short-term and low-value leases are recorded as an expense in Saudi Aramco's consolidated statement of income on a straight-line basis over the lease term.

Significant Accounting Judgments and Estimates

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options are only included in the lease term if the lease is reasonably certain to not be terminated or to be extended. The assessment is reviewed if a significant event or a significant change in circumstances occurs which affects this assessment and is within the control of the lessee.

Investments and Other Financial Assets

Classification

Management determines the classification of its financial assets based on the business model for managing the financial assets and the contractual terms of the cash flows. Saudi Aramco's financial assets are classified into the following categories

- those to be measured subsequently at fair value (either through other comprehensive income or through profit or loss). These include equity securities at fair value through profit or loss ("**FVPL**"), equity securities at fair value through other comprehensive income ("**FVOCI**"), debt securities at FVPL, and debt securities at FVOCI. In addition, certain revenue contracts provide for provisional pricing at the time of shipment with the final pricing based on an average market price for a particular future period. Such trade receivables are measured at fair value because the contractual cash flows are not solely payments of principal and interest; and
- those to be measured subsequently at amortised cost. These comprise debt securities at amortised cost, cash and cash equivalents, short-term investments, other assets and receivables, due from the Government, and trade receivables other than those subsequently measured at FVPL, as described above.

Recognition and derecognition

Regular purchases and sales of financial assets are recognised on the trade-date, which is the date on which Saudi Aramco commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and Saudi Aramco has transferred substantially all the risks and rewards of ownership.

Measurement

At initial recognition, Saudi Aramco measures a financial asset at its fair value plus, in the case of a financial asset not subsequently measured at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed as a component of net income.

Assets that are held for collection of contractual cash flows, where those cash flows represent solely payments of principal and interest, are subsequently measured at amortised cost using the effective interest method. A gain or loss on a debt investment that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised as a component of net income when the asset is derecognised or impaired. Interest income from these financial assets is included in finance income using the effective interest method.

All equity investments and certain debt instruments are subsequently measured at fair value. Gains and losses on financial assets measured at fair value are recorded either through FVPL or FVOCI. For investments in debt securities, this depends on the business model within which the investment is held. Saudi Aramco reclassifies debt securities, when and only when, its business model for managing those assets changes. For investments in equity securities that are not held for trading whose gains and losses are recorded at FVPL, this depends on whether Saudi

Aramco has made an irrevocable election at the time of initial recognition, due to the strategic nature of these investments, to account for such equity securities at FVOCI.

Impairment

Saudi Aramco assesses on a forward-looking basis, the expected credit losses associated with debt securities carried at either amortised cost or FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For trade receivables, Saudi Aramco applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

Derivative Instruments and Hedging Activities

Derivative Instruments Classified as Held for Trading

Saudi Aramco uses commodity derivative financial instruments to manage exposure to price fluctuations which arise on purchase and sale transactions for physical deliveries of crude oil, natural gas liquids and various refined and bulk petrochemical products. The derivatives are initially recognised, and subsequently re-measured, at fair value and recorded as an asset, when the fair value is positive, or as a liability, when the fair value is negative, under trade receivables or trade payables and other liabilities in the consolidated balance sheet, respectively.

The fair value of the derivatives is determined in accordance with Saudi Aramco's derivative valuation policy by reference to the traded price of that instrument on the relevant exchange or over-the-counter markets at the consolidated balance sheet date. The gain or loss from the changes in the fair value of the swap from its value at inception is recognised in net income.

Derivative Instruments Designated as Hedges

Saudi Aramco uses interest rate swaps and currency forward contracts as derivative financial instruments to manage its exposure to fluctuations in interest rates and foreign exchange rates. These derivative financial instruments, designated as either fair value or cash flow hedges, are purchased from counterparties of high credit standing and are initially recognised, and subsequently remeasured, at fair value.

At the inception of the hedging transaction, Saudi Aramco documents the economic relationship between the hedging instrument and the hedged item, as well as its risk management objectives and strategy for undertaking the hedge transaction.

The fair value of a derivative financial instrument used for hedging purposes is classified as a current asset or liability when the remaining maturity of the derivative is less than 12 months; otherwise, it is classified as a non-current asset or liability.

Income Tax and Zakat

The Kingdom's Income Tax Law includes a multi-tiered structure of income tax rates for authorised producers of oil and hydrocarbons, which are based on the amount of in-Kingdom capital investments (with the income tax rate decreasing as the level of in-Kingdom capital investment increases). Under this structure, an income tax of 50% applies to Saudi Aramco, however, a 20% rate applies to Saudi Aramco's taxable income related to the exploration and production of non-associated natural gas (including gas condensates) as well as the collection, treatment, processing and transportation of associated and non-associated natural gas and their liquids, gas condensates and other associated elements. Further, under the Kingdom's Income Tax Law, Saudi Aramco's interest in non-publicly traded in-Kingdom companies are generally subject to a 20% tax rate, unless such company is engaged in the production of oil and its associated hydrocarbon products, in which case, the 50% to 85% multi-tiered structure of income tax rates applies, except that a 20% rate would apply to such company's taxable income related to certain natural gas activities, as described above.

Additionally, Saudi Aramco is subject to an income tax rate of 20% on its Downstream activities and on the activities of exploration and production of non-associated natural gas, including gas condensates, as well as the collection, treatment, processing, fractionation and transportation of associated and non-associated natural gas and

their liquids, gas condensates and other associated elements. All other activities are subject to an income tax rate of 50%, in accordance with the Tax Law. The 20% income tax rate applicable to the Company's Downstream activities came into effect on 1 January 2020. This was conditional on the Company separating its Downstream activities under the control of one or more separate wholly-owned subsidiaries before the due date of 31 December 2024, otherwise the Company's Downstream activities will be retroactively taxed at 50%. An extension of the due date to 31 December 2030 is in progress and the Company expects that it will be granted. Consequently, the Company continues to apply the 20% income tax rate to its Downstream activities.

Moreover, by Royal Decree No. M/153 dated 05/11/1441 in the Hijri calendar (corresponding to 26 June 2020), the Income Tax Law was amended to provide that, effective 1 January 2020, as an exception from the Income Tax Law, shares owned (directly or indirectly) by persons engaged in oil and hydrocarbon production activities in companies listed on the Saudi Exchange are subject to zakat, including their indirect interest in those companies (at the level of the investee/subsidiary of such listed companies). As a result, Saudi Aramco's ownership interests in certain entities, including SABIC, Petro Rabigh, Saudi Electricity Company, Luberef, Marafiq, and The National Shipping Company of Saudi Arabia (Bahri) are subject to zakat instead of corporate income taxes.

Income tax expense for the period comprises current and deferred income tax expense. Income tax expense is recognised in net income, except to the extent that it relates to items recognised in other comprehensive income. In this case, the related income tax is also recognised in other comprehensive income.

Current income tax expense is calculated primarily on the basis of the Income Tax Law, as amended. In addition, income tax expense results from taxable income generated by foreign affiliates.

Deferred income tax is provided in full, using the liability method at tax rates enacted or substantively enacted at the end of the reporting period and expected to apply when the related deferred income tax is realised or settled on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. In estimating such tax consequences, consideration is given to expected future events. Deferred income tax is not provided on initial recognition of an asset or liability in a transaction, other than a business combination that, at the time of the transaction, does not affect either the accounting profit or the taxable profit. As required by the amendment to IAS 12, Saudi Aramco continues to apply the mandatory temporary exception to recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes.

Deferred income tax assets are recognised where future recovery is probable. Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current income tax assets against current income tax liabilities and when the deferred income taxes relate to the same fiscal authority. Deferred income tax is not provided for taxes on possible future distributions of retained earnings of subsidiaries where the timing of the distribution can be controlled and it is probable that the retained earnings will be substantially reinvested by the entities.

Zakat is levied at the higher of adjusted income subject to zakat or the zakat base in accordance with the Regulations of the Zakat, Tax and Customs Authority in the Kingdom. Zakat is computed using the zakat base. The zakat provision is charged to the consolidated statement of income.

Significant Accounting Judgments and Estimates

Saudi Aramco establishes provisions, based on reasonable estimates, for potential claims by the tax authorities of the respective countries in which it operates. The amount of such provisions is based on various factors, such as different interpretations of tax regulations by the taxable entity and the responsible tax authority and the outcome of previous negotiations. This requires the application of judgment as to the ultimate outcome, which can change over time depending on facts and circumstances. A change in estimate of the likelihood of a future outflow or in the expected amount to be settled would be recognised in net income in the period in which the change occurs. Deferred income tax assets are recognised only to the extent it is considered probable that those assets are recoverable. This includes an assessment of when those assets are likely to reverse and a judgment as to whether or not there will be sufficient taxable income available to offset the assets when they do reverse. This requires

assumptions regarding future profitability. To the extent assumptions regarding future profitability change, there can be an increase or decrease in the amounts recognised in respect of deferred income tax assets as well as in the amounts recognised in net income in the period in which the change occurs. As at the date of this Base Prospectus, the Company continued to apply the 20% income tax rate to its Downstream activities.

Detailed taxation information, including current expense and deferred income tax assets and liabilities, is presented in Note 8 to the 2024 Financial Statements.

Inventories

Inventories are stated at the lower of cost or estimated net realisable value. Cost comprises all expenses to bring the inventories to their present location and condition and, for hydrocarbon and chemical inventories, is determined using the first-in, first-out method. For materials and supplies inventories, cost is determined using the weighted average method less an allowance for disposal of obsolete or surplus materials and supplies. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

Due from the Government

The Government compensates Saudi Aramco through price equalisation and for past due trade receivables of specified Government, semi-Government and other entities with Government ownership or control to whom Saudi Aramco supplies specified products and services.

Revenue on sales to these specified Government, semi-Government and other entities with Government ownership or control is recognised upon the satisfaction of performance obligations, which occurs when control transfers to these customers. Control of the products is determined to be transferred when the title of products passes, which typically takes place when product is physically transferred to these customers. Once receivables from these customers are past due, these trade receivables are reclassified as a due from the Government current receivable.

In cases where any of these customers settle past due amounts, the Government guarantee receivable is credited with the amounts received. The balance is presented within due from the Government even if it is payable to the Government based on Saudi Aramco's expectation to settle the balance on a net basis with other amounts due from the Government.

Implementing regulations issued by the Government allow Saudi Aramco to offset any amounts due from the Government against payment of taxes, and in the event of insufficiency of tax balances, offset against any other amounts due and payable by Saudi Aramco to the Government. Balances due from the Government at 31 December of each year represent amounts to be settled through offset against tax payments.

Cash and Cash Equivalents

Cash and cash equivalents include cash on hand and in banks, together with all highly liquid investments purchased with original maturities of three months or less.

Assets Classified as Held for Sale

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable.

Non-current assets and disposal groups classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell, and are not depreciated, or amortised. An impairment loss is recognised for any initial or subsequent write-down of the asset to fair value less costs to sell. Non-current assets and disposal groups classified as held for sale are presented separately from the other assets in the statement of financial position. The liabilities of a disposal group classified as held for sale are presented separately from other liabilities in the statement of financial position.

Treasury shares

Treasury shares are recognised as a deduction from equity at the amount of consideration paid by Saudi Aramco for their acquisition, including any directly attributable transaction costs incurred.

Financial Liabilities

Saudi Aramco initially recognises a financial liability at fair value when it becomes party to the contractual provisions of an instrument. A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. Saudi Aramco's financial liabilities are classified into the following categories:

- those to be measured subsequently at FVPL, which mainly include derivative financial liabilities categorized as held for trading unless they are designated as hedges (see Note 2(k)). Derivative financial liabilities held for trading are included in current liabilities under trade payables and other liabilities with gains or losses recognised in net income. In addition, trade payables related to contracts with provisional pricing arrangements are subsequently measured at fair value through profit or loss; and
- those to be measured subsequently at amortised cost using the effective interest method, which mainly include borrowings, trade payables, excluding those with provisional pricing arrangements, and other liabilities.

Borrowing Costs

Any difference between borrowing proceeds and the redemption value is recognised as finance costs in Saudi Aramco's consolidated statement of income over the term of the borrowing using the effective interest method.

Borrowing costs are expensed as incurred except for those costs directly attributable to the acquisition, construction or production of a qualifying asset which are capitalised as part of the cost of that asset until the asset is complete for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for intended use or sale.

Post-Employment Benefit Plans

Pension Plans

Funded pension plans are non-contributory plans for the majority of employees and are generally funded by payments by Saudi Aramco and where applicable by group companies to independent trusts or other separate entities. Assets held by the independent trusts and other separate entities are held at their fair value. Valuations of both funded and unfunded plans are performed annually for larger funded plans and triennially for smaller unfunded plans by independent actuaries using the projected unit credit method. The valuations take into account employees' years of service, average or final pensionable remuneration and, for purposes of financial disclosure, are discounted to their present value using interest rates of high-quality corporate bonds that have terms to maturity approximating the terms of the related defined benefit obligation.

The amount recognised in Saudi Aramco's consolidated balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The periodic pension cost included in operating costs in Saudi Aramco's consolidated statement of income in respect of defined benefit pension plans primarily represents the increase in the actuarially assessed present value of the obligation for pension benefits based on employee service during the year and the net interest on the net defined benefit liability or asset. Net interest is calculated by multiplying the defined benefit liability and plan assets by the discount rate applied to each plan at the beginning of each year, amended for changes to the defined benefit liability and plan assets as a result of benefit payments or contributions.

Past service costs, representing plan amendments, are recognised immediately as pension costs in Saudi Aramco's consolidated statement of income, regardless of the remaining vesting period.

Remeasurements representing actuarial gains and losses, arising from experience adjustments and changes in actuarial assumptions, and the actual returns on plan assets excluding interest on plan assets, are credited or charged to equity, net of tax, through other comprehensive income.

For defined contribution plans where benefits depend solely on the amount contributed to or due to the employee's account and the returns earned from the investment of those contributions, plan cost is the amount contributed by or due from Saudi Aramco and is recognised as an expense in Saudi Aramco's consolidated statement of income.

Other Post-Employment Benefits

Saudi Aramco provides certain post-employment healthcare, life insurance and other benefits to retirees and certain former employees. The entitlement for eligible employees is usually based on the employee remaining in service up to retirement age and the completion of a minimum service period. To the extent these plans are not fully funded, a liability is recognised in Saudi Aramco's consolidated balance sheet. Valuations of benefits are performed by independent actuaries.

Such plans follow the same accounting methodology as used for defined benefit pension plans.

Significant Accounting Judgments and Estimates

The costs of defined benefit pension plans and post-employment medical benefits are determined using actuarial valuations. The actuarial valuation involves making assumptions, which are reviewed annually. Key assumptions include discount rates, future salary increases, future healthcare costs, mortality rates and future pension increases. Due to the complexity of the valuation, the underlying assumptions and the long-term nature of these plans, such estimates are subject to significant uncertainty. Information about amounts reported in respect of defined benefit plans, assumptions applicable to the plans and their sensitivity to changes are presented in Note 21 to the 2024 Financial Statements included elsewhere in this Base Prospectus.

Share-based compensation

The cost of an equity-settled award granted to employees is measured by reference to the fair value of the equity instrument on the date the award is granted. This cost is recognised as an employee benefit expense in the consolidated statement of income with a corresponding increase in equity.

The cost of a cash-settled award granted to employees is measured by reference to the fair value of the liability at each consolidated balance sheet date until settlement. This cost is recognised as an employee benefit expense in the consolidated statement of income with the corresponding recognition of a liability on the consolidated balance sheet.

The cost of both the equity-settled and cash-settled awards is recognised over the vesting period, which is the period over which the employees render the required service for the award and any non-market performance condition attached to the award is required to be met. Additionally, for a cash-settled award, any changes in the fair value of the liability between the vesting date and the date of its settlement are also recognised in the consolidated statement of income within employee benefit expense.

In determining the fair value of an equity-settled or cash-settled award, an appropriate valuation method is applied. Service and non-market performance conditions are not taken into account in determining the fair value of the award, but during the vesting period the likelihood of the conditions being met is assessed as part of Saudi Aramco's best estimate of the number of awards that are expected to vest. Any market performance conditions and non-vesting conditions are taken into account in determining the award's fair value.

Provisions and Contingencies

Saudi Aramco records a provision and a corresponding asset for decommissioning activities in upstream operations for well plugging and abandonment. The decommissioning obligation for a well is recognised when it is drilled. Decommissioning provisions associated with downstream facilities are generally not recognised, as the potential obligations cannot be measured given their indeterminate settlement dates. The decommissioning obligations will

be recognised in the period when sufficient information becomes available to estimate a range of potential settlement dates. Decommissioning costs are provided for at the present value of expected costs to settle the obligation using estimated cash flows. The value of the obligation is added to the carrying amount of the related asset and amortised over the useful life of the asset. The increase in the provision due to the passage of time is recognised as finance costs in the consolidated statement of income. Changes in future cash flow estimates resulting from revisions to the estimated timing or amount of undiscounted cash flows are recognised as a change in provision and related asset.

A contingent liability is disclosed where the existence of a possible obligation will only be confirmed by future events or where the amount of a present obligation cannot be measured with reasonable reliability or it is not probable that there will be an outflow of resources to settle that obligation. Contingent assets are not recognised, but are disclosed where the inflow of economic benefits is probable.

Significant Accounting Judgments and Estimates

Most of Saudi Aramco's well plugging and abandonment activities are many years into the future with technology and costs constantly changing. Estimates of the amounts of a provision are recognised based on current legal and constructive requirements and costs associated to abandon using existing technologies. Actual costs are uncertain and estimates can vary as a result of changes in the scope of the project or relevant laws and regulation. The estimated timing of decommissioning may change due to certain factors, such as reserve life, a decision to terminate operations or changes in legislation. Changes to estimates related to future expected costs, discount rates and timing may have a material impact on the amounts presented. As a result, significant judgment is applied in the initial recognition and subsequent adjustment of the provision and the capitalised cost associated with decommissioning, plugging and abandonment obligations. Any subsequent adjustments to the provision are made prospectively. Detail on the particular assumptions applied when making certain non-current provisions is included in Note 22 to the 2024 Financial Statements.

Functional and Presentation Currency

The U.S. dollar is the functional currency of Saudi Aramco. Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign currency monetary assets or liabilities are translated at each reporting date using the prevailing reporting date exchange rate. Non-monetary assets or liabilities measured at fair value are translated at the exchange rate on the date when fair value was last measured. Non-monetary assets or liabilities, other than those measured at fair value, are translated into the functional currency using the exchange relevant spot rates at the dates of the transactions. Foreign exchange gains and losses from these translations are recognised as a component of net income. The consolidated financial statements are presented in SAR. The financial position and results of the operations of Saudi Aramco, its subsidiaries, joint arrangements and associates that have a functional currency which is different from the presentation currency are translated to the presentation currency at reporting date exchange rates and the average exchange rates that approximate the cumulative effect of rates prevailing at the transaction dates, respectively. All resulting exchange differences are recognised through other comprehensive income.

Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition are treated as assets and liabilities of the foreign operation and translated at the reporting date exchange rate.

Translations from SAR to USD presented as supplementary information in the consolidated statement of income, consolidated statement of comprehensive income, consolidated balance sheet, consolidated statement of changes in equity, and consolidated statement of cash flows at 31 December 2024 and 2023, are for convenience and were calculated at the rate of USD 1.00 = SAR 3.75 representing the exchange rate at the consolidated balance sheet dates.

Significant Accounting Judgments and Estimates

Saudi Aramco has determined that the U.S. Dollar is the functional currency as a substantial amount of its products are traded in U.S. Dollars in international markets. However, a substantial amount of costs of Saudi Aramco are denominated in Saudi Riyals which has been exchanged at a fixed rate to the U.S. Dollar since 1986. A change in the fixed exchange rate could impact the recorded revenue, expenses, assets and liabilities of Saudi Aramco.

Revenue Recognition and Sales Prices

Revenue from sales of crude oil and related products is recognised upon the satisfaction of performance obligations, which occurs when control transfers to the customer. Control of the products is determined to be transferred to the customer when the title of crude oil and related products passes to the customer, which typically takes place when product is physically transferred into a vessel, pipe or other delivery mechanism.

Revenue contracts for crude oil and certain related products provide for provisional pricing at the time of shipment, with final pricing based on the average market price for a particular future period. Revenue on these contracts is recorded based on the estimate of the final price at the time control is transferred to the customer. Any difference between the estimate and the final price is recorded as a change in fair value of the related receivable, as part of revenue, in Saudi Aramco's consolidated statement of income. Where applicable the transaction price is allocated to the individual performance obligations of a contract based on their relative stand-alone selling prices.

Other income related to sales

The Government compensates Saudi Aramco through price equalisation for revenue directly forgone as a result of Saudi Aramco's compliance with local regulations governing domestic sales and distribution of certain liquid products, LPG and certain other products. This compensation reflected in the Financial Statements is calculated by Saudi Aramco as the difference between the product's equalisation price and the corresponding domestic regulated price, net of Government fees, in accordance with the implementing regulations issued by the Government in 2017 and 2019.

This compensation is recorded as other income related to sales, that is taxable, when Saudi Aramco has satisfied its performance obligations through transfer of the title to the buyer, which occurs when product is physically transferred. The compensation due from the Government is characterised as a due from the Government current receivable and is recognised initially at fair value and subsequently measured at amortised cost using the effective interest method less impairment losses, if any. See Note 2(n) to the 2024 Financial Statements.

The implementing regulations allow Saudi Aramco to offset any amounts due from the Government against payment of taxes, and in the event of insufficiency of tax balances, offsetting may extend against any other amounts due and payable by Saudi Aramco to the Government.

Production Royalties

Royalties to the Government are calculated based on a progressive scheme applied to crude oil and condensate production. An effective royalty rate is applied to production based on Saudi Aramco's official selling prices. The effective royalty rate is determined based on a baseline marginal rate of 15% applied to prices up to \$70 per barrel, increasing to 45% applied to prices above \$70 per barrel and 80% applied to prices above \$100 per barrel. All such royalties are accounted for as an expense in Saudi Aramco's consolidated statement of income based on volumes sold during the year and are deductible costs for the Government income tax calculations.

Research and Development

Development costs that are expected to generate probable future economic benefits are capitalised as intangible assets and amortised over their estimated useful life. During the period of development, the asset is tested for impairment annually. All other research and development costs are recognised in net income as incurred.

Dividends

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of Saudi Aramco, on or before the end of the reporting period but not distributed at the end of the reporting period.

Earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing:

- the net income attributable to the ordinary shareholders of Saudi Aramco; and
- by the weighted average number of ordinary shares outstanding during the reporting period, adjusted for bonus elements in ordinary shares issued during the period and excluding treasury shares.

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares; and
- the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

Reclassifications

Certain comparative amounts for 2022 in the notes to the consolidated financial statements have been reclassified to conform to the 2023 financial statements presentation.

New or Amended Standards

The following IASB pronouncement that is endorsed in the Kingdom will become effective for annual periods beginning on or after 1 January 2027 and has not been early adopted by Saudi Aramco.

IFRS 18, Presentation and Disclosure in Financial Statements

In April 2024, the IASB issued IFRS 18, Presentation and Disclosure in Financial Statements, which will replace IAS 1, Presentation of Financial Statements. IFRS 18 introduces new requirements that will change the structure of the statement of profit or loss by including specified totals and subtotals, while carrying forward many of the IAS 1 requirements. In addition, the standard also requires disclosure of management-defined performance measures and includes new requirements for aggregation and disaggregation of financial information. Saudi Aramco is currently assessing the impact of the adoption of IFRS 18 and will apply the standard from its mandatory adoption date of 1 January 2027.

Other than IFRS 18, there are no other standards, amendments and interpretations that are not yet effective that are expected to have a material impact in the current or future reporting periods or on foreseeable future transactions. Saudi Aramco has not early adopted any new accounting standards, interpretations or amendments that are issued but not yet effective.

Saudi Aramco adopted the following IASB pronouncements, as endorsed in the Kingdom, effective for annual periods beginning on or after 1 January 2023:

Amendment to IAS 1, Presentation of Financial Statements

In February 2021, the IASB amended IAS 1, Presentation of Financial Statements, to require entities to disclose material accounting policy information rather than their significant accounting policies. Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general-purpose financial statements make on the basis of those financial statements. The amendment further clarifies that immaterial accounting policy information does not need to be disclosed, and if it is disclosed, it should not obscure material accounting policy information. This amendment does not have any significant impact on Saudi Aramco's consolidated financial statements.

Amendment to IAS 12, Income Taxes

In May 2023, the IASB issued an amendment to IAS 12, Income Taxes, relating to the International Tax Reform – Pillar Two Model Rules. This amendment applies to income taxes arising from tax law enacted or substantively enacted to implement the Pillar Two model rules published by the Organisation for Economic Co-operation and Development, including tax law that implements qualified domestic minimum top-up taxes described in those rules. The amendment requires entities to make additional disclosures in their annual financial statements regarding their current tax exposure to Pillar Two income taxes. Further, as required by the amendment, Saudi Aramco has applied the mandatory temporary exception to neither recognise nor disclose information about deferred tax assets and liabilities related to Pillar Two income taxes.

Saudi Aramco has performed a preliminary assessment of its exposure to Pillar Two income taxes for jurisdictions where it operates and where Pillar Two legislation has been enacted or substantively enacted as of the reporting date and will be effective for annual periods beginning on or after 1 January 2024. The legislation mandates a top-up tax liability for any difference between the Pillar Two effective tax rate per jurisdiction and the 15% minimum rate. Based on this preliminary assessment, Saudi Aramco is not expected to have any material exposure to Pillar Two top-up taxes.

IFRS 17, Insurance Contracts

In May 2017, the IASB issued IFRS 17, Insurance Contracts, which introduces a new comprehensive accounting model for insurance contracts, and sets out the principles for the recognition, measurement, presentation and disclosure for the issuers of those contracts. The new standard replaces IFRS 4, Insurance Contracts, which was issued in 2005, and allowed insurers to use a range of different accounting treatments for insurance contracts. There was no material impact on Saudi Aramco's consolidated financial statements from the adoption of IFRS 17.

BUSINESS

Overview

Saudi Aramco is the world's largest integrated energy and chemicals company. In the three-month period ended 31 March 2025, it produced 12.3 million barrels per day of oil equivalent and, in the year ended 31 December 2024, it produced 12.4 million barrels per day of oil equivalent, including 10.3 million barrels per day of liquids and 10.8 bscfd of natural gas and ethane. As at 31 December 2024, its proved liquids reserves were 215.8 billion barrels and it had gross refining capacity of 7.7 million barrels per day and net chemicals production capacity of 57.6 million tonnes per annum.

Saudi Aramco seeks to enhance its preeminent upstream position by maintaining its oil and growing its gas production capacity and continuing to pursue integration of its upstream and downstream operations to secure demand for its crude oil. It also is continuing to enhance the resilience and strategic integration of its refining and chemicals portfolios to capture additional value across the hydrocarbon value chain and to improve the balance of its fuels and chemicals production.

Saudi Aramco aims to grow its business more sustainably by leveraging technology and innovation to continue to lower its climate impact and by undertaking lower carbon energy and sustainability initiatives throughout its operations both in the Kingdom and abroad with international partners. In October 2021, Saudi Aramco announced its ambition to achieve net-zero Scope 1 and Scope 2 GHG emissions across its wholly owned operated assets by 2050 and, in November 2019, endorsed the World Bank's "Zero Routine Flaring by 2030" (ZRF) Initiative. It also intends to maintain its position as a leader in upstream carbon intensity, with one of the lowest average upstream carbon intensities per unit of hydrocarbons produced and is pursuing a wide range of initiatives to reduce its upstream carbon intensity by at least 15% by 2035 against its 2018 baseline. It has also set an ambition to reduce its upstream methane intensity to near zero by 2030 and has made recent investments in renewable energy, CCS and lower carbon fuels.

Saudi Aramco's heritage dates back to 1933 as an upstream venture founded by predecessors to Chevron and ExxonMobil. Its upstream operations are predominantly based in the Kingdom, and it operates a global downstream business. Saudi Aramco has two reportable segments, namely upstream and downstream, which are supported by corporate activities.

For the year ended 31 December 2024 and the three-month period ended 31 March 2025, Saudi Aramco generated SAR 508.9 billion (\$135.7 billion) and SAR 118.9 billion (\$31.7 billion) in net cash provided by operating activities and SAR 320.0 billion (\$85.3 billion) and SAR 71.8 billion (\$19.2 billion) of Free Cash Flow, respectively. Saudi Aramco operates within a conservative financial framework that ensures its ability to invest through oil price cycles to maximise its long-term value and meet its sustainability ambitions. Its Gearing ratio was 4.5% and 5.3% as at 31 December 2024 and 31 March 2025, respectively. Free Cash Flow and Gearing are non-IFRS financial measures. For a definition of Free Cash Flow and Gearing and a reconciliation to the nearest financial measures calculated in accordance with IFRS, see "*Non-IFRS Financial Measures*".

Upstream

Saudi Aramco is a major producer of crude oil and condensate. For the three-month period ended 31 March 2025, it produced 12.3 million barrels per day of oil equivalent and, for the year ended 31 December 2024, it produced 12.4 million barrels per day of oil equivalent, including 10.3 million barrels per day of liquids. Saudi Aramco manages the Kingdom's unique reserves and resource base to maximise long-term value pursuant to the Hydrocarbons Law, which mandates that Saudi Aramco's hydrocarbon operations promote long-term productivity of the Kingdom's reservoirs and support the prudent stewardship of its hydrocarbon resources.

As at 31 December 2024, the Kingdom's reserves in the fields Saudi Aramco operates consisted of 341.3 billion barrels of oil equivalent, including 261.7 billion barrels of crude oil and condensate, 37.5 billion barrels of NGL and 255.1 trillion standard cubic feet of natural gas.

Pursuant to the Concession, effective 24 December 2017, Saudi 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 Saudi Aramco satisfies certain conditions commensurate with current operating practices. In addition, the Concession may be extended for an additional 40 years beyond the prior 60-year period subject to Saudi Aramco and the Government agreeing on the terms of the extension. See "*Material Agreements—The Concession*". The provision of a specified term in the Concession impacts the calculation of Saudi Aramco's reserves as compared to the Kingdom's reserves in the fields Saudi Aramco operates. The Concession also requires Saudi Aramco to meet domestic demand for certain hydrocarbons, petroleum products and LPG through domestic production or imports.

As at 31 December 2024, based on the initial 40-year period (which began in 2017) and an assumed 20-year extension of the Concession, Saudi Aramco's reserves were 250.0 billion barrels of oil equivalent (sufficient for a proved reserves life of 55 years), consisting of 189.8 billion barrels of crude oil and condensate, 26.1 billion barrels of NGL and 209.8 trillion standard cubic feet of natural gas.

Saudi Aramco's average upstream lifting cost was SAR 13.24 (\$3.53) per barrel of oil equivalent produced in 2024. In addition, its upstream capital expenditures for the year ended 31 December 2024 averaged SAR 31.1 (\$8.3) per barrel of oil equivalent produced. Saudi Aramco's low cost position is due to its low depletion rate operational model, the unique nature of the Kingdom's geological formations, favourable onshore and shallow water offshore environments in which Saudi Aramco's reservoirs are located, synergies available from Saudi Aramco's use of its large infrastructure and logistics networks and its scaled application of technology. Given the quality of most of Saudi 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.

The Government determines the Kingdom's maximum level of crude oil production in the exercise of its sovereign prerogative and requires Saudi Aramco to maintain MSC in excess of its then current production in accordance with the Hydrocarbons Law. It also uses this spare capacity as an alternative supply option in case of unplanned production outages and to maintain its production levels.

Saudi Aramco is the exclusive supplier of natural gas in the Kingdom. It owns and operates the Master Gas System (the "**MGS**"), which is an extensive network of pipelines that connects its key gas production and processing sites with customers throughout the Kingdom. The system's current capacity is 12.5 bscfd of natural gas and it supplies eastern, central, and western industrial complexes. Saudi Aramco has also commenced reproduction activities from the Hawiyah Unayzah reservoir gas storage programme, which supplies up to 2.0 bscfd of gas for reintroduction into the MGS. This enhances Saudi Aramco's ability to respond to seasonality of demand, driven by utility sector demand patterns, and improves the utilisation rate of its gas assets. In support of its plan to develop its unconventional resources, in November 2021, Saudi Aramco commenced development of the Jafurah unconventional gas field. The Jafurah field is expected to commence production in 2025 and will gradually increase natural gas deliveries to reach a rate of 2.0 bscfd by 2030, which is expected to support growing local energy demand and provide feedstock for hydrogen and ammonia production.

Saudi Aramco expects to further expand its oil and gas reserves through new field discoveries, new reservoir additions in existing fields and delineation and reassessment of existing reservoirs and fields.

Downstream

Saudi Aramco has a large and growing, strategically integrated global downstream business. The downstream segment's activities consist primarily of refining, petrochemicals, supply and trading, distribution, retail, base oils, lubricants and power generation.

As at 31 December 2024, Saudi Aramco had gross refining capacity of 7.7 million barrels per day and net refining capacity of 4.1 million barrels per day. The strategic integration of Saudi Aramco's upstream and downstream segments provide opportunities for Saudi Aramco 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. In addition, the integration of Saudi 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.

Saudi Aramco's downstream business is the single largest customer for the upstream business's crude oil production, consuming 53% and 56% of its crude oil production in the year ended 31 December 2024 and the three-month period ended 31 March 2025, respectively. Its upstream business produces all the crude oil supplied to and processed by Saudi Aramco's refineries in the Kingdom and the majority of crude oil used by its international refineries. As at 31 December 2024, Saudi Aramco's weighted average ownership percentage in its international refineries was 35%, but it supplied an average of 53% of the crude oil used by those refineries for the year ended 31 December 2024. This crude oil placement provides benefits to the downstream operations, including a secure and reliable supply of high-quality crude oil, which helps to safeguard outlets for Upstream and ensure a secure and reliable supply of refined and chemicals products to its downstream customers. In addition, Saudi Aramco intends to continue to grow its liquids-to-chemicals business, with a goal to increase its capacity in petrochemical producing complexes to up to four million barrels per day by 2030.

As the sole supplier to the large domestic marketplace, Saudi Aramco's refining operations in the Kingdom, including its domestic affiliates, accounted for 62% of its net refining capacity in 2024. In addition to its domestic focus, Saudi Aramco is focusing its downstream investments in economies of high-growth, including China, India and Southeast Asia, while maintaining and opportunistically expanding its participation in material demand centres, such as the United States and Europe, and countries that rely on importing crude oil, such as Japan and South Korea.

Saudi Aramco's chemicals business operates in numerous countries around the world and spans from production of basic chemicals such as aromatics, olefins and polyolefins to more complex products such as polyols, isocyanates and synthetic rubber. The chemicals business continues to grow through capacity expansions in the Kingdom, increased ownership positions in affiliates and new investments. Since the acquisition of a 70% stake in SABIC, Saudi Aramco has sought to achieve synergies in procurement, supply chain, marketing, feedstock optimisation, stream integration, operations and maintenance. Saudi Aramco expects to capture a total value of approximately SAR 11.3 billion to SAR 15.0 billion (\$3.0 billion to \$4.0 billion) in annual recurring synergies from this acquisition by the end of 2025. Its investment in SABIC makes it a major global producer of petrochemicals and expands its capabilities in technology and product innovation, marketing and sales, procurement and manufacturing, among others. Its chemicals business is focused on participation in high-growth chemical markets with demand from industries such as electronics, automotive, appliances and packaging, among others.

In 2021, Saudi Aramco's downstream segment launched a transformation programme, seeking to realise incremental value from its portfolio through yield enhancements, stream integration and cost reduction. In support of this effort, a new Downstream operating model has been implemented, creating a more agile business. The ongoing transformation programme has delivered estimated incremental EBIT of SAR 15.0 billion (\$4.0 billion) in 2024.

Saudi Aramco's downstream segment also includes its crude oil marketing and product sales, distribution, retail and trading operations. These operations support Saudi Aramco's upstream and downstream operations by enabling it to optimise crude oil sales and product placement through its significant infrastructure network of pipelines and terminals and access to shipping and logistics resources. Saudi Aramco also maintains flexibility to respond to fluctuations in demand through its five crude oil grades and MSC. This flexibility contributes to its ability to meet its customers' needs and its reputation as one of the most reliable suppliers of crude oil and refined products, gas and NGL, meeting 99.9% of its delivery obligations on time in 2022, 99.8% in 2023, 99.7% in 2024 and 100% for the first three months of 2025.

Corporate

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

Furthermore, Saudi Aramco intends to foster domestic businesses with the aim to grow its returns, enhance the reliability and resilience of its local supply chain and support the economic growth and diversification of the Kingdom's economy. Under its National Champions programme, which encompasses a set of initiatives to enable in-Kingdom business development, Saudi Aramco seeks to facilitate the creation of a diverse, sustainable, and globally competitive in-Kingdom energy sector as well as other diversified sectors. The National Champions programme encompasses a set of programmes (Namaat, Taleed, Wa'ed and Lab 7) focused around four strategic domains, namely manufacturing, industrial, sustainability, and digital, that aim to support the development of initial ideas for small, medium and large-sized enterprises to become global businesses, and aligns with the Kingdom's Vision 2030 and its Shareek programme as well as other government incentives programmes. National Champions together with the other corporate program, iktva, support in-Kingdom economic growth, innovation, job creation and small, medium and large-sized enterprise development.

Corporate History and Evolution

On 29 May 1933, the Government granted a concession to Socal giving it the right to explore for oil within the Kingdom's borders. Later that year, Socal incorporated CASOC as a subsidiary to manage the concession. Texaco acquired a 50% interest in CASOC in 1936. CASOC's first commercial success came in 1938 at a drill site in Dhahran, which quickly began producing more than 1,500 barrels of crude oil per day. In 1944, CASOC was renamed Arabian American Oil Company. In 1948, Standard Oil Company of New Jersey, which later became Exxon, purchased 30% of Arabian American Oil Company, and Socony-Vacuum Oil Company, which later became Mobil, purchased 10% to help provide market outlets and capital for the Kingdom's hydrocarbon reserves. In 1952, Arabian American Oil Company's headquarters moved from New York to Dhahran, and in 1973, the Government acquired an initial 25% participating interest in the concession, which increased to 60% in the following year. Arabian American Oil Company continued to grow and had become the world's largest oil producer in terms of volume produced in a single year by 1976. Between 1980 and 1981, the Government increased its participation interest in Arabian American Oil Company's crude oil concession rights, production and facilities to 100%. During the 1980s, Arabian American Oil Company increased its production volumes and expanded its infrastructure with the construction of the East-West pipeline, a 1,200 kilometer pipeline dedicated to transporting crude oil from Dhahran to Yanbu' on the Red Sea. In the 1980s and 1990s, Arabian American Oil Company established refining and marketing joint ventures in strategic geographies around the globe in order to further expand its market and product offerings.

In 1988, Saudi Arabian Oil Company, also known as Saudi Aramco, was established as a company with limited liability by virtue of Royal Decree No. M/8, dated 04/04/1409 in the Hijri calendar (corresponding to 13 November 1988), to assume the privileges and rights under the Original Concession.

On 1 January 2018, the Company was converted into a joint stock company pursuant to Council of Ministers Resolution No. 180 dated 01/04/1439 in the Hijri calendar (corresponding to 19 December 2017), was listed on 14/04/1441 in the Hijri calendar (corresponding to 11 December 2019), and was registered in the city of Dhahran under commercial registration No. 2052101150 dated 11/07/1439 in the Hijri calendar (corresponding to 28 March 2018) with Saudi Arabian Oil Company (Saudi Aramco) as its official name.

On 11 December 2019, the Company completed its IPO and its ordinary shares were listed on the Saudi Exchange. In connection with the IPO, the Government, being the sole owner of the Shares at such time, sold 3.45 billion ordinary shares, or 1.725% of the Shares. In addition, concurrently with the IPO, the Company acquired 117.2 million of its Shares from the Government for a cash payment of SAR 3.75 billion (\$1.0 billion) and classified them as treasury shares for use by the Company for its employee share plans. On 13 February 2022, the Government announced the transfer of 4% of the Company's issued Shares to the PIF, followed by an additional 4% on 16 April 2023 to Sanabil Investments, a wholly owned subsidiary of the PIF, and an additional 8% on 7 March 2024 to the portfolios of PIF's wholly-owned companies. In June 2024, the Government completed a secondary public offering of its shares in the Company, selling 1.7 billion ordinary shares, equivalent to 0.7% of the Shares (including the overallotment option). This includes 137.6 million ordinary shares acquired by the Company from the Government for a cash payment of SAR 3,750 million, which have been classified as treasury shares. These treasury shares will

be used by the Company for its employee share plans. As a result, the Government currently directly owns 81.48% of the Shares.

On 11/10/1443 in the Hijri calendar (corresponding to 12 May 2022), the Extraordinary General Assembly resolved to increase the Company's share capital from sixty billion Saudi Riyals (SAR 60,000,000,000) divided into two hundred billion (200,000,000,000) Shares to seventy-five billion Saudi Riyals (SAR 75,000,000,000) divided into two hundred and twenty billion (220,000,000,000) Shares by capitalising an amount of fifteen billion Saudi Riyals (SAR 15,000,000,000) from the Company's retained earnings, and on 18/10/1444 in the Hijri calendar (corresponding to 8 May 2023), the Extraordinary General Assembly resolved to increase the Company's share capital from seventy-five billion Saudi Riyals (SAR 75,000,000,000) divided into two hundred and twenty billion (220,000,000,000) Shares to ninety billion Saudi Riyals (SAR 90,000,000,000) divided into two hundred and forty-two billion (242,000,000,000) Shares by capitalising an amount of fifteen billion Saudi Riyals (SAR 15,000,000,000) from the Company's retained earnings. As a result, as at the date of this Base Prospectus, the share capital of the Company was SAR 90,000,000,000, which is fully paid, consisting of two hundred and forty-two billion (242,000,000,000) Shares with no par value.

The Company's registered office is P.O. Box 5000, Dhahran 31311, Kingdom of Saudi Arabia and its telephone number is +966 13 873-6050. The Company's website is www.aramco.com.

Business Strategies

Saudi Aramco intends to continue to invest in crude oil exploration and production to maintain its position as the world's largest crude oil company by production volume.

Saudi Aramco believes that substantial investments in the oil industry continue to be required in the near to medium term to meet future global demand. Saudi Aramco intends to continue to invest in crude oil exploration and production through oil price cycles in order to meet this expected continued global demand and believes that its low lifting costs, low capital intensity and low upstream carbon intensity uniquely position it to benefit from these investments. Saudi Aramco believes that it produces one of the lowest carbon intensive sources of crude oil, which competitively positions it to benefit from continued focus on the oil and gas industry to reduce the environmental impact of the industry's operations, and that by being a reliable and lower carbon intensity producer, it will support energy access and security throughout the energy transition.

Saudi Aramco maintains its level of crude oil production by balancing production between maturing areas and newer production sources, tapping into new reservoirs when required to optimise the depletion rate of its fields. It also maintains its low-cost position due to its low depletion rate operational model, the unique nature of the Kingdom's geological formations, favourable onshore and shallow water offshore environments in which its reservoirs are located, synergies from its use of its large infrastructure and logistics networks and its scaled application of technology.

The Government determines the level of MSC maintained by the Company and the Kingdom's maximum level of crude oil production in the exercise of its sovereign prerogative in accordance with the Hydrocarbons Law. MSC is currently set at 12.0 million barrels of crude oil per day. The spare capacity afforded by maintaining an MSC provides operational flexibility to increase its production. While Saudi Aramco has a robust field maintenance philosophy that emphasises the reliability of its upstream operations, the MSC provides an alternative supply option in the event of unplanned production outages.

Saudi Aramco plans to further expand its gas business, including by developing its unconventional gas resources, increasing production and investing in additional infrastructure to meet the large and growing domestic demand for low-cost, lower carbon intensity energy.

Saudi Aramco plans to further expand its gas business to meet the expected substantial growth in domestic demand for gas, driven by continued economic and industrial development and the Government's plans to substitute liquids burning with gas in the utility sector. Accordingly, as sole supplier of gas to the Kingdom, Saudi Aramco aims to increase its gas production by more than 60% by 2030 from the 2021 level, subject to domestic demand, including

from its New Energies business. To satisfy these production targets, Saudi Aramco intends to further increase the capacity of the MGS and 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. In 2021, Saudi Aramco commenced development of the Jafurah field, a key component of its unconventional gas program, with production expected to commence in 2025. In November 2023, Saudi Aramco successfully produced the first unconventional tight gas from its South Ghawar operational area. In addition, through its conventional gas program, Saudi Aramco is undertaking several additional projects to grow its gas supply. It has commenced reproduction from the Hawiyah Unayzah reservoir gas storage program, which supplies up to 2.0 bscfd of gas for reintroduction into the MGS. This enhances Saudi Aramco's ability to respond to seasonality of demand, driven by utility sector demand patterns, and improves the utilisation rate of its gas assets. Saudi Aramco expects an increase of up to 1 million barrels per day in associated liquids in connection with anticipated growth in gas production by 2030.

Expanding the gas business enables Saudi Aramco to meet the energy needs of the Kingdom and continue to replace liquids with gas for the Kingdom's power generation, thereby lowering the carbon intensity of domestic energy production and availing more liquids for export. Gas production also yields NGL and condensate, which supplement Saudi Aramco's crude oil production and provide feedstock to its refining and petrochemical operations. In addition, liquids produced with associated and non-associated gas can be utilised in Saudi Aramco's liquids-to-chemicals business. In addition to domestic gas, Saudi Aramco is also opportunistically assessing LNG investments internationally.

Saudi Aramco intends to continue the strategic integration of its upstream and downstream businesses to capture additional value across the hydrocarbon chain.

Saudi Aramco intends to continue the strategic integration of its upstream and downstream businesses to secure and de-risk liquids demand through placement of larger volumes into its dedicated and growing system of domestic and international integrated refining and petrochemical production facilities. In addition, Saudi Aramco intends to continue to grow its liquids-to-chemicals business, with a goal to increase its capacity in petrochemical producing complexes to up to four million barrels per day by 2030. This strategy enhances the resilience of Saudi Aramco's upstream business and enables it to capture additional value across the hydrocarbon value chain and diversify its sources of earnings, which also helps to mitigate the impact of oil price volatility. In the three-month period ended 31 March 2025, 56% of crude oil produced by Saudi Aramco was delivered into this captive downstream system, compared to 53% in 2024, 47% in 2023 and 44% in 2022.

Saudi Aramco's acquisition of a 70% equity interest in SABIC in June 2020 has supported the expansion of its downstream activities, including integration between refining and chemicals and improving the balance of its product portfolio between fuels and chemicals, and provides a consistent outlet for its crude oil and gas. Saudi Aramco is also seeking to further diversify its downstream portfolio. Recent investments include:

- In March 2023, Saudi Aramco acquired Valvoline Global Operations, a lubricants manufacturer, for SAR 10.34 billion (\$2.76 billion), which is expected to complement Saudi Aramco's base oil business, as well as diversify and increase the resilience of its revenue streams.
- In March 2023, Saudi Aramco and S-Oil broke ground on the Shaheen project, which will be one of the world's largest refinery-integrated petrochemical steam crackers. The SAR 26.3 billion (\$7.0 billion) project, located at S-Oil's existing site in Ulsan, South Korea, has a planned capacity to produce up to 3.2 million tonnes of petrochemicals annually. The project is expected to be operational by 2026.
- In March 2023, Saudi Aramco entered into definitive agreements with North Huajin Chemical Industries Group Corporation and Panjin Xincheng Industrial Group Co., Ltd. to construct a major integrated refinery and petrochemical complex in northeast China. The complex is expected to be fully operational by 2026 and will include a 300 mbpd refinery and petrochemical units with annual production capacity of 1.65 million tonnes of ethylene and 2.0 million tonnes of paraxylene and Saudi Aramco will have the right to supply up to 210 mbpd of crude oil feedstock to the complex.

- In June 2023, Saudi Aramco and TotalEnergies were awarded engineering, procurement and construction contracts worth SAR 41.3 billion (\$11.0 billion) for the Amiral complex, a world-scale petrochemicals facility expansion at the SATORP refinery, located in Jubail. The complex will be owned, operated and integrated with the existing SATORP refinery and is expected to house one of the largest mixed-load steam crackers in the region, with a capacity to produce 1,650 kilotonnes per annum of ethylene and other industrial gases. Its construction is on track, and its commercial operation is expected to start in 2027.
- In July 2023, Saudi Aramco acquired a 10% equity stake in Rongsheng for SAR 12.8 billion (\$3.4 billion). As part of this investment, Saudi Aramco also acquired the right to supply 480 mbpd of crude oil to China's largest integrated refining and chemicals complex, which is owned by an affiliate of Rongsheng.
- In February 2024, SABIC and Fujian Energy and Petrochemical Group Co. Ltd. commenced construction of a large petrochemical complex in China's Fujian province. The project has an estimated investment of SAR 24.0 billion (\$6.4 billion). The complex is expected to have an ethylene capacity of up to 1.8 million tonnes per annum and construction is expected to be completed in 2027.
- In March 2024, Saudi Aramco completed its acquisition of a strategic equity interest in MidOcean Energy, a LNG company that recently acquired equity interests in three Australian LNG projects. In October 2024, Saudi Aramco increased its stake in MidOcean Energy to 49% and funded MidOcean Energy's purchase of 15% stake in a LNG company in Peru.
- In November 2024, Saudi Aramco, Sinopec, and Fujian Petrochemical Company Limited ("**FPCL**") broke ground on the Fujian Gulei Phase II Integrated Refining and Petrochemical Project in Zhangzhou City, China. The ownership of this project is divided, with FPCL holding a 50% stake and Saudi Aramco and Sinopec each holding a 25% stake. The facility is designed to include a crude oil refining unit capable of processing 16 million tonnes per year and is scheduled to become fully operational by the end of 2030.

Saudi Aramco intends to enhance both its domestic and global downstream businesses in key high-growth economies such as China, India and Southeast Asia, which are integral to its existing business and future expansion strategy, as well as in other attractive markets. It also intends to maintain its presence in key large countries, such as the United States, and in countries that rely on imported crude oil, such as Japan and South Korea, and to opportunistically expand its global footprint through acquisitions in other markets.

Saudi Aramco's strategy for lower carbon intensity energy aims to position itself to continue its leadership in the energy business, de-risk its portfolio of assets and maintain competitiveness and differentiation in carbon-constrained scenarios.

Saudi Aramco aims to grow its business more sustainably, notably by leveraging technology and innovation to lower its carbon emissions. It has one of the lowest average upstream carbon intensities per barrel produced and is pursuing a wide range of initiatives to reduce its upstream carbon intensity by at least 15% by 2035 against its 2018 baseline. To ensure progress in its efforts to contribute to the energy transition, Saudi Aramco has established a New Energies organisation to consolidate its lower-carbon businesses, focusing on renewable power generation, low-carbon hydrogen, and CCS.

- *Lowering Carbon Emissions.* Saudi Aramco is developing projects to capture emissions from its own facilities and the facilities of others. In October 2021, Saudi Aramco announced its ambition to achieve net-zero Scope 1 and Scope 2 GHG emissions across its wholly owned operated assets by 2050. Lowering Saudi Aramco's own net carbon emissions will require managing, reducing and balancing carbon emissions across its operations through a number of measures, including efficiency gains, renewable power investment, CCS and multiple offset initiatives. In 2024, Saudi Aramco entered into a shareholders' agreement with Linde and SLB for the development of phase one of the Jubail CCS hub. This project aims to capture and store nine million metric tons of carbon dioxide per year by 2028, with six million metric tons allocated for Saudi Aramco facilities and three million metric tons for non-Saudi Aramco facilities.

- **Developing Lower Carbon Fuels, Products and Solutions.** Saudi Aramco is developing projects for lower carbon fuels and products such as renewables and low-carbon hydrogen and ammonia. In addition, gas supplies are being developed to meet growing domestic energy demand, which is expected to displace liquids-burning in power generation. While continuing early engineering work to enable the production of up to 11 mmtpa as the market evolves, the Company currently targets to produce up to 2.5 mmtpa of low-carbon ammonia by 2030, subject to the availability of commercially viable long-term offtake contracts. In January 2025, Saudi Aramco, through its subsidiary, completed the acquisition of a 50% equity stake in Blue Hydrogen Industrial Gases Company (“**BHIG**”), a wholly-owned subsidiary of Air Products Qudra, a company based in the Kingdom. Through BHIG, Saudi Aramco plans to develop a low-carbon hydrogen network in the Kingdom’s Eastern Province, serving domestic customers while capturing and storing carbon dioxide. This investment highlights Saudi Aramco’s ambition to expand its new energies portfolio.

Saudi Aramco is seeking to foster domestic businesses that will increase the long-term reliability of its supply chain and contribute to the Kingdom’s economic development.

Saudi Aramco intends to foster domestic businesses that will enhance the reliability of its supply chain and subsequently support the economic growth and diversification of the Kingdom’s economy by creating direct and indirect employment opportunities for Saudi Arabian nationals. Under its National Champions programme, which encompasses a set of initiatives to enable in-Kingdom business development, Saudi Aramco seeks to facilitate the creation of a diverse, sustainable and globally competitive in-Kingdom energy sector. In addition, Saudi Aramco is utilising the Kingdom’s Shareek programme, which was announced in March 2021 and provides a framework to incentivise investments in the Kingdom which are aligned with Saudi Aramco’s strategy and plans to improve its supply chain. In addition to the Shareek programme, other government programs and initiatives that support localisation and provide incentives and enablers are also leveraged to attract global and national investors to localise in the Kingdom. In 2024, 67% of Saudi Aramco’s spending was directed to domestic suppliers. As part of this strategy, Saudi Aramco strives to increase the use of in-Kingdom suppliers of goods and services to 70% by the end of 2025 through its iktva programme.

Furthermore, in September 2021, Saudi Aramco announced a major expansion of its industrial investment programme, Namaat, to drive the continued growth and development of a resilient and sustainable domestic supply chain, which also strengthens and helps expand the private sector in the Kingdom. In addition, Saudi Aramco launched the Taleed programme in October 2022, which provides investment support, training, and funding solutions to existing and new small and medium sized enterprises in the Kingdom.

Key Enablers of Saudi Aramco’s Strategies

Key aspects of Saudi Aramco’s operations that help enable it to achieve its strategies include:

- **People** – Saudi Aramco recognises the need to prepare its workforce of the future, thereby ensuring its capabilities match the requirements of its strategies by (a) advancing technical and professional skills, developing commercial and leadership competencies and supporting the progress of localisation and (b) focusing on equity and inclusion. For more details, see “*Business—Employee Development and Other Programmes*”.
- **Technology** – Saudi Aramco’s technology programme aims to develop new solutions for its upstream and downstream businesses, and to help in diversifying its product portfolio, grow its business sustainably and achieve its net-zero ambition. The program also aims to enable Saudi Aramco to grow its business competitively and sustainably in new areas such as new energies, advanced materials and digital solutions. For more details, see “*Business—Technology, Research and Development*”.
- **Portfolio Optimisation** – Through its approach to portfolio optimisation, Saudi Aramco seeks to unlock value, enhance its capital structure and reallocate capital to higher growth and higher return investments. It has a comprehensive and disciplined internal approval process for capital expenditures, new projects and debt issuance. For more details, see “*Business—Operating Segments—Crude Oil and Condensate*”, “*Management’s Discussion and Analysis of Financial Position and Results of Operations—Factors*”.

Affecting Saudi Aramco's Financial Position and Results of Operations—Investments and Acquisitions in Expansion of the Downstream Segment” and “Management's Discussion and Analysis of Financial Position and Results of Operations—Liquidity and Capital Resources—Cash Used in Investing Activities—Capital Expenditures”.

Competitive Strengths

Upstream Competitive Strengths

Unrivalled scale of crude oil and condensate production and conventional proved reserves

In 2024, Saudi Aramco produced 12.4 million barrels per day of oil equivalent, including total liquids production of 10.3 million barrels per day. As at 31 December 2024, Saudi Aramco's proved liquids reserves were 215.8 billion barrels. Saudi Aramco believes that its portfolio includes the world's largest discovered conventional onshore oil field (Ghawar) and largest discovered conventional offshore oil field (Safaniyah).

Long reserves life and proven track record of low-cost reserves replacement

As at 31 December 2024, based on the initial 40-year period (which began in 2017) and an assumed 20-year extension of the Concession, Saudi Aramco's reserves were 250.0 billion barrels of oil equivalent (sufficient for a proved reserves life of 55 years). Saudi Aramco has historically replaced the Kingdom's reserves in a low-cost manner and on an organic basis through revisions of reserve estimates at existing fields by employing state-of-the-art reservoir simulation technologies and delineating existing fields' boundaries, as well as the discovery of new fields through exploration efforts.

Ability to produce multiple crude oil grades with access to global delivery points

The five grades of Arabian crude oil Saudi Aramco produces are highly compatible with most refineries globally. In addition, Saudi Aramco's multiple in-Kingdom and international crude oil delivery points comprise an established network of access points to the global marketplace, enabling it to maximise delivery options based on variations in demand and positioning it as the major base load crude supplier. Furthermore, Saudi Aramco's MSC and integrated logistics network, including crude oil in storage facilities, both inside and outside the Kingdom, allow it to vary its crude oil grade production which, combined with their compatibility with global refining systems, provides Saudi Aramco with a unique ability to respond to changes in demand for its crude oil grades.

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

As at 31 December 2024, Saudi Aramco had 209.8 trillion standard cubic feet of proved natural gas reserves and in 2024, its natural gas and ethane production was 10.8 bscfd. In 2021, Saudi Aramco commenced development of the Jafurah unconventional gas field, which is expected to commence production in 2025 and will gradually increase natural gas deliveries to reach a rate of 2.0 bscfd by 2030. The liquids stemming from gas enhance the value of production since condensate and NGL generally command a higher margin than natural gas, supplement Saudi Aramco's crude oil production and provide feedstock for its refining and petrochemical operations. In addition, liquids produced with non-associated gas can be utilised in Saudi Aramco's liquids-to-chemicals business. Furthermore, Saudi Aramco operates the MGS, which is an extensive network of pipelines that connects its key gas production and processing sites with customers throughout the Kingdom, and has commenced reproduction activities from the Hawiyah Unayzah reservoir gas storage programme, which supplies up to 2.0 bscfd of gas for reintroduction into the MGS. This enhances Saudi Aramco's ability to respond to seasonality of demand, driven by utility sector demand patterns, and improves the utilisation rate of its gas assets.

Unique ability to capture value through exclusive active management of the world's largest conventional hydrocarbons reserves base

Saudi Aramco actively manages its prolific reserves base in accordance with the Kingdom's laws and regulations to maximise long-term value while optimising ultimate recovery from its fields. Because of the size and number of

its fields and spare capacity, Saudi Aramco maintains its level of crude oil production by balancing production between maturing areas and newer production sources, tapping into new reservoirs when required to optimise the depletion rate of its fields. This approach, which differs from the typical industry practice of maximising production rates per field, is more capital efficient given the nature of the resources available and leads to more stable production and higher ultimate oil recoveries. In addition, this approach to reservoir management has contributed to Saudi Aramco achieving what it believes to be one of the lowest average upstream carbon intensities per unit of hydrocarbons produced.

Unique operational flexibility and opportunities to rapidly increase its crude oil production

The spare capacity afforded by maintaining an MSC provides operational flexibility to increase its production, which provides an alternative supply option in the event of unplanned production outages and allowing it to maintain its production levels.

Crude oil extraction with one of the lowest average upstream carbon intensities in the industry

Climate change concerns may cause demand for crude oil with lower average carbon intensities to increase relative to those with higher average carbon intensities. The Company's approach to reservoir management, low depletion rate operational model and focus on energy efficiency contribute to low upstream carbon intensity. In addition, the Kingdom has a small number of large and productive oil fields, low per barrel gas flaring rates and low water production, resulting in less mass lifted per unit of oil produced and less energy used for fluid separation, handling, treatment and reinjection, all of which contribute to low upstream carbon intensity. The upstream carbon intensity of Saudi Aramco was 9.7 kilograms of carbon dioxide equivalent per barrel of oil equivalent for 2024. Saudi Aramco is pursuing a wide range of initiatives to reduce its upstream carbon intensity by at least 15% by 2035 against its 2018 baseline. In addition, it is pursuing initiatives to manage GHG emissions from its operations and assets by investing in cost-effective and efficient lower emission technologies, including energy efficiency programmes and energy mix diversification.

Low lifting costs and capital expenditures per barrel of oil equivalent

Saudi Aramco's lifting costs are among the lowest in the world due to its low depletion rate operational model, the unique nature of the Kingdom's geological formations, favourable onshore and shallow water offshore environments in which its reservoirs are located, synergies available from Saudi Aramco's use of its large infrastructure and logistics networks and its scaled application of technology. For the year ended 31 December 2024, Saudi Aramco's average upstream lifting cost was SAR 13.24 (\$3.53) per barrel of oil equivalent produced and its upstream capital expenditures averaged SAR 31.1 (\$8.3) per barrel of oil equivalent produced. This low-cost base enables Saudi Aramco to generate material cash flow from operations during periods of relatively high crude oil prices, and has enabled it to operate profitably and maintain positive cash flow from operations during periods of relatively low prices, including periods of disruption caused by COVID-19.

Downstream Competitive Strengths

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

Saudi Aramco maintains its longstanding strategic customer supply relationships through the unique level of volumes it makes available to the market, its world-class supply reliability and crude oil quality. In addition, the integration of Saudi Aramco's upstream and downstream segments provides the opportunity to place crude oil into Saudi Aramco's downstream system, which is optimally designed to process Arabian crude oils. In the year ended 31 December 2024 and the three-month period ended 31 March 2025, 53% and 56% of crude oil produced by Saudi Aramco was delivered into this captive downstream system, respectively.

Strong track record of supply reliability

Saudi Aramco has a strong track record as a reliable supplier of crude oil, refined products, gas and NGL, meeting 99.9% of its delivery obligations on time in 2022, 99.8% in 2023, 99.7% in 2024 and 100.0% for the first three months of 2025.

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

Saudi Aramco's partners in its joint ventures, joint operations and associate companies include BP, Dow, ExxonMobil, Geely, Petronas, Renault, Sinopec, Sumitomo and TotalEnergies. These partnerships provide Saudi Aramco's joint ventures and joint operations with access to additional geographies, technological expertise, operational know-how and marketing capabilities. In 2022, Saudi Aramco announced a partnership with the Formula One team now known as Aston Martin Aramco Formula One™ Team to harness the shared commitment to engineering excellence and innovation. This partnership includes the placement of Valvoline Global Operations' lubricants into Aston Martin Formula One™ cars. Through the partnership, Saudi Aramco aims to drive development of high performance, more sustainable fuels and advanced lubricants, grow awareness of its high-quality products and support its ambition to supply premium fuels and lubricants to the global automotive sector.

Major petrochemicals producer globally

Saudi Aramco's chemicals business continues to grow through capacity expansions in the Kingdom, increased ownership positions in affiliates and new investments. Its chemicals business operates in numerous countries around the world and produces a range of chemicals. Its acquisition of a 70% equity interest in SABIC made Saudi Aramco a major global producer of petrochemicals and expands its capabilities in technology and product innovation, marketing and sales, procurement and manufacturing. It is also realising significant synergies from the SABIC integration, including in procurement, supply chain, marketing, feedstock optimisation, stream integration, operations and maintenance. Saudi Aramco expects to capture a total value of approximately SAR 11.3 billion to SAR 15.0 billion (\$3.0 billion to \$4.0 billion) in annual recurring synergies from this acquisition by the end of 2025. Saudi Aramco transferred to SABIC offtake rights and the marketing and sales responsibility for a number of its petrochemicals and polymer products and transferred to ATC the offtake and resale responsibility for a number of SABIC's liquid products. These changes are intended to take advantage of SABIC's capabilities in marketing solid chemical products, such as polymers, and ATC's capabilities in marketing fuels, aromatics, MTBE and other liquid products, driving further operational efficiencies, strengthening the brands of both companies and improving overall competitiveness.

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

As at 31 December 2024, Saudi Aramco had gross refining capacity of 7.7 million barrels per day and net refining capacity of 4.1 million barrels per day. As the sole supplier of refined and chemicals products to the large domestic marketplace, Saudi Aramco's refining operations in the Kingdom, including its domestic affiliates, accounted for 62% of its net refining capacity in 2024. In addition to its domestic focus, Saudi Aramco is focusing its downstream investments in high-growth economies, including China, India and Southeast Asia, while maintaining and opportunistically expanding its participation in material demand centres, such as the United States, Latin America and countries that rely on importing crude oil, such as Japan and South Korea. Saudi Aramco continues to grow its finished lubricants business, including through Valvoline Global Operations, a lubricants manufacturer, for SAR 10.34 billion (\$2.76 billion). Saudi Aramco is one of the world largest base oil suppliers. Through its subsidiaries (Luberef, Motiva and S-Oil), it operates a global base oils business and in 2024 sold 4.8 million tonnes of base oils.

Scale advantage with one of the largest refining portfolios globally

Saudi Aramco's in-Kingdom affiliated refineries and international refineries have been designed to have both scale and significant product upgrading capabilities, resulting in high refining complexity metrics. Refineries with higher complexity are generally more technically advanced and able to extract higher value from the crude oil they process

by producing greater yields of high margin products. Saudi Aramco's in-Kingdom affiliated and international refining portfolio provides it with competitive refining assets in the geographies it serves and enables it to produce greater yields of high-margin downstream products than less complex refineries. These refining assets also provide an important platform upon which Saudi Aramco expects to grow its integrated refining and petrochemicals business, which is expected to improve the balance of fuels and petrochemicals production, expand Saudi Aramco's sources of earnings and provide resilience to oil price volatility.

Globally integrated trading activities, which optimises crude and product supply to maximise returns

Saudi Aramco operates a global hydrocarbon trading business through ATC. ATC's trading activities provide Saudi Aramco with visibility into demand for Saudi Aramco's products, which enables it to benefit from time, product, technical and geographic arbitrage opportunities.

ATC is fully integrated with Saudi Aramco's downstream business and is the exclusive supplier to Saudi Aramco of refined products to meet demand for any fuel deficit in the Kingdom. In addition, ATC has an agreement with Saudi Aramco through which it can offtake crude oil produced by Saudi Aramco provided that the crude oil is exchanged for refined and chemicals products outside the Kingdom.

Financial and Other Competitive Strengths

High Operating Cash Flow, Free Cash Flow, EBIT, ROACE and low Gearing

Saudi Aramco generates significant cash flow and earnings and an attractive return on average capital employed. Its low lifting costs and capital expenditures per barrel of oil equivalent support profitability and cash flow performance throughout the oil price cycle. Saudi Aramco also operates within a conservative financial framework that enhances its ability to invest through fluctuations of oil price cycles to maximise long-term value creation while continuing to pay a sustainable dividend. As shown below, Saudi Aramco has high operating cash flow, Free Cash Flow, EBIT and ROACE and low Gearing.

	Year Ended 31 December 2024	Three-Month Period Ended 31 March 2025
Net cash provided by operating activities (in billions)	SAR 508.9 (\$135.7)	SAR 118.9 (\$31.7)
Free Cash Flow (in billions)	SAR 320.0 (\$85.3)	SAR 71.8 (\$19.2)
EBIT (in billions)	SAR 772.3 (\$205.9)	SAR 189.5 (\$50.5)
ROACE ⁽¹⁾	20.2%	19.9%
Gearing (at end of period)	4.5%	5.3%

(1) Calculated on a 12-month rolling basis.

Free Cash Flow, EBIT, ROACE and Gearing are non-IFRS financial measures. For definitions of these terms and a reconciliation to the nearest financial measures calculated in accordance with IFRS, see "*Non-IFRS Financial Measures*".

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

Saudi Aramco has a long track record of successfully executing some of the world's largest upstream and downstream capital projects. Saudi Aramco completed several large crude oil and gas projects, including the Manifa project and the Fadhili Gas Plant, which added production capacity of 900,000 barrels per day and 2.5 bscfd, respectively. Most recently, in 2021, the 'Ain Dar and Fazran crude oil increments were completed and successfully brought online. In addition, in 2019, Saudi Aramco entered into various agreements to increase the combined crude oil and natural gas production capacities at the Marjan and Berri fields, which are expected to add production capacity of 300,000 barrels per day and 250,000 barrels per day, respectively, in 2025. The construction and engineering activities for Marjan and Berri projects crude oil increments continue to progress. The facility will also be equipped to process associated gas and produced water.

History of responsible environmental stewardship

Environmental stewardship and sustainability have been core elements of Saudi Aramco's operational philosophy over the past four decades. Saudi Aramco's approach to reservoir management and investments in technology and operational efficiency, reduction in flare gas and methane emissions and GHG management have contributed to it achieving what it believes to be one of the lowest average upstream carbon intensities per unit of hydrocarbons produced. In 2024, its carbon dioxide equivalent per boe produced was 9.7 kilograms, contributing positively to the Oil and Gas Climate Initiative ("OGCI") 2025 carbon intensity target of 17.0 kilograms per boe. Saudi Aramco is a founding and active member of the OGCI, a collaboration between 12 major oil and gas companies whose shared mission is to act collectively in combating the climate challenge and to accelerate the global response to the risk of climate change. In addition, Saudi Aramco believes that its investments in cogeneration facilities located at several of its facilities have contributed to significant improvements in the energy efficiency of its operations.

Saudi Aramco has ambitions to invest in up to 12 GW capacity of solar and wind projects by 2030. As part of the Jubail carbon capture and storage hub, Saudi Aramco aims to capture and store up to nine million tonnes of carbon dioxide equivalents annually from its facilities and other industrial sources by 2028. Other investments and development opportunities are being evaluated to position the Company as both a leading exporter of low-carbon ammonia and local provider of low-carbon hydrogen, aiming to serve early market demand and future GHG mitigation needs starting in 2028. The development of its low-carbon ammonia portfolio is being phased in line with market demand. While continuing early engineering work to enable the production of up to 11 mmtpa as the market evolves, the Company currently targets to produce up to 2.5 mmtpa of low-carbon ammonia by 2030, subject to the availability of commercially viable long-term offtake contracts.

World scale integrated upstream and downstream infrastructure

Saudi Aramco's strategically integrated upstream and downstream assets in the Kingdom cover the full hydrocarbon value chain and provide unique economies of scale and scope. Saudi Aramco's production, processing, manufacturing and logistics infrastructure supports a lower overall cost structure with high supply reliability, capture significant synergies through co-location of assets and system-wide optimisation and is expected to enable further scalability supporting its growth plans in its upstream and downstream segments.

Operating Segments

Saudi Aramco's primary operating segments are its upstream segment and downstream segment. The upstream segment's activities consist of exploring for, developing and producing crude oil, condensate, gas and NGL. The downstream segment's activities consist primarily of refining, petrochemicals, supply and trading, distribution, retail, base oils, lubricants and power generation, as well as logistics and marketing of crude oil and related services to international and domestic customers. Saudi Aramco's business support activities are included within its corporate activities.

Upstream

The upstream segment's activities consist of exploring for, developing and producing crude oil, condensate, natural gas and NGL. Pursuant to the Concession, Saudi Aramco has exclusive access to all hydrocarbons within the Kingdom, except the Excluded Areas, and is required to meet domestic demand for certain hydrocarbons, petroleum products and LPG through domestic production or imports. See "*Material Agreements—The Concession*".

As at 31 December 2024, based on the initial 40-year period (which began in 2017) and an assumed 20-year extension of the Concession, Saudi Aramco's reserves were 250.0 billion barrels of oil equivalent (sufficient for a proved reserves life of 55 years).

The majority of Saudi Aramco's reservoirs are geographically clustered in the Eastern Province of the Kingdom and adjacent Arabian Gulf and a large portion of its gas fields are co-located with its oil fields. In 2024, Saudi Aramco produced 12.4 million barrels per day of oil equivalent, including total liquids production of 10.3 million barrels per day, which generally command a higher margin than natural gas.

Saudi Aramco's lifting costs are among the lowest in the world due to its low depletion rate operational model, the unique nature of the Kingdom's geological formations, favourable onshore and shallow water offshore

environments in which Saudi Aramco's reservoirs are located, synergies available from Saudi Aramco's use of its large infrastructure and logistics networks and its scaled application of technology. For the year ended 31 December 2024, Saudi Aramco's lifting cost averaged SAR 13.24 (\$3.53) per barrel of oil equivalent produced and its upstream capital expenditures averaged SAR 31.1 (\$8.3) per barrel of oil equivalent produced.

Reserves

As at 31 December 2024, the Kingdom's reserves in the fields Saudi Aramco operates consisted of 341.3 billion barrels of oil equivalent, including 261.7 billion barrels of crude oil and condensate, 37.5 billion barrels of NGL and 255.1 trillion standard cubic feet of natural gas.

Pursuant to the Concession, Saudi 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 Saudi Aramco satisfies certain conditions commensurate with current operating practices. In addition, the Concession may be extended for an additional 40 years beyond the prior 60-year period subject to Saudi Aramco and the Government agreeing on the terms of the extension. See *"Material Agreements—The Concession"*. The provision of a specified term in the Concession impacts the calculation of Saudi Aramco's reserves as compared to the Kingdom's reserves in the fields Saudi Aramco operates.

As at 31 December 2024, based on the initial 40-year period (which began in 2017) and an assumed 20-year extension of the Concession, Saudi Aramco's reserves were 250.0 billion barrels of oil equivalent consisting of 189.8 billion barrels of crude oil and condensate, 26.1 billion barrels of NGL and 209.8 trillion standard cubic feet of natural gas. Saudi Aramco's oil equivalent reserves were sufficient for proved reserves life of 55 years.

Saudi Aramco manages the Kingdom's unique hydrocarbon reserves and resources base to maximise long-term value pursuant to the Hydrocarbons Law, which mandates that Saudi Aramco's hydrocarbon operations promote long-term productivity of the Kingdom's reservoirs and support the prudent stewardship of its hydrocarbon resources. Saudi 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 Saudi Aramco have increased since the time of original production. The organic crude oil and condensate reserves replacement ratio based on the Kingdom's reserves on a three-year rolling average from 2022 to 2024 was 100.8%. The organic oil equivalent reserves replacement ratio based on the Kingdom's reserves on a three-year rolling average from 2022 to 2024 was 126.6%. Reserves replacement ratios are calculated on reserves changes relative to net reservoir withdrawal from operated fields, rather than production volumes.

The following table sets forth Saudi Aramco's estimates of its proved reserves based on the term of the Concession.

	Crude Oil and Condensate (mmbbl)	Natural Gas (bscf)	NGL (mmbbl)	Combined (mmboe)
Reserves as at 31 December 2024	189,782	209,769	34,189	250,029

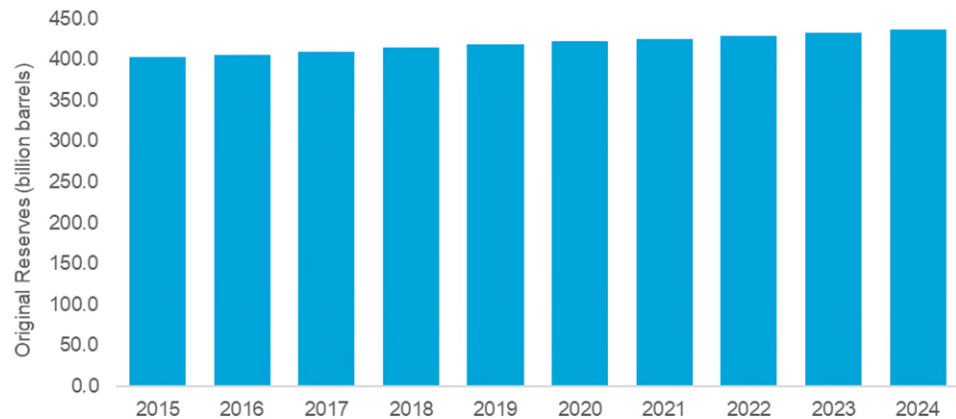
Source: The Company.

The following table sets forth Saudi Aramco's estimates of the Kingdom's proved reserves in the fields Saudi Aramco operates.

	Crude Oil Condensate (mmbbl)	Natural Gas (bscf)	NGL (mmbbl)	Combined (mmboe)
Reserves as at 31 December 2024	261,682	255,117	42,101	341,279

Source: The Company.

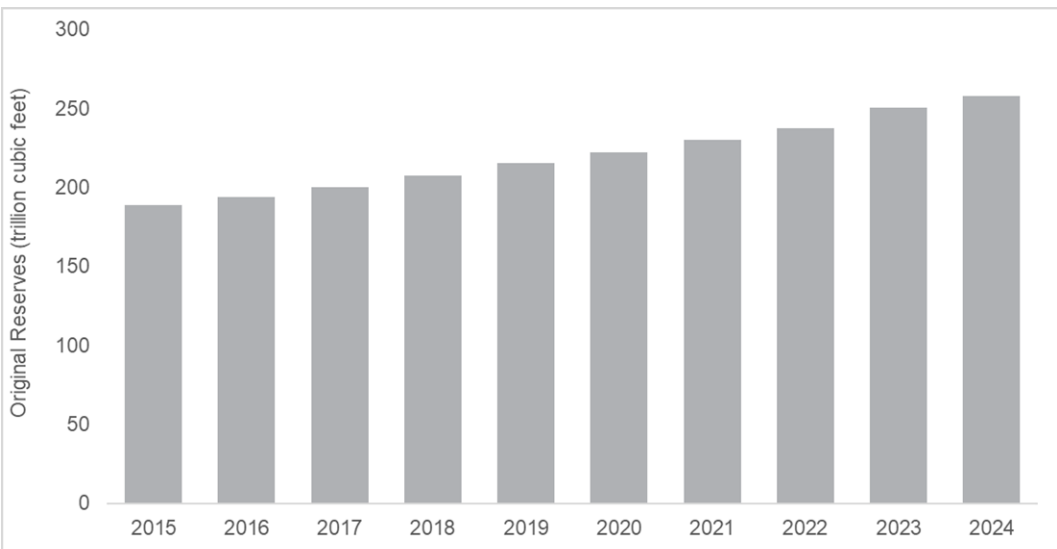
The following chart shows the growth of the Kingdom’s original crude oil and condensate reserves from 2015 to 2024.



Source: The Company.

- (1) Original reserves is defined as the sum of cumulative actual production and remaining proved reserves to be produced, each determined at the time of assessment. See “Appendix B—Glossary of Measurement and Technical Terms—Certain Terminology”.

The following chart shows the growth of the Kingdom’s original non-associated gas reserves from 2015 to 2024.



Source: The Company.

- (1) Original reserves is defined as the sum of cumulative actual production and remaining proved reserves to be produced, each determined at the time of assessment. See “Appendix B—Glossary of Measurement and Technical Terms—Certain Terminology”.

Saudi Aramco’s reserve estimates conform to the SPE-PRMS definitions and guidelines, which is the internationally recognised industry standard sponsored by the Society of Petroleum Engineers, the American Association of Petroleum Geologists, the World Petroleum Council, the Society of Petroleum Evaluation Engineers, the Society of Exploration Geophysicists, the Society of Petrophysicists and Well Log Analysts and the European Association of Geoscientists and Engineers. To estimate or update Saudi Aramco’s reserve estimates, the upstream segment employees responsible for reserves calculations perform technical analyses that are reviewed internally by progressively higher levels of management until finalised at year-end. Saudi Aramco annually updates its estimates as it acquires and interprets new data. For reservoirs that have been producing and have established certain performance trends, Saudi Aramco is typically able to reliably forecast the reservoir’s future production. For reservoirs that have little to no production history and new discoveries, Saudi Aramco undertakes further analysis in addition to multidisciplinary evaluation to formulate production forecasts.

Upstream Production

The following table highlights Saudi Aramco's upstream production in 2022, 2023 and 2024:

	Year Ended 31 December		
	2022	2023	2024
Upstream production:			
Total liquids (mbpd)	11,540	10,682	10,292
Natural gas and ethane (mmscfd)	10,617	10,672	10,833
Total hydrocarbon production⁽¹⁾ (mboed)	13,617	12,767	12,403

Source: The Company.

- (1) Combined barrel of oil equivalent volume (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).

Crude Oil and Condensate

Exploration and Development

A substantial portion of Saudi Aramco's current crude oil exploration activities are focused in the Eastern Province, with lower levels of exploration and expenditures in known hydrocarbon-bearing basins in the Rub' al-Khali, Northwest and Summan regions.

Saudi Aramco places a strong emphasis on operational performance improvement of its drilling operations by applying innovative drilling technologies and benchmarking of key metrics to identify trends and potential areas for improvement. Saudi Aramco believes that its approach to drilling and development has led to high levels of well integrity.

Reservoir Management and Production Strategy

Saudi Aramco actively manages its prolific reserves base in accordance with the Kingdom's laws and regulations to maximise long-term value while optimising ultimate recovery from its fields. Because of the size and number of its fields and spare capacity, Saudi Aramco is able to maintain its level of overall production by tapping into new reservoirs when required to improve long-term value through portfolio capacity optimisation. This approach, which differs from the typical industry practice of maximising production rates per field, is more capital efficient given the nature of the resources available and leads to stable production and higher ultimate oil recoveries. In addition, this approach to reservoir management has contributed to Saudi Aramco achieving what it believes to be one of the lowest average upstream carbon intensities per unit of hydrocarbons produced. Saudi Aramco's reservoir management and production strategy is characterised by its commitment to responsible and sustainable stewardship of its unique fields, ability to optimise supply and value, and high-quality crude oil with blend and supply flexibility.

Responsible and Sustainable Stewardship of Unique Fields

Most of Saudi Aramco's crude oil fields have been producing for many decades at low depletion rates of 1% to 2% per year relative to estimated ultimate recovery. As at 31 December 2024, approximately 67% of the Kingdom's proved crude oil reserves were in reservoirs that were less than 40% depleted. The following chart illustrates the depletion stage of the Kingdom's crude oil reservoirs as at 31 December 2024.



Source: The Company.

Saudi Aramco also aims to optimise recovery of its reserves. As at 31 December 2024, approximately 80% of the Kingdom's crude oil reserves had a recovery factor between 41% and 80% due to the high-quality of the reservoirs.

Saudi Aramco's main recovery mechanism for its oil reservoirs is peripheral water injection, which maintains reservoir pressure, maximises reservoir sweep and minimises water produced over time. In a few fields, Saudi Aramco employs other methods, such as re-injection of produced gas in gas caps. Given its low depletion stage, Saudi Aramco expects to continue to use these recovery mechanisms, combined with advanced technologies (for example, horizontal and multilateral wells, including wells that come into contact with more than five kilometers of the reservoir), to optimise horizontal and vertical reservoir sweep.

Ability to Optimise Supply and Value in the Event of a Market Disruption or Opportunity

The uniqueness of Saudi Aramco's reserves base provides flexibility to optimise its crude oil mix in response to changes in supply and demand. Saudi Aramco considers the long-term value of different crude oil grades, medium-term ability to market heavy crude oil grades in strategic markets and near-term requirements to efficiently respond to global market disruptions or opportunities.

The Government determines the Kingdom's maximum level of crude oil production in the exercise of its sovereign prerogative and requires Saudi Aramco to maintain MSC. Saudi Aramco maintains MSC in accordance with the Hydrocarbons Law. MSC is currently set at 12.0 million barrels of crude oil per day. The spare capacity afforded by maintaining an MSC provides operational flexibility to increase its production. Saudi Aramco also uses this spare capacity as an alternative supply option in case of unplanned production outages and to maintain its production levels. In addition, Saudi Aramco holds volumes in various storage facilities, both inside and outside the Kingdom, to supplement operational flexibility and supply reliability.

High Quality Crude Oil with Blend and Supply Flexibility

Saudi Aramco consistently produces five grades of Arabian crude oil, namely Arabian Super Light, Arabian Extra Light, Arabian Light, Arabian Medium and Arabian Heavy. Saudi Aramco's five crude oil grades and the wide range of blends that can be produced from them are compatible with most refineries globally. In addition, Saudi Aramco's MSC and integrated logistics network allow Saudi Aramco to vary crude oil production as required which, combined with the compatibility of these crude oil grades with global refining systems, provides Saudi Aramco with a unique ability to respond to changes in demand for its crude oil grades. This flexibility contributes to Saudi Aramco's reputation as one of the most reliable suppliers of crude oil and refined and chemicals products, gas and NGL, meeting 99.9% of its delivery obligations on time in 2022, 99.8% in 2023, 99.7% in 2024 and 100.0% for the first three months of 2025.

Crude oil quality is measured primarily based on density, which is measured as API gravity, and sulfur content. API gravity is the specific gravity scale developed by the American Petroleum Institute. It represents the inverse measure of liquid hydrocarbon density against water, with lighter hydrocarbon liquids having higher API gravities. API gravity is used to classify crude oil by weight (*i.e.*, light, medium and heavy), which is the largest determinant of market value. All other things being equal, a lighter crude oil, which has a higher API gravity, is generally more valuable because, when processed through a refinery, it yields a greater percentage of lighter refined and chemicals products that are generally more valuable, such as naphtha used to produce gasoline or petrochemicals, jet fuel, heating oil and diesel, thereby delivering higher refining margins from that crude oil than from those with lower API gravities. Sulfur content also affects the value of crude oil. Because sulfur must be removed by refineries to produce finished refined and chemicals products, crude oil with lower sulfur content has a higher value.

Saudi Aramco classifies Arabian Super Light, Arabian Extra Light and Arabian Light as premium crude oil grades based on their API gravity and sulfur contents. The following table sets forth the API gravity and sulfur content of each of Saudi Aramco's crude oil grades and the percentage of crude oil reserves each grade accounted for as at 31 December 2024:

	API Gravity	Sulfur Content (wt%)	Percentage of Saudi Aramco's Crude Oil Reserves
Arabian Super Light	More than 40	Less than 0.5	0.77
Arabian Extra Light	36 – 40	0.5 – 1.3	13.31
Arabian Light	32 – 36	1.3 – 2.2	34.17
Arabian Medium	29 – 32	2.2 – 2.9	17.45
Arabian Heavy	Less than 29	More than 2.9	34.30

Source: The Company.

Principal Oil Fields

Saudi Aramco's resource base allows it to maintain its level of overall production by tapping into new reservoirs as costs rise in maturing areas, enhancing capital efficiency, increasing overall stability of production and ultimately improving total oil recoveries. 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.

Recent Upstream Development Projects

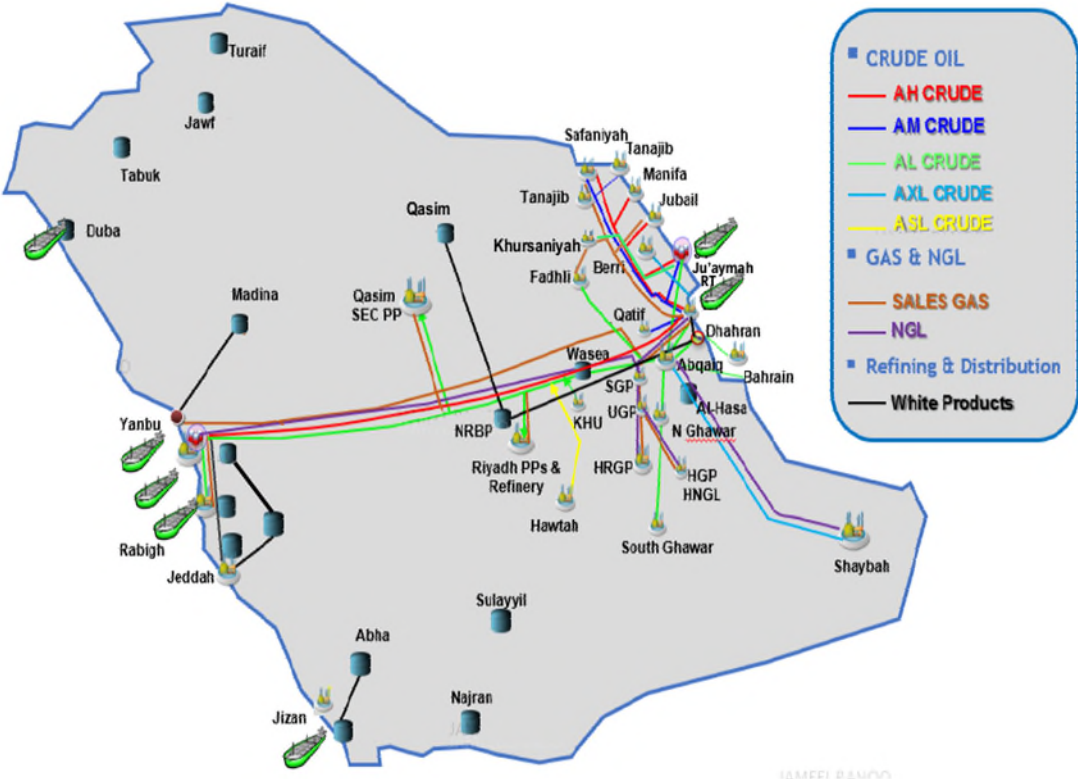
Saudi Aramco has a long track record of executing some of the world's largest upstream capital projects in the oil and gas industry. It is in the process of increasing the crude oil and natural gas production capacities at the Marjan and Berri fields, which are expected to add production capacity of 300,000 barrels per day and 250,000 barrels per day, respectively, in 2025, and the Dammam development project, which is expected to add production capacity of 25,000 barrels per day in 2025 and 50,000 barrels per day of crude oil in 2027. In addition, the Zuluf crude oil increment is in the engineering phase and is expected to provide a central facility to process a total of 600,000 barrels per day of crude oil from the Zuluf field by 2026. Furthermore, the Tanajib gas processing facility is expected to be completed in 2025 with a gas processing capacity of 2.6 bscfd.

Crude Oil Infrastructure

Saudi Aramco's principal fields are located in close proximity to each other within the Central and Eastern Provinces of the Kingdom. An extensive pipeline network connects Saudi Aramco's fields, processing plants and other facilities. The crude oil, condensate, natural gas and NGL that it produces travel through its pipelines to multiple facilities for processing into refined and chemicals products or to domestic customers or export terminals. In particular, the 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 coast of the Kingdom. In addition, the Abqaiq facility processes a significant amount of Saudi Aramco's daily produced crude oil. The Abqaiq facility is Saudi Aramco's largest oil processing facility and the largest crude oil stabilisation plant in the

world. Saudi Aramco has strategic international delivery points located in Rotterdam (Netherlands), Sidi Kerir (Egypt), Okinawa and Kiire (Japan) and Ulsan (South Korea).

The following map illustrates the location of Saudi Aramco’s crude oil processing infrastructure in relation to certain Saudi Aramco facilities as at 31 December 2024.



Source: The Company.

- HRGP – Haradh Gas Plant

HGP HNGL – Hawiyah Gas Plant & Hawiyah NGL Recovery Plant

KHU – Khurais

NRBP – North Riyadh Bulk Plant

Qasim SEC PP – Qasim Saudi Electric Company Power Plant
- Riyadh PPs – Riyadh Power Plants & Refinery

RT – Ras Tanura Terminal

SGP – Shedgum Gas Plant

UGP – Uthmaniyah Gas Plant

Yanbu – Yanbu North Terminal, Yanbu South Terminal, Yanbu Refinery Terminal, Yanbu Distribution Hub, Yanbu NGL Fractionation, Yanbu Refinery, YASREF Refinery, SAMREF Refinery

Sales and Marketing

In the year ended 31 December 2024 and the three-month period ended 31 March 2025, Saudi Aramco produced 12.4 million barrels per day of oil equivalent and 12.3 million barrels per day of oil equivalent and its downstream operations utilised 53% and 56% of its crude oil production, respectively.

Saudi Aramco’s crude oil sales agreements include pricing formulas that reflect the market prices in the relevant geographical region in which the oil will be delivered. The pricing formulas use “marker crudes” in each geographical region to determine a market-based price. The formulas also include price differentials for each grade

in each region, which are set by Saudi Aramco on a monthly basis, and reflect crude oil quality differences vis-à-vis the marker crude oil and other factors, such as the value of competing crude oils, in-transit losses, freight allowances and other commercial considerations. These formula prices are also used for sales of Saudi Aramco's crude oil to its in-Kingdom and international refineries.

In addition, the Concession requires Saudi Aramco to meet domestic demand for certain hydrocarbons, petroleum products and LPG. See *"Material Agreements—The Concession"*. In connection with this requirement, the Government mandates that crude oil and other products sold to third parties in the Kingdom are sold at regulated prices that are typically lower than the prices Saudi Aramco could obtain if it exported those products. Pursuant to an equalisation mechanism, the Government compensates Saudi Aramco for the revenue it directly forgoes as a result of Saudi Aramco's compliance with the mandates related to crude oil and certain refined and chemicals products. Effective 1 January 2020, the Government expanded the equalisation mechanism to include LPG and certain other products. See *"Management's Discussion and Analysis of Financial Position and Results of Operations—Factors Affecting Saudi Aramco's Financial Position and Results of Operations—Fiscal Regime"*.

Gas and NGL

As at 31 December 2024, Saudi Aramco had 209.8 trillion standard cubic feet of proved natural gas reserves and 26.1 billion barrels of proved NGL reserves.

In 2024 and in the three-month period ended 31 March 2025, Saudi Aramco produced 10.8 bscfd and 10.2 bscfd of natural gas and ethane, respectively. As at 31 December 2024, the total conventional and unconventional gas processing capacity was 19.1 bscfd, which primarily feeds into the MGS, an extensive network of pipelines that connects Saudi Aramco's key gas production and processing sites with customers throughout the Kingdom. The liquids stemming from gas enhance the value of Saudi Aramco's natural gas production as liquids generally command higher prices than natural gas.

Pursuant to the Concession, Saudi Aramco is the exclusive supplier of natural gas in the Kingdom. Since 1980, Saudi Aramco has produced associated gas from oil production to supply the domestic energy marketplace, and in 1984 began producing non-associated gas to address growing domestic demand. Gas in the Kingdom is currently used primarily for power generation and water desalination activities, as well as in the industrial, chemicals and petrochemicals feedstock sectors. Domestic demand for gas is expected to grow substantially by 2030 due to continued strong economic and industrial growth, as well as the Government's plans to substitute liquids burning with gas in the utility sector.

Saudi Aramco's gas and NGL infrastructure currently consists of the following:

- ten gas processing plants—Berri, Shedgum, 'Uthmaniyah, Hawiyah, Haradh, Khursaniyah, Wasit, Midyan, North Arabia and Fadhili;
- two NGL recovery straddle plants—Hawiyah and Shaybah;
- four NGL fractionation plants—Juaymah, Yanbu', Ras Tanura and Wasit; and
- the MGS.

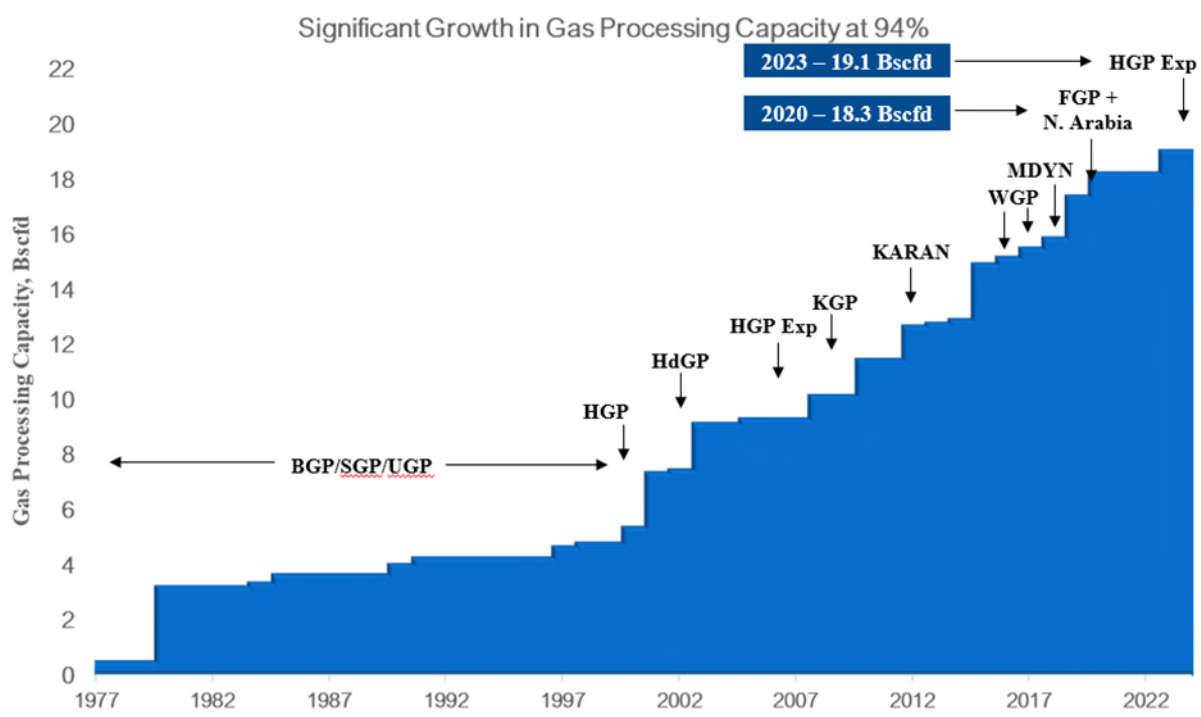
This infrastructure does not include the Shaybah processing capacity, since Shaybah gas capacity is used for NGL recovery but does not contribute natural gas to the MGS.

The decision to build the MGS was made in 1975 and the MGS has grown significantly as Saudi Aramco expanded its associated and non-associated gas production. The system's current capacity is 12.5 bscfd of natural gas and it supplies eastern, central, and western industrial complexes.

Between 2009 and 2024, Saudi Aramco completed a number of projects which increased its gas processing capacity. For example, the Fadhili Gas Plant reached its full gas processing capacity of 2.5 bscfd during the second quarter of 2020. Furthermore, Saudi Aramco completed the Hawiyah Gas Plant expansion, which added 0.8 bscfd of

additional processing capacity, and the Haradh and Hawiyah gas compression projects. A number of projects are underway to further increase Saudi Aramco’s gas processing capacity, including the Tanajib Gas Plant, which is expected to be completed in 2025 with a gas processing capacity of 2.6 bscfd.

The following chart illustrates the historical increases in gas processing capacity from 1980 to 2024 (excluding Shaybah gas processing).



Source: The Company.

BGP/SGP/UGP – Berri/Shedgum/Uthmaniyah Gas Plants	KGP – Khursaniyah Gas Plant
FGP – Fadhili Gas Plant	MDYN – Midyan
HdGP – Haradh Gas Plant	N.Arabia – North Arabia
HGP – Hawiyah Gas Plant	WGP – Wasit Gas Plant
HGP Exp – Hawiyah Gas Plant Expansion	

Exploration and Development

Saudi Aramco’s non-associated gas exploration activity has yielded a number of major discoveries, with particular success in the Ghawar area and in deep reservoirs in the Arabian Gulf. Currently, the majority of Saudi Aramco’s exploration activities relate to gas. Saudi Aramco has enjoyed high success rates in locating new reserves in known hydrocarbon basins adjacent to its existing fields and production infrastructure, allowing it to meet growing domestic demand at low costs, but exploration in new basins with high potential is also being carried out. Saudi Aramco expects to further expand its proved natural gas reserves through new field discoveries, new reservoir additions in existing fields and the delineation and reassessment of existing reservoirs and fields.

In addition to its gas exploration activities, Saudi Aramco developed the Flaring Minimisation Programme, which began nearly four decades ago with the introduction of the MGS. The programme provided for Saudi Aramco to capture associated gas from crude oil production and process it into products that can be sold in the Kingdom. In 2006, Saudi Aramco developed and deployed its Corporate Flaring Minimisation Roadmap, which established guidelines to further reduce and minimise its daily flaring and install flare gas recovery systems. Saudi Aramco remains committed to continue its efforts to further reduce flaring levels.

Reservoir Management and Production Strategy

Saudi Aramco's gas management and production strategy focuses on maximising economically recoverable gas using the best available methods and technologies. Its primary production strategy is focused on pressure depletion at moderate rates, with no aquifer support and little water production expected. The gas fields also make extensive use of advanced technologies (for example, horizontal, multilateral, extreme reach wells, multi-stage fracturing and underbalanced coiled tubing drilling). Due to demand patterns, with higher summer utilisation, there is significant opportunity to optimise value by balancing production between relatively mature fields with high-value liquids content and newer fields with longer remaining plateau production but lower liquids content. Further, optimisation to manage supply efficiently and meet the higher demand for gas during peak months is anticipated through the implementation of a gas storage system using a partially depleted gas reservoir in the Ghawar area.

Saudi Aramco expects its associated gas supply to remain stable due to the quality of its fields and ability to replace reserves with low operational cost and risk. It has experienced a gradual decrease in the gas-to-oil ratio of its production portfolio, due to an increase in heavy oil production.

Principal Gas Fields

Saudi Aramco's crude oil production provides a base load of associated gas, which is rich in liquids. Its non-associated 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. A large portion of its gas fields are co-located with its oil fields.

Gas Processing, NGL Recovery and Fractionation Facilities

Saudi Aramco's primary natural gas processing and fractionation 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. At the fractionation centres, gas and NGL streams are split into individual components: ethane (C2), propane (C3), butane (C4) and natural gasoline (C5+). The ethane production is currently marketed domestically. Propane, butane and natural gasoline are marketed both domestically and exported.

Delivery Commitments

Pursuant to the Concession, Saudi Aramco is the exclusive supplier of natural gas in the Kingdom. Saudi Aramco sells natural gas to power generation plants primarily pursuant to long-term contracts and to customers in the Kingdom's industrial sector. It also exports a portion of its NGL production.

Saudi Aramco's supply of natural gas to domestic customers is regulated by the Energy Supply Law and the prices paid by domestic customers are set by resolutions issued from time to time by the Government. Effective 27 March 2018, the Government implemented a price system for Regulated Gas Products to enable Saudi Aramco to realise a commercial rate of return suitable for the development and exploitation of the gas resources of the Kingdom. See "*Regulation of the Oil and Gas Industry in the Kingdom—Law of Gas Supplies and Pricing*", "*Regulation of the Oil and Gas Industry in the Kingdom—Regulated Domestic Pricing of Certain Hydrocarbons*" and "*Non-IFRS Financial Measures*".

Downstream

Saudi Aramco has a large, strategically integrated global downstream business. The downstream segment's activities consist primarily of refining, petrochemicals, supply and trading, distribution, retail, base oils, lubricants and power generation.

Saudi Aramco operates its refining business through its wholly owned operations and affiliated refineries with major global industry partners and is exploring new opportunities for downstream investments globally. This growth is reflected in the significant increase in its net refining capacity from 2.2 million barrels per day as at

31 December 2010 to 4.1 million barrels per day as at 31 December 2024. As at 31 December 2024, Saudi Aramco had gross refining capacity of 7.7 million barrels per day.

In the year ended 31 December 2024 and the three-month period ended 31 March 2025, Saudi Aramco's downstream operations utilised 53% and 56% of its crude oil production, respectively. Saudi Aramco specifically designs and configures its refining system to optimise production using the crude oil it produces, which helps improve supply chain cost and operational efficiency in its refining operations and therefore supply of refined and chemicals products to its downstream customers. Saudi Aramco's downstream portfolio is highly sophisticated with full conversion refineries operated by Motiva, S-Oil, HDO, PRefChem, ZPC, SATORP and YASREF.

Saudi Aramco has historically entered into downstream ventures inside and outside of the Kingdom with major international refining and chemical companies, such as Exxon (SAMREF) in 1982, Mobil (Luberef) in 1998, Sumitomo (Petro Rabigh) in 2005, TotalEnergies (SATORP) in 2008, Sinopec (YASREF) in 2010, Dow (Sadara) in 2011, Petronas (PRefChem) in 2018, Hyundai Oil bank in 2019, PKN Orlen in 2022, and Rongsheng in 2023. Saudi Aramco believes these downstream investments diversify its revenue by integrating its oil and gas operations to optimise value across the hydrocarbon chain, supporting crude oil and gas demand and, in the case of international refining operations, facilitate the placement of Saudi Aramco's crude oil in large offtake volumes relative to Saudi Aramco's equity interest and capital costs.

Over the past several years, Saudi Aramco has increased its equity interests and management participation in certain of its affiliates in order to ensure that they are operated efficiently and profitably. For example, in 2015, Saudi Aramco increased its 34.2% equity interest in S-Oil to a 61.6% economic interest (63.4% on a non-diluted basis) and gained greater control over the company, it acquired full ownership in Motiva (formerly a joint venture with Shell) on 1 May 2017 and in ARLANXEO (an associate in partnership with Lanxess AG) on 31 December 2018 and acquired the 50% share of SASREF from Shell that it did not already own in September 2019.

In addition, on 16 June 2020, Saudi Aramco acquired the PIF's 70% equity interest in SABIC, which significantly expanded Saudi Aramco's chemicals business. Its chemicals business operates in numerous countries around the world and produces a range of chemicals. Also, in December 2019, it acquired a 17% equity interest in Hyundai Oil bank, an integrated refinery the portfolio of which includes oil refining, base oil, petrochemicals and a network of gas stations. In addition, in October 2019, it acquired all the equity interests in the Flint Hills chemicals plant in the United States, which is currently named Motiva Chemicals, enhancing its presence in refining, chemicals and wholesale markets. Another recent acquisition involved a 30% equity stake in PKN Orlen, a Polish refinery, alongside wholesale and jet fuel joint ventures, aimed at expanding its market reach. In March 2023, Saudi Aramco and S-Oil began construction of the Shaheen project, a large refinery-integrated petrochemical steam cracker located at S-Oil's existing site in South Korea, with a planned capacity to produce up to 3.2 million tonnes of petrochemicals annually. Saudi Aramco and TotalEnergies also made a final investment decision for the construction of a large petrochemical complex in the Kingdom, integrated with the existing SATORP refinery located in Jubail. In addition, Saudi Aramco entered into agreements with North Huajin Chemical Industries Group Corporation and Panjin Xincheng Industrial Group Co., Ltd. to construct a major integrated refinery and petrochemical complex in northeast China. The complex is expected to be fully operational by 2026 and will include a 300 mbpd refinery and petrochemicals unit with annual production capacity of 1.65 million tonnes of ethylene and 2.0 million tonnes of paraxylene and Saudi Aramco will have the right to supply up to 210 mbpd of crude oil feedstock to the complex. Furthermore, in 2023, Saudi Aramco acquired a 10% equity stake in Rongsheng Petrochemical Co. Ltd. (Rongsheng) for SAR 12.8 billion (\$3.4 billion), securing the right to supply 480 mbpd of crude oil feedstock to a major Chinese integrated refining and chemicals complex. In March 2024, Saudi Aramco acquired 100% of Esmax, a diversified downstream fuels and lubricants retailer in Chile. In May 2024, Saudi Aramco acquired a 40% equity stake in GO, a diversified downstream fuels, lubricants, and convenience stores operator in Pakistan. These transactions highlight Saudi Aramco's strategic expansion efforts and investments in diverse global markets.

Saudi Aramco has initiatives in place to improve operational and financial performance of its downstream business, such as capacity increases, asset upgrades, improvements in product yield and petrochemical integration. Saudi Aramco believes it can achieve a number of these improvements with low capital requirements. These improvements can be safely achieved at existing refining assets as key units demonstrate an operational track record

that allows it to increase throughput. Moreover, Saudi Aramco’s ongoing initiatives are also focused on optimising petrochemicals integration at existing facilities and developing new integrated facilities. Further projects are under consideration to increase this level of integration and capture additional value across the hydrocarbon chain, with a focus on integration of Saudi Aramco’s refining assets.

Refining

Saudi Aramco operates one of the world’s largest refining businesses, with gross refining capacity of 7.7 million barrels per day as at 31 December 2024. Its refining operations allow it to transform its crude oil, condensate and natural gas into refined products and chemicals for sale within the Kingdom and internationally. It specifically designs and configures its refining system to optimise production using the crude oil grades Saudi Aramco produces, which helps improve supply chain cost and operational efficiency in its refining operations and therefore supply of refined and chemicals products to its downstream customers.

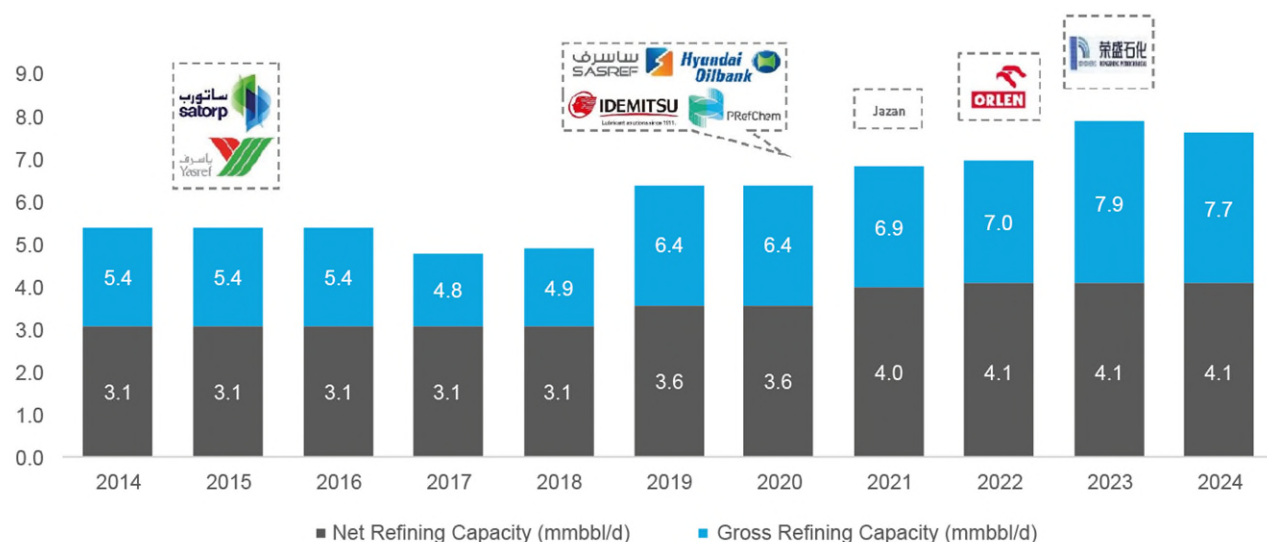
Saudi Aramco’s refining operations are conducted in the Kingdom and internationally. The following table sets forth the gross refining capacity of its refineries as at 31 December 2024:

	Capacity
	<i>(mbpd)</i>
Domestic wholly owned	1,635
Domestic affiliated	1,690
International	4,409

Source: The Company.

Saudi Aramco’s strategy is to continue increasing its integrated refining and chemicals capability domestically and expand its strategically integrated downstream business in high-growth economies, such as China, India and Southeast Asia, while maintaining and opportunistically expanding its participation in material demand centres, such as the United States, and countries that rely on importing crude oil, such as Japan and South Korea. Consistent with this strategy, it has invested in two refining and petrochemical joint ventures with Petronas, the Malaysian national oil company, collectively known as PRefChem. The PRefChem joint ventures include a 300,000 barrel per day refinery, an integrated steam cracker with capacity to produce 1.3 million tonnes of ethylene with associated propylene, butadiene, benzene, polyolefins and ethylene glycol facilities, all of which are located in Johor, Malaysia, adjacent to Singapore, Asia’s refined and chemicals products trading hub. Other investments in its refining portfolio include Jazan, which commenced operations in the first quarter of 2021.

The following chart illustrates the changes in Saudi Aramco's refining capacity from 2014 to 2024.



Source: The Company.

In general, with respect to Saudi Aramco's international joint ventures, the joint venture company handles all or a portion of the local marketplace sales and each joint venture partner offtakes its equity share of refined and chemicals products that are not sold by the joint venture. Saudi Aramco takes its full equity share of the refined and chemicals products produced in the Kingdom and, in the case of Petro Rabigh, 100% of the refinery products, into its wholly owned distribution and trading system.

Domestic Refining

A substantial portion of Saudi Aramco's refining operations are located in the Kingdom. Saudi Aramco's domestic refineries receive all their crude oil, NGL and natural gas supply from its upstream production. Saudi Aramco's equity share of refined and chemicals products produced at its affiliated refineries in the Kingdom and the refined and chemicals products produced through its wholly owned refineries located within the Kingdom are primarily distributed wholesale to domestic fuels retailers and industrial customers. The balance of its share of domestically refined and chemicals products is exported internationally by its sales and trading arm. For further information regarding Saudi Aramco's supply and trading activities, see "Business—Operating Segments—Supply and Trading".

Domestic Wholly Owned Refining Operations

Saudi Aramco has five wholly owned refineries within the Kingdom, three of which were built specifically to supply transportation and utility fuels for the domestic marketplace. In 2024, Saudi Aramco placed 28% of its crude oil production in its in-Kingdom wholly owned and affiliated refineries.

The following table provides data about Saudi Aramco's domestic wholly owned refineries as at 31 December 2024:

	Asset Type	Capacity (mbpd)
Ras Tanura	Refining	550
Jazan	Refining and petrochemical	400
SASREF	Refining and petrochemical	305
Yanbu'	Refining	250
Riyadh	Refining	130
Total		1,635

Source: The Company.

Domestic Affiliated Operations

Saudi Aramco has four domestic affiliated refineries within the Kingdom. These refineries are highly competitive with other world-class facilities based on scale, configurations and product yields. Through its long-term supply agreements with these ventures, Saudi Aramco has the right to supply all crude processed at these refineries. All four of these domestic refineries manufacture products both for domestic consumption and export.

The following table provides data about Saudi Aramco's domestic affiliated refineries and marketing operations as at 31 December 2024:

	Asset Type	Gross Refining Capacity (mbpd)	Economic Interest (%)	Partner	Retail Sites
SATORP	Refining and petrochemical	460	62.5	TotalEnergies	
YASREF	Refining and petrochemical	430	62.5	Sinopec	
SAMREF	Refining	400	50.0	ExxonMobil	
Petro Rabigh ⁽¹⁾	Refining and petrochemical	400	37.5	Sumitomo	
Tas'helat Marketing Company	Marketing	n/a	50.0	TotalEnergies	>200
Total		1,690			

Source: The Company.

- (1) In August 2024, Saudi Aramco signed a definitive agreement to acquire 375,974,998 shares in Petro Rabigh from Sumitomo at a price of SAR 7.0 per share, aggregating to a purchase price of SAR 2.6 billion (\$0.7 billion). Upon completion of the sale, which will represent approximately 22.5% of the share capital of Petro Rabigh, Saudi Aramco will become Petro Rabigh's largest shareholder with an equity stake of approximately 60%, while Sumitomo will retain an equity stake of 15%.

International Refining

Saudi Aramco's international refining footprint is focused in key growth geographies, particularly in Asia, that offer an opportunity for Saudi Aramco to place its crude oil and reach new customers in growing economies that are net importers of crude oil. In 2024, Saudi Aramco's weighted average ownership percentage in its international refineries was 35% and it supplied an average of 53% of the crude oil used by those refineries. Product sales by Saudi Aramco's international ventures are generally facilitated by a distribution system owned by the respective joint venture through over 17,600 branded company-owned, company-operated or dealer-owned dealer-operated retail networks.

The following table provides data about Saudi Aramco's international refining and marketing operations as at 31 December 2024:

	Asset type	Location	Gross Refining Capacity (mbpd)	Economic Interest (%)	Partner	Retail Sites
Motiva (Port Arthur Refinery)	Refining and petrochemical	U.S.	635	100.0	—	>4,600
S-Oil	Refining and petrochemical	South Korea	669	61.6 ⁽¹⁾	—	>2,200
Hyundai Oil bank	Refining and petrochemical	South Korea	690	17.0	—	>2,300
FREP	Refining and petrochemical	China	280	25.0	Sinopec, ExxonMobil	—
Idemitsu Kosan	Refining and petrochemical	Japan	825	8.3	—	>5,900
PRefChem	Refining and petrochemical	Malaysia	300	50.0	Petronas	—
PKN Orlen (Gdansk Refinery)	Refining	Poland	210	30.0	—	—
ZPC (Rongsheng Petrochemical)	Refining and petrochemical	China	800	5.1	—	—
SSPC	Marketing	China	—	22.5	Sinopec, ExxonMobil	>900
Esmax	Marketing	Chile	—	100.0	—	>300
GO	Marketing	Pakistan	—	40.0	Gas & Oil	>1,200
Total			4,409			

Source: The Company.

(1) Economic interest in S-Oil on a fully diluted basis. On a non-diluted basis, Saudi Aramco's shareholding in S-Oil is 63.4%.

Chemicals

Saudi Aramco's chemicals businesses include participation in high-growth chemicals markets with demand from industries such as packaging, automotive and appliances and operates in numerous countries around the world. Saudi Aramco's chemicals business continues to grow through capacity expansion and new investments. As at 31 December 2024, it had a net chemicals production capacity of 57.6 million tonnes per year (excluding SABIC Agri-Nutrients).

Through its acquisition of SABIC, Saudi Aramco expanded its 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.

Since the acquisition of a 70% stake in SABIC, Saudi Aramco has sought to achieve synergies in procurement, supply chain, marketing, feedstock optimisation, stream integration, operations and maintenance. Saudi Aramco expects to capture a total value of approximately SAR 11.3 billion to SAR 15.0 billion (\$3.0 billion to \$4.0 billion) in annual recurring synergies from this acquisition by the end of 2025.

Saudi 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), ZPC (Rongsheng), and Sinopec (YASREF and FREP). Through these affiliates and joint ventures, Saudi Aramco produces a wide range of commodity and differentiated petrochemicals.

Saudi Aramco and SABIC successfully converted oil derived from plastic waste into ISCC+ certified circular polymers for the first time in the region. Through the process, end-of-life plastics including non-sorted plastics are converted into plastic waste derived oil, which is then used as feedstock to produce certified circular polymers.

Saudi Aramco aims to establish the first petrochemical circular value chain in the Kingdom to produce polymers from plastic waste, reducing the impact of single-use plastic on the environment.

Chemicals Facilities

The following table describes Saudi Aramco's standalone chemicals facilities as at 31 December 2024. Standalone chemicals facilities refer to chemicals production facilities that do not also produce refined products.

	Equity Interest	Partner	Location
SABIC	70.0%	—	Kingdom
Sadara	65.0%	Dow	Kingdom
ARLANXEO	100.0%	—	Netherlands

Source: The Company.

In addition to its standalone chemicals facilities, Saudi Aramco's integrated refining and chemicals business includes the following operations as at 31 December 2024.

	Equity Interest	Partner	Location
Domestic Operations:			
SATORP	62.5%	TotalEnergies	Kingdom
YASREF	62.5%	Sinopec	Kingdom
SASREF	100.0%	—	Kingdom
Petro Rabigh ⁽¹⁾	37.5%	Sumitomo	Kingdom
Jazan	100.0%	—	Kingdom
International Operations:			
Motiva (Port Arthur Refinery)	100.0%	—	U.S.
S-Oil	61.6% ⁽²⁾	—	South Korea
PRefChem	50.0%	Petronas	Malaysia
FREP	25.0%	Sinopec, ExxonMobil	China
Hyundai Oil bank	17.0%	—	South Korea
ZPC (Rongsheng Petrochemical) ⁽³⁾	5.1%	—	China

Source: The Company.

- (1) In August 2024, Saudi Aramco signed a definitive agreement to acquire 375,974,998 shares in Petro Rabigh from Sumitomo at a price of SAR 7.0 per share, aggregating to a purchase price of SAR 2.6 billion (\$0.7 billion). Upon completion of the sale, which will represent approximately 22.5% of the share capital of Petro Rabigh, Saudi Aramco will become Petro Rabigh's largest shareholder with an equity stake of approximately 60%, while Sumitomo will retain an equity stake of 15%.
- (2) Economic interest in S-Oil on a fully diluted basis. On a non-diluted basis, Saudi Aramco's shareholding in S-Oil is 63.4%.
- (3) In July 2023, Saudi Aramco announced the completion of the acquisition of a 10% equity interest in Rongsheng Petrochemical from Zhejiang Rongsheng Holding Group Co., Ltd., through a subsidiary, for a total transaction value of SAR 12.8 billion (\$3.4 billion). Rongsheng Petrochemical owns a 51% equity interest in Zhejiang Petroleum & Chemical Co., Ltd. ("ZPC"), which in turn owns and operates the largest integrated refining and chemicals complex in China.

Saudi Aramco's integrated refining and chemicals operations are located in close proximity to major industrial and manufacturing hubs and, given their locations, have potential for asset upgrades. Their locations also present significant opportunities to develop petrochemical complexes and associated value parks adjacent to the production facilities, similar to the PlasChem Park adjacent to Sadara facilities and the Plus Tech Park adjacent to the Petro Rabigh facilities.

Commodity Petrochemicals (Olefins and Aromatics)

Saudi Aramco produces commodity petrochemicals including ethylene, propylene, paraxylene and benzene, which are either sold to third party customers or used to produce downstream derivatives such as polymers or chemicals intermediates. Ethylene is Saudi Aramco's primary chemical product and is the most widely used chemical in the petrochemical industry.

In June 2023, Saudi Aramco and TotalEnergies awarded engineering, procurement and construction contracts worth SAR 41.3 billion (\$11.0 billion) for the Amiral complex, a world-scale petrochemicals facility expansion at the

SATORP refinery, located in Jubail. The complex will be owned, operated and integrated with the existing SATORP refinery and is expected to house one of the largest mixed-load steam crackers in the region, with a capacity to produce 1,650 kilotonnes per annum of ethylene and other industrial gases. Its commercial operation is expected to start in 2027.

Differentiated Petrochemicals (Polyolefins, Synthetic Rubber, Elastomers and Polyurethanes)

Polyolefins. Saudi Aramco's principal polyolefins are polyethylene and polypropylene. Polyolefins are primarily used in the manufacturing of packaging, automobiles, construction materials and a variety of consumer goods.

Synthetic Rubber and Elastomers. Synthetic rubber and elastomers are widely used in the manufacture of tyres, automotive parts, housewares, shoes, toys and in other industries. ARLANXEO is a major global supplier of such products.

Polyurethanes. Propylene oxide, polyols and isocyanates are the essential building blocks for the polyurethane industry, with end uses in automobiles, furniture, construction, appliances, coatings and adhesives.

Supply and Trading

In the year ended 31 December 2024, Saudi Aramco traded 5.9 million tonnes of liquid chemical products and an average of 7.3 million barrels per day of crude oil and refined petroleum products. With the recent increase in scale of its downstream operations, Saudi Aramco is well positioned to use its production and distribution network to optimise its supply and trading capabilities. By controlling the production, refining and distribution processes and integrating them with its trading business, Saudi Aramco seeks to ensure that customers receive reliable service and consistent products. In addition, there is the potential to optimise product flows on a domestic and international basis across regional and global supply chains to maximise value.

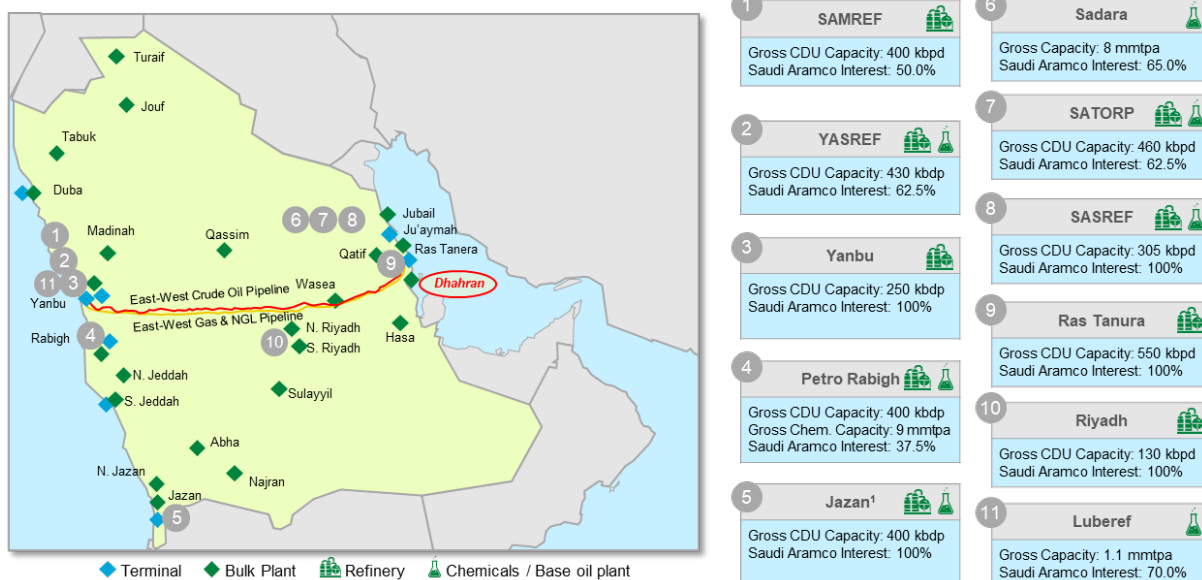
In January 2023, Saudi Aramco advanced its strategy to expand and integrate its global trading operations through an internal reorganisation, pursuant to which ATC acquired Motiva's U.S. trading business, providing it with a platform to supply Motiva with crude oil and feedstocks and to offtake and trade refined and chemicals products and chemicals generated by Motiva. The acquisition provides ATC with access to incremental volumes and markets that are expected to strengthen its trading capabilities.

Pipelines, Distribution and Terminals

Saudi Aramco supplies oil products to customers throughout the Kingdom, which provides it with reliable demand and allows for high utilisation of its domestic refining system. In order to meet this demand and help ensure high levels of supply reliability, Saudi Aramco has made significant investments in its Oil Supply Planning and Scheduling department ("**OSPAS**"). OSPAS employs a global distribution system that utilises sophisticated control and monitoring hardware and highly skilled personnel to ensure highly reliable operations that maximise the value of the crude oil and other products produced and sold by Saudi Aramco. In addition, Saudi Aramco's Kingdom-wide distribution network includes pipelines, bulk plants, air refueling sites and terminals that deliver crude oil, NGL, natural gas and refined and chemicals products. See "*Gas and NGL*" for details on the MGS. This network provides control and cost optimisation of the entire supply chain from well-head to the end customer.

In addition, Saudi 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.

The following map illustrates Saudi Aramco's key domestic downstream infrastructure as at 31 December 2024.



Source: The Company.

Retail Operations

Saudi Aramco has continued to grow its fuel retail presence through its affiliates and investments, with over 17,600 service stations worldwide with more than 4,600 located in the United States, 900 in China, 4,500 in South Korea, 5,900 in Japan, 1,200 in Pakistan including over 10 Aramco branded stations, 300 in Chile including over 100 Aramco branded stations, and 200 in the Kingdom.

In 2019, Saudi Aramco entered into a 50:50 joint venture with TotalEnergies to operate service stations in the Kingdom. In addition, in 2019, Saudi Aramco and TotalEnergies entered into an agreement to significantly upgrade, re-brand and expand the range of retail services at a network of more than 200 service stations throughout the Kingdom.

In March 2024, Saudi Aramco acquired 100% of Esmac, a diversified downstream fuels and lubricants retailer in Chile. In May 2024, Saudi Aramco acquired a 40% equity stake in GO, a diversified downstream fuels, lubricants, and convenience stores operator in Pakistan. These strategic moves mark Saudi Aramco's inaugural downstream retail investments in South America and Pakistan. These investments aim to secure outlets for Saudi Aramco's refined products and facilitate the expansion of its retail business on an international scale. Additionally, these acquisitions are expected to further unlock new market opportunities for Valvoline-branded lubricants.

Base Oils and Lubricants

Saudi Aramco markets its base oils under three brand names: aramcoDURA for Group I base oil, aramcoPRIMA for Group II base oil and aramcoULTRA for Group III base oil. It has formed a marketing alliance with three of its affiliated companies that are major producers of Group I, Group II and Group III base oils (Luberef, Motiva and S-Oil) to globally market its base oils. In 2024, Saudi Aramco sold 4.8 million tonnes of base oils. In March 2023, Saudi Aramco acquired Valvoline Global Operations, a lubricants manufacturer, for SAR 10.34 billion (\$2.76 billion). This acquisition is intended to complement Saudi Aramco's line of premium branded lubricant products, optimise its global base oils production capabilities and expand its own R&D activities and partnerships with original equipment manufacturers. Saudi Aramco sold 0.9 million tonnes and 1.1 million tonnes of finished lubricants in 2023 and 2024, respectively.

Power Systems

As at 31 December 2024, Saudi Aramco's power operations comprised 18 captive power plants and associated transmission and distribution assets located across the Kingdom. These assets are primarily designed to provide electricity and steam to Saudi Aramco's upstream oil and gas production facilities, gas processing plants and wholly owned downstream refineries in a safe, reliable, efficient and profitable manner. Certain of these power assets are wholly owned by Saudi Aramco and some are owned by joint ventures in which Saudi Aramco has an ownership interest. Saudi Aramco also enters into offtake arrangements with independent power producers. In addition, Saudi Aramco currently owns a 6.9% stake in Saudi Electricity Company, 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 2024, Saudi Aramco generated 5.3 gigawatts of power, of which 4.2 gigawatts was used to meet internal demand and 0.7 gigawatts of spill power was transferred to the national grid.

In September 2021, Saudi Aramco entered into a financing arrangement of SAR 44.1 billion (\$11.8 billion) relating to the Jazan integrated gasification combined-cycle power plant, an air separation unit and certain ancillary assets. The transaction resulted in the creation of Jazan Integrated Gasification and Power Company ("JIGPC"), a Saudi Aramco joint venture consisting of Saudi Aramco Power Company, Air Products, ACWA Power and Air Products Qudra. JIGPC will operate the facility under a 25-year contract for a predetermined monthly fee. Saudi Aramco will supply feedstock to JIGPC, and JIGPC will produce power, steam, hydrogen and other utilities for Saudi Aramco.

Head Office Location

Saudi Aramco's head office is located in the city of Dhahran in the Kingdom.

Technology, Research and Development

Saudi Aramco assesses, develops and incorporates new technology in a manner tailored to its operations to ensure the long-term sustainability of its business, enhance its operational efficiency, increase profitability and reduce the environmental impact of its operations. The scale of Saudi Aramco's hydrocarbon reserves and operational capabilities enable it to realise significant benefits and value from technology development and deployment that would otherwise provide only incremental benefits.

Saudi Aramco focuses its technology initiatives in three areas: upstream, downstream and sustainability, and recognises the importance of embedding technology in its strategy and business culture. Upstream technology development is directed primarily to improving methods for discovering new hydrocarbon reserves, improving oil recovery, increasing productivity and reducing lifting costs. Downstream technology development is dedicated primarily to maximising value across the hydrocarbon chain, finding new and improved methods of producing products and diversifying revenue streams. Sustainability technology development is aimed at addressing global energy demand challenges, growing non-fuel applications for crude oil and demand for lower carbon intensity crude oil, advancing more sustainable transport and driving high-impact lower carbon intensity solutions.

Saudi Aramco manages a global network of research and technology centres aimed at delivering innovative breakthroughs to achieve its recovery, discovery, diversification and sustainability objectives. Key examples of such technologies deployed and under development include the following:

Digital ARC is a platform that hosts and integrates Saudi Aramco's in-house developed technologies spanning its upstream segment with the goal of maximising the value of these technologies and accelerating the upstream segment's digital transformation. In its next iteration, the Digital Arc is expected to be able to use artificial intelligence and deep-learning to create solutions from Saudi Aramco's digital data lake, with the goal of increasing hydrocarbon discovery and improving production efficiency.

GeoDRIVE is an integrated seismic imaging platform that enables ultra-high resolution subsurface mapping and characterisation for geophysical applications. This platform enables Saudi Aramco to efficiently analyse large amounts of seismic data with state-of-the-art imaging algorithms.

Smart Flooding is a technology designed specifically to increase oil recovery in Saudi Aramco's carbonate reservoirs by optimising the ionic composition and properties of injected water. Saudi Aramco is able to deploy this technology through existing infrastructure.

TeraPOWERS is Saudi Aramco's proprietary cornerstone modelling technology that is an evolutionary step from giga-cell to terra-cell reservoir simulation. TeraPOWERS uses over one trillion cells to simulate parallel basin and reservoir fluid movement with detail beyond that of other simulator technologies. This technology enables Saudi Aramco to model the physics of its reservoirs to prioritise prospects, reduce exploration risks and costs and manage its reservoirs.

Dammam-7 is one of the most powerful supercomputers in the world and was commissioned by Saudi Aramco and Saudi Telecom Company to run three-dimensional earth models with the intention of improving exploration and development capabilities. The new 55.4 petaflops supercomputer was named "Dammam-7" in tribute to the Kingdom's first commercial oil well.

Ghawar-1 is one of the most powerful supercomputers in the world and was commissioned by Saudi Aramco to run three-dimensional reservoir models to simulate its reservoirs at finer scale with the aim to further enhance the efficiency of its developments. The new 22.9 petaflops supercomputer was named "Ghawar-1" in tribute to the largest conventional oil field in the world.

Thermal Crude Oil to Chemicals involves pre-treating crude oil to enable it to be directly introduced into a steam cracker with the goal of increasing chemical product yields from oil to upwards of 70%, while also reducing capital costs.

Catalytic Crude Oil to Chemicals involves the direct cracking of crude oil in a high severity catalytic cracking reactor after first flashing the crude oil into low and high boiling streams. The aim of this technology is to increase chemical product yields from oil to upwards of 70% at lower capital costs.

Advanced Transport Technologies involve leveraging in-house research capabilities and collaborations with major automakers and technology developers to improve internal combustion engine efficiency and reduce GHG and tailpipe emissions through the development of advanced engine technologies and new fuel formulations.

Carbon Capture, Utilisation and Storage includes the development of innovative technologies to capture and store carbon dioxide or utilise it in novel materials.

Hydrogen and Lower Carbon Fuels involves advancing solutions for lower carbon intensity hydrogen production, transport, ammonia backcracking and dispensing, as well as for production of lower carbon intensity synthetic fuels from carbon dioxide and hydrogen.

Saudi Aramco also operates a global venture capital programme through its subsidiary, Aramco Ventures. Saudi Aramco has more than doubled the total funding available to Aramco Ventures to SAR 26.3 billion (\$7.0 billion), making it one of the top corporate venture capital funds in the world.

Aramco Ventures manages several funds:

- The Sustainability Fund: Aims to support Saudi Aramco's ambition to achieve net-zero Scope 1 and 2 greenhouse gas emissions across its wholly owned operated assets by 2050, while also advancing its new energies portfolio and broader environmental goals. Launched in October 2022 with \$1.5 billion in capital, it is one of the largest sustainability-focused venture funds in the industry, investing in technologies that enable a stable and inclusive energy transition.

- The Industrial Fund: Focuses on disruptive hardware technologies, alternative uses of hydrocarbon-based materials, and select industrial digital solutions that offer operational advantages such as cost savings, capital efficiency, improved safety, and competitive differentiation.
- Prosperity7 Fund I and II: Named after the historic Dammam Well No. 7, this diversified fund invests in breakthrough technologies and business models beyond the energy sector. It targets early-stage companies with the potential for global impact and scalability. In 2024, Prosperity7 grew from a \$1 billion fund to a \$3 billion fund.
- Late-Stage Venturing Fund: Enables Aramco Ventures to remain a long-term partner by supporting existing portfolio companies and selectively backing new ones as they scale.

Since inception, Aramco Ventures has made over 170 investments globally, with 10% of its portfolio companies achieving unicorn status (valuations of \$1 billion or more).

With the goal of igniting entrepreneurship and enhancing the Kingdom's entrepreneurial and innovation ecosystem, Saudi Aramco established The Saudi Aramco Entrepreneurship Center (Wa'ed) in 2011. Wa'ed focuses on investing in Saudi-based startups and selectively backing global companies with strong localisation potential. Its core mission is to catalyse the local innovation ecosystem, build national capabilities, and align with the Kingdom's Vision 2030 goals. In 2024, Wa'ed invested \$54 million in innovative startups locally and globally.

IT and Cybersecurity

Saudi Aramco relies on the security of information technology and operational technology systems. It has programmes, controls and processes in place designed to protect its data and systems, to ensure business continuity and operational recovery and to repel intrusion attempts. To respond to an ever-changing cyber threat landscape, Saudi Aramco has instituted a cybersecurity governance management model for its operations in the Kingdom, led by a Vice President of Cybersecurity and Chief Information Security Officer, whose office establishes and maintains cybersecurity policies, directs the cybersecurity programmes and mandates relevant processes, capabilities and technologies. Saudi Aramco addresses cybersecurity at senior levels, including Board of Directors consideration and oversight of Saudi Aramco's cybersecurity posture and assessment of risks.

One of Saudi Aramco's main technology strengths is the communication and computing infrastructure it has built in the Kingdom to provide connectivity and computing solutions to its domestic operations infrastructure, which it continuously monitors for security events. This infrastructure reaches remote areas and connects Saudi Aramco's upstream and downstream hydrocarbon facilities, including cross-country pipelines. Saudi Aramco's infrastructure also includes satellite services that extend connectivity to both offshore and onshore drilling operations and marine services. Saudi Aramco's infrastructure additionally includes a high availability (Tier-4) corporate data centre and a remote disaster recovery site to further promote resilience and recovery.

Despite the presence of cybersecurity programmes, controls and processes, attempts to gain unauthorised access to Saudi Aramco networks have been successful in the past, and Saudi Aramco's operations remain potentially vulnerable to additional known or unknown threats. For further information on cybersecurity risks, see "*Risk Factors—Risks Related to Saudi Aramco's Operations and Activities—Saudi Aramco's operations are dependent on the reliability and security of its IT systems*".

Sustainability, Health and Safety and Environment

Sustainability

Saudi Aramco has developed a sustainability framework to help guide the Company and integrate sustainability into its corporate strategy and operations. The framework helps to identify and prioritise sustainability issues that impact its business, connecting the Kingdom's Vision 2030 to the Company's four focus areas: climate change and the energy transition, safe operations and people development, minimising environmental impact and growing societal value. Saudi Aramco's ambition is to achieve net-zero Scope 1 and Scope 2 GHG emissions across its wholly owned operated assets by 2050 and the Company has set interim aspirations to support its ambition to reduce

or mitigate more than 50 million tonnes of carbon dioxide equivalent annually compared to business as usual 2035 forecast emissions. These ambitions complement the Kingdom's aim to reach net-zero emissions by 2060, announced as part of the Saudi Green Initiative. In June 2022, Saudi Aramco published its inaugural Sustainability Report, which presented an approach to integrating sustainability within its corporate strategy and operations, the sustainability issues that impact the business and its ambition, initiatives and performance. The Company published its fourth Sustainability Report in May 2025, adding 6 new key performance indicators ("KPIs") and metrics to provide greater quantitative and qualitative information across multiple ESG topics. This brings the total KPIs and metrics in this Sustainability Report to 80, with 24 metrics undergoing external assurance.

Saudi Aramco's Sustainability Steering Committee is responsible for identifying sustainability issues and their impact on long-term value creation for the business and its stakeholders. The Sustainability Steering Committee's membership is made up of senior vice presidents representing relevant business lines and administrative areas, and is led by the Executive Vice President of Strategy and Corporate Development. The Sustainability Steering Committee reports to both Saudi Aramco's Group Executive Committee and Group Strategy Committee.

New Energies

Saudi Aramco aims to grow its business more sustainably, notably by leveraging technology and innovation to lower its carbon emissions. It is developing renewables, undertaking projects to capture emissions from its own facilities and the facilities of others and has ambitions to develop lower carbon fuels and products, including low-carbon hydrogen and low-carbon ammonia. To ensure progress in its efforts to contribute to the energy transition, Saudi Aramco has established a New Energies organisation to consolidate its lower-carbon businesses, focusing on renewable power generation, low-carbon hydrogen, and CSS.

Saudi Aramco is developing projects to capture emissions from its own facilities and the facilities of others. In October 2021, Saudi Aramco announced its ambition to achieve net-zero Scope 1 and Scope 2 GHG emissions across its wholly owned operated assets by 2050. Lowering Saudi Aramco's own net carbon emissions will require managing, reducing and balancing carbon emissions across its operations through a number of measures, including efficiency gains, renewable power investment, CCS and multiple offset initiatives. In 2024, Saudi Aramco entered into a shareholders' agreement with Linde and SLB for the development of phase one of the Jubail CCS hub. This project aims to capture and store nine million metric tons of carbon dioxide per year by 2028, with six million metric tons allocated for Saudi Aramco facilities and three million metric tons for non-Saudi Aramco facilities.

Saudi Aramco has ambitions to invest in up to 12 GW capacity of solar and wind projects by 2030. As part of the Jubail carbon capture and storage hub, Saudi Aramco aims to capture and store up to nine million tonnes of carbon dioxide equivalents annually from its facilities and other industrial sources by 2028. Other investments and development opportunities are being evaluated to position the Company as both a leading exporter of low-carbon ammonia and local provider of low-carbon hydrogen, aiming to serve early market demand and future GHG mitigation needs starting in 2028. The development of its low-carbon ammonia portfolio is being phased in line with market demand. While continuing early engineering work to enable the production of up to 11 mmtpa as the market evolves, the Company currently targets to produce up to 2.5 mmtpa of low-carbon ammonia by 2030, subject to the availability of commercially viable long-term offtake contracts.

Saudi Aramco is also developing projects for lower carbon fuels and products such as renewables and low-carbon hydrogen and ammonia. In addition, gas supplies are being developed to meet growing domestic energy demand, which is expected to displace liquids-burning in power generation. In January 2025, Saudi Aramco completed the acquisition of a 50% equity stake in BHIG, a wholly-owned subsidiary of Air Products Qudra, a company based in the Kingdom. Through BHIG, Saudi Aramco plans to develop a low-carbon hydrogen network in the Kingdom's Eastern Province, serving domestic customers while capturing and storing carbon dioxide. This investment highlights Saudi Aramco's ambition to expand its new energies portfolio.

Health and Safety

An enterprise-wide, organisationally driven focus on health and safety supports Saudi Aramco's goal of protecting its workforce, preventing property losses and avoiding business interruptions, while adapting to market and

operating conditions. This involves establishing and maintaining Saudi Aramco standards that utilise a continuous improvement approach commonly used throughout the industry. Additionally, Saudi Aramco's robust and exacting standards reflect low risk tolerance with rigorously applied operational safety procedures. This is complemented by procedures for crisis management and business continuity designed to provide operational resilience and the ability to quickly respond to internal or external incidents to restore operations safely and efficiently in an orderly manner. The Sustainability, Risk and HSE Committee of the Board provides strategic direction and governance on health and safety matters.

The Group Health, Safety, Security and Environmental Committee, an executive management committee that is led by the CEO and includes other selected members of corporate management, establishes Saudi Aramco's safety policy and standards covering key safety governance issues, including emergency preparedness, incident reporting and investigation, competency and training, community awareness, off-job safety, risk management and asset integrity. The Group Health, Safety, Security and Environmental Committee actively tracks and monitors the safety performance across the organisation to extend accountability and improve safety performance.

Saudi Aramco has various occupational and environmental health programmes in place to protect its workforce and various communities from hazards that may arise from its operations or activities, including the Occupational Health Hazard Assessment, Hazard Materials Communication, Comprehensive Environmental Health Assessment and Contractor Camp Environmental Health Inspection programmes.

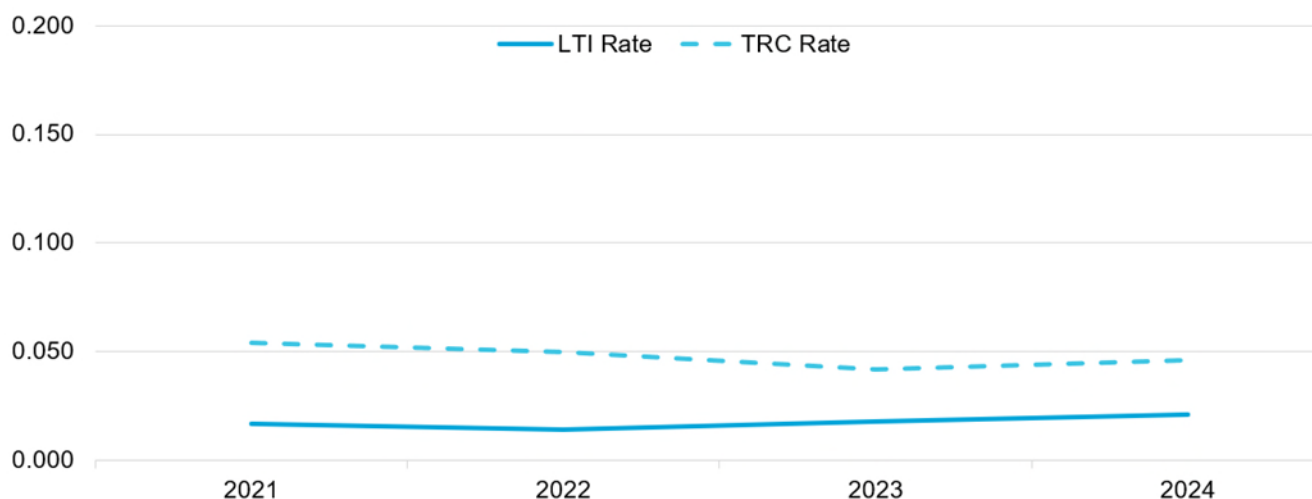
Saudi Aramco employs a Safety Management System ("SMS") aligned with Saudi Aramco's safety policy that drives a disciplined approach in establishing specific safety expectations and provides a framework for managers to fulfil their safety and loss prevention obligations. Saudi Aramco continually works proactively to deliver and improve its safety performance with respect to the expectations and objectives articulated in the SMS and its underlying programmes, processes, procedures, rules, standards and instructions.

Health and Safety Key Performance Indicators

Saudi Aramco benchmarks its safety performance against leading industry peers and performance targets that are set in line with industry practices to improve safety performance. Safety performance is measured and tracked through key performance indicators established by and reported to the Board Sustainability, Risk and HSE Committee. Internal and external safety reviews are conducted by qualified reviewers to assure compliance and operational discipline.

The Company monitors its total recordable case ("TRC") rate, which includes fatalities, lost time injuries/illnesses ("LTI"), restricted duty injuries/illnesses and medical treatment cases. The TRC rate for the Company's total workforce, including contractors, and its operationally controlled entities from 2021 to 2024 decreased from 0.054 per 200,000 work hours to 0.046 per 200,000 work hours. The LTI rate increased from 0.017 per 200,000 work hours in 2021 to 0.021 per 200,000 work hours in 2024.

The following chart shows the TRC rate and LTI rate for the Company's total workforce, its contractors and its operationally controlled entities in the Kingdom, from 2021 to 2024.



Source: The Company.

Moreover, the Company monitors the number of unplanned or uncontrolled releases of any material, including non-toxic and non-flammable materials, from a process that results in certain consequences articulated by the American Petroleum Institute Recommended Practice 754 (Process Safety Performance Indicators for the Refining and Petrochemical Industries) (“**PSE Tier 1**”) and fatalities. The following table shows the TRC Rate, LTI Rate, PSE Tier 1 incidents and fatalities for the Company, its contractors and its operationally controlled entities in the Kingdom.

	2021	2022	2023	2024
TRC Rate (incidents/200,000 workhours)	0.054	0.050	0.042	0.046
LTI Rate (incidents/200,000 workhours)	0.017	0.014	0.018	0.021
PSE Tier 1	11	11	15	9
Fatalities	1	5	3	8

Source: The Company.

Environment

Saudi Aramco’s operations are subject to a number of environmental laws, regulations, protocols and policies in each of the jurisdictions in which it operates, governing, among other things, the generation, storage, handling, use, disposal and transportation of hazardous materials, the emission and discharge of hazardous materials, ground water use and contamination, discharges of water, soil contamination, hazardous substances and wastes, industrial hygiene and occupational health. It seeks to comply with all applicable environmental laws, regulations, protocols and policies and has established management systems and other internal processes to identify emerging environmental risks and to prepare and execute a response plan to mitigate potential impacts of those risks. In addition, for certain of its operations within the Kingdom for which there are no applicable national environmental regulations, Saudi Aramco has developed environmental standards aligned with leading industry practices to achieve its environmental protection objectives. Furthermore, Saudi Aramco also conducts environmental impact assessments when evaluating new projects, including assessments of project design, construction, operations and decommissioning in compliance with applicable environmental laws, regulations, protocols and policies. For a description of the domestic environmental regulations to which Saudi Aramco is subject and the multilateral environmental agreements to which the Kingdom is a party that are relevant to Saudi Aramco’s operations in the Kingdom, see “*Risk Factors—Risks Related to Saudi Aramco’s Operations and Activities—Climate change concerns and impacts could reduce global demand for hydrocarbons and hydrocarbon-based products and could cause Saudi Aramco to*

incur costs or invest additional capital. In addition, Saudi Aramco may not fully meet its announced net-zero ambition to achieve Scope 1 and Scope 2 GHG emissions across its wholly-owned operated assets by 2050.” “Business—Sustainability, Health and Safety and Environment—GHG Intensity” and “Regulation of the Oil and Gas Industry in the Kingdom”.

The Sustainability, Risk and HSE Committee of the Board oversees the management of environmental risks and key environmental performance indicators, and Saudi Aramco has established a corporate risk management programme focused on environmental compliance. It also has established an environmental management system aligned to ISO 14001 standards to manage environmental compliance and enhance environmental performance. Each subsidiary is responsible for establishing its own environmental compliance framework and monitoring ongoing compliance.

Saudi Aramco has measures in place to monitor and assess performance, to prevent releases that might occur and to remediate occurrences from facilities that it owns or operates. Since 2007, Saudi Aramco has implemented a groundwater remediation programme to systematically and consistently identify and implement clean-up assessments at impacted wholly owned Saudi Aramco facilities within the Kingdom. This programme quantifies risks that contaminated soil or groundwater pose on human health and the environment and also develops appropriate corrective solutions tailored to specific facilities. A key component of this programme is the prevention stage, which involves addressing soil and groundwater contamination sources, reviewing project designs and environmental impact assessments and conducting field investigations.

As at 31 December 2022, 2023 and 2024, Saudi Aramco established provisions of SAR 770 million, SAR 698 million and SAR 706 million (\$188 million) respectively, for environmental liabilities. Saudi Aramco relies on engineering studies, historical and technical experience, generally accepted accounting standards and other factors to identify and evaluate environmental-related reserves. These amounts primarily relate to liabilities for environmental projects driven by governmental mandates, projects for groundwater remediation and remediation of oil impoundments throughout Saudi Aramco’s in-Kingdom wholly owned assets.

Operational Incidents

The Company proactively manages its operations in a manner that seeks to avoid hydrocarbon leaks and spills by maintaining asset integrity throughout the asset lifecycle, including by utilising modern technologies to monitor operations in real time and mitigate the risk of leaks. These technologies include high frequency radar, high-tech mooring buoys, intelligent early-warning systems and hydrodynamic modelling capabilities. Saudi Aramco had 15, 12 and seven hydrocarbon spills for the years ended 31 December 2022, 2023 and 2024, respectively.

GHG emissions

Saudi Aramco’s Sustainability Steering Committee reviews and advises management on climate strategy and the corporate risk assessment of sustainability matters, including overseeing the carbon emissions of operations and assets and assessing expectations on future energy, technology and climate change trends. Additionally, the Sustainability Steering Committee facilitates collaboration among relevant internal parties with respect to climate change matters.

The Kingdom has a small number of large and productive oil reservoirs, low per barrel gas flaring rates and low water production, resulting in less mass lifted per unit of oil produced and less energy used for fluid separation, handling, treatment and reinjection, all of which contribute to low upstream carbon intensity. For the years ended 31 December 2022, 2023 and 2024, the Company disclosed its direct (Scope 1) and indirect (Scope 2) GHG emission sources (consistent with the Greenhouse Gas Protocol guidelines – the Company’s GHG emissions reporting is based on the World Resources Institute (WRI) and World Business Council for Sustainable Development (WBCSD) GHG Protocol guidelines and the Company reports emissions using the operational control basis for measurement) from its wholly owned and operated facilities in the Kingdom, as well as its operationally controlled affiliates SASREF, Motiva and ARLANXEO, as set forth in the following table:

Type ⁽¹⁾	2022	2023	2024
	Total CO ₂ e (million tonnes)	Total CO ₂ e (million tonnes)	Total CO ₂ e (million tonnes)

Scope 1 ⁽¹⁾	55.7	54.4	56.1
Scope 2 ⁽¹⁾	10.3	13.0	12.4
Total	66.0	72.6	68.5

Source: The Company.

(1) CO₂e means carbon dioxide equivalent.

(2) The Company's GHG emissions inventory includes emissions from its in-Kingdom wholly-owned operated assets, SASREF, Motiva, and ARLANXEO. GHG emissions and flaring inventories from 2022 exclude the Jazan Refinery, and in 2023 and 2024, only the stabilised units of Jazan Refinery were included.

For the year ended 31 December 2024, the Company's Scope 1 GHG emissions were 56.1 million tonnes of carbon dioxide equivalents and its Scope 2 GHG emissions were 12.4 million tonnes of carbon dioxide equivalents.

Saudi Aramco has set an ambition to reduce its net Scope 1 and Scope 2 GHG emissions from both its upstream and downstream operations by 52 million tonnes of carbon dioxide equivalent per annum by 2035 compared to business as usual forecast emissions. The Company also commissioned a limited assurance engagement on the 2022, 2023 and 2024 GHG emissions in accordance with International Standards for Assurance Engagements 3000 Revised, Assurance Engagements Other Than Audits or Reviews of Historical Financial Information.

GHG Intensity

The upstream carbon intensity of Saudi Aramco was 9.7 kilograms of carbon dioxide equivalent per barrel of oil equivalent for 2024.

Saudi Aramco is pursuing various initiatives to manage the carbon emissions of its operations and assets and to reduce its upstream carbon intensity by at least 15% by 2035 against its 2018 baseline. These initiatives include the implementation of flare gas recovery systems, energy efficiency programmes, leak detection and repair programmes, investing in low-emission technologies such as carbon capture, and evaluating the potential utilisation of carbon dioxide in various applications, such as enhanced oil recovery. An enhanced leak detection and repair programme for its methane emissions in the Kingdom prioritises actions at operating facilities and includes efforts to develop and deploy new, more effective technologies to detect and reduce facility emissions.

Saudi Aramco participates in collaborations that help further its understanding of future energy, technology and potential climate change trends, including through R&D projects related to fuels, engines and new transport technologies. It is a founding member of the OGCI, a voluntary, CEO-led initiative composed of 12 global oil and gas companies committed to reducing GHG emissions through technology. Additionally, Saudi Aramco is collaborating within the oil and gas industry through memberships in joint platforms such as the International Petroleum Industry Environmental Conservation Association (IPIECA) and the Petroleum Environmental Research Forum (PERF). Saudi Aramco also supports the Government's efforts to achieve the objectives set by the United Nations Framework Convention on Climate Change, the Paris Agreement, the United Nations Environment Programme, as well as other climate change mitigation and adaptation efforts.

Flaring

One of Saudi Aramco's long-standing initiatives is to efficiently and sustainably use associated gas. Since the 1970s, Saudi Aramco has acted to mitigate the negative environmental impacts of systematic flaring of associated gas by utilising the gas for power generation and petrochemicals production. Additionally, development of the MGS reduced Saudi Aramco's environmental impact and GHG emissions arising from flaring, in addition to supporting national economic growth. In order to further improve its environmental performance, Saudi Aramco established a flaring minimisation plan in 2006. For the years ended 31 December 2022, 2023 and 2024, the flaring intensity of the Company's wholly owned in-Kingdom operated assets, SASREF, Motiva and ARLANXEO was 4.60, 5.64 and 6.07 scf/boe, respectively. Additionally, the volume of flared gas for the in-Kingdom wholly owned and operated assets, SASREF, Motiva and ARLANXEO for the years ended 31 December 2022, 2023 and 2024 was 23.8, 27.5 and 28.8 bscf, respectively.

With an aim to further improve its environmental performance, in August 2019, Saudi Aramco formally endorsed and signed the World Bank's initiative of "Zero Routine Flaring by 2030" with the objective of sharing best practices and knowledge in flaring minimisation, report progress and demonstrate its efforts in reaching zero routine flaring.

Methane Emissions

Saudi Aramco maintains a methane leak detection and repair programme covering all operating wholly owned facilities in the Kingdom. Upstream methane intensity was 0.05% for in-Kingdom wholly owned and operated assets for each of the years ended 31 December 2022, 2023 and 0.04% for 2024. Saudi Aramco is focusing on reducing its upstream methane intensity to near zero by 2030.

Water Management

Saudi Aramco monitors the total volume of water used in its in-Kingdom operations, including treated water, desalinated seawater, groundwater and reused wastewater. Saudi Aramco has a water conservation policy that uses best practices and technologies to promote the use of sustainable sources of water, optimising water demand, maximising wastewater reuse and minimising water loss. Following the definition of freshwater consumption set forth by the IPIECA (an oil and gas industry association), Saudi Aramco consumed 83.0 million cubic meters of freshwater in 2024.

Additionally, the Company monitors its hydrocarbon discharges by deploying online monitoring systems to provide continuous, reliable and accurate measurements of hydrocarbons in wastewater effluents, helping to proactively manage hydrocarbon discharges to the marine environment in a timely manner.

Renewable Energy and Environmental Stewardship Projects

Saudi Aramco is investing in renewable and lower carbon intensity energy and sustainability initiatives throughout its operations both in the Kingdom and abroad with international partners. It is deploying renewable energy systems in office buildings and industrial facilities such as production wells and bulk plants.

In the Kingdom, Saudi Aramco's operational areas include vast tracts of land and sea areas that contain important and sensitive habitats and species. This natural biodiversity is considered an important asset to the Kingdom and Saudi Aramco exerts considerable effort to document, protect and enhance the Kingdom's biodiversity. For example, Saudi Aramco has established a wildlife sanctuary near its Shaybah facility to promote and preserve biodiversity.

Saudi Aramco has also invested in sustainability projects, such as artificial reefs deployed in the Arabian Gulf, a fish hatchery in Abu Ali and reserving areas with significant biodiversity as Saudi Aramco Biodiversity Protection Areas. In 2024, Saudi Aramco planted approximately 12.5 million mangroves in the Kingdom, bringing the Company's cumulative total of planted mangroves to more than 43 million.

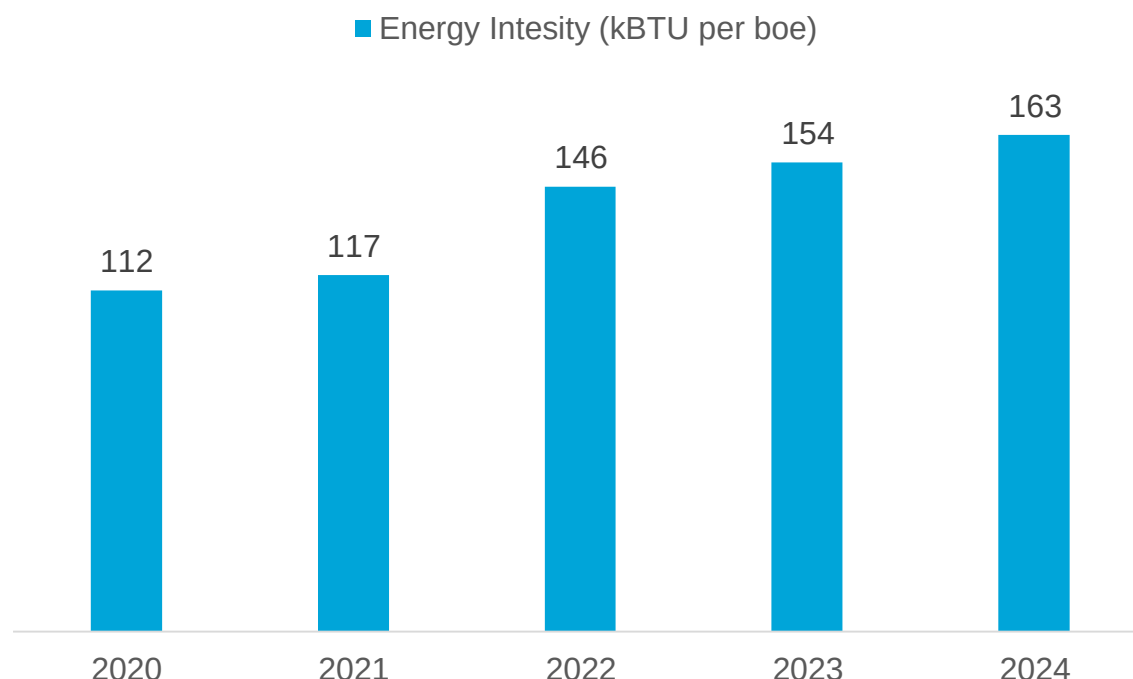
The Company has developed an environmental stewardship programme where staff and communities are encouraged to participate in protecting the environment. The stewardship programme also extends outside the Kingdom where Saudi Aramco collaborates with leading international conservation entities whom Saudi Aramco is assisting in the protection of biodiversity globally.

Energy Efficiency

The Company has been adopting and implementing energy efficient technologies and practices to reduce its energy consumption, reduce its GHG emissions, and improve its plant and facility operations. As part of its energy management efforts, Saudi Aramco monitors the energy intensity of its oil and gas operations and other business activities.

The energy intensity of the Company's in-Kingdom wholly owned and operated assets was 153.8 thousand BTU per boe and 162.9 thousand BTU per boe in 2023 and 2024, respectively.

The following chart illustrates the energy intensity of the Company's in-Kingdom operated facilities from 2020 to 2024.



Source: The Company.

(1) In 2020 and 2021, the reporting boundary was Company in-Kingdom and in 2022, 2023 and 2024, the reporting boundary expanded to operational control. In 2022, at a Company in-Kingdom level, the energy intensity was 112.9 thousand Btu/boe.

Corporate Citizenship

Saudi Aramco engages in a range of corporate social responsibility projects and initiatives to support the communities and the environment in which it operates and leverages its know-how and operational capabilities in furtherance of these projects. Saudi Aramco considers these activities to be “corporate citizenship” projects and initiatives. In addition to projects undertaken on its own initiative, the Government has directed, and may in the future direct, Saudi Aramco to undertake projects or provide assistance for initiatives outside Saudi Aramco’s core businesses in furtherance of the Government’s objectives. The Concession requires that all Saudi Aramco contracts with any Government agency or any arrangement for the furnishing of hydrocarbons, services or otherwise shall be on a commercial basis.

The largest corporate citizenship project undertaken by Saudi Aramco on its own initiative was the construction of The King Abdulaziz Center for World Culture (“**ithra**”) in Dhahran, which opened in late 2017. ithra is the first of its kind in the Kingdom and contains a 16-floor “knowledge tower” with learning facilities, a children’s museum, performing arts theatre library and cinema. Through ithra, Saudi Aramco commits resources across the Kingdom to educating and inspiring youth culturally and through development of STEM knowledge and skills. In 2024, ithra offered more than 9,000 programs to the community, covering art, literature, culture, and creativity. Ithra facilitated discussions on the global stage on digital well-being and AI, including during the USA Roadshow alongside the 79th UN General Assembly and at the Global Digital Well-Being Forum.

Other corporate citizenship initiatives have included the following:

- In 2007, the Government directed Saudi Aramco to build a world-class post-graduate university to complement existing universities in the Kingdom. KAUST sponsors and promotes advanced programmes in strategic fields of science, research and technology development in an effort to achieve the Kingdom’s strategic, economic and social goals and assist domestic industries in becoming competitive at an international level.

- In 2009, at the direction of the Government, Saudi Aramco took part in the establishment of KAPSARC, an international research and policy centre that investigates issues related to energy economics, the environment and energy policy. In 2015, KAPSARC moved into its Riyadh headquarters, constructed by Saudi Aramco.
- As a company operating in an industry that depends on STEM fields, Saudi Aramco has committed resources in the Kingdom, including through KAUST, and abroad to educating students in developing STEM skills. For example, Saudi Aramco facilitated the expansion of the Cambridge Chemistry Challenge at the University of Cambridge and assisted The Academy of Mathematics and Systems Science in China to expand its research and training capabilities in engineering and mathematics. Saudi Aramco also supports research on oil and gas in the Middle East and climate change through a fellowship programme at the Oxford Institute for Energy Studies at the University of Oxford.
- Saudi Aramco provided the funds, and a partner provided the land, to construct the Shamah Autism Center in Dammam. This was the first multidisciplinary autism centre for Saudi children in the Eastern Province of the Kingdom. In addition, Saudi Aramco constructed the Ajyal Center for Comprehensive Education & Life Skills. The centre serves children with developmental disabilities, including autism spectrum disorder, behaviour disorders and intellectual disabilities.
- In addition to environmental initiatives directly associated with operating its facilities, Saudi Aramco has established a wildlife sanctuary in the Rub' al-Khali near its Shaybah facility to promote and preserve biodiversity and, in 2024, planted approximately 12.5 million mangroves in the Kingdom, bringing the cumulative total of planted mangroves to more than 43 million, as well as establishing artificial reefs to protect and preserve ecosystems.
- Saudi Aramco partners with various institutions to support research of biodiversity, environmental challenges and climate change.
- Saudi Aramco has established a partnership with Technical & Vocational Training Corp. and other stakeholders to build training academies for young Saudis that provides training in various industry sectors through a sponsorship scheme followed by employment. The national training centre initiative was created as part of Saudi Aramco's objective to contribute to the development of the Kingdom's economy. The training centres aim to provide employment opportunities to Saudi nationals in various industries through a sponsorship scheme that provides training followed by employment. The training centres also provide a key platform that strengthens the impact of the iktva and Saudization programmes.

Saudi Aramco's Corporate Citizenship Policy sets out four target areas for future expenditures: community economic growth and development, protection of the natural environment, community economic empowerment and community-based corporate citizenship initiatives.

Saudi Aramco expects to continue to engage in a range of corporate citizenship projects and initiatives in the future. These include projects and initiatives which Saudi Aramco believes contribute to society in the Kingdom and aid in the development of a skilled workforce.

For additional information about Saudi Aramco's corporate citizenship activities, see "*Management's Discussion and Analysis of Financial Position and Results of Operations—Components of Results of Operations—Selling, Administrative and General*" and "*Business—Corporate Citizenship*".

Business Development Projects

Saudi Aramco engages in business development projects that it believes benefit its core activities and support the development of the Kingdom's energy sector and local supply chain partners in ways that enhances its long-term commercial interests.

Through its subsidiary, SADC, Saudi Aramco seeks to build a portfolio of companies and investments to enhance the resilience and competitiveness of its supply chain and create a platform for business diversification. For example, King Salman Energy Park (SPARK), a wholly-owned subsidiary, is creating a world-class industrial

ecosystem that will host manufacturing and services companies in the energy supply chain. In addition, Saudi Aramco is building the International Maritime Industries, an industrial complex that aims to develop, operate and maintain a world-class maritime yard that will host manufacturing and service companies in the energy supply chain. See *“Related Party Transactions—Other Transactions”*.

In addition, in support of Saudi Aramco’s initiative to develop local supply chains to enhance its long-term commercial interests and reduce procurement costs, Saudi Aramco maintains its iktva programme to increase the use of in-Kingdom suppliers of goods and services. In 2024, 67% of Saudi Aramco’s spending was directed to domestic suppliers and Saudi Aramco strives to increase the use of in-Kingdom suppliers of goods and services to 70% by the end of 2025 through its iktva programme and its development of the King Salman International Complex for Maritime Industries & Services.

In March 2021, the Government announced the launch of the new cooperative Shareek programme, designed to reinforce the private sector by providing it with support through various means, including financial, monetary, operational and regulatory support. The aim of the programme is to support the growth and diversification of the Saudi economy by providing new job opportunities, developing various sectors and strengthening the cooperation between the public and the private sector. In addition to the Shareek programme, other government programs and initiatives that support localisation and provide incentives and enablers are also leveraged to attract global and national investors to localise in the Kingdom. In September 2021, Saudi Aramco announced a major expansion of its industrial investment programme, Namaat, to drive the continued growth and development of a resilient and sustainable domestic supply chain. This is achieved by utilising investments, domestic and international partnerships and regional expertise to help aspiring companies develop into national champions in the Kingdom. Saudi Aramco is utilising the Kingdom’s Shareek programme that provides a framework to incentivise investments in the Kingdom that are aligned with Saudi Aramco’s strategy. Saudi Aramco was the first to take advantage and tap into Shareek and other government incentives programmes. In addition, Saudi Aramco launched the Taleed programme in October 2022, which supports the development of commercial ecosystems, enables SME growth and nurtures scalable and sustainable job creation.

As part of the National Champions programmes (Namaat, Taleed, Wa’ed and Lab7) and iktva program, Saudi Aramco will seek to proactively support and partner with domestic businesses and ventures that contribute to the Kingdom’s economic growth and development and are aligned with Saudi Aramco’s business strategies. This is in addition to Saudi Aramco’s existing programmes of early-stage venture capital investments, targeting new technology applications that may be deployed in its operations, or which may have a broader economic impact in the future.

Relationship with the Kingdom

Overview of the Relationship with the Kingdom

All hydrocarbons in the Kingdom are owned by the Kingdom and, upon extraction or recovery of such hydrocarbons by Saudi Aramco, title to such hydrocarbons automatically passes to it at the ownership transfer point. The Government has the exclusive authority to set production limits and MSC so as to manage the Kingdom’s hydrocarbon resources, in accordance with the Hydrocarbons Law. Accordingly, the Government may in its sole discretion increase or decrease the Kingdom’s maximum hydrocarbon production at any time based on its sovereign energy security goals or for any other reason. The Government communicates its determination of such production limits to Saudi Aramco from time to time.

Pursuant to the Concession, Saudi 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 from 06/04/1439 in the Hijri calendar (corresponding to 24 December 2017), which will be extended by the Government for 20 years provided Saudi Aramco satisfies certain conditions commensurate with current operating practices. In addition, the Concession may be extended for an additional 40 years after the initial 20-year extension subject to Saudi Aramco and the Government agreeing on the terms of the extension. See *“Material Agreements—The Concession”*.

The Kingdom is a member state of OPEC. OPEC is an intergovernmental organisation whose member countries meet periodically and engage in discussions in respect of crude oil. Any independent, sovereign decision that the Kingdom makes pursuant to such discussions is communicated by the Government to Saudi Aramco and can have a direct impact on Saudi Aramco. For additional information concerning Saudi Aramco's relationship with the Government, see *"Related Party Transactions"*.

The Concession

The Arabian American Oil Company Concession Agreement was ratified on 04/02/1352 in the Hijri calendar (corresponding to 29 May 1933) and granted the Company's predecessor certain exclusive rights, including the right to explore, drill, recover and treat crude oil and other hydrogen and carbon compounds in liquid or gaseous state located within certain areas of the Kingdom. Pursuant to Royal Decree No. M/8 dated 04/04/1409 in the Hijri calendar (corresponding to 13 November 1988) approving the Company's original articles, the Company enjoyed all the privileges and rights provided under the Arabian American Oil Company Concession Agreement, and all subsequent supplementary documents, agreements, governmental orders and decisions in connection therewith (collectively, the **"Original Concession"**). Effective 06/04/1439 in the Hijri calendar (corresponding to 24 December 2017), and in accordance with the Hydrocarbons Law, the Government, represented by the Minister of Energy (the **"Minister"**), and the Company entered into the revised Concession Agreement (the **"Concession"**), which was adopted under Royal Decree No. (M/38) and replaced and superseded in its entirety the Original Concession on such date (the **"Concession Effective Date"**). Further, on 20/01/1441 in the Hijri calendar (corresponding to 19 September 2019), and in accordance with the Hydrocarbons Law, the Government, represented by the Minister, and the Company entered into an amendment to the Concession, with effect from 1 January 2020 (the **"Concession Amendment"**).

In return for certain royalty payments determined in accordance with the Concession to be made by the Company to the Government, the Government has granted the Company 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 from the Concession Effective Date, unless terminated earlier in accordance with its terms. The Government will issue a decision to extend the Concession for a period of 20 years on the 30th anniversary of the Concession Effective Date, unless the Company has not met certain specific conditions set forth in the Concession. The Concession can be further extended by an additional 40 years following the 60th anniversary of the Concession Effective Date by mutual agreement between the Government and the Company. The Excluded Areas consist of: (a) the boundaries of the Holy Mosques in Makkah Al-Mukarramah and Madinah Al-Munawwarah, (b) the partitioned territory and its adjoining offshore areas in accordance with the agreements between the Kingdom and the State of Kuwait and (c) the common zone in the Red Sea in accordance with the agreement between the Kingdom and the Republic of Sudan.

The Concession requires that all of the Company's contracts with any Government agency or any arrangement for the furnishing of hydrocarbons, services or otherwise shall be on a commercial basis. The Concession also addresses other areas concerning the Company's relationship with the Kingdom, such as hydrocarbon discoveries and development, local labour requirements and communication of financial information, among other subjects.

For a more detailed summary of the Concession, See *"Material Agreements—The Concession"*.

Employees

As at 31 December 2022, 2023 and 2024, the Company employed 70,496, 73,311 and 75,118 people, respectively.

The Company achieved Saudization percentages of 90.9%, 90.3% and 90.2% as at 31 December 2022, 2023 and 2024, respectively.

For a description of the Kingdom's Saudization policy and its application to the Company, see *"Regulation of the Oil and Gas Industry in the Kingdom—Other Laws and Regulations—Saudization"*.

Employee Development and Other Programmes

Saudi Aramco's employees and workplace culture are important to its success. Saudi Aramco hired 1,665 graduates in 2023 and 1,124 graduates in 2024. In 2024, it also hired 1,986 apprentices and 3,222 interns. Saudi Aramco invests in its personnel and has implemented a number of training and skills development programmes. Saudi Aramco believes these programmes allow it to shape its workforce for the future. For example, it integrates hands-on technical training and online classes, rotational assignments between business lines within Saudi Aramco, internship and mentorship opportunities, sponsored university degree programmes and leadership courses to develop its own employees and talent. In addition, to promote professional development, Saudi Aramco has established and maintained an e-learning solution that contains a substantive set of courses that include tailored administrative, technical and business courses. This tool is accessible to all employees at no cost to enable continuous development. It also has an apprentice programme that supports high-achieving high school and vocational college students and teaches them skills to enable them to join Saudi Aramco's workforce. In an effort to foster international collaboration, Saudi Aramco also offers its employees opportunities for external assignments at its global affiliate and subsidiary offices around the world. Moreover, in order to promote the adoption of its ethics and compliance principles into its corporate culture, Saudi Aramco provides regular training to employees across business lines, as well as suppliers and contractors, in connection with its Anti-Bribery and Anti-Corruption, Conflict of Interest and Business Ethics and Antitrust policies.

As at 31 December 2022, 2023 and 2024, women comprised 6.4%, 7.2% and 7.9% of Saudi Aramco's workforce, respectively. Saudi Aramco aims to double its female workforce by 2030. To further increase the percentage of women employed by Saudi Aramco and to broaden the pool of qualified female employees in the energy sector generally, Saudi Aramco conducts STEM programming in elementary schools to encourage future careers in these fields. Saudi Aramco also sponsors young Saudi women pursuing degrees in STEM subjects through various training institutes, academies and a university scholarship programme.

Employees' Share Plan

The Company established the Saudi Aramco Share Plan to provide additional incentives to employees whose contributions are essential to the growth and success of the Company, to attract and retain qualified individuals and to further align the interests of such employees with shareholders of the Company. The Compensation Committee administers the plan and all sub-plans and has the authority to grant and determine the terms of awards thereunder, consisting of restricted shares and units, performance shares and units and other share based awards. Awards under the plan may be granted to full time employees of the Company and any of its subsidiaries and affiliates selected by the Compensation Committee to participate in the plan.

The Company established sub-plans consisting of (i) a long-term incentive plan for executives, (ii) a long-term incentive plan for other members of management, (iii) an incentive plan for certain other employees, (iv) a celebratory grant plan, pursuant to which eligible employees were awarded a one-time grant of restricted share units following the IPO and (v) an employee stock purchase plan. The Company may establish other sub-plans in the future.

On 11 December 2019, the Company acquired 117.2 million Shares from the Government for the purposes of issuing them to employees through the Company's share plans.

Business Continuity

There has been no suspension or interruption in the Company's business or that of its subsidiaries during the 12-month period preceding the date of this Base Prospectus which would affect or have a significant impact on their financial position and no material change in the nature of its or their business is contemplated.

MATERIAL AGREEMENTS

The Concession

Background

The Arabian American Oil Company Concession Agreement, which was entered into on 04/02/1352 in the Hijri calendar (corresponding to 29/05/1933) was ratified on 14/03/1352 in the Hijri calendar (corresponding to 7 July 1933) pursuant to Royal Decree No. 1135, pursuant to which the Government granted the Company's predecessors certain exclusive rights, including the right to explore, drill, recover and treat crude oil and other hydrocarbons located within certain areas of the Kingdom. Pursuant to Royal Decree No. M/8 dated 04/04/1409 in the Hijri calendar (corresponding to 13 November 1988) approving the Company's original articles, the Company has enjoyed all the privileges and rights provided under the Original Concession. Effective 06/04/1439 in the Hijri calendar (corresponding to 24 December 2017), the Government, represented by the Minister of Energy, and the Company entered into the Concession, which replaced and superseded in its entirety the Original Concession on the Concession Effective Date. Further, on 20/01/1441 in the Hijri calendar (corresponding to 19 September 2019), and in accordance with the Hydrocarbons Law, the Government, represented by the Minister of Energy, and the Company entered into the Concession Amendment, with effect from 1 January 2020. In this section, references to "Saudi Aramco" shall mean the Company as the signatory to the Concession.

Grant of Rights

The Concession grants Saudi Aramco the following rights to be exercised during the term of the Concession:

- the exclusive right to explore, drill, prospect, appraise, develop, extract, recover and produce hydrocarbons in the Concession Area;
- the non-exclusive right to manufacture, refine, treat, market, sell, transport and export hydrocarbons and their derivatives extracted, recovered, developed, produced, treated, refined, consumed, transported, manufactured, marketed, sold, exported or dealt with in any other way by Saudi Aramco or on its behalf pursuant to the rights granted to Saudi Aramco in the Concession;
- the exclusive right to market and distribute hydrocarbons, petroleum products and LPG in the Kingdom, with Saudi Aramco's commitment to meeting all the domestic market's needs for such products in accordance with the consumption requirements thereof through domestic production or imports in accordance with laws issued by the Government;
- the right to build, own and operate relevant facilities and assets as may be necessary or desirable to perform Saudi Aramco's operations within the Reserved Areas;
- certain rights related to lands, such as use of land, easements, water rights, right-of-way and other suitable rights of any part of the Concession Areas, that are outside the Reserved Area, designated in connection with Saudi Aramco's operations and transportation of products and free access to and use of any part of the Reserved Area;
- the right to purchase, lease, import or otherwise obtain all materials, equipment and any other supplies required for Saudi Aramco's operations;
- the right to conduct such other activity related to the foregoing subject to the provisions of the Concession and applicable law; and
- the right to receive Government assistance in securing the rights granted in the Concession, without prejudice to the foregoing, obtaining permits, licences and other special approvals and obtaining access, rights of way and water rights from third parties necessary for Saudi Aramco's operations.

Under the Concession, Saudi Aramco is required to obtain the necessary licences, permits and approvals that may be required pursuant to the Hydrocarbons Law, the Law of Gas Supplies (which was superseded by the Energy

Supply Law) and Pricing and the regulations issued pursuant to these laws. All hydrocarbons in the Kingdom are owned by the Kingdom, and upon extraction or recovery of such hydrocarbons by Saudi Aramco, title to such hydrocarbons shall automatically pass to Saudi Aramco at the ownership transfer point. Saudi Aramco has no rights to any natural resources existing in the Concession Area other than hydrocarbons except as otherwise provided in the Concession.

The rights granted to Saudi Aramco under the Concession are subject to the Hydrocarbons Law and other applicable laws and regulations, including production decisions issued by the Government pursuant to its sovereign authority. Saudi Aramco may not sell to any entity any Hydrocarbons or derivatives therefrom in violation of decisions the Government considers necessary for the protection of supreme security interests for the Kingdom in times of war or other emergency in international relations.

Term

The Concession will remain effective for 40 years from the Concession Effective Date, unless terminated earlier in accordance with its terms.

The Government will issue a decision to extend the Concession for a period of 20 years on the 30th anniversary of the Concession Effective Date, provided Saudi Aramco has fulfilled the following conditions: (a) Saudi Aramco has exerted reasonable efforts to maximise reserves and their recovery in the Concession Area, taking into consideration production decisions and Hydrocarbons market conditions; (b) Saudi Aramco has conducted its operations in a manner that (i) is economically efficient, (ii) enhances the productivity of the reservoirs in the long-term in the Concession Area and (iii) supports good management of hydrocarbons, in all cases, according to the Hydrocarbons Law; and (c) Saudi Aramco generally has conducted its activities and operations in the Kingdom in an economically efficient manner thereby enhancing the efficiency of the Kingdom's economy.

If the Concession is extended, as described in the previous paragraph, the Concession may be amended and extended for an additional 40 years following the 60th anniversary of the Concession Effective Date, if Saudi Aramco provides the Government with notice confirming its intent to extend the Concession, at any time from the beginning of the 50th anniversary until the end of the 53rd anniversary of the Concession Effective Date, provided that the parties undertake exclusive negotiations for a two-year period (which may be extended or reduced by the parties), commencing at the end of the 53rd anniversary of the Concession Effective Date, to reach an agreement on the terms and conditions of such amendment and extension. If the Government and Saudi Aramco are unable to reach agreement on the amendment and extension during such exclusive negotiation period, and the Government elects to negotiate with any third party to enter into an agreement with respect to any hydrocarbons activities or operations in the Concession Area, Saudi Aramco will have a priority right to enter into an agreement with the Government under the same terms and conditions as agreed between the Government and such third party, provided that Saudi Aramco notifies the Government of its desire to exercise the priority right within 120 days of its receipt of a written notice from the Government that includes the entire draft agreement with such third party with respect to such hydrocarbons activities and operations.

Conduct of Company's Operations

Pursuant to the Concession, all Company contracts with any Government agency or any arrangement for the furnishing of hydrocarbons, services or otherwise are required to be on a commercial basis.

Saudi Aramco is required to conduct its operations efficiently to achieve the optimal economic balance between reducing the cost of production and raising the recovery rates of hydrocarbons.

Pursuant to applicable law and international industry standards, Saudi Aramco will (a) take all reasonable precautions to limit the damage to water and hydrocarbon bearing formations it may encounter during operations or upon abandonment of any well, (b) take all reasonable precautions to protect against fire and waste of hydrocarbons and water and (c) notify the Government as soon as possible of any damage that requires intervention affecting the fields or facilities and take all necessary measures to stop such damage.

Government Designated Areas

The Government may designate a “Government Designated Area” for any purposes specified by the Government, such as tourism areas, national parks, industrial zones, urban planning areas and mining licence areas, in a manner that shall not hinder Saudi Aramco’s operations. The following will be deemed Government Designated Areas: areas located outside and inside the Reserved Areas that are occupied by cities, streets, airports, ports, railways, public roads, public transportation, public communications, water projects, public utilities, military installations, economic and industrial cities, agricultural projects, wildlife protected areas, areas designated for worship and historical and archaeological areas. If the studies conducted by Saudi Aramco show the possibility of hydrocarbons being under the surface of any of these Government Designated Areas, the Government may allow Saudi Aramco to carry out its operations as agreed with Saudi Aramco.

Discoveries and Reserved Areas

Saudi Aramco will inform the Government in writing of any new discovery of hydrocarbons in the Concession Area. If Saudi Aramco elects to reserve any part of the Concession Area for its operations, Saudi Aramco will provide a written request to the Government specifying (a) the location of such area and (b) Saudi Aramco’s intended use of such area. Upon receipt of such request, the Government will take such action as it deems appropriate.

Should the area which Saudi Aramco desires to reserve fall within a Government Designated Area, the Government will cooperate with Saudi Aramco to allow Saudi Aramco to use such area for the production of the hydrocarbons discovered therein and for the conduct of its operations with due regard to limiting the impact of its operations on such area’s intended use. The Government will not issue any deeds or licences or the like with respect to any land located within the Reserved Areas.

Saudi Aramco will compensate any person (other than Saudi Aramco) that holds an original property right on land in a Reserved Area pursuant to a deed that meets all legal and regulatory requirements obtained prior to the date such area has been so reserved (a “**Land Occupant**”) in a Reserved Area for depriving such Land Occupant of its customary use of the land, provided that such rights held by any such person are valid and enforceable against Saudi Aramco.

Saudi Aramco will not hinder a Land Occupant’s use of or access to its land in the Reserved Areas, provided that such use or access will not hinder Saudi Aramco’s operations, or otherwise the Land Occupant will be entitled to compensation for being deprived of its customary use of the land. In the event that other rights exist within the Reserved Areas that would impede or disrupt Saudi Aramco’s operations, the Government will intervene to protect the rights of Saudi Aramco under the Concession.

The Government may by written notice instruct Saudi Aramco to assess a Gas Field Development Project, following which Saudi Aramco will (a) commence assessment of the Gas Field Development Area, including, as appropriate, conducting exploration operations, and (b) determine if the projected volumes of natural gas to be produced by such Gas Field Development Project will be necessary to meet local demand. Should Saudi Aramco elect to develop any such field, it will prepare a development plan that describes the scope of development and the proposed economic terms relating to such project and submit such plan for review by the Government.

If Saudi Aramco elects not to undertake any Gas Field Development Project as identified by the Government, or if the Government and Saudi Aramco fail to agree on a development plan for such Gas Field Development Project within a period of up to five years (or such longer period as specified by the Government) after the date of the notice instructing Saudi Aramco to assess the Gas Field Development Project, Saudi Aramco will relinquish such field, if independent, and areas reasonably related thereto located within the Gas Field Development Area, provided that the Company need not relinquish any portion of the relevant Gas Field Development Area if: natural gas volumes from such Gas Field Development Project, based on governmental estimates, are not necessary to meet local demand for gas; (b) the Gas Field Development Area is located within the areas of Saudi Aramco’s operations; or (c) the Gas Field Development Project would otherwise hinder, affect or interfere with Saudi Aramco’s operations or the development of oil and condensate fields or reservoirs.

Saudi Aramco will relinquish any part of the Concession Area that (a) studies conducted by Saudi Aramco establish does not contain hydrocarbons or (b) Saudi Aramco determines not to be feasible for exploration operations during the term of the Concession.

Royalty and Taxes

Royalties payable to the Government with respect to Saudi Aramco's operations are calculated as follows:

- Commencing 1 January 2017, royalties for crude oil and condensates, including those used by the Company in its operations, were calculated based on a progressive scheme applied to crude oil and condensate production value, which was based on Saudi Aramco's official selling prices. The royalty rate was determined based on a baseline rate of 20% applied to the value of production at prices up to \$70 per barrel, a marginal rate of 40% applied to the value of production at prices above \$70 per barrel up to \$100 per barrel and a marginal rate of 50% applied to the value of production at prices above \$100 per barrel.
- Pursuant to the Concession Amendment, commencing 1 January 2020, the royalties payable with respect to crude oil and condensates, including those used by Saudi Aramco in its operations, are determined based on a baseline rate of 15% applied to the value of production at prices up to \$70 per barrel, a marginal rate of 45% applied to the value of production at prices above \$70 per barrel up to \$100 per barrel and a marginal rate of 80% applied to the value of production at prices above \$100 per barrel.
- With respect to Saudi Aramco's production of natural gas, ethane and NGL, excluding those volumes used by Saudi Aramco for upstream operations and associated plants, crude oil and gas pipelines or storage and export facilities, royalties are calculated based on a flat royalty rate of 12.5% applied to a factor established by the Ministry of Energy. As at 31 December 2024, the factor to which this royalty is applied is \$0.035 per mMBTU for NGL (propane, butane and natural gasoline) and \$0.00 per mMBTU for natural gas (methane) and ethane. The Minister of Energy may amend the price on which such values are based, taking into account the price that achieves the targeted internal rate of return set by the Minister of Energy in coordination with Saudi Aramco.

In order to increase gas production to meet the needs of the Kingdom, the Government may choose not to collect royalties on natural gas, NGL (including ethane) and condensates for a period specified by the Government with respect to any field as required by the economics of such field's development. Pursuant to the Ministry of Energy's authority under the Concession, on 25 February 2018, the Ministry of Energy decided not to collect royalties from Saudi Aramco on condensate production for a grace period of five years beginning on 1 January 2018. On 17 September 2019, the Ministry of Energy issued Ministerial Resolution No. 1/422/1441, dated 18/01/1441 in the Hijri calendar (corresponding to 17 September 2019), which extends the period for which Saudi Aramco will not be obligated to pay royalties on condensate production after the current five-year period for an additional 10-year period, which may be further extended for subsequent 10-year periods, unless the Government determines the economics impacting gas field development do not warrant such an extension.

The Government has the option to take all or part of the royalty in kind from the produced hydrocarbons See *"Management's Discussion and Analysis of Financial Position and Results of Operations—Factors Affecting Saudi Aramco's Financial Position and Results of Operations—Fiscal Regime—Income, Taxes and Zakat"*.

Set-Off

The set-off mechanism between the amounts due and payable to Saudi Aramco by the Government and the amounts due and payable by Saudi Aramco to the Government will be pursuant to applicable laws and regulations.

Preservation of Archaeological Sites

Saudi Aramco will take all reasonable measures to preserve archaeological sites that may be in its area of operations and will provide protection for archaeological artefacts it finds during its operations.

Books, Records and Inspection

Saudi Aramco will maintain and retain at any of its offices within the Kingdom, with respect to Saudi Aramco's operations in the Kingdom, all operational, financial, tax and other books and records for each period as required by applicable laws and regulations. Saudi Aramco's financial books and records will be prepared in accordance with the IFRS as endorsed by the Saudi Organisation for Chartered and Professional Accountants or as determined by the Government from time to time. The Government and its authorised agents and representatives have the right, pursuant to applicable law, to review, inspect and audit all technical, operational, financial, tax and other records of Saudi Aramco, including the right to examine the systems for calibrating, measuring and weighing of hydrocarbons and to examine and test the instruments used therefor.

Saudi Aramco accounts will be held in U.S. Dollars, which is the controlling currency of the accounts for purposes of the Concession.

Human Resources

Saudi Aramco will employ Saudi Arabian nationals in all posts for which they have necessary qualifications, knowledge and experience, but may employ qualified non-Saudi Arabian nationals in posts for which they have the necessary qualifications and as necessary for Saudi Aramco's ability to compete and innovate in the event such posts could not be filled by Saudi Arabian nationals with the same qualifications and experience. Saudi Aramco will deliver to the Government, upon the Government's request, a report specifying the incentives and procedures to be implemented to increase the number of employed Saudi Arabian nationals in order to meet the percentage of Saudi Arabian nationals required by applicable law. Saudi Aramco is required to implement programmes to train employed Saudi Arabian nationals in aspects of the hydrocarbons industry and other associated specialties in order to fulfil Saudi Aramco's goals.

Access; Non-Interference

The Government has the right to inspect Saudi Aramco's operations related to exploration, prospecting, exploitation, manufacturing, refining, transportation and marketing. In coordination with Saudi Aramco, and taking into account Saudi Aramco's use conditions and safety rules, the instructions issued by the High Commission for Industrial Security at the Ministry of Interior and such other applicable safety and security rules and regulations, the Government may access installations and facilities utilised in Saudi Aramco's operations within the Reserved Areas for inspection purposes and in a manner that does not hinder or interfere with Saudi Aramco's operations.

Insurance

Saudi Aramco will provide such insurance coverage for its assets as it deems appropriate to meet the requirements of international industry standards and applicable law. Saudi Aramco is entitled to appoint affiliates as primary or additional insurers or as reinsurers, or to be self-insured.

Certain Obligations and Rights of the Parties

In no event will the exercise of any rights to acquire or use land, water or other natural products by Saudi Aramco imply any assignment of title by the Government or deprive the Government of the use of such rights in a manner that will not hinder or interfere with Saudi Aramco's operations. The Government will assist Saudi Aramco in securing, protecting and enforcing such rights to facilitate the orderly conduct of Saudi Aramco's operations in accordance with the Concession, including the acquisition by Saudi Aramco of necessary rights to any land in the Concession Area required for Saudi Aramco's exploration operations, provided that Saudi Aramco compensates, in accordance with applicable law, any person who owns the land pursuant to a deed that meets all legal and regulatory requirements and that is issued prior to Saudi Aramco's commencement of the exploration operations.

Saudi Aramco's operations in connection with the Concession will be exempt from the Kingdom's Competition Law.

Saudi Aramco will not pay or be responsible for any custom duties, custom returns, other direct or indirect import taxes or similar charges or any export duties on hydrocarbons.

The Government will provide to Saudi Aramco: (a) reasonable assistance with respect to Saudi Aramco's performance of its operations; (b) reasonable assistance to acquire any rights upon the request of Saudi Aramco and as permitted under applicable law and the Concession, including the right of the Government to expropriate property pursuant to the Kingdom's Law of Eminent Domain and Temporary Seizure of Real Estate; and (c) act in a timely manner when Government approvals are required pursuant to the Concession, giving due consideration, however, to the facts and circumstances and Government requirements at that time.

In the event of a national emergency resulting from war, threat of war, insurrection or critical shortage of hydrocarbons, the Government has the right to seize Hydrocarbons from Saudi Aramco, use the fields and facilities in the Concession Area during any such emergency and require Saudi Aramco to increase production from its operations in case it is unable to meet the Government's needs from Saudi Aramco's then-current production, provided that the Government compensates Saudi Aramco at fair value for such hydrocarbons and the use of such property.

Force Majeure

If Saudi Aramco's operations are delayed, curtailed or prevented by force majeure, then the time to carry out the obligations thereby affected and all other rights and obligations under the Concession (except for any obligations requiring payment of money due and payable) will be extended for a period equal to the period of the force majeure thus involved.

Termination

Except as described in "*Force Majeure*" above, Saudi Aramco will be in default under the Concession if Saudi Aramco persistently fails to perform its material obligations thereunder or fails to make any material, undisputed payment thereunder when due to the Government, and any such failure is continuing and has not been remedied (a) with respect to Saudi Aramco's payment obligations to the Government, within 90 days after a written notice of default is given to Saudi Aramco by the Government or (b) with respect to Saudi Aramco's material non-payment obligations, within a reasonably practicable cure period in light of the nature of such default starting from the date Saudi Aramco receives such written notice of default, provided that the foregoing will not be deemed a default while Saudi Aramco continues to undertake corrective actions with respect to such default during such cure period.

The Government has the right to terminate the Concession by written notice from the Government to Saudi Aramco to the extent a default has occurred and is continuing as set forth above. The Concession will also be terminated without notice or any other action on the date Saudi Aramco is duly dissolved.

Upon termination or expiry of the Concession, all properties of Saudi Aramco related to its upstream operations within the Kingdom and such plants, pipelines for the transfer of crude oil and gas and storage and export facilities directly related to such upstream operations, whether moveable or immovable, will become the property of the Government. Saudi Aramco will continue to own all of its other assets and will maintain the absolute right to dispose of or operate such assets or to continue its operations pursuant to applicable law.

Governing Law and Disputes

The Concession is governed by and construed in accordance with the applicable legislation in the Kingdom.

The Government and Saudi Aramco will attempt to resolve, in good faith and in an amicable and equitable manner, any dispute or claim in connection with the Concession through authorised representatives. If any such dispute is not so resolved between the parties within 90 days from the date on which either party receives written notification from the other party that such dispute exists, then either party will have the rights and remedies provided to such party under applicable law. In case of an on-going and continuous dispute relating to technical or operational matters, the parties may by mutual agreement appoint a qualified and independent hydrocarbons industry expert who will be jointly selected by the parties to review such dispute using international commercial and engineering

standards, under the supervision of both the Government and Saudi Aramco and in accordance with procedures to be timely agreed to by the parties.

Assignments

Saudi Aramco may not assign, transfer or pledge any part of its rights and obligations under the Concession to any third party without the prior written consent of the Government.

Reports

As soon as practicable, Saudi Aramco will provide the Government with certain technical reports and any other reports the Government requests in relation to Saudi Aramco's operations. Saudi Aramco will furnish the Government (a) within 45 days after the end of the first, second and third quarters of each financial year, quarterly financial statements certified by an authorised financial officer of Saudi Aramco and, within 90 days after the end of each financial year, annual financial statements audited by an internationally recognised accounting firm acceptable to the Government, in each case, prepared in accordance with IFRS, (b) as soon as practically possible, the total sum of royalties, taxes and other amounts Saudi Aramco paid to the Government during the preceding month and periodical reports prepared by Saudi Aramco to set its sale prices for crude oil and (c) any other financial information the Government may request periodically or from time to time relating to Saudi Aramco's operations and financial position.

Agreements with Key Customers

There is no single customer that constituted 5% or more of Saudi Aramco's total revenue and other income related to sales for the years ended 31 December 2022, 2023 and 2024.

Agreements with Key Suppliers

The Company purchases materials and services from local and international suppliers. There is no single third party supplier that constituted 5% or more of Saudi Aramco's total purchases in the years ended 31 December 2022, 2023 and 2024.

Certain financing arrangements of Saudi Aramco

The following is a summary of material financing arrangements entered into by the Company:

Revolving Credit Facilities

On 4 April 2022, the Company entered into new five-year unsecured revolving credit facilities aggregating to SAR 37.5 billion (\$10 billion) to replace the previously expired \$10 billion revolving credit facilities. The new facilities comprise USD denominated conventional facilities of SAR 30 billion (\$8 billion) and a SAR denominated Shari'a compliant Murabaha facility of SAR 7.5 billion (\$2 billion). The Company will apply all amounts advanced to it under these facilities for general corporate purposes and towards its general working capital requirements. The Company has the option of up to two extensions of one year each. The Company exercised the extension options in 2023 and 2024, and accordingly, the maturity date of the facilities has been extended until April 2029. No amounts have been drawn against these facilities as of 31 December 2024. In addition, Saudi Aramco has a number of other revolving credit facilities with an aggregate carrying amount of SAR 0.7 billion (\$0.2 billion) and undrawn amounts of SAR 6.2 billion (\$1.7 billion) as of 31 December 2024.

Domestic Sukuk Programme

On 21 March 2017, Saudi Aramco established a Saudi Riyal denominated Domestic Sukuk Program for the issuance of up to SAR 37.5 billion (\$10 billion) in aggregate nominal amount of sukuk and was updated on 24 February 2021. On 11 March 2025, the maturity date of the sukuk issued on 10 April 2017, with a par value of SAR 11.25 billion, which was previously extended from its original maturity date of 10 April 2024 to 10 April 2025, was further extended to 10 April 2032. Accordingly, the outstanding amount was reclassified from current to non-current borrowings. The Company has an option to early redeem the sukuk on 10 October 2031.

Trust Certificate (sukuk) Issuance Programme

On 7 June 2021, Saudi Aramco established a Trust Certificate (sukuk) Issuance Programme with an unlimited programme size. On 17 June 2021, SAR 22.5 billion (\$6.0 billion) in aggregate face amount of trust certificates were issued in three series under this programme: SAR 3.75 billion (\$1.0 billion) trust certificates due 17 June 2024, SAR 7.5 billion (\$2.0 billion) trust certificates due June 2026 and SAR 11.25 billion (\$3.0 billion) trust certificates due 2031. On 17 June 2024, certificates with three-year maturities, aggregating to a principal amount of SAR 3.75 billion (\$1.0 billion) were repaid. On 2 October 2024, SAR 11.3 billion (\$3.0 billion) in aggregate face amount of trust certificates were issued in two series under this programme: SAR 5.6 billion (\$1.5 billion) 4.25% trust certificates due 2029 and SAR 5.6 billion (\$1.5 billion) 4.75% trust certificates due 2034.

The Programme

On 1 April 2019, Saudi Aramco established the Programme pursuant to which it may from time to time issue medium term notes. On 16 April 2019, Saudi Aramco issued \$12.0 billion in aggregate principal amount of senior unsecured notes under the Programme comprising five series: \$1.0 billion 2.750% senior notes due 2022; \$2.0 billion 2.875% senior notes due 2024; \$3.0 billion 3.500% senior notes due 2029; \$3.0 billion 4.250% senior notes due 2039 and \$3.0 billion 4.375% senior notes due 2049. On 16 April 2022, notes with three-year maturities, aggregating to a principal amount of SAR 3.75 billion (\$1.0 billion) and carrying a coupon rate of 2.75%, were repaid. On 16 April 2024, notes with five-year maturities, aggregating to a principal amount of SAR 7.5 billion (\$2.0 billion) and carrying a coupon rate of 2.875%, were repaid.

On 24 November 2020, Saudi Aramco issued \$8.0 billion in aggregate principal amount of new senior unsecured medium term notes under the Programme comprising five series: \$0.5 billion 1.250% senior notes due 2023; \$1.0 billion 1.625% senior notes due 2025; \$2.0 billion 2.250% senior notes due 2030; \$2.25 billion 3.250% senior notes due 2050 and \$2.25 billion 3.500% senior notes due 2070. On 24 November 2023, notes with three-year maturities, aggregating to a principal amount of SAR 1.875 billion (\$0.5 billion) and carrying a coupon rate of 1.25%, were repaid.

On 17 July 2024, Saudi Aramco issued \$6.0 billion in aggregate principal amount of senior unsecured medium term notes under the Programme comprising three series: \$2.0 billion 5.250% notes due 2034; \$2.0 billion 5.750% notes due 2054 and \$2.0 billion 5.875% notes due 2064.

MANAGEMENT

The Board of Directors

The Board of Directors comprises 11 Directors elected by an Ordinary General Assembly convened in accordance with the Bylaws, except that, pursuant to the Bylaws, the President and Chief Executive Officer has a permanent membership on the Board of Directors without being subject to election or any further action by the General Assembly. The Companies Law, the Bylaws and the internal governance regulations of the Company determine the duties and responsibilities of the Board of Directors. The term of a Director is for a period not to exceed three years, subject to renewal or extension. There is no limit on the number of terms that a Director may serve on the Board of Directors.

The Bylaws set forth requirements concerning the composition of its Board of Directors, including that the number of independent directors must satisfy the minimum requirements of applicable laws and regulations in the Kingdom. The current Board of Directors was elected at the Company Ordinary General Assembly held on 27/10/1445 in the Hijri calendar (corresponding to 6 May 2024), and all Directors, other than the Company's President and CEO, Mr. Nasser, were elected for a term of three years commencing on 25/12/1445 in the Hijri calendar (corresponding to 1 July 2024) and ending on 25/01/1449 in the Hijri calendar (corresponding to 30 June 2027).

The business address of each Director is the registered address of the Company. There are no existing or potential conflicts of interest between any duties of any Director towards the Company and the Director's private interests or other duties.

The following table sets forth the current members of the Board of Directors:

Name	Position	Independent	Original Date of Appointment to the Board	Date of Appointment to the Current Board
H.E. Yasir O. Al-Rumayyan	Chairman, Non-Executive Director	No	20 June 2016	1 July 2024
H.E. Dr. Ibrahim A. Al-Assaf	Deputy Chairman, Non-Executive Director	No	2 January 1999	1 July 2024
H.E. Mohammed A. Al Jadaan	Non-Executive Director	No	24 April 2018	1 July 2024
H.E. Faisal F. Alibrahim	Non-Executive Director	No	1 July 2024	1 July 2024
Mr. Khalid H. Al-Dabbagh	Non-Executive Director	No	1 July 2021	1 July 2024
Mr. Amin H. Nasser	Director, President and Chief Executive Officer	No	25 October 2010	1 July 2024
Mr. Robert W. Dudley	Non-Executive Director	Yes	1 July 2024	1 July 2024
Ms. Lynn Laverty Elsenhans	Non-Executive Director	Yes	24 April 2018	1 July 2024
Mr. Stuart T. Gulliver	Non-Executive Director	Yes	1 July 2021	1 July 2024
Mr. Andrew N. Liveris	Non-Executive Director	Yes	1 July 2018	1 July 2024
Mr. Mark A. Weinberger	Non-Executive Director	Yes	31 March 2020	1 July 2024

Source: The Company.

Biographies of the Directors

Brief biographies of all of the directors are set out below:

H.E. Yasir O. Al-Rumayyan (Chairman)

H.E. Yasir O. Al-Rumayyan, 55, is the Chairman of the Board of Directors. H.E. Al-Rumayyan has served as a Director of the Company since 2016. Currently, H.E. Al-Rumayyan serves as Governor and Director of the Board of the PIF. He also serves as Chairman of the Board of the Saudi Decision Support Center of the Royal Court, as well as a Director on the Board of Reliance Industries Limited.

H.E. Al-Rumayyan currently serves in the following capacities:

- Chairman of Riyadh Air;

- Chairman of NEOM Investment Fund;
- Chairman of Magic Leap, Inc.;
- Director of the Board of Industrial Company for Electronics “ALAT”;
- Trustee of the Hevolution Foundation;
- Chairman of the Future Investment Initiative Institute;
- Director of Ceer National Automotive;
- Director of Savvy Games Group;
- Chairman of Aviation Services Company;
- Chairman of LIV Golf Investments LTD;
- Director of Oil Park Development Company;
- Director of the Board of Destinations Development Company;
- Chairman of Newcastle United Football Club;
- Member of the Large Companies Investment Committee (“Shareek”);
- Chairman of Golf Saudi;
- Director of NEOM Company;
- Chairman of Saudi Arabian Mining Company (Ma’aden);
- Director of The Red Sea Global Company;
- Vice Chairman of Roshn Real Estate Company;
- Director of Qiddiya Investment Company;
- Chairman of Noon Investments Company; and
- Chairman of Sanabil Investments Company.

H.E. Al-Rumayyan has also held the following positions:

- Director of Uber Technologies, Inc from 2016 to 2023;
- Director of ARM Limited from 2018 to 2022;
- CEO of Gulf Investment Company;
- Director of Red Sea Cruises Company from 2019 to 2022;
- Vice Chairman of Saudi Information Technology Company (SITE) from 2019 to 2022;
- Director of Softbank Group Corp. from 2017 to 2020;
- Member of the Board of Governors of the Islamic Development Bank from 2016 to 2020;
- Director of the Saudi Industrial Development Fund from 2016 to 2020;

- CEO and Director of Saudi Fransi Capital LLC from 2011 to 2015;
- Director of the Saudi Stock Exchange (Tadawul) in 2014;
- Director of Corporate Finance and Issuance, CMA from 2008 to 2010; and
- Head of International Brokerage for Saudi Hollandi Bank from 1994 to 2004.

H.E. Al-Rumayyan obtained a B.S. in Accounting from King Faisal University in 1993 and completed a General Management Programme at Harvard Business School in 2007.

H.E. Dr. Ibrahim A. Al-Assaf

H.E. Dr. Ibrahim A. Al-Assaf, 76, has served as a Director of the Company since 1999. Currently, H.E. Dr. Al-Assaf serves as a Minister of State of the Kingdom and a member of the Council of Ministers, the Council of Political and Security Affairs and the Council of Economic and Development Affairs. He also serves as a Director on the Board of the PIF.

H.E. Dr. Al-Assaf has also served in the following capacities:

- Minister of Foreign Affairs from 2018 to 2019;
- Minister of State of the Kingdom from 2016 to 2018;
- Chairman of Sanabil Investments Company from 2009 to 2017;
- Minister of Finance of the Kingdom from 1996 to 2016;
- Governor of the International Monetary Fund from 1996 to 2016;
- Governor of the World Bank from 1996 to 2016;
- Governor of the Arab Monetary Fund from 1996 to 2016; and
- Governor of the Islamic Development Bank from 1996 to 2016.

H.E. Dr. Al-Assaf obtained a B.S. in Economics and Political Science from King Saud University in 1971, a M.A. in Economics from the University of Denver in 1976 and earned a Ph.D. in Economics from Colorado State University in 1982.

H.E. Mohammed A. Al-Jadaan

H.E. Mohammed A. Al-Jadaan, 61, has served as a Director of the Company since 2018. Currently, H.E. Al-Jadaan serves as the Minister of Finance and a member of the Council of Ministers. He also serves as a member of Council for Economic and Development Affairs of Saudi Arabia.

H.E. Al-Jadaan also currently serves in the following capacities:

- Chairman of the General Authority for Awqaf;
- Director of Economic Cities and Special Zones Authority;
- Chairman of the Zakat, Tax and Customs Authority;
- Chairman of Expenditure & Projects Efficiency Authority;
- Chairman of Saudi Authority for Accredited Valuers;
- Chairman of the National Center of Government Resources Systems;

- Director of Digital Government Authority;
- Director of Royal Commission for Makkah City and Holy Sites;
- Chairman of the General Organisation for Social Insurance,
- Director of General Authority for Statistics;
- Chairman of the National Center for Privatisation & PPP (NCP);
- Chairman of National Debt Management Centre;
- Director of the Saudi Authority for Data and Artificial Intelligence;
- Director of the Royal Commission for Riyadh City;
- Committee Chairman of the Privatisation Program Committee;
- Chairman of the Non-Oil Revenue Center;
- Chairman of the State Properties General Authority;
- Committee Chairman of the Fiscal Sustainability Program Committee;
- Committee Chairman of the Financial Sector Development Program Committee;
- Committee Chairman of the Fiscal Balance Program Committee;
- Director of the National Development Fund;
- Director of the General Authority for Military Industries;
- Director of the PIF;
- Director of Military Industries Corporation;
- Member of the Board of Governors of the Islamic Development Bank;
- Member of the Board of Governors of the International Monetary Fund;
- Member of the Board of Governors of the World Bank;
- Member of the Board of Governors of the Arab Fund for Economic and Social Development;
- Member of the Board of Governors of the Arab Monetary Fund;
- Member of the Board of Governors of the Arab Bank for Economic Development in Africa;
- Member of the Board of Governors of the Asian Infrastructure Investment Bank;
- Member of the Board of Governors of the Arab Authority for Agricultural Investment and Development;
and
- Member of the Board of Governors of the Arab Investment and Export Credit Guarantee Corporation.

H.E. Al-Jadaan has also served in the following capacities:

- Acting Minister of Economy and Planning from 2020 to 2021;
- Chairman of the CMA from 2015 to 2016; and

- Co-founder and Managing Partner of Al-Jadaan & Partners Law Firm from 1996 to 2015.

H.E. Al-Jadaan obtained a B.A. in Islamic Law, with a specialty in Islamic Economics, from Imam Muhammad bin Saud Islamic University in 1986, and earned a degree in Legal Studies from the Institute of Public Administration, Riyadh in 1998.

H.E. Faisal F. Alibrahim

H.E. Faisal F. Alibrahim, 43, has served as a Director of the Company since 2024. Currently, H.E. Alibrahim serves as the Minister of Economy and Planning and is also the Supervisor of the Secretariat of CEDA and a member of the Council. He also chairs the Board of Directors of the General Authority for Statistics as well as the Board of Directors of the National Infrastructure Fund (INFRA).

H.E. Alibrahim serves as a member of several high-level Governmental committees.

H.E. Alibrahim also currently serves in the following capacities:

- Director of the Zakat, Tax and Customs Authority;
- Director of the PIF;
- Director of the National Center for Performance Management;
- Director of the National Development Fund;
- Director of the Royal Commission for Riyadh City;
- Director of the General Organisation for Social Insurance;
- Director of the Cultural Development Fund; and
- Director of the Local Content and Government Procurement Authority.

H.E. Alibrahim has also served in the following capacities:

- Vice Minister of Economy and Planning from 2018 to 2021;
- Advisor to the Minister of Economy and Planning from 2016 to 2018;
- Director of Commercial, King Salman International Complex for Maritime Industries and Services from 2014 to 2015; and
- Key position holder at Saudi Aramco from 2009 to 2015, including head of Mergers and Acquisitions and Vice President of Aramco Development Company.

H.E. Alibrahim obtained a B.S. in Economics and a B.S. in Accounting, with a minor in Management Information Systems, from Pennsylvania State University in 2004 and an MBA from the Massachusetts Institute of Technology (MIT) in 2009. H.E. Alibrahim is a World Economic Forum Young Global Leader and member of the UCLA Health International Advisory Board.

Mr. Khalid H. Al-Dabbagh

Mr. Khalid H. Al-Dabbagh, 63, has served as a Director of the Company since 2021. Currently, Mr. Al-Dabbagh also serves as Chairman of the Board of Directors for SABIC, member of the Investment Committee of the PIF,

Director on the Board of Governors of the GCC Board Directors Institute, member of the World Economic Forum Chairpersons' Committee and member of King Abdulaziz Excellent Award Board Advisory Committee.

Mr. Al-Dabbagh has also previously served as:

- Chairman of the Board of SADCO from 2018 to 2021;
- Chairman of the Wisayah Investment Management Company from 2019 to 2021;
- Board member of the Pengerang Refining and Petrochemical Company (PRefChem) from 2018 to 2020;
- Board member Sadara Chemical Company from 2015 to 2018;
- Board member ARLANXEO Holding B.V. (the Netherlands) from 2016 to 2018;
- Board member of Aramco Ventures LLC from 2015 to 2018;
- Board member of the Saudi Aramco Entrepreneurship Center from 2014 to 2017;
- Board member of ATC and the Chairman of its Board Audit Committee from 2011 to 2013;
- Board member of Saudi Aramco Base Oil Company (Luberef) from 2009 to 2011;
- Board member Fujian Refining and Petrochemical Company (China) from 2007 to 2009;
- Vice Chairman of Sinopec SenMei Products Company (China) from 2007 to 2009;
- Board member of Showa Shell Sekiyu K.K. (Japan) from 2007 to 2009; and
- Board member of the Arab Petroleum Pipeline Company (Sumed) from 2000 to 2001.

Mr. Al-Dabbagh obtained a B.S. degree in Industrial Engineering from the University of Toledo in 1985 and has completed a number of executive leadership programs, including the Senior Executive Program at London Business School.

Mr. Amin H. Nasser

Mr. Amin H. Nasser, 66, has served as the President and Chief Executive Officer of the Company since 2015. Mr. Nasser has been a Director since 2010.

Currently, Mr. Nasser is a member of the International Advisory Board of KFUPM, the Board of Trustees of KAUST, the World Economic Forum's International Business Council (IBC) and its Executive Committee, the MIT Presidential CEO Advisory Board, the JP Morgan International Council and the Board of Directors of BlackRock, Inc.

Prior to serving as President and CEO, Mr. Nasser served in a number of leadership positions at the Company, including as Senior Vice President of Upstream from 2007 to 2015, and Vice President of Petroleum Engineering and Development from 2006 to 2007.

Mr. Nasser obtained a B.S. in Petroleum Engineering from KFUPM in 1982. He also completed the Senior Executive Programme at Columbia University in 2002, the Saudi Aramco Global Business Programme in 2000, and the Saudi Aramco Management Development Seminar in Washington, D.C. in 1999.

Mr. Robert W. Dudley

Mr. Robert Dudley, 69, has served as an independent Director of the Company since 2024. Currently, Mr. Dudley also serves as Chairman of the Board of Directors for Prism Global Management, LLC and Axio. He also serves as

a Director on the Boards of LyondellBasell Industries, Freeport-McMoran, Bahrain Petroleum Company (BAPCO) and 8 Rivers Capital.

Mr. Dudley has also served in the following capacities:

- Executive at Amoco and then BP from 1979 to 2020, holding several senior executive roles including the following positions:
 - o Group Chief Executive Officer with BP p.l.c. from 2010 to 2020;
 - o Managing Director, BP's Asia and Americas Department from 2009 to 2010;
 - o President and Chief Executive Officer, TNK-BP from 2003 to 2009; and
 - o Director, Gas, Power and Renewables, BP Amoco from 2001 to 2002.

Mr. Dudley obtained a B.A. in Chemical Engineering from University of Illinois Urbana-Champaign in 1977, an M.A. in International Business from Thunderbird School of Global Management in 1978 and an MBA from Southern Methodist University in 1979.

Ms. Lynn Laverty Elsenhans

Ms. Lynn Laverty Elsenhans, 69, has served as an independent Director of the Company since 2018. Currently, Ms. Elsenhans serves as a Director on the Board of Taiwan Semiconductor Manufacturing Co. Ltd.

Ms. Elsenhans also served in the following capacities:

- Director of Baker Hughes Company from 2017 to 2025;
- Director of GlaxoSmithKline plc from 2012 to 2022;
- Director of Baker Hughes, a GE Company from 2017 to 2019;
- Director of Baker Hughes, Inc. from 2012 to 2017;
- Director of Flowserve Corporation from 2014 to 2017;
- Director of International Paper Company from 2007 to 2012;
- President and CEO of Sunoco, Inc. from 2008 to 2012, becoming Chairwoman in 2009;
- Chairwoman of Sunoco Logistics Partners from 2008 to 2012, becoming CEO in 2010; and
- Executive at Royal Dutch Shell from 1980 to 2008, holding several senior executive roles including Executive Vice President Global Manufacturing.

Ms. Elsenhans obtained a B.A. in Applied Mathematics from Rice University in 1978, and an MBA from Harvard University in 1980.

Mr. Stuart T. Gulliver

Mr. Stuart Gulliver, 66, has served as an independent Director of the Company since 2021. Mr. Gulliver currently serves as a Director on the Boards of the Saudi Awwal Bank and Jardine Matheson Holdings Limited. He also serves on the international advisory council for the HK Stock Exchange and as the Chairman for Maggie's Cancer Charity.

Mr. Gulliver has also served in the following capacities:

- Director of the Airport Authority Hong Kong from 2019 to 2023;

- Group Chief Executive Officer with HSBC Holdings PLC from 2011 to 2018;
- Chairman of the Hong Kong and Shanghai Banking Corporation from 2011 to 2018;
- Executive Director of HSBC Holdings PLC from 2008 until 2018;
- Executive Director of the Hong Kong and Shanghai Banking Corporation from 2006 to 2018;
- Chairman of HSBC Private Banking Holdings (Suisse) SA 2010 to 2011 and HSBC France from 2009 to 2012;
- Deputy Chairman of HSBC Trinkaus & Burkhardt AG 2007 to 2011 and a member of its supervisory board from 2006 to 2011;
- Group Managing Director at HSBC from 2004 to 2011;
- Chairman of HSBC Bank plc and HSBC Bank Middle East Limited in 2010;
- Chief Executive Officer, Global Banking Markets & Global Asset Management with HSBC from 2006 to 2010;
- Co-head of Corporate Investment Banking and Markets 2003 to 2006;
- Group General Manager at HSBC from 2000 to 2004;
- Head of Treasury and Capital; Markets Asia Pacific for HSBC 1996 to 2002; and
- Joined HSBC as graduate trainee in 1980.

Mr. Gulliver obtained an M.A. in Jurisprudence from the University of Oxford in 1980.

Mr. Andrew N. Liveris

Mr. Andrew N. Liveris, 71, has served as an independent Director of the Company since 2018. Currently, Mr. Liveris serves as Deputy Chairman of the Board of Worley Parsons and as a Director on the Boards of Lucid Motors, IBM Corporation, the Hevolution Foundation, Industrial Company for Electronics “ALAT”, LIV Golf Investment LTD, and Global Ai. He also serves on the Board of Trustees of KAUST and the United States Council for International Business. He is the founder and Chairman of The Hellenic Initiative and was named the President of the Brisbane Organising Committee for the 2032 Olympic and Paralympic Games. He is also an advisor to Teneo and Affinity Partners and a member of the Advisory Board of Sumitomo Mitsui Banking Corporation (SMBC), NEOM and Salesforce.com, Inc.

Mr. Liveris has served in the following capacities:

- Executive Chairman on the Board of DowDuPont Inc. from 2017 to 2018;
- Chairman and CEO of The Dow Chemical Company from 2006 to 2018;
- Chairman of the US Business Council from 2013 to 2014; and
- Chairman of President Obama’s and President Trump’s Manufacturing Councils.

Mr. Liveris obtained a B.S. in Chemical Engineering from the University of Queensland in 1975, graduating with first class honors and awarded the University Medal. He was awarded honorary doctorates in Engineering from

Michigan State University in 2015, in Laws from the Northwood University in 2015, in Commercial Sciences from the University of Central Michigan in 2006, and in Science from the University of Queensland in 2005.

Mr. Mark A. Weinberger

Mr. Mark Weinberger, 63, has served as an independent Director of the Company since 2020. Currently, Mr. Weinberger serves as a Director on the Boards of JPMorgan Chase, Johnson & Johnson and MetLife, Inc. Mr. Weinberger is on the Board of Directors of JUST Capital and Global Ai. He is a Member on the Board of Trustees for the Greater Washington Partnership, The Concord Coalition, Emory University and Case Western Reserve University. He is a Strategic Advisor to the Board of FCLTGlobal. He is a Senior Advisor to SCI Capital Partners, Tanium, Teneo and Chief Executives for Corporate Purpose (CECP). He is an Executive Advisor to World 50. He sits on the Board of Directors of the National Bureau of Economic Research (NBER) and the Board of Advisors of American Council of Capital Formation. Mr. Weinberger is also a member of the Advisory Board of the Liveris Academy for Innovation and Leadership at The University of Queensland.

Mr. Weinberger has also served in the following capacities:

- Global Chairman and CEO of Ernst & Young (EY) from 2013 to 2019 and a director since 2000, during which time he held a series of roles;
- Director on the Board of U.S. Business Roundtable from 2014 to 2019;
- Director on the Board of Catalyst from 2013 to 2019;
- Co-Founder and Principal of Washington Counsel, P.C. (acquired by EY) from 1996 to 2000;
- Partner, Oldaker, Ryan & Leonard from 1995 to 1996;
- Member of the International Business Council at the World Economic Forum;
- Global Agenda Steward for Economic Progress at the World Economic Forum; and
- Chairman of the International Business Leaders Advisory Council (IBLAC) from 2017 to 2018.

In addition, Mr. Weinberger has served the U.S. government in several strategic roles.

Mr. Weinberger obtained a B.A. in Economics from Emory University in 1983, an MBA and a J.D. from Case Western Reserve University in 1987, and an L.L.M. in Taxation from Georgetown University Law Center in 1991. Mr. Weinberger has an honorary doctorate from the Kogod School of Business at American University.

Committees

To optimise the management of the Company, the following committees of the Board of Directors were established: (i) the Audit Committee; (ii) the Nomination Committee; (iii) the Compensation Committee; and (iv) the Sustainability, Risk and HSE Committee of the Board. Each committee is chaired by an Independent Non-Executive Director. Each Committee is required to have clear rules identifying its role, its powers and its responsibilities and minutes must be prepared for each meeting of each Committee.

The following is a summary of the structure, responsibilities and current members of each Committee:

Audit Committee

The primary role of the Audit Committee is to monitor the Company's affairs and assist the Board of Directors and its Directors with oversight of the financial reporting and disclosure process, including oversight of: (i) the integrity, effectiveness and accuracy of the Company's consolidated financial statements and reports, and the performance, soundness and effectiveness the Company's internal controls, audit, financial reporting and financial risk management; (ii) the qualifications and performance of the Company's internal auditor; (iii) the qualifications,

independence and performance of the Company's independent external auditor; and (iv) the Company's compliance with legal and regulatory requirements. Audit Committee members are appointed for a period of no more than three years.

The Audit Committee comprises the following members as at the date of this Base Prospectus:

Name	Role
Mr. Stuart T. Gulliver	Chair
H.E. Faisal F. Alibrahim	Member
Mr. Khalid H. Al-Dabbagh	Member
Ms. Lynn Laverty Elsenhans	Member
Mr. Andrew N. Liveris	Member

Source: The Company.

Nomination Committee

The primary role of the Nomination Committee is to lead the process of nominating, appointing and evaluating members of the Board of Directors of the Company and to ensure the effectiveness of the Board of Directors and the individual Directors. The Nomination Committee also evaluates and makes recommendations with respect to the structure of the Board of Directors and composition of the committees of the Board of Directors. Further, the Nomination Committee evaluates and recommends to the Board of Directors the appointments of individuals (other than Directors) as officers of the Company, including those proposed to hold the title of vice president or higher or that are otherwise authorised by virtue of such appointment to bind or act on behalf of the Company. The Nomination Committee also proposes and makes recommendations to the Board of Directors with respect to the Company's relevant corporate governance practices and procedures.

The Nomination Committee comprises the following members as at the date of this Base Prospectus:

Name	Role
Mr. Andrew N. Liveris	Chair
H.E. Yasir O. Al-Rumayyan	Member
H.E. Mohammed A. Al-Jadaan	Member
Mr. Khalid H. Al-Dabbagh	Member
Ms. Lynn L. Elsenhans	Member

Source: The Company.

Compensation Committee

The primary role of the Compensation Committee is to: (i) oversee the Company's policy on compensation and its implementation; (ii) develop individual compensation plans for Directors and executives of similar standing or performing duties equivalent to those of an executive vice president or higher; and (iii) review and approve the design of the annual compensation plans of the Company's broad-based employee population.

The Compensation Committee comprises the following members as at the date of this Base Prospectus:

Name	Role
Mr. Mark A. Weinberger	Chair
H.E. Yasir O. Al-Rumayyan	Member
H.E. Mohammed A. Al-Jadaan	Member
H.E. Dr. Ibrahim A. Al-Assaf	Member
Mr. Robert W. Dudley	Member

Source: The Company.

Sustainability, Risk and HSE Committee

The primary role of the Sustainability, Risk and HSE Committee is to monitor the Company's overall risk management and to assist the Board with: (i) leadership, direction and oversight with respect to environmental, social, and governance matters which are likely to impact long-term value creation; (ii) governance and oversight of strategic and operational risks including providing leadership, direction and oversight with respect to the

Company's risk appetite, risk tolerance, risk framework and risk strategy; and (iii) assisting the Board and the Audit Committee to foster a culture within the Company that emphasises and demonstrates the benefits of risk management.

Name	Role
Mr. Robert W. Dudley	Chair
H.E. Faisal F. Alibrahim	Member
Mr. Amin H. Nasser	Member
Mr. Stuart T. Gulliver	Member
Mr. Mark A. Weinberger	Member

Source: The Company.

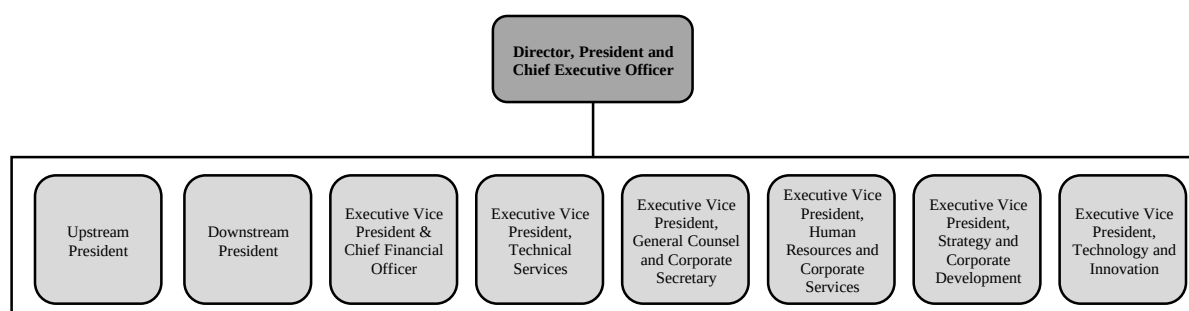
Senior Management

The Senior Management of the Company comprises qualified and experienced members with necessary knowledge and expertise to run the Company's business in line with the objectives and directives of the Board of Directors and the Shareholders. As required by Saudi law, the Company enters into employment agreements with its Senior Management when they are initially employed by the Company. Since the Company employs thousands of employees, it generally does not update its employment contracts, even if members of Senior Management change roles within the Company as is customary in the Kingdom. The Company has been successful in retaining its Senior Management, developing qualified employees and promoting them to senior positions in the Company.

In October 2022, the Board resolved to change the job titles of Senior Management as well as the officers of the Company to be closer in line with those broadly used in the market, effective 1 January 2023. Pursuant to this resolution, the title of Senior Vice President has been changed to Executive Vice President, the title of Vice President to Senior Vice President and the title of General Manager to Vice President. These changes do not affect organisational or reporting structures.

Furthermore, in May 2023, Saudi Aramco appointed Mr. Nasir K. Al-Naimi as President of its Upstream business and Mr. Mohammed Y. Al Qahtani as President of its Downstream business, both reporting along with its Executive Vice Presidents, to the Company's President & CEO. The newly created positions and appointments replace the previous Upstream and Downstream Executive Vice President positions and aim to drive the Company's long-term strategy across its global portfolio and value chain.

The following chart sets forth the composition of the Senior Management as at the date of this Base Prospectus.



Source: The Company.

The following table sets forth the members of the Senior Management as at the date of this Base Prospectus:

Name	Current Position	Date of Appointment to Senior Management
Mr. Amin H. Nasser	Director, President and Chief Executive Officer	17 September 2015
Mr. Nasir K. Al-Naimi	Upstream President	1 April 2021

Name	Current Position	Date of Appointment to Senior Management
Mr. Mohammed Y. Al Qahtani	Downstream President	1 January 2016
Mr. Ziad T. Al-Murshed	Executive Vice President & Chief Financial Officer	1 May 2022
Mr. Wail A. Al Jaafari	Executive Vice President, Technical Services	1 October 2023
Mr. Nabeel A. Al Mansour	Executive Vice President, General Counsel and Corporate Secretary	1 May 2016
Mr. Nabeel A. Al-Jama'	Executive Vice President, Human Resources and Corporate Services	1 July 2020
Mr. Ashraf A. Al Ghazzawi	Executive Vice President of Strategy & Corporate Development	1 January 2023
Mr. Ahmad O. Al-Khowaiter	Executive Vice President, Technology & Innovation	1 April 2023

Source: The Company.

Mr. Amin H. Nasser

See “*Management—Board of Directors—Mr. Amin H. Nasser*”.

Mr. Nasir K. Al-Naimi, Upstream President

Mr. Nasir K. Al-Naimi was appointed Upstream President of Aramco in July 2023. He has served as a member of Executive Management since July 2020.

Prior to his current appointment, he led various organisations within the Company, including; Petroleum Engineering and Development, Corporate Planning, Northern Area Oil Operations, and Pipelines, Distribution, and Terminals. Mr. Al-Naimi currently serves as Chairman of Energy City Development Company.

Mr. Al-Naimi holds a B.S. degree in Petroleum Engineering from the University of Southern California.

Mr. Mohammed Y. Al Qahtani, Downstream President

Mr. Mohammed Y. Al Qahtani was appointed Downstream President of Aramco in July 2023. He has served as a member of Executive Management since April 2009.

Prior to his current appointment, he led various organisations within the Company, including Upstream, Corporate Planning, Corporate Affairs, and Petroleum Engineering and Development. Additionally, he served as President and CEO of Aramco Services Company, and as Chief Petroleum Engineer.

Mr. Al Qahtani currently serves as a Chairman of ATC, SATORP, Motiva and as Vice Chairman of SABIC. He is also a Board Director of S-Oil, and is a Non-Executive Director of Ma'aden.

Mr. Al Qahtani holds a B.S. degree in Petroleum Engineering from KFUPM, and an M.S. and Ph.D degree in Petroleum Engineering from the University of Southern California.

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

Mr. Ziad T. Al-Murshed was appointed Executive Vice President and Chief Financial Officer in May 2022. He has served as member of Executive Management since June 2018.

Prior to his appointment, Mr. Al-Murshed led various organisations within the Company, including Finance, Strategy and Development, Fuels and Lubricants, Downstream Growth and Integration, and New Business Development.

Mr. Al-Murshed currently serves as Chairman of Wisayah Global Investment Company, and is also a Board Director of SABIC and Global Digital Integrated Solutions Company (Aramco Digital).

Mr. Al-Murshed holds a B.S. degree in Chemical Engineering from Arizona State University, and an M.B.A. from the Massachusetts Institute of Technology.

Mr. Wail A. Al Jaafari, Executive Vice President, Technical Services

Mr. Al Jaafari was appointed Executive Vice President of Technical Services in October 2023. He has served as a member of Executive Management since September 2021.

Prior to his current appointment, he led various organisations within the Company, including Southern Area Gas Operations, IPO Structuring, Global Analysis and Portfolio Analysis and Decision Support.

Mr. Al Jaafari currently serves as a Chairman of International Maritime Industries Company (IMIC). He is also Board Director of Johns Hopkins Aramco Healthcare Company.

Mr. Al Jaafari holds a B.S. degree in Mechanical Engineering from KFUPM, and an M.B.A. from the Massachusetts Institute of Technology.

Mr. Nabeel A. Al Mansour, Executive Vice President, General Counsel and Corporate Secretary

Mr. Nabeel A. Al Mansour was appointed as General Counsel and Corporate Secretary in May 2016, and also as Executive Vice President in 2017. He has served as a member of Executive Management since February 2014.

Prior to his current appointment, he held the positions of Deputy General Counsel and Associate General Counsel and has also led the procurement and Supply Chain Management organisation.

Mr. Al Mansour holds a B.S. degree in Systems Engineering from KFUPM and a J.D. degree in Law from Oklahoma City University.

Mr. Nabeel A. Al-Jama', Executive Vice President, Human Resources & Corporate Services

Mr. Nabeel A. Al-Jama' was appointed Executive Vice President of Human Resources and Corporate Services in July 2020. He has served as a member of Executive Management since May 2009.

Prior to his current appointment, he led various organisations within the Company, including Corporate Affairs, Human Resources, Office of the Chairman, Pipelines, Distribution and Terminals, Industrial Services and Community Services.

Mr. Al-Jama' currently serves as Chairman of John Hopkins Aramco Healthcare Company and Aramco Foundation.

Mr. Al-Jama' holds B.S. and M.S. degrees in Community and Regional Planning from KFUPM.

Mr. Ashraf A. Al Ghazzawi, Executive Vice President, Strategy & Corporate Development

Mr. Ashraf A. Al Ghazzawi was appointed as Executive Vice President of Strategy & Corporate Development in April 2023. He has served as a member of Executive Management since June 2020.

Prior to his current appointment, he led various organisations within the Company, including Strategy and Market Analysis and Treasury. Additionally, he led the Planning, Budgeting and Performance Management Centre.

Mr. Al Ghazzawi currently serves as Chairman of Wa'ed Ventures, SADCO and Sadara. He is also a board director of Johns Hopkins Aramco Healthcare Company.

Mr. Al Ghazzawi holds a B.S. and M.S. degrees in Electrical Engineering from the King Saud University, and a Ph.D degree in Electrical Engineering from the University of Manchester.

Mr. Ahmad O. Al-Khowaiter, Executive Vice President, Technology and Innovation

Mr. Ahmad O. Al-Khowaiter was appointed Executive Vice President Technology & Innovation in April 2023. He has served as member of Executive Management since January 2015.

Prior to his current appointment, he held the positions of Chief Technology Officer, and Chief Engineer.

Mr. Al-Khowaiter currently serves as Chairman of Global Digital Integrated Solutions Company (Aramco Digital), and Aramco Ventures Company. He is also a Board Director of Saudi Aramco Development Company (SADCO), and the King Abdulaziz City of Science and Technology (KACST).

Mr. Al-Khowaiter holds a B.S. degree in Chemical Engineering from KFUPM and an M.S. degree in Chemical Engineering from the University of California, and an M.B.A. from the Massachusetts Institute of Technology.

Corporate Governance

In May 2018, the Board of Directors adopted Saudi Aramco's Corporate Governance Manual and implemented certain policies and procedures pursuant to the CMA's Corporate Governance Regulations, together with certain global ethics and compliance policies. The Company has also developed and continues to implement and refine various ethics and regulatory compliance programmes, including programmes designed to effectively address obligations related to ethics, anti-bribery and anti-corruption, competition, conflicts of interest, disclosure controls, insider trading, related parties transactions, data privacy, international trade controls and internal investigations. The Company plans to regularly review and identify additional policies and procedures that it believes are appropriate for a company of its size and structure and in its industry.

The Company has implemented a Code of Business Conduct, which provides guidelines to the Directors, Senior Management, employees and contract employees of the Company on, among other things, health, safety and environmental protection, competition and antitrust, anti-bribery and anticorruption, international trade controls, insider trading and compliance with applicable law.

The Company has established an ongoing internal training plan in support of the Company's ethics and regulatory compliance programmes, and requires personnel to provide various certifications attesting to awareness of, and adherence to, the Company's ethical and regulatory compliance standards.

Compensation of Directors and Senior Executives

As required by Saudi law, Saudi Aramco entered into employment agreements with its employees who constitute its Senior Management when the relevant person was initially hired by Saudi Aramco. Since Saudi Aramco employs thousands of employees, it generally does not update its employment contracts, even if members of Senior Management change roles within Saudi Aramco. In general, under these contracts, members of Senior Management are entitled, in addition to their regular salary and allowances, to incentive award annual bonuses based on Saudi Aramco's annual performance. Each non-executive Saudi Aramco Director is paid a regular director fee for his or her service. For additional information, see Note 29(d) to the 2024 Financial Statements.

RELATED PARTY TRANSACTIONS

The Concession

For a summary of the Concession, see “*Material Agreements—The Concession*”.

The Ministry of Energy Framework Agreement

On 5 September 2019, the Company and the Ministry of Energy entered into an agreement to establish a framework for the Company to provide certain services and studies as requested by the Ministry of Energy (the “**Framework Agreement**”). The Framework Agreement is effective as at 25/04/1440 in the Hijri calendar (corresponding to 1 January 2019) and provides that the scope of services and studies furnished by the Company to the Ministry of Energy will be agreed on a case-by-case basis prior to undertaking such performance. If the service or study is requested by the Ministry of Energy and in the interest of the Company, is connected to the Company’s operations and serves the Company’s objectives, then the Company will be solely responsible for the associated costs. Otherwise, the Company will be reimbursed for any other services required by the Ministry of Energy and any services or studies or other work requiring expenditures requested by the Government. The Framework Agreement provides that the maximum aggregate costs of services and studies that the Company shall perform under the agreement shall not exceed \$100 million per year.

Commercial Transactions

Saudi Aramco sells crude oil, gas and refined and chemicals products and provides services to certain Government entities, including branches of the Government, and commercial entities in which the Government has share ownership or control. The most significant commercial transactions have been with Saudi Electricity Company, and subsequently with Saudi Power Procurement Company (“**SPPC**”) after Saudi Electricity Company transferred its stake to SPPC.

The Government guarantees amounts due to Saudi Aramco from certain of these entities, subject to a limit on the amount of the guarantee for each entity. The aggregate amount guaranteed in 2022, 2023 and 2024 was SAR 11.2 billion, SAR 13.2 billion and SAR 10.8 billion (\$2.9 billion), respectively. See “*Regulation of the Oil and Gas Industry in the Kingdom—Regulated Domestic Pricing of Certain Hydrocarbons—Government Guarantee*”.

Sales of crude oil and certain refined and chemicals products sold to third parties in the Kingdom are at regulated prices, which are typically lower than prices Saudi Aramco could obtain if it exported those products. See “*Regulation of the Oil and Gas Industry in the Kingdom—Regulated Domestic Pricing of Certain Hydrocarbons*”. Pursuant to an equalisation mechanism, the Government compensates Saudi Aramco for the revenue it directly forgoes as a result of Saudi Aramco’s compliance with the mandates related to crude oil and certain refined and chemicals products. Effective 1 January 2020, the Government expanded the equalisation mechanism to include LPG and certain other products. See “*Management’s Discussion and Analysis of Financial Position and Results of Operations—Factors Affecting Saudi Aramco’s Financial Position and Results of Operations—Fiscal Regime*”. For these products, Saudi Aramco is entitled to compensation from the Government in an amount equal to the cost of revenues directly forgone as a result of compliance with the Kingdom’s current pricing mandates. For financial reporting purposes, Saudi Aramco records the equalisation amount as other income related to sales on its consolidated statement of income and is subject to income tax on that amount. For the years ended 31 December 2022, 2023 and 2024 and the three-month period ended 31 March 2025, Saudi Aramco’s other income related to sales was SAR 259.4 billion, SAR 203.1 billion, SAR 164.4 billion (\$43.8 billion) and SAR 24.0 billion (\$6.4 billion), respectively.

On 17 September 2019, the Council of Ministers Resolution No. 55, dated 18/01/1441 in the Hijri calendar (corresponding to 17 September 2019), and the Ministerial Resolution issued by the Ministry of Energy, in agreement with the Ministry of Finance, No. 1/423/1441, dated 18/01/1441 in the Hijri calendar (corresponding to 17 September 2019), were passed, superseding prior resolutions. Under the updated resolutions, when licensees sell any Regulated Gas Product at a Domestic Gas Price below the corresponding Blended Price, licensees are entitled to compensation from the Government in an amount equal to the cost of the revenues they directly forgo as

a result of licensees' compliance with the Kingdom's current pricing mandates. In the event that the Blended Price is less than the Domestic Gas Price, the difference would be due from licensees to the Government. The compensation due to Saudi Aramco from the Government is accounted for on a monthly basis and is calculated as the positive difference between the Blended Prices and the Domestic Gas Prices (minus any Government fees and taxes). Saudi Aramco must provide the Ministry of Energy with a statement detailing the total amount due to Saudi Aramco in a monthly period no later than 30 days after the relevant monthly period end. Saudi Aramco may then offset this compensation against any taxes payable, and in the event taxes are insufficient, any other amounts due and payable by Saudi Aramco to the Government, such as royalties. See *"Regulation of the Oil and Gas Industry in the Kingdom—Regulated Domestic Pricing of Certain Hydrocarbons—Gas Pricing"*.

Sales to Government-Owned or Controlled Entities

Saudi Aramco entered into several oil and gas supply agreements with Saudi Electricity Company pursuant to which Saudi Aramco supplies crude oil, gas and other products, including condensate, fuel oil and diesel, to certain of Saudi Electricity Company's power plants. Saudi Electricity Company is the Kingdom's national electricity utility company and is listed on the Saudi Exchange. As at 31 December 2024, Saudi Aramco owned 6.9% of its outstanding common stock. As part of the Kingdom's plan of restructuring the electricity sector, Saudi Electricity Company transferred its entire stake in SPPC to the Government in June 2022 and novated its supply agreements with Saudi Aramco to SPPC.

The agreements generally have a term between six months and five years and are automatically renewed unless terminated by one of the parties. Most of the agreements limit the amount of oil or gas that can be supplied per day or, in a few agreements, for the term of the agreement. The agreements provide for Saudi Aramco to receive the prevailing domestic price or the Government regulated domestic price for the respective products. Saudi Aramco recognised revenue of SAR 10.2 billion, SAR 10.5 billion, SAR 19.1 billion (\$5.1 billion) and SAR 4.0 billion (\$1.07 billion) under these agreements in 2022, 2023 and 2024 and the three-month period ended 31 March 2025, respectively. See *"Management's Discussion and Analysis of Financial Position and Results of Operations—Factors Affecting Saudi Aramco's Financial Position and Results of Operations—Fiscal Regime"*.

In addition, for the years ended 31 December 2022, 2023 and 2024 and the three-month period ended 31 March 2025, Saudi Aramco provided to Saudi Electricity Company and, subsequently to SPPC, excess electricity generated by Saudi Aramco's facilities with a value of, SAR 386 million, SAR 413 million, SAR 409 million (\$109 million) and SAR 105 million (\$28 million), respectively.

Sales to Government Branches and Other Related Parties

For the years ended 31 December 2022, 2023 and 2024, Saudi Aramco provided crude oil, gas and refined and chemicals products and certain services to Saudi Arabian Airlines, Saudi Power Procurement Company, Saline Water Conversion Company, Saudi Arabian Mining Company, various branches of the Government and other entities owned or controlled by the Government. For the years ended December 2022, 2023 and 2024 and the three-month period ended 31 March 2025, Saudi Aramco provided crude oil, gas and refined and chemicals products and certain services with a value of, SAR 11,273 million, SAR 10,016 million, SAR 15,956 million (\$4,255 million) and SAR 3,619 million (\$965 million), respectively, for which it received compensation. See *"Management's Discussion and Analysis of Financial Position and Results of Operations—Factors Affecting Saudi Aramco's Financial Position and Results of Operations—Fiscal Regime"*.

Purchases from Government-Owned or Controlled Commercial Entities

Saudi Aramco purchases electricity from the Saudi Electricity Company. Prices for such purchases totalled SAR 3,818 million, SAR 5,115 million and SAR 3,814 million (\$1,017 million) and SAR 551 million (\$147 million) for the years ended 31 December 2022, 2023 and 2024 and the three-month period ended 31 March 2025, respectively.

Corporate Citizenship

Saudi Aramco engages in a range of corporate social responsibility projects to support the communities and the environment in which it operates and leverages its know-how and operational capabilities in furtherance of these projects. Saudi Aramco considers these activities to be “corporate citizenship” projects and initiatives.

In addition to projects undertaken on its own initiative, the Government has directed, and may in the future direct, Saudi Aramco to undertake projects or provide technical assistance for initiatives outside Saudi Aramco’s core businesses in furtherance of the Government’s objectives. Beginning on 24 December 2017, the Concession requires that all Saudi Aramco contracts with any Government agency or any arrangement for the furnishing of hydrocarbons, services or otherwise shall be on a commercial basis. For additional information about Saudi Aramco’s corporate citizenship activities, see “*Business—Corporate Citizenship*” and “*Management’s Discussion and Analysis of Financial Position and Results of Operations—Factors Affecting Saudi Aramco’s Financial Position and Results of Operations—Fiscal Regime*”.

Other Transactions

Saudi Aramco has an ongoing relationship with the Government through other transactional arrangements, for which Saudi Aramco is reimbursed in several different manners. For projects on which Saudi Aramco provides financing and arranges for completion of the project, it receives a reimbursement of its expenses through a reduction in taxes payable. The reduction in taxes payable is considered payment of income tax obligations in the Financial Statements.

Saudi Aramco, through SADC, owns a 40.1% interest in International Maritime Industries, a joint venture with The National Shipping Company of Saudi Arabia-Bahri, Maritime Offshore Limited, a wholly owned subsidiary of Lamprell plc, and Korea Shipbuilding and Offshore Engineering (“KSOE”), which will develop, operate and maintain a maritime yard under construction in the Kingdom, as well as the design, manufacture, and maintenance and repair of ships and rigs. The complex will also include a joint venture between SADC, KSOE and Dussur to manufacture maritime equipment.

Transactions with Directors and Senior Management

Other than with respect to compensation arrangements, as at the date of this Base Prospectus there are no transactions in which any of Saudi Aramco’s Directors or Senior Management or an immediate family member thereof had or will have a direct or indirect material interest or were not entered into on an arm’s length basis.

Approval of Related Party Transactions

Saudi Aramco has adopted a policy and related procedures for related party transactions, which establishes general guidelines for its engagement in transactions with related parties and provides that such transactions with related parties be reviewed by the Audit Committee in accordance with the Audit Committee’s charter or the Board of Directors in accordance with the Bylaws and applicable laws and regulations. With respect to related party transactions with the Government, under the terms of the Concession, all contracts among Saudi Aramco and any Government agency are required to be on a commercial basis, regardless of whether the transaction is for the supply of hydrocarbons products, services or otherwise. Pursuant to Saudi Aramco policy, Saudi Aramco is required to negotiate related party transactions on an arm’s length basis and such transactions are subject to review by the Audit Committee or the Board of Directors. The Bylaws require that no member of the Board of Directors nor any officer of Saudi Aramco may have a personal interest, as determined by the Board of Directors, in any transaction made on behalf of Saudi Aramco, unless prior authorisation is received from the Board of Directors.

REGULATION OF THE OIL AND GAS INDUSTRY IN THE KINGDOM

Overview of Governance, Legal Foundations and Economic Principles

Governance

The Kingdom is a monarchy with a political system rooted in the traditions and culture of Islam. It was established by the late King Abdul Aziz bin Abdul Rahman bin Faisal Al Saud (the “**Founder**”) in 1932, with the issuance of Royal Decree No. 2716, dated 17/05/1351 in the Hijri calendar (corresponding to 23 September 1932). The Custodian of the Two Holy Mosques, King Salman bin Abdulaziz bin Abdul Rahman bin Faisal bin Turki bin Abdullah bin Mohammed bin Saud, has been the Kingdom’s Head of State since 23 January 2015.

The Basic Law of the Kingdom (the “**Basic Law**”) was promulgated under Royal Order No. A/90, dated 27/08/1412 in the Hijri calendar (corresponding to 2 March 1992) and provides that the Holy Quran and Sunnah (*i.e.*, the traditions of the Prophet Mohammad (PBUH)) form the primary sources of law in the Kingdom. The Basic Law sets out the framework for government and provides for the powers and authorities of the executive, administrative, and judicial authorities of the Kingdom, under the ultimate authority of the King. The Basic Law also sets forth, in general terms, the respective rights and obligations of the Kingdom and its citizens.

The Monarchy in the Kingdom is limited to the sons of the Founder and their male descendants, among whom a Crown Prince is selected and appointed pursuant to the Succession Commission Law. The King also appoints and relieves Deputy Prime Ministers and members of the Council of Ministers and specifies the government departments, agencies, and authorities for which a minister shall be responsible by Royal Order.

The Law of the Council of Ministers sets forth the power of the Council of Ministers with respect to internal and foreign affairs, and to the organisation of the agencies of the Government and coordination among them. It also sets forth the requirements that ministers must meet, and their powers and accountability, among other things. The Council of Ministers is responsible for, among other things, executive and administrative matters such as foreign and domestic policy, defence, finance, health and education. Pursuant to Royal Order No. A/61 dated 01/03/1444 in the Hijri calendar (corresponding to 27 September 2022), His Royal Highness Prince Mohammed bin Salman bin Abdulaziz Al Saud was appointed as Prime Minister as an exception to the provision of Article 56 of the Basic Law and related provisions in the Law of the Council of Ministers. The King presides over the Council of Ministers if he attends the Council of Ministers meetings. The Prime Minister is assisted in the discharge of his functions by the members of the Council of Ministers in accordance with the provisions of the Basic Law and other laws.

Legal Foundations

Saudi law is derived from the Basic Law and legislation is enacted in various forms, the most common of which are Royal Orders, Royal Decrees, High Orders, Council of Ministers’ resolutions, ministerial resolutions and ministerial circulars having the force of law.

The Basic Law provides that all God’s bestowed wealth, be it underground, on the surface, or in national territorial waters, on the land or maritime domains under the Kingdom’s control are the property of the Kingdom. The Basic Law states that the law can set forth the means for exploiting, protecting and developing such resources for the benefit, security and economic prosperity of the Kingdom. No concession can be granted and no public resources of the Kingdom can be exploited except pursuant to a law in accordance with the Basic Law.

The Basic Law provides that the Kingdom will guarantee private property and its inviolability and requires that no one be deprived of their property except for the public interest, provided the owner is fairly compensated.

Law on Hydrocarbons

Overview

The Hydrocarbons Law was enacted by Royal Decree No. M/37, dated 02/04/1439 in the Hijri calendar (corresponding to 20 December 2017) and applies to hydrocarbons, hydrocarbon resources, hydrocarbon operations and hydrocarbon deposits existing within the territory of the Kingdom.

Licences

No hydrocarbon operations can be conducted in the Kingdom without obtaining a licence in accordance with the Hydrocarbons Law. The Government grants licences related to hydrocarbon operations pursuant to regulations, procedures and policies established from time to time, which outline the terms and conditions relating to the granting of a licence.

The grant of a licence pursuant to the Hydrocarbons Law does not confer any right of ownership of the soil or subsoil in the licence area. In addition, the Government retains the right to explore for and exploit any natural resource other than hydrocarbons in the licence area and may exercise such right in a manner that does not prejudice the licensee's rights and does not hinder the hydrocarbon operations conducted by a licensee.

Ownership Rights

Under the Hydrocarbons Law, the Kingdom exercises sovereignty over all hydrocarbon deposits, hydrocarbons and hydrocarbon resources. All hydrocarbons in the Kingdom are owned by the Kingdom and, upon extraction or recovery of such hydrocarbons by the licensee, title to such hydrocarbons shall automatically pass to the licensee at the ownership transfer point. The Kingdom's ownership of hydrocarbon deposits and hydrocarbon resources may not be transferred.

Supervision and Implementation of the Hydrocarbons Law

The Ministry of Energy is the only body responsible for implementing the Hydrocarbons Law and overseeing all aspects of a licensee's hydrocarbons operations, including the licensee's technical operations and the review of all the licensee's revenues and expenses. The Ministry of Energy is also responsible for preparing and overseeing the national strategies and policies related to hydrocarbons to ensure the implementation, development and appropriate use of hydrocarbon resources, and conservation of the Kingdom's hydrocarbon reserves for future generations.

Production Decisions

The Kingdom has the sovereign, exclusive and binding authority to make production decisions related to both the maximum level of hydrocarbons that a licensee can produce at any given point in time and the level of MSC that a licensee must maintain. In each case, the Kingdom shall take into account the Kingdom's economic development, environment conservation, national security, political and developmental goals, foreign policy, diplomatic considerations, domestic energy needs, public interest and any other sovereign interest when making a production decision. In setting the level of MSC, consideration shall be given to the economic or operational effects of a licensee. A licensee must provide the Kingdom with any requested information relating to hydrocarbons exploration, extraction and production, including financial and technical data, discovery data and any other information that could facilitate the issuance of a production decision. The Kingdom has unrestricted access to such information.

Conservation of Hydrocarbon Resources

The Hydrocarbons Law requires that hydrocarbons operations be managed professionally and proficiently in accordance with the Hydrocarbons Law and regulations and international industry standards, and in an economically feasible and efficient manner that promotes the long-term productivity of reservoirs in the licensed area and supports the prudent stewardship of hydrocarbon resources and hydrocarbons, and limits their migration.

Additional Licensees' Obligations

A licensee is responsible for taking all prudent and sound procedures to ensure the safety of the licensee's hydrocarbon operations and facilities, in accordance with international industry standards and applicable laws. A licensee is also obligated to take all required precautions, in accordance with the relevant hydrocarbons regulations and international industry standards, to prevent waste and leakage of hydrocarbons, damage to formations containing water and hydrocarbons during drilling, repairing or deepening of wells, or in events of abandonment or relinquishment, and to prevent leakage of gas and liquids into bearing layers or other layers.

The Hydrocarbons Law prohibits any licensee from selling to any entity any hydrocarbons or derivatives obtained through the license in violation of what the Kingdom considers necessary to protect the fundamental security interests of the Kingdom in times of war or other emergencies in international relations.

Energy Supply Law

The Energy Supply Law was enacted by Royal Decree No. M/80, dated 04/06/1444 in the Hijri calendar (corresponding to 28 December 2022), which became effective on 15/08/1444 in the Hijri calendar (corresponding to 7 March 2023). The Energy Supply Law replaces the GSPR and regulates the energy allocation to consumers in the fields of power production, crude oil refining, petrochemicals production, water desalination, industry, mining, agriculture, construction, communications, transportation, logistics and other fields. The Energy Supply Law also regulates the licensing of natural gas and its liquids activities, as well as activities related to hydrogen and others. The Ministry of Energy allocates these products in accordance with their availability and the criteria set by a designated energy allocation committee.

The royal decree enacting the Energy Supply Law provides for a transitional period of two years from the date of its enactment and allows for licences issued under the GSPR to remain in effect and licensees to operate under the conditions imposed by the GSPR for that period. As at the date of this Base Prospectus, the Ministry of Energy has not yet adopted implementing regulations under the Energy Supply Law.

Regulated Domestic Pricing of Certain Hydrocarbons

Setting of Domestic Prices for Regulated Hydrocarbons

Pursuant to a series of Council of Ministers Resolutions, the Kingdom has established regulated prices for domestic sales of certain hydrocarbons: crude oil, natural gas (including ethane), NGL (propane, butane and natural gasoline) and certain refined and chemicals products (kerosene, diesel, heavy fuel oil and gasoline).

Liquids Price Equalisation

Pursuant to Council of Ministers Resolution No. 406, dated 28/06/1438 in the Hijri calendar (corresponding to 27 March 2017), and the Ministerial Resolution issued by the Ministry of Energy, in agreement with the Ministry of Finance, No. 1/2465/1439, dated 10/04/1439 in the Hijri calendar (corresponding to 28 December 2017), when the Company sells crude oil and certain refined and chemicals products (each a “**Relevant Liquid Product**”) domestically at a price below the corresponding equalisation prices (described below), the Company is entitled to compensation from the Government in an amount equal to the cost of the revenues directly forgone as a result of the Company’s compliance with the Kingdom’s current pricing mandates (the “**Liquids Price Equalisation**”). The Ministerial Resolution issued by the Ministry of Energy, in agreement with the Ministry of Finance, No. 1/424/1441, dated 18/01/1441 in the Hijri calendar (corresponding to 17 September 2019), effective 05/05/1441 in the Hijri calendar (corresponding to 1 January 2020), superseded the prior Ministerial Resolution and expands the equalisation mechanism to include LPG and certain other products. In the event the equalisation price is less than the regulated price, the difference would be due from the Company to the Government.

The Ministry of Energy and the Ministry of Finance are responsible for administering the Liquids Price Equalisation regime, including the setting of the equalisation prices from time to time. The equalisation prices are established separately by the Ministry of Energy and the Ministry of Finance for each Relevant Liquid Product using a combination of either internationally recognised indices or, where relevant, the Company’s official selling price and, depending on the Relevant Liquid Product, on the basis of export parity, import parity or a combination of both. The Company is required to provide information and technical assistance to the Ministry of Energy as necessary for this purpose.

The compensation from the Government is calculated as the positive difference between the equalisation prices and the regulated prices (minus any Government fees). The Company provides the Ministry of Energy with a statement detailing any amounts due and may offset such amounts against any taxes or other amounts payable by the Company to the Government.

Gas Pricing

From time to time, the Kingdom establishes certain prices for the domestic sale of gas hydrocarbons (the “**Domestic Gas Price**”), including those for Regulated Gas Products. Pursuant to Council of Ministers Resolution No. 370, dated 10/07/1439 in the Hijri calendar (corresponding to 27 March 2018), and the Ministerial Resolution issued by the Ministry of Energy, in agreement with the Ministry of Finance, No. 01-5928-1439, dated as at 27/08/1439 in the Hijri calendar (corresponding to 13 May 2018), effective 29/06/1439 in the Hijri calendar (corresponding to 17 March 2018), the Kingdom established the price due to licensees for the domestic sale of Regulated Gas Products (the “**Blended Price**”) in order to ensure that such licensees making gas investments realise a commercial rate of return suitable for the development and exploitation of gas resources in the Kingdom (with reasonable rates of return on existing non-associated gas projects and on incremental future non-associated projects).

Effective 18/01/1441 in the Hijri calendar (corresponding to 17 September 2019), Council of Ministers Resolution No. 55, dated 18/01/1441 in the Hijri calendar (corresponding to 17 September 2019), and the Ministerial Resolution issued by the Ministry of Energy, in agreement with the Ministry of Finance, No. 1/423/1441, dated 18/01/1441 in the Hijri calendar (corresponding to 17 September 2019), were passed, superseding the prior Council of Ministers’ resolutions and ministerial resolutions, and removing the requirement that the Domestic Gas Price be no less than the Blended Price. The new framework instead provides that the licensees are entitled to compensation from the Government in an amount equal to the cost of the revenues directly forgone as a result of the licensees’ compliance with the Kingdom’s pricing mandates if the Domestic Gas Prices are not set at least at the Blended Prices. In the event that the Blended Price is less than the Domestic Gas Price, the difference would be due from the Company to the Government.

The Ministry of Energy and the Ministry of Finance are responsible for administering this regime, including setting the Blended Prices from time to time. The Blended Prices are established separately by the Ministry of Energy and the Ministry of Finance for each Regulated Gas Product. The Company is required to provide information and technical assistance to the Ministry of Energy as necessary for this purpose.

The compensation from the Government is accounted for on a monthly basis and is calculated as the positive difference between the Blended Prices and the Domestic Gas Prices (minus any Government fees). The Company must provide the Ministry of Energy with a statement detailing the total amount due to the Company in a monthly period no later than 30 days after the relevant monthly period end. The Company may then offset this compensation against any taxes payable, and in the event taxes are insufficient, any other amounts due and payable by the Company to the Government, such as royalties.

Government Guarantee

The Company sells hydrocarbon products to various Government and semi-Government entities, including ministries and other branches of the Government, and separate legal entities in which the Government has share ownership or control. Effective 03/04/1438 in the Hijri calendar (corresponding to 1 January 2017), the Government guaranteed amounts due to the Company from these entities, subject to a limit on the amount of the guarantee for each entity. The aggregate amount guaranteed in 2021, 2022 and 2023 was SAR 12.8 billion, SAR 11.2 billion and SAR 13.2 billion, respectively. Prior to the beginning of each subsequent fiscal year or during such year upon the change to any Government established domestic prices for hydrocarbon products (such regulated sales constituting the majority of the sales to Government and semi-Government entities covered by the guarantee), the Ministry of Energy will consult with the Ministry of Finance and will provide the Company with a list of the entities to be covered by the guarantee for that year and the guarantee limit for each covered entity. Government entities previously covered will remain subject to the guarantee, but the guarantee will cease with respect to any entity in which the Government has share ownership or control if such entity pays amounts due to the Company on a timely basis for five years. The Company is permitted to discontinue supply to any such Government or semi-Government customer upon the exhaustion of the credit limit or if such customer is no longer a guaranteed customer and fails to pay any amounts when due. The Company may set off any guaranteed amounts that are past due against taxes due to the Government, or if the amount of taxes are inadequate, any other amounts the Company owes to the Government.

Other Laws and Regulations

Petrochemical Regulations

Royal Order No. 10030, dated 15/02/1443 in the Hijri calendar (corresponding to 22 September 2021), stipulates that the Ministry of Energy will oversee and regulate the petrochemical production operations in the following sector value chain (N+3, N+2, N+1, N), whereas the Ministry of Industry and Mineral Resources will be in charge of overseeing and regulating transformative industries (industrial applications) that depend on petrochemicals.

Health and Safety Regulations

Health and safety matters associated with oil and gas activities are regulated through several Government authorities, including the Ministry of Interior. In addition, the Supreme Authority for Industrial Security issues safety and fire protection directives for industrial facilities which set forth minimum requirements for health and safety management systems. Health and safety principles and obligations are included in Part 8 (Protection against Occupational Hazards, Major Industrial Accidents and Work Injuries, and Health and Social Services) of the Saudi Arabian Labour Law issued under Royal Decree No. M/51, dated 23/08/1426 in the Hijri calendar (corresponding to 27 September 2005), as amended, and Part 5 of the Social Insurance Law, enacted by Royal Decree No. M/22 dated 06/09/1389 in the Hijri calendar (corresponding to 15 October 1969) as amended by Royal Decree No. M/33 dated 03/09/1421 in the Hijri calendar (corresponding to 29 November 2000). The new Social Insurance Law was promulgated by Royal Decree No. M/273, dated 26/12/1445 in the Hijri calendar (corresponding to 2 July 2024), partially affecting the previous Social Insurance Law.

Environmental Regulations

Pursuant to Royal Decree No. M/165, dated 19/11/1441 in the Hijri calendar (corresponding to 10 July 2020) (the “**Environmental Law**”), the Ministry of Environment Water and Agriculture (the “**MEWA**”) and the national centres for the environmental sector are charged with the general supervision and regulation of environmental affairs in the Kingdom. The Environmental Law sets out wide-ranging prohibitions of pollution and contamination of air, land and water. Individuals carrying out environmental activities, which are defined as operational or technical activities related to the environmental sector, or activities that would have an environmental impact, which is defined as any negative or positive change that affects the environment as a result of engaging in any activity, are required to comply with requirements of the Environmental Law and the environmental specifications, standards, measurements and guidelines prescribed by the MEWA and the national centres. Prior to the initiation of a project, an environmental impact assessment, which is a study to identify, assess, and evaluate the environmental impact that may result from the establishment, operation, modification or dismantling of any project or activity in order to integrate and include all environmental considerations, and to identify the alternatives and the procedures necessary for the protection of the environment, must be completed in accordance with the relevant environmental specifications and standards.

Royal Decree No. M/159, dated 11/11/1441 in the Hijri calendar (corresponding to 2 July 2020) (the “**Water Law**”), aims to protect the Kingdom’s water sources, grow additional sources, and ensure their sustainability. The Ministry of Energy signed a Memorandum of Understanding with the MEWA whereby the Ministry of Energy will be responsible for the application of certain provisions of the Water Law for certain facilities falling under its supervision.

Apart from national environmental legislation, other regulations are applicable in certain areas of the Kingdom. For example, the Royal Commission for Jubail and Yanbu’ has issued detailed local environmental regulations applicable to facilities located within the Royal Commission areas and contractors operating therein. The Company separately requires compliance with environmental standards in certain circumstances. For example, the Company administers the oil loading terminals at Ras Tanura, Ju’aymah and several smaller terminals independently of the Saudi Ports Authority.

Saudization

The Kingdom has promulgated a Saudization policy (“**Saudization**”) implemented by the Ministry of Human Resources and Social Development. Saudization requires Saudi companies to ensure that a certain percentage of their workforce comprises Saudi nationals. Further, investors in the energy sector are encouraged to abide by the Kingdom’s broad policies of ensuring a commitment to the training and employment of Saudis. The Nitaqat Saudization Programme (the “**Nitaqat Programme**”) was approved pursuant to the Minister of Labour and Social Development Resolution No. 4040, dated 12/10/1432 in the Hijri calendar (corresponding to 10 September 2011), based on Council of Ministers Resolution No. 50, dated 21/05/1415 in the Hijri calendar (corresponding to 27 October 1994), which was applied as at 12/10/1432 in the Hijri calendar (corresponding to 10 September 2011). The Ministry of Human Resources and Social Development established the Nitaqat Programme to encourage establishments to hire Saudi nationals. The Nitaqat Programme assesses an establishment’s Saudization performance based on specific ranges of compliance, which are platinum, green (which is further divided into low, medium and high ranges), yellow and red. The Company has been classified under the “High Green” category, which means that the Company complies with current Saudization requirements and allows it to secure work visas. As at 31 December 2024, approximately 90% of the Company’s employees were Saudi nationals.

FORM OF THE NOTES

The Notes of each Series will be issued in registered form both outside the United States in reliance on the exemption from registration provided by Regulation S and within the United States in reliance on Rule 144A.

The Notes of each Tranche offered and sold in reliance on Regulation S, which will be sold to persons who are not U.S. persons outside the United States, will initially be represented by a Global Note in registered form (a “**Regulation S Global Note**”). Prior to expiry of the distribution compliance period (as defined in Regulation S) applicable to a Tranche of Notes, beneficial interests in a Regulation S Global Note may not be offered or sold to, or for the account or benefit of, a U.S. person save as otherwise provided in Condition 2 (*Transfers of Notes*) and may not be held otherwise than through Euroclear or Clearstream, Luxembourg and such Regulation S Global Note will bear a legend regarding such restrictions on transfer.

The Notes of a Tranche offered and sold in the United States or to U.S. persons may only be offered and sold in private transactions to persons reasonably believed to be QIBs. The Notes of a Tranche sold to QIBs will be represented by a Global Note in registered form (a “**Rule 144A Global Note**” and, together with a Regulation S Global Note of such Tranche, a “**Global Note**”).

Global Notes will either: (a) be deposited with a custodian for, and registered in the name of a nominee of, the Depository Trust Company (“**DTC**”); or (b) be deposited with a common depository for, and registered in the name of a nominee of such common depository, Euroclear and Clearstream, Luxembourg, as specified in the applicable Final Terms. Persons holding beneficial interests in Global Notes will be entitled or required, as the case may be, under the circumstances described below, to receive physical delivery of definitive Notes in fully registered form.

Payments of principal, interest and any other amount in respect of the Global Notes will, in the absence of provision to the contrary, be made to the person shown on the Register (as defined in Condition 1 (*Form, Denomination and Title*)) as the registered holder of the Global Notes. All amounts payable to DTC or its nominee as registered holder of a Global Note in respect of Notes denominated in a Specified Currency other than U.S. Dollars shall be paid by transfer by the Registrar to an account in the relevant Specified Currency of the relevant exchange agent on behalf of DTC or its nominee for conversion into and payment in U.S. Dollars in accordance with the provisions of the Agency Agreement. None of the Issuer, any Agent or the Trustee will have any responsibility or liability for any aspect of the records relating to or payments or deliveries made on account of beneficial ownership interests in the Global Notes or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

Payments of principal, interest or any other amount in respect of the Notes in definitive form will, in the absence of provision to the contrary, be made to the persons shown on the Register on the relevant Record Date (as defined in Condition 5.2 (*Payments of principal and interest*)) immediately preceding the due date for payment in the manner provided in that Condition.

Interests in a Global Note will be exchangeable (free of charge), in whole but not in part, for definitive Notes without interest coupons attached only upon the occurrence of an Exchange Event. For these purposes, “**Exchange Event**” means that: (a) in the case of Notes registered in the name of a nominee for DTC, either DTC has notified the Issuer that it is unwilling or unable to continue to act as depository for the Notes or DTC has ceased to constitute a clearing agency registered under the Exchange Act and, in either case, no alternative clearing system satisfactory to the Trustee is available; (b) in the case of Notes registered in the name of a nominee for a common depository for Euroclear and Clearstream, Luxembourg, the Issuer has been notified that both Euroclear and Clearstream, Luxembourg have been closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or have announced an intention permanently to cease business or have in fact done so and, in any such case, no successor clearing system satisfactory to the Trustee is available; or (c) the Issuer has or will become subject to adverse tax consequences which would not be suffered were the Notes represented by the Global Note in definitive form and a certificate to that effect signed by two authorised signatories of the Issuer is given to the Trustee. The Issuer will promptly give notice to Noteholders in accordance with Condition 12 (*Notices*) if an Exchange Event occurs. In the event of the occurrence of an Exchange Event, DTC, Euroclear and/or Clearstream, Luxembourg or any person acting on their behalf (acting on the instructions of any holder of an interest in such

Global Note) or the Trustee may give notice to the Registrar requesting exchange and, in the event of the occurrence of an Exchange Event as described in (c) above, the Issuer may also give notice to the Registrar requesting exchange. Any such exchange shall occur not later than 10 days after the date of receipt of the first relevant notice by the Registrar.

Transfer of Interests

Interests in a Global Note may, subject to compliance with all applicable restrictions, be transferred to a person who wishes to hold such interest in another Global Note. No beneficial owner of an interest in a Global Note will be able to transfer such interest, except in accordance with the applicable procedures of DTC, Euroclear and Clearstream, Luxembourg, in each case to the extent applicable. The Notes are subject to the restrictions on transfer set forth therein and will bear a legend regarding such restrictions. See “*Transfer Restrictions*”.

General

Pursuant to the Agency Agreement, the Principal Paying Agent shall arrange that, where a further Tranche of Notes is issued which is intended to form a single Series with an existing Tranche of Notes, the Notes of such further Tranche shall be assigned a Common Code and ISIN and, where applicable, a CUSIP number, which are different from the Common Code, ISIN and CUSIP assigned to Notes of any other Tranche of the same Series until at least the expiry of the distribution compliance period (as defined in Regulation S) applicable to the Notes of such Tranche.

Any reference herein to Euroclear and/or Clearstream, Luxembourg and/or DTC shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system as may be approved by the Issuer and the Trustee.

The Issuer may agree with any Dealer that Notes may be issued in a form not contemplated by the Conditions, in which event a new Base Prospectus or a supplement to this Base Prospectus, if appropriate, will be made available which will describe the effect of the agreement reached in relation to such Notes.

TERMS AND CONDITIONS OF THE NOTES

The following is the text of the terms and conditions of the Notes which, subject to completion in accordance with the provisions of Part A of the applicable Final Terms, will be incorporated by reference into each Global Note (as defined below) and each Definitive Note (as defined below), in the latter case only if permitted by the relevant stock exchange or other relevant authority (if any) and agreed by the Issuer and the relevant Dealer(s) at the time of issue but, if not so permitted and agreed, such Definitive Note will have endorsed thereon or attached thereto such terms and conditions. The applicable Final Terms in relation to any Tranche (as defined below) of Notes shall complete the following terms and conditions for the purposes of such Notes. The applicable Final Terms (or the relevant provisions thereof) will be endorsed upon, or attached to, each Global Note and Definitive Note. Reference should be made to “Form of Final Terms” for a description of the content of the Final Terms which will specify which of such terms are to apply in relation to the relevant Notes.

This Note is one of a Series (as defined below) of Notes issued by Saudi Arabian Oil Company (Saudi Aramco) (the “**Issuer**”) under a Global Medium Term Note Programme (the “**Programme**”) established by the Issuer. The Notes are constituted by a trust deed (as amended and/or supplemented and/or restated from time to time, the “**Trust Deed**”) dated 9 July 2024 made between the Issuer and Citibank, N.A., London Branch (the “**Trustee**”, which expression shall include any successor trustee) as trustee for the Noteholders (as defined below).

The Notes have the benefit of an amended and restated agency agreement (as amended and/or supplemented and/or restated from time to time, the “**Agency Agreement**”) dated 9 July 2024 and made between the Issuer, the Trustee, Citibank, N.A., London Branch as principal paying agent (the “**Principal Paying Agent**”, which expression shall include any successor principal paying agent and, together with any additional paying agents appointed pursuant to the Agency Agreement, the “**Paying Agents**”), as transfer agent (the “**Transfer Agent**”, which expression shall include any additional or successor transfer agents) and as calculation agent (the “**Calculation Agent**”, which expression shall include any additional or successor calculation agents) and Citibank Europe plc, Germany Branch as registrar (the “**Registrar**”, which expression shall include any additional or successor registrar). References in these Conditions to “**Agents**” shall mean the Paying Agents, the Transfer Agent and the Registrar.

The terms and conditions applicable to the Notes are these terms and conditions (“**Conditions**”) as may be completed by a set of final terms in relation to each Series (as defined below) (“**Final Terms**”). The final terms for this Note (or the relevant provisions thereof) are set out in Part A of the Final Terms attached to or endorsed on this Note which complete these Conditions. References to the “**applicable Final Terms**” are to Part A of the Final Terms (or the relevant provisions thereof) attached to or endorsed on this Note.

References herein to the “**Notes**” shall be references to the Notes (whether in global form as a registered global note (a “**Global Note**”) or a definitive Note in registered form (whether or not exchanged for a Global Note) (“**Definitive Notes**”)) which are the subject of the applicable Final Terms.

The Trustee acts for the benefit of the “**Noteholders**” (which expression shall mean the persons in whose name the Notes are registered and shall, in relation to any Notes represented by a Global Note, be construed as provided in Condition 1 (*Form, Denomination and Title*) below), in accordance with the provisions of the Trust Deed.

As used herein, “**Tranche**” means Notes which are identical in all respects (including as to listing and admission to trading) and “**Series**” means a Tranche of Notes together with any further Tranche or Tranches of Notes which are: (a) expressed to be consolidated and form a single series; and (b) identical in all respects (including as to listing and admission to trading) except for their respective Issue Dates (unless this is a Zero Coupon Note), Interest Commencement Dates and/or Issue Prices.

Copies of the Trust Deed and the Agency Agreement (i) are available for inspection and/or collection during normal business hours at the specified office of the Principal Paying Agent or (ii) may be provided by email to a Noteholder following their prior written request to any Paying Agents and provision of proof of holding and identity (in a form satisfactory to the relevant Paying Agent). Copies of the applicable Final Terms are available for viewing at the registered office of the Issuer and of the Principal Paying Agent and copies may be obtained from those offices save that, if this Note is neither admitted to trading on a regulated market in the United Kingdom nor offered in the

United Kingdom in circumstances where a prospectus is required to be published under the UK Prospectus Regulation, the applicable Final Terms will only be obtainable by a Noteholder holding one or more Notes and such Noteholder must produce evidence satisfactory to the Issuer, the Trustee and the relevant Agent as to its holding of such Notes and identity. If the Notes are to be admitted to trading on the Main Market of the London Stock Exchange the applicable Final Terms will be published on the website of the London Stock Exchange through a regulatory information service. The Noteholders are deemed to have notice of, are bound by and are entitled to the benefit of, all the provisions of the Trust Deed, the Agency Agreement and the applicable Final Terms which are applicable to them. The statements in the Conditions include summaries of, and are subject to, the detailed provisions of the Trust Deed and the Agency Agreement.

Words and expressions defined in the Trust Deed, the Agency Agreement or used in the applicable Final Terms shall have the same meanings where used in the Conditions unless the context otherwise requires or unless otherwise stated and **provided that**, in the event of inconsistency between the Trust Deed and the Agency Agreement, the Trust Deed will prevail and, in the event of inconsistency between the Trust Deed or the Agency Agreement and the applicable Final Terms, the applicable Final Terms will prevail.

1. FORM, DENOMINATION AND TITLE

The Notes are issued in registered form and, in the case of Definitive Notes, serially numbered, in each case in the specified currency (the “**Specified Currency**”) and the specified denomination(s) (the “**Specified Denomination(s)**”) shown in the applicable Final Terms or integral multiples thereof, without interest coupons, *provided that* the (i) Specified Denomination(s) shall not be less than €100,000 or its equivalent in other currencies and (ii) interests in the Rule 144A Global Notes (as defined below) shall be held in amounts of not less than U.S.\$200,000 or its equivalent in other currencies.

This Note may be a Fixed Rate Note, a Floating Rate Note, a Zero Coupon Note or a combination of any of the foregoing, depending upon the Interest Basis specified in the applicable Final Terms.

Subject as provided below, title to the Notes will pass upon registration of transfers in the register (the “**Register**”) maintained by the Registrar in accordance with the provisions of the Agency Agreement. The Issuer, the Trustee and any Agent will (except as otherwise required by law) deem and treat the registered holder of any Note as the absolute owner thereof (whether or not overdue and notwithstanding any notice of ownership or writing thereon or notice of any previous loss or theft thereof) for all purposes but, in the case of any Global Note, without prejudice to the provisions set out in the next succeeding paragraph.

For so long as any of the Notes is represented by a Global Note held on behalf of Euroclear Bank SA/NV (“**Euroclear**”) and/or Clearstream Banking S.A. (“**Clearstream, Luxembourg**”), each person (other than Euroclear or Clearstream, Luxembourg) who is for the time being shown in the records of Euroclear or of Clearstream, Luxembourg as the holder of a particular nominal amount of such Notes (in which regard any certificate or other document issued by Euroclear or Clearstream, Luxembourg as to the nominal amount of such Notes standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be treated by the Issuer, the Trustee and the Agents as the holder of such nominal amount of such Notes for all purposes other than with respect to the payment of principal or interest on such nominal amount of such Notes, for which purpose the registered holder of the relevant Global Note shall be treated by the Issuer, the Trustee and any Agent as the holder of such nominal amount of such Notes in accordance with and subject to the terms of the relevant Global Note and the expressions “**Noteholder**” and “**holder of Notes**” and related expressions shall be construed accordingly.

For so long as the Depository Trust Company (“**DTC**”) or its nominee is the registered owner or holder of a Global Note, DTC or such nominee, as the case may be, will be considered the sole owner or holder of the Notes represented by such Global Note for all purposes under the Trust Deed and the Agency Agreement and the Notes except to the extent that in accordance with DTC’s published rules and procedures any ownership rights may be exercised by its participants or beneficial owners through participants.

In determining whether a particular person is entitled to a particular nominal amount of Notes as aforesaid, the Trustee may rely on such evidence and/or information and/or certification as it shall, in its absolute discretion, think fit and, if it does so rely, such evidence and/or information and/or certification shall, in the absence of manifest error, be conclusive and binding on all concerned.

Notes which are represented by a Global Note will be transferable only in accordance with the rules and procedures for the time being of DTC, Euroclear and Clearstream, Luxembourg, as the case may be. References to DTC, Euroclear and/or Clearstream, Luxembourg shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system specified in the applicable Final Terms or as may otherwise be approved by the Issuer, the Principal Paying Agent and the Trustee.

2. TRANSFERS OF NOTES

2.1 *Transfers of interests in Global Notes*

Transfers of beneficial interests in Global Notes will be effected by DTC, Euroclear or Clearstream, Luxembourg, as the case may be, and, in turn, by other participants and, if appropriate, indirect participants in such clearing systems acting on behalf of transferors and transferees of such interests. A beneficial interest in a Global Note will, subject to compliance with all applicable legal and regulatory restrictions, be transferable for Definitive Notes or for a beneficial interest in another Global Note only in the Specified Denomination(s) set out in the applicable Final Terms and only in accordance with the rules and operating procedures for the time being of DTC, Euroclear or Clearstream, Luxembourg, as the case may be, and in accordance with the terms and conditions specified in the Trust Deed and the Agency Agreement. Transfers of a Global Note registered in the name of a nominee for DTC shall be limited to transfers of such Global Note, in whole but not in part, to another nominee of DTC or to a successor of DTC or such successor's nominee.

2.2 *Transfers of Definitive Notes*

Subject as provided in Conditions 2.5 (*Transfers of interests in Regulation S Global Notes*), 2.6 (*Transfers of interests in Legended Notes*) and 2.7 (*Exchanges and transfers of Notes generally*) below, upon the terms and subject to the conditions set forth in the Trust Deed and the Agency Agreement, Definitive Notes may be transferred in whole or in part (in the Specified Denomination(s) set out in the applicable Final Terms).

In order to effect any such transfer; (a) the holder or holders must: (i) surrender the Definitive Note for registration of the transfer of the Note (or the relevant part of the Note) at the specified office of any Transfer Agent, with the form of transfer thereon duly executed by the holder or holders thereof or his or their attorney or attorneys duly authorised in writing; and (ii) complete and deposit such other certifications as may be required by the Transfer Agent; and (b) the Transfer Agent must, after due and careful enquiry, be satisfied with the documents of title and the identity of the person making the request. Any such transfer will be subject to such reasonable regulations as the Issuer, the Trustee and the Registrar may from time to time prescribe (the initial such regulations being set out in Schedule 4 (Register and Transfer of Notes) to the Agency Agreement). Subject as provided above, the Transfer Agent will, within three business days (being for this purpose a day on which banks are open for business in the city where the specified office of the Transfer Agent is located) of the request (or such longer period as may be required to comply with any applicable fiscal or other laws or regulations), deliver, or procure the delivery of, at its specified office to the transferee or (at the risk of the transferee) send by uninsured mail, to such address as the transferee may request, a new Definitive Note of a like aggregate nominal amount to the Note (or the relevant part of the Note) transferred. In the case of the transfer of part only of a Definitive Note, a new Definitive Note in respect of the balance of the Note not transferred will be so delivered or (at the risk of the transferor) sent to the transferor. A Note may not be transferred unless the nominal amount of Notes transferred and (where not all of the Notes held by a transferor are being transferred) the nominal amount of the balance of Notes not transferred are Specified Denominations.

2.3 ***Registration of transfer upon partial redemption***

In the event of a partial redemption of Notes under Condition 6 (*Redemption and Purchase*), the Issuer shall not be required to register the transfer of any Note, or part of a Note, called for partial redemption.

2.4 ***Costs of registration***

Noteholders will not be required to bear the costs and expenses of effecting any registration of transfer as provided above, except for any costs or expenses of delivery other than by regular uninsured mail and except that the Issuer may require the payment of a sum sufficient to cover any stamp duty, tax or other governmental charge that may be imposed in relation to the registration.

2.5 ***Transfers of interests in Regulation S Global Notes***

Prior to expiry of the applicable Distribution Compliance Period, transfers by the holder of, or of a beneficial interest in, a Regulation S Global Note to a transferee in the United States or who is a U.S. person will only be made:

- (a) upon receipt by the Registrar of a written certification substantially in the form set out in the Agency Agreement, amended as appropriate (a “**Transfer Certificate**”), copies of which are available from the specified office of any Transfer Agent, from the transferor of the Note or beneficial interest therein to the effect that such transfer is being made to a person whom the transferor reasonably believes is a QIB in a transaction meeting the requirements of Rule 144A; or
- (b) otherwise pursuant to the Securities Act or an exemption therefrom, subject to receipt by the Issuer of such satisfactory evidence as the Issuer may reasonably require, which may include an opinion of U.S. counsel, that such transfer is in compliance with any applicable securities laws of any State of the United States,

and, in each case, in accordance with any applicable securities laws of any State of the United States or any other jurisdiction.

In the case of (a) above, such transferee may take delivery through a Legended Note in global or definitive form. After expiry of the applicable Distribution Compliance Period: (i) beneficial interests in Regulation S Global Notes registered in the name of a nominee for DTC may be held through DTC directly, by a participant in DTC, or indirectly through a participant in DTC; and (ii) such certification requirements will no longer apply to such transfers.

2.6 ***Transfers of interests in Legended Notes***

Transfers of Legended Notes or beneficial interests therein may be made:

- (a) to a transferee who takes delivery of such interest through a Regulation S Global Note, upon receipt by the Registrar of a duly completed Transfer Certificate from the transferor to the effect that such transfer is being made in accordance with Regulation S and that in the case of a Regulation S Global Note registered in the name of a nominee for DTC, if such transfer is being made prior to expiry of the applicable Distribution Compliance Period, the interests in the Notes being transferred will be held immediately thereafter through Euroclear and/or Clearstream, Luxembourg; or
- (b) to a transferee who takes delivery of such interest through a Legended Note where the transferee is a person whom the transferor reasonably believes is a QIB in a transaction meeting the requirements of Rule 144A, without certification; or
- (c) otherwise pursuant to the Securities Act or an exemption therefrom, subject to receipt by the Issuer of such satisfactory evidence as the Issuer may reasonably require, which may include an opinion of U.S. counsel, that such transfer is in compliance with any applicable securities laws of any State of the United States,

and, in each case, in accordance with any applicable securities laws of any State of the United States or any other jurisdiction.

Upon the transfer, exchange or replacement of Legended Notes, or upon specific request for removal of the Legend, the Registrar shall deliver only Legended Notes or refuse to remove the Legend, as the case may be, unless there is delivered to the Issuer such satisfactory evidence as may reasonably be required by the Issuer, which may include an opinion of U.S. counsel, that neither the Legend nor the restrictions on transfer set forth therein are required to ensure compliance with the provisions of the Securities Act.

2.7 Exchanges and transfers of Notes generally

Holders of interests in a Global Note may exchange such interests for Definitive Notes of the same type upon the occurrence of an Exchange Event (as defined in the Global Note).

2.8 Definitions

In this Condition, the following expressions shall have the following meanings:

“Distribution Compliance Period” means, with respect to a Tranche of Notes, the period that ends 40 days after the completion of the distribution of such Tranche of Notes, as certified by the relevant Dealer (in the case of a non-syndicated issue) or the relevant Lead Manager (in the case of a syndicated issue);

“Legended Note” means Notes (whether in definitive form or represented by a Global Note) sold in private transactions to QIBs in accordance with the requirements of Rule 144A which bear a legend specifying certain restrictions on transfer (a **“Legend”**);

“QIB” means a “qualified institutional buyer” within the meaning of Rule 144A;

“Regulation S” means Regulation S under the Securities Act;

“Regulation S Global Note” means a Global Note representing Notes sold outside the United States in reliance on Regulation S;

“Rule 144A” means Rule 144A under the Securities Act;

“Rule 144A Global Note” means a Global Note representing Notes sold in the United States or to QIBs pursuant to Rule 144A; and

“Securities Act” means the United States Securities Act of 1933, as amended.

3. STATUS OF THE NOTES

The Notes are direct, unconditional, unsubordinated and unsecured obligations of the Issuer and rank *pari passu* among themselves and (save for certain obligations required to be preferred by law) equally with all other unsecured obligations (other than subordinated obligations, if any) of the Issuer, from time to time outstanding.

4. INTEREST

The applicable Final Terms will indicate whether the Notes are Fixed Rate Notes, Floating Rate Notes or Zero Coupon Notes.

4.1 Interest on Fixed Rate Notes

Each Fixed Rate Note (other than where the Specified Currency is Renminbi and the applicable Final Terms specifies a Business Day Convention to be applicable) bears interest from (and including) the Interest

Commencement Date at the rate(s) per annum equal to the Rate(s) of Interest. Interest will be payable in arrear on the Interest Payment Date(s) in each year up to (and including) the Maturity Date.

Where the Specified Currency of a Fixed Rate Note is Renminbi and the applicable Final Terms specifies a Business Day Convention to be applicable (each an “**Adjusted Renminbi Fixed Rate Note**”), that Fixed Rate Note bears interest on its outstanding nominal amount from the Interest Commencement Date at the rate per annum (expressed as a percentage) equal to the Rate of Interest, such interest being payable in arrear on each Interest Payment Date. For this purpose, “**Interest Payment Date**” means the Interest Payment Date(s) specified as such in the applicable Final Terms as adjusted in accordance with the applicable Business Day Convention. The amount of interest payable on each Interest Payment Date in respect of the Fixed Interest Period ending on (but excluding) such Interest Payment Date will be calculated by multiplying the product of the Rate of Interest and the outstanding nominal amount of that Adjusted Renminbi Fixed Rate Note by the applicable Day Count Fraction and rounding the resultant figure to the nearest RMB0.01, RMB0.005 being rounded upwards. Each such calculation will be made by the Calculation Agent.

If the Notes are in definitive form, except as provided in the applicable Final Terms, the amount of interest payable on each Interest Payment Date in respect of the Fixed Interest Period ending on (but excluding) such date will amount to the Fixed Coupon Amount. Payments of interest on any Interest Payment Date will, if so specified in the applicable Final Terms, amount to the Broken Amount so specified.

Except in the case of Notes in definitive form where an applicable Fixed Coupon Amount or Broken Amount is specified in the applicable Final Terms, interest shall be calculated in respect of any period by applying the Rate of Interest to:

- (a) in the case of Fixed Rate Notes which are represented by a Global Note, the aggregate outstanding nominal amount of the Fixed Rate Notes represented by such Global Note; or
- (b) in the case of Fixed Rate Notes in definitive form, the Calculation Amount;

and, in each case, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention. Where the Specified Denomination of a Fixed Rate Note in definitive form is a multiple of the Calculation Amount, the amount of interest payable in respect of such Fixed Rate Note shall be the product of the amount (determined in the manner provided above) for the Calculation Amount and the amount by which the Calculation Amount is multiplied to reach the Specified Denomination, without any further rounding.

In these Conditions:

“**Day Count Fraction**” means, in respect of the calculation of an amount of interest, in accordance with this Condition 4.1 (*Interest on Fixed Rate Notes*):

- (a) if “**Actual/Actual (ICMA)**” is specified in the applicable Final Terms:
 - (i) in the case of Notes where the number of days in the relevant period from (and including) the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to (but excluding) the relevant payment date (the “**Accrual Period**”) is equal to or shorter than the Determination Period during which the Accrual Period ends, the number of days in such Accrual Period divided by the product of: (A) the number of days in such Determination Period; and (B) the number of Determination Dates (as specified in the applicable Final Terms) that would occur in one calendar year; or

- (ii) in the case of Notes where the Accrual Period is longer than the Determination Period during which the Accrual Period ends, the sum of:
 - (A) the number of days in such Accrual Period falling in the Determination Period in which the Accrual Period begins divided by the product of: (x) the number of days in such Determination Period; and (y) the number of Determination Dates that would occur in one calendar year; and
 - (B) the number of days in such Accrual Period falling in the next Determination Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates that would occur in one calendar year; and
- (b) if “30/360” is specified in the applicable Final Terms, the number of days in the period from (and including) the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to (but excluding) the relevant payment date (such number of days being calculated on the basis of a year of 360 days with 12 30-day months) divided by 360;
- (c) if “**Actual/365 (Fixed)**” is specified in the applicable Final Terms, the actual number of days divided by 365; or
- (d) such other day count fraction as is specified in the applicable Final Terms;

“**Determination Period**” means each period from (and including) a Determination Date to (but excluding) the next Determination Date (including, where either the Interest Commencement Date or the final Interest Payment Date is not a Determination Date, the period commencing on the first Determination Date prior to, and ending on the first Determination Date falling after, such date);

“**Fixed Interest Period**” means the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date; and

“**sub-unit**” means, with respect to any currency other than Euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, with respect to euro, one cent.

4.2 ***Interest on Floating Rate Notes***

(a) ***Interest Payment Dates***

Each Floating Rate Note bears interest from (and including) the Interest Commencement Date and such interest will be payable in arrear on either:

- (i) the Specified Interest Payment Date(s) in each year specified in the applicable Final Terms; or
- (ii) if no Specified Interest Payment Date(s) is/are specified in the applicable Final Terms, each date (each such date, together with each Specified Interest Payment Date, an “**Interest Payment Date**”) which falls the number of months or other period specified as the Interest Period in the applicable Final Terms after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date.

Such interest will be payable in respect of each “**Interest Period**” (which expression shall, in these Conditions, mean the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date) or the relevant payment date if the Notes become payable on a date other than an Interest Payment Date.

In these Conditions, if a Business Day Convention is specified in the applicable Final Terms and: (x) if there is no numerically corresponding day in the calendar month in which an Interest Payment

Date should occur; or (y) if any Interest Payment Date would otherwise fall on a day which is not a Business Day, then, if the Business Day Convention specified is:

- (A) in any case where Interest Periods are specified in accordance with Condition 4.2(a)(ii) above, the Floating Rate Convention, such Interest Payment Date: (i) in the case of (x) above, shall be the last day that is a Business Day in the relevant month and the provisions of (b) below shall apply *mutatis mutandis*; or (ii) in the case of (y) above, shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event: (1) such Interest Payment Date shall be brought forward to the immediately preceding Business Day; and (2) each subsequent Interest Payment Date shall be the last Business Day in the month which falls the Interest Period after the preceding applicable Interest Payment Date occurred; or
- (B) the Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day; or
- (C) the Modified Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event such Interest Payment Date shall be brought forward to the immediately preceding Business Day; or
- (D) the Preceding Business Day Convention, such Interest Payment Date shall be brought forward to the immediately preceding Business Day.

In these Conditions, “**Business Day**” means a day which is both:

- (a) a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in each of London and an Additional Business Centre (other than the real time gross settlement system operated by the Eurosystem, or any successor system (“**T2**”)) specified in the applicable Final Terms;
- (b) if T2 is specified as an Additional Business Centre in the applicable Final Terms, a day on which T2 is open (a “**Target Business Day**”); and
- (c) either: (1) in relation to any sum payable in a Specified Currency other than Euro or Renminbi, a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency; (2) in relation to any sum payable in Euro, a day on which the T2 System is open; or (3) in the case of Renminbi, a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the applicable Renminbi Settlement Centre(s).

(b) ***Rate of Interest***

The rate of interest (the “**Rate of Interest**”) payable from time to time in respect of Floating Rate Notes will be determined in the manner specified in the applicable Final Terms.

(i) ***ISDA Determination for Floating Rate Notes***

Where ISDA Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period

will be the relevant ISDA Rate plus or minus (as indicated in the applicable Final Terms) the Margin (if any).

For the purposes of this subparagraph (i), “**ISDA Rate**” for an Interest Period means a rate equal to the Floating Rate that would be determined by the Calculation Agent under a Swap Transaction under the terms of an agreement incorporating (i) if “2006 ISDA Definitions” is specified in the applicable Final Terms, the 2006 ISDA Definitions, as published by the International Swaps and Derivatives Association, Inc. (“**ISDA**”) and as amended and updated as of the Issue Date of the first Tranche of the Notes or (ii) if “2021 ISDA Definitions” is specified in the applicable Final Terms, the latest version of the 2021 ISDA Interest Rate Derivatives Definitions as published by ISDA as of the Issue Date of the first Tranche of the Notes (together, the “**ISDA Definitions**”) and under which:

- (A) the Floating Rate Option is as specified in the applicable Final Terms;
- (B) the Designated Maturity is a period specified in the applicable Final Terms; and
- (C) the relevant Reset Date is the day specified in the applicable Final Terms.

For the purposes of this subparagraph (i), “**Floating Rate**”, “**Calculation Agent**”, “**Floating Rate Option**”, “**Designated Maturity**”, “**Reset Date**” and “**Swap Transaction**” have the meanings given to those terms in the ISDA Definitions.

Unless otherwise stated in the applicable Final Terms, the Minimum Rate of Interest shall be deemed to be zero.

(ii) *Screen Rate Determination for Floating Rate Notes – Term Rate*

Where “Screen Rate Determination” and “Term Rate” are specified in the applicable Final Terms and the Reference Rate is specified as being EURIBOR, the Rate of Interest for each Interest Period will, subject as provided below, be either:

- (A) the offered quotation; or
- (B) the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of the offered quotations,

(expressed as a percentage rate per annum) for the Reference Rate which appears or appear, as the case may be, on the Relevant Screen Page (or such replacement page on that service which displays the information) as of 11.00 a.m. Brussels time (the “**Specified Time**”) on the Interest Determination Date in question plus or minus (as indicated in the applicable Final Terms) the Margin (if any), all as determined by the Calculation Agent. If five or more of such offered quotations are available on the Relevant Screen Page, the highest (or, if there is more than one such highest quotation, one only of such quotations) and the lowest (or, if there is more than one such lowest quotation, one only of such quotations) shall be disregarded by the Calculation Agent for the purpose of determining the arithmetic mean (rounded as provided above) of such offered quotations.

If the Relevant Screen Page is not available or if: (i) subparagraph (1) above applies and no offered quotation appears; or (ii) subparagraph (2) above applies and fewer than three offered quotations appear, in each case as at the Specified Time, the Issuer shall request each of the Reference Banks to provide the Calculation Agent with its offered quotation (expressed as a percentage rate per annum) for the Reference Rate at approximately the Specified Time on the Interest Determination Date in question. If two or more of the Reference Banks provide the Calculation Agent with offered quotations, the Rate of Interest for the Interest Period shall be the arithmetic mean (rounded if necessary to the

fifth decimal place with 0.000005 being rounded upwards) of the offered quotations plus or minus (as appropriate) the Margin (if any), all as determined by the Calculation Agent.

If on any Interest Determination Date one only or none of the Reference Banks provides the Calculation Agent with an offered quotation upon the Issuer's request as provided in the preceding paragraph, the Rate of Interest for the relevant Interest Period shall be the rate per annum which the Calculation Agent determines as being the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of the rates, as communicated to the Calculation Agent upon the Issuer's request, by the Reference Banks or any two or more of them, at which such banks were offered, at approximately the Specified Time on the relevant Interest Determination Date, deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate by leading banks in the Euro-zone inter-bank market plus or minus (as appropriate) the Margin (if any) or, if fewer than two of the Reference Banks provide the Calculation Agent with offered rates upon the Issuer's request, the offered rate for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, or the arithmetic mean (rounded as provided above) of the offered rates for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, at which, at approximately the Specified Time on the relevant Interest Determination Date, any one or more banks (which bank or banks is or are in the opinion of the Issuer suitable for the purpose) informs the Calculation Agent it is quoting to leading banks in the Euro-zone inter-bank market plus or minus (as appropriate) the Margin (if any), provided that, if the Rate of Interest cannot be determined in accordance with the foregoing provisions of this paragraph, the Rate of Interest shall be determined as at the last preceding Interest Determination Date (though substituting, where a different Margin is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin relating to the relevant Interest Period in place of the Margin relating to that last preceding Interest Period).

Unless otherwise stated in the applicable Final Terms the Minimum Rate of Interest shall be deemed to be zero.

For the purposes of this subparagraph (ii), “**Reference Banks**” means the principal Euro-zone office of four major banks in the Euro-zone inter-bank market, in each case selected by the Issuer (or an agent appointed by the Issuer) and approved in writing by the Trustee or as specified in the applicable Final Terms.

(iii) *Screen Rate Determination for Floating Rate Notes – Overnight Rate – SOFR – Non-Index Determination*

This Condition 4.2(b)(iii) applies where the applicable Final Terms specifies: (1) “*Screen Rate Determination*” and “*Overnight Rate*” to be “Applicable”; (2) either “*Compounded Daily SOFR*” or “*Weighted Average SOFR*” as the Reference Rate; and (3) “*Index Determination*” to be “Not Applicable”.

Where the applicable Final Terms specifies the Reference Rate to be “*Compounded Daily SOFR*”, the provisions of paragraph (A) below of this Condition 4.2(b)(iii) apply.

Where the applicable Final Terms specifies the Reference Rate to be “*Weighted Average SOFR*”, the provisions of paragraph (B) below of this Condition 4.2(b)(iii) apply.

(A) Compounded Daily SOFR

Where this paragraph (A) applies, the Rate of Interest for an Interest Accrual Period will, subject to Condition 4.2(g) (*Benchmark Discontinuation*) and as provided below, be Compounded Daily SOFR with respect to such Interest Accrual Period plus or minus (as indicated in the applicable Final Terms) the applicable Margin (if any), all as determined by the Calculation Agent.

“Compounded Daily SOFR” means, with respect to an Interest Accrual Period, the rate of return of a daily compound interest investment (with the daily U.S. dollars secured overnight financing rate as reference rate for the calculation of interest) as calculated by the Calculation Agent as at the relevant Interest Determination Date in accordance with the following formula (and the resulting percentage will be rounded if necessary to the nearest fifth decimal place, with 0.000005 being rounded upwards):

$$\left[\prod_{i=1}^{d_o} \left(1 + \frac{SOFR_i \times n_i}{D} \right) - 1 \right] \times \frac{D}{d}$$

where:

“d” is the number of calendar days in:

- (i) where "Lag" or "Lock-out" is specified as the Observation Method in the applicable Final Terms, the relevant Interest Accrual Period; or
- (ii) where "Observation Shift" is specified as the Observation Method in the applicable Final Terms, the relevant Observation Period;

“D” is the number specified as such in the applicable Final Terms (or, if no such number is specified, 360);

“d_o” means:

- (i) where "Lag" or "Lock-out" is specified as the Observation Method in the applicable Final Terms, the number of U.S. Government Securities Business Days in the relevant Interest Accrual Period; or
- (ii) where "Observation Shift" is specified as the Observation Method in the applicable Final Terms, the number of U.S. Government Securities Business Days in the relevant Observation Period;

“i” is a series of whole numbers from one to "d_o", each representing the relevant U.S. Government Securities Business Day in chronological order from, and including, the first U.S. Government Securities Business Day in:

- (i) where "Lag" or "Lock-out" is specified as the Observation Method in the applicable Final Terms, the relevant Interest Accrual Period; or
- (ii) where "Observation Shift" is specified as the Observation Method in the applicable Final Terms, the relevant Observation Period;

“Lock-out Period” means the period from (and including) the day following the Interest Determination Date to (but excluding) the corresponding Interest Payment Date;

“New York Fed's Website” means the website of the Federal Reserve Bank of New York (or a successor administrator of SOFR) or any successor source;

“ n_i ” for any U.S. Government Securities Business Day “ i ”, means the number of calendar days from (and including) such U.S. Government Securities Business Day “ i ” up to (but excluding) the following U.S. Government Securities Business Day;

“Observation Period” means the period from (and including) the date falling “ p ” U.S. Government Securities Business Days prior to the first day of the relevant Interest Accrual Period to (but excluding) the date falling “ p ” U.S. Government Securities Business Days prior to (A) (in the case of an Interest Period) the Interest Payment Date for such Interest Period or (B) (in the case of any other Interest Accrual Period) the date on which the relevant payment of interest falls due;

“ p ” means:

(i) where “Lag” is specified as the Observation Method in the applicable Final Terms, the number of U.S. Government Securities Business Days specified as the “Lag Period” in the applicable Final Terms (or, if no such number is so specified, five U.S. Government Securities Business Days);

(ii) where “Lock-out” is specified as the Observation Method in the applicable Final Terms, zero U.S. Government Securities Business Days; or

(iii) where “Observation Shift” is specified as the Observation Method in the applicable Final Terms, the number of U.S. Government Securities Business Days specified as the “Observation Shift Period” in the applicable Final Terms (or, if no such number is specified, five U.S. Government Securities Business Days);

“Reference Day” means each U.S. Government Securities Business Day in the relevant Interest Accrual Period, other than any U.S. Government Securities Business Day in the Lock-out Period;

“SOFR” in respect of any U.S. Government Securities Business Day (“**USBD_x**”), is a reference rate equal to the daily secured overnight financing rate as provided by the Federal Reserve Bank of New York, as the administrator of such rate (or any successor administrator of such rate) on the New York Fed's Website, in each case at or around 3.00 p.m. (New York City time) on the U.S. Government Securities Business Day immediately following such **USBD_x**;

“SOFR _{i} ” means the SOFR for:

(i) where “Lag” is specified as the Observation Method in the applicable Final Terms, the U.S. Government Securities Business Day falling “ p ” U.S. Government Securities Business Days prior to the relevant U.S. Government Securities Business Day “ i ”;

(ii) where “Lock-out” is specified as the Observation Method in the applicable Final Terms;

(I) in respect of each U.S. Government Securities Business Day "i" that is a Reference Day, the SOFR in respect of the U.S. Government Securities Business Day immediately preceding such Reference Day; or

(II) in respect of each U.S. Government Securities Business Day "i" that is not a Reference Day (being a U.S. Government Securities Business Day in the Lock-out Period), the SOFR in respect of the U.S. Government Securities Business Day immediately preceding the last Reference Day of the relevant Interest Accrual Period (such last Reference Day coinciding with the Interest Determination Date); or

(iii) where "Observation Shift" is specified as the Observation Method in the applicable Final Terms, the relevant U.S. Government Securities Business Day "i"; and

"U.S. Government Securities Business Day" means any day except for a Saturday, Sunday or a day on which the Securities Industry and Financial Markets Association recommends that the fixed income departments of its members be closed for the entire day for purposes of trading in U.S. government securities.

(B) Weighted Average SOFR

Where this paragraph (B) applies, the Rate of Interest for an Interest Accrual Period will, subject to Condition 4.2(g) (*Benchmark Discontinuation*) and as provided below, be the Weighted Average SOFR with respect to such Interest Accrual Period plus or minus (as indicated in the applicable Final Terms) the applicable Margin (if any), all as calculated by the Calculation Agent as of the Interest Determination Date (and rounded, if necessary, to the fifth decimal place, with 0.000005 being rounded upwards), where:

"Weighted Average SOFR" means:

(i) where "Lag" is specified as the Observation Method in the applicable Final Terms, the arithmetic mean of the SOFR in effect for each calendar day during the relevant Observation Period, calculated by multiplying each relevant SOFR by the number of calendar days such rate is in effect, determining the sum of such products and dividing such sum by the number of calendar days in the relevant Observation Period. For these purposes, the SOFR in effect for any calendar day which is not a U.S. Government Securities Business Day shall be deemed to be the SOFR in effect for the U.S. Government Securities Business Day immediately preceding such calendar day; and

(ii) where "Lock-out" is specified as the Observation Method in the applicable Final Terms, the arithmetic mean of the SOFR in effect for each calendar day during the relevant Interest Accrual Period, calculated by multiplying each relevant SOFR by the number of days such rate is in effect, determining the sum of such products and dividing such sum by the number of calendar days in the relevant Interest Accrual Period, *provided* however that for any calendar day of such Interest Accrual Period falling in the Lock-out Period, the relevant SOFR for each day during that Lock-out Period will be deemed to be the SOFR in effect for the Reference Day immediately preceding the first day of such Lock-out Period. For these purposes, the SOFR in effect for any calendar day which is not a U.S. Government Securities Business Day shall, subject to the proviso above, be

deemed to be the SOFR in effect for the U.S. Government Securities Business Day immediately preceding such calendar day.

Defined terms used in this paragraph (B) and not otherwise defined herein have the meanings given to them in paragraph (A) above of this Condition 4.2(b)(iii).

(C) SOFR Unavailable

Subject to Condition 4.2(g) (*Benchmark Discontinuation*), if, where any Rate of Interest is to be calculated pursuant to this Condition 4.2(b)(iii), in respect of any U.S. Government Securities Business Day in respect of which an applicable SOFR is required to be determined, such SOFR is not available, such SOFR shall be the SOFR for the first preceding U.S. Government Securities Business Day in respect of which the SOFR was published on the New York Fed's Website.

In the event that the Rate of Interest cannot be determined in accordance with the foregoing provisions of this Condition 4.2(b)(iii) but without prejudice to Condition 4.2(g) (*Benchmark Discontinuation*), the Rate of Interest shall be:

(1) that determined as at the last preceding Interest Determination Date on which the Rate of Interest was so determined (though substituting, where a different Margin, Maximum Rate of Interest and/or Minimum Rate of Interest is to be applied to the relevant Interest Accrual Period from that which applied to the last preceding Interest Accrual Period, the Margin, Maximum Rate of Interest and/or Minimum Rate of Interest (as the case may be) relating to the relevant Interest Accrual Period, in place of the Margin, Maximum Rate of Interest and/or Minimum Rate of Interest (as applicable) relating to that last preceding Interest Accrual Period); or

(2) if there is no such preceding Interest Determination Date, the initial Rate of Interest which would have been applicable to the Notes for the first scheduled Interest Period had the Notes been in issue for a period equal in duration to the first scheduled Interest Period but ending on (and excluding) the Interest Commencement Date (applying the Margin and, if applicable, any Maximum Rate of Interest and/or Minimum Rate of Interest, applicable to the first scheduled Interest Period),

in each case as determined by the Calculation Agent.

(iv) *Screen Rate Determination – Overnight Rate - SOFR - Index Determination*

This Condition 4.2(b)(iv) applies where the applicable Final Terms specifies: (1) "*Screen Rate Determination*" and "*Overnight Rate*" to be 'Applicable'; (2) "*Compounded Daily SOFR*" as the Reference Rate; and (2) "*Index Determination*" to be 'Applicable'.

(A) The Rate of Interest for an Interest Accrual Period will, subject to Condition 4.2(g) (*Benchmark Discontinuation*) and as provided below, be the Compounded SOFR with respect to such Interest Accrual Period plus or minus (as indicated in the applicable Final Terms) the applicable Margin (if any), all as determined by the Calculation Agent.

“Compounded SOFR” means, with respect to an Interest Accrual Period, the rate (expressed as a percentage and rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) determined by the Calculation Agent in accordance with the following formula:

$$\left(\frac{SOFR_{Index}}{SOFR_{Index}} - 1 \right) \times \frac{360}{d_c}$$

where:

“ d_c ” is the number of calendar days from (and including) the day in relation to which $SOFR_{Index_{Start}}$ is determined to (but excluding) the day in relation to which $SOFR_{Index_{End}}$ is determined;

“Relevant Number” is the number specified as such in the applicable Final Terms (or, if no such number is specified, five);

“SOFR” means the daily secured overnight financing rate as provided by the SOFR Administrator on the SOFR Administrator's Website;

“SOFR Administrator” means the Federal Reserve Bank of New York (or a successor administrator of SOFR);

“SOFR Administrator's Website” means the website of the SOFR Administrator, or any successor source;

“SOFR Index”, with respect to any U.S. Government Securities Business Day, means the SOFR index value as published by the SOFR Administrator as such index appears on the SOFR Administrator's Website at or around 3.00 p.m. (New York time) on such U.S. Government Securities Business Day (the **“SOFR Determination Time”**);

“SOFR Index_{Start}”, with respect to an Interest Accrual Period, is the SOFR Index value for the day which is the Relevant Number of U.S. Government Securities Business Days preceding the first day of such Interest Accrual Period;

“SOFR Index_{End}”, with respect to an Interest Accrual Period, is the SOFR Index value for the day which is the Relevant Number of U.S. Government Securities Business Days preceding (A) the Interest Payment Date for such Interest Accrual Period, or (B) such other date on which the relevant payment of interest falls due (but which by its definition or the operation of the relevant provisions is excluded from such Interest Accrual Period); and

“U.S. Government Securities Business Day” means any day except for a Saturday, Sunday or a day on which the Securities Industry and Financial Markets Association recommends that the fixed income departments of its members be closed for the entire day for purposes of trading in U.S. government securities.

- (B) If, as at any relevant SOFR Determination Time, the relevant SOFR Index is not published or displayed on the SOFR Administrator's Website by the SOFR Administrator, the Compounded SOFR for the applicable Interest Accrual Period for which the relevant SOFR Index is not available shall be "Compounded Daily SOFR" determined in accordance with Condition 4.2(b)(iii) above as if "*Index*

Determination" were specified in the applicable Final Terms as being 'Not Applicable', and for these purposes: (i) the "*Observation Method*" shall be deemed to be "*Observation Shift*" and (ii) the "*Observation Shift Period*" shall be deemed to be equal to the Relevant Number of U.S. Government Securities Business Days, as if such alternative elections had been made in the applicable Final Terms.

(v) *Interest Accrual Period*

As used herein, an "**Interest Accrual Period**" means (i) each Interest Period and (ii) any other period (if any) in respect of which interest is to be calculated, being the period from (and including) the first day of such period to (but excluding) the day on which the relevant payment of interest falls due (which, if the relevant Series of Notes becomes due and payable in accordance with Condition 9.1 (*Events of Default*) shall be the date on which such Notes become due and payable).

(c) *Minimum Rate of Interest and/or Maximum Rate of Interest*

If the applicable Final Terms specifies a Minimum Rate of Interest for any Interest Period, then, in the event that the Rate of Interest in respect of such Interest Period determined in accordance with the provisions of paragraph (b) above is less than such Minimum Rate of Interest, the Rate of Interest for such Interest Period shall be such Minimum Rate of Interest.

If the applicable Final Terms specifies a Maximum Rate of Interest for any Interest Period, then, in the event that the Rate of Interest in respect of such Interest Period determined in accordance with the provisions of paragraph (b) above is greater than such Maximum Rate of Interest, the Rate of Interest for such Interest Period shall be such Maximum Rate of Interest.

(d) *Determination of Rate of Interest and calculation of Interest Amounts*

The Calculation Agent will at or as soon as practicable after each time at which the Rate of Interest is to be determined, determine the Rate of Interest for the relevant Interest Period.

The Calculation Agent will (other than for Adjusted Renminbi Fixed Rate Notes) calculate the amount of interest (the "**Interest Amount**") payable on the Floating Rate Notes for the relevant Interest Period by applying the Rate of Interest to:

- (i) in the case of Floating Rate Notes which are represented by a Global Note, the aggregate outstanding nominal amount of the Notes represented by such Global Note; or
- (ii) in the case of Floating Rate Notes in definitive form, the Calculation Amount;

and, in each case, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention. Where the Specified Denomination of a Floating Rate Note in definitive form is a multiple of the Calculation Amount, the Interest Amount payable in respect of such Note shall be the product of the amount (determined in the manner provided above) for the Calculation Amount and the amount by which the Calculation Amount is multiplied to reach the Specified Denomination without any further rounding.

"**Day Count Fraction**" means, in respect of the calculation of an amount of interest in accordance with this Condition 4.2 (*Interest on Floating Rate Notes*):

- (i) if "**Actual/Actual (ISDA)**" or "**Actual/Actual**" is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365 (or, if any portion of that Interest Period falls in a leap year, the sum of: (i) the actual number of days in that portion

of the Interest Period falling in a leap year divided by 366; and (ii) the actual number of days in that portion of the Interest Period falling in a non-leap year divided by 365);

- (ii) if “**Actual/365 (Fixed)**” is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365;
- (iii) if “**Actual/365 (Sterling)**” is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365 or, in the case of an Interest Payment Date falling in a leap year, 366;
- (iv) if “**Actual/360**” is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 360;
- (v) if “**30/360**”, “**360/360**” or “**Bond Basis**” is specified in the applicable Final Terms, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

“**Y₁**” is the year, expressed as a number, in which the first day of the Interest Period falls;

“**Y₂**” is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

“**M₁**” is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

“**M₂**” is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

“**D₁**” is the first calendar day, expressed as a number, of the Interest Period, unless such number is 31, in which case D₁ will be 30; and

“**D₂**” is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number would be 31 and D₁ is greater than 29, in which case D₂ will be 30;

- (vi) if “**30E/360**” or “**Eurobond Basis**” is specified in the applicable Final Terms, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

“**Y₁**” is the year, expressed as a number, in which the first day of the Interest Period falls;

“**Y₂**” is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

“**M₁**” is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

“**M₂**” is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

“D₁” is the first calendar day, expressed as a number, of the Interest Period, unless such number would be 31, in which case D₁ will be 30; and

“D₂” is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number would be 31, in which case D₂ will be 30;

- (vii) if “30E/360 (ISDA)” is specified in the applicable Final Terms, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

“Y₁” is the year, expressed as a number, in which the first day of the Interest Period falls;

“Y₂” is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

“M₁” is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

“M₂” is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

“D₁” is the first calendar day, expressed as a number, of the Interest Period, unless: (i) that day is the last day of February; or (ii) such number would be 31, in which case D₁ will be 30; and

“D₂” is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless: (i) that day is the last day of February but not the Maturity Date; or (ii) such number would be 31, in which case D₂ will be 30.

(e) ***Linear interpolation***

Where Linear Interpolation is specified as applicable in respect of an Interest Period in the applicable Final Terms, the Rate of Interest for such Interest Period shall be calculated by the Calculation Agent by straight line linear interpolation by reference to two rates based on the relevant Reference Rate (where Screen Rate Determination is specified as applicable in the applicable Final Terms) or the relevant Floating Rate Option (where ISDA Determination is specified as applicable in the applicable Final Terms), one of which shall be determined as if the Applicable Maturity were the period of time for which rates are available next shorter than the length of the relevant Interest Period and the other of which shall be determined as if the Applicable Maturity were the period of time for which rates are available next longer than the length of the relevant Interest Period *provided however that* if there is no rate available for the period of time next shorter or, as the case may be, next longer, then the Calculation Agent in consultation with the Issuer shall determine such rate at such time and by reference to such sources as it determines appropriate.

“Applicable Maturity” means: (i) in relation to Screen Rate Determination, the period of time designated in the Reference Rate; and (ii) in relation to ISDA Determination, the Designated Maturity.

(f) ***Notification of Rate of Interest and Interest Amounts***

This Condition 4.2(f) applies where the applicable Final Terms specifies both “Screen Rate Determination” and “Term Rate” to be “Applicable”.

Except where the applicable Final Terms specifies both “Screen Rate Determination” and “Overnight Rate” to be “Applicable”, the Calculation Agent will cause the Rate of Interest and each Interest Amount for each Interest Period and the relevant Interest Payment Date to be notified to the Issuer, the Trustee, the Principal Paying Agent and the other Paying Agents and any stock exchange on which the relevant Floating Rate Notes are for the time being listed (by no later than the first day of each Interest Period) and notice thereof to be published in accordance with Condition 12 (*Notices*) as soon as possible after their determination but in no event later than the fourth London Business Day thereafter. Each Interest Amount and Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without prior notice in the event of an extension or shortening of the Interest Period. Any such amendment will be promptly notified to each stock exchange on which the relevant Floating Rate Notes are for the time being listed and to the Noteholders in accordance with Condition 12 (*Notices*). For the purposes of this paragraph, the expression “**London Business Day**” means a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for general business in London.

Where the applicable Final Terms specifies both “Screen Rate Determination” and “Overnight Rate” to be “Applicable”, the Calculation Agent will cause the Rate of Interest and each Interest Amount for each Interest Accrual Period and the relevant Interest Payment Date to be notified to the Issuer, the Trustee, Principal Paying Agent and the other Paying Agents and any stock exchange on which the relevant Floating Rate Notes are for the time being listed (by no later than the first day of each Interest Accrual Period) and notice thereof to be published in accordance with Condition 12 (*Notices*) as soon as possible after their determination but in no event later than the second Business Day thereafter. Each Rate of Interest, Interest Amount and Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without prior notice in the event of an extension or shortening of the relevant Interest Accrual Period. Any such amendment or alternative arrangements will promptly be notified to each stock exchange on which the relevant Floating Rate Notes are for the time being listed and to the Noteholders in accordance with Condition 12 (*Notices*).

(g) ***Benchmark Discontinuation***

(i) ***Benchmark Replacement***

This Condition 4.2(g)(i) applies to Floating Rate Notes other than where the Reference Rate is specified in the applicable Final Terms as being Compounded Daily SOFR or Weighted Average SOFR.

If a Benchmark Event occurs in relation to an Original Reference Rate at any time when any Rate of Interest (or component thereof) remains to be determined by reference to such Original Reference Rate, then the following provisions shall apply to the relevant Series of Notes:

(A) ***Independent Adviser***

The Issuer shall use reasonable endeavours to appoint and consult with an Independent Adviser with a view to the Issuer determining (in each case acting in good faith and in a commercially reasonable manner): a Successor Reference Rate; or failing which, an Alternative Reference Rate (in accordance with subparagraph (B) (*Successor Reference Rate or Alternative Reference Rate*)), and in each case, an Adjustment Spread (if any) (in accordance with subparagraph (C)

(*Adjustment Spread*)) and any Benchmark Amendments (in accordance with subparagraph (D) (*Benchmark Amendments*));

If the Issuer is unable to appoint an Independent Adviser or, following consultation with an Independent Adviser so appointed, it fails to determine a Successor Reference Rate or an Alternative Reference Rate (as applicable), the Issuer may (in each case acting in good faith and in a commercially reasonable manner) make any and all determinations expressed to be made by the Issuer pursuant to this Condition 4.2(g)(i), notwithstanding that such determinations are not made following consultation with an Independent Adviser. Without prejudice to the definitions thereof, for the purposes of determining any Successor Reference Rate, Alternative Reference Rate and/or any Adjustment Spread, the Issuer will take into account any relevant and applicable market precedents as well as any published guidance from relevant associations involved in the establishment of market standards and/or protocols in the international debt capital markets.

If, however, the Issuer is unable to determine a Successor Reference Rate or an Alternative Reference Rate and (in either case) the applicable Adjustment Spread and any Benchmark Amendments in accordance with this Condition 4.2(g)(i), the provisions of Condition 4.2(g)(vii) (*Preparation in anticipation of a Benchmark Event or a Benchmark Transition Event*) below shall apply.

(B) Successor Reference Rate or Alternative Reference Rate

If the Issuer, following consultation with the Independent Adviser (if applicable), (acting in good faith and in a commercially reasonable manner) determines that there is a Successor Reference Rate or, failing which, an Alternative Reference Rate (as applicable), then such Successor Reference Rate or Alternative Reference Rate (as applicable) (as adjusted by the applicable Adjustment Spread determined as provided in subparagraph (C) (*Adjustment Spread*)) shall subsequently be used in place of the Original Reference Rate for all future Interest Periods for which the Rate of Interest (or any component thereof) was otherwise to be determined by reference to the relevant Original Reference Rate (subject to the subsequent operation of, and adjustment as provided in, this Condition 4.2(g));

(C) Adjustment Spread

If the Issuer, following consultation with the Independent Adviser (if applicable), (acting in good faith and in a commercially reasonable manner):

- (1) determines that an Adjustment Spread is required to be applied to such Successor Reference Rate or Alternative Reference Rate (as applicable) and determines the quantum of, or a formula or methodology for determining, such Adjustment Spread, then such Adjustment Spread shall be applied to such Successor Reference Rate or Alternative Reference Rate (as applicable) for all relevant future Interest Periods (subject to the subsequent operation of, and adjustment as provided in, this Condition 4.2(g)); or
- (2) is unable to determine the quantum of, or a formula or methodology for determining, an Adjustment Spread, then such Successor Reference Rate or Alternative Reference Rate (as applicable) will apply without an Adjustment Spread for all relevant future Interest Periods (subject to the subsequent

operation of, and adjustment as provided in, this Condition 4.2(g));

(D) Benchmark Amendments

The Issuer, following consultation with the Independent Adviser (if applicable), (acting in good faith and in a commercially reasonable manner) may in its discretion specify (x) changes to these Conditions in order to ensure the proper operating of the Successor Reference Rate, Alternative Reference Rate and (in either case) the applicable Adjustment Spread (having regard to prevailing market practice) including, but not limited to changes to the Additional Financial Centre(s), Business Day, Business Day Convention, Day Count Fraction, Interest Determination Date, Reference Banks, Relevant Screen Page and/or Specified Time applicable to the Notes and any other changes to the Conditions which the Issuer, following consultation with the Independent Adviser (if applicable), determines are reasonably necessary to ensure the proper operation and comparability to the Original Reference Rate of such Successor Reference Rate or Alternative Reference Rate (as applicable) (together, the “**Benchmark Amendments**”) and (y) the terms of the Benchmark Amendments, which changes shall apply to the Notes for all relevant future Interest Periods (subject to the subsequent operation of, and adjustment as provided in, this Condition 4.2(g))

Subject to Condition 4.2(g)(vi) (*Fallbacks*) and to the Issuer giving notice in accordance with Condition 4.2(g)(iii) (*Notices, etc.*), the Trustee shall, at the direction and expense of the Issuer, effect such consequential amendments to the Trust Deed, the Agency Agreement and the Conditions as may be required to give effect to the Benchmark Amendments with effect from the date specified in such notice. The Trustee shall not be liable to any party for any consequence thereof, save as provided in the Trust Deed; *provided that* the Trustee shall not be obliged to effect such consequential amendments if, in the sole opinion of the Trustee, doing so would impose more onerous obligations on it or expose it to any additional duties, responsibilities or liabilities or reduce or amend rights and/or protective provisions afforded to the Trustee in these Conditions or the Trust Deed (including, for the avoidance of doubt, any supplemental Trust Deed) in any way.

No consent of the Noteholders shall be required in connection with effecting the Benchmark Amendments as described in this Condition 4.2(g) (i) or such other relevant changes pursuant to this Condition 4.2(g)(i), including for the execution of any documents or the taking of other steps by the Issuer or any of the parties to the Trust Deed and/or the Agency Agreement (if required).

In connection with any such variation in accordance with this Condition 4.2(g)(i)(D), the Issuer shall comply with the rules of any stock exchange on which the Notes are for the time being listed or admitted to trading.

(E) Definitions

For the purposes of this Condition 4.2(g)(i):

“**Adjustment Spread**” means a spread (which may be positive or negative or zero) or formula or methodology for calculating a spread, which the Issuer, following consultation with the relevant Independent Adviser (if applicable), (acting in good faith and in a commercially reasonable manner) determines is required to be applied to a Successor Reference Rate or an Alternative Reference Rate (as applicable) in order to reduce or eliminate, to the extent reasonably practicable in the circumstances, any economic prejudice or benefit (as applicable) to Noteholders as a result of the replacement of the

Original Reference Rate with such Successor Reference Rate or Alternative Reference Rate (as applicable) and is the spread, formula or methodology which:

- (i) in the case of a Successor Reference Rate, is formally recommended, or formally provided as an option for parties to adopt, in relation to the replacement of the Original Reference Rate with such Successor Reference Rate by any Relevant Nominating Body; or
- (ii) in the case of a Successor Reference Rate for which no such recommendation has been made or in the case of an Alternative Reference Rate, the Issuer, following consultation with the Independent Adviser (if applicable), (acting in good faith and in a commercially reasonable manner) determines is recognised or acknowledged as being in customary market usage in international debt capital markets transactions which reference the Original Reference Rate, where such rate has been replaced by such Successor Reference Rate or Alternative Reference Rate (as applicable); or
- (iii) if neither (i) nor (ii) applies, the Issuer, following consultation with the Independent Adviser (if applicable), (acting in good faith and in a commercially reasonable manner) in its discretion determines to be appropriate;

“Alternative Reference Rate” means an alternative benchmark or screen rate that the Issuer, following consultation with the Independent Adviser (if applicable), (acting in good faith and in a commercially reasonable manner) determines has replaced the Original Reference Rate in customary market usage, or is an industry-accepted rate, in the international debt capital markets for the purposes of determining floating rates of interest (or the relevant component thereof) in respect of notes denominated in the Specified Currency and of a comparable duration to the relevant Interest Period(s), or, if the Issuer, following consultation with the relevant Independent Adviser (if applicable), determines that there is no such rate, such other rate as the Issuer, following consultation with the relevant Independent Adviser (if applicable), determines in its discretion is most comparable to the Original Reference Rate;

“Benchmark Event” means, with respect to an Original Reference Rate, any one or more of the following:

- (i) the Original Reference Rate ceasing to exist or be published or administered on a permanent or indefinite basis; or
- (ii) the making of a public statement by the administrator of such Original Reference Rate that it has ceased or will cease, publishing such Original Reference Rate permanently or indefinitely (in circumstances where no successor administrator has been appointed that will continue publication of such Original Reference Rate); or
- (iii) the making of a public statement by the supervisor of the administrator of such Original Reference Rate that such Original Reference Rate has been permanently or indefinitely discontinued; or
- (iv) the making of a public statement by the supervisor of the administrator of such Original Reference Rate that means such Original Reference Rate will be prohibited from being used, is no longer (or will no longer be) representative of its underlying market, or that its use will be subject to restrictions or adverse consequences; or
- (v) it has or will prior to the next Interest Determination Date become unlawful for the Issuer, the Calculation Agent, Principal Paying Agent, any other party specified in the applicable Final Terms as being responsible for calculating the Rate of Interest or any

Paying Agent to calculate any payments due to be made to any Noteholder using such Original Reference Rate,

provided that in the case of paragraphs (ii) to (iv) above, the Benchmark Event shall occur on:

- (1) in the case of (ii) above, the date of the cessation of the publication of the Original Reference Rate;
- (2) in the case of (iii) above, the discontinuation of the Original Reference Rate; or
- (3) in the case of (iv) above, the date on which the Original Reference Rate is prohibited from use, is deemed no longer to be representative or becomes subject to restrictions or adverse consequences (as applicable),

and not (in any such case) the date of the relevant public statement (unless the date of the relevant public statement coincides with the relevant date in (i), (ii) or (iii) above, as applicable);

“Independent Adviser” means an independent financial institution of international repute or other independent financial adviser experienced in the international debt capital markets, in each case appointed under Condition 4.2(g)(i)(A) by the Issuer at its own expense;

“Original Reference Rate” means the benchmark or screen rate (as applicable) originally specified for the purpose of determining the relevant Rate of Interest (or any relevant component part(s) thereof) on the Notes (provided that if, following one or more Benchmark Events, such originally specified Reference Rate (or any Successor Reference Rate or Alternative Reference Rate which has replaced it) has been replaced by a (or a further) Successor Reference Rate or Alternative Reference Rate and a Benchmark Event subsequently occurs in respect of such Successor Reference Rate or Alternative Reference Rate, the term **“Original Reference Rate”** shall be deemed to include any such Successor Reference Rate or Alternative Reference Rate);

“Relevant Nominating Body” means, in respect of a benchmark or screen rate:

- (i) the central bank for the currency to which such benchmark or screen rate (as applicable) relates, or any central bank or other supervisory authority which is responsible for supervising the administrator of such benchmark or screen rate (as applicable); or
- (ii) any working group or committee sponsored by, chaired or co-chaired by or constituted at the request of (A) the central bank for the currency to which such benchmark or screen rate (as applicable) relates, (B) any central bank or other supervisory authority which is responsible for supervising the administrator of such benchmark or screen rate (as applicable), (C) a group of the aforementioned central banks or other supervisory authorities, or (D) the Financial Stability Board or any part thereof; and

“Successor Reference Rate” means the rate that the Issuer, following consultation with the Independent Adviser (if applicable), (acting in good faith and in a commercially reasonable manner) determines is a successor to or replacement of the Original Reference Rate which is formally recommended by any Relevant Nominating Body.

- (ii) *Benchmark Transition*

This Condition 4.2(g)(ii) applies to Floating Rate Notes where the Reference Rate is specified in the applicable Final Terms as being Compounded Daily SOFR or Weighted Average SOFR.

If a Benchmark Transition Event and its related Benchmark Replacement Date have occurred in relation to an Original Reference Rate at any time when any Rate of Interest (or component thereof) remains to be determined by reference to such Original Reference Rate, then the following provisions shall apply to the relevant Series of Notes:

(A) Independent Adviser

The Issuer shall use reasonable endeavours to appoint and consult with an Independent Adviser as soon as reasonable practicable with a view to the Issuer determining (in each case acting in good faith and in a commercially reasonable manner) the Benchmark Replacement which will replace such Original Reference Rate for all purposes relating to the Notes in respect of all determinations on such date and for all determinations on all subsequent dates (subject to any subsequent application of this Condition 4.2(g) with respect to such Benchmark Replacement) and any Benchmark Replacement Conforming Changes;

Any Benchmark Replacement so determined by the Issuer shall have effect for any subsequent determination of any relevant Rate of Interest (subject to any further application of this Condition 4.2(g) with respect to such Benchmark Replacement), subject, if any associated Benchmark Replacement Conforming Changes are required in connection therewith, to such Benchmark Replacement Conforming Changes becoming effective in accordance with the following provisions.

If the Issuer is unable to appoint an Independent Adviser or, following consultation with an Independent Adviser so appointed, it fails to determine a Benchmark Replacement, the Issuer may (in each case acting in good faith and in a commercially reasonable manner) make any and all determinations expressed to be made by the Issuer pursuant to this Condition 4.2(g)(ii), notwithstanding that such determinations are not made following consultation with an Independent Adviser.

If, however, the Issuer is unable to determine a Benchmark Replacement in accordance with this Condition 4.2(g)(ii), the provisions of Condition 4.2(g)(vii) (*Preparation in anticipation of a Benchmark Event or a Benchmark Transition Event*) below shall apply.

(B) Benchmark Replacement Conforming Changes

If the Issuer, following consultation with the Independent Adviser (if applicable), considers it is necessary to make Benchmark Replacement Conforming Changes, the Issuer shall, in consultation with the Independent Adviser (if applicable), determine the terms of such Benchmark Replacement Conforming Changes.

Subject to Condition 4.2(g)(vi) (*Fallbacks*) and to the Issuer giving notice in accordance with Condition 4.2(g)(iii) (*Notices, etc.*) the Trustee shall, at the direction and expense of the Issuer, effect such consequential amendments to the Trust Deed, the Agency Agreement and the Conditions as may be required to give effect to the Benchmark Replacement Conforming Changes with effect from the date specified in such notice. The Trustee shall not be liable to any party for any consequence thereof, save as provided in the Trust Deed; *provided that* the Trustee shall not be obliged to effect such consequential amendments if, in the sole opinion

of the Trustee, doing so would impose more onerous obligations on it or expose it to any additional duties, responsibilities or liabilities or reduce or amend rights and/or protective provisions afforded to the Trustee in these Conditions or the Trust Deed (including, for the avoidance of doubt, any supplemental Trust Deed) in any way.

No consent of the Noteholders shall be required in connection with effecting the Benchmark Replacement Conforming Changes as described in this Condition 4.2(g)(ii) or such other relevant changes pursuant to this Condition 4.2(g)(ii), including for the execution of any documents or the taking of other steps by the Issuer or any of the parties to the Trust Deed and/or the Agency Agreement (if required).

In connection with any such variation in accordance with this Condition 4.2(g)(ii)(B), the Issuer shall comply with the rules of any stock exchange on which the Notes are for the time being listed or admitted to trading.

(C) Definitions

For the purposes of this Condition 4.2(g)(ii):

“Benchmark Replacement” means the first alternative set forth in the order below that can be determined by the Issuer as of the Benchmark Replacement Date:

- (i) the sum of: (a) the alternate rate of interest that has been selected or recommended by the Relevant Governmental Body as the replacement for the Original Reference Rate for the applicable Corresponding Tenor and (b) the Benchmark Replacement Adjustment;
- (ii) the sum of: (a) the ISDA Fallback Rate and (b) the Benchmark Replacement Adjustment; or
- (iii) the sum of: (a) the alternate rate of interest that has been selected by the Issuer as the replacement for the Original Reference Rate for the applicable Corresponding Tenor giving due consideration to any industry-accepted rate of interest as a replacement for the then-current benchmark for U.S. dollar-denominated floating rate notes at such time and (b) the Benchmark Replacement Adjustment;

“Benchmark Replacement Adjustment” means the first alternative set forth in the order below that can be determined by the Issuer as of the Benchmark Replacement Date:

- (i) the spread adjustment, or method for calculating or determining such spread adjustment, (which may be a positive or negative value or zero) that has been selected or recommended by the Relevant Governmental Body for the applicable Unadjusted Benchmark Replacement;
- (ii) if the applicable Unadjusted Benchmark Replacement is equivalent to the ISDA Fallback Rate, the ISDA Fallback Adjustment; or
- (iii) the spread adjustment (which may be a positive or negative value or zero) that has been selected by the Issuer giving due consideration to any

industry-accepted spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of the then-current benchmark with the applicable Unadjusted Benchmark Replacement for U.S. dollar-denominated floating rate notes at such time;

“Benchmark Replacement Conforming Changes” means, with respect to any Benchmark Replacement, any technical, administrative or operational changes (including changes to any Interest Period, Interest Accrual Period, the timing and frequency of determining rates and making payments of interest, rounding of amounts or tenors, and other administrative matters) that the Issuer (in consultation with the Independent Adviser, if appointed) decides may be appropriate to reflect the adoption of such Benchmark Replacement in a manner substantially consistent with market practice (or, if the Issuer decides that adoption of any portion of such market practice is not administratively feasible or if the Issuer determines that no market practice for use of the Benchmark Replacement exists, in such other manner as the Issuer (in consultation with the Independent Adviser, if appointed) determines is reasonably necessary);

“Benchmark Replacement Date” means the earliest to occur of the following events with respect to the Original Reference Rate (including the daily published component used in the calculation thereof):

- (i) in the case of clause (i) or (ii) of the definition of "Benchmark Transition Event", the later of (a) the date of the public statement or publication of information referenced therein and (b) the date on which the administrator of the Original Reference Rate permanently or indefinitely ceases to provide the Original Reference Rate (or such component); or
- (ii) in the case of clause (iii) of the definition of "Benchmark Transition Event", the date of the public statement or publication of information referenced therein.

For the avoidance of doubt, if the event that gives rise to the Benchmark Replacement Date occurs on the same day as, but earlier than (where the Rate of Interest is to be determined pursuant to Condition 4.2(g)(ii)) the Specified Time or (in any other case) the customary or scheduled time for publication of the relevant reference rate in accordance with the then-prevailing operational procedures of the administrator of such reference rate or, as the case may be, of the other relevant information service publishing such reference rate, on, the relevant Interest Determination Date, the Benchmark Replacement Date will be deemed to have occurred prior to such time for such determination;

“Benchmark Transition Event” means the occurrence of one or more of the following events with respect to the Original Reference Rate (including the daily published component used in the calculation thereof):

- (i) a public statement or publication of information by or on behalf of the administrator of the Original Reference Rate (or such component) announcing that such administrator has ceased or will cease to provide the Original Reference Rate (or such component), permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide the Original Reference Rate (or such component); or

(ii) a public statement or publication of information by the regulatory supervisor for the administrator of the Original Reference Rate (or such component), the central bank for the currency of the Original Reference Rate (or such component), an insolvency official with jurisdiction over the administrator for the Original Reference Rate (or such component), a resolution authority with jurisdiction over the administrator for the Original Reference Rate (or such component) or a court or an entity with similar insolvency or resolution authority over the administrator for the Original Reference Rate, which states that the administrator of the Original Reference Rate (or such component) has ceased or will cease to provide the Original Reference Rate (or such component) permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide the Original Reference Rate (or such component); or

(iii) a public statement or publication of information by the regulatory supervisor for the administrator of the Original Reference Rate announcing that the Original Reference Rate is no longer representative;

“Corresponding Tenor” means, with respect to a Benchmark Replacement, a tenor (including overnight) having approximately the same length (disregarding business day adjustment) as the applicable tenor for the Original Reference Rate;

“Independent Adviser” means an independent financial institution of international repute or other independent financial adviser experienced in the international debt capital markets, in each case appointed under Condition 4.2(g)(ii)(A) by the Issuer at its own expense;

“ISDA Fallback Adjustment” means the spread adjustment (which may be a positive or negative value or zero) that would apply for derivatives transactions referencing the ISDA Definitions to be determined upon the occurrence of an index cessation event with respect to the Original Reference Rate;

“ISDA Fallback Rate” means the rate that would apply for derivatives transactions referencing the ISDA Definitions to be effective upon the occurrence of an index cessation date with respect to the Original Reference Rate for the applicable tenor excluding the applicable ISDA Fallback Adjustment;

“Original Reference Rate” means the benchmark or screen rate (as applicable) originally specified for the purpose of determining the relevant Rate of Interest (or any relevant component part(s) thereof) on the Notes (provided that if, following one or more Benchmark Transition Events, such originally specified benchmark or screen rate (or any benchmark used in any Benchmark Replacement which has replaced it (the **“Replacement Benchmark”**)) has been replaced by a (or a further) Replacement Benchmark and a Benchmark Transition Event subsequently occurs in respect of such Replacement Benchmark, the term “Original Reference Rate” shall be deemed to include any such Replacement Benchmark);

“Relevant Governmental Body” means the Federal Reserve Board and/or the Federal Reserve Bank of New York, or a committee officially endorsed or convened by the Federal Reserve Board and/or the Federal Reserve Bank of New York or any successor thereto; and

“Unadjusted Benchmark Replacement” means the Benchmark Replacement excluding the Benchmark Replacement Adjustment.

(iii) *Notices, etc.*

The Issuer shall notify the Principal Paying Agent, the Calculation Agent (if different from the Agent), the Paying Agents and, in accordance with Condition 12 (*Notices*), the Noteholders, promptly of any Successor Reference Rate, Alternative Reference Rate, Adjustment Spread and/or Benchmark Replacement, and the specific terms of any Benchmark Amendments or Benchmark Replacement Conforming Changes (as applicable), determined under this Condition 4.2(g). Such notice shall be irrevocable and shall specify the effective date of the Benchmark Amendments or Benchmark Replacement Conforming Changes (as applicable), if any.

(iv) *Survival of Original Reference Rate*

Without prejudice to the Issuer's obligations under the provisions of this Condition 4.2(g), the Original Reference Rate and the fallback provisions provided for in Condition 4.2(b) (*Rate of Interest*), will continue to apply unless and until the Calculation Agent has been notified, in accordance with Condition 4.2(g)(iii) (*Notices, etc.*), of (as the case may be):

- (1) the Successor Reference Rate or the Alternative Reference Rate (as the case may be), and (in either case) the Adjustment Spread and Benchmark Amendments (if any) determined in accordance with Condition 4.2(g)(i) (*Benchmark Replacement*); or
- (2) the Benchmark Replacement and Benchmark Replacement Conforming Changes (if any) determined in accordance with Condition 4.2(g)(ii) (*Benchmark Transition*).

(v) *Restriction on Independent Adviser and Issuer liability*

An Independent Adviser appointed pursuant to this Condition 4.2(g) shall act in good faith.

In the absence of bad faith or fraud, neither the Issuer nor any Independent Adviser shall have any liability whatsoever to the Paying Agents, the Calculation Agent or the Noteholders for any determination made by the Issuer or the Independent Adviser or (in the case of the Independent Adviser) for any advice given to the Issuer in connection with any determination made by the Issuer pursuant to this Condition 4.2(g).

(vi) *Fallbacks*

If, following the occurrence of:

- (i) a Benchmark Event; or
- (ii) a Benchmark Transition Event (and its related Benchmark Replacement Date),

in respect of the Original Reference Rate, on the immediately following Interest Determination Date:

- (A) (in the case of (i) above) no Successor Reference Rate or Alternative Reference Rate (as applicable) is determined pursuant to Condition 4.2(g)(i) (*Benchmark Replacement*) or (as the case may be) a Successor Reference Rate or Alternative Reference Rate (as applicable) is determined, but no Adjustment Spread is determined pursuant to Condition 4.2(g)(i) (*Benchmark Replacement*); or

- (B) (in the case of (ii) above) no Benchmark Replacement is determined in accordance with Condition 4.2(g)(ii) (*Benchmark Transition*),

then the original benchmark or screen rate (as applicable) will continue to apply for the purposes of determining such Rate of Interest on such Interest Determination Date, with the effect that the fallback provisions provided in Condition 4.2(b) (*Rate of Interest*) will continue to apply to such determination.

In such circumstances, the Issuer will be entitled (but not obliged), at any time thereafter, to elect to re-apply the provisions of this Condition 4.2(g), *mutatis mutandis*, on one or more occasions until:

- (A) (in the case of (i) above) a Successor Reference Rate or Alternative Reference Rate and (in either case) the applicable Adjustment Spread and any Benchmark Amendments; or
- (B) (in the case of (ii) above) the Benchmark Replacement and any Benchmark Replacement Conforming Changes,

have been determined and notified in accordance with this Condition 4.2(g) (and, until such determination and notification (if any), the fallback provisions provided in Condition 4.2(b) (*Rate of Interest*), will continue to apply).

The Issuer's intention is that, in circumstances where the Issuer has been unable to determine (as applicable) (i) a Successor Reference Rate or Alternative Reference Rate (as applicable) and (in either case) the Adjustment Spread or (ii) the Benchmark Replacement pursuant this Condition 4.2(g), it will elect to re-apply such provisions if and when, in its sole determination, there have been such subsequent developments (whether in applicable law, market practice or otherwise) as would enable the Issuer successfully to apply such provisions and determine (as applicable) (a) a Successor Reference Rate or Alternative Reference Rate (as applicable) and (in either case) the applicable Adjustment Spread and the applicable Benchmark Amendments (if any) or (b) the Benchmark Replacement and the applicable Benchmark Replacement Conforming Changes (if any).

(vii) *Preparation in anticipation of a Benchmark Event or a Benchmark Transition Event*

If the Issuer anticipates that a Benchmark Event or a Benchmark Transition Event, as applicable, will or may occur, nothing in these Conditions shall prevent the Issuer (in its sole discretion) from taking, prior to the occurrence of such Benchmark Event or a Benchmark Transition Event, such actions as it considers expedient in order to prepare for applying the provisions of this Condition 4.2(g) (including, without limitation, appointing and consulting with an Independent Adviser, and seeking to identify any Successor Reference Rate, Alternative Reference Rate, Adjustment Spread, Benchmark Amendments, Benchmark Replacement and/or Benchmark Replacement Conforming Changes, as applicable), provided that no Successor Reference Rate, Alternative Reference Rate, Adjustment Spread, Benchmark Amendments, Benchmark Replacement and/or Benchmark Replacement Conforming Changes will take effect until the relevant Benchmark Event, or the relevant Benchmark Transition Event and its related Benchmark Replacement Date, as applicable, has occurred.

(h) ***Determination or calculation by Issuer***

If for any reason, at any relevant time, the Calculation Agent defaults in its obligation to determine the Rate of Interest or to calculate any Interest Amount in accordance with subparagraphs 4.2(b)(i)

(ISDA Determination for Floating Rate Notes), 4.2(b)(ii) (Screen Rate Determination for Floating Rate Notes – Term Rate), (b)(iii) (Screen Rate Determination for Floating Rate Notes – Overnight Rate – Non-Index Determination) or 4.2(b)(iv) (Screen Rate Determination – Overnight Rate – SOFR – Index Determination) above or as otherwise specified in the applicable Final Terms, as the case may be, and in each case in accordance with paragraph (d) (Determination of Rate of Interest and calculation of Interest Amounts) above:

- (i) the Issuer shall, no later than five Business Days prior to the relevant Interest Determination Date, use reasonable endeavours to appoint and consult with an Independent Adviser with a view to the Issuer determining the Rate of Interest and/or, as the case may be, the Interest Amount(s) relating to the next Interest Period for which the Rate of Interest and/or, as the case may be, the Interest Amount(s) is or are to be determined, in each case acting in good faith and in a commercially reasonable manner and having such regard as it shall think fit to the foregoing provisions of this Condition 4.2, any relevant and applicable market precedents as well as any published guidance from relevant associations involved in the establishment of market standards and/or protocols in the international debt capital markets, and subject always to any Minimum Rate of Interest or Maximum Rate of Interest specified in the applicable Final Terms; or
- (ii) if the Issuer is unable to appoint an Independent Adviser or, following consultation with an Independent Adviser so appointed, it fails to determine the Rate of Interest and/or, as the case may be, the Interest Amount(s) prior to the date specified in subparagraph (g)(i) above, the Issuer may determine the Rate of Interest and/or, as the case may be, the Interest Amount(s), no later than three Business Days prior to the relevant Interest Determination Date, in each case acting in good faith and in a commercially reasonable manner and having such regard as it shall think fit to the foregoing provisions of this Condition 4.2, any relevant and applicable market precedents as well as any published guidance from relevant associations involved in the establishment of market standards and/or protocols in the international debt capital markets, and subject always to any Minimum Rate of Interest or Maximum Rate of Interest specified in the applicable Final Terms.

The Issuer shall, promptly following the determination of the Rate of Interest and/or, as the case may be, the Interest Amount(s) pursuant to this subparagraph (h), give notice thereof and of any changes to the Principal Paying Agent, the Trustee, any stock exchange or listing authority on which the relevant Notes are for the time being listed (if required) and, in accordance with Condition 12 (Notices), the Noteholders.

(i) ***Certificates to be final***

All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 4.2 (*Interest on Floating Rate Notes*) or Condition 5.6 (*Renminbi Currency Event*), whether by the Principal Paying Agent or the Calculation Agent, shall (in the absence of gross negligence, wilful default, fraud or manifest or proven error) be binding on the Issuer, the Principal Paying Agent, the Calculation Agent, the other Agents and all Noteholders and (in the absence of wilful default or fraud) no liability to the Issuer or the Noteholders shall attach to the Principal Paying Agent, the Trustee or the Calculation Agent in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.

4.3 *Accrual of interest*

Each Note (or in the case of the redemption of part only of a Note, that part only of such Note) will cease to bear interest (if any) from the date for its redemption unless, upon due presentation thereof, payment of

principal is improperly withheld or refused. In such event, interest will continue to accrue until whichever is the earlier of:

- (a) the date on which all amounts due in respect of such Note have been paid; and
- (b) the date on which the full amount of the moneys payable in respect of such Note has been received by the Principal Paying Agent or the Registrar, as the case may be, and notice to that effect has been given to the Noteholders in accordance with Condition 12 (*Notices*) as provided in the Trust Deed.

5. PAYMENTS

5.1 *Method of payment*

Subject as provided below:

- (a) payments in a Specified Currency other than Euro or Renminbi will be made by credit or transfer to an account in the relevant Specified Currency maintained by the payee with a bank in the principal financial centre of the country of such Specified Currency;
- (b) payments in Euro will be made by credit or transfer to a Euro account (or any other account to which Euro may be credited or transferred) specified by the payee; and
- (c) payments in Renminbi will be made by credit or transfer to a Renminbi account maintained by the payee with a bank in the applicable Renminbi Settlement Centre(s).

Payments will be subject in all cases to: (i) any fiscal or other laws and regulations applicable thereto in the place of payment, but without prejudice to the provisions of Condition 7 (*Taxation*); and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the Code or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof (“**FATCA**”), or (without prejudice to the provisions of Condition 7 (*Taxation*)) any law implementing an intergovernmental approach to FATCA.

5.2 *Payments of principal and interest*

Payments of principal in respect of each Note (whether or not in global form) will be made against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of the Note at the specified office of the Registrar or any of the Paying Agents. Such payments will be made by transfer to the Designated Account (as defined below) of the holder (or the first named of joint holders) of the Note appearing in the Register at the close of business on the third business day (being for this purpose a day on which banks are open for business in the city where the specified office of the Registrar is located) before the relevant due date. For these purposes, “**Designated Account**” means the account (which, in the case of a payment in Renminbi, means the Renminbi account maintained by or on behalf of the Noteholder with a bank in the Renminbi Settlement Centre(s), details of which appear on the Register at the close of business on the fifth business day before the due date for payment) maintained by a holder with a Designated Bank and identified as such in the Register and “**Designated Bank**” means: (i) in the case of payment in a Specified Currency other than Euro or Renminbi, a bank in the principal financial centre of the country of such Specified Currency; (ii) in the case of payment in Euro, any bank which processes payments in Euro; or (iii) in the case of a payment in Renminbi, any bank in the applicable Renminbi Settlement Centre(s).

Payments of interest in respect of each Note (whether or not in global form) will be made by transfer on the due date to the Designated Account of the holder (or the first named of joint holders) of the Note appearing in the Register at the close of business on the fifth day (in the case of Renminbi) and at the close of business (in the relevant clearing system) on the day prior (in the case of a Specified Currency other than Renminbi) (whether or not such day is a business day) to the relevant due date (the “**Record Date**”) at his address

shown in the Register on the Record Date and at his risk. Payments of interest and payments of principal (other than the final instalment) in Renminbi shall be made by transfer to the registered account of the Noteholder with a Designated Bank. Upon application of the holder to the specified office of the Registrar not less than three business days (in the city where the specified office of the Registrar is located) before the due date for any payment of interest in respect of a Note, the payment may be made by transfer on the due date in the manner provided in the preceding paragraph. Any such application for transfer shall be deemed to relate to all future payments of interest (other than interest due on redemption) in respect of the Notes which become payable to the holder who has made the initial application until such time as the Registrar is notified in writing to the contrary by such holder. Payment of the interest due in respect of each Note on redemption will be made in the same manner as payment of the principal amount of such Note.

All amounts payable to DTC or its nominee as registered holder of a Global Note in respect of Notes denominated in a Specified Currency other than U.S. Dollars shall be paid by transfer by the Registrar to an account in the relevant Specified Currency of the relevant exchange agent on behalf of DTC or its nominee for conversion into and payment in U.S. Dollars in accordance with the provisions of the Agency Agreement.

None of the Issuer, the Trustee or the Agents will have any responsibility or liability for any aspect of the records relating to, or payments made on account of, beneficial ownership interests in the Global Notes or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

The registered holder of a Global Note shall be the only person entitled to receive payments in respect of Notes represented by such Global Note and the Issuer will be discharged by payment to the holder of such Global Note in respect of each amount so paid. Each of the persons shown in the records of Euroclear, Clearstream, Luxembourg or DTC as the beneficial holder of a particular nominal amount of Notes represented by such Global Note must look solely to Euroclear, Clearstream, Luxembourg or DTC, as the case may be, for his share of each payment so made by the Issuer to the holder of such Global Note.

5.3 **Payment Day**

If the date for payment of any amount in respect of any Note is not a Payment Day, the holder thereof shall not be entitled to payment until the next following Payment Day in the relevant place and shall not be entitled to further interest or other payment in respect of such delay. For these purposes, “**Payment Day**” means any day which (subject to Condition 8 (*Prescription*)) is:

- (a) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in:
 - (i) in the case of Definitive Notes only, the relevant place of presentation; and
 - (ii) each Additional Financial Centre specified in the applicable Final Terms;
- (b) either: (1) in relation to any sum payable in a Specified Currency other than Euro or Renminbi, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency; (2) in relation to any sum payable in Euro, a day on which the T2 System is open; or (3) in relation to any sum payable in Renminbi, a day on which banks and foreign exchange markets are open for business and settlement of Renminbi payments in the applicable Renminbi Settlement Centre(s); and
- (c) in the case of any payment in respect of a Global Note denominated in a Specified Currency other than U.S. Dollars and registered in the name of DTC or its nominee and in respect of which an accountholder of DTC (with an interest in such Global Note) has elected to receive any part of such payment in U.S. Dollars, a day on which commercial banks are not authorised or required by law or regulation to be closed in New York City.

5.4 ***Interpretation of principal and interest***

Any reference in the Conditions to principal in respect of the Notes shall be deemed to include, as applicable:

- (a) any additional amounts which may be payable with respect to principal under Condition 7 (*Taxation*) or under any undertaking or covenant given in addition thereto, or in substitution therefor, pursuant to the Trust Deed;
- (b) the Final Redemption Amount of the Notes;
- (c) the Early Redemption Amount of the Notes;
- (d) the Optional Redemption Amount(s) (if any) of the Notes;
- (e) in relation to Zero Coupon Notes, the Amortised Face Amount (as defined in Condition 6.8 (*Early Redemption Amounts*)); and
- (f) any premium and any other amounts (other than interest) which may be payable by the Issuer under or in respect of the Notes.

Any reference in the Conditions to interest in respect of the Notes shall be deemed to include, as applicable, any additional amounts which may be payable with respect to interest under Condition 7 (*Taxation*) or under any undertaking or covenant given in addition thereto, or in substitution therefor, pursuant to the Trust Deed.

5.5 ***Renminbi account***

All payments in respect of any Note in Renminbi will be made solely by credit to a registered Renminbi account maintained by the payee at a bank in the applicable Renminbi Settlement Centre(s) in accordance with applicable laws, rules, regulations and guidelines issued from time to time (including all applicable laws and regulations with respect to the settlement of Renminbi in the applicable Renminbi Settlement Centre(s)).

5.6 ***Renminbi Currency Event***

If “Renminbi Currency Event” is specified as being applicable in the applicable Final Terms and a Renminbi Currency Event, as determined by the Issuer acting in good faith, exists on a date for payment of any principal or interest in respect of any Note, the Issuer’s obligation to make a payment in Renminbi under the terms of the Notes may be replaced by an obligation to pay such amount in the Relevant Currency (as specified in the applicable Final Terms) converted using the Spot Rate for the relevant Rate Calculation Date as promptly notified by the Calculation Agent to the Issuer and the Paying Agents.

Upon the occurrence of a Renminbi Currency Event, the Issuer shall give notice as soon as practicable to the Noteholders in accordance with Condition 12 (*Notices*) stating the occurrence of the Renminbi Currency Event, giving details thereof and the action proposed to be taken in relation thereto.

For the purpose of these Conditions:

“**Governmental Authority**” means any *de facto* or *de jure* government (or any agency or instrumentality thereof), court, tribunal, administrative or other governmental authority or any other entity (private or public) charged with the regulation of the financial markets (including the central bank) of the applicable Renminbi Settlement Centre(s);

“**Rate Calculation Business Day**” means a day (other than a Saturday or Sunday) on which commercial banks are open for general business (including dealings in foreign exchange) in the applicable Renminbi Settlement Centre(s), London and the principal financial centre of the country of the Relevant Currency;

“Rate Calculation Date” means the day which is two Rate Calculation Business Days before the due date of the relevant payment under the Notes;

“Relevant Currency” has the meaning given in the applicable Final Terms;

“Renminbi” or **“RMB”** means the lawful currency for the time being of the People’s Republic of China (the **“PRC”**), which, for these purposes, excludes the Hong Kong Special Administrative Region of the PRC, the Macau Special Administrative Region of the PRC and Taiwan;

“Renminbi Currency Events” means, with respect to any Notes where the Relevant Currency is Renminbi, any one of Renminbi Illiquidity, Renminbi Non-Transferability and Renminbi Inconvertibility;

“Renminbi Illiquidity” means the general Renminbi exchange market in the applicable Renminbi Settlement Centre(s) becomes illiquid as a result of which the Issuer cannot obtain sufficient Renminbi in order to make a payment under the Notes, as determined by the Issuer in a commercially reasonable manner following consultation with two independent foreign exchange dealers of international repute active in the Renminbi exchange market in the applicable Renminbi Settlement Centre(s);

“Renminbi Inconvertibility” means the occurrence of any event that makes it impossible for the Issuer to convert any amount due in respect of the Notes into Renminbi on any payment date in the general Renminbi exchange market in the applicable Renminbi Settlement Centre(s), other than where such impossibility is due solely to the failure of the Issuer to comply with any law, rule or regulation enacted by any Governmental Authority (unless such law, rule or regulation is enacted after the Issue Date of the first Tranche of the relevant Series and it is impossible for the Issuer, due to an event beyond its control, to comply with such law, rule or regulation);

“Renminbi Non-Transferability” means the occurrence of any event that makes it impossible for the Issuer to deliver Renminbi between accounts inside the applicable Renminbi Settlement Centre(s) or from an account inside the applicable Renminbi Settlement Centre(s) to an account outside the applicable Renminbi Settlement Centre(s) (including where the Renminbi clearing and settlement system for participating banks in the applicable Renminbi Settlement Centre(s) is disrupted or suspended), other than where such impossibility is due solely to the failure of the Issuer to comply with any law, rule or regulation enacted by any Governmental Authority (unless such law, rule or regulation is enacted after the Issue Date of the first Tranche of the relevant Series and it is impossible for the Issuer, due to an event beyond its control, to comply with such law, rule or regulation);

“Renminbi Settlement Centre(s)” means the financial centre(s) specified as such in the applicable Final Terms in accordance with applicable laws and regulations. If no Renminbi Settlement Centre is specified in the applicable Final Terms, the Renminbi Settlement Centre shall be deemed to be Hong Kong; and

“Spot Rate” means the spot Renminbi/Relevant Currency exchange rate for the purchase of the Relevant Currency with Renminbi in the over-the-counter Renminbi exchange market in the applicable Renminbi Settlement Centre(s) for settlement in two Rate Calculation Business Days, as determined by the Calculation Agent at or around 11.00 a.m. (local time at the applicable Renminbi Settlement Centre(s)) on the Rate Calculation Date, on a deliverable basis by reference to the Relevant Spot Rate Screen Page (Deliverable Basis) (as specified in the applicable Final Terms), or if no such rate is available, on a non-deliverable basis by reference to the Relevant Spot Rate Screen Page (Non-deliverable Basis) (as specified in the applicable Final Terms). If neither rate is available, the Calculation Agent shall determine the rate taking into consideration all available information which the Calculation Agent deems relevant, including pricing information obtained from the Renminbi non-deliverable exchange market in the applicable Renminbi Settlement Centre(s) or elsewhere and the Renminbi/Relevant Currency exchange rate in the PRC domestic foreign exchange market.

6. REDEMPTION AND PURCHASE

6.1 *Redemption at maturity*

Unless previously redeemed or purchased and cancelled as specified below, each Note will be redeemed by the Issuer at its Final Redemption Amount in the relevant Specified Currency on the Maturity Date, in each case, as specified in, or determined in the manner specified in, the applicable Final Terms.

6.2 *Redemption for tax reasons*

The Notes may be redeemed at the option of the Issuer in whole, but not in part, at any time (if this Note is not a Floating Rate Note) or on any Interest Payment Date (if this Note is a Floating Rate Note), on giving not less than 30 nor more than 90 days' notice to the Trustee and the Principal Paying Agent and, in accordance with Condition 12 (*Notices*), the Noteholders (which notice shall be irrevocable), if the Issuer satisfies the Trustee immediately before the giving of such notice that:

- (a) on the occasion of the next payment due under the Notes, the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 7 (*Taxation*) as a result of any change in, or amendment to, the laws or regulations of a Relevant Tax Jurisdiction (as defined in Condition 7 (*Taxation*)) or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes announced and effective on or after the date on which agreement is reached to issue the first Tranche of the Notes (or if such jurisdiction became a Relevant Tax Jurisdiction on a date subsequent thereto, after such date); and
- (b) such obligation cannot be avoided by the Issuer, taking reasonable measures available to it,

provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts were a payment in respect of the Notes then due.

Prior to the publication of any notice of redemption pursuant to this Condition 6.2, the Issuer shall deliver to the Trustee a certificate signed by an Authorised Signatory of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred, and an opinion of independent legal advisers of recognised standing to the effect that the Issuer has or will become obliged to pay such additional amounts as a result of such change or amendment and the Trustee shall be entitled to accept the certificate and opinion as sufficient evidence of the satisfaction of the conditions precedent set out above, in which event it shall be conclusive and binding on the Noteholders.

Notes redeemed pursuant to this Condition 6.2 (*Redemption for tax reasons*) will be redeemed at their Early Redemption Amount referred to in Condition 6.8 (*Early Redemption Amounts*) below together (if appropriate) with interest accrued to (but excluding) the date of redemption.

6.3 *Redemption at the option of the Issuer (Issuer Call)*

If Issuer Call is specified in the applicable Final Terms, the Issuer may, having given:

- (a) not less than 15 nor more than 30 days' notice to the Noteholders in accordance with Condition 12 (*Notices*); and
- (b) not less than 15 days before the giving of the notice referred to in (a) above, notice to the Trustee, the Principal Paying Agent and the Registrar;

(which notices shall be irrevocable and shall specify the date fixed for redemption), redeem all or some only of the Notes then outstanding on any Optional Redemption Date and at the Optional Redemption Amount(s) specified in, or determined in the manner specified in, the applicable Final Terms together, if appropriate, with interest accrued to (but excluding) the relevant Optional Redemption Date. Any such

redemption must be of a nominal amount not less than the Minimum Redemption Amount and not more than the Maximum Redemption Amount, in each case, as may be specified in the applicable Final Terms. In the case of a partial redemption of Notes, the Notes to be redeemed (“**Redeemed Notes**”) will be selected individually by lot, in the case of Redeemed Notes represented by Definitive Notes, and in accordance with the rules of Euroclear and/or Clearstream, Luxembourg and/or DTC, in the case of Redeemed Notes represented by a Global Note, not more than 30 days prior to the date fixed for redemption (such date of selection being hereinafter called the “**Selection Date**”). In the case of Redeemed Notes represented by Definitive Notes, a list of the serial numbers of such Redeemed Notes will be published in accordance with Condition 12 (*Notices*) not less than 15 days prior to the date fixed for redemption. No exchange of the relevant Global Note will be permitted during the period from (and including) the Selection Date to (and including) the date fixed for redemption pursuant to this Condition 6.3 (*Redemption at the option of the Issuer (Issuer Call)*) and notice to that effect shall be given by the Issuer to the Noteholders in accordance with Condition 12 (*Notices*) at least five days prior to the Selection Date.

6.4 Redemption at the option of the Issuer (Issuer Maturity Par Call)

If Issuer Maturity Par Call is specified as being applicable in the applicable Final Terms, the Issuer may, having given not less than 15 nor more than 30 days’ notice to the Noteholders in accordance with Condition 12 (*Notices*) (which notice shall be irrevocable and specify the date fixed for redemption), redeem the Notes then outstanding in whole, but not in part, at any time during the Maturity Par Call Period specified as being applicable in the applicable Final Terms, at the Final Redemption Amount specified in the applicable Final Terms, together, if appropriate, with interest accrued but unpaid to (but excluding) the date fixed for redemption.

6.5 Redemption at the option of the Issuer (Make Whole Call)

If Issuer Make Whole Call is specified as being applicable in the applicable Final Terms, the Issuer may, having given not less than 10 nor more than 60 days’ notice to the Noteholders in accordance with Condition 12 (*Notices*) (which notice shall specify the date fixed for redemption) (the “**Make Whole Notice**”), redeem all or some only of the Notes then outstanding on the redemption date specified in such Make Whole Notice (the “**Make Whole Redemption Date**”), provided that any Make Whole Notice can only be delivered after the relevant Make Whole Trigger Date. Any such redemption of Notes shall be at the Make Whole Amount (as determined by the Independent Investment Banker). Any such redemption must be of a nominal amount not less than the Minimum Make Whole Redemption Amount and not more than the Maximum Make Whole Redemption Amount, in each case, as may be specified in the applicable Final Terms.

The Issuer shall cause the Make Whole Amount to be notified to the Trustee, the Principal Paying Agent and the other Paying Agents, the Registrar and any Calculation Agent appointed in respect of the Notes and, if the Notes are listed on a stock exchange or are admitted to trading by another relevant authority and the rules of that stock exchange or relevant authority so require, such exchange or other relevant authority, as soon as possible after its determination but in no event later than the date of the Make Whole Notice.

The determination of the Make Whole Amount and the obtaining of any quotation and/or the making of any determination or calculation in connection therewith by the Independent Investment Banker shall (in the absence of manifest error) be final and binding upon all parties.

All Notes in respect of which any such notice is given shall be redeemed on the Make Whole Redemption Date in accordance with this Condition 6.

In the case of a partial redemption of Notes, the Redeemed Notes will be selected individually by lot, in the case of Redeemed Notes represented by Definitive Notes, and in accordance with the rules of Euroclear and/or Clearstream, Luxembourg and/or DTC, in the case of Redeemed Notes represented by a Global Note, not more than 30 days prior to the Selection Date. In the case of Redeemed Notes represented by Definitive Notes, a list of the serial numbers of such Redeemed Notes will be published in accordance with

Condition 12 (*Notices*) not less than 15 days prior to the date fixed for redemption. No exchange of the relevant Global Note will be permitted during the period from (and including) the Selection Date to (and including) the date fixed for redemption pursuant to this Condition 6.5 (*Redemption at the option of the Issuer (Make Whole Call)*) and notice to that effect shall be given by the Issuer to the Noteholders in accordance with Condition 12 (*Notices*) at least five days prior to the Selection Date.

Any Make Whole Notice may, at the Issuer's discretion, be subject to one or more conditions precedent, including completion of a corporate transaction. In such event, such Make Whole Notice shall describe each such condition and, if applicable, may state that, at the Issuer's discretion, the Make Whole Redemption Date may be delayed until such time as any or all such conditions shall be satisfied or waived, or such redemption may not occur and such Make Whole Notice may be rescinded in the event that any or all such conditions shall not have been satisfied (or waived by the Issuer in its sole discretion) by the Make Whole Redemption Date, or by the Make Whole Redemption Date as so delayed.

For the purposes of this Condition 6.5:

"Benchmark Security" has the meaning given in the applicable Final Terms;

"Comparable Security" means the Benchmark Security selected by the Independent Investment Banker as being denominated in the same currency as the Notes and having a maturity comparable to the remaining term of the Notes to be redeemed that would be utilised, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of comparable maturity to the remaining term of such Notes;

"Comparable Security Price" means: (i) if the Independent Investment Banker obtains four or more Reference Dealer Quotations, the average of such Reference Dealer Quotations after excluding the highest and lowest of such Reference Dealer Quotations; (ii) if the Independent Investment Banker obtains fewer than four but more than one Reference Dealer Quotations, the average of such Reference Dealer Quotations; or (iii) if the Independent Investment Banker obtains one Reference Dealer Quotation, such Reference Dealer Quotation;

"Independent Investment Banker" means one of the Reference Dealers appointed by the Issuer to act in such capacity;

"Make Whole Amount" means the amount specified as such in the relevant Make Whole Notice, being an amount equal to the greater of the following amounts:

- (a) 100 per cent. of the nominal amount of the Notes being redeemed on the relevant Make Whole Redemption Date; and
- (b) the sum of the present values of the remaining scheduled payments of principal and interest on the Notes being redeemed on the relevant Make Whole Redemption Date (not including the amount, if any, of accrued and unpaid interest to, but excluding, such Make Whole Redemption Date) discounted to the Make Whole Redemption Date at the Make Whole Redemption Rate (as determined by the Independent Investment Banker), plus the Make Whole Redemption Margin,

plus, in each case, accrued and unpaid interest on the Notes being redeemed to, but excluding, the Make Whole Redemption Date;

"Make Whole Redemption Rate" has the meaning given in the applicable Final Terms;

"Make Whole Trigger Date" has the meaning given in the applicable Final Terms;

"Reference Dealer" means the banks specified as such in the applicable Final Terms (or, if any of their respective affiliates is a primary dealer in the Benchmark Security, such affiliate) and, if applicable, their respective successors provided that if any of the Reference Dealers ceases to be a primary dealer in the

Comparable Security, the Issuer will substitute such bank with another bank and “Reference Dealers” shall be construed accordingly;

“Reference Dealer Quotation” means, with respect to each Reference Dealer, the average of the bid and asked prices for the Comparable Security (expressed as a percentage of its principal amount) quoted in writing to the Independent Investment Banker by such Reference Dealer at the Reference Quotation Time; and

“Reference Quotation Time” means the time specified as such in the applicable Final Terms or, if no such time is specified, 5.00 p.m. on the day falling three Business Days prior to the Make Whole Redemption Date.

6.6 Redemption at the option of the Noteholders (Investor Put)

If Investor Put is specified in the applicable Final Terms, upon the holder of any Note giving to the Issuer in accordance with Condition 12 (*Notices*) not less than 15 nor more than 30 days’ notice the Issuer will, upon the expiry of such notice, redeem such Note on the Optional Redemption Date and at the Optional Redemption Amount (each as specified in the applicable Final Terms) together, if appropriate, with interest accrued to (but excluding) the Optional Redemption Date. Notes may be redeemed under this Condition 6.6 (*Redemption at the option of the Noteholders (Investor Put)*) in any multiple of their lowest Specified Denomination.

To exercise the right to require redemption of this Note pursuant to this Condition 6.6 (*Redemption at the option of the Noteholders (Investor Put)*) the holder of this Note must, if this Note is in definitive form and held outside Euroclear, Clearstream, Luxembourg and DTC, deliver, at the specified office of any Paying Agent or the Registrar at any time during normal business hours of such Paying Agent or, as the case may be, the Registrar falling within the notice period, a duly completed and signed notice of exercise in the form (for the time being current) obtainable from any specified office of any Paying Agent or, as the case may be, the Registrar (a **“Put Notice”**) and in which the holder must specify a bank account to which payment is to be made under this Condition 6.6 (*Redemption at the option of the Noteholders (Investor Put)*) and the nominal amount thereof to be redeemed and, if less than the full nominal amount of the Notes so surrendered is to be redeemed, an address to which a new Note in respect of the balance of such Notes is to be sent subject to and in accordance with the provisions of Condition 2.2 (*Transfers of Definitive Notes*).

If this Note is represented by a Global Note or is in definitive form and held through Euroclear, Clearstream, Luxembourg or DTC, to exercise the right to require redemption of this Note the holder of this Note must, within the notice period, give notice to the Principal Paying Agent of such exercise in accordance with the standard procedures of Euroclear, Clearstream, Luxembourg and DTC (which may include notice being given on his instruction by Euroclear, Clearstream, Luxembourg, DTC or any depositary for them to the Principal Paying Agent by electronic means) in a form acceptable to Euroclear, Clearstream, Luxembourg and DTC from time to time and, if this Note is represented by a Global Note, at the same time present or procure the presentation of the relevant Global Note to the Principal Paying Agent for notation accordingly.

Any Put Notice or other notice given in accordance with the standard procedures of Euroclear, Clearstream, Luxembourg and DTC given by a holder of any Note pursuant to this Condition 6.6 (*Redemption at the option of the Noteholders (Investor Put)*) shall be irrevocable except where, prior to the due date of redemption, an Event of Default has occurred and the Trustee has declared the Notes to be due and payable pursuant to Condition 9 (*Events of Default and Enforcement*), in which event such holder, at its option, may elect by notice to the Issuer to withdraw the notice given pursuant to this Condition 6.6 (*Redemption at the option of the Noteholders (Investor Put)*) and instead to declare such Note forthwith due and payable pursuant to Condition 9 (*Events of Default and Enforcement*).

6.7 ***Redemption at the option of the Noteholders (Change of Control Put)***

If Change of Control Put is specified as being applicable in the applicable Final Terms, then this Condition 6.7 (*Redemption at the option of the Noteholders (Change of Control Put)*) shall apply.

A “**Change of Control Put Event**” will be deemed to occur if:

- (a) a Change of Control occurs; and
- (b) on the date (the “**Relevant Announcement Date**”) that is the earlier of (x) the date of the earliest Potential Change of Control Announcement (if any) and (y) the date of the first public announcement of the relevant Change of Control, the Notes carry:
 - (i) an investment grade credit rating (Baa3/BBB-/BBB- or equivalent or better) from any Rating Agency (provided by such Rating Agency at the invitation or with the consent of the Issuer) and such rating is within the Change of Control Period either downgraded to a non-investment grade credit rating (Ba1/BB+/BB+ or equivalent or worse) or withdrawn and is not within the Change of Control Period subsequently (in the case of a downgrade) upgraded or (in the case of a withdrawal) reinstated to an investment grade credit rating by such Rating Agency; or
 - (ii) a non-investment grade credit rating (Ba1/BB+/BB+ or equivalent or worse) from any Rating Agency (provided by such Rating Agency at the invitation or with the consent of the Issuer) and such rating is within the Change of Control Period downgraded by one or more notches (for illustration, Ba1/BB+/BB+ to Ba2/BB/BB being one notch) or withdrawn and is not within the Change of Control Period subsequently (in the case of a downgrade) upgraded or (in the case of a withdrawal) reinstated to its earlier credit rating or better by such Rating Agency; or
 - (iii) no credit rating from any Rating Agency (at the invitation or with the consent of the Issuer) and a Negative Rating Event also occurs within the Change of Control Period,and
- (c) in making the relevant decision(s) referred to above, the relevant Rating Agency announces publicly or confirms in writing to the Issuer that such downgrading and/or withdrawal resulted, directly or indirectly, from the Change of Control. Upon receipt by the Issuer of any such written confirmation, the Issuer shall forthwith give notice of such written confirmation to the Noteholders in accordance with Condition 12 (*Notices*).

If the rating designations employed by Moody’s, Standard & Poor’s or Fitch (each as defined below) are changed from those which are described in paragraph (b) of the definition of “Change of Control Put Event” above, or if a rating is procured from a Substitute Rating Agency, the Issuer shall determine the rating designations of such Rating Agency or such Substitute Rating Agency (as appropriate) as are most equivalent to the prior rating designations of such Rating Agency and this Condition 6.7 (*Redemption at the option of the Noteholders (Change of Control Put)*) shall be construed accordingly.

If a Change of Control Put Event occurs, the holder of any Note will have the option to require the Issuer to redeem or, at the Issuer’s option, purchase (or procure the purchase of) such Note on or prior to the Change of Control Put Date (as defined below) at the Change of Control Redemption Amount together (if appropriate) with interest accrued to (but excluding) the Change of Control Put Date or, if earlier the redemption date.

Promptly upon the Issuer becoming aware that a Change of Control Put Event has occurred and, in any event, within 14 days of the occurrence of the relevant Change of Control Put Event, the Issuer shall give notice (a “**Change of Control Put Event Notice**”) to the Noteholders in accordance with Condition 12

(*Notices*) specifying the nature of the Change of Control Put Event and the circumstances giving rise to it and the procedure for exercising the option set out in this Condition 6.7 (*Redemption at the option of the Noteholders (Change of Control Put)*).

To exercise the right to require redemption of this Note pursuant to this Condition 6.7 (*Redemption at the option of the Noteholders (Change of Control Put)*) the holder of this Note must, if this Note is in definitive form and held outside Euroclear, Clearstream, Luxembourg and DTC, deliver, at the specified office of any Paying Agent or the Registrar at any time during normal business hours of such Paying Agent or, as the case may be, the Registrar falling within the notice period, a duly completed and signed notice of exercise in the form (for the time being current) obtainable from any specified office of any Paying Agent or, as the case may be, the Registrar (a “**Change of Control Put Option Notice**”) and in which the holder must specify a bank account to which payment is to be made under this Condition 6.7 (*Redemption at the option of the Noteholders (Change of Control Put)*) and the nominal amount thereof to be redeemed and, if less than the full nominal amount of the Notes so surrendered is to be redeemed, an address to which a new Note in respect of the balance of such Notes is to be sent subject to and in accordance with the provisions of Condition 2.2 (*Transfers of Definitive Notes*).

If this Note is represented by a Global Note or is in definitive form and held through Euroclear, Clearstream, Luxembourg or DTC, to exercise the right to require redemption of this Note the holder of this Note must, within the notice period, give notice to the Principal Paying Agent of such exercise in accordance with the standard procedures of Euroclear, Clearstream, Luxembourg and DTC (which may include notice being given on his instruction by Euroclear, Clearstream, Luxembourg, DTC or any depositary for them to the Principal Paying Agent by electronic means) in a form acceptable to Euroclear, Clearstream, Luxembourg and DTC from time to time and, if this Note is represented by a Global Note, at the same time present or procure the presentation of the relevant Global Note to the Principal Paying Agent for notation accordingly.

Any Change of Control Put Option Notice or other notice given in accordance with the standard procedures of Euroclear, Clearstream, Luxembourg and DTC given by a holder of any Note pursuant to this Condition 6.7 (*Redemption at the option of the Noteholders (Change of Control Put)*) shall be irrevocable except where, prior to the due date of redemption, an Event of Default has occurred and the Trustee has declared the Notes to be due and payable pursuant to Condition 9 (*Events of Default and Enforcement*), in which event such holder, at its option, may elect by notice to the Issuer to withdraw the notice given pursuant to this Condition 6.7 (*Redemption at the option of the Noteholders (Change of Control Put)*) and instead to declare such Note forthwith due and payable pursuant to Condition 9 (*Events of Default and Enforcement*).

If 75% or more in nominal amount of the Notes then outstanding have been redeemed or, as the case may be, purchased, pursuant to this Condition 6.7 (*Redemption at the option of the Noteholders (Change of Control Put)*), the Issuer may, on giving not less than 15 days nor more than 30 days’ notice to the Noteholders in accordance with Condition 12 (*Notices*) (such notice to be given within 30 days of the Change of Control Put Date or, if earlier, the redemption date), redeem or, at the Issuer’s option, purchase (or procure the purchase of) all but not some only of the remaining outstanding Notes at their Change of Control Redemption Amount together (if applicable) with interest accrued to but excluding the date fixed for redemption or purchase, as the case may be.

For the purpose of these Conditions:

a “**Change of Control**” shall occur if, at any time, Saudi Arabia ceases to own, directly or indirectly, more than 50% of the issued share capital of the Issuer;

“**Change of Control Period**” means the period commencing on the Relevant Announcement Date and ending 90 days after the occurrence of the Change of Control or, where a Rating Agency has publicly announced that the Notes are under consideration for rating review or, as the case may be, rating (such public announcement being within the period ending 90 days after the Change of Control), the later of

(i) such 90th day after the Change of Control and (ii) the date falling 60 days after such public announcement;

“Change of Control Put Date” means the 10th Business Day following the last day of the Change of Control Put Period;

“Change of Control Put Period” means the period from, and including, the date of a Change of Control Put Event Notice to, but excluding, the 30th day following the date of the Change of Control Put Event Notice;

“Change of Control Redemption Amount” means, in relation to each Note to be redeemed or purchased pursuant to this Condition 6.7 (*Redemption at the option of the Noteholders (Change of Control Put)*), an amount equal to the nominal amount of such Note or such other amount as may be specified in the applicable Final Terms;

a **“Negative Rating Event”** shall be deemed to have occurred, if at any time there is no rating assigned to the Notes by any Rating Agency (at the invitation or with the consent of the Issuer), either (i) the Issuer does not, prior to or not later than 21 days after the occurrence of the relevant Change of Control, seek, and thereafter throughout the Change of Control Period use all reasonable endeavours to obtain, a rating of the Notes or (ii) if the Issuer does so seek and use all such reasonable endeavours, it is unable to obtain such rating of at least investment grade (Baa3/BBB-/BBB- or equivalent or better) by the end of the Change of Control Period and the relevant Rating Agency announces publicly or confirms in writing to the Issuer or the Trustee that the failure to issue a rating of at least investment grade (Baa3/BBB-/BBB- or equivalent or better) was as a result, directly or indirectly, from the Change of Control;

“Potential Change of Control Announcement” means any public announcement or statement by the Issuer, any actual or potential bidder or any designated adviser thereto relating to any potential Change of Control where, within 180 days of the date of such announcement or statement, a Change of Control occurs;

“Rating Agency” means any of the credit rating agencies of Fitch Ratings (**“Fitch”**), Moody’s Investors Service (**“Moody’s”**) or Standard & Poor’s, a division of The McGraw-Hill Companies, Inc. (**“Standard & Poor’s”**) and their respective successors to their ratings business or any other rating agency (each a **“Substitute Rating Agency”**) of equivalent international standing specified by the Issuer from time to time; and

“Saudi Arabia” means the Kingdom of Saudi Arabia (including any department, ministry, agency or instrumentality or any subdivision thereof).

6.8 Early Redemption Amounts

For the purpose of Condition 6.2 (*Redemption for tax reasons*) above and Condition 9 (*Events of Default and Enforcement*), each Note will be redeemed at its Early Redemption Amount calculated as follows:

- (a) in the case of a Note with a Final Redemption Amount equal to the Issue Price, at the Final Redemption Amount thereof;
- (b) in the case of a Note (other than a Zero Coupon Note) with a Final Redemption Amount which is or may be less or greater than the Issue Price, at the amount specified in, or determined in the manner specified in, the applicable Final Terms or, if no such amount or manner is so specified in the applicable Final Terms, at its nominal amount; or
- (c) in the case of a Zero Coupon Note, at an amount (the **“Amortised Face Amount”**) calculated in accordance with the following formula:

Early Redemption Amount = $RP \times (1 + AY)^Y$ (the **“Early Redemption Amount”**)

where:

“**RP**” means the Reference Price;

“**AY**” means the Accrual Yield expressed as a decimal; and

“**y**” is a fraction the numerator of which is equal to the number of days (calculated on the basis of a 360-day year consisting of 12 months of 30 days each) from (and including) the Issue Date of the first Tranche of the Notes to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and repayable and the denominator of which is 360.

6.9 Purchases

The Issuer or any Subsidiary may at any time purchase Notes at any price and in any manner, in the open market or otherwise. Such Notes may be held, reissued, resold or, at the option of the Issuer, surrendered to any Paying Agent or the Registrar for cancellation.

6.10 Cancellation

All Notes which are redeemed will forthwith be cancelled. All Notes so cancelled and any Notes purchased and surrendered for cancellation pursuant to Condition 6.9 (*Purchases*) above shall be forwarded to the Principal Paying Agent for cancellation and cannot be reissued or resold.

6.11 Late payment on Zero Coupon Notes

If the amount payable in respect of any Zero Coupon Note upon redemption of such Zero Coupon Note pursuant to Condition 6.1 (*Redemption at maturity*), 6.2 (*Redemption for tax reasons*), 6.3 (*Redemption at the option of the Issuer (Issuer Call)*), 6.4 (*Redemption at the option of the Issuer (Issuer Maturity Par Call)*), Condition 6.6 (*Redemption at the option of the Noteholders (Investor Put)*) or Condition 6.7 (*Redemption at the option of the Noteholders (Change of Control Put)*) above or upon its becoming due and repayable as provided in Condition 9 (*Events of Default and Enforcement*) is improperly withheld or refused, the amount due and repayable in respect of such Zero Coupon Note shall be the amount calculated as provided in Condition 6.8(c) (*Early Redemption Amounts*) above as though the references therein to the date fixed for the redemption or the date upon which such Zero Coupon Note becomes due and payable were replaced by references to the date which is the earlier of:

- (a) the date on which all amounts due in respect of such Zero Coupon Note have been paid; and
- (b) the date on which the full amount of the moneys payable in respect of such Zero Coupon Notes has been received by the Principal Paying Agent or the Registrar or the Trustee and notice to that effect has been given to the Noteholders in accordance with Condition 12 (*Notices*).

7. TAXATION

All payments of principal and interest in respect of the Notes by or on behalf of the Issuer shall be made free and clear of, and without withholding or deduction for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of the Kingdom of Saudi Arabia or any other jurisdiction the Issuer is resident or doing business in for tax purposes, and, in either case, any political subdivision therein or any authority therein or thereof having power to tax (each, a “**Relevant Tax Jurisdiction**”), unless the withholding or deduction of such taxes, duties, assessments, or governmental charges is required by law. In that event, the Issuer shall pay such additional amounts as will result in receipt by the holders or beneficial owners of such

amounts as would have been received by them had no such withholding or deduction been required, except that no such additional amounts shall be payable in respect of any Note presented for payment:

- (a) by or on behalf of a holder or beneficial owner, that would not have been payable or due but for the holder or beneficial owner being liable for such taxes, duties, assessments or governmental charges in respect of such Note by reason of its having some connection with a Relevant Tax Jurisdiction, other than the mere acquisition or holding of any Note or the enforcement or receipt of payment under or in respect of any Note;
- (b) more than 30 days after the Relevant Date (as defined below), except to the extent that the holder or beneficial owner of such Note would have been entitled to such additional amounts on presenting such Note for payment on the last day of such period of 30 days, assuming that day to have been a Payment Day (as defined in Condition 5.3 (*Payment Day*));
- (c) where such taxes, duties, assessments or governmental charges would not have been so withheld or deducted but for the failure of the holder or the beneficial owner of the Note to comply with any reasonable certification, identification or other reasonable reporting requirements concerning the nationality, residence, identity or other similar attributes of the holder or the beneficial owner of such Note or to make any reasonable, valid or timely declaration of non-residence, which is required in connection with a claim of eligibility for avoidance or reduction of withholding or deduction of tax, *provided that* at least 90 days prior to the first payment date with respect to which the Issuer applies this clause (c) the Issuer has notified the Paying Agent in writing that the holders or beneficial owners of Notes will be required to comply with such certification, identification, declaration or other reporting requirements;
- (d) in respect of any estate, inheritance, gift, value added, sales, use, excise, transfer, personal property, real estate transaction tax, or any similar tax, duty, assessment or governmental charge;
- (e) in respect of any tax, assessment or other governmental charge which is payable other than by withholding or deduction from payments of principal of or interest on such Note;
- (f) in respect of any payment to a holder of a Note that is a fiduciary or partnership or any Person other than the sole beneficial owner of such payment or Note, to the extent that a beneficiary or settlor with respect to such fiduciary, a member of such partnership or the beneficial owner of such payment or Note would not have been entitled to the additional amounts;
- (g) in respect of any tax, assessment or other governmental charge which is required to be withheld or deducted by any Paying Agent from payments of principal of or interest on any Notes if such payment can be made without such withholding or deduction by at least one other Paying Agent;
- (h) where such withholding or deduction is required pursuant to Section 1471(b) of the Code, or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, official interpretations thereof, or any law implementing an intergovernmental approach thereto; or
- (i) any combination of items (a) through (h) above.

As used herein, “**Relevant Date**” means the date on which such payment first becomes due, except that, if the full amount of the moneys payable has not been duly received by the Trustee or the Principal Paying Agent or the Registrar, as the case may be, on or prior to such due date, it means the date on which, the full amount of such moneys having been so received, notice to that effect is duly given to the Noteholders in accordance with Condition 12 (*Notices*).

Any reference in these Conditions to principal, premium and interest shall be deemed to include, without duplication, any additional amounts in respect of those payments (as the case may be) which are, were or would be payable in respect thereof. In addition, under this Condition 7 (*Taxation*), references to the Issuer

shall (if applicable) be read as also referring to any entity substituted for it as contemplated in Condition 13.3 (*Substitution*).

8. PRESCRIPTION

The Notes will become void unless claims in respect of principal and/or interest are made within a period of 10 years (in the case of principal) and five years (in the case of interest) after the Relevant Date (as defined in Condition 7 (*Taxation*)) therefor.

9. EVENTS OF DEFAULT AND ENFORCEMENT

9.1 *Events of Default*

The Trustee at its discretion may, and if so requested in writing by the holders of at least 25% in aggregate nominal amount of the Notes then outstanding or if so directed by an Extraordinary Resolution shall (subject in each case to being indemnified and/or secured and/ or prefunded to its satisfaction), give notice in writing to the Issuer that each Note is, and each Note shall thereupon immediately become, due and repayable at its Early Redemption Amount together with accrued interest as provided in the Trust Deed if any of the following events (each an “**Event of Default**”) shall occur and be continuing:

- (a) *Non-payment*: if default is made in the payment of any principal or interest due in respect of the Notes or any of them and the default continues for a period of 30 days; or
- (b) *Breach of other obligations*: if the Issuer defaults in the performance of any of its other obligations under these Conditions or the Trust Deed (except in any case where, in the opinion of the Trustee, the failure is incapable of remedy when no such continuation or notice as is hereinafter mentioned will be required) the failure continues for the period of 90 days next following the service by the Trustee on the Issuer of notice requiring the same to be remedied; or
- (c) *Insolvency proceedings*: an involuntary case or other proceeding shall be commenced against the Issuer seeking liquidation, reorganisation or other relief with respect to it or its debts under any bankruptcy, insolvency or other similar law now or hereafter in effect or seeking the appointment of a trustee, receiver, liquidator, custodian or other similar official of it or any substantial part of its property, or an encumbrancer takes possession of the whole or substantially all of its undertaking or assets, or a distress, execution, attachment, sequestration or other process is levied, enforced upon, sued out or put in force against the whole or substantially all of its undertaking or assets, and such involuntary case or other proceeding shall remain undismissed and unstayed for a period of 90 days or an order for relief shall be entered against the Issuer under applicable bankruptcy laws as now or hereafter in effect or any analogous procedure or step is taken in any jurisdiction; or
- (d) *Consent to proceedings*: the Issuer shall commence a voluntary case or other proceeding seeking liquidation, reorganisation or other relief with respect to itself or its debts under any bankruptcy, insolvency or other similar law now or hereafter in effect or seeking the appointment of a trustee, receiver, liquidator, custodian or other similar official of it or any substantial part of its property (in each case, save for the purposes of any intra-group reorganisation on a solvent basis), or shall consent to any such relief or to the appointment of or taking possession by any such official in an involuntary case or other proceeding commenced against it, or shall make a general assignment for the benefit of creditors, or shall stop or threaten to stop payment of, or is unable to, or admits inability to, pay, its debts as they become due or is deemed unable to pay its debts pursuant to or for the purpose of any applicable law, or is adjudicated or found bankrupt or insolvent, or shall take any corporate action to authorise any of the foregoing or any analogous procedure or step is taken in any jurisdiction; or

- (e) *Ceasing to carry on business*: the Issuer ceases or threatens to cease to carry on the whole or substantially all of its business, save for the purposes of reorganisation on terms approved in writing by the Trustee or by an Extraordinary Resolution, or shall take any corporate action to authorise any of the foregoing or any analogous procedure or step is taken in any jurisdiction; or
- (f) *Illegality*: if: (i) the validity of the Notes is contested by the Issuer; or (ii) the Issuer shall deny any of its obligations under the Notes; or (iii) as a result of any change in, or amendment to, the laws or regulations in the Kingdom of Saudi Arabia, which change or amendment takes place after the date on which agreement is reached to issue the first Tranche of the Notes: (A) it becomes unlawful for the Issuer to perform or comply with any of its payment obligations under or in respect of the Notes or the Trust Deed; or (B) any of such obligations becomes unenforceable or invalid.

9.2 Enforcement

The Trustee may at any time, at its discretion and without notice, take such proceedings against the Issuer as it may think fit to enforce the provisions of the Trust Deed and the Notes, but it shall not be bound to take any such proceedings or any other action in relation to the Trust Deed or the Notes unless: (a) it shall have been so directed by an Extraordinary Resolution or so requested in writing by the holders of at least 25% in aggregate nominal amount of the Notes then outstanding; and (b) it shall have been indemnified and/or secured and/or prefunded to its satisfaction.

No Noteholder shall be entitled to proceed directly against the Issuer unless the Trustee, having become bound so to proceed, fails so to do within a reasonable period and the failure shall be continuing.

After any such proceedings or any other action has been taken by the Trustee, but before a judgment or decree for the payment of money due based on such proceedings or other action has been obtained by the Trustee, the holders of a majority in aggregate nominal amount of the Notes then outstanding may rescind and annul such proceedings or other action in writing if all Events of Default (other than the non-payment of the principal of such Notes that have become due solely by such declaration of acceleration), have been cured or waived as provided in the Trust Deed.

The holders of a majority in aggregate nominal amount of the Notes then outstanding may, on behalf of the holders of such Notes, waive any past default and any Event of Default arising therefrom, *provided that* a default not theretofore cured in the payment of the principal or interest on such Notes or in respect of an undertaking or covenant in the Notes or the Trust Deed, the modification of which would constitute a Reserved Matter (as defined in the Trust Deed), may be waived only by a percentage of holders of outstanding Notes that would be sufficient to effect a modification, amendment, supplement or waiver of such matter.

10. REPLACEMENT OF NOTES

Should any Note be lost, stolen, mutilated, defaced or destroyed, it may be replaced at the specified office of the Registrar upon payment by the claimant of such costs and expenses as may be incurred in connection therewith and on such terms as to evidence and indemnity as the Issuer may reasonably require. Mutilated or defaced Notes must be surrendered before replacements will be issued.

11. AGENTS

The names of the initial Agents and their initial specified offices are set out below.

The Issuer is entitled, with the prior written approval of the Trustee, to vary or terminate the appointment of any Agent and/or appoint additional or other Agents and/or approve any change in the specified office through which any Agent acts, *provided that*:

- (a) there will at all times be a Principal Paying Agent and a Registrar;
- (b) so long as the Notes are listed on any stock exchange or admitted to trading by any other relevant authority, there will at all times be a Paying Agent, Registrar and a Transfer Agent with a specified office in such place as may be required by the rules and regulations of the relevant stock exchange or other relevant authority;
- (c) if a Calculation Agent (other than the Principal Paying Agent) has been appointed in the applicable Final Terms, there will at all times be a Calculation Agent; and
- (d) so long as any of the Global Notes payable in a Specified Currency other than U.S. Dollars are held through DTC or its nominee, there will at all times be an exchange agent.

Any variation, termination, appointment or change shall only take effect (other than in the case of insolvency, when it shall be of immediate effect) after not less than 30 nor more than 60 days' prior notice thereof shall have been given to the Noteholders in accordance with Condition 12 (*Notices*).

In acting under the Agency Agreement, the Agents act solely as agents of the Issuer and, in certain circumstances specified therein, of the Trustee and do not assume any obligation to, or relationship of agency or trust with, any Noteholder. The Agency Agreement contains provisions permitting any entity into which any Agent is merged or converted or with which it is consolidated or to which it transfers all or substantially all of its assets to become the successor agent.

12. NOTICES

All notices regarding the Notes will be deemed to be validly given if sent by first class mail or (if posted to an address overseas) by airmail to the holders (or the first named of joint holders) at their respective addresses recorded in the Register and will be deemed to have been given on the fourth day after mailing and, in addition, for so long as any Notes are listed on a stock exchange or are admitted to trading by another relevant authority and the rules of that stock exchange or relevant authority so require, such notice will be published in a daily newspaper of general circulation in the place or places required by those rules.

Until such time as any Definitive Notes are issued, there may, so long as any Global Notes representing the Notes are held in their entirety on behalf of Euroclear and/or Clearstream, Luxembourg and/or DTC, be substituted for such publication in such newspaper(s) the delivery of the relevant notice to Euroclear and/or Clearstream, Luxembourg and/or DTC for communication by them to the holders of the Notes and, in addition, for so long as any Notes are listed on a stock exchange or are admitted to trading by another relevant authority and the rules of that stock exchange or relevant authority so require, such notice will be published in a daily newspaper of general circulation in the place or places required by those rules. Any such notice shall be deemed to have been given to the holders of the Notes on the day on which the said notice was given to Euroclear and/or Clearstream, Luxembourg and/or DTC.

Notices to be given by any Noteholder shall be in writing and given by lodging the same, together (in the case of any Definitive Notes) with the relative Note or Notes, with the Registrar. While any of the Notes are represented by a Global Note, such notice may be given by any holder of a Note to the Principal Paying Agent or the Registrar through Euroclear and/or Clearstream, Luxembourg and/or DTC, as the case may be, in such manner as the Principal Paying Agent, the Registrar and Euroclear and/or Clearstream, Luxembourg and/or DTC, as the case may be, may approve for this purpose.

13. MEETINGS OF NOTEHOLDERS, MODIFICATION, WAIVER AND SUBSTITUTION

13.1 *Meetings of Noteholders*

The Trust Deed contains provisions for convening meetings of the Noteholders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of the Notes or any of the provisions of the Trust Deed, the Agency Agreement or the Calculation Agency Agreement. Such a meeting may be convened by the Issuer or the Trustee and shall be convened by the Issuer if required in writing by Noteholders holding not less than 10% in nominal amount of the Notes for the time being remaining outstanding. The quorum at any such meeting for passing an Extraordinary Resolution is one or more persons holding or representing not less than 50% in nominal amount of the Notes for the time being outstanding, or at any adjourned meeting one or more persons being or representing Noteholders whatever the nominal amount of the Notes so held or represented, except that at any meeting the business of which constitutes a Reserved Matter the quorum shall be one or more persons holding or representing not less than 75% in nominal amount of the Notes for the time being outstanding, or at any adjourned such meeting one or more persons holding or representing not less than 25% in nominal amount of the Notes for the time being outstanding. An Extraordinary Resolution passed at any meeting of the Noteholders shall be binding on all the Noteholders, whether or not they are present at the meeting.

The expression “**Extraordinary Resolution**” is defined in the Trust Deed to mean either: (i) a resolution passed at a meeting duly convened and held by a majority consisting of not less than 75% of the votes cast; (ii) a resolution in writing signed by or on behalf of the holders of not less than 75% in nominal amount of the outstanding Notes; or (iii) consent given by way of electronic consents through the relevant clearing system(s) (in a form satisfactory to the Trustee) by or on behalf of not less than 75% in nominal amount of the outstanding Notes, provided that, for the purposes of any (A) rescission or annulment of proceedings or other action or (B) waiving any past default and any Event of Default arising therefrom, in each case, in the limited circumstances described in Condition 9.2 (*Enforcement*) (which, for the avoidance of doubt, shall not include any payment default or any matter constituting a Reserved Matter), references in this definition to “not less than 75%” shall be substituted for “a clear majority”.

13.2 *Modification and Waiver*

The Trustee may agree, without the consent of the Noteholders, to any modification of, or to the waiver or authorisation of any breach or proposed breach of, any of the provisions of the Notes or the Trust Deed, the Agency Agreement or the Calculation Agency Agreement (other than in the case of a Reserved Matter or any provision of the Trust Deed or these Conditions referred to in the definition of a Reserved Matter), or determine, without any such consent as aforesaid, that any Event of Default or potential Event of Default shall not be treated as such, where, in any such case, it is not, in the sole opinion of the Trustee, materially prejudicial to the interests of the Noteholders so to do or may agree, without any such consent as aforesaid, to any modification which is of a formal, minor or technical nature or to correct a manifest error. Any such modification shall be binding on the Noteholders and any such modification shall be notified to the Noteholders in accordance with Condition 12 (*Notices*) as soon as practicable thereafter.

In connection with the exercise by it of any of its trusts, powers, authorities and discretions (including, without limitation, any modification, waiver, authorisation or determination), the Trustee shall have regard to the general interests of the Noteholders as a class (but shall not have regard to any interests arising from circumstances particular to individual Noteholders, whatever their number) and, in particular but without limitation, shall not have regard to the consequences of any such exercise for individual Noteholders (whatever their number) resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory or any political sub-division thereof and the Trustee shall not be entitled to require, nor shall any Noteholder be entitled to claim, from the Issuer, the Trustee or any other person any indemnification or payment in respect of any tax consequences of any such exercise upon individual Noteholders, except to the extent already provided for in Condition 7

(Taxation) and/or any undertaking or covenant given in addition to, or in substitution for, Condition 7 (Taxation) pursuant to the Trust Deed.

13.3 Substitution

The Trustee shall without the consent of the Noteholders, agree with the Issuer to the substitution in place of the Issuer (or of any previous substitute under this Condition) as the principal debtor under the Notes and the Trust Deed of another company, being a Subsidiary of the Issuer, subject to: (i) the Notes being unconditionally and irrevocably guaranteed by the Issuer; and (ii) certain other conditions set out in the Trust Deed being complied with.

14. INDEMNIFICATION OF THE TRUSTEE AND TRUSTEE CONTRACTING WITH THE ISSUER

The Trust Deed contains provisions for the indemnification of the Trustee and for its relief from responsibility, including provisions relieving it from taking action unless indemnified and/or secured and/or prefunded to its satisfaction.

The Trust Deed also contains provisions pursuant to which the Trustee is entitled, *inter alia*: (a) to enter into business transactions with the Issuer and/or any of its Subsidiaries and to act as trustee for the holders of any other securities issued or guaranteed by, or relating to, the Issuer and/or any of its Subsidiaries; (b) to exercise and enforce its rights, comply with its obligations and perform its duties under or in relation to any such transactions or, as the case may be, any such trusteeship without regard to the interests of, or consequences for, the Noteholders; and (c) to retain and not be liable to account for any profit made or any other amount or benefit received thereby or in connection therewith.

15. FURTHER ISSUES

The Issuer shall be at liberty from time to time without the consent of the Noteholders, to create and issue further notes having terms and conditions the same as the Notes (or the same in all respects save for the amount and date of the first payment of interest thereon) and so that the same shall be consolidated and form a single Series with the outstanding Notes.

16. CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999

No person shall have any right to enforce any term or condition of this Note under the Contracts (Rights of Third Parties) Act 1999, but this does not affect any right or remedy of any person which exists or is available apart from that Act.

17. GOVERNING LAW AND DISPUTE RESOLUTION

17.1 Governing law

The Trust Deed, the Agency Agreement and the Notes and any non-contractual obligations arising out of or in connection with the Trust Deed, the Agency Agreement and the Notes (including the remaining provisions of this Condition), are and shall be governed by, and construed in accordance with, English law.

17.2 Agreement to arbitrate

Any dispute, claim, difference or controversy arising out of, relating to or having any connection with the Notes (including any dispute as to their existence, validity, interpretation, performance, breach or termination or the consequences of their nullity and any dispute relating to any non-contractual obligations arising out of or in connection with them) (a “**Dispute**”) shall be referred to and finally resolved by

arbitration in accordance with the Arbitration Rules of the London Court of International Arbitration (the “**LCIA**”), in force as at the date of these Conditions (the “**Rules**”) which Rules are deemed to be incorporated by reference into this Condition 17.2. For these purposes:

- (a) the seat of arbitration shall be London;
- (b) there shall be three arbitrators, each of whom shall have no personal interest in the arbitration and each of whom shall have no connection with any party thereto;
- (c) the parties to the Dispute shall each nominate one arbitrator in accordance with the Rules and both party-nominated arbitrators shall nominate a further arbitrator who shall be the presiding arbitrator if appointed by the LCIA. In cases where there are multiple claimants and/or multiple respondents, the claimants jointly, and the respondents jointly shall each nominate one arbitrator. In the event that any party fails to nominate an arbitrator within the time limits specified by the Rules, such arbitrator(s) shall be appointed by the LCIA. If the party-nominated arbitrators fail to nominate an arbitrator to be the presiding arbitrator within 15 days of the appointment of the second party-nominated arbitrator, the presiding arbitrator shall be selected and appointed by the LCIA;
- (d) the language of the arbitration shall be English; and
- (e) Sections 45 and 69 of the Arbitration Act 1996 shall not apply.

17.3 Waiver of immunity

In relation to any proceedings in any jurisdiction with respect to these Conditions, the Issuer waives generally all immunity it or its assets or revenues may otherwise have in such jurisdiction, including immunity in respect of:

- (a) the giving of any relief by way of injunction or order for specific performance or for the recovery of assets or revenues; and
- (b) the issue of any process against its assets or revenues for the enforcement of a judgment or, in an action in rem, for the arrest, detention or sale of any of its assets and revenues.

17.4 Other documents

The Issuer has in the Trust Deed and the Agency Agreement made provision for arbitration in terms substantially similar to those set out above.

FORM OF FINAL TERMS

Set out below is the form of Final Terms which will be completed for each Tranche of Notes issued under the Programme.

[MIFID II PRODUCT GOVERNANCE / PROFESSIONAL INVESTORS AND ECPS ONLY TARGET MARKET]—Solely for the purposes of [the/each] manufacturer’s product approval process, the targeted market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in Directive 2014/65/EU, as amended (“**MiFID II**”); and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a “**distributor**”) should take into consideration the manufacturer[’s/s’] target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer[’s/s’] target market assessment) and determining appropriate distribution channels.]

[UK MIFIR PRODUCT GOVERNANCE / PROFESSIONAL INVESTORS AND ECPS ONLY TARGET MARKET] – Solely for the purposes of [the/each] manufacturer’s product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook (“**COBS**”) and professional clients only, as defined in Regulation (EU) No 600/2014 as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018 (the “**EUWA**”) (“**UK MiFIR**”); and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a “**distributor**”) should take into consideration the manufacturer[’s/s’] target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the “**UK MiFIR Product Governance Rules**”) is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer[’s/s’] target market assessment) and determining appropriate distribution channels.]

[PROHIBITION OF SALES TO EEA RETAIL INVESTORS]—The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (“**EEA**”). For these purposes, a “retail investor” means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or (ii) a customer within the meaning of Directive (EU) 2016/97, as amended (the “**Insurance Distribution Directive**”), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. Consequently, no key information document required by Regulation (EU) No. 1286/2014 (as amended, the “**EU PRIIPs Regulation**”) for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the EU PRIIPs Regulation.]

[PROHIBITION OF SALES TO UK RETAIL INVESTORS] – The Notes are not intended to, be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom (“**UK**”). For these purposes, a “retail investor” means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of UK domestic law by virtue of the EUWA; or (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000, as amended (the “**FSMA**”) and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of UK domestic law by virtue of the EUWA. Consequently, no key information document required by Regulation (EU) No 1286/2014 as it forms part of UK domestic law by virtue of the EUWA (the “**UK PRIIPs Regulation**”) for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.]

[Notification under Section 309B(1)(C) of the Securities and Futures Act 2001 of Singapore, as modified or amended from time to time (the “SFA”) – [Notice to be included if classification of the Notes is not “prescribed capital markets products”, pursuant to Section 309B of the SFA.]]

Final Terms dated [●]

SAUDI ARABIAN OIL COMPANY (SAUDI ARAMCO)

Legal entity identifier (LEI): 5586006WD91QHB7J4X50

Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes]

under the Global Medium Term Note Programme

PART A—CONTRACTUAL TERMS

[Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the base prospectus dated 27 May 2025 [and the supplement[s] to it dated [●]] which [together] constitute[s] a base prospectus for the purposes of Article 8 of Regulation (EU) 2017/1129 as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018 (the “EUWA”) (the “**UK Prospectus Regulation**”) (the “**Base Prospectus**”). This document constitutes the Final Terms of the Notes described herein prepared for the purposes of the UK Prospectus Regulation and must be read in conjunction with the Base Prospectus. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Base Prospectus [as so supplemented]. The Base Prospectus has been published [on the website of the Regulatory News Service operated by the London Stock Exchange at <http://www.londonstockexchange.com/exchange/news/market-news/market-news-home.html>], copies are available for viewing during normal business hours at [address] and copies may be obtained from [address].]

[Terms used herein shall be deemed to be defined as such for the purposes of the terms and conditions (the “**Conditions**”) set forth in the base prospectus dated [original date] [and the supplement[s] to it dated [●]]. This document constitutes the Final Terms of the Notes described herein prepared for the purposes of Article 8 of Regulation (EU) 2017/1129 as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018 (the “EUWA”) (the “**UK Prospectus Regulation**”) and must be read in conjunction with the base prospectus dated 27 May 2025 [and the supplement[s] to it dated [●]], which [together] constitute[s] a base prospectus for the purposes of the UK Prospectus Regulation (the “**Base Prospectus**”), save in respect of the Conditions, which are attached hereto. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Base Prospectus [as so supplemented]. [The Base Prospectus has been published [on the website of the Regulatory News Service operated by the London Stock Exchange at <http://www.londonstockexchange.com/exchange/news/market-news/market-news-home.html>], copies are available for viewing during normal business hours at [address] and copies may be obtained from [address].]

1.	Issuer:	Saudi Arabian Oil Company (Saudi Aramco)
2.	[(i)] Series Number:	[●]
	[(ii)] Tranche Number:	[●]
	[(iii)] Date on which the Notes will be consolidated and form a single Series:	The Notes will be consolidated and form a single Series with [●] on [●]/[Not Applicable]
3.	Specified Currency or Currencies:	[●]
4.	Aggregate Nominal Amount:	
	[(i)] Series:	[●]

- [(ii) Tranche: [●]]
5. Issue Price: [●]% of the Aggregate Nominal Amount [plus accrued interest from [●]]
6. (i) Specified Denominations: [●] and integral multiples of [●] in excess thereof
(ii) Calculation Amount: [●]
7. (i) Issue Date: [●]
(ii) Interest Commencement Date: [●]/[Issue Date]/[Not Applicable]
8. Maturity Date: [●]
9. Interest Basis: [[●]% Fixed Rate]
[[●]+/-[●]% Floating Rate]
[Zero Coupon]
(See paragraph [13/14/15] below)
10. Redemption/Payment Basis: [Redemption at par]/[●]
11. Put/Call Options: [Issuer Call]
[Issuer Maturity Par Call]
[Issuer Make Whole Call]
[Investor Put]
[Change of Control Put]
[(further particulars specified below at paragraphs 16-20)]
12. [Date [Board] approval for issuance of Notes obtained: [●]]

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

13. **Fixed Rate Note Provisions** [Applicable/Not Applicable]
(If not applicable, delete the remaining sub-paragraphs of this paragraph)
- (i) Rate[(s)] of Interest: [●]% per annum [payable [annually/semi-annually/quarterly/monthly] in arrear]
- (ii) Interest Payment Date(s): [●] in each year [adjusted in accordance with Business Day Convention/not adjusted]
- (iii) Fixed Coupon Amount[(s)]: [●] per Calculation Amount
- (iv) Broken Amount(s): [●] per Calculation Amount payable on the Interest Payment Date falling [in/on] [●]

(v)	Day Count Fraction:	[Actual/Actual (ICMA) / 30/360 / Actual/365 (Fixed) / other]
(vi)	Determination Dates:	[[●] in each year/Not Applicable (<i>insert regular interest payment dates, ignoring issue date or maturity date in the case of a long or short first or last coupon. N.B. only relevant where day Count Fraction is Actual/Actual (ICMA))</i>)]
(vii)	Business Day Convention:	[Floating Rate Convention/Following Business Day Convention/ Modified Following Business Day Convention/ Preceding Business Day Convention] [Not Applicable]
14.	Floating Rate Note Provisions	[Applicable/Not Applicable] (If not applicable, delete the remaining sub-paragraphs of this paragraph)
(i)	Interest Period(s):	[[●] [, subject to adjustment in accordance with the Business Day Convention set out in (iv) below/, not subject to any adjustment[, as the Business Day Convention in (iv) below is specified to be Not Applicable]]]
(ii)	Specified Interest Payment Date(s):	[[●] in each year[, subject to adjustment in accordance with the Business Day Convention set out in (iv) below/, not subject to any adjustment[, as the Business Day Convention in (iv) below is specified to be Not Applicable]]]
(iii)	Interest Period Date:	[Not Applicable]/ [[●] in each year[, subject to adjustment in accordance with the Business Day Convention set out in (iv) below/, not subject to any adjustment[, as the Business Day Convention in (iv) below is specified to be Not Applicable]]]
(iv)	Business Day Convention:	[Floating Rate Convention/Following Business Day Convention/ Modified Following Business Day Convention/Preceding Business Day Convention] [Not Applicable]
(v)	Additional Business Centre(s):	[Not Applicable/[●]]
(vi)	Manner in which the Rate(s) of Interest is/are to be determined:	[Screen Rate Determination/ISDA Determination]
(vii)	Party responsible for calculating the Rate(s) of Interest and/or Interest Amount(s) (if not the Principal Paying Agent):	[●] (the “ Calculation Agent ”)/[Not Applicable]
(viii)	Screen Rate Determination:	[Applicable/Not Applicable]
	• Reference Rate:	[●] month EURIBOR]/[Compounded Daily SOFR]/[Weighted Average SOFR]

- Term Rate: [Applicable/Not Applicable]
 - Overnight Rate: [Applicable/Not Applicable]
 - Index Determination: [Applicable/Not Applicable]
- Relevant Number: [[5/[]] [[London Banking Days]/[U.S. Government Securities Business Days]/[Not Applicable]
- (If "Index Determination" is "Not Applicable", delete "Relevant Number" and complete the remaining bullets below)*
(If "Index Determination" is "Applicable", insert number of days (expected to be five or greater) as the Relevant Number, and the remaining bullets below will each be "Not Applicable")
- D: [360/365/[]] / [Not Applicable]
 - Observation Method: [Lag/Lock-out/Observation Shift/Not Applicable]
- Lag Period: [5 / []] [London Banking Days] [U.S. Government Securities Business Days] [Not Applicable]
- Observation Shift Period: [5 / []] [London Banking Days] [U.S. Government Securities Business Days] [Not Applicable]
- (NB: A minimum of 5 relevant business/banking days should be specified for the Lag Period or Observation Shift Period, unless otherwise agreed with the Calculation Agent)*
- Interest Determination Date(s): [●][TARGET/[]] Business Days [in []] prior to the [] day in each Interest Period/each Interest Payment Date][The [first/[]] [London Banking Day]/[TARGET Business Day] / [U.S. Government Securities Business Day] falling after the last day of the relevant Observation Period][The [first/[]] Banking Day falling after the last day of the relevant Observation Period (where [City] Banking Day means any day on which commercial banks are open for general business (including dealing in foreign exchange and foreign currency deposits) in [City))][]].
 - Relevant Screen Page: [●] *(In the case of EURIBOR, if not Reuters EURIBOR01 ensure it is a page which shows a composite rate or amend the fallback provisions appropriately)*
- (ix) ISDA Determination: [Applicable/Not Applicable]
- (If not applicable, delete the remaining items of this subparagraph (x)) (If applicable, and "2021 ISDA Definitions" is selected below, note that "Administrator/Benchmark Event", "Generic*

Fallbacks" and the "Calculation Agent Alternative Rate Determination" are not workable in a notes context. Amendments will therefore need to be made to the Conditions which will require a drawdown prospectus for the issue.)

- ISDA Definitions: [2006/2021] ISDA Definitions
- Floating Rate Option: [●] (*If "2021 ISDA Definitions" is selected, ensure this is a Floating Rate Option included in the Floating Rate Matrix (as defined in the 2021 ISDA Definitions)*)
- Designated Maturity: [●]/[Not Applicable] (*A Designated Maturity period is not relevant where the relevant Floating Rate Option is a risk-free rate*)
- Reset Date: [●] (*In the case of a EURIBOR based option, the first day of the interest period*)
- Compounding Method: [Compounding with Lookback:

Lookback: [☐] Applicable Business Days]/[As specified in the Compounding/Averaging Matrix (as defined in the 2021 ISDA Definitions)]

[Compounding with Observation Period Shift:

Observation Period Shift: [☐] Observation Period Shift Business Days]/[As specified in the Compounding/Averaging Matrix (as defined in the 2021 ISDA Definitions)]

Observation Period Shift Additional Business Days: [☐]/[Not Applicable]

[Compounding with Lockout:

Lockout: [☐] Lockout Period Business Days]/[As specified in the Compounding/Averaging Matrix (as defined in the 2021 ISDA Definitions)]
[Lockout Period Business Days: [☐]/[Applicable Business Days]]
- Averaging: [Applicable/Not Applicable]
(*If not applicable, delete the remaining items of this subparagraph*)
- Averaging Method: [Averaging with Lookback

Lookback: [☐] Applicable Business Days]/[As specified in the Compounding/Averaging Matrix (as defined in the 2021 ISDA Definitions)]

[Averaging with Observation Period Shift

- Observation Period Shift: [[] Observation Period Shift Business Days]/[As specified in the Compounding/Averaging Matrix (as defined in the 2021 ISDA Definitions)]
- Observation Period Shift Additional Business Days: []/[Not Applicable]]
- [Averaging with Lockout
- Lockout: [[] Lockout Period Business Days]/[As specified in the Compounding/Averaging Matrix (as defined in the 2021 ISDA Definitions)]
- Lockout Period Business Days: []/[Applicable Business Days]
- Index provisions: [Applicable / Not Applicable]
(If not applicable, delete the remaining items of this subparagraph)
 - Index Method: Compounded Index Method with Observation Period Shift
- Observation Period Shift: [[] Observation Period Shift Business Days]/[As specified in the Compounding/Averaging Matrix (as defined in the 2021 ISDA Definitions)]
- Observation Period Shift Additional Business Days: []/[Not Applicable]]
- Compounding Method: [Compounding with Lookback:
- Lookback: [[] Applicable Business Days]/[As specified in the Compounding/Averaging Matrix (as defined in the 2021 ISDA Definitions)]]
- [Compounding with Observation Period Shift:
- Observation Period Shift: [[] Observation Period Shift Business Days]/[As specified in the Compounding/Averaging Matrix (as defined in the 2021 ISDA Definitions)]
- Observation Period Shift Additional Business Days: []/[Not Applicable]]
- [Compounding with Lockout:
- Lockout: [[] Lockout Period Business Days]/[As specified in the Compounding/Averaging Matrix (as defined in the 2021 ISDA Definitions)]]

	[Lockout Period Business Days: []/[Applicable Business Days]]
(x) Linear Interpolation:	[Not Applicable/Applicable—the Rate of Interest for the [long/short][first/last] Interest Period shall be calculated using Linear Interpolation (<i>specify for each short or long interest period</i>)]
(xi) Margin(s):	[+/-][●]% per annum
(xii) Minimum Rate of Interest:	[●]% per annum
(xiii) Maximum Rate of Interest:	[●]% per annum
(xiv) Day Count Fraction:	[●]
15. Zero Coupon Note Provisions	[Applicable/Not Applicable] (If not applicable, delete the remaining sub-paragraphs of this paragraph)
(i) [Amortisation/Accrual] Yield:	[●]% per annum
(ii) Reference Price:	[●]
(iii) Day Count Fraction in relation to Early Redemption Amounts:	[[30/360][Actual/360][Actual/365]]

PROVISIONS RELATING TO REDEMPTION

16. Issuer Call	[Applicable/Not Applicable] (If not applicable, delete the remaining sub-paragraphs of this paragraph)
(i) Optional Redemption Date(s):	[●]
(ii) Optional Redemption Amount(s):	[●] per Calculation Amount
(iii) If redeemable in part:	
(a) Minimum Redemption Amount:	[●] per Calculation Amount
(b) Maximum Redemption Amount:	[●] per Calculation Amount
17. Issuer Maturity Par Call	[Applicable/Not Applicable] (If not applicable, delete the remaining sub-paragraphs of this paragraph)
Maturity Par Call Period:	From (and including) [●] to (but excluding) the Maturity Date.
18. Issuer Make Whole Call	[Applicable/Not Applicable] (If not applicable, delete the remaining sub-paragraphs of this paragraph)

(i)	Make Whole Trigger Date:	[●]
(ii)	Benchmark Security:	[United States Treasury security]/[●]
(iii)	Make Whole Redemption Rate:	[The greater of (a) zero and (b) rate per annum equal to the [semi-]annual equivalent yield to maturity of the applicable Comparable Security, assuming a price for such Comparable Security (expressed as a percentage of its principal amount) equal to the applicable Comparable Security Price for such redemption date]/[●]
(iv)	Make Whole Redemption Margin:	[●] per cent.
(v)	Reference Dealer(s):	[Not Applicable/[●]]
(vi)	Reference Quotation Time:	[●]
(vi)	If redeemable in part:	
	(a) Minimum Make Whole Redemption Amount:	[●] per Calculation Amount
	(b) Maximum Make Whole Redemption Amount:	[●] per Calculation Amount
19.	Investor Put	[Applicable/Not Applicable] <i>(If not applicable, delete the remaining sub-paragraphs of this paragraph)</i>
	(i) Optional Redemption Date(s):	[●]
	(ii) Optional Redemption Amount(s):	[●] per Calculation Amount
20.	Change of Control Put	[Applicable/Not Applicable] <i>(If not applicable, delete the remaining sub-paragraphs of this paragraph)</i>
	Change of Control Redemption Amount(s):	[●] per Calculation Amount
21.	Early Redemption Amount	
	Early Redemption Amount(s) per Calculation Amount payable on redemption for taxation reasons or on event of default or other early redemption:	[●] per Calculation Amount
22.	Final Redemption Amount	[●] per Calculation Amount
GENERAL PROVISIONS APPLICABLE TO THE NOTES		
23.	Form of Notes	[Global Note exchangeable for Definitive Notes in the limited circumstances specified in the Global Note]
24.	Additional Financial Centre(s)	[Not Applicable/[●]]

25. **Provisions applicable to Renminbi Notes** [Applicable/Not Applicable]
(If not applicable, delete the remaining sub-paragraphs of this paragraph)
- (i) Renminbi Settlement Centre(s): [Not Applicable/[●]]
 - (ii) Relevant Currency: [Not Applicable/[●]]
 - (ii) Renminbi Currency Event: [Applicable/Not Applicable]
 - (iv) Relevant Spot Rate Screen Pages for Renminbi Currency Event:
 - (a) Relevant Spot Rate Screen Page (Deliverable Basis): [Not Applicable/[●]]
 - (b) Relevant Spot Rate Screen Page (Non-deliverable Basis): [Not Applicable/[●]]
 - (v) Party responsible for calculating the Spot Rate Renminbi Currency Event: [[●] (the “**Calculation Agent**”)]/[Not Applicable]

THIRD PARTY INFORMATION

[(*Relevant third party information*) has been extracted from [Not Applicable/[●]]. [The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware, and is able to ascertain from information published by [Not Applicable/[●]], no facts have been omitted which would render the reproduced information inaccurate or misleading.]

[Signed on behalf of the Issuer:

By: _____
 Duly authorised]

PART B—OTHER INFORMATION

1. LISTING

- (i) Admission to trading [Application has been made by the Issuer (or on its behalf) for the Notes to be admitted to trading on the Main Market of the London Stock Exchange and to be listed on the Official List of the FCA with effect from [●].]
- (ii) Estimate of total expenses related to admission to trading: [●]

2. RATINGS

Ratings: [[The Notes to be issued [have been/are expected to be] rated]/[The following ratings reflect ratings assigned to Notes of this type issued under the Programme generally]]:

[Moody's: [●]]

[Fitch: [●]]

[Other: [●]]

Option 1—CRA established in the EEA and registered under the CRA Regulation

[●] is established in the EEA and registered under Regulation (EU) No 1060/2009, as amended as it forms part of UK domestic law by virtue of the EUWA (the “**UK CRA Regulation**”). [●] appears on the latest update of the list of registered credit rating agencies (as of [insert date of most recent list]) on the ESMA website: <https://www.esma.europa.eu/supervision/credit-rating-agencies/risk>

Option 2—CRA not established in the EEA but relevant rating is endorsed by a CRA which is established and registered under the CRA Regulation

[●] is not established in the EEA but the rating it has given to the Notes is endorsed by [●], which is established in the EEA and registered under Regulation (EU) No 1060/2009, as amended (the “**CRA Regulation**”). [●] appears on the latest update of the list of registered credit rating agencies (as of [insert date of most recent list]) on the ESMA website: <https://www.esma.europa.eu/supervision/credit-rating-agencies/risk>

Option 3—CRA established in the UK but relevant rating is endorsed by a CRA which is established and registered under the CRA Regulation

[●] is established in the UK and is registered in accordance with Regulation (EC) No. 1060/2009 as it forms part of UK domestic law by virtue of the EUWA (the “**UK CRA Regulation**”). [●] is not established in the EEA but the rating it has given to the Notes

is endorsed by [●], which is established in the EEA and registered under Regulation (EU) No 1060/2009, as amended (the “**CRA Regulation**”). [●] appears on the latest update of the list of registered credit rating agencies (as of [insert date of most recent list]) on the ESMA website: <https://www.esma.europa.eu/supervision/credit-rating-agencies/risk>

Option 4— CRA established in the UK, relevant rating is not endorsed under the CRA Regulation but CRA is certified under the CRA Regulation

[●] is established in the UK and is registered in accordance with Regulation (EC) No. 1060/2009 as it forms part of UK domestic law by virtue of the EUWA (the “**UK CRA Regulation**”). [●] is not established in the EEA but is certified under Regulation (EU) No 1060/2009, as amended (the “**CRA Regulation**”).

Option 5— CRA established in the UK but is not certified under the CRA Regulation and relevant rating is not endorsed under the CRA Regulation

[●] is established in the UK and is registered in accordance with Regulation (EC) No. 1060/2009 as it forms part of UK domestic law by virtue of the EUWA (the “**UK CRA Regulation**”). [●] is not established in the EEA and is not certified under Regulation (EU) No 1060/2009, as amended (the “**CRA Regulation**”) and the rating it has given to the Notes is not endorsed by a credit rating agency established in the EEA and registered under the CRA Regulation.

In general, European regulated investors are restricted from using a rating for regulator purposes if such rating is not issued by a credit rating agency established in the EEA and registered under the CRA Regulation unless (1) the rating is provided by a credit rating agency not established in the EEA but is endorsed by a credit rating agency established in the EEA and registered under the CRA Regulation or (2) the rating is provided by a credit rating agency not established in the EEA which is certified under the CRA Regulation.

Option 6—CRA is not established in the EEA and relevant rating is not endorsed under the CRA Regulation but CRA is certified under the CRA Regulation

[●] is not established in the EEA but is certified under Regulation (EU) No 1060/2009, as amended (the “**CRA Regulation**”).

Option 7—CRA neither established in the EEA nor certified under the CRA Regulation and relevant rating is not endorsed under the CRA Regulation

[●] is not established in the EEA and is not certified under Regulation (EU) No 1060/2009, as amended (the “**CRA Regulation**”) and the rating it has given to the Notes is not

endorsed by a credit rating agency established in the EEA and registered under the CRA Regulation.

In general, European regulated investors are restricted from using a rating for regulator purposes if such rating is not issued by a credit rating agency established in the EEA and registered under the CRA Regulation unless (1) the rating is provided by a credit rating agency not established in the EEA but is endorsed by a credit rating agency established in the EEA and registered under the CRA Regulation or (2) the rating is provided by a credit rating agency not established in the EEA which is certified under the CRA Regulation.

Option 8—Not Applicable]

3. [INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE [ISSUE/OFFER]

[Save for any fees payable to the [Managers/Dealers], so far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to the offer. The [Managers/Dealers] and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for, the Issuer and banking transactions with, and may perform other services for, the Issuer and its affiliates in the ordinary course of business. (*Amend as appropriate if there are other interests*)]

[(When adding any other description, consideration should be given as to whether such matters described constitute “significant new factors” and consequently trigger the need for a supplement to the Base Prospectus under Article 23 of the UK Prospectus Regulation.)]

4. [REASON[S] FOR THE OFFER]

[If other than for general corporate purposes]

5. [Fixed Rate Notes only—YIELD]

Indication of yield: [●]% per annum [on a [[semi-]annual]/[quarterly] basis]

The yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.]

6. DISTRIBUTION

(i) Method of distribution: [Syndicated/Non-Syndicated]

(ii) If syndicated, names of Managers: [Not Applicable/[●]]

(iii) Date of Subscription Agreement: [●]

(iv) Stabilising Manager(s) (if any): [Not Applicable/[●]]

(v) If non-syndicated, name of relevant Dealer: [Not Applicable/[●]]

(vi) Prohibition of Sales to EEA Retail Investors: [Applicable/Not Applicable]

- (vii) Prohibition of Sales to UK Retail Investors: [Applicable/Not Applicable]
- (viii) U.S. Selling Restrictions: [Reg S Compliance Category [2]]/[Rule 144A]

7. **OPERATIONAL
INFORMATION**

Common Code: [●]

ISIN: [●]

CUSIP: [●]

CFI: [See the website of the Association of National Numbering Agencies (ANNA) or alternatively sourced from the responsible National Numbering Agency that assigned the ISIN/Not Applicable/Not Available]

FISN: [See the website of the Association of National Numbering Agencies (ANNA) or alternatively sourced from the responsible National Numbering Agency that assigned the ISIN/Not Applicable/Not Available]

Any clearing system(s) other than [DTC,] Euroclear Bank SA/NV and Clearstream Banking S.A. and the relevant identification number(s): [Not Applicable/*give name(s) and number(s)*]

Delivery: Delivery [against/free of] payment

Names and addresses of additional Paying Agent(s) (if any): [●]

TAXATION

The following is a general description of certain Saudi Arabian and United States tax/zakat considerations relating to the Notes as in effect on the date of this Base Prospectus and is subject to any change in law or relevant rules and practice that may take effect after such date (possibly with retroactive effect). It does not purport to be a complete analysis of all tax considerations relating to the Notes and does not constitute legal or tax advice, nor does it address the considerations that are dependent on individual circumstances, whether in those jurisdictions or elsewhere. It is not intended and does not constitute tax advice. Prospective holders should note that the Issuer is not obligated to update this section for any subsequent changes or modification to the applicable tax laws. Prospective investors in the Notes should consult their own tax advisers as to which countries' tax laws could be relevant to acquiring, holding and/or disposing of Notes and/or receiving payments of interest, principal and/or other amounts under the Notes and the consequences of such actions under the tax laws of those countries.

Also, investors should note that the appointment by an investor in any Notes, or any person through which an investor holds any Notes, of a custodian, collection agent or similar person in relation to such Notes in any jurisdiction may have tax implications. Investors should consult their own tax advisers in relation to the tax consequences of them for any such appointment.

Kingdom of Saudi Arabia Taxation

Overview of Saudi tax law and Zakat regulations

Income Tax

According to the income tax law issued under Royal Decree No. M/1 dated 15/01/1425H (corresponding to 6 March 2004) and its Implementing Regulations issued under Ministerial Resolution No. 1535 dated 11/06/1425H (corresponding to 28 July 2004), as amended from time to time (the “**Income Tax Law**”), a resident company in the Kingdom with foreign (i.e., non-GCC) ownership (on its foreign partner's (shareholder's) share) and a non-resident who carries out business in the Kingdom through a Permanent Establishment (as defined below) are subject to corporate income tax in the Kingdom at the rate of 20% (if not engaged in oil and hydrocarbon production activities, see below). Resident companies wholly owned by GCC Persons (in addition to persons subject to zakat listed below under the section entitled “*Zakat*”) are subject to zakat instead of corporate income tax. Resident companies owned jointly by GCC and non-GCC Persons are subject to corporate income tax in respect of the share of their taxable profit attributable to the ownership (legal or beneficial) percentage held by non-GCC Persons and zakat on the ownership (legal or beneficial) percentage held by GCC Persons.

Shares held directly by GCC Persons or via other GCC companies (where the shareholding structure does not fall outside of the GCC) in a resident company are subject to zakat and not income tax. In determining the tax/zakat profile of a Saudi tax/zakat resident company, the ZATCA applies a “look-through” approach to determine whether the up-stream shareholding structure at any point exists outside of the GCC (i.e., at the ultimate shareholder level).

Saudi resident entities operating in the oil and hydrocarbon production sector are subject to corporate income tax irrespective of the nationality of their shareholders/owners. According to the Income Tax Law, the tax rates applicable to such entities to range from 50% to 85% depending on the level of total capital investment of the relevant entity:

- entities with total capital investment in the Kingdom of more than SAR 375 billion (\$100 billion) are subject to 50% corporate income tax;
- entities with total capital investment in the Kingdom between SAR 300 billion (\$80 billion) to SAR 375 billion (\$100 billion) are subject to 65% corporate income tax;
- entities with total capital investment in the Kingdom between SAR 225 billion (\$60 billion) to SAR 300 billion (\$80 billion) are subject to 75% corporate income tax; and

- entities with total capital investment in the Kingdom of less than SAR 225 billion (\$60 billion) are subject to 85% corporate income tax.

However, Royal Decree No. M/13, dated 18/1/1441 in the Hijri calendar (corresponding to 17 September 2019), Council of Ministers Resolution No. 54, dated 18/1/1441 in the Hijri calendar (corresponding to 17 September 2019) and Ministerial Resolution issued by the Ministry of Finance No. 559, dated 10/2/1441 in the Hijri calendar (corresponding to 9 October 2019) provide that the tax rate applicable to the downstream activities of certain taxpayers undertaking domestic oil and hydrocarbon production activities will be the general corporate tax rate of 20%, for a five-year period beginning on 1 January 2020, provided the relevant taxpayer separates its downstream activities (from the oil and other hydrocarbon production activities) into an independent legal entity before 31 December 2024. If the taxpayer does not comply in separating its downstream activities from the oil and other hydrocarbon production activities by the due date of 31 December 2024, income from downstream activities will be taxed retroactively on an annual basis for such five-year period in accordance with the multi-tiered tax rates applicable to domestic oil and hydrocarbon production companies. In such a case, the taxpayer will be required to pay the difference in taxes due to the Government. The Company is currently seeking an extension to 31 December 2030, which it expects will be granted. Consequently, Saudi Aramco continues to apply the 20% income tax rate to its Downstream activities.

In addition, effective 1 January 2018, a 20% corporate income tax rate applies to companies engaged in natural gas investment activities. Companies involved in both oil and hydrocarbon production activities as well as natural gas investment activities are required to prepare tax computation for each activity separately.

Furthermore, according to the Income Tax Law, ownership by companies engaged in oil and hydrocarbon production activities in Saudi Arabian entities that are not carrying out oil and hydrocarbon production activities should generally be subject to corporate income tax at 20% (at the level of the investee/subsidiary). Additionally, by Royal Decree No. M/153 dated 05/11/1441 in the Hijri calendar (corresponding to 26 June 2020), the Income Tax Law was amended to provide that companies listed on the Saudi Exchange are not subject to corporate income tax with respect to shares owned (directly or indirectly) by companies engaged in oil and hydrocarbon production activities and instead are subject to zakat, including their indirect interest in those companies (at the level of the investee/subsidiary of such listed companies).

Non-GCC natural persons resident in the Kingdom who are not performing commercial activities in the Kingdom (as defined in Chapter 1—Article 1 of the Income Tax Law, and Chapter 1—Article 1 of the New Zakat Regulations) are not currently subject to income tax or zakat in the Kingdom according to existing practices of ZATCA (as compliance/administration of Income Tax Law is not currently enforced by ZATCA on natural persons).

Zakat

Zakat is a religious obligation imposed on Muslims under *Shari'a* to pay a fixed percentage of their wealth for the relief of poverty. The Ministry of Finance has issued zakat implementing regulations under Ministerial Resolution No. 2216 dated 7/7/1440 in the Hijri calendar (corresponding to 14 March 2019), as amended under Ministerial Resolution No. 58705 dated 21/09/1444H (corresponding to 12 April 2023) ("**Zakat Regulations**"), which are effective for financial years starting 1 January 2019.

Additionally, the Ministry of Finance has issued new zakat implementing regulations under Ministerial Resolution No. 1007 dated 19/08/1445H (corresponding to 29 February 2024) (the "**New Zakat Regulations**"). The New Zakat Regulations are effective (and replace the existing Zakat Regulations) for financial years starting 1 January 2024. Investors are advised to consult their Zakat/tax advisors on the specific implications of these New Zakat Regulations.

The rules governing the calculation of zakat are complex. Separate rules are applicable for the calculation of zakat by zakat payers who are engaged in the Kingdom in financing activities (as defined in the New Zakat Regulations) and zakat payers who are engaged in the Kingdom in non-financing activities. This "*Taxation—Kingdom of Saudi Arabia Taxation*" section broadly covers the zakat consequences of investment in the Notes by the investors who are engaged in non-financing activities in the Kingdom.

According to the New Zakat Regulations, zakat is assessed on/applicable to:

- a Saudi/GCC resident person who performs an activity under a licence in the Kingdom;
- a sole proprietorship owned by a Saudi/GCC and established in the Kingdom as per the relevant laws and regulations in force in the Kingdom;
- a company owned by a Saudi/GCC and established in the Kingdom, as per the relevant laws and regulations in force in the Kingdom, and the share of a Saudi/GCC partner or shareholder in resident companies and the shares of governmental authorities and establishments and the equivalent;
- financing funds licensed by the Capital Market Authority;
- resident companies owned by the Government, and resident companies owned by the Public Investment Fund in accordance with the provisions of relevant Royal Decrees and Ministerial Resolutions; and
- the shares of a non-Saudi/GCC shareholder in resident companies listed on the Saudi Exchange, with the exception of the shares of non-Saudi/GCC founders as per the company's law or the Articles of Association or relevant legal documents.

Notwithstanding the above, zakat is not assessed/applicable to (as mentioned in Articles 6,7, and 8 of the New Zakat Regulations):

- (i) persons subject to the Income Tax Law and the shares of corporate persons which are subject to Income Tax;
- (ii) resident capital companies on the shares owned directly or indirectly by persons engaged in oil and hydrocarbon production activities, whether natural or corporate persons, residents or non-residents, except for the shares owned directly or indirectly by persons engaged in oil and hydrocarbon production activities in capital companies listed on the Saudi Exchange and the shares directly or indirectly owned by these companies in capital companies; and
- (iii) persons exempt from being subject to zakat (as defined in Article 7 of the New Zakat Regulations) and to whomever ZATCA issues a decision to exempt from zakat.

There are certain rules that apply to the method of calculating the zakat liability. The zakat base for persons engaged in non-financing activities is generally computed by adding the ending balances of equity, loans and credit balances (subject to certain conditions), provisions and the difference between the adjusted net profit or loss for zakat purposes and the accounting net profit/(loss), reduced by, among other items, certain deductible long-term investments and fixed assets among other deduction items. The zakat base is currently levied on the higher of the minimum or actual zakat base.

Additionally, under the New Zakat Regulations, the minimum zakat base for Zakat payers who are engaged in non-financing activities is the lower of (i) total non-deductible assets plus the difference between net adjusted profit/(loss) and net accounting profit/(loss) or (ii) net adjusted profit. The maximum zakat base is the total of equity components and their equivalents (such as profits under distribution classified as a liability, shareholder loans and certain other amounts classified as equity for zakat purposes). The determination of the maximum zakat base relies on the values reflected on the zakat payer's Statement of Financial Position at the close of the Zakatable year, factoring in the difference between the accounting net profit/(loss) and the adjusted profit/(loss) for zakat purposes.

The zakat rate under the new Zakat Regulations for both the zakat base and net adjusted income/(loss) is approximately 2.578% if a zakat payer is following the Gregorian financial year and 2.5% if a zakat payer is following the Hijri financial year.

It should be noted that Article 55 of the New Zakat Regulations outlines the zakat treatment of investments in sukuk and bonds. More specifically, the investment in sukuk are deductible by zakat payers from their zakat base if the following conditions are met:

- (a) the investment is not held for trading purposes;
- (b) the sukuk issuer treats these issuances as capital/equity for zakat purposes, regardless of the classification of such instruments in the financial statements, when calculating the zakat base;
- (c) the issuer has declared to ZATCA that these securities/instruments have been treated as capital in their zakat return through any document accepted by ZATCA; and
- (d) the issuer does not change the treatment of sukuk/bonds, mentioned in the point (b) above, under their zakat return during the period in which the sukuk are due.

Prior to the amendment under the existing Zakat Regulations and the New Zakat Regulations, investors in sukuk and bonds who are resident zakat payers in the Kingdom (other than zakat Payers who are engaged in financing activities (as defined in the New Zakat Regulations) who are subject to different zakat rules) were not allowed to claim the investment in sukuk as deductible from their zakat base (whether these were long-term or short-term investments) on the basis that issuers were not subjecting these instruments to zakat in their zakat base.

GCC natural persons resident in the Kingdom for tax/zakat purposes should in principle be subject to zakat in the Kingdom if they carry out activities (as defined in Chapter 1 – Article 1 of the New Zakat Regulations) in the Kingdom. However, zakat compliance/administration is not currently enforced by ZATCA for such individuals.

Withholding Tax

Saudi Arabian resident persons and permanent establishments of non-resident entities registered in Saudi Arabia are required to withhold taxes on payments to non-residents, including GCC residents, if such payment is from a source in the Kingdom. Saudi Arabian withholding tax (“**WHT**”) rates vary from 5% to 20% depending on the nature of the underlying taxable payment. WHT is imposed on payments against services and not the sale of goods. Services are defined to mean anything done for consideration other than the purchase and sale of goods and other property.

Interest payments made to non-residents attract a 5% withholding tax unless such WHT is reduced or eliminated pursuant to the terms of an applicable double tax treaty (see below).

Notwithstanding the above, pursuant to the terms of the Notes, to the extent that any WHT is deducted, the Issuer will generally be obligated to pay such additional amounts as will result in receipt by the Noteholders, after such withholding or deduction, of such amounts as would have been received by them had no withholding or deduction been required.

Withholding tax is reduced or eliminated pursuant to the provisions of an applicable double tax treaty signed between a non-resident's country of tax residence and Saudi Arabia. Application of double tax treaties in Saudi Arabia may take place under one of two methods: (i) a refund mechanism which requires the payor to subject the relevant payment to WHT as per the Income Tax Law and then a refund request of the WHT may be submitted to ZATCA; or (ii) the automatic application of double tax treaties which provides for the possibility of the payor to

not subject the relevant payment to WHT in the first place. Both mechanisms require the beneficiary/recipient to provide certain documents and forms to ZATCA (such as a tax residency certificate).

Certain Tax and Zakat Implications for Noteholders

GCC Noteholders who are Resident in Saudi Arabia

Noteholders who are GCC Persons and resident in Saudi Arabia for tax purposes (as defined in Chapter 2 – Article 3 of the Income Tax Law and Chapter 3 - Article 4 of the New Zakat Regulations) are not subject to any Saudi Arabian income tax, whether by way of WHT or direct assessment, in respect of any interest payment received or gain realised in respect of the Notes. However, such Noteholders will be subject to zakat in respect of any interest payment received or gain realised in respect of the Notes (to the extent they are legal entities registered for zakat purposes in the Kingdom and not natural persons) including capital gain on sale/transfer of the Notes. Additionally, the deduction of investment in the Notes from the zakat base of such Noteholders is dependent on whether the conditions as mentioned in Article 55 of the New Zakat Regulations are met. Moreover, the deduction is permitted (provided that the conditions are met) for Zakat payers engaged in financing activities (as defined in the New Zakat Regulations) in the Kingdom for which different zakat rules apply.

GCC individuals resident in the Kingdom for tax/zakat purposes should in principle be subject to zakat in the Kingdom if they carry out activities in the Kingdom; however, zakat compliance/administration is not currently enforced by ZATCA for such individuals (unless they carry out such activities through establishments).

Non-GCC Noteholders who are Resident in Saudi Arabia

Noteholders who are non-GCC legal entities and resident in Saudi Arabia for tax purposes (as defined in Chapter 2 – Article 3 of the Income Tax Law) should be subject to Saudi Arabian corporate income tax at the rate of 20% (assuming they are owned by non-GCC persons and not listed on a financial market in the Kingdom) on any interest received or gain realised in respect of the Notes but they will not be subject to any zakat.

The considerations described above also apply to Saudi Arabian companies wholly-owned by non-GCC Persons (which should be subject to Saudi Arabian corporate income tax) and on the income attributable to the ownership of non-GCC Persons in Saudi Arabian companies (which should be subject to Saudi Arabian corporate income tax on the profits attributable to such non-GCC ownership).

Noteholders, who are non-GCC individuals and resident in the Kingdom and not performing commercial activities in Saudi Arabia (as defined in Chapter 1 – Article 1 of the Income Tax Law) are not currently subject to Saudi Arabian income tax or zakat on any interest payment received or gain realised in respect of the Notes, according to existing practices of ZATCA (as compliance/administration of Income Tax Law is not currently enforced by ZATCA on such individuals).

Noteholders who are not Resident in Saudi Arabia

Noteholders, either natural persons or legal entities, who are not resident in Saudi Arabia (whether such Noteholders are GCC nationals or non-GCC nationals (including Noteholders resident in GCC countries other than the Kingdom)) and do not have a Permanent Establishment in Saudi Arabia for tax purposes, will be subject to Saudi Arabian WHT on interest income paid to them, unless such WHT is reduced or eliminated pursuant to the terms of an applicable double tax treaty.

For completeness, as the payment of interest on the Notes will be made through the Paying Agents (as defined in the Conditions) and the relevant clearing systems (as defined in the Conditions), some Noteholders (subject to tax advice sought for their specific cases and in relevant jurisdictions by the Noteholders) may not be able to prove to their local tax authorities that WHT has been applied to interest payments, and therefore may not be able to obtain the benefit of any applicable double tax treaty relief or credit for tax withheld.

Notwithstanding the above, pursuant to the terms of the Notes, to the extent that any WHT is deducted, the Issuer will generally be obligated to pay such additional amounts as will result in receipt by the Noteholders, after such

withholding or deduction, of such amounts as would have been received by them had no withholding or deduction been required.

Non-resident entities having a Permanent Establishment in Saudi Arabia are subject to Saudi Arabian corporate income tax at the rate of 20% in respect of any interest payments received or gain realised in respect of the Notes and attributable to such Permanent Establishment, but will not be subject to zakat.

Indirect and Transfer taxes

There are no transfer taxes currently applicable in the Kingdom (other than real estate transaction tax).

The Kingdom introduced VAT with an effective date of 1 January 2018 pursuant to ratifying the GCC VAT Agreement between the GCC member states. To this effect, VAT legislation has also been issued by ZATCA in line with the GCC framework agreement. Since July 2020 the VAT rate has been increased from 5% to 15%. The VAT legislation in the Kingdom exempts certain financial services (including interest for financing, which would include financing in the form of Notes) from VAT.

Definitions

For the purposes of this summary:

- (a) A “**GCC Person**” means: (i) a natural person having the nationality of any of the GCC countries and (ii) any legal entity wholly owned by GCC nationals and established under the laws of a GCC country;
- (b) Subject to the exceptions stipulated in the Income Tax Law, a “**Permanent Establishment**” of a non-resident in the Kingdom represents a permanent place for the non-resident’s activity where such person conducts the activity either fully or partly, which also includes any activity conducted by the non-resident through an agent. A non-resident carrying out an activity in the Kingdom through a licensed branch is considered to have a Permanent Establishment in the Kingdom.
- (c) A person is “**resident**” in Saudi Arabia for tax purposes (as defined in Chapter 2—Article 3 of the Income Tax Law and Chapter 3 - Article 4 of the New Zakat Regulations), if it meets the following conditions:
 - (i) a natural person is considered a tax resident in Saudi Arabia for a taxable/zakatable year if such person meets either of the two following conditions:
 - (1) such person has a permanent place of abode in Saudi Arabia and is physically present in Saudi Arabia for a total of not less than 30 days in the taxable/zakatable year; or
 - (2) such person is physically present in Saudi Arabia for a period of not less than 183 days in the taxable/zakatable year; and
 - (ii) a company is considered a tax resident in Saudi Arabia during a taxable/zakatable year if it meets either of the following conditions:
 - (1) it is formed in accordance with the Saudi Companies Law; or
 - (2) its place of central control and management is located in Saudi Arabia.

Noteholders should not be deemed to be Resident in Saudi Arabia solely by reason of holding any Notes.

United States Federal Income Taxation

The following is a summary of certain U.S. federal income tax considerations relevant to U.S. Holders and Non-U.S. Holders (each as defined below) acquiring, holding and disposing of the Notes. This summary addresses only the U.S. federal income tax considerations for initial purchasers of Notes at their “issue price” (as defined below) that will hold the Notes as capital assets (generally, property held for investment).

This discussion assumes that the Notes will be treated as debt for U.S. federal income tax purposes. No rulings have been or will be sought from the U.S. Internal Revenue Service (the “**IRS**”) with respect to the classification of the Notes in general or with respect to any particular Notes.

This discussion does not describe all of the tax consequences that may be relevant in light of a Noteholder’s particular circumstances or to Noteholders subject to special rules, such as:

- financial institutions;
- insurance companies;
- dealers in securities or foreign currencies;
- traders in securities or foreign currencies electing to mark their positions to market;
- regulated investment companies;
- real estate investment trusts;
- tax-exempt organisations;
- U.S. expatriates and former long-term residents of the United States;
- persons holding Notes as part of a hedging transaction, straddle, conversion transaction or other integrated transaction;
- U.S. Holders whose functional currency is not the U.S. Dollar;
- U.S. Holders that will hold Notes in connection with a permanent establishment or fixed base outside of the United States;
- persons required to take certain amounts into income no later than the time such amounts are recognised as income on their financial statements; or
- entities or arrangements classified as partnerships or pass-through entities for U.S. federal income tax purposes or investors therein.

This summary is based on the U.S. Internal Revenue Code of 1986, as amended (the “**Code**”), administrative pronouncements, judicial decisions and final, temporary and proposed U.S. Treasury regulations, changes to any of which subsequent to the date of this Base Prospectus may affect the tax consequences described below. This summary does not address any U.S. federal tax consequences other than U.S. federal income tax consequences, such as the estate tax, gift tax, U.S. state or local tax or non-U.S. tax. This summary also does not address alternative minimum tax consequences, or the Medicare tax on net investment income. Moreover, this summary deals only with Notes with a term of 30 years or less. Persons considering the purchase of a particular Tranche of Notes should consult the relevant supplement to this Base Prospectus (if any) issued in connection with that Tranche of Notes for any discussion regarding U.S. federal income taxation and should consult their tax advisers with regard to the application of the U.S. federal income tax laws to their particular situations, as well as any tax consequences arising under the laws of any state, local or non-U.S. taxing jurisdiction.

To the extent applicable, the tax treatment of certain Notes, such as Notes that are not principal protected, will be specified in the relevant supplement to this Base Prospectus issued in connection with those Notes.

As used herein, the term “**U.S. Holder**” means a beneficial owner of a Note that is for U.S. federal income tax purposes:

- a citizen or individual resident of the United States;

- a corporation created or organised in or under the laws of the United States or of any political subdivision thereof;
- an estate the income of which is subject to U.S. federal income taxation regardless of its source; or
- a trust (i) if a court within the United States is able to exercise primary supervision over the administration of the trust and one or more U.S. persons have the authority to control all substantial decisions of the trust or (ii) if such trust has a valid election in effect under applicable U.S. Treasury regulations to be treated as a U.S. person.

The term “**Non-U.S. Holder**” means a beneficial owner of a Note that is not a U.S. Holder. If an entity or arrangement that is classified as a partnership for U.S. federal income tax purposes holds Notes, the U.S. federal income tax treatment of a partner therein will generally depend on the status of the partner and upon the activities of the partnership. Partners of partnerships holding Notes should consult with their tax advisers regarding the tax consequences of an investment in the Notes.

Payments of Stated Interest

Interest paid on a Note will be taxable to a U.S. Holder as ordinary interest income at the time it accrues or is received in accordance with the U.S. Holder’s method of accounting for U.S. federal income tax purposes, *provided* that the interest is “qualified stated interest” (as defined below).

“Qualified stated interest” is stated interest that is unconditionally payable, or constructively received under Section 451 of the Code, in cash or property (other than in debt instruments of the Issuer) at least annually during the entire term of the Note and equal to the outstanding principal balance of the Note multiplied by a single fixed rate of interest. In addition, interest on a Floating Rate Note that is unconditionally payable, or will be constructively received under Section 451 of the Code, in cash or property (other than debt instruments issued by the Issuer) at least annually will constitute “qualified stated interest” if the Note is a “VRDI” (as defined below) under the rules described below and the interest is payable at a single “qualified floating rate” or single “objective rate” (each as defined below). If the Note is a VRDI but the interest is payable other than at a single qualified floating rate or at a single objective rate, special rules apply to determine the portion of such interest that constitutes “qualified stated interest”. See “—*Original Issue Discount—Floating Rate Notes that are VRDIs*” below. Interest income earned by a U.S. Holder with respect to a Note will generally constitute foreign source income for U.S. federal income tax purposes, which may be relevant in calculating the U.S. Holder’s foreign tax credit limitation. The rules regarding foreign tax credits are complex and prospective investors should consult their tax advisers about the application of such rules to them in their particular circumstances. Special rules governing the treatment of interest paid with respect to short-term Notes, original issue discount Notes, contingent payment debt instruments and foreign currency Notes are described under “—*Short-Term Notes*”, “—*Original Issue Discount*”, “—*Contingent Payment Debt Instruments*” and “—*Foreign Currency Notes*”.

Definition of Variable Rate Debt Instrument. A Note is a VRDI if all of the four following conditions are met. First, the “issue price” of the Note (as described below) must not exceed the total noncontingent principal payments by more than an amount equal to the lesser of (i) 0.015 multiplied by the product of the total noncontingent principal payments and the number of complete years to maturity from the issue date (or, in the case of a Note that provides for payment of any amount other than qualified stated interest before maturity, its weighted average maturity) and (ii) 15% of the total noncontingent principal payments. Second, the Note must generally provide for stated interest (or its equivalent) (compounded or paid at least annually) at (a) one or more qualified floating rates, (b) a single fixed rate and one or more qualified floating rates, (c) a single objective rate or (d) a single fixed rate and a single objective rate that is a “qualified inverse floating rate” (as defined below). Third, the Note must provide that a qualified floating rate or objective rate in effect at any time during the term of the Note is set at the value of the rate on any day that is no earlier than three months prior to the first day on which that value is in effect and no later than one year following that first day. Fourth, the Note may not provide for any principal payments that are contingent except as provided in the first requirement set forth above.

Subject to certain exceptions, a variable rate of interest on a Note is a “qualified floating rate” if variations in the value of the rate can reasonably be expected to measure contemporaneous fluctuations in the cost of newly borrowed funds in the currency in which the Note is denominated. A variable rate will be considered a qualified floating rate if the variable rate equals (i) the product of an otherwise qualified floating rate and a fixed multiple (*i.e.*, a spread multiplier) that is greater than 0.65, but not more than 1.35 or (ii) an otherwise qualified floating rate (or the product described in clause (i)) plus or minus a fixed rate (*i.e.*, a spread). If the variable rate equals the product of an otherwise qualified floating rate and a single spread multiplier greater than 1.35 or less than or equal to 0.65, however, such rate will generally constitute an objective rate, described more fully below. A variable rate will not be considered a qualified floating rate if the variable rate is subject to a cap, floor, governor (*i.e.*, a restriction on the amount of increase or decrease in the stated interest rate) or similar restriction that is reasonably expected as at the issue date to cause the yield on the Note to be significantly more or less than the expected yield determined without the restriction (other than a cap, floor or governor that is fixed throughout the term of the Note).

Subject to certain exceptions, an “objective rate” is a rate (other than a qualified floating rate) that is determined using a single fixed formula and that is based on objective financial or economic information that is neither within the Issuer’s control (or the control of a related party) nor unique to the Issuer’s circumstances (or the circumstances of a related party). Notwithstanding the first sentence of this paragraph, a rate on a Note is not an objective rate if it is reasonably expected that the average value of the rate during the first half of the Note’s term will be either significantly less than or significantly greater than the average value of the rate during the final half of the Note’s term. An objective rate is a “qualified inverse floating rate” if (a) the rate is equal to a fixed rate minus a qualified floating rate and (b) the variations in the rate can reasonably be expected to inversely reflect contemporaneous variations in the qualified floating rate (disregarding any caps, floors, governors or similar restrictions that would not, as described above, cause a rate to fail to be a qualified floating rate).

Unless otherwise provided in the relevant supplement to this Base Prospectus (if any) issued in connection with a particular Tranche of Notes, it is expected, and this discussion assumes, that a Floating Rate Note will qualify as a VRDI. If a Floating Rate Note does not qualify as a VRDI, then the Floating Rate Note will generally be treated as a contingent payment debt instrument, as discussed below under “—*Contingent Payment Debt Instruments*”.

Original Issue Discount

Except in the case of a short-term Note, a Note that has an “issue price” that is less than its “stated redemption price at maturity” will be considered to have been issued with original issue discount (“**OID**”) for U.S. federal income tax purposes (and will be referred to as an “**original issue discount Note**”) unless the Note satisfies a *de minimis* threshold (as described below). The “issue price” of a Note generally will be the first price at which a substantial amount of the Notes are sold to the public (which does not include sales to bond houses, brokers or similar persons or organisations acting in the capacity of underwriters, placement agents or wholesalers). The “stated redemption price at maturity” of a Note generally will equal the sum of all payments required to be made under the Note other than payments of qualified stated interest.

If the difference between a Note’s stated redemption price at maturity and its issue price is less than a *de minimis* amount, *i.e.*, 1/4 of 1% of the stated redemption price at maturity multiplied by the number of complete years to maturity (or, in the case of a Note that provides for payment of any amount other than qualified stated interest prior to maturity, the weighted average maturity of the Note), the Note will not be considered to have OID. U.S. Holders of Notes with a *de minimis* amount of OID will include this OID in income, as capital gain, on a *pro rata* basis as principal payments are made on the Note.

A U.S. Holder of original issue discount Notes will be required to include any qualified stated interest payments in income in accordance with the U.S. Holder’s method of accounting for U.S. federal income tax purposes.

A U.S. Holder may make an election to include in gross income all interest that accrues on any Note (including qualified stated interest, OID, *de minimis* OID, and unstated interest, as adjusted by any amortisable bond premium) in accordance with a constant yield method based on the compounding of interest, and may revoke such election only with the permission of the IRS (a “**constant yield election**”).

The Issuer may have an unconditional option to redeem, or U.S. Holders may have an unconditional option to require the Issuer to redeem, a Note prior to its stated maturity date. Under applicable U.S. Treasury regulations, if the Issuer has an unconditional option to redeem a Note prior to its stated maturity date, this option will be presumed to be exercised if, by utilising any date on which the Note may be redeemed as the maturity date and the amount payable on that date in accordance with the terms of the Note as the stated redemption price at maturity, the yield on the Note would be lower than its yield to maturity. If the U.S. Holders have an unconditional option to require the Issuer to redeem a Note prior to its stated maturity date, this option will be presumed to be exercised if making the same assumptions as those set forth in the previous sentence, the yield on the Note would be higher than its yield to maturity. If it was presumed that such an option would be so exercised but this option is not in fact exercised, the Note would be treated, solely for purposes of calculating OID, as if it were redeemed, and a new Note were issued, on the presumed exercise date for an amount equal to the Note's adjusted issue price on that date. The adjusted issue price of an original issue discount Note is defined as the sum of the issue price of the Note and the aggregate amount of previously accrued OID, less any prior payments other than payments of qualified stated interest.

Fixed Rate Notes. In the case of a Fixed Rate Note that is an original issue discount Note, U.S. Holders of such Note will be required to include OID in income for U.S. federal income tax purposes as it accrues in accordance with a constant yield method based on a compounding of interest, regardless of whether cash attributable to this income is received.

Floating Rate Notes that are VRDIs. In the case of a Floating Rate Note that is a VRDI and that provides for interest at a single variable rate, the amount of qualified stated interest and the amount of OID, if any, includible in income during a taxable year are determined under the rules applicable to Fixed Rate Notes (described above) by assuming that the variable rate is a fixed rate equal to (i) in the case of a qualified floating rate or a qualified inverse floating rate, the value, as of the issue date, of the qualified floating rate or qualified inverse floating rate, or (ii) in the case of an objective rate (other than a qualified inverse floating rate), a fixed rate that reflects the yield that is reasonably expected for the Note. Qualified stated interest allocable to an accrual period is increased (or decreased) if the interest actually paid during an accrual period exceeds (or is less than) the interest assumed to be paid during the accrual period.

If a Note that is a VRDI does not provide for interest at a single variable rate, as described above, the amount of interest and OID accruals are determined by constructing an equivalent fixed rate debt instrument, as follows:

- *First*, in the case of an instrument that provides for stated interest at one or more qualified floating rates or at a qualified inverse floating rate and, in addition, at a fixed rate (other than a fixed rate that is treated as, together with a variable rate, a single qualified floating rate or objective rate), replace the fixed rate with a qualified floating rate (or qualified inverse floating rate) such that the fair market value of the instrument, so modified, as at the issue date would be approximately the same as the fair market value of the unmodified instrument;
- *Second*, determine the fixed rate substitute for each variable rate provided by the Note. The fixed rate substitute for each qualified floating rate provided by the Note is the value of that qualified floating rate on the issue date. If the Note provides for two or more qualified floating rates with different intervals between interest adjustment dates, the fixed rate substitutes must be based on intervals that are equal in length. The fixed rate substitute for an objective rate that is a qualified inverse floating rate is the value of the qualified inverse floating rate on the issue date. The fixed rate substitute for an objective rate (other than a qualified inverse floating rate) is a fixed rate that reflects the yield that is reasonably expected for the Note;
- *Third*, construct an equivalent fixed rate debt instrument that has terms that are identical to those provided under the Note, except that the equivalent fixed rate debt instrument provides for the fixed rate substitutes determined in the second step, in lieu of the qualified floating rates or objective rate provided by the Note;
- *Fourth*, determine the amount of qualified stated interest and OID for the equivalent fixed rate debt instrument under the rules (described above) for Fixed Rate Notes. These amounts are taken into account

as if the U.S. Holder held the equivalent fixed rate debt instrument. See “—*Payments of Stated Interest*” and “—*Original Issue Discount—Fixed Rate Notes*” above; and

- *Fifth*, make appropriate adjustments for the actual values of the variable rates. In this step, qualified stated interest or, in certain circumstances, OID allocable to an accrual period is increased (or decreased) if the interest actually accrued or paid during the accrual period exceeds (or is less than) the interest assumed to be accrued or paid during the accrual period under the equivalent fixed rate debt instrument.

Amortisable Bond Premium

If a U.S. Holder purchases a Note for an amount in excess of the sum of the remaining amounts payable on the Note (other than qualified stated interest), the U.S. Holder will be considered to have purchased the Note with amortisable bond premium equal in amount to such excess and will not be required to include any OID in gross income. The U.S. Holder may elect to amortise this premium as an offset to qualified stated interest, using a constant yield method, over the remaining term of the Note. Special rules may apply in the case of a Note that is subject to optional redemption. A U.S. Holder who elects to amortise bond premium must reduce its tax basis in the Note by the amount of the premium amortised in any year. An election to amortise bond premium applies to all taxable debt obligations then owned and thereafter acquired by the U.S. Holder and may be revoked only with the consent of the IRS.

If a U.S. Holder makes a constant yield election (as described under “—*Original Issue Discount*”) for a Note with amortisable bond premium, such election will result in a deemed election to amortise bond premium for all of the U.S. Holder’s debt instruments with amortisable bond premium.

Sale, Exchange, Retirement or other Taxable Disposition of the Notes

Upon the sale, exchange, retirement or other taxable disposition of a Note, a U.S. Holder will generally recognise taxable gain or loss equal to the difference between the amount realised on the sale, exchange, retirement or other taxable disposition and the U.S. Holder’s adjusted tax basis in the Note. A U.S. Holder’s adjusted tax basis in a Note generally will equal the acquisition cost of the Note increased by the amount of OID included in the U.S. Holder’s gross income and decreased by any payment received from the Issuer other than a payment of qualified stated interest and any amortisable bond premium taken into account. Gain or loss, if any, will generally be U.S. source income for purposes of computing a U.S. Holder’s foreign tax credit limitation and, as a result, the use of foreign tax credits relating to any non-U.S. income tax imposed upon gains in respect of the Notes may be limited. For these purposes, the amount realised does not include any amount attributable to accrued interest on the Note. Amounts attributable to accrued interest (including OID) are treated as interest as described under “—*Payments of Stated Interest*” and “—*Original Issue Discount*”.

Except as described below, gain or loss realised on the sale, exchange, retirement or other taxable disposition of a Note will generally be capital gain or loss and will be long-term capital gain or loss if at the time of sale, exchange, retirement or other taxable disposition the U.S. Holder has held the Note for more than one year. Exceptions to this general rule apply, in the case of a short-term Note, to the extent of any accrued discount not previously included in the U.S. Holder’s taxable income. See “—*Short-Term Notes*” below. In addition, other exceptions to this general rule apply in the case of short-term Notes, foreign currency Notes, and contingent payment debt instruments. See “—*Short-Term Notes*”, “—*Foreign Currency Notes*” and “—*Contingent Payment Debt Instruments*”. The deductibility of capital losses is subject to limitations.

Replacement of Rate of Interest with a Replacement Rate Following a Benchmark Event

Following the occurrence of a Benchmark Event, the Rate of Interest on any relevant series of Notes will be determined based on the applicable Successor Reference Rate or Alternative Reference Rate (each a “**Replacement Rate**”). It is possible that the replacement of an Original Reference Rate with a Replacement Rate could be treated, for U.S. federal income tax purposes, as a significant modification of such Notes, in which case, such “old” Notes would be treated as having been exchanged for “new” notes (a “**Deemed Exchange**”). Upon the occurrence of a Deemed Exchange, a U.S. Holder may be required to recognise taxable gain with respect to such Notes as a result of such Deemed Exchange. In addition, such deemed “new” notes may be treated as being issued with OID. Notwithstanding the foregoing, and although this issue is not free from doubt, since any such replacement of an Original Reference Rate with a Replacement Rate would occur pursuant to the original terms of the Notes, a Deemed Exchange is not expected to occur, and a U.S. Holder is not expected to be required to recognise taxable gain with respect to the Notes in connection therewith. U.S. Holders should consult their tax advisers regarding the impact of a Benchmark Event in their investment in the Notes.

Short-Term Notes

A short-term Note will be treated as being issued at a discount and none of the interest paid on the Note will be treated as qualified stated interest. In general, a cash method U.S. Holder of a short-term Note is not required to accrue the discount for U.S. federal income tax purposes unless it elects to do so, with the consequence that the reporting of such income is deferred until it is received. U.S. Holders who so elect and certain other U.S. Holders, including those who report income on the accrual method of accounting for U.S. federal income tax purposes, are required to include the discount in income as it accrues on a straight-line basis, unless another election is made to accrue the discount according to a constant yield method based on daily compounding. In the case of a U.S. Holder who is not required and who does not elect to include the discount in income currently, any gain realised on the sale, exchange, retirement or other taxable disposition of the short-term Note will be ordinary income to the extent of the discount accrued on a straight-line basis (or, if elected, according to a constant yield method based on daily compounding) through the date of sale, exchange, retirement or other taxable disposition. In addition, those U.S. Holders will be required to defer deductions for any interest paid on indebtedness incurred to purchase or carry short-term Notes in an amount not exceeding the accrued discount (which includes interest that is payable but that has not been included in gross income) interest income with respect to such short-term Note until the accrued discount is included in income. A U.S. Holder’s tax basis in a short-term Note is increased by the amount included in such U.S. Holder’s income on such a Note.

Contingent Payment Debt Instruments

If the terms of the Notes provide for certain contingencies that affect the timing and amount of payments (including certain Floating Rate Notes that do not qualify as VRDIs) they will be “contingent payment debt instruments” for U.S. federal income tax purposes. Under the rules that govern the treatment of contingent payment debt instruments, no payment on such Notes qualifies as qualified stated interest. Rather, a U.S. Holder must accrue interest for U.S. federal income tax purposes based on a “comparable yield” and account for differences between actual payments on the Note and the Note’s “projected payment schedule” as described below. The comparable yield is determined by the Issuer at the time of issuance of the Notes and, in general, equals the annual yield an issuer would pay, as at the issue date, on a fixed-rate, nonconvertible debt instrument with no contingent payments, but with terms and conditions otherwise comparable to the contingent payment debt instrument. The comparable yield may be greater than or less than the stated interest, if any, with respect to the Notes. Solely for the purpose of determining the amount of interest income that a U.S. Holder will be required to accrue on a contingent payment debt instrument, the Issuer will be required to construct a “projected payment schedule” that represents a series of payments the amount and timing of which would produce a yield to maturity on the contingent payment debt instrument equal to the comparable yield.

Neither the comparable yield nor the projected payment schedule would constitute a representation by the Issuer regarding the actual amount, if any, that the contingent payment debt instrument will pay.

For U.S. federal income tax purposes, a U.S. Holder will be required to use the comparable yield and the projected payment schedule established by the Issuer in determining interest accruals and adjustments in respect of a contingent payment debt instrument, unless the U.S. Holder timely discloses and justifies the use of a different comparable yield and projected payment schedule to the IRS.

A U.S. Holder, regardless of its method of accounting for U.S. federal income tax purposes, will be required to accrue interest income on a contingent payment debt instrument at the comparable yield, adjusted upward or downward to reflect the difference, if any, between the actual and the projected amount of any contingent payments on the contingent payment debt instrument (as set forth below). As such, a U.S. Holder may be required to include interest in income each year in excess of any stated interest payments actually received in that year, if any.

A U.S. Holder will be required to recognise interest income equal to the amount of any net positive adjustment, *i.e.*, the excess of actual payments over projected payments, in respect of a contingent payment debt instrument for a taxable year. A net negative adjustment, *i.e.*, the excess of projected payments over actual payments, in respect of a contingent payment debt instrument for a taxable year:

- will first reduce the amount of interest in respect of the contingent payment debt instrument that a U.S. Holder would otherwise be required to include in income in the taxable year;
- to the extent of any excess, will give rise to an ordinary loss equal to the extent of the U.S. Holder's interest income on the contingent payment debt instrument during prior taxable years, reduced to the extent such interest was offset by prior net negative adjustments; and
- to the extent of any excess after the application of the previous two bullet points, will be carried forward as a negative adjustment to offset future interest income with respect to the contingent debt obligation or to reduce the amount realised on a sale, exchange, retirement or other taxable disposition of the contingent payment debt instrument.

Where a U.S. Holder purchases a contingent payment debt instrument for a price other than its adjusted issue price, the difference between the purchase price and the adjusted issue price must be reasonably allocated to the daily portions of interest or projected payments with respect to the contingent payment debt instrument over its remaining term and treated as a positive or negative adjustment, as the case may be, with respect to each period to which it is allocated. The adjusted issue price of a contingent payment debt instrument is the sum of its issue price and the aggregate amount of interest previously accrued on such contingent payment debt instrument, decreased by the amount of any noncontingent payments and the projected amount of any contingent payments previously made on such contingent payment debt instrument.

Upon a sale, exchange, retirement or other taxable disposition of a contingent payment debt instrument, a U.S. Holder generally will recognise taxable gain or loss equal to the difference between the amount realised on the sale, exchange, retirement or other taxable disposition and the U.S. Holder's adjusted basis in the contingent payment debt instrument. A U.S. Holder's adjusted basis in a Note that is a contingent payment debt instrument generally will be the acquisition cost of the Note, increased by the interest previously accrued by the U.S. Holder on the Note under these rules, disregarding any net positive and net negative adjustments, and decreased by the amount of any non-contingent payments and the projected amount of any contingent payments previously made on the Note. A U.S. Holder generally will treat any gain as interest income, and any loss as ordinary loss to the extent of the excess of previous interest inclusions in excess of the total net negative adjustments previously taken into account as ordinary losses, and the balance as capital loss. The deductibility of capital losses is subject to limitations. In addition, if a U.S. Holder recognises loss above certain thresholds, the U.S. Holder may be required to file a disclosure statement with the IRS (as described under "*—Other Reporting Requirements*").

Special rules will apply if one or more contingent payments on a contingent debt obligation become fixed. For purposes of the preceding sentence, a payment (including an amount payable at maturity) will be treated as fixed if

(and when) all remaining contingencies with respect to it are remote or incidental within the meaning of the contingent payment debt instrument U.S. Treasury regulations. A U.S. Holder's tax basis in the contingent payment debt instrument and the character of any gain or loss on the sale of the contingent payment debt instrument would also be affected. U.S. Holders are urged to consult their tax advisers concerning the application of these special rules.

Foreign Currency Notes

The following discussion summarises the principal U.S. federal income tax consequences to a U.S. Holder of the ownership and disposition of Notes that are denominated in a specified currency other than the U.S. Dollar or the payments of interest or principal which are payable in a currency other than the U.S. Dollar ("**foreign currency Notes**"). However, the U.S. federal income tax consequences to a U.S. Holder of the ownership and disposition of currency-linked Notes and non-functional currency contingent payment debt instruments are not discussed herein and, if applicable, will be discussed in a supplement to this Base Prospectus issued in connection with the issuance of such Notes and instruments.

The rules applicable to foreign currency Notes could require some or all gain or loss on the sale, exchange, retirement or other taxable disposition of a foreign currency Note to be recharacterised as ordinary income or loss. The rules applicable to foreign currency Notes are complex and may depend on the U.S. Holder's particular U.S. federal income tax situation. For example, various elections are available under these rules, and whether a U.S. Holder should make any of these elections may depend on the U.S. Holder's particular U.S. federal income tax situation. U.S. Holders are urged to consult their tax advisers regarding the U.S. federal income tax consequences of the ownership and disposition of foreign currency Notes.

A U.S. Holder who uses the cash method of accounting and who receives a payment of qualified stated interest in a foreign currency with respect to a foreign currency Note will be required to include in income the U.S. Dollar value of the foreign currency payment (determined on the date the payment is received) regardless of whether the payment is in fact converted to U.S. Dollars at the time, and this U.S. Dollar value will be the U.S. Holder's tax basis in the foreign currency. A cash method U.S. Holder who receives a payment of qualified stated interest in U.S. Dollars pursuant to an option available under such Note will be required to include the amount of this payment in income upon receipt.

An accrual method U.S. Holder will be required to include in income the U.S. Dollar value of the amount of interest income (including OID, but reduced by amortisable bond premium, to the extent applicable) that has accrued and is otherwise required to be taken into account with respect to a foreign currency Note during an accrual period. The U.S. Dollar value of the accrued income will be determined by translating the income at the average rate of exchange for the accrual period or, with respect to an accrual period that spans two taxable years, at the average rate for the partial period within the taxable year. The U.S. Holder will recognise ordinary income or loss with respect to accrued interest income on the date the income is actually received. The amount of ordinary income or loss recognised will equal the difference between the U.S. Dollar value of the foreign currency payment received (determined on the date the payment is received) in respect of the accrual period (or, where a U.S. Holder receives U.S. Dollars, the amount of the payment in respect of the accrual period) and the U.S. Dollar value of interest income that has accrued during the accrual period (as determined above). Rules similar to these rules apply in the case of a cash method taxpayer required to currently accrue OID.

An accrual method U.S. Holder may elect to translate interest income (including OID) into U.S. Dollars at the spot rate on the last day of the interest accrual period (or, in the case of a partial accrual period, the spot rate on the last day of the taxable year) or, if the date of receipt is within five business days of the last day of the interest accrual period, the spot rate on the date of receipt. A U.S. Holder that makes this election must apply it consistently to all debt instruments from year to year and cannot change the election without the consent of the IRS.

OID and amortisable bond premium on a foreign currency Note are to be determined in the relevant foreign currency.

If an election to amortise bond premium is made, amortisable bond premium taken into account on a current basis shall reduce interest income in units of the relevant foreign currency. In that event, amortisable bond premium will be computed in foreign currency. A U.S. Holder making the election to amortise bond premium may recognise exchange gain or loss each period equal to the difference between the U.S. Dollar value of bond premium with respect to such period determined on the date the interest attributable to such period is received and the U.S. Dollar value of such amortised bond premium determined on the date of the acquisition of the Notes. Any exchange gain or loss will be ordinary income or loss as described below. If the election is not made, any loss realised on the sale, exchange or retirement of a foreign currency Note with amortisable bond premium by a U.S. Holder who has not elected to amortise the premium will be a capital loss to the extent of the bond premium (subject to the treatment of foreign currency gain or loss below).

A U.S. Holder's adjusted tax basis in a foreign currency Note will generally equal the "U.S. Dollar cost" (as defined herein) of the Note to such U.S. Holder increased by any previously accrued OID and decreased by any amortised premium and cash payments on the Note other than qualified stated interest. The "U.S. Dollar cost" of a Note purchased with foreign currency will generally be the U.S. Dollar value of the purchase price based on the spot rate of exchange on the date of purchase (or based on the spot rate of exchange on the settlement date of the purchase, in the case of Notes traded on an established securities market that are purchased by a cash basis U.S. Holder or an electing accrual basis U.S. Holder). If a U.S. Holder receives foreign currency on a sale, exchange, retirement, or other taxable disposition of a Note, the amount realised generally will be based on the U.S. Dollar value of such foreign currency translated at the spot rate on the date of disposition. In the case of a Note that is considered to be traded on an established securities market, a cash basis U.S. Holder and, if it so elects, an accrual basis U.S. Holder, will determine the U.S. Dollar value of such foreign currency by translating such amount at the spot rate on the settlement date of the disposition. The special election available to accrual basis U.S. Holders in regard to the purchase and disposition of Notes traded on an established securities market must be applied consistently to all debt instruments held by the U.S. Holder and cannot be changed without the consent of the IRS. An accrual basis U.S. Holder that does not make the special settlement date election will recognise exchange gain or loss to the extent that there are exchange rate fluctuations between the disposition date and the settlement date.

Gain or loss realised upon the sale, exchange, retirement or other taxable disposition of a foreign currency Note that is attributable to fluctuation in currency exchange rates will be ordinary income or loss which will not be treated as interest income or expense. Gain or loss attributable to fluctuations in exchange rates will equal the difference between (i) the U.S. Dollar value of the foreign currency purchase price of the Note, determined on the date the Note is disposed of, and (ii) the U.S. Dollar value of the foreign currency purchase price of the Note, determined on the date the U.S. Holder acquired the Note (adjusted, in each case, for any amortised bond premium that has been taken into account prior to the date of the sale, exchange, retirement or other taxable disposition). Payments received attributable to accrued interest will be treated in accordance with the rules applicable to payments of interest on foreign currency Notes described above. The foreign currency gain or loss will be recognised only to the extent of the total gain or loss realised by the U.S. Holder on the sale, exchange, retirement or other taxable disposition of the foreign currency Note. The source of the foreign currency gain or loss will be determined by reference to the residence of the U.S. Holder or the "qualified business unit" of the U.S. Holder on whose books the Note is properly reflected. Any gain or loss realised by the U.S. Holder in excess of the foreign currency gain or loss will be capital gain or loss except that any gain will be treated as ordinary income, in the case of short-term Note, to the extent of any discount not previously included in the U.S. Holder's income. U.S. Holders should consult their tax advisers with respect to the tax consequences of receiving payments in a currency different from the currency in which payments with respect to such Note accrue.

Other Types of Notes

Certain types of Notes that may be issued by the Issuer under the Programme are not discussed herein. To the extent applicable, the U.S. federal income tax considerations will be specified in the relevant supplement to this Base Prospectus issued in connection with those Notes.

Non-U.S. Holders

Subject to the discussions below under “—*Foreign Account Tax Compliance Act*” and “—*Backup Withholding and Information Reporting*”, a Non-U.S. Holder generally should not be subject to U.S. federal income or withholding tax on any payments on the Notes and gain from the sale, redemption or other disposition of the Notes unless: (i) that payment and/or gain is effectively connected with the conduct by that Non-U.S. Holder of a trade or business in the U.S.; or (ii) in the case of any gain realised on the sale or exchange of a Note by an individual Non-U.S. Holder, that Non-U.S. Holder is present in the U.S. for 183 days or more in the taxable year of the sale, exchange or retirement and certain other conditions are met.

Backup Withholding and Information Reporting

Information returns may be filed with the IRS in connection with payments on the Notes (including any accrued OID) and the proceeds from a sale or other disposition of the Notes. A U.S. Holder may be subject to U.S. backup withholding on these payments if it fails to provide its tax identification number to the paying agent and comply with certain certification procedures or otherwise establish an exemption from backup withholding.

Non-U.S. Holders may be required to comply with applicable certification procedures to establish that they are not U.S. Holders in order to avoid the application of such information reporting requirements and backup withholding.

Backup withholding is not an additional tax. The amount of any backup withholding from a payment to a U.S. Holder will be allowed as a credit against the U.S. Holder’s U.S. federal income tax liability and may entitle them to a refund, *provided* that the required information is timely furnished to the IRS.

Other Reporting Requirements

A U.S. taxpayer that participates in a “reportable transaction” will be required to disclose its participation to the IRS by attaching IRS Form 8886 to their tax returns and retaining a copy of all documents and records relating to the transaction. The scope and application of these rules is not entirely clear and whether an investment in a Note constitutes a “reportable transaction” for any Noteholder depends on the Noteholder’s particular circumstances. For example, a U.S. Holder may be required to treat a foreign currency exchange loss from the Notes as a reportable transaction if the loss exceeds certain thresholds. In the event the acquisition, ownership or disposition of Notes constitutes participation in a “reportable transaction” for purposes of these rules, a U.S. Holder will be required to disclose its investment by filing IRS Form 8886 with the IRS. Prospective purchasers should consult their tax advisers regarding the application of these rules to the acquisition, ownership or disposition of Notes.

Certain U.S. Holders are required to report information relating to an interest in the Notes, subject to certain exceptions (including an exception for Notes held in accounts maintained by certain financial institutions). U.S. Holders should consult their tax advisers about any additional reporting obligations that may apply as a result of their acquisition, ownership and disposition of the Notes. Failure to comply with certain reporting obligations could result in the imposition of substantial penalties.

Foreign Account Tax Compliance Act

Pursuant to Sections 1471 through 1474 of the Code, commonly known as FATCA, and subject to the proposed U.S. Treasury regulations discussed below, a foreign financial institution (as defined by FATCA) may be required to withhold on certain payments it makes (“foreign passthru payments”, a term not defined as at the date of this Base Prospectus) to persons that fail to meet certain certification, reporting or related requirements. A number of jurisdictions (including the jurisdiction of the Issuer) have entered into, or have agreed in substance to, intergovernmental agreements with the United States to implement FATCA (IGAs), which modify the way in which FATCA applies in their jurisdictions. Under the provisions of IGAs as currently in effect, a foreign financial institution in an IGA jurisdiction would generally not be required to withhold under FATCA or an IGA from payments that it makes.

Certain aspects of the application of the FATCA provisions and IGAs to instruments such as Notes, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments

such as Notes, are uncertain and may be subject to change. Even if withholding would be required pursuant to FATCA or an IGA with respect to payments on instruments such as Notes, under proposed U.S. Treasury regulations, such withholding would not apply prior to the date that is two years after the publication of the final U.S. Treasury regulations defining “foreign passthru payment” and Notes characterised as debt (or which are not otherwise characterised as equity and have a fixed term) for U.S. federal income tax purposes that are issued on or prior to the date that is six months after the date on which final U.S. Treasury regulations defining foreign passthru payments are filed with the U.S. Federal Register (the “grandfathering date”) generally would be grandfathered for purposes of FATCA withholding unless materially modified after such date (including by reason of a substitution of the Issuer). However, if additional Notes that are not distinguishable from previously issued Notes are issued after the grandfathering date and are subject to withholding under FATCA, then withholding agents may treat all Notes, including the Notes offered on or prior to the grandfathering date, as subject to withholding under FATCA.

Noteholders should consult their own tax advisers regarding how these rules may apply to their investment in Notes. In the event any withholding would be required pursuant to FATCA or an IGA with respect to payments on the Notes, no person will be required to pay additional amounts or indemnify any person as a result of any FATCA withholding.

The U.S. federal income tax discussion set forth above is included for general information only and may not be applicable depending upon a Noteholder’s particular situation. Noteholders should consult their tax advisers with respect to the tax consequences to them of the ownership and disposition of the Notes, including the tax consequences under state, local, non-U.S. and other tax laws and the possible effects of changes in U.S. federal or other tax laws.

CLEARING AND SETTLEMENT

*The information set out below is subject to any change in or reinterpretation of the rules, regulations and procedures of DTC, Euroclear or Clearstream, Luxembourg (together, the “**Clearing Systems**”) in effect as at the date of this Base Prospectus. Investors wishing to use the facilities of any of the Clearing Systems are advised to confirm the continued applicability of the rules, regulations and procedures of the relevant Clearing System. None of the Issuer, the Trustee or any Agent will have any responsibility or liability for any aspect of the records relating to, or payments made on account of, beneficial ownership interests in the Notes held through the facilities of any Clearing System or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.*

Book-Entry Systems

DTC

The Notes are eligible to be held in book-entry form in DTC, whether as part of the initial distribution of the Notes or in the secondary market.

DTC has advised the Issuer that it is a limited purpose trust company organised under the New York Banking Law, a member of the Federal Reserve System, a “banking organisation” within the meaning of the New York Banking Law, a “clearing corporation” within the meaning of the New York Uniform Commercial Code and a “clearing agency” registered pursuant to Section 17A of the Exchange Act. DTC holds securities that its participants (“**Direct Participants**”) deposit with DTC. DTC also facilitates the settlement among Direct Participants of securities transactions, such as transfers and pledges, in deposited securities through electronic computerised book-entry changes in Direct Participants’ accounts, thereby eliminating the need for physical movement of securities certificates. Direct Participants include securities brokers and dealers, banks, trust companies, clearing corporations and certain other organisations. DTC is a wholly owned subsidiary of The Depository Trust and Clearing Corporation (“**DTCC**”). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as securities brokers and dealers, banks and trust companies that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“**Indirect Participants**” and, together with Direct Participants, “**Participants**”).

Under the rules, regulations and procedures creating and affecting DTC and its operations (the “**DTC Rules**”), DTC makes book-entry transfers of Notes among Direct Participants on whose behalf it acts with respect to Notes accepted into DTC’s book-entry settlement system (“**DTC Notes**”), as described below, and receives and transmits distributions of principal and interest on DTC Notes. The DTC Rules are on file with the Securities and Exchange Commission. Direct Participants and Indirect Participants with which beneficial owners of DTC Notes (“**Beneficial Owners**”) have accounts with respect to the DTC Notes similarly are required to make book-entry transfers and receive and transmit such payments on behalf of their respective Owners. Accordingly, although Beneficial Owners who hold DTC Notes through Direct Participants or Indirect Participants will not possess Notes, the DTC Rules, by virtue of the requirements described above, provide a mechanism by which Direct Participants will receive payments and will be able to transfer their interest in respect of the DTC Notes.

Purchases of DTC Notes under the DTC system must be made by or through Direct Participants, which will receive a credit for the DTC Notes on DTC’s records. The ownership interest of each Beneficial Owner is in turn to be recorded on the Direct Participant’s and Indirect Participant’s records. Beneficial Owners will not receive written confirmation from DTC of their purchase, but Beneficial Owners are expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct Participant or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the DTC Notes are to be accomplished by entries made on the books of Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in DTC Notes, except in the event that use of the book-entry system for the DTC Notes is discontinued.

To facilitate subsequent transfers, all DTC Notes deposited by Participants with DTC are registered in the name of DTC's nominee, Cede & Co., or such other name as may be requested by an authorised representative of DTC. The deposit of DTC Notes with DTC and their registration in the name of Cede & Co. or such other DTC nominee effect no change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the DTC Notes; DTC's records reflect only the identity of the Direct Participants to whose accounts such DTC Notes are credited, which may or may not be the Beneficial Owners. The Participants remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Redemption notices shall be sent to DTC. If less than all of the DTC Notes within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to DTC Notes unless authorised by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Issuer as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the DTC Notes are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments on the DTC Notes will be made to Cede & Co., or such other nominee as may be requested by an authorised representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Issuer or the relevant agent (or such other nominee as may be requested by an authorised representative of DTC), on the relevant payment date in accordance with their respective holdings shown in DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name", and will be the responsibility of such Participant and not of DTC or the Issuer, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest to DTC is the responsibility of the Issuer, disbursement of such payments to Direct Participants is the responsibility of DTC, and disbursement of such payments to the Beneficial Owners is the responsibility of Direct Participants and Indirect Participants.

Under certain circumstances, DTC will exchange the DTC Notes for definitive Notes, which it will distribute to its Participants in accordance with their proportionate entitlements and which, if representing interests in a Rule 144A Global Note, will be legended as set forth under "*Transfer Restrictions*".

A Beneficial Owner shall give notice to elect to have its DTC Notes purchased or tendered, through its Participant, to the relevant agent, and shall effect delivery of such DTC Notes by causing the Direct Participant to transfer the Participant's interest in the DTC Notes, on DTC's records, to the relevant agent. The requirement for physical delivery of DTC Notes in connection with an optional tender or a mandatory purchase will be deemed satisfied when the ownership rights in the DTC Notes are transferred by Direct Participants on DTC's records and followed by a book-entry credit of tendered DTC Notes to the relevant agent's DTC account.

DTC may discontinue providing its services as depository with respect to the DTC Notes at any time by giving reasonable notice to the Issuer or the relevant agent. Under such circumstances, in the event that a successor depository is not obtained, DTC Note certificates are required to be printed and delivered.

The Issuer may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, DTC Note certificates will be printed and delivered to DTC.

Since DTC may only act on behalf of Direct Participants, who in turn act on behalf of Indirect Participants, any Beneficial Owner desiring to pledge DTC Notes to persons or entities that do not participate in DTC, or otherwise take actions with respect to such DTC Notes, will be required to withdraw its Notes from DTC as described below.

Euroclear and Clearstream, Luxembourg

Euroclear and Clearstream, Luxembourg each holds securities for its customers and facilitates the clearance and settlement of securities transactions by electronic book-entry transfer between their respective accountholders. Euroclear and Clearstream, Luxembourg provide various services, including safekeeping, administration, clearance and settlement of internationally traded securities and securities lending and borrowing. Euroclear and Clearstream, Luxembourg also deal with domestic securities markets in several countries through established depository and custodial relationships. Euroclear and Clearstream, Luxembourg have established an electronic bridge between their two systems across which their respective participants may settle trades with each other.

Euroclear and Clearstream, Luxembourg customers are world-wide financial institutions, including underwriters, securities brokers and dealers, banks, trust companies and clearing corporations. Indirect access to Euroclear and Clearstream, Luxembourg is available to other institutions that clear through or maintain a custodial relationship with an accountholder of either system.

Book-entry ownership of and payments in respect of DTC Notes

The Issuer may apply to DTC in order to have any Tranche of Notes represented by a Global Note accepted in its book-entry settlement system. Upon the issue of any such Global Note, DTC or its custodian will credit, on its internal book-entry system, the respective nominal amounts of the individual beneficial interests represented by such Global Note to the accounts of persons who have accounts with DTC. Such accounts initially will be designated by or on behalf of the relevant Dealer.

Ownership of beneficial interests in a Global Note will be limited to Direct Participants or Indirect Participants, including, in the case of any Regulation S Global Note, the respective depositories of Euroclear and Clearstream, Luxembourg. Ownership of beneficial interests in a Global Note accepted by DTC will be shown on, and the transfer of such ownership will be effected only through, records maintained by DTC or its nominee (with respect to the interests of Direct Participants) and the records of Direct Participants (with respect to interests of Indirect Participants).

Payments in U.S. dollars of principal and interest in respect of a Global Note accepted by DTC will be made to DTC or its nominee as the registered holder of such Note. In the case of any payment in a currency other than U.S. dollars, payment will be made to the Exchange Agent on behalf of DTC or its nominee and the Exchange Agent will (in accordance with instructions received by it) remit all or a portion of such payment for credit directly to the beneficial holders of interests in the Global Note in the currency in which such payment was made and/or cause all or a portion of such payment to be converted into U.S. dollars and credited to the applicable Participants' account.

The Issuer expects DTC to credit accounts of Direct Participants on the applicable payment date in accordance with their respective holdings as shown in the records of DTC unless DTC has reason to believe that it will not receive payment on such payment date. The Issuer also expects that payments by Participants to beneficial owners of Notes will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers, and will be the responsibility of such Participant and not the responsibility of DTC, the Principal Paying Agent, the Registrar or the Issuer. Payment of principal, premium, if any, and interest, if any, on Notes to DTC is the responsibility of the Issuer.

Transfers of Notes represented by Global Notes

Transfers of any interests in Notes represented by a Global Note within DTC, Euroclear and Clearstream, Luxembourg will be effected in accordance with the customary rules and operating procedures of the relevant clearing system. The laws in some States within the United States require that certain persons take physical delivery of securities in definitive form. Consequently, the ability to transfer Notes represented by a Global Note to such persons may depend upon the ability to exchange such Notes for Notes in definitive form. Similarly, because DTC

can only act on behalf of Direct Participants in the DTC system who in turn act on behalf of Indirect Participants, the ability of a person having an interest in Notes represented by a Global Note accepted by DTC to pledge such Notes to persons or entities that do not participate in the DTC system or otherwise to take action in respect of such Notes may depend upon the ability to exchange such Notes for Notes in definitive form. The ability of any holder of Notes represented by a Global Note accepted by DTC to resell, pledge or otherwise transfer such Notes may be impaired if the proposed transferee of such Notes is not eligible to hold such Notes through a Direct Participant or Indirect Participant in the DTC system.

Subject to compliance with the transfer restrictions applicable to the Notes described under “*Transfer Restrictions*”, cross-market transfers between DTC, on the one hand, and directly or indirectly through Clearstream, Luxembourg or Euroclear accountholders, on the other hand, will be effected by the relevant clearing system in accordance with its rules and through action taken by the Registrar, the Principal Paying Agent and any custodian with whom the relevant Global Notes have been deposited.

On or after the Issue Date for any Series, transfers of Notes of such Series between accountholders in Clearstream, Luxembourg and Euroclear and transfers of Notes of such Series between participants in DTC will generally have a settlement date three business days after the trade date (T+3). The customary arrangements for delivery versus payment will apply to such transfers.

Cross-market transfers between accountholders in Clearstream, Luxembourg or Euroclear and DTC participants will need to have an agreed settlement date between the parties to such transfer. In the case of cross-market transfers, settlement between Euroclear or Clearstream, Luxembourg accountholders and DTC participants cannot be made on a delivery versus payment basis. The securities will be delivered on a free delivery basis and arrangements for payment must be made separately.

DTC, Clearstream, Luxembourg and Euroclear have each published rules and operating procedures designed to facilitate transfers of beneficial interests in Global Notes among participants and accountholders of DTC, Clearstream, Luxembourg and Euroclear. However, they are under no obligation to perform or continue to perform such procedures and such procedures may be discontinued or changed at any time. None of the Issuer, the Trustee, the Agents or any Dealer will be responsible for any performance by DTC, Clearstream, Luxembourg or Euroclear or their respective direct or indirect participants or accountholders of their respective obligations under the rules and procedures governing their operations and none of them will have any liability for any aspect of the records relating to or payments made on account of beneficial interests in the Notes represented by Global Notes or for maintaining, supervising or reviewing any records relating to such beneficial interests.

TRANSFER RESTRICTIONS

As a result of the following restrictions, purchasers of Notes who are in the United States or who are U.S. persons are advised to consult legal counsel prior to making any purchase, offer, sale, resale or other transfer of such Notes.

Each purchaser of Notes (other than a person purchasing an interest in a Global Note with a view to holding it in the form of an interest in the same Global Note) or person wishing to transfer an interest from one Global Note to another or from global to definitive form or *vice versa*, will be deemed to have acknowledged, represented and agreed as follows (terms used in this paragraph that are defined in Rule 144A or in Regulation S are used herein as defined therein):

- (i) that either: (a) it is a QIB, purchasing (or holding) the Notes for its own account or for the account of one or more QIBs and it is aware that any sale to it is being made in reliance on Rule 144A; or (b) it is outside the United States and is not a U.S. person;
- (ii) that it, and each account for which it is purchasing, will hold and transfer at least the minimum denomination of the Notes;
- (iii) that the Notes are being offered and sold in a transaction not involving a public offering in the United States within the meaning of the Securities Act, and that the Notes have not been and will not be registered under the Securities Act or any other applicable U.S. state securities laws and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except as set forth below;
- (iv) that, it will resell, pledge or otherwise transfer the Notes or any beneficial interests in the Notes, only (a) to the Issuer or any affiliate thereof, (b) inside the United States to a person whom the seller reasonably believes is a QIB purchasing for its own account or for the account of a one or more QIBs in a transaction meeting the requirements of Rule 144A, (c) outside the United States in compliance with Rule 903 or Rule 904 under the Securities Act, (d) pursuant to the exemption from registration provided by Rule 144 under the Securities Act (if available) or (e) pursuant to an effective registration statement under the Securities Act, in each case in accordance with all applicable U.S. state securities laws;
- (v) that it will, and will require each subsequent holder to, notify any purchaser of the Notes from it of the resale restrictions referred to in paragraph (iv) above, if then applicable;
- (vi) that Notes initially offered in the United States to QIBs will be represented by one or more Rule 144A Global Notes and that Notes offered outside the United States in reliance on Regulation S will be represented by one or more Regulation S Global Notes;
- (vii) that the Notes, other than the Regulation S Global Notes, will bear a legend to the following effect unless otherwise agreed to by the Issuer:

“THIS SECURITY HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE “SECURITIES ACT”), OR ANY OTHER APPLICABLE U.S. STATE SECURITIES LAWS AND, ACCORDINGLY, MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS EXCEPT AS SET FORTH IN THE FOLLOWING SENTENCE. BY ITS ACQUISITION HEREOF, THE HOLDER (A) REPRESENTS THAT IT IS A “QUALIFIED INSTITUTIONAL BUYER” (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT) PURCHASING THE SECURITIES FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF ONE OR MORE QUALIFIED INSTITUTIONAL BUYERS (B) AGREES THAT IT WILL NOT RESELL OR OTHERWISE TRANSFER THE SECURITIES EXCEPT IN ACCORDANCE WITH THE AGENCY AGREEMENT AND, PRIOR TO THE DATE WHICH IS ONE YEAR AFTER THE LATER OF THE LAST ISSUE DATE FOR THE SERIES AND THE LAST DATE ON WHICH THE ISSUER OR AN AFFILIATE OF THE ISSUER WAS THE OWNER OF SUCH SECURITIES OTHER THAN (1) TO THE ISSUER OR ANY AFFILIATE THEREOF, (2) INSIDE THE UNITED STATES TO A PERSON WHOM THE SELLER REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER WITHIN THE

MEANING OF RULE 144A UNDER THE SECURITIES ACT PURCHASING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF ONE OR MORE QUALIFIED INSTITUTIONAL BUYERS IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A, (3) OUTSIDE THE UNITED STATES IN COMPLIANCE WITH RULE 903 OR RULE 904 UNDER THE SECURITIES ACT, (4) PURSUANT TO THE EXEMPTION FROM REGISTRATION PROVIDED BY RULE 144 UNDER THE SECURITIES ACT (IF AVAILABLE) OR (5) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT, IN EACH CASE IN ACCORDANCE WITH ALL APPLICABLE SECURITIES LAWS OF THE STATES OF THE UNITED STATES AND ANY OTHER JURISDICTION; AND (C) IT AGREES THAT IT WILL DELIVER TO EACH PERSON TO WHOM THIS SECURITY IS TRANSFERRED A NOTICE SUBSTANTIALLY TO THE EFFECT OF THIS LEGEND.

THIS SECURITY AND RELATED DOCUMENTATION (INCLUDING, WITHOUT LIMITATION, THE AGENCY AGREEMENT REFERRED TO HEREIN) MAY BE AMENDED OR SUPPLEMENTED FROM TIME TO TIME, WITHOUT THE CONSENT OF, BUT UPON NOTICE TO, THE HOLDERS OF SUCH SECURITIES SENT TO THEIR REGISTERED ADDRESSES, TO MODIFY THE RESTRICTIONS ON AND PROCEDURES FOR REALES AND OTHER TRANSFERS OF THIS SECURITY TO REFLECT ANY CHANGE IN APPLICABLE LAW OR REGULATION (OR THE INTERPRETATION THEREOF) OR IN PRACTICES RELATING TO REALES OR OTHER TRANSFERS OF RESTRICTED SECURITIES GENERALLY THE HOLDER OF THIS SECURITY SHALL BE DEEMED, BY ITS ACCEPTANCE OR PURCHASE HEREOF, TO HAVE AGREED TO ANY SUCH AMENDMENT OR SUPPLEMENT (EACH OF WHICH SHALL BE CONCLUSIVE AND BINDING ON THE HOLDER HEREOF AND ALL FUTURE HOLDERS OF THIS SECURITY AND ANY SECURITIES ISSUED IN EXCHANGE OR SUBSTITUTION THEREFOR, WHETHER OR NOT ANY NOTATION THEREOF IS MADE HEREON).”;

- (viii) that the Notes which are registered in the name of a nominee of DTC will bear an additional legend to the following effect unless otherwise agreed to by the Issuer:

“UNLESS THIS GLOBAL SECURITY IS PRESENTED BY AN AUTHORISED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY, A NEW YORK CORPORATION (“DTC”), TO THE ISSUER OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY SECURITY ISSUED IN EXCHANGE FOR THIS GLOBAL SECURITY OR ANY PORTION HEREOF IS REGISTERED IN THE NAME OF CEDE & CO. OR IN SUCH OTHER NAME AS IS REQUIRED BY AN AUTHORISED REPRESENTATIVE OF DTC (AND ANY PAYMENT IS MADE TO CEDE & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORISED REPRESENTATIVE OF DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON OTHER THAN DTC OR A NOMINEE THEREOF IS WRONGFUL IN AS MUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.

THIS GLOBAL SECURITY MAY NOT BE EXCHANGED, IN WHOLE OR IN PART, FOR A SECURITY REGISTERED IN THE NAME OF ANY PERSON OTHER THAN DTC OR A NOMINEE THEREOF EXCEPT IN THE LIMITED CIRCUMSTANCES SET FORTH IN THIS GLOBAL SECURITY, AND MAY NOT BE TRANSFERRED, IN WHOLE OR IN PART, EXCEPT IN ACCORDANCE WITH THE RESTRICTIONS SET FORTH IN THIS LEGEND. BENEFICIAL INTERESTS IN THIS GLOBAL SECURITY MAY NOT BE TRANSFERRED EXCEPT IN ACCORDANCE WITH THIS LEGEND.”;

- (ix) that if it holds an interest in a Regulation S Global Note, that if it should resell or otherwise transfer the Notes prior to the expiration of the distribution compliance period (defined as 40 days after the later of the commencement of the offering and the closing date with respect to the original issuance of the Notes), it will do so only: (a)(i) outside the United States in compliance with Rule 903 or 904 under the Securities Act; or (ii) to a QIB in compliance with Rule 144A; and (b) in accordance with all applicable U.S. State

securities laws; and it acknowledges that the Regulation S Global Notes will bear a legend to the following effect unless otherwise agreed to by the Issuer:

“THIS SECURITY HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE “SECURITIES ACT”), OR ANY OTHER APPLICABLE U.S. STATE SECURITIES LAWS AND, ACCORDINGLY, MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS EXCEPT IN ACCORDANCE WITH THE TRUST DEED AND THE AGENCY AGREEMENT AND PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT OR PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT. THIS LEGEND SHALL CEASE TO APPLY UPON THE EXPIRY OF THE PERIOD OF 40 DAYS AFTER THE COMPLETION OF THE DISTRIBUTION OF ALL THE NOTES OF THE TRANCHE OF WHICH THIS NOTE FORMS PART.”;

- (x) unless otherwise provided in the applicable Final Terms, that (A) either (i) no portion of the assets used by it to acquire and hold the Notes or any interest therein constitutes assets of (1) an “employee benefit plan” (as defined in ERISA) that is subject to Title I of ERISA, (2) other “plans” (as defined in Section 4975 of the Code) or arrangements that are subject to Section 4975 of the Code, or (3) an entity whose underlying assets include “plan assets” within the meaning of 29 C.F.R. Section 2510.3-101 (as modified by Section 3(42) of ERISA) by reason of such employee benefit plan’s or other plan or arrangement’s investment in the entity (each such plan, arrangement or entity described in the foregoing clauses (1), (2) or (3), a “**Plan**”), and it is not (and is not deemed to be), and will not be (or be deemed to be), a governmental plan, church plan, non-U.S. plan or other plan subject to any federal, state, local or non-U.S. law that is substantially similar to Section 406 of ERISA or Section 4975 of the Code (“**Similar Law**”), or (ii) the purchase and holding of the Notes do not and will not constitute or otherwise result in a non-exempt prohibited transaction under ERISA or Section 4975 of the Code or a similar violation of Similar Law and (B) it will not sell or otherwise transfer such Notes or any interest therein otherwise than to a purchaser or transferee that is deemed to make these same representations, warranties and agreements with respect to its purchase and holding of such Note or any interest therein;
- (xi) each Plan (including, without limitation, an individual retirement account), by its purchase of a Note, shall also be deemed to have represented that (i) none of the Issuer, Dealers, Trustee, Agents, or any of their respective agents or affiliates has provided any investment recommendation or investment advice on which it, or any fiduciary or other person investing the assets of the Plan (“**Plan Fiduciary**”), has relied in connection with its decision to invest in the Notes, and none of them is giving advice in a fiduciary capacity or otherwise acting as a fiduciary, as defined in Section 3(21) of ERISA or Section 4975(e)(3) of the Code, to the Plan or the Plan Fiduciary in connection with the Plan’s acquisition and holding of the Notes or any interest therein (unless a statutory or administrative exemption applies (all of the applicable conditions of which are satisfied) or the transaction is not otherwise prohibited) and (ii) the Plan Fiduciary is exercising its own independent judgment in evaluating the investment in the Notes; and
- (xii) that the Issuer and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements and agrees that if any of such acknowledgements, representations or agreements made by it are no longer accurate, it shall promptly notify the Issuer; and if it is acquiring any Notes as a fiduciary or agent for one or more accounts it represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of each such account.

No sale of Legended Notes in the United States to any one purchaser will be for less than \$200,000 (or its foreign currency equivalent) principal amount and no Legended Note will be issued in connection with such a sale in a smaller principal amount. If the purchaser is a nonbank fiduciary acting on behalf of others, each person for whom it is acting must purchase at least \$200,000 (or its foreign currency equivalent) of Notes.

SUBSCRIPTION AND SALE

Notes may be sold from time to time by the Issuer to any one or more of the Arrangers and any other Dealers appointed under the terms of an amended and restated dealer agreement dated 9 July 2024 (as amended and/or supplemented and/or restated from time to time, the **“Dealer Agreement”**). The arrangements under which any particular Tranche of Notes may from time to time be agreed to be sold by the Issuer to, and purchased by, Dealers are set out in the Dealer Agreement. Any such arrangement will, among other things, extend to those matters stated under *“Form of the Notes”*, *“Terms and Conditions of the Notes”* and *“Form of Final Terms”* and will make provision for the form and terms and conditions of the relevant Notes, the price at which such Notes will be purchased by the Dealers and the commissions or other agreed deductibles (if any) payable or allowable by the Issuer in respect of such purchase. The Dealer Agreement makes provision for the resignation or termination of appointment of existing Dealers and for the appointment of additional or other Dealers either generally in respect of the Programme or in relation to a particular Tranche of Notes. The Dealer Agreement provides that the obligations of the Dealers to subscribe for the Notes are subject to certain conditions precedent. In the Dealer Agreement, the Issuer has agreed to reimburse the Arrangers and the Dealers for certain of their expenses in connection with the establishment of the Programme and the issue of Notes under the Programme and to indemnify the Arrangers and the Dealers against certain liabilities incurred by them in connection therewith.

Some of the Dealers and their affiliates have engaged in, and may in the future engage in, investment banking (including equity capital markets transactions, debt capital markets transactions or mergers and acquisitions advisory work) and/or other commercial dealings in the ordinary course of business with the Issuer or its subsidiaries and affiliates or with entities that are undertaking ordinary course business with the Issuer and/or its subsidiaries and/or affiliates. The Dealers have received, or may in the future receive, customary fees and commissions for these transactions.

In addition, in the ordinary course of their business activities, the Dealers and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of the Issuer or its subsidiaries and affiliates. Certain of the Dealers and their affiliates have a lending relationship with the Issuer and certain of its subsidiaries and affiliates and, in this connection, routinely hedge their credit exposure to these entities consistent with their customary risk management policies. Typically, such Dealers and their affiliates would hedge such exposure by entering into transactions, which consist of either the purchase of credit default swaps or the creation of short positions in securities issued by the Issuer and certain of its subsidiaries and affiliates, including, potentially, the Notes issued under the Programme. Any such short positions could adversely affect future trading prices of the Notes issued under the Programme. The Dealers and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long or short positions in such securities and instruments.

United States of America

Each Dealer has acknowledged that the Notes have not been and will not be registered under the Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons, except in certain transactions exempt from the registration requirements of the Securities Act. The Notes are being offered and sold outside the United States to non-U.S. persons in reliance on Regulation S. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it will not offer or sell any Notes: (i) as part of their distribution at any time; or (ii) otherwise until 40 days after the completion of the distribution of all Notes of the Tranche, except in accordance with Rule 903 of Regulation S or Rule 144A. Accordingly, neither it, nor its affiliates, nor any person acting on its or their behalf has engaged in or will engage in any directed selling efforts (as defined in Regulation S) with respect to the Notes, and it and they have complied with and will comply with the offering restrictions requirement of

Regulation S. Each Dealer further agrees that, at or prior to confirmation of sale of Notes (other than a sale of Notes pursuant to Rule 144A), it will have sent to each distributor, dealer or person receiving a selling concession, fee or other remuneration that purchases Notes from it during the distribution compliance period a confirmation or other notice to substantially the following effect:

“The Securities covered hereby have not been and will not be registered under the United States Securities Act of 1933, as amended (the “**Securities Act**”) or with any securities regulatory authority of any state or other jurisdiction of the United States and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons, (a) as part of their distribution at any time or (b) otherwise until 40 days after the completion of the distribution of the Tranche of Notes of which such Notes are a part, except in either case in accordance with Regulation S or Rule 144A under the Securities Act. Terms used above have the meanings given to them by Regulation S”.

Each Dealer has represented, warranted and undertook to the Issuer that neither it, nor any of its affiliates nor any person acting on its or their behalf has entered and will not enter into any contractual arrangement with respect to the distribution or delivery of the Notes, except with its affiliates or with the prior written consent of the Issuer.

The Notes are being offered and sold outside the United States to non-U.S. persons in reliance on Regulation S. Dealers may also arrange for the resale of Notes to purchasers who are QIBs pursuant to Rule 144A and in accordance with the provisions of this Agreement, provided that each person to whom such Notes are offered or sold is, or such Dealer reasonably believes each such person to be, a QIB purchasing for its own account or for the account of a QIB and provided further that each such purchaser of Notes is notified in this Base Prospectus that the Dealers may be relying on the exemption from the registration requirements of the Securities Act provided by Rule 144A. The minimum aggregate principal amount of Notes which may be purchased by a QIB pursuant to Rule 144A is U.S.\$200,000 (or the approximate equivalent thereof in any other currency). To the extent that the Issuer is not subject to or does not comply with the reporting requirements of Section 13 or 15(d) of the Exchange Act or the information furnishing requirements of Rule 12g3-2(b) thereunder, the Issuer has agreed to furnish to holders of Notes and to prospective purchasers designated by such holders, upon request, such information as may be required by Rule 144A(d)(4). Each Dealer has represented, warranted and undertook to the Issuer that neither it nor any of its affiliates nor any person acting on its or behalf has engaged in or will engage in any form of general solicitation or general advertising (as those terms are used in Rule 502(c) of Regulation D under the Securities Act) in connection with any offer or sale of Notes in the United States.

In addition, each Dealer has represented, warranted and undertook to the Issuer that any affiliate through which the Dealer arranges for the placing of Notes in the United States or (as the case may be) such other Dealer or its affiliate shall be a U.S. broker-dealer that is registered under the Exchange Act.

Canada

The Notes may be sold only to purchasers in Canada purchasing, or deemed to be purchasing, as principal that are accredited investors, as defined in National Instrument 45-106 *Prospectus Exemptions* or subsection 73.3(1) of the Securities Act (Ontario), and are permitted clients, as defined in National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations*. Any resale of the Notes must be made in accordance with an exemption from, or in a transaction not subject to, the prospectus requirements of applicable securities laws.

Securities legislation in certain provinces or territories of Canada may provide a purchaser with remedies for rescission or damages if this Base Prospectus or any applicable Final Terms (including any amendment thereto) contains a misrepresentation, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for particulars of these rights or consult with a legal adviser.

Pursuant to section 3A.3 of National Instrument 33-105 *Underwriting Conflicts* (“**NI 33-105**”) or Ontario Instrument 33-507 *Exemption from Underwriting Conflicts Disclosure Requirements*, the Dealers are not required to comply with the disclosure requirements of NI 33-105 regarding underwriter conflicts of interest in connection with the offering of any Notes.

Prohibition of Sales to EEA Retail Investors

Unless the Final Terms in respect of any Notes specifies “Prohibition of Sales to EEA Retail Investors” as “Not Applicable”, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by this Base Prospectus as completed by the applicable Final Terms in relation thereto to any retail investor in the EEA. For the purposes of this provision, the expression “**retail investor**” means a person who is one (or more) of the following:

- (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or
- (ii) a customer within the meaning of Directive (EU) 2016/97, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II.

If the Final Terms in respect of any Notes specifies “Prohibition of Sales to EEA Retail Investors” as “Not Applicable”, in relation to each Member State of the European Economic Area (each, a “**Member State**”), each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not made and will not make an offer of Notes which are the subject of the offering contemplated by this Base Prospectus as completed by the applicable Final Terms in relation thereto to the public in that Member State, except that it may make an offer of such Notes to the public in that Member State:

- (a) *Qualified investors*: at any time to any legal entity which is a qualified investor as defined in the Prospectus Regulation;
- (b) *Fewer than 150 offerees*: at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Regulation), subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or
- (c) *Other exempt offers*: at any time in any other circumstances falling within Article 1(4) of the Prospectus Regulation,

provided that no such offer of Notes referred to in (a) to (c) above shall require the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Regulation, or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation.

For the purposes of this provision, the expression an “**offer of Notes to the public**” in relation to any Notes in any Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes and the expression “**Prospectus Regulation**” means Regulation (EU) 2017/1129, as amended.

United Kingdom

Prohibition of Sales to UK Retail Investors

Unless the applicable Final Terms in respect of any Notes specifies “Prohibition of Sales to UK Retail Investors” as “Not Applicable”, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by this Base Prospectus as completed by the applicable Final Terms in relation thereto to any retail investor in the United

Kingdom. For the purposes of this provision, the expression “**retail investor**” means a person who is one (or more) of the following:

- (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No. 2017/565 as it forms part of UK domestic law by virtue of the EUWA; or
- (ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of UK MiFIR.

If the Final Terms in respect of any Notes specifies “Prohibition of Sales to UK Retail Investors” as “Not Applicable”, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not made and will not make an offer of Notes which are the subject of the offering contemplated by this Base Prospectus as completed by the applicable Final Terms in relation thereto to the public in the United Kingdom, except that it may make an offer of such Notes to the public in the United Kingdom:

- (a) at any time to any legal entity which is a qualified investor as defined in Article 2 of the UK Prospectus Regulation;
- (b) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in Article 2 of the UK Prospectus Regulation) in the United Kingdom subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or
- (c) at any time in any other circumstances falling within section 86 of the FSMA,

provided that no such offer of Notes referred to in (a) to (c) above shall require the Issuer or any Dealer to publish a prospectus pursuant to section 85 of the FSMA or supplement a prospectus pursuant to Article 23 of the UK Prospectus Regulation.

For the purposes of this provision, the expression “**an offer of Notes to the public**” in relation to any Notes means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes.

Other regulatory restrictions

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree that:

- (a) in relation to any Notes which have a maturity of less than one year, (i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business and (ii) it has not offered or sold and will not offer or sell any Notes other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or as agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the Notes would otherwise constitute a contravention of Section 19 of the FSMA by the Issuer;
- (b) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of the Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer; and

- (c) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Notes in, from or otherwise involving the United Kingdom.

Switzerland

Each Dealer has acknowledged and agreed that any offering of Notes in Switzerland is exempt from the requirement to prepare and publish a prospectus under the Swiss Financial Services Act (“**FinSA**”) and no application has or will be made to admit the Notes to trading on any trading venue (exchange or multilateral trading facility) in Switzerland. Accordingly, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree that: (i) the Notes may not be publicly offered, sold or advertised by it, directly or indirectly, in or from Switzerland; and (ii) neither this Base Prospectus nor any other offering or marketing material relating to the Notes may be publicly distributed or otherwise made publicly available by it in Switzerland.

Kingdom of Saudi Arabia

No action has been or will be taken in the Kingdom of Saudi Arabia that would permit a public offering of the Notes.

The Notes may thus not be advertised, offered or sold to any person in the Kingdom of Saudi Arabia other than to “institutional clients” and “qualified clients” under Article 8(a)(1) of the “Rules on the Offer of Securities and Continuing Obligations” issued by the Board of the CMA pursuant to its resolution number 3-123-2017 dated 09/04/1439 in the Hijri calendar, corresponding to 27 December 2017 (as amended from time to time, the “**KSA Regulations**”) or by way of a limited offer under Article 9 of the KSA Regulations.

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that any offer of the Notes made by it to an investor in Saudi Arabia or who is a Saudi person will be made in compliance with either Article 8(a)(1) or Article 9 and Article 10 of the KSA Regulations.

Each offer of Notes shall not therefore constitute a “public offer”, an “exempt offer” or a “parallel market offer” pursuant to the KSA Regulations, but is subject to the restrictions on secondary market activity under Article 14 of the KSA Regulations.

Although HSBC Bank plc is appointed as Dealer pursuant to the Dealer Agreement and may be appointed as a manager pursuant to the relevant subscription agreement, HSBC Saudi Arabia, which is a Capital Market Institution licensed by the CMA, will be the relevant legal entity for all regulated activities in the Kingdom of Saudi Arabia relating to the issuance of any Notes, including offering and related applications to the CMA.

Kingdom of Bahrain

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered or sold, and will not offer or sell, any Notes except on a private placement basis to persons in the Kingdom of Bahrain who are “accredited investors”. For this purpose, an “**accredited investor**” means:

- (a) an individual holding financial assets (either singly or jointly with a spouse) of U.S.\$1,000,000 or more, excluding that person’s principal place of residence;
- (b) a company, partnership, trust or other commercial undertaking which has financial assets available for investment of not less than U.S.\$1,000,000;
- (c) a government, supranational organisation, central bank or other national monetary authority or a state organisation whose main activity is to invest in financial instruments (such as a state pension fund); or
- (d) any other entity which is an “accredited” investor as defined in the Central Bank of Bahrain Rulebook.

State of Kuwait

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that no Notes will be offered, marketed and/or sold in Kuwait unless all necessary approvals from the Kuwait Capital Markets Authority pursuant to Law No. 7 of 2010 Concerning the Establishment of the Capital Markets Authority and the Regulating of Securities Activities, and its executive bylaws (each as amended) (the “CML Rules”) together with the various resolutions, regulations, guidance principles and instructions issued pursuant thereto, or in connection therewith (regardless of nomenclature) or any other applicable law or regulation in Kuwait, have been given in respect of the offering, marketing, and sale, of the Notes. For the avoidance of doubt, no Notes shall be offered, marketed and/or sold in Kuwait except on a private placement basis to Professional Clients (as defined in Module 1 of the executive bylaws of the CML Rules (each as amended)).

United Arab Emirates (excluding the Abu Dhabi Global Market and the Dubai International Financial Centre)

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree that the Notes to be issued under the Programme have not been and will not be offered, sold or publicly promoted or advertised by it in the United Arab Emirates other than in compliance with any laws applicable in the United Arab Emirates governing the issue, offering and sale of securities.

Abu Dhabi Global Market

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered and will not offer the Notes to be issued under the Programme to any person in the Abu Dhabi Global Market unless such offer is:

- (a) an “Exempt Offer” in accordance with the Financial Services Regulatory Authority (the “**FSRA**”) Financial Services and Markets Regulations (the “**FSMR**”) and the FSRA Markets Rules;
- (b) made only to persons who meet the Professional Client criteria set out in Rule 2.4.1 of the FSRA Conduct of Business Rules; and
- (c) made only in circumstances in which section 18(1) of the FSMR does not apply.

Dubai International Financial Centre

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered and will not offer the Notes to be issued under the Programme to any person in the Dubai International Financial Centre unless such offer is:

- (a) an “Exempt Offer” in accordance with the Markets Rules (MKT) Module of the Dubai Financial Services Authority (the “**DFSA**”) rulebook; and
- (b) made only to persons who meet the Professional Client criteria set out in Rule 2.3.3 of the DFSA Conduct of Business (COB) Module of the DFSA rulebook.

State of Qatar (including the Qatar Financial Centre)

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or delivered, and will not offer, sell or deliver at any time, directly or indirectly, any Notes in the State of Qatar (including the Qatar Financial Centre), except: (i) in compliance with all applicable laws and regulations of the State of Qatar (including the Qatar Financial Centre); and (ii) through persons or corporate entities authorised and licensed to provide investment advice and/or engage in brokerage activity and/or trade in respect of foreign securities in the State of Qatar (including the Qatar Financial Centre). This Base Prospectus has not been reviewed or approved by the Qatar Central Bank, the Qatar Exchange, the Qatar

Financial Centre Regulatory Authority or the Qatar Financial Markets Authority and is only intended for specific recipients, in compliance with the foregoing.

Japan

Each Dealer understands that the Notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended, the “**FIEA**”) and each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not, directly or indirectly, offered or sold Notes, and will not, directly or indirectly, offer or sell any Notes in Japan or to, or for the benefit of, any resident of Japan (as defined under Item 5, Paragraph 1, Article 6 of the Foreign Exchange and Foreign Trade Act (Act No. 228 of 1949, as amended)), or to others for re-offering or resale, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEA and any other applicable laws, regulations and ministerial guidelines of Japan.

Hong Kong

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

- (a) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Notes other than: (i) to “professional investors” as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong (the “**SFO**”) and any rules made under the SFO; or (ii) in other circumstances which do not result in the document being a “prospectus” as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong (the “**Ordinance**”) or which do not constitute an offer to the public within the meaning of the Ordinance; and
- (b) it has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Notes, which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Notes which are or are intended to be disposed of only to persons outside Hong Kong or only to “professional investors” as defined in the SFO and any rules made under the SFO.

South Korea

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or delivered and will not offer, sell or deliver, directly or indirectly, any Notes in South Korea or to or for the account or benefit of any South Korean resident (as such term is defined in the Foreign Exchange Transaction Law of South Korea) except as permitted under applicable South Korean laws and regulations.

Singapore

Each Dealer has acknowledged, and each further Dealer appointed under the Programme will be required to acknowledge that this Base Prospectus has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered or sold any Notes or caused such Notes to be made the subject of an invitation for subscription or purchase and will not offer or sell such Notes or cause such Notes to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Base Prospectus or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of such Notes, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor (as defined in Section 4A of the Securities and Futures Act 2001 of Singapore, as modified or amended from time to time (the “**SFA**”)) pursuant to Section 274 of the SFA,

or (ii) to an accredited investor (as defined in Section 4(A) of the SFA) pursuant to and in accordance with the conditions specified in Section 275 of the SFA.

Malaysia

This Base Prospectus has not been registered as a prospectus with the Securities Commission of Malaysia (“SC”). Accordingly, each Dealer has acknowledged, represented and agreed, and each further Dealer appointed under the Programme will be required to acknowledge, represent and agree, that:

- (a) no approval from the Securities Commission Malaysia is or will be obtained and/or no lodgement to the SC under the Lodge and Launch Framework issued by the SC has been or will be made for the offering of the Notes on the basis that the Notes will be issued and offered exclusively to persons outside Malaysia; and
- (b) this Base Prospectus has not been registered as a prospectus with the SC under the Capital Markets and Services Act 2007 of Malaysia; and
- (c) the Notes may not be offered, sold, transferred or otherwise disposed of, directly or indirectly, nor may any document or other material in connection therewith be distributed, to a person in Malaysia except by way of a secondary transaction of the Notes which does not involve retail investors, and a prospectus has not been issued.

Indonesia

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that the Notes will not be offered or sold directly or indirectly, in Indonesia or to any citizen of Indonesia (wherever they are domiciled) or to any resident of Indonesia in a manner that constitutes a public offering under the laws and regulations of Indonesia (including Law Number 8 of 1995 regarding Capital Markets) and that this Base Prospectus will not be distributed in Indonesia or passed on in a manner which constitutes a public offering in Indonesia under the laws and regulations of Indonesia (including Law Number 8 of 1995 regarding Capital Markets).

Brunei

This Base Prospectus has not been and will not be registered, delivered to, licensed or permitted by the *Autoriti Monetari Brunei Darussalam* with the Authority designated under the Brunei Darussalam Securities Markets Order (the “SMO”) nor has it been registered with the Registrar of Companies, Registrar of International Business Companies.

Accordingly, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that the Notes will not be offered or sold or made the subject of an invitation for subscription or purchase nor will this Base Prospectus or any other document or material in connection with the offer or sale or invitation for subscription or purchase of Notes be circulated or distributed, whether directly or indirectly, to any person in Brunei other than: (a) to an accredited investor under Section 20 of the SMO; (b) an expert investor under Section 20 of the SMO; or (c) an institutional investor under Section 20 of the SMO, and in accordance with the conditions specified in Section 117 of the SMO.

The People’s Republic of China

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that this Base Prospectus will not and may not be circulated or distributed in the People’s Republic of China (the “PRC”) and the Notes will not and may not be offered or sold, directly or indirectly, to any resident of the PRC, or offered or sold to any person for reoffering or resale, directly or indirectly, to any resident of the PRC (for such purposes, excluding Hong Kong, Macau and Taiwan), except pursuant to applicable laws and regulations of the PRC.

Taiwan

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that the Notes have not been, and shall not be, offered, sold or re-sold, directly or indirectly to investors other than “professional institutional investors” as defined under Paragraph 2, of Article 4 of the Financial Consumer Protection Act of the Republic of China (“**ROC**”), which currently includes overseas and domestic (i) banks, securities firms, futures firms and insurance companies (excluding insurance agencies, insurance brokers and insurance surveyors), the foregoing as further described in greater detail in Paragraph 3 of Article 2 of the Organisation Act of the Financial Supervisory Commission, (ii) fund management companies, government investment institutions, government funds, pension funds, mutual funds, unit trusts, and funds managed by financial service enterprises pursuant to the ROC Securities Investment Trust and Consulting Act, the ROC Future Trading Act or the ROC Trust Enterprise Act or investment assets mandated and delivered by or transferred for trust by financial consumers, and (iii) other institutions recognised by the Financial Supervisory Commission of the ROC.

Republic of Italy

The offering of Notes has not been cleared by the *Commissione Nazionale per la Società e la Borsa* (“**CONSOB**”) pursuant to Italian securities legislation. Accordingly, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or delivered, directly or indirectly, any Notes to the public in the Republic of Italy.

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it will not offer, sell or deliver, directly or indirectly, any Notes or distribute copies of this Base Prospectus or of any other document relating to the Notes in the Republic of Italy except:

- (a) pursuant to the Prospectus Regulation, to qualified investors (*investitori qualificati*), as defined under Article 35, paragraph 1, letter d) of CONSOB regulation No. 20307 of 15 February, 2018, as amended (“**Regulation No. 20307**”), pursuant to Article 34-ter, first paragraph, letter b), of CONSOB Regulation No. 11971 of 14 May 1999, as amended (“**Regulation No. 11971**”); or
- (b) in other circumstances which are exempted from the rules on public offerings pursuant to Article 1, paragraph 4, of the Prospectus Regulation and Article 100 of Legislative Decree of February 24, 1998, No. 58, as amended (the “**Italian Financial Act**”) and their implementing CONSOB regulations including Regulation No. 11971.

Any such offer, sale or delivery of the Notes or distribution of copies of this Base Prospectus or any other document relating to the Notes in the Republic of Italy must be in compliance with the selling restrictions under paragraphs (a) and (b) above and:

- (i) made by investment firms, banks or financial intermediaries permitted to conduct such activities in the Republic of Italy in accordance with the relevant provisions of the Italian Financial Act, Regulation No. 20307, Legislative Decree No. 385 of 1 September 1993 as amended (the “**Banking Act**”) and any other applicable laws or regulation;
- (ii) in compliance with Article 129 of the Banking Act and the implementing guidelines of the Bank of Italy, as amended, pursuant to which the Bank of Italy may request information on the offering or issue of securities in Italy or by Italian persons outside of Italy; and
- (iii) in compliance with any other applicable laws and regulations or requirements imposed by CONSOB or the Bank of Italy or any other Italian authority.

Any investor purchasing the Notes is solely responsible for ensuring that any offer, sale, transfer, delivery or resale of the Notes by such investor occurs in compliance with applicable Italian laws and regulations.

General

Each Dealer has agreed that it will (to the best of its knowledge and belief) comply with all applicable securities laws, regulations and directives in force in any jurisdiction in which it purchases, offers, sells or delivers Notes or possesses or distributes this Base Prospectus and will obtain any consent, approval or permission required by it for the purchase, offer, sale or delivery by it of Notes under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, offers, sales or deliveries and neither the Issuer nor any of the other Dealers shall have any responsibility therefor.

None of the Issuer, the Trustee, the Agents or the Dealers represents that Notes may at any time lawfully be sold in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to any exemption available thereunder, or assumes any responsibility for facilitating such sale.

With regard to each Tranche, the relevant Dealer will be required to comply with such other restrictions as the Issuer and the relevant Dealer shall agree and as shall be set out in the relevant subscription agreement.

GENERAL INFORMATION

Authorisation

The Issuer has obtained all necessary consents, approvals and authorisations in connection with the establishment and update of the Programme.

The update of the Programme and the issuance of Notes thereunder has been duly authorised by a resolution of the board of directors of the Issuer dated 20 December 2021.

The Issuer will obtain, from time to time, all necessary consents, approvals and authorisations in connection with the issue and performance of the Notes.

Listing and Admission to Trading

The admission of Notes to the Official List will be expressed as a percentage of their nominal amount (excluding accrued interest). It is expected that each Tranche of Notes which is to be admitted for listing on the Official List and to trading on the Main Market will be admitted separately as and when issued, subject only to the issue of the Global Note representing the Notes of that Tranche. The listing of the Programme in respect of Notes to be issued under the Programme during the 12-month period from the date of this Base Prospectus is expected to be granted on or around 27 May 2025.

Unlisted Notes may be issued pursuant to the Programme.

Documents Available

For the period of 12 months following the date of this Base Prospectus, physical copies of the following documents will, when published, be available for inspection and/or collection by Noteholders from the registered office of the Issuer and from the specified office of the Principal Paying Agent, for the time being in Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB, United Kingdom and on the website of the Issuer at www.aramco.com/investors:

- (i) the constitutional documents of the Issuer (with an English translation thereof);
- (ii) the Financial Statements;
- (iii) the Agency Agreement, the Trust Deed and the forms of the Global Notes and the Notes in definitive form;
- (iv) a copy of this Base Prospectus; and
- (v) any future base prospectuses, information memoranda, applicable Final Terms (save that the applicable Final Terms relating to a Note which is neither admitted to trading on a regulated market in the EEA or the UK nor offered in the EEA or the UK in circumstances where a Base Prospectus is required to be published under the Prospectus Regulation or UK Prospectus Regulation will only be available for inspection by a holder of such Note and such holder must produce evidence satisfactory to the Issuer and the Principal Paying Agent as to its holding of Notes and identity) and supplements to this Base Prospectus and any other documents incorporated herein or therein by reference. If the Notes are to be admitted to trading on the regulated Main Market of the London Stock Exchange the applicable Final Terms will be published on the website of the London Stock Exchange through a regulatory information service.

The English language translations of the constitutional documents of the Issuer are accurate and direct translations of the original foreign language documents. In the event of a discrepancy between the English language translation and the foreign language version, the foreign language version will prevail.

Clearing Systems

The Notes have been accepted for clearance through DTC, Euroclear and Clearstream. The appropriate common code, International Securities Identification Number (ISIN) and/or the Committee on Uniform Security

Identification Procedures (CUSIP) Number in relation to the Notes of each Tranche will be specified in the applicable Final Terms. The applicable Final Terms shall specify any other clearing system as shall have accepted the relevant Notes for clearance together with any further appropriate information.

The address of Euroclear is Euroclear Bank SA/NV, 1 Boulevard du Roi Albert II, B-1210 Brussels, Belgium. The address of Clearstream is Clearstream Banking S.A., 42 Avenue JF Kennedy, L-1855 Luxembourg. The address of DTC is 55 Water Street, New York, New York 10041, United States of America.

Conditions for Determining Price

The price and amount of Notes to be issued from time to time under the Programme will be determined by the Issuer and the relevant Dealers at the time of issue in accordance with prevailing market conditions.

Significant or Material Change

There has been no significant change in the financial performance or financial position of the Issuer and its subsidiaries, taken as a whole, since 31 March 2025, and no material adverse change in the prospects of the Issuer since 31 December 2024.

Litigation

There are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) in the 12 months preceding the date of this Base Prospectus that may have, or have in such period had, a significant effect on the Issuer's financial position or profitability.

Independent Auditor

The current independent auditor of Saudi Aramco is PricewaterhouseCoopers Public Accountants. PricewaterhouseCoopers Public Accountants is registered with SOCPA, the professional body that oversees audit firms in the Kingdom of Saudi Arabia. Saudi Aramco's 2023 Financial Statements and 2024 Financial Statements included in this Base Prospectus have been audited by PricewaterhouseCoopers Public Accountants, independent auditor, as stated in its independent auditor's reports appearing herein. The business address of PricewaterhouseCoopers Public Accountants is c/o Saudi Aramco, P.O. Box 1659, Dhahran 31311, Kingdom of Saudi Arabia.

With respect to the 2025 Three-Month Interim Period Financial Statements, included in this Base Prospectus, PricewaterhouseCoopers - Public Accountants have reported that they have applied limited procedures in accordance with professional standards for a review of such information. However, their separate report dated 9 May 2025 appearing herein states that they did not audit and they do not express an opinion on such unaudited financial information. Accordingly, the degree of reliance on their report on such information should be restricted in light of the limited nature of the review procedures applied.

Legal Entity Identifier

The LEI code of the Issuer is 5586006WD91QHB7J4X50.

Websites and Web Links

The Issuer's website is www.aramco.com. The websites and/or web links referred to in this Base Prospectus are included for information purposes only and the content of such websites or web links is not incorporated into, and does not form part of, this Base Prospectus and has not been scrutinised or approved by the FCA.

Conditions for determining price

The price and amount of Notes to be issued under the Programme will be determined at the time of issue in accordance with prevailing market conditions.

Dealers Transacting with the Issuer

Certain of the Dealers and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform services for, the Issuer in the ordinary course of business for which they may receive fees. They have received, or may in the future receive, customary fees and commissions for these transactions.

In addition, in the ordinary course of their business activities, the Dealers and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of the Issuer or its agencies. Certain of the Dealers or their affiliates have a lending relationship with the Issuer, and of those that do, they may hedge their credit exposure to the Issuer consistent with their customary risk management policies. Typically, such Dealers and their affiliates would hedge such exposure by entering into transactions, which consist of either the purchase of credit default swaps or the creation of short positions in securities, including potentially the Notes issued under the Programme. Any such short positions could adversely affect future trading prices of Notes issued under the Programme. The Dealers and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

APPENDIX A—GLOSSARY OF DEFINED TERMS

2023 Financial Statements	The audited consolidated financial statements of Saudi Aramco as at and for the year ended 31 December 2023 (with comparative data as at and for the year ended 31 December 2022) prepared in accordance with IFRS.
2024 Financial Statements	The audited consolidated financial statements of Saudi Aramco as at and for the year ended 31 December 2024 (with comparative data as at and for the year ended 31 December 2023) prepared in accordance with IFRS.
2025 Three-Month Interim Period Financial Statements	The unaudited condensed consolidated interim financial report of Saudi Aramco as at and for the three-month period ended 31 March 2025 (with the unaudited comparative data for the three-month period ended 31 March 2024) prepared in accordance with IAS 34.
affiliate	Pursuant to the definition stated in the Glossary of Defined Terms of the CMA Regulations, a person who controls another person or is controlled by that other person, or who is under common control with that person by a third person. In any of the preceding, control could be direct or indirect.
AGOC	Aramco Gulf Operations Company Ltd, a wholly owned subsidiary of the Company.
API	The American Petroleum Institute, which is the major United States trade association for the oil and gas industry.
ARLANXEO	Arlanxeo Holding B.V., a wholly owned subsidiary of the Company.
Arrangers	Citigroup Global Markets Limited HSBC Bank plc J.P. Morgan Securities plc
ATC	Aramco Trading Company, a wholly owned subsidiary of the Company.
Board or the Board of Directors	The Board of Directors of the Company.
Board Secretary	The Secretary of the Board of Directors.
BP	BP plc.
Bylaws	The Bylaws of the Company, approved by Council of Ministers Resolution No. 180 dated 01/04/1439 in the Hijri calendar (corresponding to 19 December 2017), which came into effect on 1 January 2018.
CAGR	Compound annual growth rate (the average annual growth rate over a specified period of time longer than one year).
Capital Market Law	The Capital Market Law promulgated by Royal Decree No. M/30 of 06/02/1424 in the Hijri calendar (corresponding to 31 July 2003) and its amendments.
CASOC	California Arabian Standard Oil Company.
CCS	Carbon capture, utilisation and storage.
Chevron	Chevron Corporation.

CMA	The Capital Market Authority of the Kingdom, including, where the context permits, any committee, sub-committee, employee or agent to whom any of its functions may be delegated.
CMA Regulations	The implementing regulations to the Capital Market Law issued and amended by the CMA from time to time, including but not limited to the Corporate Governance Regulation and the KSA Regulations.
Code	The U.S. Internal Revenue Code of 1986, as amended.
Companies Law	The Companies Law, issued under Royal Decree M/132 dated 01/12/1443 in the Hijri calendar (corresponding to 30 June 2022).
Company	Saudi Arabian Oil Company (Saudi Aramco).
Competition Law	The Competition Law, issued under Royal Decree (M/75) dated 29/06/1440 in the Hijri calendar (corresponding to 6 March 2019).
Concession	The Concession Agreement dated 6/4/1439 in the Hijri calendar (corresponding to 24 December 2017) between the Government (represented by the Minister of Energy), and the Company, promulgated by Royal Decree No. (M/38), as amended.
Concession Amendment	As defined in the “ <i>Business – The Concession</i> ” section.
Concession Area	The territorial lands and maritime areas of the Kingdom, other than the Excluded Areas.
Corporate Governance Regulation	The Corporate Governance Regulation issued by the CMA’s Board, according to the Companies Law, by virtue of the CMA’s Board resolution No. 8-16-2017, dated 16/05/1438 in the Hijri calendar (corresponding to 13 February 2017), and as amended by the CMA’s Board Resolution No. 8-5-2023, dated 25/06/1444 in the Hijri calendar (corresponding to 18 January 2023).
Council of Ministers	The cabinet of the Kingdom.
Dealers	Citigroup Global Markets Limited Goldman Sachs International HSBC Bank plc J.P. Morgan Securities plc Morgan Stanley & Co. International plc SNB Capital Company and any other Dealers appointed in accordance with the Dealer Agreement.
Directors	The members of the Board of Directors.
Dow	Dow Inc.
Energy Supply Law	The Energy Supply Law enacted by Royal Decree No. (M/80) dated 04/06/1444 in the Hijri calendar (corresponding to 28 December 2022).
Esmax	Esmax Distribución SpA.
Excluded Areas	The limited area excluded from the Company’s rights under the Concession consisting of: (a) the boundaries of the Holy Mosques in Makkah Al-Mukarramah and Madinah Al-Munawwarah, (b) the partitioned territory and

its adjoining offshore areas in accordance with the agreements between the Kingdom and the State of Kuwait and (c) the common zone in the Red Sea in accordance with the agreement between the Kingdom and the Republic of Sudan.

Extraordinary General Assembly	The extraordinary general assembly of the Shareholders held in accordance with the Bylaws.
ExxonMobil	ExxonMobil Corporation.
FCA	The Financial Conduct Authority, a financial regulatory body in the United Kingdom.
Financial Statements	The 2023 Financial Statements, the 2024 Financial Statements and the 2025 Three-Month Interim Period Financial Statements.
FREP	Fujian Refining & Petrochemical Company Ltd., a joint venture established among Saudi Aramco Asia Company Limited, Fujian Petrochemical Company Ltd. (itself a joint venture between Sinopec and the Fujian, China provincial government) and ExxonMobil China Petroleum & Petrochemical Company Ltd.
Gas Field Development Area	The location of the relevant field in connection with a Gas Field Development Project.
Gas Field Development Project	Each development of specified non-associated gas fields located in the Concession Area.
GCC	The Cooperation Council for the Arab States of the Gulf.
GDP	Gross domestic product (the broadest quantitative measure of a nation's total economic activity, representing the monetary value of all goods and services produced within a nation's geographic borders over a specified period of time).
General Assembly	An Ordinary General Assembly or Extraordinary General Assembly of the Company.
GHG	Greenhouse gas.
Government	The Government of the Kingdom of Saudi Arabia. In the context of acting as a Shareholder of the Company, the Government is the State.
GSPR	The Law of Gas Supplies and Pricing enacted by Royal Decree No. M/36, dated 25/06/1424 in the Hijri calendar (corresponding to 23 August 2003).
Hydrocarbons Law	Law governing hydrocarbons, hydrocarbon resources and hydrocarbon operations existing within the Kingdom, enacted by Royal Decree No. M/37, dated 02/04/1439 in the Hijri calendar (corresponding to 20 December 2017).
IAS 34	International Accounting Standard 34 "Interim Financial Reporting" that is endorsed in the Kingdom and other standards and pronouncements issued by SOCPA.
IASB	International Accounting Standards Board.
Idemitsu Kosan	Idemitsu Kosan Co., Ltd.

IFRS	International Financial Reporting Standards as issued by the IASB that are endorsed in the Kingdom and other standards and pronouncements issued by SOCPA.
iktva	In-Kingdom Total Value Add, a programme launched in 2015 by Saudi Aramco to increase the use of in-Kingdom suppliers of goods and services.
Income Tax Law	Income Tax Law issued under Royal Decree No. M/1 dated 15/1/1425 in the Hijri calendar (corresponding to 6 March 2004) and its Implementing Regulations issued under Ministerial Resolution No. 1535 dated 11/6/1425 in the Hijri calendar (corresponding to 11 August 2004), as amended from time to time.
Investor's Currency	The currency or currency unit an investor's financial activities are principally denominated in.
IOCs	International oil companies.
IRS	The U.S. Internal Revenue Service.
KAPSARC	King Abdullah Petroleum Studies and Research Center.
KAUST	King Abdullah University of Science and Technology.
KFUPM	King Fahd University of Petroleum and Minerals.
Kingdom	The Kingdom of Saudi Arabia.
KSA Regulations	Rules on the Offer of Securities and Continuing Obligations issued by the Board of the CMA pursuant to its resolution number 3-123-2017 dated 09/04/1439 in the Hijri calendar, corresponding to 27 December 2017 (as amended from time to time).
Lanxess	Lanxess Deutschland GmbH.
LCIA	The London Court of International Arbitration.
Luberef	Saudi Aramco Base Oil Company - Luberef, an affiliate of the Company and a publicly traded company listed on the Saudi Exchange.
MENA	Middle East and North Africa.
MEWA	The Ministry of the Environment, Water and Agriculture of the Kingdom.
MGS	Master Gas System, an extensive network of pipelines that connects Saudi Aramco's key gas production and processing sites with customers throughout the Kingdom.
Ministry of Energy	The Ministry of Energy of the Kingdom.
Ministry of Human Resources and Social Development	The Ministry of Human Resources and Social Development of the Kingdom.
Ministry of Industry and Mineral Resources	The Ministry of Industry and Mineral Resources of the Kingdom.
Motiva	Motiva Enterprises LLC, a wholly owned subsidiary of the Company.

New York Convention	The New York Convention on the Recognition and Enforcement of Foreign Arbitral Awards 1958.
OID	Original issue discount.
OPEC	Organisation of the Petroleum Exporting Countries.
Ordinary General Assembly	An ordinary general assembly of the Company's shareholders held in accordance with the Bylaws.
Paris Agreement	An agreement within the United Nations Framework Convention on Climate Change.
Participants	Direct Participants and Indirect Participants.
Person	Any natural or legal person recognised as such under the laws of the Kingdom.
Petro Rabigh	Rabigh Refining and Petrochemical Company, a joint venture between the Company and Sumitomo Chemical Co., Ltd and a publicly traded company listed on the Saudi Exchange.
Petronas	Petroliaam Nasional Bhd.
PIF	The Public Investment Fund of the Kingdom.
PRefChem	Together, PRefChem Petrochemical and PRefChem Refining.
PRefChem Petrochemical	Pengerang Petrochemical Company Sdn. Bhd, a joint venture between the Company and Petronas.
PRefChem Refining	Pengerang Refining Company Sdn. Bhd, a joint venture between the Company and Petronas.
R&D	Research and development.
Regulated Gas Products	Gas hydrocarbons which are subject to the Kingdom's gas pricing regime, including natural gas, ethane and NGL (propane, butane and natural gasoline).
Reserved Areas	The areas reserved for the Company's operations within the Concession Area.
Rongsheng	Rongsheng Petrochemical Co. Ltd., in which Saudi Aramco holds a 10% equity interest.
SABIC	Saudi Basic Industries Corporation, a subsidiary of the Company and a publicly traded company listed on the Saudi Exchange.
Sadara	Sadara Chemical Company, a joint venture between the Company and a subsidiary of Dow.
SADCO	Saudi Aramco Development Company, a wholly owned subsidiary of the Company.
SAMREF	Saudi Aramco Mobil Refinery Company Limited, a joint venture between the Company and ExxonMobil.

SAPCO	Saudi Aramco Power Company, a wholly-owned subsidiary of the Company.
SAR or Saudi Riyal	Saudi Arabian Riyal, the lawful currency of the Kingdom.
SASREF	Saudi Aramco Jubail Refinery Company, a wholly owned subsidiary of the Company.
SATORP	Saudi Aramco Total Refining and Petrochemical Company, a joint venture between the Company and Total Refining Saudi Arabia SAS.
Saudi Aramco	The Company, together with its consolidated subsidiaries, and where the context requires, its joint operations, joint ventures and associates.
Saudi Aramco Share Plan	The share plan or sub-plans established by the Company pursuant to which Share-based incentives and awards may be issued by the Company to senior executives and employees of the Company and its subsidiaries and affiliates.
Saudi Exchange	The Saudi Exchange Company, or Tadawul, the sole entity authorised in the Kingdom to act as a securities exchange.
Saudization	Replacement of expatriate workers by Saudi citizens in private sector jobs.
Senior Executives	The members of the senior management of Saudi Aramco listed in “ <i>Management—Senior Management</i> ”.
Senior Management	The Senior Executives and other officers of Saudi Aramco who, while subordinate to the Senior Executives, are still involved in the management of Saudi Aramco and participate in driving its strategies, decisions or operations.
Shareholder or Shareholders	Any owner(s) of Shares.
Shares	Two hundred and forty-two billion (242,000,000,000) fully paid ordinary shares of the Company.
Shari’a	Islamic religious law.
Shell	Royal Dutch Shell plc.
short-term Note	A Note that matures one year or less from its date of issuance.
Sinopec	China Petroleum & Chemical Corporation.
Socal	Standard Oil of California.
SOCPA	Saudi Organisation for Chartered and Professional Accountants.
S-Oil	S-Oil Corporation, an affiliate of the Company and a publicly traded company listed on the Korea Exchange.
SPE-PRMS	Society of Petroleum Engineers-Petroleum Resources Management System.
SSPC	Sinopec SenMei (Fujian) Petroleum Company Limited, a joint venture between the Company, Sinopec and ExxonMobil China Petroleum & Petrochemical Company Limited.
Stellar	Stellar Insurance, Ltd., a wholly owned subsidiary of the Company.

STEM	Science, technology, engineering and mathematics.
Subsidiary or Subsidiaries	Pursuant to the definition in the Glossary of Defined Terms of the CMA Regulations, in relation to a company, any other company controlled by such company.
Sukuk	Senior unsecured sukuk (<i>Shari'a</i> -compliant certificates) issued under the Sukuk Programme.
Sukuk Programme	A Saudi domestic sukuk programme established by Saudi Aramco on 22/6/1438 in the Hijri calendar (corresponding to 21 March 2017) for the issuance of up to \$10.0 billion (SAR 37.5 billion) in aggregate nominal amount of Sukuk.
Sumitomo	Sumitomo Chemical Co., Ltd.
Sustainability, Risk and HSE Committee of the Board	The Sustainability, Risk and HSE Committee of the Board of the Company. For more information, please see the “ <i>Management – Sustainability, Risk and HSE Committee of the Board</i> ” section.
TotalEnergies	TotalEnergies SE.
Valvoline Global Operations	VGP Holdings LLC (formerly Valvoline Inc.’s global products business), a wholly owned subsidiary of Saudi Aramco.
VAT	Value-added tax.
VRDI	A variable rate debt instrument.
YASREF	Yanbu’ Aramco Sinopec Refining Company Limited, a joint venture between the Company and Sinopec Century Bright Capital Investment (Amsterdam) B.V.
ZATCA	The Zakat, Tax and Customs Authority.

APPENDIX B—GLOSSARY OF MEASUREMENT AND TECHNICAL TERMS

Certain Abbreviations and Related Terms

barrels or bbls	Barrels of crude oil, condensate or refined and chemicals products.
boe	Barrels of oil equivalent.
bscf	Billion standard cubic feet.
bscfd	Billion standard cubic feet per day.
kBTU	Thousand British Thermal Units.
mboed	Thousand barrels of oil equivalent per day.
mbpd	Thousand barrels per day.
mmbbl	Million barrels of crude oil, condensate or refined and chemicals products.
mmboe	Million barrels of oil equivalent.
mmbpd	Million barrels per day.
mmBTU	Million British Thermal Units.
mmscfd	Million standard cubic feet per day.
scf	Standard cubic feet.
tscf	Trillion standard cubic feet.

Certain Terminology

Arabian Extra Light	Crude oil with API gravity of 36° to 40° and sulfur content between 0.5% and 1.3%.
Arabian Heavy	Crude oil with API gravity less than 29° and sulfur content greater than 2.9%.
Arabian Light	Crude oil with API gravity of 32° to 36° and sulfur content between 1.3% and 2.2%.
Arabian Medium	Crude oil with API gravity of 29° to 32° and sulfur content between 2.2% and 2.9%.
Arabian Super Light	Crude oil with API gravity more than 40° and sulfur content less than 0.5%.
condensate	Light hydrocarbon substances produced with raw gas which condenses into liquid at normal temperatures and pressures associated with surface production equipment.
crude oil	A mixture of hydrocarbons that exists in liquid phase in natural underground reservoirs and, when referring to Saudi Aramco's amount of crude oil production, includes blended condensate.

delineation	A process by which new wells are drilled in order to determine the boundaries of a discovered oil or gas field, both its areal extent and its vertical hydrocarbon column.
gross production capacity	The total combined production capacity of the Company and the joint ventures and other entities in which the Company owns an equity interest.
gross refining capacity	The total combined refining capacity of the Company and the joint ventures and other entities in which the Company owns an equity interest.
lifting costs	Oil and gas operations (i) production related expenses; (ii) taxes other than income taxes (if applicable); and (iii) production related general and administrative expenses. Lifting costs exclude exploration, royalty, R&D, public service costs, gain or loss on disposal of property, plant and equipment and depreciation costs.
liquids	Crude oil, condensate and NGL.
LNG	Liquefied natural gas.
low-carbon ammonia	Ammonia, which is used as a carrier of hydrogen, and which is produced using low-carbon hydrogen, and often referred to as “blue ammonia”.
low-carbon hydrogen	Hydrogen produced from natural gas, with carbon dioxide captured and either utilised for the production of other products or that is permanently stored through a CCS process, and often referred to as “blue hydrogen”.
LPG	Liquefied petroleum gas, which is a mixture of saturated and unsaturated hydrocarbons, with up to five carbon atoms, used mainly as household fuel.
MSC	The average maximum number of barrels per day of crude oil that can be produced for one year during any future planning period, after taking into account all planned capital expenditures and maintenance, repair and operating costs, and after being given three-months to make operational adjustments.
MTBE	Methyl tertiary butyl ether, an intermediate product used in the blending of gasoline.
net production capacity	The Company’s equity share of its gross production capacity, calculated by multiplying the gross production capacity of each facility in which the Company has an equity interest by the Company’s percentage equity ownership in the entity that owns the facility.
net refining capacity	The Company’s equity share of its gross refining capacity, calculated by multiplying the gross refining capacity of each refinery in which the Company has an equity interest by the Company’s percentage equity ownership in the entity that owns the refinery.
NGL	Natural gas liquids, which are liquid or liquefied hydrocarbons produced in the manufacture, purification and stabilisation of natural

gas. For purposes of reserves, ethane is included in NGL. For purposes of production, ethane is excluded from NGL.

original reserves

The sum of cumulative actual production and remaining proved reserves to be produced, each determined at the time of assessment. Also known as “initial reserves” or “estimated ultimate recovery”.

production costs

The sum of operating costs and depreciation, reflecting both the erosion of asset value over time on an accounting basis and the cost of operating the business.

proved reserves

Those quantities of liquids and gas, which, by analysis of geoscience and engineering data, can be estimated with reasonable certainty to be economically producible—from a given date forward, from known reservoirs, and under existing economic conditions, operating methods and government regulations—prior to the time at which contracts providing the right to operate expire, unless evidence indicates that renewal is reasonably certain, regardless of whether deterministic or probabilistic methods are used for the estimation. The project to extract the hydrocarbons must have commenced or the operator must be reasonably certain that it will commence the project within a reasonable time.

reserves life

Calculated on a barrel of oil equivalent basis by dividing proved reserves as at a given year-end by production for that year.

reserves replacement ratio

The reserves added during a period divided by net reservoir withdrawal for that period.

upstream carbon intensity

Upstream carbon intensity is the ratio of total upstream GHG emissions (Scopes 1 and 2) to production sold from the upstream operations of the assets that Saudi Aramco wholly owns or operates. This metric is used to measure the upstream GHG emission intensity of oil and gas production and does not include GHG emissions associated with the end use of hydrocarbons.

water cut

Ratio of water produced compared to the volume of total liquids produced from an oil or gas well.

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Report on review of the condensed consolidated interim financial report

To the shareholders of Saudi Arabian Oil Company

Introduction

We have reviewed the accompanying condensed consolidated balance sheet of Saudi Arabian Oil Company and its subsidiaries as at March 31, 2025 and the related condensed consolidated statements of income, comprehensive income, changes in equity and cash flows for the three-month period then ended and other explanatory notes (the “condensed consolidated interim financial report”). Management is responsible for the preparation and presentation of this condensed consolidated interim financial report in accordance with International Accounting Standard 34, ‘Interim Financial Reporting’, that is endorsed in the Kingdom of Saudi Arabia. Our responsibility is to express a conclusion on this condensed consolidated interim financial report based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements 2410, ‘Review of interim financial information performed by the independent auditor of the entity’, that is endorsed in the Kingdom of Saudi Arabia. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing, that are endorsed in the Kingdom of Saudi Arabia, and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial report is not prepared, in all material respects, in accordance with International Accounting Standard 34, ‘Interim Financial Reporting’, that is endorsed in the Kingdom of Saudi Arabia.

PricewaterhouseCoopers

Omar M. Al Sagga
License No. 369

May 9, 2025

Condensed consolidated statement of income

	Note	SAR		USD*	
		1 st quarter 2025	1 st quarter 2024	1 st quarter 2025	1 st quarter 2024
Revenue	10	405,646	402,037	108,172	107,210
Other income related to sales		23,966	35,810	6,391	9,549
Revenue and other income related to sales		429,612	437,847	114,563	116,759
Royalties and other taxes		(40,799)	(52,232)	(10,880)	(13,928)
Purchases		(120,163)	(110,011)	(32,043)	(29,336)
Producing and manufacturing		(32,389)	(24,271)	(8,637)	(6,473)
Selling, administrative and general		(18,852)	(22,109)	(5,027)	(5,896)
Exploration		(2,008)	(2,593)	(535)	(691)
Research and development		(1,142)	(1,156)	(305)	(308)
Depreciation and amortization	5,6	(22,898)	(23,427)	(6,106)	(6,247)
Operating costs		(238,251)	(235,799)	(63,533)	(62,879)
Operating income		191,361	202,048	51,030	53,880
Share of results of joint ventures and associates		(1,962)	(778)	(523)	(208)
Finance and other income		3,661	6,769	976	1,805
Finance costs		(2,766)	(3,025)	(738)	(807)
Income before income taxes and zakat		190,294	205,014	50,745	54,670
Income taxes and zakat	7	(92,751)	(102,743)	(24,734)	(27,398)
Net income		97,543	102,271	26,011	27,272
Net income (loss) attributable to					
Shareholders' equity		95,676	103,356	25,513	27,562
Non-controlling interests		1,867	(1,085)	498	(290)
		97,543	102,271	26,011	27,272
Earnings per share (basic and diluted)		0.40	0.43	0.11	0.11

* This supplementary information is converted at a fixed rate of U.S. dollar 1.00 = SAR 3.75 for convenience only, and is presented in millions of U.S. dollars.



Amin H. Nasser
Director,
President & Chief Executive Officer



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



Bassam M. Asiri
Senior Vice President
& Controller

Condensed consolidated statement of comprehensive income

	Note	SAR		USD*	
		1 st quarter 2025	1 st quarter 2024	1 st quarter 2025	1 st quarter 2024
Net income		97,543	102,271	26,011	27,272
Other comprehensive income (loss), net of tax	8				
Items that will not be reclassified to net income					
Remeasurement of post-employment benefits		(1,446)	2,298	(386)	613
Share of post-employment benefits remeasurement from joint ventures and associates		114	(57)	30	(15)
Changes in fair value of equity investments classified as fair value through other comprehensive income		(46)	1,110	(12)	296
Items that may be reclassified subsequently to net income					
Cash flow hedges and other		(167)	39	(44)	10
Changes in fair value of debt securities classified as fair value through other comprehensive income		35	30	9	8
Share of other comprehensive income of joint ventures and associates		109	(1,233)	29	(329)
Currency translation differences		1,108	(824)	296	(219)
		(293)	1,363	(78)	364
Total comprehensive income		97,250	103,634	25,933	27,636
Total comprehensive income (loss) attributable to					
Shareholders' equity		95,114	105,296	25,364	28,079
Non-controlling interests		2,136	(1,662)	569	(443)
		97,250	103,634	25,933	27,636

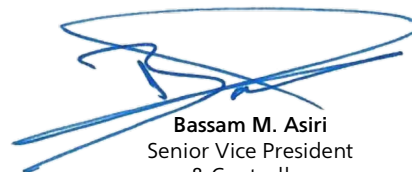
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Amin H. Nasser
Director,
President & Chief Executive Officer



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



Bassam M. Asiri
Senior Vice President
& Controller

Condensed consolidated balance sheet

	Note	SAR		USD*	
		At March 31, 2025	At December 31, 2024	At March 31, 2025	At December 31, 2024
Assets					
Non-current assets					
Property, plant and equipment	5	1,532,437	1,494,318	408,650	398,485
Intangible assets	6	165,546	164,581	44,146	43,888
Investments in joint ventures and associates		65,761	65,261	17,536	17,403
Deferred income tax assets		19,884	20,659	5,303	5,509
Post-employment benefits		24,713	27,365	6,590	7,297
Other assets and receivables		47,429	46,844	12,647	12,492
Investments in securities		39,422	39,206	10,513	10,455
		1,895,192	1,858,234	505,385	495,529
Current assets					
Inventories		82,789	83,728	22,077	22,327
Trade receivables		179,151	167,884	47,774	44,770
Due from the Government		27,390	38,274	7,304	10,206
Other assets and receivables		38,255	42,388	10,201	11,304
Short-term investments		19,327	13,186	5,154	3,516
Cash and cash equivalents		202,698	216,642	54,053	57,771
		549,610	562,102	146,563	149,894
Assets classified as held for sale	17	-	3,294	-	878
		549,610	565,396	146,563	150,772
Total assets		2,444,802	2,423,630	651,948	646,301
Equity and liabilities					
Shareholders' equity					
Share capital		90,000	90,000	24,000	24,000
Additional paid-in capital		26,981	26,981	7,195	7,195
Treasury shares		(3,528)	(3,943)	(941)	(1,052)
Retained earnings:					
Unappropriated		1,356,603	1,342,442	361,761	357,984
Appropriated		6,000	6,000	1,600	1,600
Other reserves	8	(2,438)	(3,251)	(650)	(866)
		1,473,618	1,458,229	392,965	388,861
Non-controlling interests		193,510	193,126	51,603	51,500
		1,667,128	1,651,355	444,568	440,361
Non-current liabilities					
Borrowings	9	280,864	261,733	74,898	69,795
Deferred income tax liabilities		152,636	153,369	40,703	40,898
Post-employment benefits		26,327	26,866	7,020	7,164
Provisions and other liabilities		33,891	31,044	9,037	8,279
		493,718	473,012	131,658	126,136
Current liabilities					
Trade payables and other liabilities		150,923	157,467	40,246	41,992
Obligations to the Government:					
Income taxes and zakat	7	75,473	71,951	20,127	19,187
Royalties		12,356	12,288	3,295	3,277
Borrowings	9	45,204	57,557	12,054	15,348
		283,956	299,263	75,722	79,804
Total liabilities		777,674	772,275	207,380	205,940
Total equity and liabilities		2,444,802	2,423,630	651,948	646,301

* This supplementary information is converted at a fixed rate of U.S. dollar 1.00 = SAR 3.75 for convenience only, and is presented in millions of U.S. dollars.



Amin H. Nasser
Director,
President & Chief Executive Officer



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

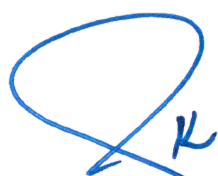


Bassam M. Asiri
Senior Vice President
& Controller

Condensed consolidated statement of changes in equity

		SAR							USD*		
		Shareholders' equity									
		Retained earnings					Other reserves (Note 8)	Non- controlling interests	Total	Total	
Note	Share capital	Additional paid-in capital	Treasury shares	Unappropriated	Appropriated						
	Balance at January 1, 2024	90,000	26,981	(1,362)	1,411,474	6,000	1,514	202,485	1,737,092	463,225	
	Net income (loss)	-	-	-	103,356	-	-	(1,085)	102,271	27,272	
	Other comprehensive income (loss)	-	-	-	-	-	1,940	(577)	1,363	364	
	Total comprehensive income (loss)	-	-	-	103,356	-	1,940	(1,662)	103,634	27,636	
	Transfer of post-employment benefits remeasurement	-	-	-	2,124	-	(2,124)	-	-	-	
	Transfer of share of post-employment benefits remeasurement from joint ventures and associates	-	-	-	(57)	-	57	-	-	-	
	Treasury shares issued to employees	-	-	353	(158)	-	(10)	-	185	49	
	Share-based compensation	-	-	-	(1)	-	126	-	125	33	
	Dividends	18	-	-	(116,503)	-	-	-	(116,503)	(31,067)	
	Dividends to non-controlling interests and other	-	-	-	-	-	-	(2,158)	(2,158)	(576)	
	Balance at March 31, 2024	90,000	26,981	(1,009)	1,400,235	6,000	1,503	198,665	1,722,375	459,300	
	Balance at January 1, 2025		90,000	26,981	(3,943)	1,342,442	6,000	(3,251)	193,126	1,651,355	440,361
	Net income		-	-	-	95,676	-	-	1,867	97,543	26,011
	Other comprehensive (loss) income		-	-	-	-	-	(562)	269	(293)	(78)
	Total comprehensive income (loss)		-	-	-	95,676	-	(562)	2,136	97,250	25,933
	Transfer of post-employment benefits remeasurement	8	-	-	-	(1,380)	-	1,380	-	-	-
	Transfer of share of post-employment benefits remeasurement from joint ventures and associates	8	-	-	-	114	-	(114)	-	-	-
	Treasury shares issued to employees		-	-	415	(159)	-	(48)	-	208	55
	Share-based compensation		-	-	-	(6)	-	157	-	151	41
	Dividends	18	-	-	-	(80,104)	-	-	-	(80,104)	(21,361)
	Dividends to non-controlling interests and other		-	-	-	20	-	-	(1,752)	(1,732)	(461)
	Balance at March 31, 2025		90,000	26,981	(3,528)	1,356,603	6,000	(2,438)	193,510	1,667,128	444,568

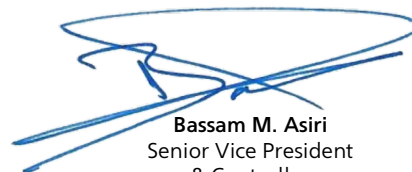
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Director,
President & Chief Executive Officer



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

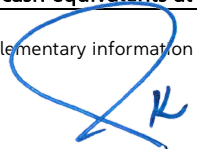


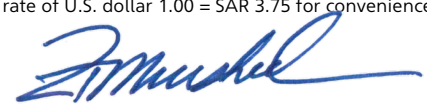
Bassam M. Asiri
Senior Vice President
& Controller

Condensed consolidated statement of cash flows

	Note	SAR		USD*	
		1 st quarter 2025	1 st quarter 2024	1 st quarter 2025	1 st quarter 2024
Income before income taxes and zakat		190,294	205,014	50,745	54,670
Adjustments to reconcile income before income taxes and zakat to net cash provided by operating activities					
Depreciation and amortization	5,6	22,898	23,427	6,106	6,247
Exploration and evaluation costs written off		354	739	94	197
Loss on disposal of property, plant and equipment		345	364	92	97
(Gain) loss on disposal or fair value measurement of assets classified as held for sale	17	(342)	366	(92)	97
Inventory movement		1,206	565	321	151
Share of results of joint ventures and associates		1,962	778	523	208
Finance and other income		(3,661)	(6,769)	(976)	(1,805)
Finance costs		2,766	3,025	738	807
Change in fair value of investments through profit or loss		(3)	(98)	(1)	(26)
Change in joint ventures and associates inventory profit elimination		(131)	590	(34)	157
Other		592	95	158	26
Change in working capital					
Inventories		(267)	(8,472)	(71)	(2,260)
Trade receivables		(11,923)	(11,693)	(3,179)	(3,118)
Due from the Government		10,884	10,904	2,902	2,908
Other assets and receivables		4,169	3,151	1,112	841
Trade payables and other liabilities		(10,742)	(3,736)	(2,864)	(996)
Royalties payable		68	5,732	18	1,528
Other changes					
Other assets and receivables		(2,155)	(3,850)	(574)	(1,027)
Provisions and other liabilities		238	(61)	63	(16)
Post-employment benefits		103	29	27	7
Settlement of income, zakat and other taxes		(87,747)	(94,131)	(23,399)	(25,101)
Net cash provided by operating activities		118,908	125,969	31,709	33,592
Net cash (used in) provided by investing activities					
Capital expenditures	4	(47,059)	(40,621)	(12,549)	(10,832)
Acquisition of affiliates, net of cash acquired	16	(113)	(1,267)	(30)	(338)
Additional investments in joint ventures and associates		(1,360)	(1,548)	(363)	(413)
Proceeds from sale of affiliates	17	3,779	-	1,008	-
Distributions from joint ventures and associates		822	1,009	220	269
Dividends from investments in securities		9	12	2	3
Interest received		3,539	7,216	944	1,925
Investments in securities - net		(483)	(356)	(129)	(95)
Net (purchases) maturities of short-term investments		(6,141)	83,585	(1,638)	22,289
Net cash (used in) provided by investing activities		(47,007)	48,030	(12,535)	12,808
Net cash used in financing activities					
Dividends paid to shareholders of the Company	18	(80,104)	(116,503)	(21,361)	(31,067)
Dividends paid to non-controlling interests in subsidiaries		(4,313)	(4,214)	(1,150)	(1,124)
Proceeds from issuance of treasury shares		208	186	55	50
Proceeds from borrowings		13,159	2,788	3,510	743
Repayments of borrowings		(8,507)	(4,838)	(2,269)	(1,290)
Principal portion of lease payments		(3,274)	(3,641)	(873)	(971)
Interest paid		(3,014)	(2,778)	(804)	(741)
Net cash used in financing activities		(85,845)	(129,000)	(22,892)	(34,400)
Net (decrease) increase in cash and cash equivalents		(13,944)	44,999	(3,718)	12,000
Cash and cash equivalents at beginning of the period		216,642	198,973	57,771	53,059
Cash and cash equivalents at end of the period		202,698	243,972	54,053	65,059

* This supplementary information is converted at a fixed rate of U.S. dollar 1.00 = SAR 3.75 for convenience only, and is presented in millions of U.S. dollars.


Amin H. Nasser
Director,
President & Chief Executive Officer


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


Bassam M. Asiri
Senior Vice President
& Controller

Notes to the condensed consolidated interim financial report

1. General information

The Saudi Arabian Oil Company (the "Company"), with headquarters located in Dhahran, Kingdom of Saudi Arabia (the "Kingdom"), is engaged in prospecting, exploring, drilling and extracting hydrocarbon substances ("Upstream") and processing, manufacturing, refining and marketing these hydrocarbon substances ("Downstream"). The Company was formed on November 13, 1988 by Royal Decree No. M/8; however, its history dates back to May 29, 1933 when the Saudi Arabian Government (the "Government") granted a concession to the Company's predecessor for the right to, among other things, explore the Kingdom for hydrocarbons. Effective January 1, 2018, the Council of Ministers Resolution No. 180, dated 1/4/1439H (December 19, 2017), converted the Company to a Saudi Joint Stock Company with new Bylaws.

On December 11, 2019, the Company completed its Initial Public Offering ("IPO") and its ordinary shares were listed on the Saudi Exchange. In connection with the IPO, the Government, being the sole owner of the Company's shares at such time, sold an aggregate of 3.45 billion ordinary shares, or 1.73% of the Company's share capital.

On February 13, 2022, the Government transferred 4% of the Company's issued shares to the Public Investment Fund ("PIF"), the sovereign wealth fund of the Kingdom, followed by another transfer of 4% on April 16, 2023 to Saudi Arabian Investment Company ("Sanabil Investments"), a wholly-owned company of PIF. Further, on March 7, 2024, the Government transferred an additional 8% of the Company's issued shares to PIF's wholly-owned companies. Furthermore, on June 11, 2024, the Government completed a secondary public offering of the Company's ordinary shares. In connection with the secondary offering, the Government sold an aggregate of approximately 1.7 billion shares, representing 0.7% of the Company's issued shares. This includes 137.6 million ordinary shares acquired by the Company from the Government, which have been classified as treasury shares. Following the completion of the secondary offering, the Government remains the Company's largest shareholder, retaining an 81.48% direct shareholding.

The condensed consolidated interim financial report of the Company and its subsidiaries (together "Saudi Aramco") was approved by the Board of Directors on May 9, 2025.

2. Basis of preparation and material accounting policy information

The condensed consolidated interim financial report has been prepared in accordance with International Accounting Standard 34 ("IAS 34"), Interim Financial Reporting, that is endorsed in the Kingdom, and other standards and pronouncements issued by the Saudi Organization for Chartered and Professional Accountants ("SOCPA"). The accounting policies used in the preparation of this condensed consolidated interim financial report are consistent with those set out in Saudi Aramco's consolidated financial statements for the year ended December 31, 2024.

The results for the interim periods are unaudited and include all adjustments necessary for a fair presentation of the results for the periods presented. This condensed consolidated interim financial report should be read in conjunction with the consolidated financial statements and related notes for the year ended December 31, 2024, which have been prepared in accordance with International Financial Reporting Standards ("IFRS") that are endorsed in the Kingdom, and other standards and pronouncements issued by SOCPA. The consolidated financial statements for the year ended December 31, 2024 are also in compliance with IFRS as issued by the International Accounting Standards Board ("IASB").

Translations from Saudi Riyals ("SAR" or "ﷲ") to U.S. dollar ("USD" or "\$") presented as supplementary information in the condensed consolidated statement of income, condensed consolidated statement of comprehensive income, condensed consolidated balance sheet, condensed consolidated statement of changes in equity, and condensed consolidated statement of cash flows at March 31, 2025 and December 31, 2024 and for the three-month periods ended March 31, 2025 and 2024, are for convenience and were calculated at the rate of USD 1.00 = SAR 3.75 representing the exchange rate at the balance sheet dates.

New or amended standards

- (i) There are no new standards, amendments or interpretations that are effective for annual periods beginning on or after January 1, 2025 that have a material impact on the condensed consolidated interim financial report.
- (ii) Saudi Aramco has not early adopted any new accounting standards, interpretations or amendments that are issued but not yet effective.

3. Fair value estimation

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability or, in the absence of a principal market, in the most advantageous market for the asset or liability. Management believes that the fair values of Saudi Aramco's financial assets and liabilities that are measured and recognized at amortized cost are not materially different from their carrying amounts at the end of the reporting period.

The following table presents Saudi Aramco's financial assets and financial liabilities measured and recognized at fair value at March 31, 2025 and December 31, 2024, based on the prescribed fair value measurement hierarchy on a recurring basis. Saudi Aramco did not measure any financial assets or financial liabilities at fair value on a non-recurring basis at March 31, 2025 and December 31, 2024. There were no changes made to any of the valuation techniques and valuation processes applied as of December 31, 2024 and changes in unobservable inputs are not expected to materially impact the fair values.

Assets	Level 1ⁱ	Level 2ⁱⁱ	Level 3ⁱⁱⁱ	Total
At March 31, 2025				
Investments in securities:				
Equity securities at Fair Value Through Other Comprehensive Income ("FVOCI")	12,244	39	4,807	17,090
Debt securities at FVOCI	-	9,416	-	9,416
Equity securities at Fair Value Through Profit or Loss ("FVPL")	1,373	1,052	10,172	12,597
Debt securities at FVPL	-	1,164	583	1,747
	13,617	11,671	15,562	40,850
Other assets and receivables:				
Interest rate swaps	-	582	-	582
Commodity derivative contracts	-	2,683	-	2,683
Currency forward contracts	-	199	-	199
Financial assets - option rights	-	-	3,771	3,771
	-	3,464	3,771	7,235
Trade receivables related to contracts with provisional pricing arrangements	-	-	138,161	138,161
Total assets	13,617	15,135	157,494	186,246
At December 31, 2024				
Investments in securities:				
Equity securities at FVOCI	12,443	38	4,702	17,183
Debt securities at FVOCI	71	10,300	-	10,371
Equity securities at FVPL	622	1,853	9,822	12,297
Debt securities at FVPL	-	-	569	569
	13,136	12,191	15,093	40,420
Other assets and receivables:				
Interest rate swaps	-	663	-	663
Commodity derivative contracts	-	2,395	-	2,395
Currency forward contracts	-	174	-	174
Financial assets - option rights	-	-	3,670	3,670
	-	3,232	3,670	6,902
Trade receivables related to contracts with provisional pricing arrangements	-	-	128,101	128,101
Total assets	13,136	15,423	146,864	175,423
Liabilities				
	Level 1ⁱ	Level 2ⁱⁱ	Level 3ⁱⁱⁱ	Total
At March 31, 2025				
Trade payables and other liabilities:				
Interest rate swaps	-	10	-	10
Commodity derivative contracts	-	2,372	-	2,372
Currency forward contracts	-	30	-	30
Trade payables related to contracts with provisional pricing arrangements	-	-	35,058	35,058
	-	2,412	35,058	37,470
Provisions and other liabilities:				
Financial liabilities - options and forward contracts	-	-	2,141	2,141
Total liabilities	-	2,412	37,199	39,611

3. Fair value estimation continued

Liabilities	Level 1 ⁱ	Level 2 ⁱⁱ	Level 3 ⁱⁱⁱ	Total
At December 31, 2024				
Trade payables and other liabilities:				
Interest rate swaps	-	6	-	6
Commodity derivative contracts	-	1,581	-	1,581
Currency forward contracts	-	93	-	93
Trade payables related to contracts with provisional pricing arrangements	-	-	37,308	37,308
	-	1,680	37,308	38,988
Provisions and other liabilities:				
Financial liabilities - options and forward contracts	-	-	1,980	1,980
Total liabilities	-	1,680	39,288	40,968

i. Quoted prices (unadjusted) in active markets for identical assets or liabilities.

ii. Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

iii. Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

The changes in Level 3 investments in securities for the three-month period ended March 31, 2025 and the year ended December 31, 2024 are as follows:

	March 31, 2025	December 31, 2024
Beginning	15,093	10,051
Net additions	382	5,079
Net unrealized fair value gain	95	8
Realized loss	(8)	(45)
Ending	15,562	15,093

The movement in trade receivables and trade payables related to contracts with provisional pricing arrangements mainly arises from sales and purchase transactions made during the period, net of settlements. Unrealized fair value movements on these trade receivables and trade payables are not significant.

The change in the carrying amount of commodity derivative contracts primarily relates to purchase and sales of derivative contracts, including recognition of a gain or loss that results from adjusting a derivative to fair value. Fair value movements on commodity derivative contracts are not significant.

The movements in financial assets – option rights and financial liabilities – options and forward contracts, being put, call and forward contracts on equity instruments of certain non-wholly-owned subsidiaries, are mainly due to changes in the unrealized fair values of those contracts during the period.

4. Operating segments

Saudi Aramco is engaged in prospecting, exploring, drilling, extracting, processing, manufacturing, refining and marketing hydrocarbon substances within the Kingdom and has interests in refining, petrochemical, distribution, marketing and storage facilities outside the Kingdom.

Saudi Aramco's operating segments are established on the basis of those components that are evaluated regularly by the President & CEO, considered to be the Chief Operating Decision Maker. The Chief Operating Decision Maker monitors the operating results of Saudi Aramco's operating segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on revenues, costs and a broad range of key performance indicators in addition to segment profitability.

For management purposes, Saudi Aramco is organized into business units based on the main types of activities. At March 31, 2025, Saudi Aramco had two reportable segments, Upstream and Downstream, with all other supporting functions aggregated into a Corporate segment. Upstream activities include crude oil, natural gas and natural gas liquids exploration, field development and production. Downstream activities consist primarily of refining and petrochemical manufacturing, supply and trading, base oils and lubricants, retail, distribution and power generation, logistics, and marketing of crude oil and related services to international and domestic customers. Corporate activities include primarily supporting services, including Human Resources, Finance and IT, that are not allocated to Upstream and Downstream. Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties.

Effective October 1, 2024, certain changes were made to the pricing basis of inter-segment transactions. Since December 31, 2024, there were no differences in the basis of segmentation or in the basis of measurement of segment earnings before interest, income taxes and zakat.

4. Operating segments continued

Information by segments for the three-month period ended March 31, 2025 is as follows:

	Upstream	Downstream	Corporate	Eliminations	Consolidated
External revenue	176,497	228,407	742	-	405,646
Other income related to sales	7,881	16,085	-	-	23,966
Inter-segment revenue	85,129	8,519	88	(93,736)	-
Earnings (losses) before interest, income taxes and zakat	192,793	1,905	(3,401)	(1,769)	189,528
Finance income					3,532
Finance costs					(2,766)
Income before income taxes and zakat					190,294
Capital expenditures - cash basis	37,217	8,607	1,235	-	47,059

Information by segments for the three-month period ended March 31, 2024 is as follows:

	Upstream	Downstream	Corporate	Eliminations	Consolidated
External revenue	186,415	214,888	734	-	402,037
Other income related to sales	10,422	25,388	-	-	35,810
Inter-segment revenue	94,683	9,088	77	(103,848)	-
Earnings (losses) before interest, income taxes and zakat	205,342	4,615	(3,725)	(4,848)	201,384
Finance income					6,655
Finance costs					(3,025)
Income before income taxes and zakat					205,014
Capital expenditures - cash basis	33,114	6,882	625	-	40,621

5. Property, plant and equipment

	Land and land improvements	Buildings	Oil and gas properties	Plant, machinery and equipment	Depots, storage tanks and pipelines	Fixtures, IT and office equipment	Construction-in-progress	Total
Cost								
January 1, 2025	54,410	96,628	751,970	1,067,941	117,164	22,448	346,603	2,457,164
Additions ¹	24	161	79	3,484	174	460	56,619	61,001
Construction completed	544	113	13,742	5,163	2,890	166	(22,618)	-
Currency translation differences	117	307	-	1,720	14	47	94	2,299
Transfers and adjustments	(1,027)	14	(93)	3,596	326	176	(3,048)	(56)
Transfer of exploration and evaluation assets	-	-	-	-	-	-	168	168
Retirements and sales	(17)	(108)	(31)	(1,192)	(75)	(216)	(5)	(1,644)
March 31, 2025	54,051	97,115	765,667	1,080,712	120,493	23,081	377,813	2,518,932
Accumulated depreciation								
January 1, 2025	(22,928)	(46,137)	(292,224)	(535,055)	(51,700)	(14,802)	-	(962,846)
Charge for the period	(425)	(756)	(6,265)	(13,293)	(1,239)	(412)	-	(22,390)
Currency translation differences	(30)	(217)	-	(1,230)	(7)	(20)	-	(1,504)
Transfers and adjustments	(12)	(290)	-	(833)	(41)	122	-	(1,054)
Retirements and sales	17	84	31	884	72	211	-	1,299
March 31, 2025	(23,378)	(47,316)	(298,458)	(549,527)	(52,915)	(14,901)	-	(986,495)
Property, plant and equipment - net, March 31, 2025	30,673	49,799	467,209	531,185	67,578	8,180	377,813	1,532,437

1. Additions include borrowing costs capitalized during the three-month period ended March 31, 2025, amounting to ₪ 2,439, which were calculated using an average annualized capitalization rate of 5.04%.

5. Property, plant and equipment continued

Additions to right-of-use assets during the three-month period ended March 31, 2025 were ~~SR~~ 3,674. Acquisition of right-of-use assets during the three-month period ended March 31, 2025 were nil. The following table presents depreciation charges and net carrying amounts of right-of-use assets by class of assets.

	Depreciation expense for the three-month period ended March 31, 2025	Net carrying amount at March 31, 2025
Land and land improvements	84	6,571
Buildings	123	3,539
Plant, machinery and equipment	1,832	55,852
Depots, storage tanks and pipelines	139	2,664
Fixtures, IT and office equipment	38	337
	2,216	68,963

6. Intangible assets

	Goodwill	Exploration and evaluation	Brands and trademarks	Franchise/ customer relationships	Computer software	Other ¹	Total
Cost							
January 1, 2025	101,225	20,904	24,731	21,625	3,581	4,408	176,474
Additions	-	2,097	-	-	118	30	2,245
Currency translation differences	-	-	5	3	15	129	152
Transfers and adjustments	-	-	5	-	73	430	508
Transfer of exploration and evaluation assets	-	(168)	-	-	-	-	(168)
Retirements and write offs	-	(354)	-	-	(131)	-	(485)
March 31, 2025	101,225	22,479	24,741	21,628	3,656	4,997	178,726
Accumulated amortization							
January 1, 2025	-	-	(2,805)	(5,480)	(2,065)	(1,543)	(11,893)
Charge for the period	-	-	(39)	(276)	(98)	(95)	(508)
Currency translation differences	-	-	(5)	(2)	(17)	(52)	(76)
Transfers and adjustments	-	-	-	-	(495)	(339)	(834)
Retirements and write offs	-	-	-	-	131	-	131
March 31, 2025	-	-	(2,849)	(5,758)	(2,544)	(2,029)	(13,180)
Intangible assets - net, March 31, 2025	101,225	22,479	21,892	15,870	1,112	2,968	165,546

1. Other intangible assets with a net book value of ~~SR~~ 2,968 as at March 31, 2025 comprise processing and offtake agreements, licenses, technology, usage rights, patents and intellectual property.

7. Income taxes and zakat

(a) Kingdom income tax rates

The Company is subject to an income tax rate of 20% on its Downstream activities and on the activities of exploration and production of non-associated natural gas, including gas condensates, as well as the collection, treatment, processing, fractionation and transportation of associated and non-associated natural gas and their liquids, gas condensates and other associated elements. All other activities are subject to an income tax rate of 50%, in accordance with the Saudi Arabian Income Tax Law of 2004 and its amendments (the "Tax Law"). The 20% income tax rate applicable to the Company's Downstream activities came into effect on January 1, 2020. This was conditional on the Company separating its Downstream activities under the control of one or more separate wholly-owned subsidiaries before the due date of December 31, 2024, otherwise the Company's Downstream activities will be retroactively taxed at 50%. An extension of the due date to December 31, 2030 is in progress and the Company expects that it will be granted. Consequently, the Company continues to apply the 20% income tax rate to its Downstream activities.

Additionally, according to the Tax Law, shares held directly or indirectly in listed companies on the Saudi Exchange by taxpayers engaged in oil and hydrocarbon activities are exempt from the application of corporate income tax. As a result, the Company's ownership interests in such companies are subject to zakat.

7. Income taxes and zakat continued

(a) Kingdom income tax rates continued

The reconciliation of tax charge at the Kingdom's statutory rates to consolidated tax and zakat expense is as follows:

	1 st quarter 2025	1 st quarter 2024
Income before income taxes and zakat	190,294	205,014
Less: Income subject to zakat	(699)	(1,355)
Income subject to income tax	189,595	203,659
Income taxes at the Kingdom's statutory tax rates	91,695	99,323
Tax effect of:		
Loss not subject to tax at statutory rates and other	639	3,045
Income tax expense	92,334	102,368
Zakat expense	417	375
Total income tax and zakat expense	92,751	102,743

(b) Income tax and zakat expense

	1 st quarter 2025	1 st quarter 2024
Current income tax - Kingdom	90,739	96,810
Current income tax - Foreign	836	1,300
Deferred income tax - Kingdom	1,028	4,668
Deferred income tax - Foreign	(269)	(410)
Zakat - Kingdom	417	375
	92,751	102,743

(c) Income tax and zakat obligation to the Government

	2025	2024
January 1	71,951	82,539
Provided during the period	91,156	97,185
Payments during the period by the Company (Note 14)	(43,782)	(38,575)
Payments during the period by subsidiaries and joint operations	(1,305)	(1,435)
Settlements of due from the Government	(39,293)	(49,757)
Other settlements	(3,254)	(3,426)
March 31	75,473	86,531

8. Other reserves

	Currency translation differences	Investments in securities at FVOCI	Post- employment benefits	Share-based compensation reserve and other	Cash flow hedges and other	Share of other comprehensive income (loss) of joint ventures and associates		Total
						Foreign currency translation gains (losses)	Cash flow hedges and other	
January 1, 2025	(7,542)	3,121	-	657	(644)	1,024	133	(3,251)
Current period change	1,108	(65)	-	157	(167)	125	(16)	1,142
Remeasurement (loss) gain ¹	-	-	(2,010)	-	-	-	114	(1,896)
Transfer to retained earnings	-	-	1,380	(48)	-	-	(114)	1,218
Tax effect	-	54	564	-	-	-	-	618
Less: amounts related to non-controlling interests	(347)	-	66	-	12	-	-	(269)
March 31, 2025	(6,781)	3,110	-	766	(799)	1,149	117	(2,438)

1. The remeasurement (loss) gain is primarily due to the net impact arising from changes in discount rates used to determine the present value of the post-employment benefit obligations and changes in the fair value of post-employment benefit plan assets.

9. Borrowings

		At March 31, 2025			At December 31, 2024		
	Note	Non-current	Current	Total	Non-current	Current	Total
Conventional:							
Debentures		100,931	5,566	106,497	99,815	6,468	106,283
Bank borrowings		23,779	1,922	25,701	24,741	1,821	26,562
Short-term borrowings		-	20,791	20,791	-	21,242	21,242
Revolving credit facilities		-	1,411	1,411	-	703	703
Export credit agencies	a	257	752	1,009	-	880	880
Public Investment Fund		-	416	416	-	416	416
Other financing arrangements	b	38,038	492	38,530	35,527	455	35,982
		163,005	31,350	194,355	160,083	31,985	192,068
Non-conventional:							
Sukuk	c	41,480	307	41,787	29,991	11,398	41,389
Murabaha	d	16,819	729	17,548	12,593	1,843	14,436
Saudi Industrial Development Fund		3,658	333	3,991	3,800	319	4,119
Ijarah/Procurement		3,216	697	3,913	3,140	400	3,540
Wakala		1,227	28	1,255	1,227	28	1,255
		66,400	2,094	68,494	50,751	13,988	64,739
Borrowings – other than leases		229,405	33,444	262,849	210,834	45,973	256,807
Lease liabilities		51,459	11,760	63,219	50,899	11,584	62,483
Total borrowings		280,864	45,204	326,068	261,733	57,557	319,290

(a) Export credit agencies

During the first quarter of 2025, Saudi Aramco Total Refining and Petrochemical Company ("SATORP"), a joint operation of Saudi Aramco, made an initial draw down of ₪ 413 under export credit agencies facilities as part of external long-term debt financing arrangements in relation to a petrochemicals facility expansion at its refinery in Jubail, Saudi Arabia. Saudi Aramco's share of the amount drawn was ₪ 257.

(b) Other financing arrangements

- (i) On March 19, 2025, Saudi Aramco received ₪ 1,968 in respect of the final tranche of the financing arrangement with the Jazan Integrated Gasification and Power Company ("JIGPC"), a joint operation. Accordingly, Saudi Aramco recognized an amount of ₪ 1,574, representing the amount due to the other shareholders of JIGPC.
- (ii) On March 24, 2025, SATORP entered into a transaction for an asset transfer with Blue Hydrogen Industrial Gases Company ("BHIG"), a joint venture of Saudi Aramco (Note 16(b)). As part of the transaction, SATORP transferred the ownership of a hydrogen manufacturing plant to BHIG for upfront cash proceeds of ₪ 1,519 and concurrently entered into a long-term hydrogen offtake agreement with BHIG. The transaction has been accounted for as a financing arrangement, of which Saudi Aramco's share was ₪ 949.

(c) Sukuk

On March 11, 2025, the maturity date of the Sukuk issued on April 10, 2017, with a par value of ₪ 11,250, which was previously extended from its original maturity date of April 10, 2024 to April 10, 2025, was further extended to April 10, 2032. Accordingly, the outstanding amount was reclassified from current to non-current borrowings. The Company has an option to early redeem the Sukuk on October 10, 2031.

(d) Murabaha

On March 16, 2025, Saudi Basic Industries Corporation ("SABIC") group entered into an agreement with a syndicate of certain financial institutions to refinance a portion of its Murabaha loans amounting to ₪ 8,100. The refinanced loans are repayable in instalments over a period of 10 years and the proceeds were used for settlement of certain existing loans and for working capital requirements.

10. Revenue

	1 st quarter 2025	1 st quarter 2024
Revenue from contracts with customers	401,582	397,281
Movement between provisional and final prices	1,025	2,122
Other revenue	3,039	2,634
	405,646	402,037

Disaggregation of revenue from contracts with customers

Saudi Aramco's revenue from contracts with customers according to product type and source is as follows:

	1 st quarter 2025			
	Upstream	Downstream	Corporate	Total
Crude oil	162,836	34,967	-	197,803
Refined and chemical products	-	189,964	-	189,964
Natural gas and NGLs	12,414	1,401	-	13,815
Revenue from contracts with customers	175,250	226,332	-	401,582
Movement between provisional and final prices	1,136	(111)	-	1,025
Other revenue	111	2,186	742	3,039
External revenue	176,497	228,407	742	405,646

	1 st quarter 2024			
	Upstream	Downstream	Corporate	Total
Crude oil	173,780	26,054	-	199,834
Refined and chemical products	-	182,231	-	182,231
Natural gas and NGLs	10,523	1,405	-	11,928
Metal products	-	3,288	-	3,288
Revenue from contracts with customers	184,303	212,978	-	397,281
Movement between provisional and final prices	2,017	105	-	2,122
Other revenue	95	1,805	734	2,634
External revenue	186,415	214,888	734	402,037

11. Non-cash investing and financing activities

Investing and financing activities for the three-month period ended March 31, 2025 include: (a) increase in the carrying amount of the investment in Rabigh Refining and Petrochemical Company ("Petro Rabigh") due to the waiver of a non-current shareholder loan receivable of ₪ 938 (Note 16(a)); (b) additions to right-of-use assets of ₪ 3,674 (March 31, 2024: ₪ 7,819); (c) additions of ₪ 2,653 (March 31, 2024: ₪ 489) related to facilities under construction on a deferred payment basis; (d) asset retirement provisions of ₪ 79 (March 31, 2024: nil); and (e) equity awards issued to employees of ₪ 207 (March 31, 2024: ₪ 167).

12. Commitments

Capital commitments

Capital expenditures contracted for but not yet incurred were ₪ 210,519 and ₪ 223,301 at March 31, 2025 and December 31, 2024, respectively. In addition, leases contracted for but not yet commenced were ₪ 39,331 and ₪ 38,496 at March 31, 2025 and December 31, 2024, respectively.

13. Contingencies

Saudi Aramco has contingent assets and liabilities with respect to certain disputed matters, including claims by and against contractors and lawsuits and arbitrations involving a variety of issues. These contingencies arise in the ordinary course of business. It is not anticipated that any material adjustments will result from these contingencies.

14. Payments to the Government by Saudi Arabian Oil Company

	1 st quarter 2025	1 st quarter 2024
Income taxes (Note 7(c))	43,782	38,575
Royalties	39,200	44,659
Dividends	65,310	95,766

15. Related party transactions and balances

(a) Transactions

	1 st quarter 2025	1 st quarter 2024
Joint ventures:		
Revenue from sales	6,150	5,805
Other revenue	19	30
Interest income	45	53
Purchases	6,521	7,526
Service expenses	4	26
Associates:		
Revenue from sales	23,434	19,740
Other revenue	34	64
Interest income	49	116
Purchases	15,435	11,250
Service expenses	34	64
Government, semi-Government and other entities with Government ownership or control:		
Revenue from sales	8,175	6,611
Other income related to sales	23,966	35,810
Other revenue	237	184
Purchases	2,355	2,378
Service expenses	131	124
Lease expenses	311	319

(b) Balances

	At March 31, 2025	At December 31, 2024
Joint ventures:		
Other assets and receivables	3,274	3,888
Trade receivables	5,914	5,378
Interest receivable	709	645
Trade payables and other liabilities	5,955	6,365
Borrowings	949	-
Associates:		
Other assets and receivables	3,139	3,831
Trade receivables	15,221	18,739
Trade payables and other liabilities	4,478	4,576
Government, semi-Government and other entities with Government ownership or control:		
Other assets and receivables	5,434	5,634
Trade receivables	4,883	4,556
Due from the Government	27,390	38,274
Short-term investments with banks	9,278	5,749
Cash and cash equivalents held with banks	39,439	48,762
Trade payables and other liabilities	1,200	2,799
Borrowings	27,300	26,393

(c) Compensation of key management personnel

Compensation policies for and composition of key management personnel remain consistent with 2024.

16. Investments in affiliates

(a) Petro Rabigh

In January 2025, the Company and Sumitomo Chemical Co., Ltd., the founding shareholders of Petro Rabigh, completed the waiver of the remaining amounts of their respective shareholder loans to Petro Rabigh of approximately ₪ 938 each. The Company recognized the waiver as an increase in the carrying amount of the investment in Petro Rabigh, an associate.

(b) Blue Hydrogen Industrial Gases Company ("BHIG")

On January 27, 2025, Saudi Aramco Development Company ("SADCO"), a wholly-owned subsidiary of the Company, closed the transaction to acquire a 50% equity interest in BHIG, a wholly-owned subsidiary of Air Products Qudra for Energy ("APQ"). BHIG, a company based in the Kingdom, aims to produce lower-carbon hydrogen while capturing and storing CO₂. This investment highlights Saudi Aramco's ambition to expand its new energies portfolio. Upon completion, SADCO invested an initial amount of ₪ 113 and the investment was recognized as a joint venture. A further investment of ₪ 797 was made on March 24, 2025, representing SADCO's share of additional capital contribution to BHIG in connection with the transfer of ownership of a hydrogen manufacturing plant from SATORP to BHIG (Note 9(b)(ii)). In addition, the Company has provided guarantees to external lenders for an amount of ₪ 1,441, representing SADCO's share of BHIG's existing borrowing facilities.

17. Assets held for sale

Aluminium Bahrain B.S.C. ("ALBA")

On February 19, 2025, SABIC announced the completion of the sale of its 20.62% shareholding in ALBA, an associate, to Saudi Arabian Mining Company (Ma'aden). The carrying amount of the investment in ALBA, amounting to ₪ 3,294 and classified as held for sale and presented separately on the consolidated balance sheet at December 31, 2024, was derecognized. The sale proceeds of Bahraini Dinars 363 million (approximately ₪ 3,606) were received in cash and a gain of ₪ 342 was recognized in the condensed consolidated statement of income.

18. Dividends

Dividends declared and paid on ordinary shares are as follows:

	1 st quarter 2025	1 st quarter 2024	SAR per share	
			1 st quarter 2025	1 st quarter 2024
Dividends declared and paid in the quarter:				
March	80,104	116,503	0.3312	0.4815
Total ¹	80,104	116,503	0.3312	0.4815
Dividends declared on May 9, 2025 and May 6, 2024 ²	80,111	116,517	0.3312	0.4815

- Dividend of ₪ 80,104 (₪ 0.3312 per share) includes ₪ 822 (₪ 0.0034 per share) of a performance-linked dividend.
- Dividend of ₪ 80,111 (₪ 0.3312 per share) represents a base dividend of ₪ 79,289 (₪ 0.3278 per share) and a performance-linked dividend of ₪ 822 (₪ 0.0034 per share). These dividends are not reflected in the condensed consolidated interim financial report and will be deducted from unappropriated retained earnings in the second quarter of 2025.

About Aramco

Aramco, headquartered in the city of Dhahran, is one of the world's largest integrated energy and chemicals companies; its Upstream operations are primarily based in the Kingdom of Saudi Arabia while the Downstream business is global.



www.aramco.com

Investor overview:
www.aramco.com/en/investors

Sustainability:
www.aramco.com/en/sustainability

International media:
international.media@aramco.com

Domestic media:
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Investor relations:
investor.relations@aramco.com



Saudi Aramco

Consolidated financial statements
for the year ended December 31, 2024

Consolidated financial statements

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Fourth Industrial Revolution Center
Dhahran, Kingdom of Saudi Arabia

Innovation

Powering business growth with new solutions and technology



Yanbu Refinery
Madinah Province, Kingdom of Saudi Arabia

Integration

Capturing value across the energy chain



Fachli Gas Plant (FGP)
Eastern Province, Kingdom of Saudi Arabia

Investment

Maintaining upstream preeminence, increasing downstream integration



Mangrove Plantation
Red Sea Coast, Kingdom of Saudi Arabia

Sustainability

Reducing environmental impact while increasing business performance



Independent auditor's report to the shareholders of Saudi Arabian Oil Company

Report on the audit of the consolidated financial statements

Our opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of Saudi Arabian Oil Company (the "Company") and its subsidiaries (together the "Group") as at December 31, 2024, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards, that are endorsed in the Kingdom of Saudi Arabia, and other standards and pronouncements issued by the Saudi Organization for Chartered and Professional Accountants (SOCPA).

What we have audited

The Group's consolidated financial statements comprise:

- the consolidated statement of income for the year ended December 31, 2024;
- the consolidated statement of comprehensive income for the year ended December 31, 2024;
- the consolidated balance sheet as at December 31, 2024;
- the consolidated statement of changes in equity for the year ended December 31, 2024;
- the consolidated statement of cash flows for the year ended December 31, 2024; and
- the notes to the consolidated financial statements, comprising material accounting policy information and other explanatory information.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing, that are endorsed in the Kingdom of Saudi Arabia. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

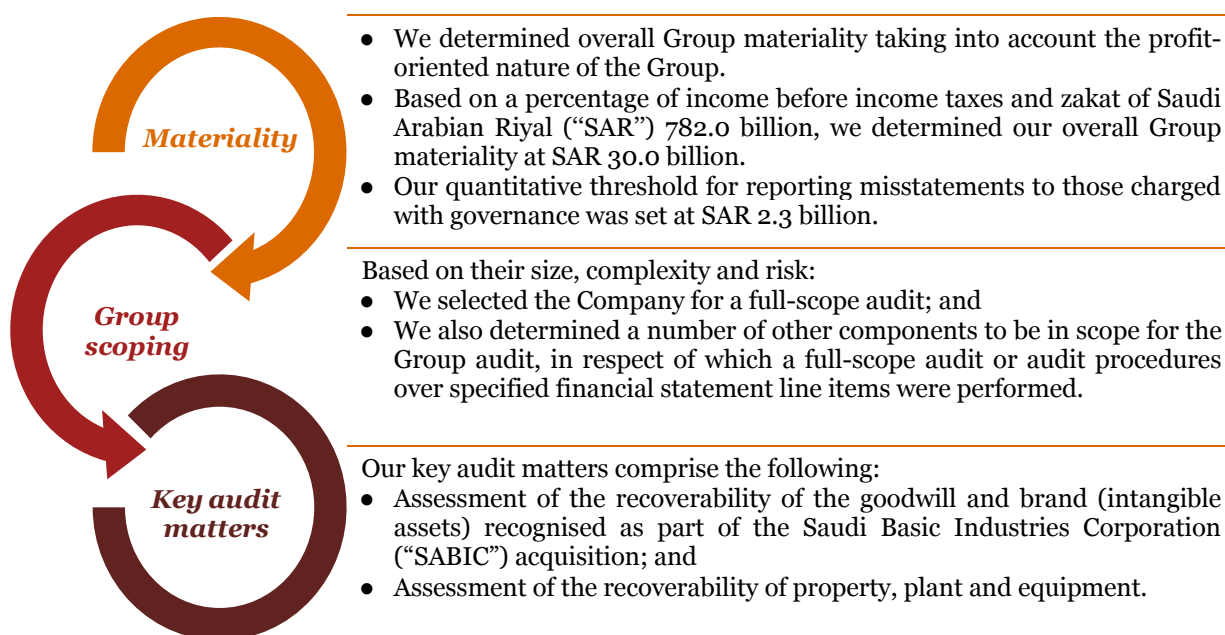
We are independent of the Group in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards), endorsed in the Kingdom of Saudi Arabia (the "Code"), that is relevant to our audit of the consolidated financial statements and we have fulfilled our other ethical responsibilities in accordance with the Code's requirements.



Independent auditor's report to the shareholders of Saudi Arabian Oil Company (continued)

Our audit approach

Overview



As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the consolidated financial statements. In particular, we considered where the Board of Directors made subjective judgments; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters, consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

Materiality

The scope of our audit was influenced by our application of materiality. An audit is designed to obtain reasonable assurance whether the consolidated financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the consolidated financial statements.

Based on our professional judgment, we determined certain quantitative thresholds for materiality, including the overall Group materiality for the consolidated financial statements as a whole as set out in the following table. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate, on the consolidated financial statements as a whole.



Independent auditor's report to the shareholders of Saudi Arabian Oil Company (continued)

Overall Group materiality	SAR 30.0 billion (2023: SAR 30.0 billion).
How we determined it	Based on a percentage of income before income taxes and zakat.
Rationale for the materiality benchmark applied	Income before income taxes and zakat is an important benchmark for the users of the consolidated financial statements and is a generally accepted benchmark for profit-oriented groups.

We agreed with those charged with governance that we would report to them misstatements identified during our audit above SAR 2.3 billion.

How we tailored our Group audit scope

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the consolidated financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls, and the industry in which the Group operates.

The Group's operations are conducted through many components in different parts of the world. The most significant component within the Group is the Company itself and most of the audit effort was spent by the Group engagement team based in Dhahran, Kingdom of Saudi Arabia. The Group engagement team also directed the work done by the various component teams as well as internal specialists and experts across different locations and performed audit procedures on the consolidation workings and disclosures.

We identified a number of other components where a full-scope audit or audit procedures over specified financial statement line items were performed under our instructions. Component teams from the PwC network in Dhahran and Riyadh, Kingdom of Saudi Arabia, the United States of America, the Republic of Korea, Bermuda and Guernsey as well as a non-PwC network component team in Malaysia performed the required procedures. The selection of these components was based on qualitative and quantitative considerations, including whether the component accounted for a significant proportion of individual consolidated financial statement line items.

The Group engagement team directed, supervised and reviewed the audit work performed by component teams, taking into account the relative significance and associated audit risk of each component. This process included allocating overall Group materiality to the different components, sending detailed instructions, considering the sufficiency and appropriateness of resources assigned, holding regular meetings to share relevant information, obtaining regular updates on progress and results of procedures related to significant and other relevant matters as well as reviewing deliverables and selected underlying working papers.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.



Independent auditor's report to the shareholders of Saudi Arabian Oil Company (continued)

Key audit matter

How our audit addressed the Key audit matter

Assessment of the recoverability of the goodwill and brand (intangible assets) recognised as part of the SABIC acquisition

International Accounting Standard ("IAS") 36 'Impairment of Assets', that is endorsed in the Kingdom of Saudi Arabia, requires goodwill and intangible assets that have indefinite useful lives to be tested annually for impairment, irrespective of whether there is any indication of impairment.

Management performed an assessment of the recoverability of the goodwill and brand (determined to have an indefinite useful life) recognised as part of the SABIC acquisition during the year ended December 31, 2020. The carrying amounts of these assets were SAR 99.1 billion and SAR 18.1 billion, respectively, as at December 31, 2024.

Goodwill has been allocated to the Downstream operating segment. Therefore, the goodwill impairment test was performed at the Downstream operating segment level. The brand test was performed based on an aggregation of the relevant Cash-Generating Units ("CGUs").

The recoverable amounts were determined based on value-in-use derived using discounted cash flow models. Each of the models were based on the most recent approved financial plans and included 10-year projection periods with terminal values assumed thereafter.

The exercise performed by management supported the goodwill and brand carrying values and did not identify the need for any impairment charges to be recognised.

We considered this to be a key audit matter given the significant judgment and estimates involved in determining recoverable amounts and the uncertainty inherent in the underlying forecasts and assumptions. The key inputs to the recoverable amounts included the:

- Cash flows during the 10-year projection periods including commodity prices (input and output) and other underlying assumptions;
- Terminal growth rates; and
- Pre-tax discount rates.

Refer to Note 2(e), Note 2(h) and Note 6 to the consolidated financial statements for further information.

Our procedures included the following:

- We considered the appropriateness of management's allocation of goodwill to the Downstream operating segment and brand to the aggregation of the relevant CGUs, based on the requirements of IAS 36 'Impairment of Assets', that is endorsed in the Kingdom of Saudi Arabia.
- We considered the completeness of the carrying values of the assets and liabilities considered as part of the impairment tests for both goodwill and brand.
- With input from internal valuation experts, where considered necessary, we performed the following procedures on management's valuation models, as deemed appropriate:
 - Considered the consistency of the projection periods with management's financial planning cycle;
 - Considered the consistency of certain unobservable inputs underlying the 10-year cash flows such as expected product volumes and costs with approved financial plans;
 - Compared a sample of commodity prices (input and output) underlying the 10-year cash flows to market data points;
 - Evaluated the reasonableness of approved financial plans by comparison to historical results;
 - Assessed the reasonableness of the approach and inputs used to determine the terminal values;
 - Evaluated the reasonableness of the pre-tax discount rates used by cross-checking the underlying assumptions against observable market data;
 - Tested the mathematical accuracy and logical integrity of the models; and
 - Tested management's sensitivity analyses that considered the impact of changes in assumptions on the outcome of the impairment assessments.
- We considered the reasonableness of the year-on-year movements in the recoverable amounts as at December 31, 2024 in view of the changes in the underlying key assumptions.
- We considered the appropriateness of the related accounting policies and disclosures in the consolidated financial statements.



Independent auditor's report to the shareholders of Saudi Arabian Oil Company (continued)

Key audit matter	How our audit addressed the Key audit matter
Assessment of the recoverability of property, plant and equipment Management performed an assessment to consider whether there was any indication that items of property, plant and equipment as at December 31, 2024 may be impaired. For certain Downstream operating segment CGUs where such indicators were identified, recoverable amounts were determined. The recoverable amounts were based on value-in-use derived using discounted cash flow models and determined to be higher than the fair value less costs of disposal. Based on a comparison of recoverable amounts with carrying values, an aggregate impairment charge of SAR 10.4 billion was recorded in the consolidated financial statements. We considered this to be a key audit matter given the significant judgment and estimates involved in identifying impairment indicators and in determining recoverable amounts of the property, plant and equipment as well as the uncertainty inherent in the underlying forecasts and assumptions. The key inputs to the recoverable amounts included the following, where applicable: • Cash flows during the projection periods including commodity prices (input and output) and other underlying assumptions; • Terminal growth rates or terminal value multiples; and • Pre-tax discount rates. <i>Refer to Note 2(g), Note 2(h) and Note 5 to the consolidated financial statements for further information.</i>	We selected certain CGUs for testing based on their relative carrying values as at December 31, 2024. For these CGUs, our procedures included the following: • We considered the reasonableness of management's assessments of impairment indicators considering our knowledge of internal and external factors based on the requirements of IAS 36 'Impairment of Assets', that is endorsed in the Kingdom of Saudi Arabia. • We considered the completeness of the carrying values of the assets and liabilities considered as part of the impairment tests for the relevant CGUs. • With input from internal valuation experts, where considered necessary, we performed the following procedures on management's valuation models, as deemed appropriate: - Evaluated the appropriateness of the projection periods considering the characteristics of the underlying assets; - Considered the consistency of certain unobservable inputs underlying the cash flows such as expected product volumes and costs with approved financial plans; - Compared a sample of forecast commodity prices (inputs and outputs) underlying the cash flows to market data points; - Evaluated the reasonableness of approved financial plans by comparison to historical results; - Assessed the reasonableness of the approach and inputs used to determine the terminal values; - Evaluated the reasonableness of the pre-tax discount rates used by cross-checking the underlying assumptions against observable market data; - Tested the mathematical accuracy and logical integrity of the models; and - Tested management's sensitivity analyses that considered the impact of changes in assumptions on the outcome of the impairment assessments. • We considered the appropriateness of the related accounting policies and disclosures in the consolidated financial statements.



Independent auditor's report to the shareholders of Saudi Arabian Oil Company (continued)

Other information

The Board of Directors is responsible for the other information. The other information comprises the Annual Report (but does not include the consolidated financial statements and our auditor's report thereon).

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors and those charged with governance for the consolidated financial statements

The Board of Directors is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards, that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by SOCPA, and the applicable requirements of the Regulations for Companies and the Company's Bylaws, and for such internal control as they determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Board of Directors is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing, that are endorsed in the Kingdom of Saudi Arabia, will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.



Independent auditor's report to the shareholders of Saudi Arabian Oil Company (continued)

As part of an audit in accordance with International Standards on Auditing, that are endorsed in the Kingdom of Saudi Arabia, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.



Independent auditor's report to the shareholders of Saudi Arabian Oil Company (continued)

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

PricewaterhouseCoopers

A handwritten signature in blue ink, appearing to read "Omar M. Al Sagga", written over a horizontal line.

Omar M. Al Sagga
License No. 369

March 3, 2025

Consolidated statement of income

All amounts in millions of Saudi Riyals unless otherwise stated

	Note	SAR		USD*	
		Year ended December 31		Year ended December 31	
		2024	2023	2024	2023
Revenue	24	1,637,299	1,653,281	436,613	440,875
Other income related to sales		164,375	203,092	43,833	54,158
Revenue and other income related to sales		1,801,674	1,856,373	480,446	495,033
Royalties and other taxes		(200,532)	(231,795)	(53,475)	(61,812)
Purchases	25	(509,430)	(471,225)	(135,848)	(125,660)
Producing and manufacturing		(110,275)	(96,523)	(29,406)	(25,739)
Selling, administrative and general		(89,235)	(76,890)	(23,796)	(20,504)
Exploration		(8,552)	(9,416)	(2,281)	(2,511)
Research and development		(5,816)	(5,197)	(1,550)	(1,386)
Depreciation and amortization	5,6	(103,209)	(97,040)	(27,523)	(25,877)
Operating costs		(1,027,049)	(988,086)	(273,879)	(263,489)
Operating income		774,625	868,287	206,567	231,544
Share of results of joint ventures and associates	7	(4,966)	(4,001)	(1,324)	(1,067)
Finance and other income	27	22,891	31,967	6,104	8,524
Finance costs	20	(10,540)	(8,186)	(2,811)	(2,183)
Income before income taxes and zakat		782,010	888,067	208,536	236,818
Income taxes and zakat	8	(383,588)	(433,303)	(102,290)	(115,547)
Net income		398,422	454,764	106,246	121,271
Net income attributable to					
Shareholders' equity		393,891	452,753	105,038	120,734
Non-controlling interests		4,531	2,011	1,208	537
		398,422	454,764	106,246	121,271
Earnings per share (basic and diluted)	37	1.63	1.87	0.43	0.50

* This supplementary information is converted at a fixed rate of U.S. dollar 1.00 = SAR 3.75 for convenience only, and is presented in millions of U.S. dollars.



H.E. Yasir O. Al-Rumayyan
Chairman of the Board



Amin H. Nasser
President & Chief Executive Officer



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

Consolidated statement of comprehensive income

All amounts in millions of Saudi Riyals unless otherwise stated

	Note	SAR		USD*	
		Year ended December 31		Year ended December 31	
		2024	2023	2024	2023
Net income		398,422	454,764	106,246	121,271
Other comprehensive income (loss), net of tax	18				
Items that will not be reclassified to net income					
Remeasurement of post-employment benefits		3,138	(25)	837	(7)
Share of post-employment benefits remeasurement from joint ventures and associates		(95)	90	(25)	24
Changes in fair value of equity investments classified as fair value through other comprehensive income		(793)	(1,671)	(212)	(446)
Items that may be reclassified subsequently to net income					
Cash flow hedges and other		(658)	(1,044)	(176)	(278)
Changes in fair value of debt securities classified as fair value through other comprehensive income		(67)	520	(18)	139
Share of other comprehensive income of joint ventures and associates		138	1,250	37	333
Currency translation differences		(5,549)	(829)	(1,480)	(221)
		(3,886)	(1,709)	(1,037)	(456)
Total comprehensive income		394,536	453,055	105,209	120,815
Total comprehensive income attributable to					
Shareholders' equity		391,720	451,111	104,458	120,296
Non-controlling interests		2,816	1,944	751	519
		394,536	453,055	105,209	120,815

* This supplementary information is converted at a fixed rate of U.S. dollar 1.00 = SAR 3.75 for convenience only, and is presented in millions of U.S. dollars.



H.E. Yasir O. Al-Rumayyan
Chairman of the Board



Amin H. Nasser
President & Chief Executive Officer



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

Consolidated balance sheet

All amounts in millions of Saudi Riyals unless otherwise stated

		SAR		USD*	
		At December 31		At December 31	
	Note	2024	2023	2024	2023
Assets					
Non-current assets					
Property, plant and equipment	5	1,494,318	1,384,717	398,485	369,258
Intangible assets	6	164,581	164,554	43,888	43,881
Investments in joint ventures and associates	7	65,261	69,474	17,403	18,526
Deferred income tax assets	8	20,659	20,560	5,509	5,483
Post-employment benefits	21	27,365	24,661	7,297	6,576
Other assets and receivables	9	46,844	48,265	12,492	12,871
Investments in securities	10	39,206	33,974	10,455	9,060
		1,858,234	1,746,205	495,529	465,655
Current assets					
Inventories	11	83,728	85,951	22,327	22,920
Trade receivables	12	167,884	163,919	44,770	43,712
Due from the Government	13	38,274	49,378	10,206	13,168
Other assets and receivables	9	42,388	33,747	11,304	8,999
Short-term investments	14	13,186	184,343	3,516	49,158
Cash and cash equivalents	15	216,642	198,973	57,771	53,059
		562,102	716,311	149,894	191,016
Assets classified as held for sale	34	3,294	15,424	878	4,113
		565,396	731,735	150,772	195,129
Total assets		2,423,630	2,477,940	646,301	660,784
Equity and liabilities					
Shareholders' equity					
Share capital		90,000	90,000	24,000	24,000
Additional paid-in capital		26,981	26,981	7,195	7,195
Treasury shares	16	(3,943)	(1,362)	(1,052)	(363)
Retained earnings:					
Unappropriated		1,342,442	1,411,474	357,984	376,394
Appropriated		6,000	6,000	1,600	1,600
Other reserves	18	(3,251)	1,514	(866)	403
		1,458,229	1,534,607	388,861	409,229
Non-controlling interests	19	193,126	202,485	51,500	53,996
		1,651,355	1,737,092	440,361	463,225
Non-current liabilities					
Borrowings	20	261,733	226,481	69,795	60,395
Deferred income tax liabilities	8	153,369	142,449	40,898	37,986
Post-employment benefits	21	26,866	26,147	7,164	6,973
Provisions and other liabilities	22	31,044	28,205	8,279	7,521
		473,012	423,282	126,136	112,875
Current liabilities					
Trade payables and other liabilities	23	157,467	151,553	41,992	40,414
Obligations to the Government:					
Income taxes and zakat	8	71,951	82,539	19,187	22,010
Royalties		12,288	14,107	3,277	3,762
Borrowings	20	57,557	63,666	15,348	16,978
		299,263	311,865	79,804	83,164
Liabilities directly associated with assets classified as held for sale	34	–	5,701	–	1,520
		299,263	317,566	79,804	84,684
Total liabilities		772,275	740,848	205,940	197,559
Total equity and liabilities		2,423,630	2,477,940	646,301	660,784

* This supplementary information is converted at a fixed rate of U.S. dollar 1.00 = SAR 3.75 for convenience only, and is presented in millions of U.S. dollars.



H.E. Yasir O. Al-Rumayyan
Chairman of the Board



Amin H. Nasser
President & Chief Executive Officer



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

Consolidated statement of changes in equity

All amounts in millions of Saudi Riyals unless otherwise stated

SAR									USD*
Note	Shareholders' equity								Total
	Share capital	Additional paid-in capital	Treasury shares	Retained earnings		Other reserves (Note 18)	Non-controlling interests	Total	
				Unappropriated	Appropriated ¹				
Balance at January 1, 2023	75,000	26,981	(2,236)	1,339,892	6,000	3,279	217,231	1,666,147	444,306
Net income	–	–	–	452,753	–	–	2,011	454,764	121,271
Other comprehensive loss	–	–	–	–	–	(1,642)	(67)	(1,709)	(456)
Total comprehensive income (loss)	–	–	–	452,753	–	(1,642)	1,944	453,055	120,815
Transfer of post-employment benefits remeasurement	18	–	–	66	–	(66)	–	–	–
Transfer of share of post-employment benefits remeasurement from joint ventures and associates	18	–	–	90	–	(90)	–	–	–
Treasury shares issued to employees	16	–	874	232	–	(439)	–	667	178
Share-based compensation	–	–	–	(4)	–	472	–	468	125
Dividends	36	–	–	(366,674)	–	–	–	(366,674)	(97,780)
Bonus shares issued	36	15,000	–	(15,000)	–	–	–	–	–
Dividends to non-controlling interests and other	–	–	–	119	–	–	(16,690)	(16,571)	(4,419)
Balance at December 31, 2023	90,000	26,981	(1,362)	1,411,474	6,000	1,514	202,485	1,737,092	463,225
Net income	–	–	–	393,891	–	–	4,531	398,422	106,246
Other comprehensive loss	–	–	–	–	–	(2,171)	(1,715)	(3,886)	(1,037)
Total comprehensive income (loss)	–	–	–	393,891	–	(2,171)	2,816	394,536	105,209
Transfer of post-employment benefits remeasurement	18	–	–	3,015	–	(3,015)	–	–	–
Transfer of share of post-employment benefits remeasurement from joint ventures and associates	18	–	–	(95)	–	95	–	–	–
Acquisition of treasury shares	–	–	(3,750)	–	–	–	–	(3,750)	(1,000)
Treasury shares issued to employees	16	–	1,169	78	–	(459)	–	788	210
Share-based compensation	–	–	–	(3)	–	582	–	579	154
Dividends	36	–	–	(465,918)	–	–	–	(465,918)	(124,245)
Dividends to non-controlling interests and other	–	–	–	–	–	203	(12,175)	(11,972)	(3,192)
Balance at December 31, 2024	90,000	26,981	(3,943)	1,342,442	6,000	(3,251)	193,126	1,651,355	440,361

1. Appropriated retained earnings, originally established under the 1988 Articles of the Saudi Arabian Oil Company, represent a legal reserve which is not available for distribution. This amount is maintained pursuant to the Company's existing Bylaws.

* This supplementary information is converted at a fixed rate of U.S. dollar 1.00 = SAR 3.75 for convenience only, and is presented in millions of U.S. dollars.



H.E. Yasir O. Al-Rumayyan
Chairman of the Board



Amin H. Nasser
President & Chief Executive Officer



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

Consolidated statement of cash flows

All amounts in millions of Saudi Riyals unless otherwise stated

	Note	SAR		USD*	
		Year ended December 31		Year ended December 31	
		2024	2023	2024	2023
Income before income taxes and zakat		782,010	888,067	208,536	236,818
Adjustments to reconcile income before income taxes and zakat to net cash provided by operating activities					
Depreciation and amortization	5,6	103,209	97,040	27,523	25,877
Exploration and evaluation costs written off	6	2,325	3,018	620	804
Loss on disposal of property, plant and equipment		1,983	1,805	528	482
Loss on fair value measurement of assets classified as held for sale	34(a)	304	3,219	81	858
Inventory movement		742	832	198	222
Share of results of joint ventures and associates	7	4,966	4,001	1,324	1,067
Finance and other income	27	(22,891)	(31,967)	(6,104)	(8,524)
Finance costs	20	10,540	8,186	2,811	2,183
Change in fair value of investments through profit or loss		(39)	(347)	(10)	(92)
Change in joint ventures and associates inventory profit elimination	7	208	(389)	55	(103)
Other		(802)	406	(213)	108
Change in working capital					
Inventories		1,506	11,285	402	3,010
Trade receivables		541	47	144	12
Due from the Government		11,104	5,167	2,962	1,377
Other assets and receivables		(6,613)	(3,005)	(1,764)	(801)
Trade payables and other liabilities		9,110	9,946	2,429	2,653
Royalties payable		(1,819)	(2,147)	(485)	(572)
Other changes					
Other assets and receivables		(5,604)	(17,740)	(1,495)	(4,731)
Provisions and other liabilities		189	476	50	126
Post-employment benefits		3,629	1,034	967	276
Settlement of income, zakat and other taxes	8	(385,710)	(441,120)	(102,855)	(117,633)
Net cash provided by operating activities		508,888	537,814	135,704	143,417
Net cash used in investing activities					
Capital expenditures	4	(188,890)	(158,308)	(50,371)	(42,215)
Acquisition of affiliates, net of cash acquired	35(a)	(1,533)	(9,878)	(409)	(2,634)
Additional investments in joint ventures and associates	7	(4,736)	(3,607)	(1,263)	(962)
Proceeds from sale of subsidiaries	34	1,583	–	422	–
Distributions from joint ventures and associates	7	3,165	3,545	844	945
Dividends from investments in securities	27	463	411	124	110
Interest received		22,735	25,628	6,063	6,834
Investments in securities – net	35(c)	(6,805)	(8,682)	(1,815)	(2,316)
Net maturities of short-term investments		171,157	96,872	45,642	25,833
Net cash used in investing activities		(2,861)	(54,019)	(763)	(14,405)
Net cash used in financing activities					
Dividends paid to shareholders of the Company	36	(465,918)	(366,674)	(124,245)	(97,780)
Dividends paid to non-controlling interests in subsidiaries		(11,935)	(14,428)	(3,182)	(3,848)
Acquisition of treasury shares	16	(3,750)	–	(1,000)	–
Proceeds from issuance of treasury shares	16	788	662	210	176
Proceeds from borrowings		54,398	32,057	14,506	8,549
Repayments of borrowings		(31,482)	(134,495)	(8,395)	(35,865)
Principal portion of lease payments		(15,344)	(13,639)	(4,092)	(3,637)
Interest paid		(15,115)	(14,352)	(4,031)	(3,827)
Net cash used in financing activities		(488,358)	(510,869)	(130,229)	(136,232)
Net increase (decrease) in cash and cash equivalents		17,669	(27,074)	4,712	(7,220)
Cash and cash equivalents at beginning of the year		198,973	226,047	53,059	60,279
Cash and cash equivalents at end of the year		216,642	198,973	57,771	53,059

* This supplementary information is converted at a fixed rate of U.S. dollar 1.00 = SAR 3.75 for convenience only, and is presented in millions of U.S. dollars.



H.E. Yasir O. Al-Rumayyan
Chairman of the Board



Amin H. Nasser
President & Chief Executive Officer



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

Notes to the consolidated financial statements

All amounts in millions of Saudi Riyals unless otherwise stated

1. General information

The Saudi Arabian Oil Company (the "Company"), with headquarters located in Dhahran, Kingdom of Saudi Arabia (the "Kingdom"), is engaged in prospecting, exploring, drilling and extracting hydrocarbon substances ("Upstream") and processing, manufacturing, refining and marketing these hydrocarbon substances ("Downstream"). The Company was formed on November 13, 1988, by Royal Decree No. M/8; however, its history dates back to May 29, 1933, when the Saudi Arabian Government (the "Government") granted a concession to the Company's predecessor for the right to, among other things, explore the Kingdom for hydrocarbons.

On December 20, 2017, Royal Decree No. M/37 dated 2/4/1439H was issued approving the Hydrocarbons Law, which applies to the Kingdom's hydrocarbons and hydrocarbon operations. Under the Hydrocarbons Law, all hydrocarbon deposits, hydrocarbons and hydrocarbon resources are the property of the Kingdom until ownership is transferred at the well head or when extracted. Further, the Hydrocarbons Law codifies the Government's sole authority to set the maximum amount of hydrocarbons production by the Company and the maximum sustainable capacity that the Company must maintain.

All natural resources within the Kingdom, including hydrocarbons, are owned by the Kingdom. Through a concession in 1933, the Government granted the Company's predecessor the exclusive right to explore, develop and produce the Kingdom's hydrocarbon resources, except in certain areas. As of December 24, 2017, the original concession agreement was replaced and superseded by an amended concession agreement (the "Concession Agreement") which provides the Company the exclusive right to explore, drill, prospect, appraise, develop, extract, recover, and produce hydrocarbons in the concession area. The Company is also provided the exclusive right to market and distribute hydrocarbons, petroleum products and liquid petroleum gas ("LPG") in the Kingdom along with the non-exclusive right to manufacture, refine, and treat production and to market, sell, transport and export such production.

The initial term of the Concession Agreement is for 40 years, which shall be extended by the Government for 20 years unless the Company does not satisfy certain conditions commensurate with its then current operating practices. In addition, the Concession Agreement may be amended and extended for an additional 40 years beyond the original 60-year period, subject to the Company and the Government agreeing on the terms of such extension.

Effective January 1, 2018, Council of Ministers Resolution No. 180, dated 1/4/1439H (December 19, 2017) converted the Company to a Saudi Joint Stock Company with new Bylaws. The Company's 1988 Articles were cancelled as of January 1, 2018, pursuant to Royal Decree No. M/36, dated 2/4/1439H (December 20, 2017). The Company's Commercial Registration Number is 2052101150. The Company's share capital was set at Saudi Riyals ("SAR" or "ﷲ") 60,000, divided into 200 billion fully paid ordinary shares with equal voting rights without par value. On May 12, 2022 and May 8, 2023, after obtaining necessary approvals from the competent authorities in relation to the issuance of bonus shares, the Extraordinary General Assembly ("EGA") approved the increases in the Company's share capital by ﷲ 15,000 and ﷲ 15,000, respectively, and the commensurate increase in the number of the Company's issued ordinary shares by 20 billion and 22 billion, respectively. The Company's share capital after these increases is ﷲ 90,000, divided into 242 billion fully paid ordinary shares with equal voting rights without par value (Note 36).

On December 11, 2019, the Company completed its Initial Public Offering ("IPO") and its ordinary shares were listed on the Saudi Exchange. In connection with the IPO, the Government, being the sole owner of the Company's shares at such time, sold an aggregate of 3.45 billion ordinary shares, or 1.73% of the Company's share capital. In addition, concurrent with the IPO, the Company acquired 117.2 million of its ordinary shares from the Government for a cash payment of ﷲ 3,750, and classified them as treasury shares (Note 16). These shares are being used by the Company for its employee share plans (Note 17).

On February 13, 2022, the Government transferred 4% of the Company's issued shares to the Public Investment Fund ("PIF"), the sovereign wealth fund of the Kingdom, followed by another transfer of 4% on April 16, 2023 to Saudi Arabian Investment Company ("Sanabil Investments"), a wholly-owned company of PIF. Further, on March 7, 2024, the Government transferred an additional 8% of the Company's issued shares to PIF's wholly-owned companies.

On June 11, 2024, the Government completed a secondary public offering of the Company's ordinary shares. In connection with the offering, the Government sold an aggregate of approximately 1.7 billion shares, representing 0.7% of the Company's issued shares. This includes 137.6 million ordinary shares acquired by the Company from the Government for a cash payment of ﷲ 3,750, which have been classified as treasury shares. These treasury shares will be used by the Company for its employee share plans. Following the completion of the offering, the Government remains the Company's largest shareholder, retaining an 81.48% direct shareholding.

The consolidated financial statements of the Company and its subsidiaries (together "Saudi Aramco") were approved by the Board of Directors on March 3, 2025.

Notes to the consolidated financial statements continued

All amounts in millions of Saudi Riyals unless otherwise stated

2. Material accounting policy information and significant judgments and estimates

The material accounting policies applied in the preparation of these consolidated financial statements are set out below.

(a) Basis of preparation

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"), that are endorsed in the Kingdom, and other standards and pronouncements issued by the Saudi Organization for Chartered and Professional Accountants ("SOCPA"). The consolidated financial statements are also in compliance with IFRS as issued by the International Accounting Standards Board ("IASB").

The consolidated financial statements have been prepared under the historical cost convention except for certain items measured at fair value, which are primarily investments in securities, derivatives, certain trade receivables and payables, and post-employment benefit plan assets. Further, assets classified as held for sale are measured at the lower of carrying amount and fair value less costs to sell. The accounting policies that follow have been consistently applied to all years presented, unless otherwise stated.

(b) Significant accounting judgments and estimates

The preparation of the consolidated financial statements in conformity with IFRS requires management to exercise judgment in applying Saudi Aramco's accounting policies and in the use of certain critical accounting estimates and assumptions concerning the future. Management has made various judgments that may significantly impact the valuation and presentation of assets and liabilities. In addition, management also applies judgment when undertaking the estimation procedures necessary to calculate assets, liabilities, revenue and expenses. Accounting estimates, by definition, may not equal the related actual results and are subject to change based on experience and new information.

The areas requiring the most significant judgments, estimates and assumptions in the preparation of the consolidated financial statements are: accounting for interests in subsidiaries, joint arrangements and associates, fair values of assets acquired and liabilities assumed on acquisition, recoverability of asset carrying amounts, determining the lease term, taxation, provisions, post-retirement obligations and determination of functional currency and are set out in the individual accounting policies below.

Net zero ambition and the energy transition

Saudi Aramco's ambition is to achieve net-zero Scope 1 and Scope 2 greenhouse gas emissions by 2050 across its wholly-owned operated assets. Low lifting costs and lower upstream carbon intensity, associated with the production of both oil and gas, compared to its peers, facilitates Saudi Aramco to continuously supply hydrocarbon products through the energy transition for the foreseeable future. Saudi Aramco's greenhouse gas emissions mitigation targets are to be achieved through: further improving energy efficiency and managing flaring and methane emissions; investing in renewable energy projects and certificates; carbon capture and storage; and developing an offsetting program that includes planting mangroves and purchasing carbon offsets through voluntary markets.

Climate change considerations are key elements of Saudi Aramco's strategic planning processes, which include judgments and estimates relating to the pace of the energy transition and associated demand forecasts, and their impact on commodity prices, margins, and growth rates. Such judgments and estimates, used in the preparation of the 2024 consolidated financial statements, are consistent with Saudi Aramco's long-term strategy and the profile of its operations, and are subject to change as market factors, policies and regulations evolve. Saudi Aramco will continue to assess its financial plans, estimates, and assumptions concerning the economic environment and the pace of the energy transition to update any impacts on the financial statements in future periods.

(c) New or amended standards

- (i) There are no amendments or interpretations that are effective for annual periods beginning on or after January 1, 2024 that have a material impact on the consolidated financial statements.
- (ii) The following IASB pronouncement that is endorsed in the Kingdom will become effective for annual periods beginning on or after January 1, 2027 and has not been early adopted by Saudi Aramco.

IFRS 18, Presentation and Disclosure in Financial Statements

In April 2024, the IASB issued IFRS 18, Presentation and Disclosure in Financial Statements, which will replace IAS 1, Presentation of Financial Statements. IFRS 18 introduces new requirements that will change the structure of the statement of profit or loss by including specified totals and subtotals, while carrying forward many of the IAS 1 requirements. In addition, the standard also requires disclosure of management-defined performance measures and includes new requirements for aggregation and disaggregation of financial information. Saudi Aramco is currently assessing the impact of the adoption of IFRS 18 and will apply the standard from its mandatory adoption date of January 1, 2027.

There are no other standards, amendments and interpretations that are not yet effective that are expected to have a material impact in the current or future reporting periods or on foreseeable future transactions.

All amounts in millions of Saudi Riyals unless otherwise stated

2. Material accounting policy information and significant judgments and estimates continued

(d) Principles of consolidation, acquisition and equity accounting

(i) Subsidiaries

The consolidated financial statements reflect the assets, liabilities and operations of the Company and its subsidiaries. Subsidiaries are entities over which the Company has control. The Company controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are consolidated from the date on which the Company obtains control, and continue to be consolidated until the date that such control ceases.

Intercompany balances and transactions, including unrealized profits and losses arising from intragroup transactions, have been eliminated. Where necessary, adjustments are made to the financial statements of subsidiaries to align the accounting policies with those used by the Company.

The acquisition method of accounting is used to account for business combinations, including those acquisitions of businesses under common control that have commercial substance. Acquisition related costs are expensed as incurred. The consideration transferred to acquire a subsidiary comprises the fair value of the assets transferred, liabilities incurred to the former owners of the acquired business, equity interests issued by Saudi Aramco, the fair value of any asset or liability resulting from a contingent consideration arrangement, and the fair value of any pre-existing equity interest in the subsidiary. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at fair value at the date the assets and liabilities are exchanged, irrespective of the extent of any non-controlling interests. The excess of the consideration transferred and the amount of any non-controlling interest in the acquired entity over the fair value of the acquired identifiable net assets is recorded as goodwill. Where settlement of any part of the cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained under comparable terms and conditions. Any goodwill arising on acquisition is allocated to each of the cash-generating units, or groups of cash-generating units, expected to benefit from the business combination's synergies.

Non-controlling interests represent the equity in subsidiaries that is not attributable, directly or indirectly, to Saudi Aramco. Saudi Aramco recognizes any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets. Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of income, the consolidated statement of comprehensive income, the consolidated statement of changes in equity, and the consolidated balance sheet, respectively.

Saudi Aramco treats transactions with non-controlling interests that do not result in a loss of control as transactions between equity owners of the group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognized in equity.

If the business combination is achieved in stages, the acquisition date carrying value of the previously held equity interest is remeasured to fair value at the acquisition date with any gains or losses arising from such remeasurement recognized in net income or other comprehensive income, as appropriate.

(ii) Joint arrangements

Under IFRS 11, Joint Arrangements, an arrangement in which two or more parties have joint control is a joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control. Investments in joint arrangements are classified as either joint operations or joint ventures. The classification depends on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangement. Saudi Aramco has interests in both joint operations and joint ventures.

1) Joint operations

Joint operations arise where the investors have rights to the assets and obligations for the liabilities of a joint arrangement. Saudi Aramco recognizes its direct right to the assets, liabilities, revenues and expenses of joint operations and its share of any jointly held or incurred assets, liabilities, revenues and expenses.

Notes to the consolidated financial statements continued

All amounts in millions of Saudi Riyals unless otherwise stated

2. Material accounting policy information and significant judgments and estimates continued

(d) Principles of consolidation, acquisition and equity accounting continued

2) Joint ventures

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement. Investments in joint ventures are accounted for using the equity method of accounting and are initially recognized at cost.

Saudi Aramco's share of results of its joint ventures is recognized within net income, while its share of post-acquisition movements in other comprehensive income is recognized within other comprehensive income. The cumulative effect of these changes is adjusted against the carrying amount of Saudi Aramco's investments in joint ventures, which is presented separately in the consolidated balance sheet. When Saudi Aramco's share of losses in a joint venture equals or exceeds its interest in the joint venture, including any other unsecured non-current receivables, Saudi Aramco does not recognize further losses, unless it has incurred obligations or made payments on behalf of the joint venture.

If the ownership interest in a joint venture or an associate is reduced but joint control or significant influence is retained, the difference between the carrying amount derecognized and the proceeds received is recognized in the consolidated statement of income.

Gains and losses on transactions between Saudi Aramco and joint ventures not realized through a sale to a third party are eliminated to the extent of Saudi Aramco's interest in the joint ventures. Where necessary, adjustments are made to the financial statements of joint ventures to align their accounting policies with those used by Saudi Aramco.

Saudi Aramco's investments in joint ventures includes, when applicable, goodwill identified on acquisition, net of any accumulated impairment loss. Goodwill represents the excess of the cost of an acquisition over the fair value of Saudi Aramco's share of the net identifiable assets of the acquired joint venture at the date of acquisition.

Dividends received or receivable from joint ventures are recognized as a reduction in the carrying amount of the investment.

(iii) Associates

Associates are entities over which Saudi Aramco has significant influence. Significant influence is the power to participate in financial and operating policy decisions but without control or joint control over those policies and is generally reflected by a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting and are initially recognized at cost. The accounting policies for joint ventures detailed in Note 2(d)(ii)(2) above are also applied by Saudi Aramco to its associates.

Significant accounting judgments and estimates

The acquisition of subsidiaries, joint arrangements and associates requires management to estimate the fair values of the assets acquired and liabilities assumed. In addition, judgments are applied in the determination of whether control, joint control or significant influence is present with respect to investments in subsidiaries, joint arrangements or associates. Judgment is applied when determining if an entity is controlled by voting rights, potential voting rights or other rights granted through contractual arrangements and includes consideration of an entity's purpose and design, among other factors. Judgment is applied when assessing whether an arrangement is jointly controlled by all of its parties or by a group of the parties by taking decisions about relevant activities through unanimous consent of the parties sharing control. Judgment is also applied as to whether a joint arrangement is classified as a joint venture or joint operation taking into account specific facts and circumstances, such as the purpose and design of the arrangement, including with respect to its output, its relationship to the parties and its source of cash flows. Judgment is applied in determining whether significant influence is held by assessing factors such as representation on the board of directors, participation in policy-making processes, material transactions with the entity, interchange of managerial personnel, and provision of essential technical information. Refer to Notes 7, 19, 34, 35, 38, 39 and 40.

(e) Intangible assets

Goodwill on the acquisition of subsidiaries is included in intangible assets. Goodwill is not amortized but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired. Goodwill is carried at cost less accumulated impairment losses. For the purpose of impairment testing, goodwill is allocated to cash-generating units or groups of cash-generating units that are expected to benefit from the acquisition in which the goodwill arose. The units or groups of units are identified at the lowest level at which goodwill is monitored for internal management purposes.

Intangible assets other than exploration and evaluation costs (Note 2(f)) and those with indefinite useful lives such as goodwill and brands acquired on acquisition of certain subsidiaries, consist primarily of brands and trademarks, franchise/customer relationships and computer software. If acquired in a business combination, these intangible assets are recognized at their fair value at the date of acquisition and, if acquired separately, these intangible assets are recognized at cost. All these intangible assets are subsequently amortized on a straight-line basis over their estimated useful lives.

All amounts in millions of Saudi Riyals unless otherwise stated

2. Material accounting policy information and significant judgments and estimates continued

(e) Intangible assets continued

The following table sets forth estimated useful lives, in years, of the principal groups of these intangible assets:

Brands and trademarks	10 to 22
Franchise/customer relationships	5 to 25
Computer software	3 to 15

Amortization is recorded in depreciation and amortization in the consolidated statement of income.

(f) Exploration and evaluation

Exploration and evaluation costs are recorded under the successful efforts method. Under the successful efforts method, geological and geophysical costs are recognized as an expense when incurred and exploration costs associated with exploratory wells are initially capitalized on the consolidated balance sheet as an intangible asset until the drilling of the well is complete and the results have been evaluated. If potential commercial quantities of hydrocarbons are found, these costs continue to be capitalized subject to further appraisal activities that would determine the commercial viability and technical feasibility of the reserves. If potentially commercial quantities of hydrocarbons have not been found, and no alternative use of the well is determined, the previously capitalized costs are written off to exploration in the consolidated statement of income.

Exploratory wells remain capitalized while additional appraisal drilling on the potential oil and/or gas field is performed or while optimum development plans are established. All such capitalized costs are not subject to amortization, but at each reporting date are subject to regular technical and management review to confirm the continued intent to develop, or otherwise extract value from the well. Where such intent no longer exists, the costs are written off to exploration in the consolidated statement of income. Capitalized exploratory expenditures are, at each reporting date, subject to review for impairment indicators.

When proved reserves of hydrocarbons are determined and there is a firm plan for development approved by management, the relevant capitalized costs are transferred to property, plant and equipment.

(g) Property, plant and equipment

Property, plant and equipment is stated on the consolidated balance sheet at cost less accumulated depreciation and impairment losses, if any. Cost includes expenditures directly attributable to the construction and/or acquisition of the asset (Note 2(s)). Land and construction-in-progress are not depreciated. When a construction-in-progress asset is deemed available for use as intended by management, depreciation commences.

Subsequent expenditures including major renovations are included in an asset's carrying amount, or recognized as a separate asset only when it is probable that future economic benefits associated with the item will flow to Saudi Aramco and the cost of the item can be measured reliably. The carrying amount of the replaced item is derecognized. All other repair and maintenance expenditures are expensed as incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met (Note 2(v)).

Where the life of expected hydrocarbon reserves substantially exceeds the economic or technical lives of the underlying assets, the straight-line method of depreciation is used. The unit of production method is used for fields where the expected reserve life is approximately equal to or less than the estimated useful lives of the underlying assets. Depletion rates are calculated on the basis of a group of wells or fields with similar characteristics based on proved developed reserves. The estimation of expected reserve lives reflects management's assessment of proved developed reserves and the related depletion strategy on a field-by-field basis. Depreciation expense on all other assets is calculated using the straight-line method to allocate the cost less residual values over the estimated useful lives. Depreciation expense is recorded in the consolidated statement of income.

Depreciation expense is calculated after determining an estimate of an asset's expected useful life and the expected residual value at the end of its useful life. The useful lives and residual values are determined by management at the time the asset is initially recognized and are reviewed annually for appropriateness or when events or conditions occur that impact capitalized costs, hydrocarbon reserves, residual values or estimated useful lives.

Notes to the consolidated financial statements continued

All amounts in millions of Saudi Riyals unless otherwise stated

2. Material accounting policy information and significant judgments and estimates continued

(g) Property, plant and equipment continued

The estimated useful lives or, for right-of-use assets the lease term, if shorter (Note 2(i)), in years, of principal groups of depreciable assets is as follows:

Land and land improvements	3 to 54
Buildings	5 to 50
Oil and gas properties	15 to 30
Plant, machinery and equipment	2 to 52
Depots, storage tanks and pipelines	4 to 30
Fixtures, IT and office equipment	2 to 20

Gains and losses on disposals of depreciable assets are recognized in net income.

(h) Impairment of non-financial assets

At each reporting date, Saudi Aramco assesses, whether there are any indications that a non-financial asset with a definite life might be impaired. Assets with indefinite useful lives, such as goodwill and brands acquired on acquisition of certain subsidiaries, are reviewed for impairment on an annual basis. If an indication of impairment exists, or when annual impairment testing for an asset is required, the asset's recoverable amount is estimated. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal or value in use ("VIU"). The fair value less costs of disposal calculation is based on either, post-tax discounted cash flow models or available data from binding arm's length sales transactions for similar assets, or observable market prices less incremental costs of disposing of the asset. The VIU calculation is based on a post-tax risk adjusted discounted cash flow model. The use of post-tax discount rates in determining VIU does not result in a materially different determination of the need for, or the amount of, impairment that would be required if pre-tax discount rates had been used.

Impairment losses are recognized as a component of net income and are presented within depreciation and amortization in the consolidated statement of income. If, in a subsequent period, the amount of a non-goodwill impairment loss decreases, a reversal of the previously recognized impairment loss is recognized in net income.

Significant accounting judgments and estimates

Impairment tests are undertaken on the basis of the smallest identifiable group of assets (cash-generating unit), or individual assets, for which there are largely independent cash inflows. The key assumptions used to determine the different cash-generating units involves significant judgment by management.

For the purposes of determining whether impairment of non-financial assets has occurred, and the extent of any impairment or its reversal, the key assumptions management uses in estimating future cash flows for its VIU calculations are forecasted future oil, gas, refined product and chemical prices, expected production volumes, future operating and development costs, refining and petrochemical margins and changes to the discount rate used for the discounted cash flow model. There is an inherent uncertainty over forecasted information and assumptions. Changes in these assumptions and forecasts could impact the recoverable amounts of assets and any calculated impairment and reversals thereof.

(i) Leases

Saudi Aramco's portfolio of leased assets mainly comprises land and buildings, drilling rigs, marine vessels, industrial facilities, equipment, storage and tanks, aircraft and vehicles. The determination of whether the contract is, or contains, a lease is based on the substance of the contract at the inception of the lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Saudi Aramco recognizes right-of-use assets and lease liabilities at the lease commencement date. Right-of-use assets are initially measured at cost, which comprises lease liabilities at initial measurement, any initial direct costs incurred, any lease payments made at or before the commencement date, and restoration costs less any lease incentives received. Subsequent to initial recognition the right-of-use assets are measured at cost less accumulated depreciation and accumulated impairment losses, if any, and adjusted for any remeasurement of the lease liability. Right-of-use assets are depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis unless the lease transfers ownership of the underlying asset by the end of the lease term or if the cost of the asset reflects the exercise of the purchase option, in which case right-of-use assets are depreciated over the useful life of the underlying asset. Depreciation expense is recorded in the consolidated statement of income. Right-of-use assets are included under property, plant and equipment (Note 5).

All amounts in millions of Saudi Riyals unless otherwise stated

2. Material accounting policy information and significant judgments and estimates continued

(i) Leases continued

Lease liabilities are initially measured at the present value of lease payments. Lease payments include fixed lease payments, variable lease payments that depend on an index or rate, amounts payable for guaranteed residual values and payments to be made under extension or purchase or termination options, where applicable. The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions. Subsequent to initial recognition, the lease liabilities are measured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and adjusted for remeasurement to reflect any reassessments or lease modifications. Lease liabilities are included under borrowings (Note 20). Lease payments are allocated between the principal and finance costs. Finance costs are recorded as an expense in the consolidated statement of income over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Saudi Aramco has elected not to recognize right-of-use assets and lease liabilities for short-term and low-value leases. Lease payments under short-term and low-value leases are recorded as an expense in the consolidated statement of income on a straight-line basis over the lease term.

Significant accounting judgments and estimates

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options are only included in the lease term if the lease is reasonably certain to not be terminated or to be extended. The assessment is reviewed if a significant event or a significant change in circumstances occurs which affects this assessment and is within the control of the lessee.

(j) Investments and other financial assets

(i) Classification

Management determines the classification of its financial assets based on its business model for managing the financial assets and the contractual terms of the cash flows. Saudi Aramco's financial assets are classified into the following categories:

- those to be measured subsequently at fair value (either through other comprehensive income or through profit or loss). These include equity securities at fair value through profit or loss ("FVPL"), equity securities at fair value through other comprehensive income ("FVOCI"), debt securities at FVPL, and debt securities at FVOCI. In addition, certain revenue contracts provide for provisional pricing at the time of shipment with the final pricing based on an average market price for a particular future period. Such trade receivables are measured at fair value because the contractual cash flows are not solely payments of principal and interest; and
- those to be measured subsequently at amortized cost. These comprise debt securities at amortized cost, cash and cash equivalents, short-term investments, other assets and receivables, due from the Government, and trade receivables other than those subsequently measured at FVPL, as described above.

(ii) Recognition and derecognition

Regular purchases and sales of financial assets are recognized on the trade-date, which is the date on which Saudi Aramco commits to purchase or sell the asset. Financial assets are derecognized when the rights to receive cash flows from the financial assets have expired or have been transferred and Saudi Aramco has transferred substantially all the risks and rewards of ownership.

(iii) Measurement

At initial recognition, Saudi Aramco measures a financial asset at its fair value plus, in the case of a financial asset not subsequently measured at FVPL, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed as a component of net income.

Assets that are held for collection of contractual cash flows, where those cash flows represent solely payments of principal and interest, are subsequently measured at amortized cost using the effective interest method. A gain or loss on a debt investment that is subsequently measured at amortized cost and is not part of a hedging relationship is recognized as a component of net income when the asset is derecognized or impaired. Interest income from these financial assets is included in finance income using the effective interest method.

All equity investments and certain debt instruments are subsequently measured at fair value. Gains and losses on financial assets measured at fair value are recorded either in profit or loss, or in other comprehensive income. For investments in debt securities, this depends on the business model within which the investment is held. Saudi Aramco reclassifies debt securities, when and only when, its business model for managing those assets changes. For investments in equity securities that are not held for trading whose gains and losses are recorded in profit or loss, this depends on whether Saudi Aramco has made an irrevocable election at the time of initial recognition, due to the strategic nature of these investments, to account for such equity securities at FVOCI.

Notes to the consolidated financial statements continued

All amounts in millions of Saudi Riyals unless otherwise stated

2. Material accounting policy information and significant judgments and estimates continued

(j) Investments and other financial assets continued

(iv) Impairment

Saudi Aramco assesses, on a forward-looking basis, the expected credit losses associated with debt securities carried at either amortized cost or FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For trade receivables, measured at amortized cost, Saudi Aramco applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognized from initial recognition of the receivables.

(k) Derivative instruments and hedging activities

(i) Derivative instruments classified as held for trading

Saudi Aramco uses commodity derivative financial instruments to manage exposure to price fluctuations, which arise on purchase and sale transactions for physical deliveries of crude, natural gas liquids and various refined and bulk petrochemical products. The derivatives are initially recognized, and subsequently remeasured at fair value and recorded as an asset, when the fair value is positive, or as a liability, when the fair value is negative, under other assets and receivables or trade payables and other liabilities in the consolidated balance sheet, respectively.

The fair value of the derivatives is determined in accordance with Saudi Aramco's derivative valuation policy by reference to the traded price of that instrument on the relevant exchange or over-the-counter markets at the consolidated balance sheet date. The gain or loss from the changes in the fair value of the derivatives from its value at inception is recognized in net income.

(ii) Derivative instruments designated as hedges

Saudi Aramco uses interest rate swaps and currency forward contracts as derivative financial instruments to manage its exposure to fluctuations in interest rates and foreign exchange rates. These derivative financial instruments, designated as either fair value or cash flow hedges, are purchased from counterparties of high credit standing and are initially recognized, and subsequently remeasured, at fair value.

At the inception of the hedging transaction, Saudi Aramco documents the economic relationship between the hedging instrument and the hedged item, as well as its risk management objectives and strategy for undertaking the hedge transaction.

The fair value of a derivative financial instrument used for hedging purposes is classified as a current asset or liability when the remaining maturity of the derivative is less than 12 months; otherwise, it is classified as a non-current asset or liability.

(l) Income tax and zakat

Income tax expense for the period comprises current and deferred income tax expense. Income tax expense is recognized in net income, except to the extent that it relates to items recognized in other comprehensive income. In this case, the related income tax is also recognized in other comprehensive income.

Current income tax expense is calculated primarily on the basis of the Saudi Arabian Income Tax Law of 2004 and its amendments (the "Tax Law"). In addition, income tax expense results from taxable income generated by foreign affiliates.

Deferred income tax is provided in full, using the liability method at tax rates enacted or substantively enacted at the end of the reporting period and expected to apply when the related deferred income tax is realized or settled on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. In estimating such tax consequences, consideration is given to expected future events. Deferred income tax is not provided on initial recognition of an asset or liability in a transaction, other than a business combination that at the time of the transaction, does not affect either the accounting profit or the taxable profit. As required by the amendment to IAS 12, Saudi Aramco continues to apply the mandatory temporary exception to recognizing and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes (Note 8(f)).

Deferred income tax assets are recognized where future recovery is probable. Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current income tax assets against current income tax liabilities and when the deferred income taxes relate to the same fiscal authority. Deferred income tax is not provided for taxes on possible future distributions of retained earnings of subsidiaries where the timing of the distribution can be controlled and it is probable that the retained earnings will be substantially reinvested by the entities.

Zakat is levied at the higher of adjusted income subject to zakat or the zakat base in accordance with the Regulations of the Zakat, Tax and Customs Authority ("ZATCA") in the Kingdom. Zakat is computed using the zakat base. The zakat provision is charged to the consolidated statement of income.

All amounts in millions of Saudi Riyals unless otherwise stated

2. Material accounting policy information and significant judgments and estimates continued

(l) Income tax and zakat continued

Significant accounting judgments and estimates

Saudi Aramco establishes provisions, based on reasonable estimates, for potential claims by the tax authorities of the respective countries in which it operates. The amount of such provisions is based on various factors, such as different interpretations of tax regulations by the taxable entity and the responsible tax authority and the outcome of previous negotiations. This requires the application of judgment as to the ultimate outcome, which can change over time depending on facts and circumstances. A change in estimate of the likelihood of a future outflow and/or in the expected amount to be settled would be recognized in net income in the period in which the change occurs. Deferred income tax assets are recognized only to the extent it is considered probable that those assets are recoverable. This includes an assessment of when those assets are likely to reverse, and a judgment as to whether or not there will be sufficient taxable income available to offset the assets when they do reverse. This requires assumptions regarding future profitability. To the extent assumptions regarding future profitability change, there can be an increase or decrease in the amounts recognized in respect of deferred income tax assets as well as in the amounts recognized in net income in the period in which the change occurs. At December 31, 2024, the Company continued to apply 20% income tax rate to its Downstream activities. Refer to Note 8 for further details.

Detailed taxation information, including current expense and deferred income tax assets and liabilities, is presented in Note 8.

(m) Inventories

Inventories are stated at the lower of cost or estimated net realizable value. Cost comprises all expenses to bring inventories to their present location and condition and, for hydrocarbon and chemical inventories, is determined using the first-in, first-out ("FIFO") method. For materials and supplies inventories, cost is determined using the weighted average method, less an allowance for disposal of obsolete and/or surplus materials and supplies. Net realizable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

(n) Due from the Government

The Government compensates the Company through price equalization (Note 2(y)) and for past due trade receivables of specified Government, semi-Government and other entities with Government ownership or control to whom the Company supplies specified products and services.

Revenue on sales to these specified Government, semi-Government and other entities with Government ownership or control is recognized upon the satisfaction of performance obligations, which occurs when control transfers to these customers. Control of the products is determined to be transferred when the title of products passes, which typically takes place when product is physically transferred to these customers. Once receivables from these customers are past due, these trade receivables are reclassified as a due from the Government current receivable. In cases where any of these customers settle past due amounts, the Government guarantee receivable is credited with the amounts received. The balance is presented within due from the Government even if it is payable to the Government based on the Company's expectation to settle the balance on a net basis with other amounts due from the Government.

Implementing regulations issued by the Government allow the Company to offset any amounts due from the Government against payment of taxes, and in the event of insufficiency of tax balances, offset against any other amounts due and payable by the Company to the Government. Balances due from the Government at December 31 represent amounts to be settled through offset against tax payments.

(o) Cash and cash equivalents

Cash and cash equivalents include cash on hand and in banks together with all highly liquid investments purchased with original maturities of three months or less.

(p) Assets classified as held for sale

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable.

Non-current assets and disposal groups classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell, and are not depreciated, or amortized. An impairment loss is recognized for any initial or subsequent write-down of the asset to fair value less costs to sell. Non-current assets and disposal groups classified as held for sale are presented separately from the other assets in the statement of financial position. The liabilities of a disposal group classified as held for sale are presented separately from other liabilities in the statement of financial position.

(q) Treasury shares

Treasury shares are recognized as a deduction from equity at the amount of consideration paid by the Company for their acquisition, including any directly attributable transaction costs incurred.

Notes to the consolidated financial statements continued

All amounts in millions of Saudi Riyals unless otherwise stated

2. Material accounting policy information and significant judgments and estimates continued

(r) Financial liabilities

Saudi Aramco initially recognizes a financial liability at fair value when it becomes party to the contractual provisions of an instrument. A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires.

Saudi Aramco's financial liabilities are classified into the following categories:

- those to be measured subsequently at FVPL, which mainly include derivative financial liabilities categorized as held for trading unless they are designated as hedges (Note 2(k)). Derivative financial liabilities held for trading are included in current liabilities under trade payables and other liabilities with gains or losses recognized in net income. In addition, trade payables related to contracts with provisional pricing arrangements are subsequently measured at FVPL; and
- those to be measured subsequently at amortized cost using the effective interest method, which mainly include borrowings, trade payables, excluding those with provisional pricing arrangements, and other liabilities.

(s) Borrowing costs

Any difference between borrowing proceeds and the redemption value is recognized as finance costs in the consolidated statement of income over the term of the borrowing using the effective interest method.

Borrowing costs are expensed as incurred except for those costs directly attributable to the acquisition, construction or production of a qualifying asset which are capitalized as part of the cost of that asset until the asset is complete for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for intended use or sale.

(t) Post-employment benefit plans

(i) Pension plans

Funded pension plans are non-contributory plans for the majority of employees and are generally funded by payments by Saudi Aramco and where applicable by group companies to independent trusts or other separate entities. Assets held by the independent trusts and other separate entities are held at their fair value. Valuations of both funded and unfunded plans are performed annually by independent actuaries using the projected unit credit method. The valuations take into account employees' years of service, average or final pensionable remuneration, and are discounted to their present value using interest rates of high-quality corporate bonds that have terms to maturity approximating the terms of the related defined benefit obligation.

The amount recognized in the consolidated balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The periodic pension cost included in operating costs in the consolidated statement of income in respect of defined benefit pension plans primarily represents the increase in the actuarially assessed present value of the obligation for pension benefits based on employee service during the year and the net interest on the net defined benefit liability or asset. Net interest is calculated by multiplying the defined benefit liability and plan assets by the discount rate applied to each plan at the beginning of each year, amended for changes to the defined benefit liability and plan assets as a result of benefit payments or contributions.

Past service costs, representing plan amendments, are recognized immediately as pension costs in the consolidated statement of income, regardless of the remaining vesting period.

Remeasurements representing actuarial gains and losses, arising from experience adjustments and changes in actuarial assumptions, and the actual returns on plan assets excluding interest on plan assets, are credited or charged to equity, net of tax, through other comprehensive income.

For defined contribution plans where benefits depend solely on the amount contributed to or due to the employee's account and the returns earned from the investment of those contributions, plan cost is the amount contributed by or due from Saudi Aramco and is recognized as an expense in the consolidated statement of income.

(ii) Other post-employment benefits

Saudi Aramco provides certain post-employment healthcare, life insurance and other benefits to retirees and certain former employees. The entitlement is usually based on the employee remaining in service up to retirement age and the completion of a minimum service period. To the extent these plans are not fully funded, a liability is recognized in the consolidated balance sheet. Valuations of benefits are performed by independent actuaries.

Such plans follow the same accounting methodology as used for defined benefit pension plans.

All amounts in millions of Saudi Riyals unless otherwise stated

2. Material accounting policy information and significant judgments and estimates continued

(t) Post-employment benefit plans continued

Significant accounting judgments and estimates

The costs of defined benefit pension plans and post-employment medical benefits are determined using actuarial valuations. The actuarial valuation involves making assumptions, which are reviewed annually. Key assumptions include discount rates, future salary increases, future healthcare costs, mortality rates and future pension increases. Due to the complexity of the valuation, the underlying assumptions and the long-term nature of these plans, such estimates are subject to significant uncertainty. Information about amounts reported in respect of defined benefit plans, assumptions applicable to the plans and their sensitivity to changes are presented in Note 21.

(u) Share-based compensation

The cost of an equity-settled award granted to employees is measured by reference to the fair value of the equity instrument on the date the award is granted. This cost is recognized as an employee benefit expense in the consolidated statement of income with a corresponding increase in equity.

The cost of a cash-settled award granted to employees is measured by reference to the fair value of the liability at each consolidated balance sheet date until settlement. This cost is recognized as an employee benefit expense in the consolidated statement of income with the corresponding recognition of a liability on the consolidated balance sheet.

The cost of both the equity-settled and cash-settled awards is recognized over the vesting period, which is the period over which the employees render the required service for the award and any non-market performance condition attached to the award is required to be met. Additionally, for a cash-settled award, any changes in the fair value of the liability between the vesting date and the date of its settlement are also recognized in the consolidated statement of income within employee benefit expense.

In determining the fair value of an equity-settled or cash-settled award, an appropriate valuation method is applied. Service and non-market performance conditions are not taken into account in determining the fair value of the award, but during the vesting period the likelihood of the conditions being met is assessed as part of the Company's best estimate of the number of awards that are expected to vest. Any market performance conditions and non-vesting conditions are taken into account in determining the award's fair value.

(v) Provisions and contingencies

Saudi Aramco records a provision, and a corresponding asset, for decommissioning activities in Upstream operations for well plugging and abandonment. The decommissioning obligation for a well is recognized when it is drilled. Decommissioning provisions associated with Downstream facilities are generally not recognized, as the potential obligations cannot be measured, given their indeterminate settlement dates. The decommissioning obligations will be recognized in the period when sufficient information becomes available to estimate a range of potential settlement dates. Decommissioning costs are provided for at the present value of expected costs to settle the obligation using estimated cash flows. The value of the obligation is added to the carrying amount of the related asset and amortized over the useful life of the asset. The increase in the provision due to the passage of time is recognized as finance costs in the consolidated statement of income. Changes in future cash flow estimates resulting from revisions to the estimated timing or amount of undiscounted cash flows are recognized as a change in provision and related asset.

A contingent liability is disclosed where the existence of a possible obligation will only be confirmed by future events or where the amount of a present obligation cannot be measured with reasonable reliability or it is not probable that there will be an outflow of resources to settle that obligation. Contingent assets are not recognized, but are disclosed where the inflow of economic benefits is probable.

Significant accounting judgments and estimates

Most of Saudi Aramco's well plugging and abandonment activities are many years into the future with technology and costs constantly changing. Estimates of the amounts of a provision are recognized based on current legal and constructive requirements and costs associated to abandon using existing technologies. Actual costs are uncertain and estimates can vary as a result of changes in the scope of the project and/or relevant laws and regulation. The estimated timing of decommissioning may change due to certain factors, such as reserve life, a decision to terminate operations, or changes in legislation. Changes to estimates related to future expected costs, discount rates and timing may have a material impact on the amounts presented. As a result, significant judgment is applied in the initial recognition and subsequent adjustment of the provision and the capitalized cost associated with decommissioning, plugging and abandonment obligations. Any subsequent adjustments to the provision are made prospectively. Detail on the particular assumptions applied when making certain non-current provisions is included in Note 22.

Notes to the consolidated financial statements continued

All amounts in millions of Saudi Riyals unless otherwise stated

2. Material accounting policy information and significant judgments and estimates continued

(w) Functional and presentation currency

The U.S. dollar ("USD" or "\$") is the functional currency of the Company. Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign currency monetary assets or liabilities are translated at each reporting date using the prevailing reporting date exchange rate. Non-monetary assets or liabilities measured at fair value are translated at the exchange rate on the date when fair value was last measured. Non-monetary assets or liabilities, other than those measured at fair value, are translated into the functional currency using the exchange relevant spot rates at the dates of the transactions. Foreign exchange gains and losses from these translations are recognized as a component of net income.

The consolidated financial statements are presented in Saudi Riyals ("SAR" or "ﷲ"). The financial position and results of the operations of the Company, subsidiaries, joint arrangements and associates that have a functional currency which is different from the presentation currency are translated to the presentation currency at reporting date exchange rates and the average exchange rates that approximate the cumulative effect of rates prevailing at the transaction dates, respectively. All resulting exchange differences are recognized through other comprehensive income.

Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition are treated as assets and liabilities of the foreign operation and translated at the reporting date exchange rate.

Translations from SAR to USD presented as supplementary information in the consolidated statement of income, consolidated statement of comprehensive income, consolidated balance sheet, consolidated statement of changes in equity, and consolidated statement of cash flows at December 31, 2024 and 2023, are for convenience and were calculated at the rate of USD 1.00 = SAR 3.75 representing the exchange rate at the consolidated balance sheet dates.

Significant accounting judgments and estimates

The Company has determined that USD is the functional currency as a substantial amount of its products are traded in USD in international markets. However, a substantial amount of costs of the Company are denominated in SAR, which has been exchanged at a fixed rate to USD since 1986. A change in the fixed exchange rate could impact the recorded revenue, expenses, assets and liabilities of the Company.

(x) Revenue recognition and sales prices

Revenue from sales of crude oil and related products is recognized upon the satisfaction of performance obligations, which occurs when control transfers to the customer. Control of the products is determined to be transferred to the customer when the title of crude oil and related products passes to the customer, which typically takes place when product is physically transferred into a vessel, pipe or other delivery mechanism.

Revenue contracts for crude oil and certain related products provide for provisional pricing at the time of shipment, with final pricing based on the average market price for a particular future period. Revenue on these contracts is recorded based on the estimate of the final price at the time control is transferred to the customer. Any difference between the estimate and the final price is recorded as a change in fair value of the related receivable, as part of revenue, in the consolidated statement of income. Where applicable the transaction price is allocated to the individual performance obligations of a contract based on their relative stand-alone selling prices.

(y) Other income related to sales

The Government compensates the Company through price equalization for revenue directly forgone as a result of the Company's compliance with local regulations governing domestic sales and distribution of certain liquid products, LPGs and certain other products. This compensation reflected in these consolidated financial statements, is calculated by the Company as the difference between the product's equalization price and the corresponding domestic regulated price, net of Government fees, in accordance with the implementing regulations issued by the Government in 2017 and 2019.

This compensation is recorded as other income related to sales, that is taxable, when the Company has satisfied its performance obligations through transfer of the title to the buyer, which occurs when product is physically transferred. The compensation due from the Government is characterized as a due from the Government (Note 2(n)) current receivable and is recognized initially at fair value and subsequently measured at amortized cost using the effective interest method less impairment losses, if any.

The implementing regulations allow the Company to offset any amounts due from the Government against payment of taxes, and in the event of insufficiency of tax balances, offsetting may extend against any other amounts due and payable by the Company to the Government.

All amounts in millions of Saudi Riyals unless otherwise stated

2. Material accounting policy information and significant judgments and estimates continued

(z) Production royalties

Royalties to the Government are calculated based on a progressive scheme applied to crude oil production. An effective royalty rate is applied to production based on the Company's official selling prices. The effective royalty rate is determined based on a baseline marginal rate of 15% applied to prices up to \$70 per barrel, increasing to 45% applied to prices above \$70 per barrel and 80% applied to prices above \$100 per barrel. All such royalties are accounted for as an expense in the consolidated statement of income based on volumes sold during the year and are deductible costs for the Government income tax calculations.

(aa) Research and development

Development costs that are expected to generate probable future economic benefits are capitalized as intangible assets and amortized over their estimated useful life. During the period of development, the asset is tested for impairment annually. All other research and development costs are recognized in net income as incurred.

(bb) Dividends

Provision is made for the amount of any dividend declared, being appropriately authorized and no longer at the discretion of the Company, on or before the end of the reporting period but not distributed at the end of the reporting period.

(cc) Earnings per share

(i) Basic earnings per share

Basic earnings per share is calculated by dividing:

- the net income attributable to the ordinary shareholders of the Company.
- by the weighted average number of ordinary shares outstanding during the reporting period, adjusted for bonus elements in ordinary shares issued during the period and excluding treasury shares.

(ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after-income tax effect of interest and other financing costs associated with dilutive potential ordinary shares; and
- the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

3. Financial risk management

Financial risks include market risk (including foreign currency exchange risk, price risk, and interest rate risk), credit risk, and liquidity risk. Financial risk management is carried out primarily by a central treasury department. The adequacy of financial risk management policies is regularly reviewed with consideration of current activities and market conditions on a consolidated basis. Saudi Aramco uses derivative financial instruments with limited complexity to manage certain risk exposures and does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

(a) Financial risk factors

(i) Market risk

1) Foreign currency exchange risk – The risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in foreign currency exchange rates.

Saudi Aramco operates internationally but has limited exposure to foreign currency exchange risk as most significant transactions are denominated in its functional currency (Note 2(w)), are linked to its functional currency or are hedged. Saudi Aramco's limited foreign currency exchange risk arises from future commercial transactions or recognized assets or liabilities denominated in a currency that is not Saudi Aramco's functional currency. In addition, a substantial amount of costs of Saudi Aramco are denominated in SAR which has been at a fixed rate to USD since 1986. A change in the fixed exchange rate would result in foreign exchange differences being recognized in the consolidated financial statements.

Saudi Aramco engages in foreign currency hedging activities through the use of currency forward contracts to manage its exposure from significant transactions denominated in a foreign currency. The hedge ratio considers variability in potential outcomes, spot rates, as well as interest rates on a transaction by transaction basis.

The notional amounts of outstanding currency forward contracts designated as hedging instruments are included in Note 30.

Notes to the consolidated financial statements continued

All amounts in millions of Saudi Riyals unless otherwise stated

3. Financial risk management continued

(a) Financial risk factors continued

2) Price risk – The risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Price risk primarily stems from investments in securities and commodity trading.

a) Investments in securities

Saudi Aramco has limited exposure to price risk with such risk mainly arising from investments in securities carried at fair value.

Saudi Aramco regularly reviews its positions in investments in securities considering current and expected future economic trends.

At December 31, 2024 and 2023, a change in fair value due to a movement of 5% in the price of listed equity securities would result in a change in other comprehensive income before income taxes and zakat of ₪ 622 and ₪ 669, respectively.

At December 31, 2024 and 2023, a change in fair value due to a movement of 5% in the unit price of equities and mutual and hedge funds would result in a change in income before income taxes and zakat of ₪ 31 and ₪ 26, respectively.

b) Commodity derivative contracts

Saudi Aramco trades crude, natural gas liquids and various refined and bulk petrochemical products and uses commodity derivatives as a means of managing price and timing of risks arising from this trading. In effecting these transactions, Saudi Aramco operates within policies and procedures designed to ensure that risks, including those related to the default of counterparties, are managed within authorized limits.

3) Interest rate risk – The risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Saudi Aramco is exposed to interest rate risk from changes in interest rates that affect the fair value or future cash flows of financial instruments, principally borrowings, issued at variable and fixed rates. Borrowings issued at variable rates expose Saudi Aramco to cash flow interest rate risk, which is partially offset by short-term time deposits and debt securities held at variable rates. Borrowings issued at fixed rates expose Saudi Aramco to fair value interest rate risk. Saudi Aramco may enter into interest rate swap agreements as part of its overall strategy to manage the interest rate risk on its debt. The notional amounts of interest rate swap contracts are included in Note 30.

At December 31, 2024 and 2023, a change of one percentage point in market interest rates, with all other variables held constant, would result in a net change of ₪ 605 and ₪ 1,281, respectively, in Saudi Aramco's income before income taxes and zakat as a result of the effect of higher or lower market interest rates.

(ii) Credit risk

Credit risk is the risk that counterparties might not fulfill their contractual payment obligations towards an entity.

Saudi Aramco is exposed to credit risk related to its counterparties not performing or honoring their obligations, which could result in financial loss. Credit risk arises from credit exposures on trade and other receivables as well as from cash and cash equivalents, short-term investments, debt securities, and derivatives with financial institutions. The maximum exposure to credit risk is the carrying value of these assets.

Saudi Aramco's trade receivables arise from a global customer base, which limits geographic concentrations of credit risk. Moreover, a credit risk policy is in place to ensure credit limits are extended to creditworthy counterparties and risk mitigation measures are defined and implemented accordingly. Saudi Aramco performs ongoing evaluations of its counterparties' financial standing and takes additional measures to mitigate credit risk when considered appropriate, including but not limited to letters of credits, bank guarantees or parent company guarantees.

In addition, the credit risk policy limits the amount of credit exposure to any individual counterparty based on their credit rating as well as other factors. Moreover, Saudi Aramco's investment policy limits exposure to credit risk arising from investment activities. The policy requires that cash and cash equivalents and short-term investments be invested with a diversified group of financial institutions with acceptable credit ratings. Saudi Aramco ensures that each counterparty is of an acceptable credit quality by relying on quantitative and qualitative measures compiled from internal and third-party rating models. At December 31, 2024, all short-term investments were with financial institutions assigned a long-term credit rating of "BBB" (2023: "BBB") or above.

Employee home loans (Note 9) and debt securities are generally considered to have low credit risk based on history of default and thus the impairment provision recognized during the year based on the general approach allowed by IFRS 9, where applicable, was substantially limited to 12-month expected losses.

Saudi Aramco applies the simplified approach allowed by IFRS 9 in providing for expected credit losses for trade receivables, measured at amortized cost, which uses the lifetime expected credit loss provision for these trade receivables. Such credit losses have historically been nominal and the loss allowance for trade receivables (Note 12) is not material.

All amounts in millions of Saudi Riyals unless otherwise stated

3. Financial risk management continued

(a) Financial risk factors continued

(iii) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities.

Saudi Aramco's liquidity risk management includes maintaining sufficient cash and cash equivalents and ensuring the availability of incremental funding through credit facilities (Note 20). Management also monitors and forecasts Saudi Aramco's liquidity requirements based on current and non-current expected cash flows.

Saudi Aramco invests surplus cash in current accounts, time deposits, money market instruments, government repurchase agreements, and marketable securities, choosing instruments with appropriate maturities or sufficient liquidity to meet forecasted cash flow requirements. Saudi Aramco prioritizes security and liquidity over yield.

Note 20 analyzes Saudi Aramco's borrowings into relevant maturity groupings based on the balances associated with each contractual maturity date at the end of the reporting period.

Saudi Aramco's derivative liabilities relate to contracts that mature within 12 months from the balance sheet date, except for certain interest rate swaps and financial liabilities – options and forward contracts that have maturity dates of more than five years.

Saudi Aramco has financial guarantees arising in the ordinary course of business. The earliest period in which such guarantees can be called is the effective date as defined in the related agreements. The maximum exposure is limited to the gross value of such guarantees.

(b) Capital structure management

Saudi Aramco seeks to maintain a prudent capital structure, comprised of borrowings and shareholders' equity, to support its capital investment plans and maintain a sustainable dividend profile. Maintaining sufficient financial flexibility is considered strategically important to mitigate industry cyclicalities, while also enabling the pursuit of organic and inorganic investment opportunities. Borrowings or dividends will result in an adjustment to Saudi Aramco's capital structure.

Gearing is a measure of the degree to which Saudi Aramco's operations are financed by debt. Saudi Aramco defines gearing as the ratio of net debt / (cash) (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 debt / (cash). Saudi Aramco's gearing ratios at December 31, 2024 and 2023, were as follows:

	2024	2023
Total borrowings (current and non-current)	319,290	290,147
Cash and cash equivalents	(216,642)	(198,973)
Short-term investments	(13,186)	(184,343)
Investments in debt securities (current and non-current)	(11,384)	(9,584)
Non-current cash investments	–	–
Net debt (cash)	78,078	(102,753)
Total equity	1,651,355	1,737,092
Total equity and net debt (cash)	1,729,433	1,634,339
Gearing	4.5%	(6.3)%

(c) Casualty loss risk retention

Saudi Aramco's casualty loss risk strategy includes a risk retention and insurance program, including providing coverage to certain joint arrangements and associates limited to Saudi Aramco's percentage interest in the relevant entity. Current maximum risk retention is ₪ 3,301 per loss event (2023: ₪ 3,301) and various insurance limits apply, of which the risk retention forms a part. Should a credible loss event occur, the maximum insurance limit above retention is ₪ 4,388 (2023: ₪ 4,388) per event dependent on the circumstances.

(d) Fair value estimation

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability or, in the absence of a principal market, in the most advantageous market for the asset or liability. Management believes that the fair values of Saudi Aramco's financial assets and liabilities that are measured and recognized at amortized cost are not materially different from their carrying amounts at the end of the reporting period.

Notes to the consolidated financial statements continued

All amounts in millions of Saudi Riyals unless otherwise stated

3. Financial risk management continued

(d) Fair value estimation continued

Saudi Aramco measures financial instruments such as derivatives, equity investments and debt securities classified as FVPL, and equity investments and debt securities classified as FVOCI, at fair value at each consolidated balance sheet date. Saudi Aramco uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs. All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and
- Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

The following table presents Saudi Aramco's financial assets and financial liabilities measured and recognized at fair value at December 31, 2024 and 2023, based on the prescribed fair value measurement hierarchy on a recurring basis. Saudi Aramco did not measure any financial assets or financial liabilities at fair value on a non-recurring basis at December 31, 2024 and 2023.

Assets	Level 1	Level 2	Level 3	Total
At December 31, 2024				
Investments in securities:				
Equity securities at FVOCI	12,443	38	4,702	17,183
Debt securities at FVOCI	71	10,300	–	10,371
Equity securities at FVPL	622	1,853	9,822	12,297
Debt securities at FVPL	–	–	569	569
	13,136	12,191	15,093	40,420
Other assets and receivables:				
Interest rate swaps	–	663	–	663
Commodity derivative contracts	–	2,395	–	2,395
Currency forward contracts	–	174	–	174
Financial assets – option rights	–	–	3,670	3,670
	–	3,232	3,670	6,902
Trade receivables related to contracts with provisional pricing arrangements	–	–	128,101	128,101
Total assets	13,136	15,423	146,864	175,423
At December 31, 2023				
Investments in securities:				
Equity securities at FVOCI	13,376	36	2,143	15,555
Debt securities at FVOCI	75	8,884	–	8,959
Equity securities at FVPL	548	1,628	7,908	10,084
Debt securities at FVPL	–	176	–	176
	13,999	10,724	10,051	34,774
Other assets and receivables:				
Interest rate swaps	–	556	–	556
Commodity derivative contracts	–	3,651	486	4,137
Currency forward contracts	–	80	–	80
Financial assets – option rights	–	–	3,745	3,745
	–	4,287	4,231	8,518
Trade receivables related to contracts with provisional pricing arrangements	–	–	98,978	98,978
Total assets	13,999	15,011	113,260	142,270

All amounts in millions of Saudi Riyals unless otherwise stated

3. Financial risk management continued

(d) Fair value estimation continued

Liabilities	Level 1	Level 2	Level 3	Total
At December 31, 2024				
Trade payables and other liabilities:				
Interest rate swaps	–	6	–	6
Commodity derivative contracts	–	1,581	–	1,581
Currency forward contracts	–	93	–	93
Trade payables related to contracts with provisional pricing arrangements	–	–	37,308	37,308
	–	1,680	37,308	38,988
Provisions and other liabilities:				
Financial liabilities – options and forward contracts	–	–	1,980	1,980
Total liabilities	–	1,680	39,288	40,968
At December 31, 2023				
Trade payables and other liabilities:				
Interest rate swaps	–	21	–	21
Commodity derivative contracts	225	2,776	126	3,127
Currency forward contracts	–	49	–	49
Trade payables related to contracts with provisional pricing arrangements	–	–	35,598	35,598
	225	2,846	35,724	38,795
Provisions and other liabilities:				
Financial liabilities – options and forward contracts	–	–	2,011	2,011
Total liabilities	225	2,846	37,735	40,806

The valuation techniques for Saudi Aramco's investments in securities are described in Note 10. The changes in Level 3 investments in securities for the years ended December 31, 2024 and 2023, are as follows:

	2024	2023
January 1	10,051	8,490
Net additions	5,079	1,633
Net unrealized fair value gain (loss)	8	(64)
Realized loss	(45)	(8)
December 31	15,093	10,051

The movement in trade receivables and trade payables related to contracts with provisional pricing arrangements mainly arises from sales and purchase transactions made during the year, net of settlements (Notes 12 and 23). Unrealized fair value movements on these trade receivables and trade payables are not significant.

The change in the carrying amount of commodity derivative contracts primarily relates to purchase and sales of derivative contracts, including recognition of a gain or loss that results from adjusting a derivative to fair value. Fair value movements on commodity derivative contracts are not significant.

The movements in financial assets – option rights and financial liabilities – options and forward contracts, being put, call and forward contracts on equity instruments of certain non-wholly-owned subsidiaries, are mainly due to changes in the unrealized fair values of those contracts during the period.

Notes to the consolidated financial statements continued

All amounts in millions of Saudi Riyals unless otherwise stated

4. Operating segments

Saudi Aramco is engaged in prospecting, exploring, drilling, extracting, processing, manufacturing, refining and marketing hydrocarbon substances within the Kingdom and has interests in refining, petrochemical, distribution, marketing and storage facilities outside the Kingdom.

Saudi Aramco's operating segments are established on the basis of those components that are evaluated regularly by the President & CEO, considered to be the Chief Operating Decision Maker. The Chief Operating Decision Maker monitors the operating results of Saudi Aramco's operating segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on revenues, costs and a broad range of key performance indicators in addition to segment profitability.

For management purposes, Saudi Aramco is organized into business units based on the main types of activities. At December 31, 2024, Saudi Aramco had two reportable segments, Upstream and Downstream, with all other supporting functions aggregated into a Corporate segment. Upstream activities include crude oil, natural gas and natural gas liquids exploration, field development and production. Downstream activities consist primarily of refining and petrochemical manufacturing, supply and trading, base oils and lubricants, retail, distribution and power generation, logistics, and marketing of crude oil and related services to international and domestic customers. Corporate activities include primarily supporting services including Human Resources, Finance and IT, that are not allocated to Upstream and Downstream. Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties.

The accounting policies used by Saudi Aramco in reporting segments internally are the same as those described in Note 2 of the consolidated financial statements. There are no differences from the consolidated financial statements for the year ended December 31, 2023 in the basis of segmentation or in the basis of measurement of segment earnings before interest, income taxes and zakat, except for certain changes to the pricing basis of inter-segment transactions, effective October 1, 2024.

Information by segments is as follows:

	Upstream	Downstream	Corporate	Eliminations	Consolidated
2024					
External revenue	719,157	917,044	1,098	–	1,637,299
Other income related to sales	54,972	109,403	–	–	164,375
Inter-segment revenue	367,027	36,811	433	(404,271)	–
Share of results of joint ventures and associates	19	(4,409)	(576)	–	(4,966)
Depreciation and amortization	(48,750)	(49,609)	(4,850)	–	(103,209)
Dividends and other income	–	2,622	15	–	2,637
Earnings (losses) before interest, income taxes and zakat	801,047	(10,998)	(21,830)	4,077	772,296
Finance income					20,254
Finance costs					(10,540)
Income before income taxes and zakat					782,010
Capital expenditures – cash basis	147,135	38,989	2,766	–	188,890
2023					
External revenue	784,642	866,688	1,951	–	1,653,281
Other income related to sales	71,361	131,731	–	–	203,092
Inter-segment revenue	355,770	35,093	312	(391,175)	–
Share of results of joint ventures and associates	(21)	(3,555)	(425)	–	(4,001)
Depreciation and amortization	(48,997)	(42,352)	(5,691)	–	(97,040)
Dividends and other income	–	736	15	–	751
Earnings (losses) before interest, income taxes and zakat	863,549	21,184	(18,220)	(1,476)	865,037
Finance income					31,216
Finance costs					(8,186)
Income before income taxes and zakat					888,067
Capital expenditures – cash basis	123,543	32,735	2,030	–	158,308

All amounts in millions of Saudi Riyals unless otherwise stated

4. Operating segments continued

Information by geographical area is as follows:

	In-Kingdom	Out-of-Kingdom	Total
2024			
External revenue	954,139	683,160	1,637,299
Property, plant and equipment, intangible assets, investments in joint ventures and associates	1,500,218	223,942	1,724,160
2023			
External revenue	1,011,932	641,349	1,653,281
Property, plant and equipment, intangible assets, investments in joint ventures and associates	1,431,965	186,780	1,618,745

Revenue from sales to external customers by region is based on the location of the Saudi Aramco entity, which made the sale. Out-of-Kingdom revenue includes sales of ₪ 190,011 originating from the United States of America ("USA") (2023: ₪ 194,072).

Property, plant and equipment, intangible assets and investments in joint ventures and associates by region are based on the location of the Saudi Aramco entity holding the assets.

5. Property, plant and equipment

	Land and land improvements	Buildings	Oil and gas properties	Plant, machinery and equipment	Depots, storage tanks and pipelines	Fixtures, IT and office equipment	Construction-in-progress	Total
Cost								
January 1, 2024	52,179	91,438	693,089	979,354	109,506	20,935	305,724	2,252,225
Additions ¹	991	1,344	356	21,389	1,112	403	197,294	222,889
Acquisition (Note 35(a))	1,187	148	–	439	–	31	72	1,877
Construction completed	1,161	5,426	61,072	83,220	7,640	1,792	(160,311)	–
Currency translation differences	(845)	(754)	–	(6,553)	(777)	(165)	(1,667)	(10,761)
Transfers and adjustments ²	(28)	(649)	(2,369)	(3,081)	64	(53)	105	(6,011)
Transfer of exploration and evaluation assets	–	–	–	–	–	–	5,433	5,433
Retirements and sales	(235)	(325)	(178)	(6,827)	(381)	(495)	(47)	(8,488)
December 31, 2024	54,410	96,628	751,970	1,067,941	117,164	22,448	346,603	2,457,164
Accumulated depreciation								
January 1, 2024	(21,148)	(43,341)	(266,274)	(474,771)	(48,597)	(13,377)	–	(867,508)
Charge for the year ²	(1,621)	(3,656)	(26,006)	(63,298)	(3,696)	(2,083)	–	(100,360)
Currency translation differences	31	441	–	4,027	376	122	–	4,997
Transfers and adjustments	(220)	177	(57)	(6,247)	(22)	68	–	(6,301)
Retirements and sales	30	242	113	5,234	239	468	–	6,326
December 31, 2024	(22,928)	(46,137)	(292,224)	(535,055)	(51,700)	(14,802)	–	(962,846)
Property, plant and equipment – net, December 31, 2024	31,482	50,491	459,746	532,886	65,464	7,646	346,603	1,494,318

Notes to the consolidated financial statements continued

All amounts in millions of Saudi Riyals unless otherwise stated

5. Property, plant and equipment continued

	Land and land improvements	Buildings	Oil and gas properties	Plant, machinery and equipment	Depots, storage tanks and pipelines	Fixtures, IT and office equipment	Construction-in-progress	Total
Cost								
January 1, 2023	50,738	91,617	641,029	937,307	95,610	20,755	262,903	2,099,959
Additions ¹	660	1,000	292	21,507	375	248	164,142	188,224
Acquisition (Note 35(a))	482	806	–	779	35	44	139	2,285
Construction completed	1,358	2,815	55,216	47,290	14,232	802	(121,713)	–
Currency translation differences	(59)	171	–	813	(106)	8	85	912
Transfers and adjustments ²	(125)	(77)	(3,024)	398	316	84	(670)	(3,098)
Transfer of exploration and evaluation assets	–	–	–	–	–	–	1,858	1,858
Transfer to assets held for sale	(312)	(4,087)	–	(21,758)	–	(415)	(741)	(27,313)
Retirements and sales	(563)	(807)	(424)	(6,982)	(956)	(591)	(279)	(10,602)
December 31, 2023	52,179	91,438	693,089	979,354	109,506	20,935	305,724	2,252,225
Accumulated depreciation								
January 1, 2023	(19,411)	(42,330)	(244,678)	(431,840)	(45,802)	(12,632)	–	(796,693)
Charge for the year ²	(1,934)	(4,038)	(21,810)	(61,840)	(3,377)	(1,681)	–	(94,680)
Currency translation differences	(4)	(90)	–	(741)	44	(9)	–	(800)
Transfers and adjustments	(57)	10	(15)	(1,106)	(13)	(12)	–	(1,193)
Transfer to assets held for sale	64	2,436	–	15,773	–	393	–	18,666
Retirements and sales	194	671	229	4,983	551	564	–	7,192
December 31, 2023	(21,148)	(43,341)	(266,274)	(474,771)	(48,597)	(13,377)	–	(867,508)
Property, plant and equipment – net, December 31, 2023	31,031	48,097	426,815	504,583	60,909	7,558	305,724	1,384,717

1. Additions include borrowing costs capitalized during the year ended December 31, 2024, amounting to ₪ 8,692 (2023: ₪ 8,204), which were calculated using an average annualized capitalization rate of 5.36% (2023: 5.36%).

2. An impairment charge of ₪ 10,370 mainly relating to plant, machinery and equipment of certain domestic and international downstream facilities was recognized during the year (2023: ₪ 3,110). The impairment was recognized as a result of revised cash flow projections due to changes in market conditions and operational plans. The impairment was calculated based on the recoverable amount of ₪ 68,417 (2023: ₪ 10,132), which was determined using VIU calculations. The pre-tax discount rate used in the calculations ranged from 8.3% to 11.6% (2023: 10.2%). In addition, a write-down of ₪ 1,070 (2023: ₪ 907) was recorded relating to certain downstream facilities, including facilities under construction of ₪ 769 (2023: ₪ 377).

Property, plant and equipment include assets leased out by Saudi Aramco to other parties as operating lease with a carrying amount of ₪ 2,475 (2023: ₪ 2,600).

Additions to right-of-use assets during the year ended December 31, 2024, were ₪ 20,989 (2023: ₪ 18,083). Acquisition of right-of-use assets during the year ended December 31, 2024, amounted to ₪ 1,039 (2023: ₪ 364). The following table presents depreciation expense and net carrying amounts of right-of-use assets by class of assets. Information on lease liabilities and related finance costs is provided in Note 20.

	Depreciation expense for the year ended December 31, 2024	Net carrying amount at December 31, 2024	Depreciation expense for the year ended December 31, 2023	Net carrying amount at December 31, 2023
Land and land improvements	274	6,581	161	5,160
Buildings	533	3,506	510	3,210
Oil and gas properties	11	–	11	–
Plant, machinery and equipment	6,299	55,785	12,116	52,196
Depots, storage tanks and pipelines	514	2,633	338	2,250
Fixtures, IT and office equipment	135	330	128	263
	7,766	68,835	13,264	63,079

All amounts in millions of Saudi Riyals unless otherwise stated

6. Intangible assets

	Goodwill	Exploration and evaluation ¹	Brands and trademarks	Franchise/ customer relationships	Computer software	Other ²	Total
Cost							
January 1, 2024	101,010	20,013	24,982	21,701	4,233	3,876	175,815
Additions	–	8,649	–	–	291	640	9,580
Acquisition (Note 35(a))	255	–	–	58	4	24	341
Currency translation differences	(20)	–	(251)	(134)	(30)	48	(387)
Transfers and adjustments	(20)	–	–	–	2	(73)	(91)
Transfer of exploration and evaluation assets	–	(5,433)	–	–	–	–	(5,433)
Retirements and write offs	–	(2,325)	–	–	(919)	(107)	(3,351)
December 31, 2024	101,225	20,904	24,731	21,625	3,581	4,408	176,474
Accumulated amortization							
January 1, 2024	–	–	(2,795)	(4,465)	(2,681)	(1,320)	(11,261)
Charge for the year	–	–	(182)	(1,146)	(307)	(445)	(2,080)
Currency translation differences	–	–	172	131	23	106	432
Transfers and adjustments	–	–	–	–	22	19	41
Retirements and write offs	–	–	–	–	878	97	975
December 31, 2024	–	–	(2,805)	(5,480)	(2,065)	(1,543)	(11,893)
Intangible assets – net, December 31, 2024	101,225	20,904	21,926	16,145	1,516	2,865	164,581
Cost							
January 1, 2023	100,603	17,971	22,730	19,647	5,854	4,031	170,836
Additions	–	6,918	–	–	81	113	7,112
Acquisition (Note 35(a))	410	–	2,288	2,073	–	267	5,038
Currency translation differences	(3)	–	(15)	(2)	11	34	25
Transfers and adjustments	–	–	(21)	(17)	(58)	(388)	(484)
Transfer of exploration and evaluation assets	–	(1,858)	–	–	–	–	(1,858)
Transfer to assets held for sale	–	–	–	–	–	(167)	(167)
Retirements and write offs	–	(3,018)	–	–	(1,655)	(14)	(4,687)
December 31, 2023	101,010	20,013	24,982	21,701	4,233	3,876	175,815
Accumulated amortization							
January 1, 2023	–	–	(2,559)	(3,362)	(4,066)	(1,521)	(11,508)
Charge for the year	–	–	(254)	(1,118)	(302)	(309)	(1,983)
Currency translation differences	–	–	(2)	(2)	(10)	(28)	(42)
Transfers and adjustments	–	–	20	17	42	380	459
Transfer to assets held for sale	–	–	–	–	–	146	146
Retirements and write offs	–	–	–	–	1,655	12	1,667
December 31, 2023	–	–	(2,795)	(4,465)	(2,681)	(1,320)	(11,261)
Intangible assets – net, December 31, 2023	101,010	20,013	22,187	17,236	1,552	2,556	164,554

1. Cash used for exploration and evaluation operating activities in 2024 was ₪ 6,227 (2023: ₪ 6,398) and expenditures for investing activities were ₪ 8,649 (2023: ₪ 6,918).

2. Other intangible assets with a net book value of ₪ 2,865 as at December 31, 2024 (2023: ₪ 2,556) comprise processing and offtake agreements, licenses, technology, usage rights, patents and intellectual property.

Notes to the consolidated financial statements continued

All amounts in millions of Saudi Riyals unless otherwise stated

6. Intangible assets continued

Saudi Aramco performed an annual impairment test for the goodwill of ₪ 99,116 at December 31, 2024 and 2023, which was acquired as part of the Saudi Basic Industries Corporation ("SABIC") acquisition and allocated to the Downstream segment. The recoverable amount of the Downstream segment was determined based on VIU calculations which require use of certain assumptions. The calculations used cash flow projections for a period of 10 years based on financial plans approved by management. Cash flows were discounted and aggregated with a terminal value. Management's estimate for the cash flows is based on past performance and management's expectation of the future. This includes management's forecast for prices and margins for the downstream operations. The growth rate of 2.25% (2023: 2.25%) used in the terminal value calculation represents the long-term inflation forecast. The pre-tax discount rate for the VIU calculations was 11.0% (2023: 9.9%). As a result of the analysis, management did not identify any impairment of goodwill related to the SABIC acquisition.

Saudi Aramco also performed an annual impairment test for the brand acquired as part of the SABIC acquisition, which has been determined to have an indefinite useful life, amounting to ₪ 18,140 at December 31, 2024 and 2023. The impairment test was performed by aggregating the relevant cash-generating units. Cash flows were calculated in the same way as for the goodwill impairment test. The pre-tax discount rate for the VIU calculations was 10.1% (2023: 9.1%). As a result of the analysis, management did not identify any impairment.

Pre-tax discount rates of 11.8% and 13.4% in the VIU calculations for the goodwill and the brand, respectively, would result in the recoverable amounts to be equal to the carrying amounts used in the annual impairment tests. Further, management believes that a 1% decrease in the growth rate, or a reasonable range of increase or decrease in any of the other assumptions used for cash flow projections, individually, would not change the outcome of the impairment analysis for the goodwill or the brand.

7. Investments in joint ventures and associates

Company	Equity ownership 2024/2023	Principal place of business	Nature of activities	Carrying amount at December 31, 2024	Carrying amount at December 31, 2023
Joint ventures					
Saudi Yanbu Petrochemical Company ("Yanpet") ¹	50%	Saudi Arabia	Petrochemicals	9,320	9,943
Al-Jubail Petrochemical Company ("Kemya") ¹	50%	Saudi Arabia	Petrochemicals	5,575	6,108
Sinopec SABIC Tianjin Petrochemical Company Limited ("SSTPC") ¹	50%	China	Petrochemicals	4,658	5,481
Eastern Petrochemical Company ("Sharq") ¹	50%	Saudi Arabia	Petrochemicals	4,364	4,758
Sadara Chemical Company ("Sadara") ^{2,3}	65%	Saudi Arabia	Petrochemicals	–	1,139
Other				7,712	6,811
				31,629	34,240
Associates					
Clariant AG ("Clariant") ^{1,4}	31.5%	Switzerland	Specialty chemical	5,690	7,522
Ma'aden Phosphate Company ("MPC") ¹	30%	Saudi Arabia	Agri-nutrients	3,550	3,277
Huajin Aramco Petrochemical Co., Ltd. (HAPCO)	30%	China	Refining/petrochemicals	3,410	1,335
Hyundai Oilbank Co. Ltd. ("Hyundai Oilbank") ⁵	17%	South Korea	Refining/marketing/ petrochemicals	3,385	3,560
Power and Water Utility Company for Jubail and Yanbu ("Marafiq") ⁴	35%	Saudi Arabia	Utilities	3,019	3,008
The National Shipping Company of Saudi Arabia ("Bahri") ⁴	20%	Saudi Arabia	Global logistics services	2,903	2,570
Rabigh Refining and Petrochemical Company ("Petro Rabigh") ^{3,4} (Note 35(b)(i))	37.5%	Saudi Arabia	Refining/petrochemicals	2,649	2,786
Ma'aden Wa'ad Al Shamal Phosphate Company ("MWSPC") ^{1,5}	15%	Saudi Arabia	Agri-nutrients	2,284	2,189
Fujian Refining and Petrochemical Company Limited ("FREPC")	25%	China	Refining/petrochemicals	1,139	1,640
Aluminium Bahrain BSC ("ALBA") ^{1,4} (Note 34(c))	20.6%	Bahrain	Aluminum	–	3,134
Other				5,603	4,213
				33,632	35,234
				65,261	69,474

1. Equity ownership represents shareholding by SABIC, which is 70% owned by Saudi Aramco.

2. Agreements and constitutive documents do not give a single shareholder control; therefore, the joint venture does not qualify as a subsidiary and has not been consolidated.

3. Saudi Aramco has provided guarantees as described in Note 33.

4. Listed company.

5. Agreements and constitutive documents provide Saudi Aramco significant influence over this entity.

All amounts in millions of Saudi Riyals unless otherwise stated

7. Investments in joint ventures and associates continued

The components of the change in the investments in joint ventures and associates for the years ended December 31 are as follows:

	Joint ventures		Associates	
	2024	2023	2024	2023
January 1	34,240	36,701	35,234	35,495
Acquisitions (Note 35)	273	393	196	–
Share of results of joint ventures and associates	(3,402)	(2,831)	(1,564)	(1,170)
Additional investment	1,734	2,025	4,937	1,582
Transfer to assets held for sale (Note 34(c))	–	–	(3,294)	–
Distributions	(2,002)	(1,924)	(1,163)	(1,621)
Change in elimination of profit in inventory	(140)	255	(68)	134
Share of other comprehensive (loss) income	(54)	1,248	192	92
Other	980	(1,627)	(838)	722
December 31	31,629	34,240	33,632	35,234

Summarized financial information (100%) for joint ventures and associates and reconciliation with the carrying amount of the investments in the consolidated financial statements at December 31, 2024, are set out below:

Summarized balance sheet At December 31, 2024

	Yanpet	Clariant ¹	Kemys	SSTPC	Sharq	MPC	HAPCO	Hyundai Oilbank ²	Marafiq ²	Bahri	Petro Rabigh ³	MWSPC	FREP	Sadara ³
Current assets:														
Cash and cash equivalents	665	1,531	156	277	267	4,707	622	1,128	1,194	1,822	1,429	3,023	1,932	444
Other	3,444	8,096	3,564	2,356	4,181	3,673	848	16,358	2,347	2,423	9,640	3,169	5,654	6,794
Total current assets	4,109	9,627	3,720	2,633	4,448	8,380	1,470	17,486	3,541	4,245	11,069	6,192	7,586	7,238
Non-current assets	4,407	16,748	9,428	8,899	9,254	11,874	15,286	37,770	19,408	22,364	49,167	23,105	6,355	44,144
Current liabilities:														
Financial liabilities (excluding trade payables and other liabilities)	14	2,880	199	2,090	18	3,594	4	7,421	1,169	896	6,129	813	3,775	588
Other	1,655	3,324	1,315	1,645	2,314	2,082	763	11,060	1,683	2,164	15,607	3,039	2,992	4,495
Total current liabilities	1,669	6,204	1,514	3,735	2,332	5,676	767	18,481	2,852	3,060	21,736	3,852	6,767	5,083
Non-current liabilities	1,214	10,424	1,322	2,382	2,430	1,006	4,964	20,064	11,996	8,963	28,697	13,311	2,619	48,014
Net assets	5,633	9,747	10,312	5,415	8,940	13,572	11,025	16,711	8,101	14,586	9,803	12,134	4,555	(1,715)
Saudi Aramco interest	50%	31.5%	50%	50%	50%	30%	30%	17%	35%	20%	37.5%	15%	25%	65%
Saudi Aramco share	2,817	3,070	5,156	2,708	4,470	4,072	3,308	2,841	2,835	2,917	3,676	1,820	1,139	(1,115)
Fair value and other adjustments at Saudi Aramco level	6,503	2,620	419	1,950	(106)	(522)	102	544	184	(14)	(1,027)	464	–	1,115
Investment balance at December 31	9,320	5,690	5,575	4,658	4,364	3,550	3,410	3,385	3,019	2,903	2,649	2,284	1,139	–

1. The information provided for Clariant is at June 30, 2024.

2. The information provided for Hyundai Oilbank and Marafiq is at September 30, 2024.

3. Information disclosed reflects estimated results.

Notes to the consolidated financial statements continued

All amounts in millions of Saudi Riyals unless otherwise stated

7. Investments in joint ventures and associates continued

Summarized statement of comprehensive income

Year ended December 31, 2024

	Yanpet	Clariant ¹	Kemya	SSTPC	Sharq	MPC	HAPCO	Hyundai Oilbank ²	Marafiq ²	Bahri	Petro Rabigh ³	MWSPC	FREP	Sadara ³
Revenue	5,749	8,590	8,281	10,272	8,179	7,817	–	64,676	5,175	9,482	39,349	7,400	21,564	11,586
Depreciation and amortization	601	494	805	676	1,540	916	–	1,932	926	1,670	3,192	1,112	523	2,901
Conventional interest income	37	75	8	–	6	205	3	372	52	–	21	156	88	38
Interest expense	62	91	38	78	46	295	–	1,270	378	622	2,175	897	167	2,473
Income tax expense (benefit)	167	203	159	–	8	155	114	(346)	41	115	(203)	104	90	67
Net income (loss)	929	730	913	(896)	(483)	2,131	342	(510)	294	2,386	(4,545)	1,052	(2,046)	(4,028)
Other comprehensive income (loss)	–	647	–	–	–	(6)	(145)	12	(33)	23	1	(12)	(78)	(53)
Total comprehensive income (loss)	929	1,377	913	(896)	(483)	2,125	197	(498)	261	2,409	(4,544)	1,040	(2,124)	(4,081)
Dividends received from JVs/associates	726	183	945	–	85	259	–	151	79	81	–	–	–	–

1. The information provided for Clariant is for the six months ended June 30, 2024.

2. The information provided for Hyundai Oilbank and Marafiq is for the nine months ended September 30, 2024.

3. Information disclosed reflects estimated results.

Summarized financial information (100%) for other joint ventures and associates is set out below:

	Joint ventures	Associates
Net loss	(262)	(40)

All amounts in millions of Saudi Riyals unless otherwise stated

7. Investments in joint ventures and associates continued

Summarized financial information (100%) for joint ventures and associates and reconciliation with the carrying amount of the investments in the consolidated financial statements at December 31, 2023, are set out below:

Summarized balance sheet At December 31, 2023

	Yanpet	Clariant ¹	Kemys	SSTPC	Sharq	MPC	HAPCO	Hyundai Oilbank ²	Marafiq	Bahri	Petro Rabigh ³	MWSPC	FREP	Sadara ³	ALBA
Current assets:															
Cash and cash equivalents	831	1,189	502	1,576	480	1,817	572	1,106	1,187	2,913	1,372	1,191	1,725	1,018	589
Other	3,420	8,069	3,948	1,301	3,046	4,848	101	18,788	1,938	2,389	10,567	4,431	6,858	7,352	5,739
Total current assets	4,251	9,258	4,450	2,877	3,526	6,665	673	19,894	3,125	5,302	11,939	5,622	8,583	8,370	6,328
Non-current assets	4,556	14,431	10,021	9,937	10,245	12,085	5,523	37,303	19,928	17,809	51,264	23,968	6,399	47,062	18,902
Current liabilities:															
Financial liabilities (excluding trade payables and other liabilities)	8	2,570	5	901	4	1,429	1	6,932	804	797	10,900	618	4,358	281	2,022
Other	1,548	3,496	1,864	2,365	1,614	573	243	11,263	1,524	2,009	11,856	2,818	2,494	4,951	1,652
Total current liabilities	1,556	6,066	1,869	3,266	1,618	2,002	244	18,195	2,328	2,806	22,756	3,436	6,852	5,232	3,674
Non-current liabilities	1,191	6,992	1,355	3,050	2,583	4,551	1,991	20,943	12,522	7,663	29,896	14,572	1,568	47,820	3,877
Net assets	6,060	10,631	11,247	6,498	9,570	12,197	3,961	18,059	8,203	12,642	10,551	11,582	6,562	2,380	17,679
Saudi Aramco interest	50%	31.5%	50%	50%	50%	30%	30%	17%	35%	20%	37.5%	15%	25%	65%	20.6%
Saudi Aramco share	3,030	3,349	5,624	3,249	4,785	3,659	1,188	3,070	2,871	2,528	3,957	1,737	1,641	1,547	3,642
Fair value and other adjustments at Saudi Aramco level	6,913	4,173	484	2,232	(27)	(382)	147	490	137	42	(1,171)	452	(1)	(408)	(508)
Investment balance at December 31	9,943	7,522	6,108	5,481	4,758	3,277	1,335	3,560	3,008	2,570	2,786	2,189	1,640	1,139	3,134

1. The information provided for Clariant is at June 30, 2023.

2. The information provided for Hyundai Oilbank is at September 30, 2023.

3. Information disclosed reflects estimated results.

Notes to the consolidated financial statements continued

All amounts in millions of Saudi Riyals unless otherwise stated

7. Investments in joint ventures and associates continued

Summarized statement of comprehensive income

Year ended December 31, 2023

	Yanpet	Clariant ¹	Kemya	SSTPC	Sharq	MPC	HAPCO	Hyundai Oilbank ²	Marafiq	Bahri	Petro Rabigh ³	MWSPC	FREP	Sadara ³	ALBA
Revenue	5,594	9,529	8,974	9,819	7,489	6,770	–	58,254	6,389	8,778	44,604	7,314	31,999	10,708	15,255
Depreciation and amortization	558	501	792	695	1,391	1,142	–	1,851	1,228	1,406	3,221	1,081	858	3,124	1,323
Conventional interest income	27	54	13	60	1	135	3	365	87	–	27	162	73	66	–
Interest expense	65	188	61	108	44	265	–	1,326	478	622	2,217	996	167	2,426	615
Income tax expense (benefit)	176	167	138	(224)	(31)	121	2	152	46	101	(100)	320	184	79	2
Net income (loss)	1,042	960	1,403	(747)	(599)	762	5	480	526	1,793	(4,693)	1,259	478	(3,777)	1,166
Other comprehensive (loss) income	(20)	–	(27)	–	(32)	–	85	(25)	17	(20)	(13)	–	–	(207)	–
Total comprehensive income (loss)	1,022	960	1,376	(747)	(631)	762	90	455	543	1,773	(4,706)	1,259	478	(3,984)	1,166
Dividends received from JVs/associates	597	182	1,009	–	182	450	–	275	193	49	–	56	–	–	288

1. The information provided for Clariant is for the six months ended June 30, 2023.

2. The information provided for Hyundai Oilbank is for the nine months ended September 30, 2023.

3. Information disclosed reflects estimated results.

Summarized financial information (100%) for other joint ventures and associates is set out below:

	Joint ventures	Associates
Net (loss) income	(407)	1,676

Saudi Aramco's share of the fair value of the listed associates at December 31, together with their carrying value at those dates, is as follows:

	Fair value		Carrying value	
	2024	2023	2024	2023
Petro Rabigh	5,176	6,479	2,649	2,786
Marafiq	4,795	5,670	3,019	3,008
Clariant	4,378	5,786	5,690	7,522
Bahri	3,861	3,257	2,903	2,570
ALBA	–	3,335	–	3,134

8. Income taxes and zakat

(a) Kingdom income tax rates

The Company is subject to an income tax rate of 20% on its Downstream activities and on the activities of exploration and production of non-associated natural gas, including gas condensates, as well as the collection, treatment, processing, fractionation and transportation of associated and non-associated natural gas and their liquids, gas condensates and other associated elements. All other activities are subject to an income tax rate of 50%, in accordance with the Tax Law. The 20% income tax rate applicable to the Company's Downstream activities came into effect on January 1, 2020. This was conditional on the Company separating its Downstream activities under the control of one or more separate wholly-owned subsidiaries before the due date of December 31, 2024, otherwise the Company's Downstream activities will be retroactively taxed at 50%. An extension of the due date to December 31, 2030 is in progress and the Company expects that it will be granted. Consequently, the Company continues to apply the 20% income tax rate to its Downstream activities.

Additionally, according to the Tax Law, shares held directly or indirectly in listed companies on the Saudi Exchange by taxpayers engaged in oil and hydrocarbon activities are exempt from the application of corporate income tax. As a result, the Company's ownership interests in such companies are subject to zakat.

All amounts in millions of Saudi Riyals unless otherwise stated

8. Income taxes and zakat continued

(a) Kingdom income tax rates continued

The reconciliation of tax charge at the Kingdom's statutory rates to consolidated tax and zakat expense is as follows:

	2024	2023
Income before income taxes and zakat	782,010	888,067
Less: Income subject to zakat	(2,517)	(2,674)
Income subject to income tax	779,493	885,393
Income taxes at the Kingdom's statutory tax rates	378,075	428,966
Tax effect of:		
Loss not subject to tax at statutory rates and other	5,232	2,888
Income tax expense	383,307	431,854
Zakat expense	281	1,449
Total income tax and zakat expense	383,588	433,303

(b) Income tax and zakat expense

	2024	2023
Current income tax – Kingdom	371,648	409,931
Current income tax – Foreign	3,414	5,066
Deferred income tax – Kingdom	11,232	19,638
Deferred income tax – Foreign	(2,987)	(2,781)
Zakat – Kingdom	281	1,449
	383,588	433,303

Saudi Aramco paid foreign taxes of ₪ 3,193 and ₪ 7,519 for the years ended December 31, 2024 and 2023, respectively.

(c) Income tax and zakat obligation to the Government

	2024	2023
January 1	82,539	104,978
Provided during the period	371,929	411,380
Payments during the period by the Company (Note 28)	(176,523)	(200,189)
Payments during the period by subsidiaries and joint operations	(13,300)	(14,227)
Settlements of due from the Government	(188,642)	(214,032)
Other settlements	(4,052)	(5,153)
Transfer to liabilities associated with assets held for sale	–	(218)
December 31	71,951	82,539

Notes to the consolidated financial statements continued

All amounts in millions of Saudi Riyals unless otherwise stated

8. Income taxes and zakat continued

(d) Deferred income tax

	2024	2023
Deferred income tax assets:		
Kingdom	16,678	17,466
U.S. Federal and State	141	172
Other foreign	3,840	2,922
	20,659	20,560
Deferred income tax liabilities:		
Kingdom	146,409	133,921
U.S. Federal and State	4,326	4,995
Other foreign	2,634	3,533
	153,369	142,449
Net deferred income tax liabilities	(132,710)	(121,889)

The gross movement of the net deferred income tax position is as follows:

	2024	2023
January 1	(121,889)	(104,218)
Current period charge to income	(8,245)	(16,857)
Other reserves charge	(2,381)	(248)
Other adjustments	(195)	(566)
December 31	(132,710)	(121,889)

All amounts in millions of Saudi Riyals unless otherwise stated

8. Income taxes and zakat continued

(d) Deferred income tax continued

The movement in deferred income tax assets (liabilities) for the years ended December 31 is as follows:

	Post-employment benefits	Investment in subsidiary	Undistributed earnings	Provisions and other	Loss carry-forward	Property plant and equipment and intangible assets	Investments in securities at FVOCI	Total
January 1, 2023								
Deferred income tax assets	2,953	–	–	7,729	8,137	(726)	–	18,093
Deferred income tax liabilities	(6,174)	(4,626)	(1,290)	9,615	6,297	(125,785)	(348)	(122,311)
	(3,221)	(4,626)	(1,290)	17,344	14,434	(126,511)	(348)	(104,218)
Recognized during the year								
Current period (charges) credits to income ¹	(672)	538	(45)	(998)	(68)	(15,612)	–	(16,857)
Other reserves (charges) credits	(505)	–	–	–	–	–	257	(248)
Other adjustments	–	–	–	(566)	–	–	–	(566)
	(1,177)	538	(45)	(1,564)	(68)	(15,612)	257	(17,671)
December 31, 2023								
Deferred income tax assets	2,729	–	–	11,604	6,943	(718)	2	20,560
Deferred income tax liabilities	(7,127)	(4,088)	(1,335)	4,176	7,423	(141,405)	(93)	(142,449)
	(4,398)	(4,088)	(1,335)	15,780	14,366	(142,123)	(91)	(121,889)
Recognized during the year								
Current period credits (charges) to income ¹	1,007	96	176	1,187	1,163	(11,811)	(63)	(8,245)
Other reserves (charges) credits	(2,498)	–	–	–	–	–	117	(2,381)
Other adjustments	–	–	–	(195)	–	–	–	(195)
	(1,491)	96	176	992	1,163	(11,811)	54	(10,821)
December 31, 2024								
Deferred income tax assets	2,500	–	–	13,780	5,051	(672)	–	20,659
Deferred income tax liabilities	(8,389)	(3,992)	(1,159)	2,992	10,478	(153,262)	(37)	(153,369)
	(5,889)	(3,992)	(1,159)	16,772	15,529	(153,934)	(37)	(132,710)

1. Current period credits (charges) include the net impact of ₪ 1,625 (2023: ₪ 3,112) recognized in relation to unrealized fair value movements on the long-term agreements for the pipelines transactions (Note 19).

A deferred income tax liability has not been recognized with regard to the undistributed earnings of certain subsidiaries, which are considered to be permanently reinvested in their respective businesses. Such earnings would be taxed only upon distribution. There was no material cumulative taxable undistributed earnings or unrecognized deferred income tax liability for such subsidiaries at December 31, 2024 and 2023. Also, a deferred income tax asset has not been recognized largely related to cumulative unused tax losses of certain subsidiaries with carry-forward periods from 2025 to indefinite. Such losses are available for offsetting against future taxable profits of the subsidiaries in which the losses arose. The cumulative amount of the unused tax losses and other items is ₪ 68,705 and ₪ 52,622 at December 31, 2024 and 2023, respectively, and the unrecognized deferred income tax asset is ₪ 17,113 and ₪ 13,019 at December 31, 2024 and 2023, respectively.

(e) Income tax and zakat assessments

The Company and the majority of its affiliates are subject to tax review and audit in tax jurisdictions where they operate. In June 2020, the Company and its wholly-owned domestic affiliates were notified that the Saudi Arabian income tax submissions for all years up to and including the year ended December 31, 2019 were accepted as filed.

For the Company's other domestic and international affiliates, examinations of tax and zakat returns for certain prior years had not been completed as of December 31, 2024; however, the Company is not aware of any significant claims. Therefore, no material provision for any additional income tax and zakat liability has been recorded in the consolidated financial statements.

Notes to the consolidated financial statements continued

All amounts in millions of Saudi Riyals unless otherwise stated

8. Income taxes and zakat continued

(f) International Tax Reform – Pillar Two Model Rules

In May 2023, the IASB issued an amendment to IAS 12, Income Taxes, relating to the International Tax Reform – Pillar Two Model Rules. This amendment applies to income taxes arising from tax law enacted or substantively enacted to implement the Pillar Two Model Rules published by the Organisation for Economic Co-operation and Development ("OECD"), including tax law that implements qualified domestic minimum top-up taxes described in those rules. The amendment requires entities to make additional disclosures in their annual financial statements regarding their current tax exposure to Pillar Two income taxes. Further, as required by the amendment, Saudi Aramco continues to apply the mandatory temporary exception to recognizing and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes. Saudi Aramco has performed an assessment of its exposure to Pillar Two income taxes for jurisdictions where it operates and where Pillar Two legislation has been enacted or substantively enacted as of the reporting date and is effective for annual periods beginning on or after January 1, 2024. The legislation mandates a top-up tax liability for any difference between the Pillar Two effective tax rate per jurisdiction and the 15% minimum rate. Based on the assessment, Saudi Aramco does not have any material exposure to Pillar Two top-up taxes.

9. Other assets and receivables

	2024	2023
Non-current:		
Home loans (Note 9(a))	13,199	12,427
Loans and advances	7,285	9,066
Loans to joint ventures and associates (Note 29(b))	6,839	9,866
Advance payment related to long-term sales agreement (Note 35(c)(ii))	5,596	5,833
Derivative assets (Note 3)	4,259	4,299
Receivable from Government, semi-Government and other entities with Government ownership or control (Note 29(b))	2,554	1,151
Home ownership construction	1,224	692
Lease receivable from associates (Note 29(b))	364	389
Other	5,524	4,542
	46,844	48,265
Current:		
Employee and other receivables	13,428	9,043
Tax receivables	8,472	8,286
Prepaid expenses	5,716	4,840
Receivable from Government, semi-Government and other entities with Government ownership or control (Note 29(b))	3,080	–
Derivative assets (Note 3)	2,643	4,219
Home loans (Note 9(a))	2,507	1,318
Investments in securities (Note 10)	1,658	1,249
Receivables from joint ventures and associates (Note 29(b))	516	5
Interest receivable	–	2,211
Other	4,368	2,576
	42,388	33,747

(a) Home loans

The home ownership programs provide subsidized non-interest-bearing loans to eligible Saudi Arabian employees. Loans are repayable through payroll deductions and are net of associated subsidies. Any balance remaining upon the death, permanent disability or termination of an employee under the Chronic Medical Condition Program is forgiven. An analysis of the home loans balance is as follows:

	2024	2023
Gross amounts receivable	21,366	19,066
Less:		
Discount	(4,911)	(4,604)
Allowance for doubtful home loans	(629)	(555)
Subsidies	(120)	(162)
Net amounts receivable	15,706	13,745
Current	(2,507)	(1,318)
Non-current	13,199	12,427

All amounts in millions of Saudi Riyals unless otherwise stated

10. Investments in securities

	Equity ownership percentage 2024/2023	Carrying amount at December 31, 2024	Carrying amount at December 31, 2023
Investments in equity securities			
Equity securities at FVOCI:			
Listed securities:			
Saudi Electricity Company ("SEC")	6.9%	4,878	5,480
Rongsheng Petrochemical Co., Ltd. ("Rongsheng Petrochemical") (Note 35(c)(ii))	10.0%	4,707	5,536
Idemitsu Kosan Co. Ltd. ("Idemitsu")	8.3%/ 7.8%	2,858	2,360
Unlisted securities:			
HORSE Powertrain Limited ("HORSE") (Note 35(c)(i))	10.0%/ nil	2,539	–
Arab Petroleum Pipelines Company ("SUMED")	15.0%	1,013	769
Industrialization and Energy Services Company ("TAQA")	7.1%	398	626
Daehan Oil Pipeline Corporation	8.9%	158	165
Other		632	619
Equity securities at FVPL:			
Listed securities		622	548
Unlisted securities		11,675	9,536
		29,480	25,639
Investments in debt securities			
Debt securities at FVOCI:			
Listed securities		71	75
Unlisted securities:			
USD debt securities with fixed interest rates ranging from 0.3% to 11.5% (2023: 0.3% to 10.8%) and maturity dates between 2025 and 2069 (2023: 2024 and 2072)		8,588	7,073
USD debt securities with variable interest rates and maturity dates between 2025 and 2074 (2023: 2024 and 2073)		1,337	806
Mutual and hedge funds		375	1,005
Debt securities at FVPL:			
Unlisted securities		569	176
Debt securities at amortized cost:			
Unlisted securities:			
Debt securities with fixed interest rates ranging from 2.5% to 5.1% (2023: 2.5% to 5.1%) and maturity dates between 2025 and 2043 (2023: 2024 and 2043)		188	188
Debt securities with variable interest rates and maturity dates between 2025 and 2028 (2023: 2024 and 2028)		256	261
		11,384	9,584
Total investments in securities			
Current (Note 9)		40,864	35,223
Non-current		(1,658)	(1,249)
		39,206	33,974

Notes to the consolidated financial statements continued

All amounts in millions of Saudi Riyals unless otherwise stated

10. Investments in securities continued

Equity investments designated at FVOCI are not held for trading. Instead, they are held for medium to long-term strategic purposes. Accordingly, management has elected to designate these equity investments at FVOCI as recognizing short-term fluctuations in these investments' fair value in net income would not be consistent with Saudi Aramco's strategy of holding these investments for long-term purposes and realizing their performance potential in the long run.

The fair value of SUMED is based on expected cash flows discounted using a rate based on market interest rates and a risk premium specific to the unlisted security which was 13.3% and 18.1% at December 31, 2024 and 2023, respectively. The fair value of TAQA is based on an earnings growth factor for unlisted equity securities from market information for similar types of companies. The fair value of Daehan Oil Pipeline Corporation is determined using discounted cash flow analysis based on the risk-adjusted yield. The fair value of HORSE approximates the purchase price paid on closing of the transaction on December 2, 2024.

The fair value of other unlisted equity and debt securities is determined based on valuation techniques, including discounted cash flows, using both observable and unobservable inputs that are categorized in level 2 and level 3, respectively, of the fair value hierarchy.

The maximum exposure to credit risk at the reporting date of the investments in debt securities is the fair value. To limit credit risk, Saudi Aramco's investment policy requires that these securities be diversified. Credit ratings for debt securities held at December 31, 2024, range from AAA to BB (2023: AAA to BB) as set out by internationally recognized credit rating agencies.

The movement in investments in securities is as follows:

	2024	2023
January 1	35,223	27,663
Net additions	6,563	8,596
Net unrealized fair value loss	(893)	(1,061)
Net unrealized foreign currency (loss) gain	(29)	25
December 31	40,864	35,223
Current (Note 9)	(1,658)	(1,249)
Non-current	39,206	33,974

Net additions include unsettled transactions of ₪ (242) at December 31, 2024 (2023: ₪ (86)).

11. Inventories

	2024	2023
Crude oil, refined products and chemicals	66,124	70,512
Materials and supplies – net	15,339	14,157
Natural gas liquids and other	2,265	1,282
	83,728	85,951

During 2024, a write-down to net realizable value of ₪ 984 (2023: ₪ 914) was recognized in the consolidated statement of income for a portion of the hydrocarbon and chemical inventories purchased from third parties by certain affiliates.

The carrying amount of materials and supplies are shown net of an allowance for obsolete and surplus materials with movement as follows:

	2024	2023
Balance, January 1	3,132	3,214
Net movement in allowance	(242)	(82)
Balance, December 31	2,890	3,132

All amounts in millions of Saudi Riyals unless otherwise stated

12. Trade receivables

Trade receivables from export and local sales are denominated primarily in USD and SAR, respectively. The components of trade receivables are as follows:

	2024	2023
Arising from export and local sales at international prices	153,198	153,883
Arising from local sales at Kingdom regulated prices	14,930	10,287
	168,128	164,170
Less: Loss allowance	(244)	(251)
	167,884	163,919

Trade receivables relating to certain contracts with provisional pricing arrangements are measured at fair value. The fair value was calculated using forward curves and future prices. These trade receivables are classified as level 3 in the fair value hierarchy (Note 3(d)) due to the inclusion of unobservable inputs, including counterparty credit risk in the fair value calculation.

As described in Note 2(n), the Government, through the Ministry of Finance, provided a guarantee to the Company in the event that certain Government, semi-Government and other entities with Government ownership or control are unable to settle within the terms agreed with the Company.

The movement of the allowance for trade receivables related to past due sales is as follows:

	2024	2023
January 1	251	281
Net movement in allowance	(7)	(30)
December 31	244	251

13. Due from the Government

	2024	2023
Other income related to sales (Note 2(y))	35,844	50,274
Government guarantee (Note 2(n))	1,864	(1,156)
Other	566	260
Note 29(b)	38,274	49,378

14. Short-term investments

	2024	2023
USD time deposits	4,256	123,851
USD Murabaha time deposits (non-conventional)	761	10,009
SAR time deposits	1,005	9,188
SAR repurchase agreements (non-conventional)	–	21,648
SAR Murabaha time deposits (non-conventional)	7,110	19,583
South Korean Won time deposits	54	64
	13,186	184,343

Notes to the consolidated financial statements continued

All amounts in millions of Saudi Riyals unless otherwise stated

15. Cash and cash equivalents

	2024	2023
Cash at bank and in hand	64,132	67,348
USD time deposits	97,326	87,783
USD Murabaha time deposits (non-conventional)	24,161	25,661
SAR time deposits	5,209	1,545
SAR repurchase agreements (non-conventional)	–	1,808
SAR Murabaha time deposits (non-conventional)	25,350	11,588
South Korean Won time deposits	464	3,240
	216,642	198,973

16. Treasury shares

Treasury shares held by the Company are used for the purposes of issuing them to the Company's employees upon vesting or purchase of the shares in the employee share plans, including those that the Company may adopt in the future. The movements in number of treasury shares (in millions) for the years ended December 31, 2024 and 2023 are as follows:

	2024	2023
January 1	51.3	76.6
Acquisition of treasury shares (Note 1)	137.6	–
Bonus shares issued by the Company (Note 36)	–	6.1
Shares issued to employees (Note 17)	(43.6)	(31.4)
December 31	145.3	51.3

17. Share-based compensation

Share-based compensation relates to grants or issuance of ordinary shares awarded to the Company's eligible employees under the respective plan terms. Awards are generally equity-settled; however, in limited circumstances awards may be settled in cash. The Company recognized the following share-based compensation expense in the consolidated statement of income, as an employee benefit expense, for the years ended December 31, 2024 and 2023:

	Equity-settled	Cash-settled	Total
2024			
Share-based compensation expense	582	11	593
2023			
Share-based compensation expense	472	10	482

At December 31, 2024, the total carrying amount of the liabilities in respect of the cash settlement elements and dividend equivalents of the respective awards was ₪ 30 (2023: ₪ 16) and the intrinsic value of such liabilities, which had vested during the year, was ₪ 31 (2023: ₪ 17).

Awards granted or shares issued during the year relate to the Long-Term Incentive Plan for Executives ("ELTIP") and the Long-Term Incentive Plan for Management ("MLTIP"), the Long-Term Incentive Plan for certain other eligible employees ("LTIP") and the Employee Share Purchase Plan ("ESPP").

All amounts in millions of Saudi Riyals unless otherwise stated

17. Share-based compensation continued

Awards for all plans were granted for nil consideration, with the exception for ESPP, under which shares were issued at a discount of 20% to the fair market value of the shares at each purchase date. The fair values of awards granted were determined by reference to the market values of the Company's ordinary shares on the grant dates for equity-settled awards and at the consolidated balance sheet date for cash-settled awards. Where applicable, the fair values of the awards subject to market-based performance measures were estimated using an appropriate valuation method.

	Number of shares granted (in millions)	Weighted average fair value per share (SAR)
2024		
ESPP	34	29.19
ELTIP	2	30.75
MLTIP	4	30.75
LTIP	4	31.15
2023		
ESPP	25	33.17
ELTIP	2	31.55
MLTIP	2	31.55
LTIP	2	31.55

The number of awards settled in shares during the year in relation to the employee share plans was 43.6 million (2023: 31.4 million).

Participants in the plans (other than the ESPP) are entitled to dividend equivalents, if dividends are paid to ordinary shareholders, during the vesting period. Such dividend equivalents will be paid in cash on vesting of the awards. Accordingly, no adjustment for expected dividends during the vesting period was made in determining the fair value of the awards. Participants in all plans become entitled to dividends only after shares have been issued to the participants as the registered holders.

The vesting of ELTIP is dependent on the achievement of (a) specified non-market and market-based performance measures over a three-year performance period, and (b) required service, except for certain qualifying leavers. Upon vesting, 50% of the vested awards are required to be held by the participants for an additional two years, except for certain qualifying leavers. The awards will be settled with the participants in shares on vesting.

The vesting of MLTIP is dependent on the participants achieving (a) specified individual performance targets over a one-year performance period, and (b) required service, except for certain qualifying leavers. The awards are subject to graded vesting. Twenty-five percent of the awards will vest after the end of the performance period, and the remaining 75% of the awards will vest in equal installments over three years from thereon, provided that the participants continue to meet the required service condition. The awards will be settled with the participants in shares on vesting, except for certain qualifying participants who will receive cash-settlement.

The vesting of LTIP is dependent only on the participants achieving required service, except for certain qualifying leavers. The awards are subject to graded vesting. Twenty-five percent of the awards will vest immediately, and the remaining 75% of the awards will vest in equal installments over three years, provided that the participants continue to meet the required service condition. The awards will be settled with the participants in shares on vesting, except for certain qualifying participants who will receive cash-settlement.

Shares issued under the ESPP are required to be held until the earlier of one year from the date of issuance or at the time of cessation of employment.

Notes to the consolidated financial statements continued

All amounts in millions of Saudi Riyals unless otherwise stated

18. Other reserves

	Currency translation differences	Investments in securities at FVOCI	Post-employment benefits	Share-based compensation reserve and other	Cash flow hedges and other	Share of other comprehensive income (loss) of joint ventures and associates		Total
						Foreign currency translation gains (losses)	Cash flow hedges and other	
January 1, 2023	(3,407)	5,155	–	298	1,034	195	4	3,279
Current period change	(829)	(1,408)	–	472	(1,044)	1,407	(157)	(1,559)
Remeasurement gain	–	–	480	–	–	–	90	570
Transfer to retained earnings	–	–	(66)	(439)	–	–	(90)	(595)
Tax effect	–	257	(505)	–	–	–	–	(248)
Less: amounts related to non-controlling interests	396	(25)	91	–	35	(430)	–	67
December 31, 2023	(3,840)	3,979	–	331	25	1,172	(153)	1,514
Current period change	(5,549)	(977)	–	785	(658)	(148)	286	(6,261)
Remeasurement gain (loss)	–	–	5,636	–	–	–	(95)	5,541
Transfer to retained earnings	–	–	(3,015)	(459)	–	–	95	(3,379)
Tax effect	–	117	(2,498)	–	–	–	–	(2,381)
Less: amounts related to non-controlling interests	1,847	2	(123)	–	(11)	–	–	1,715
December 31, 2024	(7,542)	3,121	–	657	(644)	1,024	133	(3,251)

19. Non-controlling interests

Summarized consolidated financial information (100%) for each subsidiary that has non-controlling interests that are material to Saudi Aramco are set out below. The amounts disclosed for each subsidiary are before inter-company eliminations:

Summarized statement of comprehensive income Year ended December 31

	2024				2023			
	SABIC	AOPC	AGPC	S-Oil Corporation	SABIC	AOPC	AGPC	S-Oil Corporation
Revenue and other income (loss)	147,728	6,150	2,869	101,003	156,259	(4,988)	9,446	102,803
Net (loss) income	(1,493)	4,916	2,288	(919)	(3,705)	(3,990)	7,549	2,516
Other comprehensive (loss) income	(1,650)	–	–	(3,345)	221	–	–	(439)
Total comprehensive (loss) income	(3,143)	4,916	2,288	(4,264)	(3,484)	(3,990)	7,549	2,077
Net income (loss) attributable to non-controlling interests	1,061	2,409	1,121	(351)	(1,159)	(1,955)	3,699	966
Dividends paid to non-controlling interests	(5,775)	(2,595)	(2,914)	(203)	(8,723)	(2,168)	(2,603)	(413)

On June 17, 2021, the Company sold a 49% equity interest in Aramco Oil Pipelines Company ("AOPC") to EIG Pearl Holdings S.à r.l. ("EIG") for upfront sale proceeds of ₪ 46,547 (\$12,412) in cash. Further, on February 23, 2022, the Company sold a 49% equity interest in Aramco Gas Pipelines Company ("AGPC") to GreenSaif Pipelines Bidco S.à r.l. ("GreenSaif") for upfront proceeds of ₪ 58,125 (\$15,500) in cash. AOPC and AGPC are expected to make quarterly distributions to their respective ordinary shareholders from available cash when the Company pays discretionary dividends to its ordinary shareholders. Given the discretionary nature of distributions to EIG and GreenSaif, the shareholdings of EIG and GreenSaif in AOPC and AGPC, respectively, represent non-controlling interests and, therefore, the upfront sale proceeds were recognized in the consolidated financial statements as non-controlling interest within equity.

Net income of AOPC includes an unrealized loss of ₪ 947 (2023: ₪ 10,010), and net income of AGPC includes an unrealized loss of ₪ 3,387 (2023: gain of ₪ 1,712) on their financial assets measured at FVPL at December 31, 2024.

All amounts in millions of Saudi Riyals unless otherwise stated

19. Non-controlling interests continued

Summarized balance sheet At December 31

	2024				2023			
	SABIC	AOPC	AGPC	S-Oil Corporation	SABIC	AOPC	AGPC	S-Oil Corporation
Current assets	91,410	5,543	7,114	25,631	101,235	5,955	7,189	28,054
Non-current assets	230,460	72,994	104,258	38,546	242,704	73,043	107,899	37,223
Total assets	321,870	78,537	111,372	64,177	343,939	78,998	115,088	65,277
Current liabilities	45,664	338	379	29,610	53,475	424	435	26,693
Non-current liabilities	50,618	–	–	10,980	48,548	–	–	10,290
Total liabilities	96,282	338	379	40,590	102,023	424	435	36,983
Net assets	225,588	78,199	110,993	23,587	241,916	78,574	114,653	28,294
Accumulated non-controlling interest	89,089	38,318	54,387	9,053	94,511	38,501	56,180	10,859

Current assets of AOPC and AGPC as at December 31, 2024 and 2023, mainly include current portion of financial assets measured at FVPL, cash received and trade receivables from the Company in respect of quarterly volume-based tariff.

Summarized statement of cash flows Year ended December 31

	2024				2023			
	SABIC	AOPC	AGPC	S-Oil Corporation	SABIC	AOPC	AGPC	S-Oil Corporation
Cash flows from operating activities	14,606	5,288	5,906	3,866	21,469	4,425	4,680	7,635
Cash flows from investing activities	(2,816)	11	23	(8,543)	(8,801)	–	34	(5,873)
Cash flows from financing activities	(13,688)	(5,295)	(5,948)	3,930	(20,314)	(4,429)	(5,310)	71
Net (decrease) increase in cash and cash equivalents	(1,898)	4	(19)	(747)	(7,646)	(4)	(596)	1,833

Notes to the consolidated financial statements continued

All amounts in millions of Saudi Riyals unless otherwise stated

20. Borrowings

		2024			2023		
	Note	Non-current	Current	Total	Non-current	Current	Total
Conventional:							
Debentures	a	99,815	6,468	106,283	81,092	9,683	90,775
Bank borrowings	b	24,741	1,821	26,562	22,853	3,630	26,483
Short-term borrowings	c	–	21,242	21,242	–	18,378	18,378
Revolving credit facilities	d	–	703	703	–	1,237	1,237
Export credit agencies	e	–	880	880	941	656	1,597
Public Investment Fund	f	–	416	416	455	365	820
Other financing arrangements	g	35,527	455	35,982	36,070	200	36,270
		160,083	31,985	192,068	141,411	34,149	175,560
Non-conventional:							
Sukuk	h	29,991	11,398	41,389	18,689	15,000	33,689
Murabaha	i	12,593	1,843	14,436	13,830	2,089	15,919
Saudi Industrial Development Fund	j	3,800	319	4,119	3,057	281	3,338
Ijarah/Procurement	k	3,140	400	3,540	3,499	13	3,512
Wakala	l	1,227	28	1,255	771	27	798
		50,751	13,988	64,739	39,846	17,410	57,256
Borrowings – other than leases		210,834	45,973	256,807	181,257	51,559	232,816
		50,899	11,584	62,483	45,224	12,107	57,331
Total borrowings		261,733	57,557	319,290	226,481	63,666	290,147

The carrying amounts of borrowings above are net of unamortized transaction costs of ₪ 1,255 (2023: ₪ 1,274).

The finance costs recognized in the consolidated statement of income are as follows:

	2024	2023
Finance costs:		
Conventional borrowings	3,956	2,781
Non-conventional borrowings	2,942	2,665
Lease liabilities	2,964	2,229
Unwinding of discount	678	511
	10,540	8,186

In addition, finance costs amounting to ₪ 8,692 were capitalized in property, plant and equipment during the year ended December 31, 2024 (2023: ₪ 8,204) (Note 5).

Borrowings – other than leases

Saudi Aramco has entered into financing arrangements with various lenders. These arrangements limit the creation of additional liens and/or financing obligations and some of these arrangements are secured predominantly over certain property, plant and equipment of Saudi Aramco aggregating to ₪ 108,561 (2023: ₪ 94,091). Additionally, certain financing arrangements require compliance by Saudi Aramco with covenants to maintain certain financial and other conditions. Saudi Aramco has complied with these covenants throughout the reporting period. The fair value of borrowings excluding lease liabilities at December 31, 2024, was approximately ₪ 235,552 (2023: ₪ 219,253). This was mainly determined using inputs that are categorized in level 1 or level 2 of the fair value hierarchy, except for the fair value of other financing arrangements that was primarily determined using level 3 inputs.

All contracts and agreements referencing Synthetic USD LIBOR, recognized at December 31, 2023, were renegotiated with counterparties and transitioned to alternative benchmark rates in 2024.

All amounts in millions of Saudi Riyals unless otherwise stated

20. Borrowings continued

Borrowings – other than leases continued

(a) Debentures

- (i) In October 2018, SABIC issued five-year and 10-year USD denominated \$1,000 bonds each, equivalent to a total of ₪ 7,500 (\$2,000). These bonds are unsecured and carry coupon rates of 4% and 4.5%, respectively. The bonds are issued in accordance with the Rule 144A/Regulation S offering requirements under the U.S. Securities Act of 1933, as amended. The bonds are listed on the Irish Stock Exchange ("Euronext Dublin") and the proceeds were used for refinancing maturing debt. In 2023, bonds with five-year maturities, aggregating to a principal amount of ₪ 3,750 (\$1,000) and carrying a coupon rate of 4%, were repaid.
- In September 2020, SABIC issued 10-year and 30-year USD denominated \$500 bonds each, equivalent to a total of ₪ 3,750 (\$1,000). These bonds are unsecured and carry coupon rates of 2.15% and 3%, respectively. Both bonds are issued in accordance with Rule 144A/Regulation S offering requirements under the U.S. Securities Act of 1933, as amended. These bonds are listed on the Euronext Dublin and the 30-year bond is dual listed on the Taipei Exchange in Taiwan, China. The proceeds were used for general purposes and refinancing maturing debt.
- (ii) On April 16, 2019, the Company issued five tranches of USD denominated unsecured notes aggregating to an equivalent of ₪ 45,000 (\$12,000), under its Global Medium Term Note ("GMTN") Programme. These tranches consist of notes with three-year maturities of ₪ 3,750 (\$1,000) with a coupon rate of 2.75%, five-year maturities of ₪ 7,500 (\$2,000) with a coupon rate of 2.875%, 10-year maturities of ₪ 11,250 (\$3,000) with a coupon rate of 3.5%, 20-year maturities of ₪ 11,250 (\$3,000) with a coupon rate of 4.25%, and 30-year maturities of ₪ 11,250 (\$3,000) with a coupon rate of 4.375%. The notes were issued and sold in accordance with Rule 144A/Regulation S under the U.S. Securities Act of 1933, as amended. Interest is payable semi-annually in arrears on April 16 and October 16. The notes are listed on the London Stock Exchange's Main Market and the proceeds were for general corporate purposes. At initial recognition, the Company recorded an amount of ₪ 44,460 (\$11,856) for the issuance proceeds, net of discounts and estimated transaction costs. On April 16, 2022, notes with three-year maturities, aggregating to a principal amount of ₪ 3,750 (\$1,000) and carrying a coupon rate of 2.75%, were repaid. On April 16, 2024, notes with five-year maturities, aggregating to a principal amount of ₪ 7,500 (\$2,000) and carrying a coupon rate of 2.875%, were repaid.
- On November 24, 2020, the Company issued another series of USD denominated unsecured notes, aggregating to an equivalent of ₪ 30,000 (\$8,000), under its GMTN Programme. These tranches consist of maturity dates of three years to 50 years paid at the end of the maturity date with coupon rates ranging from 1.25% to 3.50%. At initial recognition, the Company recorded an amount of ₪ 29,625 (\$7,900) for the issuance proceeds, net of discounts. On November 24, 2023, notes with three-year maturities, aggregating to a principal amount of ₪ 1,875 (\$500) and carrying a coupon rate of 1.25%, were repaid.
- On July 17, 2024, the Company issued three additional tranches of USD denominated senior unsecured notes, aggregating to an equivalent of ₪ 22,500 (\$6,000), under its GMTN Programme. These tranches consist of notes with 10-year maturities of ₪ 7,500 (\$2,000) with a coupon rate of 5.250%, 30-year maturities of ₪ 7,500 (\$2,000) with a coupon rate of 5.750%, and 40-year maturities of ₪ 7,500 (\$2,000) with a coupon rate of 5.875%. The notes were issued and sold in accordance with Rule 144A/Regulation S under the U.S. Securities Act of 1933, as amended. Interest is payable semi-annually in arrears on January 17 and July 17. The notes are listed on the London Stock Exchange's Main Market and the proceeds are used for general corporate purposes. At initial recognition, the Company recorded an amount of ₪ 22,004 (\$5,868) for the issuance proceeds, net of discounts and transaction costs.
- (iii) Debentures amounting to ₪ 8,025, denominated in South Korean Won, have been issued in capital markets with interest rates ranging from 1.49% to 4.8% and with maturities from 2025 to 2033. In 2024, debentures with three to seven-year maturities, aggregating to a principal amount of ₪ 1,760, were repaid.

Discounts and transaction costs are amortized using the effective interest method and are reflected as finance costs in the consolidated statement of income.

(b) Bank borrowings

- (i) During 2024, Saudi Aramco Total Refining and Petrochemical Company ("SATORP"), a joint operation of the Company, entered into external long-term debt financing arrangements with lenders for a petrochemicals facility expansion at its refinery in Jubail, Saudi Arabia. These financing arrangements comprise conventional bank borrowings of ₪ 7,613, export credit agencies ("ECA") facilities of ₪ 9,750 (Note 20 (e)), a Saudi Industrial Development Fund ("SIDF") facility of ₪ 6,000 (Note 20(j)) and a Wakala facility of ₪ 2,475 (Note 20(l)). The Company's share of these facilities amounts to ₪ 4,758, ₪ 6,094, ₪ 3,750, and ₪ 1,547, respectively. The amounts drawn under the facilities are repayable in semi-annual installments between 2028 to 2039. Commission is payable on amounts drawn and is calculated at a market rate plus a margin. At December 31, 2024, the outstanding amounts under the conventional bank borrowings, the SIDF facility and the Wakala facility were ₪ 2,625, ₪ 1,900 and ₪ 775, respectively, of which the Company's share was ₪ 1,641, ₪ 1,188 and ₪ 484, respectively. No amounts were drawn under the ECA facilities.
- (ii) In addition, Saudi Aramco has other facility agreements with a number of banks with a total carrying amount at December 31, 2024 of ₪ 24,921 (2023: ₪ 26,483). The facilities are primarily repayable in semi-annual installments from November 2008 to September 2045. Interest is payable on amounts drawn and is mainly calculated at a market rate plus a margin. As at December 31, 2024, an amount of ₪ 5,471 (2023: ₪ 1,759) was undrawn against these facilities.

Notes to the consolidated financial statements continued

All amounts in millions of Saudi Riyals unless otherwise stated

20. Borrowings continued

Borrowings – other than leases continued

(c) Short-term borrowings

Saudi Aramco has short-term borrowing facilities with a number of banks with a total carrying amount at December 31, 2024 of ₪ 21,242 (2023: ₪ 18,378), including debt factoring arrangements of ₪ 9,157 (2023: ₪ 4,237) and a financial liability related to repurchase agreements of nil (2023: ₪ 5,377). The maturity period of short-term facilities is less than one year and they incur interest at a market rate plus a margin. As at December 31, 2024, an amount of ₪ 16,241 (2023: ₪ 14,871) was available for drawdown against these facilities.

(d) Revolving credit facilities

On April 4, 2022, the Company entered into a new five-year common terms agreement for unsecured revolving credit facilities aggregating to ₪ 37,500 (\$10,000). The new facilities comprise USD denominated conventional facilities of ₪ 30,000 (\$8,000) and a SAR denominated Murabaha facility of ₪ 7,500 (\$2,000) (Note 20(i)). The conventional facilities also incorporate a ₪ 7,500 (\$2,000) swingline sublimit facility. The common terms agreement provides the framework and common lending terms for the facilities and the Company has the option of up to two extensions of one year each. The Company exercised the extension options in 2023 and 2024, and accordingly, the maturity date of the facilities has been extended till April 2029. The Company shall apply all amounts advanced to it under these facilities for general corporate purposes and towards its general working capital requirements. The entire amounts of these facilities were undrawn as at December 31, 2024 and 2023. In addition, Saudi Aramco has a number of other revolving credit facilities with an aggregate carrying amount of ₪ 703 (2023: ₪ 1,237), and undrawn amount of ₪ 6,176 (2023: ₪ 14,080) at December 31, 2024.

(e) Export credit agencies ("ECA")

Saudi Aramco has borrowing facilities with a number of export credit agencies aggregating to a carrying amount of ₪ 881 (2023: ₪ 1,597). The amounts borrowed are repayable in semi-annual installments from December 2014 to December 2039. Commission is payable on amounts drawn and is calculated at a market rate plus a margin. The undrawn amount at December 31, 2024 comprises the unutilized facility of ₪ 6,094 (Note 20(b)) (2023: nil).

(f) Public Investment Fund

Saudi Aramco has borrowing agreements with the PIF with a total carrying amount at December 31, 2024 of ₪ 416 (2023: ₪ 820). The amounts borrowed are repayable in semi-annual installments from December 2014 to December 2025. Commission is payable on amounts drawn and is calculated at a market rate plus a margin.

(g) Other financing arrangements

Other financing arrangements comprise borrowings from non-financial institutions under commercial terms.

On September 27, 2021, the Company entered into a financing arrangement with the Jazan Integrated Gasification and Power Company ("JIGPC"), a joint operation of Saudi Aramco, for an amount of ₪ 44,063. Upon closing Saudi Aramco recognized an amount of ₪ 21,226, representing the amount due to the other shareholders of JIGPC, in relation to the first tranche of ₪ 26,532 under the financing arrangement. The second tranche of ₪ 15,563 was received on January 19, 2023, of which ₪ 12,450 is the amount due to the other shareholders of JIGPC. The remaining amount to be received under the financing arrangement as at December 31, 2024 is ₪ 1,968. The total amount under the arrangement is repayable in monthly installments, commencing from October 2021 to October 2046.

(h) Sukuk

A Sukuk is a financial instrument similar to a bond that complies with Islamic financing principles.

- (i) On April 10, 2017, Saudi Aramco issued Sukuk for ₪ 11,250 at par value as part of a ₪ 37,500 program. The Sukuk issuance provides a return based on Saudi Arabian Interbank Offered Rate ("SAIBOR") plus a predetermined margin payable semi-annually on April 10 and October 10. In accordance with the terms of the Sukuk, 51% of the proceeds from issuance are invested in Mudaraba assets and the remaining 49% are used in a Murabaha arrangement. On March 28, 2024, the maturity date of the Sukuk was extended by one year from its original maturity date of April 10, 2024.
- (ii) On June 17, 2021, Saudi Aramco issued three tranches of USD denominated Sukuk trust certificates, under its Trust Certificate Issuance Programme, aggregating to an equivalent of ₪ 22,500 (\$6,000) at par value with semi-annual distributions on June 17 and December 17. The senior unsecured certificates consist of three-year maturities of ₪ 3,750 (\$1,000) with a profit rate of 0.946%, five-year maturities of ₪ 7,500 (\$2,000) with a profit rate of 1.602% and 10-year maturities of ₪ 11,250 (\$3,000) with a profit rate of 2.694%. In accordance with the terms of the Sukuk, 55% of the proceeds from issuance are structured as an Ijarah and the remaining 45% are structured as a Murabaha arrangement. The certificates were listed on the London Stock Exchange's Main Market and sold in accordance with Rule 144A/Regulation S under the U.S. Securities Act of 1933, as amended. The proceeds were for general corporate purposes and the Sukuk mature between 2024 and 2031. At initial recognition, the Company recorded an amount of ₪ 22,399 (\$5,973) for the issuance proceeds, net of transaction costs. On June 17, 2024, certificates with three-year maturities, aggregating to a principal amount of ₪ 3,750 (\$1,000) and with a profit rate of 0.946%, were repaid.

All amounts in millions of Saudi Riyals unless otherwise stated

20. Borrowings continued

Borrowings – other than leases continued

On October 2, 2024, Saudi Aramco issued two additional tranches of USD denominated Sukuk trust certificates under its Trust Certificate Issuance Programme, aggregating to an equivalent of ₪ 11,250 (\$3,000) and with semi-annual distributions on April 2 and October 2. The unsecured certificates consist of five-year maturities of ₪ 5,625 (\$1,500) with a profit rate of 4.25% and 10-year maturities of ₪ 5,625 (\$1,500) with a profit rate of 4.75%. In accordance with the terms of the Sukuk, 55% of the proceeds from issuance are structured as an Ijarah and the remaining 45% are structured as a Murabaha arrangement. The certificates are listed on the London Stock Exchange's Main Market and sold in accordance with Rule 144A/Regulation S under the U.S. Securities Act of 1933, as amended. The proceeds are for general corporate purposes. At initial recognition, the Company recorded an amount of ₪ 11,160 (\$2,976) for the issuance proceeds, net of transaction costs.

(i) Murabaha

On March 28, 2024, Murabaha borrowings of a subsidiary amounting to ₪ 938, repayable in semi-annual installments until 2029, were early settled by the subsidiary. At December 31, 2024, Saudi Aramco has various outstanding Murabaha borrowing facilities from a number of financial institutions, which are repayable in semi-annual installments from 2008 to 2032. Commission is payable on amounts drawn and is calculated at a market rate plus a margin. In addition, Saudi Aramco also has access to unutilized Murabaha facilities of ₪ 11,055 (2023: ₪ 10,320), including the SAR denominated Murabaha facility of ₪ 7,500 (Note 20(d)) (2023: ₪ 7,500).

(j) Saudi Industrial Development Fund

Saudi Aramco has various borrowing agreements with the Saudi Industrial Development Fund. The amounts borrowed are not subject to periodic financial charges and are repayable in semi-annual installments from 2008 to 2035. The undrawn amount at December 31, 2024 was ₪ 3,244 (Note 20(b)) (2023: nil).

(k) Ijarah/Procurement

Saudi Aramco has Procurement and Ijarah facility agreements with a number of banks. The facilities are repayable in semi-annual installments from 2014 to 2039. As at December 31, 2024, an amount of ₪ 165 (2023: ₪ 165) was undrawn under these facilities.

(l) Wakala

Saudi Aramco has Wakala facility agreements with a number of lenders. The facilities utilize a Wakala financing structure which is an agency arrangement. Amounts drawn under these facilities are repayable in installments on a semi-annual basis, from 2019 to 2038. At December 31, 2024, an amount of ₪ 1,208 (2023: ₪ 120) was undrawn under these facilities, which includes the undrawn Wakala facility amount of ₪ 1,063 (Note 20(b)).

Lease liabilities

Lease liabilities are effectively secured as the rights to the leased asset revert to the lessor in the event of default. The lessor has ownership of the assets during the term of the contract and is typically responsible for the operation, insurance and maintenance of the assets until termination of the underlying agreements. For certain leases, the lessor shall transfer its rights, title and interest in the assets to the lessee on the last day of the agreements; for others, there are no further obligations on completion of agreements. Performance guarantees are provided by the lessor under the terms of the agreements.

Expenses relating to short-term and low value leases were recognized in the consolidated statement of income for the year ended December 31, 2024, and amounted to ₪ 2,629 (2023: ₪ 956) and ₪ 236 (2023: ₪ 309), respectively.

The maturities of borrowings are as follows:

	No later than one year	Later than one year and no later than five years	Later than five years	Total contractual amount	Total carrying amount
2024					
Borrowings – other than leases	48,496	111,898	237,014	397,408	256,807
Leases	13,970	30,232	30,964	75,166	62,483
	62,466	142,130	267,978	472,574	319,290
2023					
Borrowings – other than leases	55,931	72,048	193,512	321,491	232,816
Leases	14,327	27,589	28,933	70,849	57,331
	70,258	99,637	222,445	392,340	290,147

Notes to the consolidated financial statements continued

All amounts in millions of Saudi Riyals unless otherwise stated

20. Borrowings continued

Lease liabilities continued

The movement of borrowings is as follows:

	Long-term borrowings	Short-term borrowings and revolving credit facilities	Lease liabilities	Total liabilities from financing activities
January 1, 2023	330,275	10,205	52,664	393,144
Cash flows	(111,999)	9,561	(13,639)	(116,077)
Non-cash changes:				
Lease additions	–	–	18,056	18,056
Foreign exchange adjustment	(141)	(214)	(96)	(451)
Transfer to liabilities associated with assets held for sale	(543)	–	–	(543)
Accretion of liabilities and others ¹	(4,391)	63	346	(3,982)
December 31, 2023	213,201	19,615	57,331	290,147
Cash flows	10,382	382	(18,307)	(7,543)
Non-cash changes:				
Lease additions	–	–	19,865	19,865
Foreign exchange adjustment	(1,356)	(460)	(128)	(1,944)
Accretion of liabilities and others	12,635	2,408	3,722	18,765
December 31, 2024	234,862	21,945	62,483	319,290

1. Amount for long-term borrowings includes a gain of 5,775 on prepayments of deferred consideration to PIF.

21. Post-employment benefits

Saudi Aramco sponsors or participates in several funded and unfunded defined benefit pension plans and other post-employment benefit plans that provide pension, severance, death, medical and other benefits to substantially all of its employees primarily in the Kingdom. The majority of the defined benefit plans for the Kingdom-based employees are governed under the Kingdom's Labor Law, applicable benefit plan laws of the USA, and/or Company policies. Benefits to employees of group companies are provided based on local regulations and practices of the respective jurisdiction.

Retirement benefits for defined benefit pension plans are paid, primarily, in the form of lump sum payments upon retirement based on final salary and length of service. Other post-employment benefits such as medical are used to cover retired employees and eligible dependents of retirees for medical services in line with the plan policy documents.

Royal Decree No. M/273 was issued on 26/12/1445H (corresponding to July 2, 2024) approving the new Social Insurance Law ("the Law"); effective on July 3, 2024. The Law, among other provisions, extends statutory and early retirement ages of some employees. The extension applies to all new contributors joining the workforce in the public and private sectors in the Kingdom, and applies to some existing contributors depending on both their contribution periods under the Civil Pension Law and the previous Social Insurance Law and their age on the Law's effective date. Based on an assessment performed, the Law does not have any material impact on Saudi Aramco's post-employment benefit plans.

At December 31, the net liability recognized for employee defined benefit plans in the consolidated balance sheet is as follows:

	2024	2023
Pension plans	(8,693)	(7,784)
Medical and other post-employment benefit plans	8,194	9,270
Net benefit (asset) liability	(499)	1,486
Represented by:		
Non-current assets	(27,365)	(24,661)
Non-current liabilities	26,866	26,147
Net benefit (asset) liability	(499)	1,486

All amounts in millions of Saudi Riyals unless otherwise stated

21. Post-employment benefits continued

The status of Saudi Aramco's pension and other post-employment defined benefit plans is as follows:

	Pension benefits		Other benefits	
	2024	2023	2024	2023
Net benefit obligation by funding:				
Present value of funded obligations	66,544	66,746	95,633	96,034
Fair value of plan assets	(81,293)	(80,258)	(95,348)	(94,380)
Benefit (surplus) deficit	(14,749)	(13,512)	285	1,654
Present value of unfunded obligations	6,056	5,728	7,909	7,616
Net benefit (asset) liability	(8,693)	(7,784)	8,194	9,270
Change in benefit obligations:				
Benefit obligations, January 1	72,474	66,912	103,650	95,640
Current service cost	3,641	3,169	2,944	2,220
Interest cost	3,810	3,255	5,595	5,265
Past service (gain) cost	(4)	563	(120)	23
Remeasurement	(2,295)	3,870	(5,663)	4,204
Plan participants' contribution	45	38	–	–
Benefits paid	(4,736)	(3,514)	(2,985)	(2,745)
Transfer to liabilities associated with assets held for sale	–	(2,556)	–	(211)
Foreign currency translation and other	(335)	737	121	(746)
Benefit obligations, December 31	72,600	72,474	103,542	103,650
Change in plan assets:				
Fair value of plan assets, January 1	(80,258)	(74,393)	(94,380)	(84,270)
Interest income	(4,154)	(4,024)	(5,085)	(4,718)
Remeasurement	214	(3,053)	2,108	(5,501)
Employer contributions	(2,350)	(3,188)	(851)	(2,636)
Benefits paid	4,736	3,514	2,985	2,745
Foreign currency translation and other	519	886	(125)	–
Fair value of plan assets, December 31	(81,293)	(80,258)	(95,348)	(94,380)
Net benefit (asset) liability at December 31	(8,693)	(7,784)	8,194	9,270

The weighted average duration of the pension benefit obligations is 11 years at December 31, 2024, and 12 years at December 31, 2023.

The weighted average duration of the other benefit obligations is 18 years at December 31, 2024, and 18 years at December 31, 2023.

Notes to the consolidated financial statements continued

All amounts in millions of Saudi Riyals unless otherwise stated

21. Post-employment benefits continued

The components of net defined benefit cost, before tax, are primarily recognized in producing and manufacturing, and selling, administrative and general expenses in the consolidated statement of income. Remeasurements are included in the consolidated statement of comprehensive income. Net defined benefit cost and remeasurements for the years ended December 31 are as follows:

	Pension benefits		Other benefits	
	2024	2023	2024	2023
Amounts recognized in net income:				
Current service cost	3,641	3,169	2,944	2,220
Past service (gain) cost	(4)	563	(120)	23
Net interest (income) cost	(344)	(769)	510	547
Other	–	–	15	(38)
	3,293	2,963	3,349	2,752
Amounts recognized in other comprehensive income:				
Losses (gains) from changes in demographic assumptions	191	(98)	–	323
(Gains) losses from changes in financial assumptions	(3,817)	2,336	(2,250)	4,699
Losses (gains) from changes in experience adjustments	1,331	1,632	(3,413)	(818)
Returns on plan assets (excluding interest income)	214	(3,053)	2,108	(5,501)
	(2,081)	817	(3,555)	(1,297)
Net defined benefit loss (gain) before income taxes	1,212	3,780	(206)	1,455

The present value of the defined benefit obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions, based in part on market conditions. Any changes in these assumptions will impact the carrying amount of the defined benefit obligations.

The significant assumptions used to determine the present value of the defined benefit obligations for the years ended December 31 are as follows:

	Pension benefits		Other benefits	
	2024	2023	2024	2023
Discount rate	5.6%	5.1%	5.8%	5.3%
Salary growth rate	5.3%	5.5%	5.0%	5.0%
Annual average medical claim cost, in whole SAR			33,469	31,800
Health care participation rate			95.0%	95.0%
Assumed health care trend rates:				
Cost-trend rate			7.0%	6.0%
Rate to which cost-trend is to decline			5.0%	5.0%
Year that the rate reaches the ultimate rate			2033	2026

All the above assumptions are reviewed and updated as necessary as part of the periodic actuarial valuation of the defined benefit obligations.

Saudi Aramco determines the discount rate used to calculate the present value of estimated future cash outflows expected to be required to settle the post-employment benefit plan obligations. In determining the appropriate discount rate, Saudi Aramco considers the interest rates of high-quality corporate bonds in the USA that have terms to maturity approximating the terms of the related defined benefit obligation.

The salary growth rate assumption is based on a study of recent years' salary experience and reflects management's outlook for future increases. The annual average medical claim cost assumption is based on medical costs incurred in external medical providers, on behalf of the Company's employees and retirees. The health care participation rate considers the historical participation rate, amongst others, derived from the best available historical data. The assumed health care cost-trend rates reflect Saudi Aramco's historical experience and management's expectations regarding future trends.

All amounts in millions of Saudi Riyals unless otherwise stated

21. Post-employment benefits continued

Mortality assumptions are reviewed regularly and set based on actuarial advice in accordance with best practice and statistics, adjusted to reflect the experience and improvements to longevity. Relevant life expectancies are as follows:

Life expectancy at age:	Saudi plans		U.S. plans	
	Male	Female	Male	Female
50	33.8	36.5	35.7	37.6
60	24.6	26.8	26.6	27.9
60 (currently aged 40)	26.4	28.4	28.0	29.4

The sensitivity of the overall defined benefit obligations to changes in the principal assumptions, keeping all other assumptions constant, is presented below. The sensitivity analysis may not be representative of an actual change in the defined benefit obligations as it is unlikely that changes in assumptions would occur in isolation from one another.

	Change in assumption	Impact on obligation	2024	2023
Ultimate health care cost-trend rates	Increase by 0.5%	Increase by	8,546	9,825
	Decrease by 0.5%	Decrease by	(7,586)	(8,648)
Discount rate - other benefits	Increase by 0.5%	Decrease by	(8,261)	(8,385)
	Decrease by 0.5%	Increase by	9,413	9,604
Discount rate - pension benefits	Increase by 0.5%	Decrease by	(3,596)	(3,795)
	Decrease by 0.5%	Increase by	3,934	4,028
Salary growth rate	Increase by 0.5%	Increase by	1,988	2,014
	Decrease by 0.5%	Decrease by	(2,119)	(2,213)
Annual average medical claim cost	Increase by 5%	Increase by	4,703	4,770
	Decrease by 5%	Decrease by	(4,691)	(4,770)
Life expectancy	Increase by 1 year	Increase by	3,458	3,484
	Decrease by 1 year	Decrease by	(3,465)	(3,664)
Health care participation rate	Increase by 5%	Increase by	1,256	1,260
	Decrease by 5%	Decrease by	(1,256)	(1,298)

Plan assets consist of the following:

	2024	2023
Cash	4,498	4,793
Equity instruments	33,638	31,712
Investment funds	69,198	62,178
Bonds	68,418	75,066
Sukuk (non-conventional)	889	889
	176,641	174,638

Plan assets are administered under the oversight of the Company or one of its subsidiaries and managed by independent trustees or separate entities, in a manner consistent with fiduciary obligations and principles, acting in the best interest of plan participants. The objectives of the plans are to maximize investment returns consistent with prudent risk over a long-term investment horizon in order to secure retiree benefits and minimize corporate funding.

Notes to the consolidated financial statements continued

All amounts in millions of Saudi Riyals unless otherwise stated

21. Post-employment benefits continued

All plan assets are held separately, solely to pay retiree benefits. Funded Saudi plans have the right to transfer assets held in excess of the plan's defined benefit obligation to another funded Saudi plan. The right to transfer such assets is solely in respect of amounts held in excess of the plan's defined benefit obligations and solely to plans with defined benefit obligations exceeding the value of assets held. Where Saudi Aramco has no rights to a refund of plan assets, surplus assets are recognized on the consolidated balance sheet on the basis that economic benefit can be gained through a reduction in future contributions.

Through its post-employment benefit plans, Saudi Aramco is exposed to a number of risks including asset volatility, changes in bond yields, inflation and life expectancy. Investment risk is minimized through diversification of investments among fixed income, equity, and alternative asset classes. Asset allocation is determined by an asset liability modeling study. The target asset allocation is, approximately, 17% (2023: 17%) equity instruments, 46% (2023: 46%) debt instruments, and 37% (2023: 37%) alternative assets. Inflation risk is partially offset by equities inflation and life expectancy risk is borne by Saudi Aramco.

Plan assets include transferable securities with a fair value of ₪ 2,964 (2023: ₪ 2,749) in the Company and its affiliated entities.

Employer contributions to defined benefit plans are estimated to be ₪ 2,760 in 2025. While the Saudi plans are not governed by regulatory minimum funding requirements, the funding objective is to reach full funding of the larger plans only. Asset outperformance is expected to meet the shortfall between assets and the assessed liabilities within a reasonable period. Funding for the U.S. plans sponsored by Aramco Shared Benefit Company, a wholly-owned subsidiary of the Company, is recommended by the actuary in order to meet Saudi Aramco's funding strategy to meet benefit plan expenses using applicable U.S. plan funding rules. Other plans follow local regulations or contractual obligations to meet minimum funding requirements.

In addition to the above plans, Saudi Aramco maintains or participates in defined contribution plans for which Saudi Aramco's legal or constructive obligation is limited to the contributions. The costs of the defined contribution plans, which are included principally within producing and manufacturing, and selling, administrative and general expenses in the consolidated statement of income, are ₪ 1,429 and ₪ 1,322 for the years ended December 31, 2024 and 2023, respectively (Note 26).

22. Provisions and other liabilities

	2024	2023
Asset retirement	13,529	15,150
Environmental	706	698
Derivative liabilities (Note 3)	1,980	2,011
Other non-current liabilities	14,829	10,346
	31,044	28,205

Asset retirement provisions relate to the future plugging and abandonment of oil and natural gas wells and the decommissioning of certain Downstream assets. The environmental provision is for the remediation of ground water and soil contamination. Payments to settle these provisions will occur on an ongoing basis and will continue over the lives of the operating assets, which can exceed 50 years for the time when it is necessary to abandon oil and natural gas wells. The amount and timing of settlement in respect of these provisions are uncertain and dependent on various factors that are not always within management's control. Derivative liabilities comprise financial liabilities relating to options and forward contracts.

The movements in asset retirement and environmental provisions are as follows:

	Asset retirement	Environmental
January 1, 2023	17,568	770
Revision to estimate	(3,461)	23
Additional provisions	664	30
Unwinding of discount	458	15
Amounts charged against provisions	(79)	(140)
December 31, 2023	15,150	698
Revision to estimate	(2,513)	23
Additional provisions	450	30
Unwinding of discount	476	11
Amounts charged against provisions	(34)	(56)
December 31, 2024	13,529	706

All amounts in millions of Saudi Riyals unless otherwise stated

23. Trade payables and other liabilities

	2024	2023
Trade payables	78,439	71,993
Accrued materials and services	42,480	44,633
Amounts due to related parties (Note 29(b))	13,740	13,823
Employee related payables	12,319	10,769
Derivative liabilities (Note 3)	1,680	3,197
Other	8,809	7,138
	157,467	151,553

Trade payables relating to certain contracts with provisional pricing arrangements are measured at fair value. The fair value was calculated using forward curves and future prices. These trade payables are classified as level 3 in the fair value hierarchy (Note 3(d)) due to the inclusion of unobservable inputs, including counterparty credit risk in the fair value calculation.

24. Revenue

	2024	2023
Revenue from contracts with customers	1,630,366	1,644,114
Movement between provisional and final prices	(637)	(549)
Other revenue	7,570	9,716
	1,637,299	1,653,281
Other revenue:		
Services provided to:		
Government, semi-Government and other entities with Government ownership or control (Note 29(a))	936	934
Third parties	2,708	2,168
Joint ventures and associates (Note 29(a))	301	210
Freight	694	555
Other	2,931	5,849
	7,570	9,716

Revenue from contracts with customers is measured at a transaction price agreed under the contract and the payment is due within 10 to 120 days from the invoice date depending on specific terms of the contract.

Transaction prices are not adjusted for the time value of money, as Saudi Aramco does not have any contracts where the period between the transfer of product to the customer and payment by the customer exceeds one year.

Disaggregation of revenue from contracts with customers

Saudi Aramco's revenue from contracts with customers according to product type and source is as follows:

	2024			
	Upstream	Downstream	Corporate	Total
Crude oil	671,412	131,728	–	803,140
Refined and chemical products	–	768,438	–	768,438
Natural gas and NGLs	47,304	6,273	–	53,577
Metal products	–	5,211	–	5,211
Revenue from contracts with customers	718,716	911,650	–	1,630,366
Movement between provisional and final prices	(58)	(579)	–	(637)
Other revenue	499	5,973	1,098	7,570
External revenue	719,157	917,044	1,098	1,637,299

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All amounts in millions of Saudi Riyals unless otherwise stated

24. Revenue continued

	2023			Total
	Upstream	Downstream	Corporate	
Crude oil	746,689	91,945	–	838,634
Refined and chemical products	–	750,355	–	750,355
Natural gas and NGLs	38,053	4,018	–	42,071
Metal products	–	13,054	–	13,054
Revenue from contracts with customers	784,742	859,372	–	1,644,114
Movement between provisional and final prices	(475)	(74)	–	(549)
Other revenue	375	7,390	1,951	9,716
External revenue	784,642	866,688	1,951	1,653,281

25. Purchases

	2024	2023
Refined and chemical products	287,873	277,022
Crude oil	185,912	162,236
NGL and other products	35,645	31,967
	509,430	471,225

Purchases primarily consist of refined products, chemicals, crude oil and NGL purchased from third parties for use in Downstream operations and to meet demand for products in the Kingdom when it exceeds Saudi Aramco's production of the relevant product. Saudi Aramco also purchases products from third parties in certain markets where it is more cost effective compared to procuring them from other business units.

26. Employee benefit expense

	2024	2023
Salaries and wages	55,528	49,530
Social security costs	3,209	3,280
Post-retirement benefits (Note 21):		
Defined benefit plans	6,642	5,715
Defined contribution plans	1,429	1,322
Share-based compensation (Note 17)	593	482
	67,401	60,329

27. Finance and other income

	2024	2023
Interest income	16,868	22,275
Investment income	3,386	3,166
Dividend income from investments in securities	463	411
Gain on partial prepayment of deferred consideration to PIF	–	5,775
Other	2,174	340
	22,891	31,967

28. Payments to the Government by Saudi Arabian Oil Company

	2024	2023
Income taxes (Note 8(c))	176,523	200,189
Royalties	187,982	213,216
Dividends	381,426	333,699

All amounts in millions of Saudi Riyals unless otherwise stated

29. Related party transactions

(a) Transactions

	2024	2023
Joint ventures:		
Revenue from sales	25,894	23,899
Other revenue (Note 24)	83	34
Interest income	206	23
Purchases	27,773	25,729
Service expenses	34	11
Associates:		
Revenue from sales	85,766	90,045
Other revenue (Note 24)	218	176
Interest income	353	124
Purchases	57,818	46,260
Service expenses	180	135
Government, semi-Government and other entities with Government ownership or control:		
Revenue from sales	37,376	23,355
Other income related to sales	164,375	203,092
Other revenue (Note 24)	936	934
Purchases	10,215	14,194
Service expenses	514	563
Lease expenses	1,178	1,015

Goods are purchased and sold according to supply agreements in force. Note 33 includes additional information on loans to joint ventures and associates.

(b) Balances

	2024	2023
Joint ventures:		
Other assets and receivables (Note 9)	3,888	5,378
Trade receivables	5,378	4,976
Interest receivable	645	581
Trade payables and other liabilities (Note 23)	6,365	6,236
Associates:		
Other assets and receivables (Note 9)	3,831	4,882
Trade receivables	18,739	12,971
Trade payables and other liabilities (Note 23)	4,576	6,139
Government, semi-Government and other entities with Government ownership or control:		
Other assets and receivables (Note 9)	5,634	1,151
Trade receivables	4,556	2,606
Due from the Government (Note 13)	38,274	49,378
Short-term investments with banks	5,749	38,138
Cash and cash equivalents held with banks	48,762	33,878
Trade payables and other liabilities (Note 23)	2,799	1,448
Borrowings	26,393	26,466

Sales to and receivables from Government, semi-Government and other entities with Government ownership or control are made on specific terms within the relevant regulatory framework in the Kingdom.

Notes to the consolidated financial statements continued

All amounts in millions of Saudi Riyals unless otherwise stated

29. Related party transactions continued

(c) Compensation of key management personnel

Key management personnel of Saudi Aramco included directors and senior executive management. The compensation paid or payable to key management for services is shown below:

	2024	2023
Short-term employee benefits	92	90
Post-employment benefits	56	58
Share-based compensation	29	34
Other long-term benefits	5	4
	182	186

(d) Other transactions with key management personnel

Other than as set out in Note 29(c), there were no reportable transactions between Saudi Aramco and members of key management personnel or their close family members during the year ended December 31, 2024 (2023: nil).

30. Hedging activities

Saudi Aramco uses interest rate swap contracts to manage exposure to interest rate risk mainly resulting from borrowings. These hedges are designated as cash flow hedges. Saudi Aramco also engages in hedging activities through the use of currency forward contracts in relation to firm commitments under procurement contracts and highly probable forecast transactions. These hedges are designated as fair value hedges and cash flow hedges, respectively.

The notional amounts of interest rate swap contracts and currency forward contracts designated as hedging instruments are as follows:

	2024	2023
Interest rate swaps	9,900	10,399
Currency forward contracts	7,916	4,794
	17,816	15,193

31. Non-cash investing and financing activities

Investing and financing activities during 2024 include: (a) increase in the carrying amount of the investment in Petro Rabigh due to the waiver of a non-current shareholder loan receivable, together with the accrued commission, aggregating to ₪ 1,935 (Note 35(b)(i)); (b) deferred consideration of ₪ 4,826 on the sale of the Saudi Iron and Steel Company ("Hadeed") (Note 34(a)); (c) deferred consideration of ₪ 375 on the sale of the Film & Sheet business (Note 34(b)); (d) additions to right-of-use assets of ₪ 20,989 (2023: ₪ 18,083); (e) asset retirement provisions of ₪ 343 (2023: ₪ 295); and (f) equity awards issued to employees of ₪ 381 (2023: ₪ 212).

32. Commitments

(a) Capital commitments

Capital expenditures contracted for but not yet incurred were ₪ 223,301 and ₪ 222,938 at December 31, 2024 and 2023, respectively. In addition, leases contracted for but not yet commenced were ₪ 38,496 and ₪ 26,369 at December 31, 2024 and 2023, respectively.

(b) International Maritime Industries Company ("IMI")

In 2017, Saudi Aramco Development Company ("SADCO"), a wholly-owned subsidiary of the Company, Maritime Offshore Limited, a wholly-owned subsidiary of Lamprell plc, Bahri and Korea Shipbuilding and Offshore Engineering Co., Ltd ("KSOE") formed a company, IMI, in which SADCO owns 40.1%, Maritime Offshore Limited owns 20%, Bahri owns 19.9% and KSOE owns 20%. In 2024, SADCO transferred its interest in IMI to one of its wholly-owned subsidiaries, Sofon Industries Company. The principal activities of IMI are the development, operation, and maintenance of a maritime yard under construction by the Government, as well as, the design, manufacture, maintenance and repair of ships and rigs. The maritime yard is divided into four main operational zones and completion of the construction of the individual zones will vary, with the final yard completion and handover expected in 2025. SADCO has committed to fund IMI up to ₪ 1,053 through equity contributions. At December 31, 2024, the full amount of ₪ 1,053 (2023: ₪ 1,053) has been drawn down by IMI. In addition, Saudi Aramco has guaranteed the purchase of 20 offshore rigs over a 10-year period beginning in 2023. Two rigs were delivered up to the end of 2024, and accordingly, the commitment as at December 31, 2024 for the 18 remaining rigs amounted to ₪ 20,250.

All amounts in millions of Saudi Riyals unless otherwise stated

32. Commitments continued

(c) Arabian Rig Manufacturing Company ("ARM")

In June 2018, SADCO and NOV Downhole Eurasia Limited formed a company, ARM (Note 40), to provide onshore land drilling manufacturing, equipment and services to Saudi Aramco Nabors Drilling Company and the Middle East and North Africa region. The Company committed to invest ₪ 225, of which, ₪ 207 is invested at December 31, 2024. In addition, SADCO has guaranteed the purchase of 50 onshore rigs over a 10-year period beginning in 2022. 10 of these rigs were delivered up to the end of 2024, and accordingly, the remaining commitment as at December 31, 2024 amounted to ₪ 7,667. SADCO has the option to cancel the rig orders for a maximum financial exposure of ₪ 1,050.

(d) Other

- (i) The Company and The Dow Chemical Company ("Dow") equally committed to comply with the Ministry of Energy feedstock agreement to support the development of Chemical Value Parks in the Kingdom in the total amount of ₪ 375. The first payment of approximately ₪ 38 will be deposited within one month from the date of supplying Sadara with additional ethane. The remaining funds will be paid over nine years at ₪ 38 annually. Saudi Aramco's commitment of ₪ 188 is outstanding at December 31, 2024.
- (ii) In order to comply with past Government directives, the Company expects to sell portions of its equity in SATORP and Yanbu Aramco Sinopec Refining Company Limited (Note 39) through a public offering of shares in Saudi Arabia.
- (iii) Saudi Aramco is committed to comply with the Government directive to guarantee that SATORP shall spend a total of ₪ 375 over a 10-year period ending December 31, 2025 on social responsibility programs. At December 31, 2024, ₪ 217 remains to be spent.
- (iv) Saudi Aramco is committed to comply with the Government directive to guarantee that Yanbu Aramco Sinopec Refining Company Limited shall spend a total of ₪ 375 on social responsibility programs by September 30, 2025. At December 31, 2024, ₪ 131 remains to be spent.
- (v) Saudi Aramco has commitments of ₪ 569 (2023: ₪ 492) to invest in private equity investments both inside and outside the Kingdom. Such commitments can be called on demand.
- (vi) Saudi Aramco has commitments of ₪ 35 (2023: ₪ 79) to fund additional loans and acquire additional unlisted equity investments of certain small to mid-sized enterprises in the Kingdom. The commitments can be called by the enterprises upon meeting certain conditions.
- (vii) Saudi Aramco has commitments of ₪ 3,865 (2023: ₪ 1,175) in relation to capital contributions for certain other affiliates.

33. Contingencies

Saudi Aramco has contingent assets and liabilities with respect to certain disputed matters, including claims by and against contractors and lawsuits and arbitrations involving a variety of issues. These contingencies arise in the ordinary course of business. It is not anticipated that any material adjustments will result from these contingencies.

Saudi Aramco also has contingent liabilities with respect to the following:

(a) Sadara

On March 25, 2021, Sadara entered into various agreements to restructure its senior project financing debt amounting to ₪ 37,280. Terms of the restructuring include a principal repayment grace period until June 2026 and an extension of the final maturity date from 2029 to 2038. In connection with the restructuring, the Company and Dow have agreed to guarantee up to an aggregate of ₪ 13,875 of senior debt principal and its associated interest in proportion to their ownership interests in Sadara. Further, the Company and Dow have agreed to provide guarantees and support, in proportion to their ownership interest in Sadara, for interest payment shortfalls on all outstanding senior debt until June 2026, working capital shortfall support up to ₪ 1,875 in 2030, as well as an undertaking to provide acceptable credit support to cover the required Debt Service Reserve Account balance, which needs to be funded prior to June 2026.

In addition to the senior debt restructuring, effective March 25, 2021, the Company, Dow (and/or their affiliates) and Sadara have also entered into agreements to (i) provide additional feedstock by increasing the allocated quantity of ethane and natural gasoline supplied by Saudi Aramco, and (ii) gradually increase Saudi Aramco's rights to market, through SABIC, its equity share of finished products produced by Sadara (subject to certain agreed terms) over the next five to 10 years. The Company has provided a guarantee for the payment and performance obligations of SABIC under the Product Marketing and Lifting Agreement.

On June 17, 2021, Excellent Performance Chemical Company ("EPCC"), a wholly-owned subsidiary of the Company, and Sadara entered into a ₪ 1,500 subordinated revolving credit facility to provide shortfall funding to Sadara. The facility, originally scheduled to mature in June 2023, has been extended till June 2026. As of December 31, 2024, the facility was not utilized.

With respect to Sadara's fuel and feedstock allocation, Saudi Aramco has provided two letters of credit to the Ministry of Energy for ₪ 169 and ₪ 152 to construct epoxy plants and for the development of projects to support conversion industries in the Kingdom.

Notes to the consolidated financial statements continued

All amounts in millions of Saudi Riyals unless otherwise stated

33. Contingencies continued

(b) Petro Rabigh

In 2020, the two founding shareholders of Petro Rabigh, the Company and Sumitomo Chemical Co., Ltd. ("Sumitomo"), entered into a debt service undertaking with lenders of the Rabigh II Project, whereby each founding shareholder, on a several basis, undertakes to pay 50% of any shortfalls in scheduled (and not accelerated) Rabigh II debt service on each Rabigh II payment date until the earlier of the final Rabigh II repayment date in June 2032 or the full repayment of ₪ 5,625 of the equity bridge loans ("EBLs"). The semi-annual scheduled principal debt service under the Rabigh II financing is approximately ₪ 890.

On September 30, 2020, Petro Rabigh entered into revolving loan facilities in an aggregate amount of ₪ 5,625 with the Company and Sumika Finance Company Limited, a wholly-owned subsidiary of Sumitomo. The facilities were fully drawn in 2024 (2023: ₪ 3,525). In August 2024, the Company and Sumitomo agreed to a phased waiver of the outstanding amount under these facilities, which will result in a direct reduction of ₪ 5,625 in Petro Rabigh's liabilities and accumulated losses (Note 35(b)(i)). In 2020, Petro Rabigh also entered into another revolving loan facility for ₪ 1,875 with the Company, out of which ₪ 113 was utilized as at December 31, 2024. The maturity date of this facility was extended to December 31, 2025 in the current year.

The founding shareholders arranged EBLs in an aggregate amount of ₪ 11,250 which the founding shareholders guarantee on a several and equal basis, to meet the equity financing requirements under the senior finance agreements. Petro Rabigh repaid ₪ 1,940 of the EBLs out of the proceeds of the rights issuance in July 2022. The remaining EBLs of ₪ 9,310 matured on March 20, 2023 and were refinanced by Petro Rabigh. Under the refinancing arrangement, Sumitomo guaranteed its share of the EBLs, amounting to ₪ 4,655, that was fully financed by external lenders. In addition, the Company, through its wholly-owned subsidiary, Aramco Overseas Company B.V. ("AOC"), provided Petro Rabigh EBLs of ₪ 3,000, while the remaining amount of its share, amounting to ₪ 1,655, was provided by external lenders and was guaranteed by the Company. The refinanced EBLs mature on December 20, 2027.

(c) Noor Al Shuaibah Holding Company

On May 2, 2023, Saudi Aramco Power Company ("SAPCO"), a wholly-owned subsidiary of the Company, entered into a shareholders' agreement with the Water and Electricity Holding Company ("Badeel"), wholly-owned by PIF, and ACWA Power Company, to invest in Noor Al Shuaibah Holding Company for the development of Al Shuaibah 1 and Al Shuaibah 2 solar photovoltaic power generating plants in Makkah province in the Kingdom ("Al Shuaibah Projects"). Al Shuaibah Projects will have a combined capacity of over 2.6 gigawatts and commercial operations are expected to commence by 2025. The estimated total cost of the Al Shuaibah Projects is ₪ 8,919 which will be funded through a mix of senior debt financing and equity bridge loans. The Company guaranteed SAPCO's 30% share of the equity bridge loans, amounting to approximately ₪ 800, under the terms of the project financing. The equity bridge loans were fully drawn as of December 31, 2024. Further, additional guarantees amounting to ₪ 347 have been provided to support SAPCO's obligations related to the Al Shuaibah Projects.

(d) Haden, Muwayh and Al-Khushaybi Solar Power Projects

On July 23, 2024, SAPCO, a wholly-owned subsidiary of the Company, entered into various shareholder agreements with the Water and Electricity Holding Company ("Badeel"), wholly-owned by PIF, and Oasis Power Two Renewable Energy Company, wholly-owned by ACWA Power Company, to invest in the development of the Haden, Muwayh and Al-Khushaybi solar photovoltaic power generating plants in the Kingdom (the "Projects"). The Projects, with a combined power generation capacity of 5.5 gigawatts, are expected to commence commercial operations by 2027. The estimated total cost of the Projects is ₪ 12,042, which will be funded through a mix of senior external debt financing and equity bridge loans. SAPCO's 30% share of the equity bridge loans, amounting to ₪ 833, is being provided through AOC, a wholly-owned subsidiary of the Company. As at December 31, 2024, the amounts drawn under the equity bridge loans amounted to ₪ 311. In addition, the Company has provided guarantees, amounting to ₪ 816 to support SAPCO's obligations related to the Projects.

(e) Other

Saudi Aramco has provided guarantees of ₪ 1,855 (2023: ₪ 1,863) in relation to borrowings and other obligations of certain other affiliates, arising in the ordinary course of business.

All amounts in millions of Saudi Riyals unless otherwise stated

34. Assets held for sale

(a) Saudi Iron and Steel Company ("Hadeed")

On September 3, 2023, SABIC, a subsidiary of Saudi Aramco, announced the signing of an agreement to sell its 100% shareholding in the Saudi Iron and Steel Company ("Hadeed") to PIF. This transaction enables SABIC, which is part of the Downstream segment, to optimize its portfolio and focus on its core business. Following the signing of the agreement, assets and liabilities of Hadeed were classified as held for sale, and were presented separately on the consolidated balance sheet.

On May 31, 2024, SABIC obtained all approvals from the relevant authorities and satisfied all conditions in addition to the transfer of ownership of Hadeed to PIF. SABIC received cash consideration of ₪ 1,163, and recognized deferred consideration of ₪ 3,032 and ₪ 1,794 within current and non-current other assets and receivables, respectively.

Hadeed's total assets and liabilities derecognized on May 31, 2024, the date of the sale, were ₪ 19,072 and ₪ 9,848, respectively. These comprised property, plant and equipment and intangible assets of ₪ 8,270, other assets of ₪ 10,802, post-employment benefit obligations of ₪ 2,901, and other liabilities of ₪ 6,947. A loss on fair value measurement of ₪ 3,219, to reduce the carrying amount of the assets to their fair value less costs to sell, was recognized in the 2023 consolidated financial statements. In addition, a fair value loss of ₪ 304 was recognized during 2024.

(b) Film & Sheet business

In 2024, SABIC completed the sale of its Film & Sheet business for a consideration of ₪ 937. The carrying values of the total assets and liabilities of the Film & Sheet business, classified as held for sale during the year, amounting to ₪ 1,079 and ₪ 433, respectively, were derecognized. SABIC received cash consideration of ₪ 562 and recognized a deferred consideration of ₪ 375. A gain of ₪ 291 was recognized at the consolidated level.

(c) ALBA

On September 17, 2024, SABIC announced the signing of an agreement for the sale of its 20.62% shareholding in ALBA, an equity accounted associate, to Saudi Arabian Mining Company (Ma'aden). The carrying amount of the investment in ALBA, classified as held for sale and presented separately on the consolidated balance sheet, amounted to ₪ 3,294 at December 31, 2024. Subsequently, on February 19, 2025, SABIC announced the completion of the sale of the shares for cash proceeds of BHD 363 million (approximately ₪ 3,612).

35. Investments in affiliates and securities

(a) Investments in subsidiaries

(i) Esmax Distribución SpA ("Esmax")

On March 1, 2024, the Company announced the completion of the acquisition of a 100% equity stake in Esmax Distribución SpA ("Esmax"), through its wholly-owned subsidiary, AOC, from Southern Cross Group, a Latin America-focused private equity company, for a cash payment of ₪ 1,373, subject to customary adjustments. The customary adjustments resulted in the receipt of ₪ 22 in the third quarter of 2024. 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 represents Saudi Aramco's first downstream retail investment in South America and enables it to secure outlets for its refined products, including fuel placement from Motiva. It also creates a platform to launch the Aramco brand in South America while strengthening its downstream value chain and unlocks new market opportunities for its Valvoline-branded lubricants.

The transaction resulted in Saudi Aramco obtaining control of Esmax. Saudi Aramco accounts for acquisitions of subsidiaries using the acquisition method of accounting. This requires recognition of the assets acquired and liabilities assumed at fair value as of the acquisition date. Based on the purchase price allocation, as performed by an independent valuer, the total identifiable net assets and goodwill carrying amounts are ₪ 1,096 and ₪ 255, respectively.

Post-acquisition, Esmax contributed revenues of ₪ 7,796 and net income of ₪ 8, which are included in the consolidated statement of income. If the acquisition had occurred on January 1, 2024, management estimates that consolidated revenue and net income for the year ended December 31, 2024 would have been higher by ₪ 1,564 and ₪ 15, respectively.

(ii) Valvoline Inc.'s global products business

On March 1, 2023, AOC, a wholly-owned subsidiary of the Company, acquired a 100% equity interest in Valvoline Inc.'s global products business ("VGP Holdings LLC") for a cash consideration of ₪ 10,338 (\$2,757), including customary adjustments. VGP Holdings LLC is one of the leading worldwide independent producer and distributor of premium branded automotive, commercial and industrial lubricants, and automotive chemicals. This strategic acquisition is expected to complement Saudi Aramco's line of premium branded lubricant products, optimize its global base oils production capabilities, and expand its own research and development activities and partnerships with original equipment manufacturers.

The transaction resulted in Saudi Aramco obtaining control of VGP Holdings LLC. Saudi Aramco accounts for acquisitions of subsidiaries using the acquisition method of accounting. This requires recognition of the assets acquired and liabilities assumed at fair value as of the acquisition date.

Notes to the consolidated financial statements continued

All amounts in millions of Saudi Riyals unless otherwise stated

35. Investments in affiliates and securities continued

(a) Investments in subsidiaries continued

Saudi Aramco engaged an independent valuer in order to determine the fair value of the assets and liabilities of VGP Holdings LLC as part of the purchase price allocation process. The fair values of the identifiable assets and liabilities are as follows:

Cash and cash equivalents	460
Trade receivables, inventories and other current assets	3,854
Property, plant and equipment (Note 5)	2,285
Intangible assets (Note 6)	4,628
Other non-current assets	512
Trade payables and other current liabilities	(1,275)
Non-current liabilities	(536)
Total identifiable net assets at fair value	9,928
Goodwill (Note 6)	410
Purchase consideration	10,338

Acquisition and transaction costs of ₪ 161 were expensed as selling, administrative and general expenses in the consolidated statement of income for the year ended December 31, 2023.

Post-acquisition, VGP Holdings LLC contributed revenues of ₪ 9,428 and net income of ₪ 668 for the year ended December 31, 2023 which are included in the consolidated statement of income. If the acquisition had occurred on January 1, 2023, management estimates that consolidated revenue and net income for the year ended December 31, 2023 would have been higher by ₪ 11,189 and ₪ 802, respectively.

(b) Investments in joint ventures and associates

(i) Petro Rabigh

On August 7, 2024, the Company and Sumitomo, the founding shareholders of Petro Rabigh, signed a definitive agreement whereby the Company will acquire an additional 22.5% stake in Petro Rabigh from Sumitomo for ₪ 2,632. Upon completion of the transaction, which is priced at ₪ 7 per share, the Company will become Petro Rabigh's largest shareholder with an equity stake of 60%, while Sumitomo will retain a stake of 15%. The completion of the transaction, which is subject to customary closing conditions including regulatory approvals and other third-party approvals, is expected in the second quarter of 2025. The transaction aligns with Saudi Aramco's downstream expansion and is part of a package of financial measures intended to reinforce Petro Rabigh's financial position.

Under the terms of the agreement, all proceeds received by Sumitomo from the sale will be injected into Petro Rabigh, through a mechanism to be agreed with Petro Rabigh. The Company will also provide additional funds to Petro Rabigh, via a mechanism also to be agreed, equivalent to the ₪ 2,632 from Sumitomo.

In addition, the Company and Sumitomo agreed to a phased waiver of revolving shareholder loans of approximately ₪ 2,813 each, which will result in a direct reduction of ₪ 5,625 in Petro Rabigh's liabilities and accumulated losses (Note 33(b)). In August 2024, both parties completed an initial waiver of their respective shareholder loans amounting to ₪ 1,875 each. Accordingly, the Company recognized the waiver of its shareholder loan receivable, together with the accrued commission, aggregating to ₪ 1,935, by increasing the carrying amount of the investment in Petro Rabigh. Subsequently, in January 2025, both parties completed the waiver of the remaining amounts of their respective shareholder loans of approximately ₪ 938 each. The Company recognized the waiver of its share of the loans as an increase in the carrying amount of the investment in Petro Rabigh in the first quarter of 2025.

(ii) Blue Hydrogen Industrial Gases Company ("BHIG")

On July 16, 2024, SADCO, a wholly-owned subsidiary of the Company, entered into definitive agreements to acquire an equity interest in Blue Hydrogen Industrial Gases Company ("BHIG"), a wholly-owned subsidiary of Air Products Qudra for Energy ("APQ"). BHIG, a company based in the Kingdom, aims to produce lower-carbon hydrogen while capturing and storing CO₂. This investment highlights Saudi Aramco's ambition to expand its new energies portfolio. Subsequently, the transaction closed on January 27, 2025 with Saudi Aramco acquiring a 50% stake in BHIG.

(iii) Gas & Oil Pakistan Limited ("GO")

On May 31, 2024, Aramco Asia Singapore Pte. Ltd., a wholly-owned subsidiary of the Company, completed the acquisition of a 40% equity stake in Gas & Oil Pakistan Limited ("GO"), for a purchase consideration of ₪ 279. GO is a diversified downstream fuels, lubricants and convenience stores operator in Pakistan, with a network of more than 1,200 retail fuel stations. The transaction represents Saudi Aramco's first downstream retail investment in Pakistan, advancing the Company's strategy to strengthen its downstream value chain internationally. The investment in GO has been accounted for as a joint venture.

All amounts in millions of Saudi Riyals unless otherwise stated

35. Investments in affiliates and securities continued

(b) Investments in joint ventures and associates continued

(iv) MidOcean Holdings II, L.P. ("MidOcean")

On September 27, 2023, AOC, a wholly-owned subsidiary of the Company, entered into definitive agreements to acquire a strategic minority stake in MidOcean Holdings II, L.P. ("MidOcean"), which in turn owns MidOcean Energy, LLC ("MidOcean Energy"). MidOcean Energy is a Liquefied Natural Gas ("LNG") company, formed and managed by EIG Global Energy Partners with the objective of building a high-quality, long-term LNG portfolio, and has recently acquired interests in a portfolio of LNG projects in Australia and Peru. This strategic partnership marks Saudi Aramco's first international investment in LNG. The transaction closed on March 21, 2024, with Saudi Aramco investing ₪ 195, followed by additional investments during the second half of 2024, aggregating to ₪ 969, which include contributions in connection with the increase of MidOcean Energy's interest in Peru LNG from 20% to 35%. The investment in MidOcean has been accounted for as an associate. Saudi Aramco's equity interest and associated rights in MidOcean can vary depending upon the future investments MidOcean makes and the extent of Saudi Aramco's capital contribution to those investments.

(v) Huajin Aramco Petrochemical Co., Ltd. ("HAPCO")

On March 25, 2023, AOC, a wholly-owned subsidiary of the Company, entered into definitive agreements with North Huajin Chemical Industries Group Corporation ("North Huajin") and Panjin Xincheng Industrial Group Co., Ltd. ("Panjin Xincheng") to construct the HAPCO refinery and petrochemical complex in Panjin City, Liaoning Province, China. AOC owns a 30% interest in HAPCO, while North Huajin and Panjin Xincheng own 51% and 19%, respectively. The investment in HAPCO has been accounted for as an associate. The complex, expected to be completed in 2026 with an estimated construction cost of RMB 83.7 billion (₪ 43,000), will be financed through a combination of debt and equity. The facility will combine a 300,000 barrels per day ("bpd") refinery and a petrochemical plant with annual production capacity of 1.65 million metric tons of ethylene and 2 million metric tons of paraxylene. Saudi Aramco's share of the equity contribution is RMB 8.4 billion (₪ 4,315), of which RMB 1.9 billion (₪ 976) was undrawn as at December 31, 2024.

(c) Investment in securities

(i) HORSE Powertrain Limited ("HORSE")

On December 2, 2024, the Company announced the completion of the acquisition of a 10% equity interest in HORSE Powertrain Limited ("HORSE"), through its wholly-owned subsidiary Aramco Asia Singapore Pte. Ltd., alongside Renault S.A.S., Zhejiang Geely Holding Group Co., Ltd. and Geely Automobile Holdings Limited. The completion follows the signing of definitive agreements on June 28, 2024, and receipt of all applicable regulatory approvals. The purchase price of ₪ 2,576 was paid in cash and is subject to certain customary adjustments. HORSE develops, manufactures and supplies energy-efficient internal combustion and hybrid powertrains and transmissions to partners around the world. Saudi Aramco's investment in HORSE aims to enhance the Company's contribution to the global energy transition through the development and commercialization of more efficient mobility solutions. Saudi Aramco recognized the transaction as an equity investment at FVOCI within investments in securities.

(ii) Rongsheng Petrochemical

On July 21, 2023, the Company announced the completion of the acquisition of a 10% equity interest in Rongsheng Petrochemical from Zhejiang Rongsheng Holding Group Co., Ltd., through its wholly-owned subsidiary, AOC, for a total transaction value of RMB 24.6 billion (₪ 12,767). The acquisition of the equity interest in Rongsheng Petrochemical, a company listed on the Shenzhen Stock Exchange in China, follows the signing of definitive strategic agreements by the companies, as announced on March 27, 2023. Among other assets, Rongsheng Petrochemical owns a 51% equity interest in Zhejiang Petroleum & Chemical Co., Ltd. ("ZPC"), which in turn owns and operates the largest integrated refining and chemicals complex in China with a capacity to process 800,000 bpd of crude oil and to produce 4.2 million metric tons of ethylene per year. Through this strategic arrangement, Saudi Aramco would significantly expand its downstream presence in China, including supplying 480,000 bpd of crude oil to ZPC, under a long-term sales agreement. Upon completion, Saudi Aramco recognized an equity investment at FVOCI of ₪ 6,399 within investments in securities (Note 10), and a non-current other asset of ₪ 5,932 (Note 9), relating to a payment made for the long-term sales agreement, which is amortized over the term of the agreement. In addition, a loss of ₪ 436 was recognized in selling, administrative and general expenses in the consolidated statement of income, representing fair value changes to the market price up to the completion date.

Notes to the consolidated financial statements continued

All amounts in millions of Saudi Riyals unless otherwise stated

36. Dividends

	2024	2023	SAR per share	
			2024	2023
Dividends declared and paid each quarter:				
March	116,503	73,150	0.4815	0.3326
June	116,517	73,160	0.4815	0.3024
September	116,447	110,181	0.4815	0.4554
December	116,451	110,183	0.4815	0.4554
Total ¹	465,918	366,674	1.9260	1.5458
Dividends declared on March 3, 2025 and March 8, 2024 ²	80,104	116,503	0.3312	0.4815

1. Includes ₪ 161,593 (₪ 0.6680 per share) of performance-linked dividends for the year ended December 31, 2024 (2023: ₪ 74,035 (₪ 0.3060 per share)). Performance-linked dividends were first declared and paid in the third quarter of 2023.
2. Dividend of ₪ 80,104 (₪ 0.3312 per share) represents a base dividend of ₪ 79,282 (₪ 0.3278 per share) and a performance-linked dividend of ₪ 822 (₪ 0.0034 per share). These dividends are not reflected in the consolidated financial statements and will be deducted from unappropriated retained earnings in the first quarter of 2025.

On May 8, 2023, after obtaining necessary approvals from the competent authorities, the EGA approved the increase of the Company's share capital by ₪ 15,000 and the commensurate increase of the number of the Company's issued ordinary shares by 22 billion without par value. Such increase was effected through capitalization of the Company's retained earnings. Each shareholder was granted one (1) bonus share for every ten (10) shares owned. The Company's share capital after the increase is ₪ 90,000, divided into 242 billion fully paid ordinary shares with equal voting rights without par value.

37. Earnings per share

The following table reflects the net income and number of shares used in the earnings per share calculations:

	2024	2023
Net income attributable to the ordinary shareholders of the Company	393,891	452,753
Weighted average number of ordinary shares (in millions) (Note 2(cc)) ¹	241,894	241,933
Earnings per share for net income attributable to the ordinary shareholders of the Company (in Saudi Riyals) ¹	1.63	1.87

1. Earnings per share for the year ended December 31, 2023 was calculated by retrospectively adjusting the weighted average number of outstanding shares to reflect the effect of the issuance of bonus shares approved on May 8, 2023 (Note 36).

Potential ordinary shares during the year ended December 31, 2024, related to employees' share-based compensation in respect of employee share plans that were awarded to the Company's eligible employees under those plan terms (Note 17). These share plans did not have a significant dilution effect on basic earnings per share for the years ended December 31, 2024 and 2023.

All amounts in millions of Saudi Riyals unless otherwise stated

38. Subsidiaries of Saudi Arabian Oil Company

	Principal business activity	Percent ownership ¹	Place of business/ country of incorporation	Conventional financial assets as of December 31, 2024 ^{2,3}	Conventional financial liabilities as of December 31, 2024 ³	Interest income from conventional financial assets for the year ended December 31, 2024 ³
A. Wholly-owned:						
4 Rivers Energy LLC	Retail fuel operations	100%	USA	–	–	–
AlQadsiah Club Company	Sports club	100%	Saudi Arabia	289	131	1
AOC Management Consultancies LLC	Consulting services	100%	UAE	–	–	–
Aramco (Beijing) Venture Management Consultant Co., Ltd.	Investment	100%	China	10	15	–
Aramco Affiliated Services Company	Support services	100%	USA	1	–	–
Aramco Asia India Private Limited	Purchasing and other services	100%	India	8	20	–
Aramco Asia Japan K.K.	Purchasing and other services	100%	Japan	50	438	6
Aramco Asia Korea Limited	Marketing and vendor sourcing activities	100%	South Korea	65	21	1
Aramco Asia Singapore Pte. Ltd.	Purchasing and other services	100%	Singapore	32,765	133	573
Aramco Associated Company	Aircraft operations	100%	USA	222	206	18
Aramco Capital Company, LLC	Aircraft leasing	100%	USA	68	–	3
Aramco Chemicals Company	Chemicals	100%	Saudi Arabia	462	25	20
Aramco Far East (Beijing) Business Services Co., Ltd.	Petrochemical purchasing, sales and other services	100%	China	528	95	19
Aramco Financial Services Company	Financing	100%	USA	178	–	8
Aramco Fuels Poland sp. z o.o.	Wholesale fuel operations	100%	Poland	152	1,506	19
Aramco Gulf Operations Company Limited	Production and sale of crude oil	100%	Saudi Arabia	3,543	2,270	349
Aramco Innovations Limited Liability Company	Research and commercialization	100%	Russia	10	12	–
Aramco International Gas Holding Co B.V.	Financing	100%	Netherlands	–	–	–
Aramco InvestCo GP B.V.	Financing	100%	Netherlands	–	–	–
Aramco InvestCo NewCo Sub B.V.	Financing	100%	Netherlands	–	–	–
Aramco InvestCo, LP	Financing	100%	Scotland	–	–	–
Aramco Lubricants and Retail Company	Retail fuel marketing	100%	Saudi Arabia	47	88	–
Aramco Overseas – Egypt	Personnel and other support services	100%	Egypt	–	–	–
Aramco Overseas Company B.V.	Purchasing and other services	100%	Netherlands	16,587	2,361	1,037
Aramco Overseas Company Spain, S.L.	Personnel and other support services	100%	Spain	–	2	–
Aramco Overseas Company UK Limited	Personnel and other support services	100%	United Kingdom	1	52	1
Aramco Overseas Malaysia SDN. BHD.	Personnel and other support services	100%	Malaysia	33	11	–
Aramco Performance Materials LLC	Petrochemical manufacture and sales	100%	USA	–	–	–
Aramco Services Company	Purchasing, engineering and other services	100%	USA	1,788	433	74
Aramco Shared Benefits Company	Benefits administration	100%	USA	2	1	–
Aramco Sohar Overseas SPC	Personnel and other support services	100%	Oman	–	–	–
Aramco Trading Americas Holding Inc.	Holding company	100%	USA	2	–	2
Aramco Trading Americas LLC	Purchasing and sale of petroleum goods and other services	100%	USA	1,770	22,103	109

Notes to the consolidated financial statements continued

All amounts in millions of Saudi Riyals unless otherwise stated

38. Subsidiaries of Saudi Arabian Oil Company continued

	Principal business activity	Percent ownership ¹	Place of business/ country of incorporation	Conventional financial assets as of December 31, 2024 ^{2,3}	Conventional financial liabilities as of December 31, 2024 ³	Interest income from conventional financial assets for the year ended December 31, 2024 ³
Aramco Trading Company	Importing, exporting and trading of crude oil, refined and chemical products	100%	Saudi Arabia	15,177	6,403	548
Aramco Trading Dubai Company Limited	Importing, exporting and trading of crude oil and refined products	100%	UAE	–	22	–
Aramco Trading Fujairah FZE	Importing and exporting refined products	100%	UAE	1,487	5,386	38
Aramco Trading Limited	Importing and exporting refined products	100%	United Kingdom	953	2,210	42
Aramco Trading Singapore Pte. Ltd.	Marketing and sales support	100%	Singapore	1,918	7,789	116
Aramco Valvoline Global Holding Corp.	Holding company	100%	USA	–	–	–
VGP Holdings LLC	Holding company	100%	USA	1,288	1,814	70
Ellis Enterprises B.V.	Product sales and manufacturing/ distribution	100%	Netherlands	2	–	7
Ellis Enterprises East doo Kruševac	Product sales and manufacturing/ distribution	100%	Serbia	7	–	–
Lex Capital LLC	Financing/funding company	100%	USA	4	–	–
P.T. Valvoline Lubricants and Chemicals Indonesia	Product sales	100%	Indonesia	3	–	–
Qingdao Valvoline Automotive Services Co., Ltd.	Product sales	100%	China	–	–	–
Valvoline (Australia) Pty. Limited	Product sales and manufacturing/ distribution	100%	Australia	29	–	1
Valvoline (Deutschland) GmbH	Product sales	100%	Germany	–	–	–
Valvoline (Shanghai) Chemical Co., Ltd.	Product sales	100%	China	39	26	–
Valvoline (Thailand) Ltd.	Product sales	100%	Thailand	26	–	–
Valvoline (Zhangjiagang) Lubricants Co., Ltd.	Manufacturing and distribution	100%	China	16	87	–
Valvoline Canada Corp.	Product sales and manufacturing/ distribution	100%	Canada	7	–	–
Valvoline Canada Holdings B.V.	Holding company	100%	Netherlands	–	–	–
Valvoline Europe Holdings LLC	Holding company	100%	USA	–	–	–
Valvoline Holdings 2 B.V.	Holding company	100%	Netherlands	21	–	9
Valvoline Holdings Pte. Ltd.	Holding company	100%	Singapore	1	–	–
Valvoline Indonesia Holdings LLC	Holding company	100%	USA	–	–	–
Valvoline International de Mexico S. de R.L. de C.V.	Product sales	100%	Mexico	62	–	–
Valvoline International Holdings Inc.	Holding company	100%	USA	–	–	–
Valvoline International Inc.	Product sales	100%	USA	–	–	–
Valvoline International Servicios de Mexico S. de R.L. de C.V.	Payroll/employment	100%	Mexico	1	–	–
Valvoline Investments B.V.	Investing/holding company	100%	Netherlands	–	–	–
Valvoline Italy S.r.l.	Product sales	100%	Italy	–	–	–

All amounts in millions of Saudi Riyals unless otherwise stated

38. Subsidiaries of Saudi Arabian Oil Company continued

				Conventional financial assets as of December 31, 2024 ^{2,3}	Conventional financial liabilities as of December 31, 2024 ³	Interest income from conventional financial assets for the year ended December 31, 2024 ³
	Principal business activity	Percent ownership ¹	Place of business/ country of incorporation			
Valvoline Lubricants & Solutions India Private Limited	Payroll/employment	100%	India	9	–	–
Valvoline ME FZE	Product sales	100%	UAE	–	–	–
Valvoline Middle East DMCC	Holding company	100%	UAE	2	–	4
Valvoline New Zealand Limited	Product sales	100%	New Zealand	4	–	–
Valvoline Poland Sp. z.o.o.	Product sales	100%	Poland	7	–	–
Valvoline Pte Ltd.	Product sales	100%	Singapore	29	–	–
Valvoline South Africa Proprietary Ltd	Product sales	100%	South Africa	9	–	–
Valvoline Spain S.L.	Product sales	100%	Spain	3	–	–
Valvoline UK Limited	Product sales	100%	United Kingdom	–	–	–
VCA Solutions, LLC	Product sales	100%	USA	30	7	–
VGP IPCo LLC	IP company	100%	USA	–	–	–
Aramco Venture Management Consultant Company LLC	Consulting services	100%	USA	5	10	–
Aramco Ventures (India) Management Consultant Private Limited	Consulting services	100%	India	–	–	–
Aramco Ventures Company	Investment	100%	Saudi Arabia	389	–	–
Aramco Ventures Limited (formerly, SAEV Europe Limited)	Investment	100%	United Kingdom	10	7	–
Aramco Ventures LLC (formerly, Saudi Aramco Energy Ventures US LLC)	Investment	100%	USA	17	14	–
ARLANXEO Holding B.V.	Development, manufacture, and marketing of high-performance rubber	100%	Netherlands	359	2,544	19
ARLANXEO Belgium N.V.		100%	Belgium	–	10	–
ARLANXEO Branch Offices B.V.		100%	Netherlands	4	1	–
ARLANXEO Brasil S.A.		100%	Brazil	56	127	6
ARLANXEO Canada Inc.		100%	Canada	–	109	–
ARLANXEO Deutschland GmbH		100%	Germany	–	317	–
ARLANXEO Elastomères France S.A.S.		100%	France	–	111	–
ARLANXEO Emulsion Rubber France S.A.S.		100%	France	–	155	–
ARLANXEO High Performance Elastomers (Changzhou) Co., Ltd.		100%	China	193	323	3
ARLANXEO India Private Limited		100%	India	12	1	1
ARLANXEO Industrial Company		100%	Saudi Arabia	3	3	–
ARLANXEO Netherlands B.V.		100%	Netherlands	–	246	3
ARLANXEO Singapore Pte. Ltd.		100%	Singapore	–	381	–
ARLANXEO Switzerland S.A.		100%	Switzerland	–	2	–
ARLANXEO USA LLC		100%	USA	–	213	–
AV China Holdings PCC Limited (formerly, SAEV Guernsey 1 Ltd)	Investment	100%	Guernsey	25	–	–
AV Global Holdings PCC Limited (formerly, SAEV Guernsey Holdings Limited)	Investment	100%	Guernsey	3,171	–	–
Bolanter Corporation N.V.	Crude oil storage	100%	Curaçao	90	3	3
Briar Rose Ventures LLC	Real estate holdings	100%	USA	–	–	–
Canyon Lake Holdings LLC	Retail fuel operations	100%	USA	–	–	–
Energy City Development Company	Industrial development	100%	Saudi Arabia	46	111	3

Notes to the consolidated financial statements continued

All amounts in millions of Saudi Riyals unless otherwise stated

38. Subsidiaries of Saudi Arabian Oil Company continued

	Principal business activity	Percent ownership ¹	Place of business/ country of incorporation	Conventional financial assets as of December 31, 2024 ^{2,3}	Conventional financial liabilities as of December 31, 2024 ³	Interest income from conventional financial assets for the year ended December 31, 2024 ³
Energy City Operating Company	Industrial development	100%	Saudi Arabia	8	4	–
Esmax Distribución SpA	Fuels and lubricants retailer	100%	Chile	213	1,903	9
Esmax Industrial SpA	Fuels and lubricants retailer	100%	Chile	7	–	–
Esmax Red Limitada	Fuels and lubricants retailer	100%	Chile	29	–	–
Excellent Performance Chemicals Company	Petrochemical manufacture and sales	100%	Saudi Arabia	703	–	–
Global Digital Integrated Solutions Company	Information technology	100%	Saudi Arabia	216	260	–
Investment Management Company	Investment management of post-employment benefit plans	100%	Saudi Arabia	10	–	–
Middle East Information Technology Solutions	Information technology	100%	Saudi Arabia	12	56	–
Motiva Enterprises LLC	Refining and marketing	100%	USA	5,806	13,731	259
Motiva Pipeline LLC	Pipeline transport	100%	USA	–	–	–
Mukamala Oil Field Services Limited	Oil field services	100%	Saudi Arabia	132	1	7
Mukamalah Aviation Company	Aviation	100%	Saudi Arabia	624	179	29
P7 China Holdings PCC Limited (formerly, Aramco Ventures Investments Limited)	Investment	100%	Guernsey	1,770	–	–
P7 Global Holdings PCC Limited (formerly, Aramco Ventures Holdings Limited)	Investment	100%	Guernsey	3,068	–	–
Pandlewood Corporation N.V.	Financing	100%	Curaçao	35	1	99
Pedernales Ventures II LLC	Investment	100%	USA	294	–	–
Pedernales Ventures LLC	Retail fuel operations	100%	USA	–	–	–
PT Aramco Overseas Indonesia	Project management support	100%	Indonesia	–	–	–
Saudi Aramco Asia Company Limited	Investment	100%	Saudi Arabia	3,315	–	185
Saudi Aramco Capital Company Limited	Investment	100%	Guernsey	–	–	–
Saudi Aramco Development Company	Investment	100%	Saudi Arabia	1,435	88	46
Saudi Aramco Entrepreneurship Center Company Limited	Financing	100%	Saudi Arabia	317	9	17
Saudi Aramco Entrepreneurship Venture Company Limited	Investment	100%	Saudi Arabia	1,117	90	–
Saudi Aramco Jubail Refinery Company	Refining	100%	Saudi Arabia	5,541	983	375
Saudi Aramco Power Company	Holding company	100%	Saudi Arabia	5,914	1	71
Saudi Aramco Sukuk Company	Investment	100%	Saudi Arabia	1	–	–
Saudi Aramco Technologies Company	Research and commercialization	100%	Saudi Arabia	198	14	–
Saudi Aramco Upstream Technology Company	Research and commercialization	100%	Saudi Arabia	19	3	–
Saudi Petroleum International, Inc.	Marketing support services	100%	USA	50	38	2
Saudi Petroleum Overseas, Ltd. ⁴	Marketing support and tanker services	100%	United Kingdom	–	1	–
Saudi Refining, Inc.	Refining and marketing	100%	USA	4,078	67	157
Sofon Industries Company	Investment in maritime activities	100%	Saudi Arabia	303	171	5
Sofon Naval Industries Company	Manufacturing of naval vessels	100%	Saudi Arabia	17	25	–
Stellar Insurance, Ltd.	Insurance	100%	Bermuda	2,967	509	349
U.S. LNG Holdings Inc.	Holding company	100%	USA	–	–	–

All amounts in millions of Saudi Riyals unless otherwise stated

38. Subsidiaries of Saudi Arabian Oil Company continued

				Conventional financial assets as of December 31, 2024 ^{2,3}	Conventional financial liabilities as of December 31, 2024 ³	Interest income from conventional financial assets for the year ended December 31, 2024 ³
	Principal business activity	Percent ownership ¹	Place of business/ country of incorporation			
Vela International Marine Limited	Marine management and transportation	100%	Liberia	97	1	799
Wisayah Global Investment Company	Investment services	100%	Saudi Arabia	337	24	14
B. Non-wholly owned:						
Aramco Gas Pipelines Company	Pipeline transport	51%	Saudi Arabia	10	–	24
Aramco Oil Pipelines Company	Pipeline transport	51%	Saudi Arabia	6	1	12
Aramco Training Services Company ⁵	Training	49%	USA	1	–	–
ARLANXEO-TSRC (Nantong) Chemical Industries Co., Ltd. ⁵	Development, manufacture, and marketing of high-performance rubber	50%	China	36	130	–
Johns Hopkins Aramco Healthcare Company	Healthcare	80%	Saudi Arabia	778	1,211	7
SA Global Sukuk Limited ⁵	Investment	0%	Cayman Islands	–	–	–
Saudi Aramco Base Oil Company – Luberef ⁶	Production and sale of petroleum-based lubricants	70%	Saudi Arabia			
Saudi Aramco Nabors Drilling Company ⁵	Drilling	50%	Saudi Arabia	865	2,486	46
Saudi Aramco Rowan Offshore Drilling Company ⁵	Drilling	50%	Saudi Arabia	187	3,283	11
S-International Ltd.	Purchasing and sale of petroleum goods	61.6%	The Independent State of Samoa	4	–	–
S-Oil Corporation	Refining	61.6%	South Korea	5,245	35,872	147
S-Oil Singapore Pte. Ltd.	Marketing support	61.6%	Singapore	89	153	3
Saudi Basic Industries Corporation (“SABIC”) ⁶	Holding company	70%	Saudi Arabia			
Al-Jubail Fertiliser Company (“AL BAYRONI”) ⁵	Agri-nutrients	17.5%	Saudi Arabia			
Arabian Industrial Fibers Company (“IBN RUSHD”) ⁵	Petrochemicals	35.3%	Saudi Arabia			
Arabian Petrochemical Company (“PETROKEMYA”)	Petrochemicals	70%	Saudi Arabia			
Exatec, LLC	Petrochemicals	70%	USA			
High Performance Plastics India Pvt Ltd.	Specialties	70%	India			
High Performance Plastics Manufacturing Mexico S de RL de CV	Specialties	70%	Mexico			
International Shipping and Transportation Co. (“ISTC”)	Supply chain	69.3%	Saudi Arabia			
Jubail Chemical Storage and Services Company (‘‘CHEMTANK’’) ⁵	Supply chain	40.6%	Saudi Arabia			
Jubail United Petrochemical Company (‘‘UNITED’’)	Petrochemicals	52.5%	Saudi Arabia			
LLC SABIC Eastern Europe	Petrochemicals	70%	Russia			
National Chemical Fertiliser Company (‘‘IBN AL-BAYTAR’’) ⁵	Agri-nutrients	35.1%	Saudi Arabia			
National Global Business Services Company	Shared service	70%	Saudi Arabia			
National Industrial Gases Company (‘‘GAS’’)	Utilities	51.8%	Saudi Arabia			
National Methanol Company (‘‘IBN-SINA’’) ⁵	Petrochemicals	35%	Saudi Arabia			
NV Pijpleiding Antwerpen-Limburg-Luik (PALL)	Support services	70%	Belgium			
Petrochemical Pipeline Services B.V.	Petrochemicals	70%	Netherlands			

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All amounts in millions of Saudi Riyals unless otherwise stated

38. Subsidiaries of Saudi Arabian Oil Company continued

	Principal business activity	Percent ownership ¹	Place of business/ country of incorporation	Conventional financial assets as of December 31, 2024 ^{2,3}	Conventional financial liabilities as of December 31, 2024 ³	Interest income from conventional financial assets for the year ended December 31, 2024 ³
SABCAP Insurance Limited	Insurance	70%	Guernsey			
SABIC (China) Research & Development Co. Ltd.	Petrochemicals	70%	China			
SABIC (Shanghai) Trading Co. Ltd.	Petrochemicals	70%	China			
SABIC (Thailand) Co. Ltd.	Petrochemicals	70%	Thailand			
SABIC Agri-Nutrients Company ("SABIC AN") ⁵	Agri-nutrients	35.1%	Saudi Arabia			
SABIC Agri-Nutrients Investment Company ("SANIC") ⁵	Agri-nutrients	35.1%	Saudi Arabia			
SABIC Americas LLC	Petrochemicals, agri-nutrients	70%	USA			
SABIC Asia Pacific Pte Ltd ("SAPPL")	Petrochemicals, agri-nutrients	70%	Singapore			
SABIC Australia Pty Ltd.	Petrochemicals	70%	Australia			
SABIC Belgium NV	Petrochemicals	70%	Belgium			
SABIC Canada, Inc.	Petrochemical	70%	Canada			
SABIC Capital B.V.	Financing	70%	Netherlands			
SABIC Capital I B.V.	Financing	70%	Netherlands			
SABIC Capital II B.V.	Financing	70%	Netherlands			
SABIC (China) Holding Co., Ltd.	Petrochemicals	70%	China			
SABIC Deutschland GmbH	Petrochemicals	70%	Germany			
SABIC East Africa for Trade and Marketing LLC	Petrochemicals	70%	Egypt			
SABIC Europe B.V.	Petrochemicals	70%	Netherlands			
SABIC France S.A.S.	Petrochemicals	70%	France			
SABIC Global Ltd.	Petrochemicals	70%	United Kingdom			
SABIC Global Mobility ("GMC LLC") ⁴	Personnel and other support services	70%	UAE			
SABIC Global Mobility Company FZ LLC ("GMC")	Personnel and other support services	70%	UAE			
SABIC Global Technologies B.V.	Petrochemicals	70%	Netherlands			
SABIC High Performance Plastic ("SHPP") Argentina SRL	Specialties	70%	Argentina			
SABIC Holding Deutschland GmbH	Petrochemicals	70%	Germany			
SABIC Hungary Kft.	Petrochemicals	70%	Hungary			
SABIC India Pvt Ltd.	Petrochemicals	70%	India			
SABIC Industrial Investments Company ("SIIC")	Investments	70%	Saudi Arabia			
SABIC Innovative Plastics (China) Co., Ltd.	Petrochemicals	70%	China			
SABIC Innovative Plastics Chongqing Co., Ltd.	Petrochemicals	70%	China			
SABIC Innovative Plastics (SEA) Pte. Ltd.	Petrochemicals	70%	Singapore			
SABIC Innovative Plastics Argentina SRL	Petrochemicals	70%	Argentina			
SABIC Innovative Plastics B.V.	Petrochemicals	70%	Netherlands			
SABIC Innovative Plastics Czech s.r.o.	Petrochemicals	70%	Czech Republic			
SABIC Innovative Plastics Denmark Aps	Petrochemicals	70%	Denmark			
SABIC Innovative Plastics Espana SL.	Petrochemicals	70%	Spain			
SABIC Innovative Plastics Finland OY	Petrochemicals	70%	Finland			
SABIC Innovative Plastics France S.A.S.	Petrochemicals	70%	France			

All amounts in millions of Saudi Riyals unless otherwise stated

38. Subsidiaries of Saudi Arabian Oil Company continued

				Conventional financial assets as of December 31, 2024 ^{2,3}	Conventional financial liabilities as of December 31, 2024 ³	Interest income from conventional financial assets for the year ended December 31, 2024 ³
	Principal business activity	Percent ownership ¹	Place of business/ country of incorporation			
SABIC Innovative Plastics GmbH	Petrochemicals	70%	Germany			
SABIC Innovative Plastics GP B.V.	Petrochemicals	70%	Netherlands			
SABIC Innovative Plastics Holding B.V.	Petrochemicals	70%	Netherlands			
SABIC Innovative Plastics Holding Germany GmbH	Petrochemicals	70%	Germany			
SABIC Innovative Plastics Holding Singapore Pte. Ltd.	Petrochemicals	70%	Singapore			
SABIC Innovative Plastics Hong Kong Ltd.	Petrochemicals	70%	Hong Kong, China			
SABIC Innovative Plastics India Private Ltd.	Petrochemicals	70%	India			
SABIC Innovative Plastics International Trading (Shanghai) Ltd.	Petrochemicals	70%	China			
SABIC Innovative Plastics Kereskedelmi Kft.	Petrochemicals	70%	Hungary			
SABIC Innovative Plastics Ltd.	Petrochemicals	70%	United Kingdom			
SABIC Innovative Plastics Malaysia Sdn Bhd	Petrochemicals	70%	Malaysia			
SABIC Innovative Plastics Mexico S de RL de CV	Petrochemicals	70%	Mexico			
SABIC Innovative Plastics Mt. Vernon, LLC	Petrochemicals	70%	USA			
SABIC Innovative Plastics Poland Sp. Z o.o.	Petrochemicals	70%	Poland			
SABIC Innovative Plastics Rus Z.o.o.	Petrochemicals	70%	Russia			
SABIC Innovative Plastics SIT Holding Ltd.	Petrochemicals	70%	Hong Kong, China			
SABIC Innovative Plastics South America- Indústria e Comércio de Plásticos Ltda	Petrochemicals	70%	Brazil			
SABIC Innovative Plastics US LLC	Petrochemicals	70%	USA			
SABIC Innovative Plastics Utilities B.V.	Petrochemicals	70%	Netherlands			
SABIC International Holdings B.V.	Petrochemicals	70%	Netherlands			
SABIC Investment and Local Content Development Company ("NUSANED")	Investment	70%	Saudi Arabia			
SABIC Italia Srl	Petrochemicals	70%	Italy			
SABIC Kenya	Petrochemicals	70%	Kenya			
SABIC Korea Ltd.	Petrochemicals	70%	South Korea			
SABIC Licensing B.V.	Licensing company	70%	Netherlands			
SABIC Limburg B.V.	Petrochemicals	70%	Netherlands			
SABIC Luxembourg S.à r.l.	Petrochemicals	70%	Luxembourg			
SABIC Manufacturing Geleen BV	Petrochemicals	70%	Netherlands			
SABIC Marketing Ibérica S.A.	Petrochemicals	70%	Spain			
SABIC Middle East Business Management LLC	Petrochemicals	70%	Jordan			
SABIC Middle East Offshore Company ("SABIC MIDDLE EAST") ⁴	Petrochemicals	70%	Lebanon			
SABIC Mining B.V. ⁴	Petrochemicals	70%	Netherlands			
SABIC Morocco	Petrochemicals	70%	Morocco			
SABIC Nordic A/S	Petrochemicals	70%	Denmark			
SABIC Pakistan (Pvt.) Ltd.	Petrochemicals	70%	Pakistan			
SABIC Petrochemicals B.V.	Petrochemicals	70%	Netherlands			
SABIC Petrochemicals Holding US, LLC	Petrochemicals	70%	USA			
SABIC Petrochemicals Japan LLC	Petrochemicals	70%	Japan			
SABIC Petrokemya Ticaret Limited	Petrochemicals	70%	Turkey			
SABIC Poland Sp. Z o.o.	Petrochemicals	70%	Poland			

Notes to the consolidated financial statements continued

All amounts in millions of Saudi Riyals unless otherwise stated

38. Subsidiaries of Saudi Arabian Oil Company continued

				Conventional	Conventional	Interest income
	Principal business activity	Percent ownership ¹	Place of business/ country of incorporation	financial assets as of December 31, 2024 ^{2,3}	financial liabilities as of December 31, 2024 ³	from conventional financial assets for the year ended December 31, 2024 ³
SABIC Polyolefine GmbH	Petrochemicals	70%	Germany			
SABIC R&T Pvt Ltd.	Petrochemicals	70%	India			
SABIC Sales Europe B.V.	Petrochemicals	70%	Netherlands			
SABIC Sales Italy Srl	Petrochemicals	70%	Italy			
SABIC Sales Spain SL	Petrochemicals	70%	Spain			
SABIC South Africa Proprietary Ltd.	Petrochemicals	70%	South Africa			
SABIC Supply Chain Services Limited Company ("SSCS")	Supply chain	69.3%	Saudi Arabia			
SABIC Taiwan Holding Ltd. (Hong Kong)	Petrochemicals	70%	Hong Kong, China			
SABIC Tees Holdings Ltd.	Petrochemicals	70%	United Kingdom			
SABIC Terminal Services ("SABTANK")	Supply chain	63%	Saudi Arabia			
SABIC Tunisia	Petrochemicals	70%	Tunisia			
SABIC UK Ltd.	Petrochemicals	70%	United Kingdom			
SABIC UK Pension Trustee Ltd.	Petrochemicals	70%	United Kingdom			
SABIC UK Petrochemicals Ltd.	Petrochemicals	70%	United Kingdom			
SABIC US Holdings LP	Petrochemicals	70%	USA			
SABIC US Projects LLC	Petrochemicals	70%	USA			
SABIC Ventures B.V.	Petrochemicals	70%	Netherlands			
SABIC Ventures US Holdings LLC	Petrochemicals	70%	USA			
SABIC Vietnam Company Ltd.	Petrochemicals	70%	Vietnam			
Saudi European Petrochemical Company ("IBN ZAHR")	Petrochemicals	56%	Saudi Arabia			
Saudi Innovative Plastics Sweden AB	Petrochemicals	70%	Sweden			
Saudi Kayan Petrochemical Company ("SAUDI KAYAN") ⁵	Petrochemicals	24.5%	Saudi Arabia			
Saudi Methanol Company ("AR-RAZI")	Petrochemicals	52.5%	Saudi Arabia			
Scientific Design Co. Inc.	Specialties	70%	USA			
SD Verwaltungs GmbH	Administrative company	70%	Germany			
SHPP (Shanghai) Co., Ltd.	Specialties	70%	China			
SHPP B.V.	Specialties	70%	Netherlands			
SHPP Canada, Inc.	Specialties	70%	Canada			
SHPP Capital B.V.	Financing	70%	Netherlands			
SHPP Capital I B.V.	Financing	70%	Netherlands			
SHPP Capital II B.V.	Financing	70%	Netherlands			
SHPP Czech s.r.o.	Specialties	70%	Czech Republic			
SHPP Finland OY	Specialties	70%	Finland			
SHPP France S.A.S.	Specialties	70%	France			
SHPP Germany GmbH	Specialties	70%	Germany			
SHPP Global Technologies B.V.	Specialties	70%	Netherlands			
SHPP Holding B.V.	Specialties	70%	Netherlands			
SHPP Hong Kong	Specialties	70%	Hong Kong, China			
SHPP Hungary Kft.	Specialties	70%	Hungary			
SHPP Italy Srl	Specialties	70%	Italy			
SHPP Japan LLC	Specialties	70%	Japan			
SHPP Korea Ltd.	Specialties	70%	South Korea			

All amounts in millions of Saudi Riyals unless otherwise stated

38. Subsidiaries of Saudi Arabian Oil Company continued

				Conventional	Conventional	Interest income
	Principal business activity	Percent ownership ¹	Place of business/ country of incorporation	financial assets as of December 31, 2024 ^{2,3}	financial liabilities as of December 31, 2024 ³	from conventional financial assets for the year ended December 31, 2024 ³
SHPP Malaysia Sdn Bhd	Specialties	70%	Malaysia			
SHPP Manufacturing Spain SL	Specialties	70%	Spain			
SHPP Manufacturing UK Ltd	Specialties	70%	United Kingdom			
SHPP Marketing Plastics SL	Specialties	70%	Spain			
SHPP Petrokimya Ticaret Ltd Sirketi	Specialties	70%	Turkey			
SHPP Poland Sp. Z o.o.	Specialties	70%	Poland			
SHPP Russia OOO	Specialties	70%	Russia			
SHPP Sales B.V.	Specialties	70%	Netherlands			
SHPP Sales Italy Srl	Specialties	70%	Italy			
SHPP Sales UK Ltd.	Specialties	70%	United Kingdom			
SHPP Singapore Pte. Ltd.	Specialties	70%	Singapore			
SHPP South America-Comércio de Plásticos Ltda	Specialties	70%	Brazil			
SHPP Thailand Co. Ltd.	Specialties	70%	Thailand			
SHPP US LLC	Specialties	70%	USA			
SHPP Ventures B.V.	Specialties	70%	Netherlands			
SHPP Vietnam Co Ltd	Specialties	70%	Vietnam			
Yanbu National Petrochemical Company ("YANSAB") ⁵	Petrochemicals	36.5%	Saudi Arabia			

1. Percentages disclosed reflect the effective ownership of Saudi Aramco in the respective entities.

2. Conventional financial assets comprise cash, time deposits, short-term investments and investments in securities.

3. Represents 100% amounts of subsidiaries, after elimination of intercompany transactions.

4. Under liquidation.

5. Agreements and constitutive documents provide Saudi Aramco control.

6. Information for conventional financial assets, conventional financial liabilities and interest income from conventional financial assets not included for entities and groups listed on the Saudi Exchange.

Notes to the consolidated financial statements continued

All amounts in millions of Saudi Riyals unless otherwise stated

39. Joint operations of Saudi Arabian Oil Company

	Principal business activity	Percent ownership ¹	Place of business/ country of incorporation	Conventional financial assets as of December 31, 2024 ^{2,3}	Conventional financial liabilities as of December 31, 2024 ³	Interest income from conventional financial assets for the year ended December 31, 2024 ³
Al-Khafji Joint Operations	Oil and gas exploration and production	50%	Saudi-Kuwaiti Partitioned Zone	–	–	–
Fadhili Plant Cogeneration Company	Power generation	30%	Saudi Arabia	9	525	–
Jazan Integrated Gasification and Power Company	Power systems	20%	Saudi Arabia	30	3,005	–
Korea Electric Power Corporation for Power Company	Power generation	40%	Saudi Arabia	34	572	–
Maasvlakte Olie Terminal C.V.	Tank storage	9.6%	Netherlands	–	71	–
Maasvlakte Olie Terminal N.V.	Tank storage	16.7%	Netherlands	–	–	–
Pengerang Petrochemical Company SDN. BHD.	Petrochemicals	50%	Malaysia	622	2,657	8
Pengerang Refining Company SDN. BHD.	Refining	50%	Malaysia	391	25,747	31
Power Cogeneration Plant Company	Power generation	50%	Saudi Arabia	55	318	–
Saudi Aramco Mobil Refinery Company Ltd	Refining	50%	Saudi Arabia	419	771	27
Saudi Aramco Total Refining and Petrochemical Company ⁴	Refining/petrochemicals	62.5%	Saudi Arabia	3,129	9,265	187
Tanajib Cogeneration Power Company	Power systems	40%	Saudi Arabia	3	930	–
Yanbu Aramco Sinopec Refining Company Limited ⁴	Refining	62.5%	Saudi Arabia	227	2,832	–
Geismar ⁵	Petrochemicals	8.1%	USA			
Gulf Coast Growth Venture LLC ("GCGV") ⁵	Petrochemicals	35%	USA			
Saudi Acrylic Butanol Company ("SABUCO") ⁵	Petrochemicals	8.2%	Saudi Arabia			
Saudi Methacrylates Company ("SAMAC") ⁵	Petrochemicals	35%	Saudi Arabia			

1. Percentages disclosed reflect the effective ownership of Saudi Aramco in the respective entities.

2. Conventional financial assets comprise cash, time deposits, short-term investments and investments in securities.

3. Represents Saudi Aramco's share of conventional financial assets, financial liabilities and interest income.

4. Agreements and constitutive documents do not give a single shareholder control; therefore, the joint operation does not qualify as a subsidiary.

5. Information for conventional financial assets, conventional financial liabilities and interest income from conventional financial assets not included for entities and groups listed on the Saudi Exchange.

All amounts in millions of Saudi Riyals unless otherwise stated

40. Joint ventures and associates of Saudi Arabian Oil Company

				Conventional financial assets as of December 31, 2024 ²	Conventional financial liabilities as of December 31, 2024 ²	Interest income from conventional financial assets for the year ended December 31, 2024 ²
	Principal business activity	Percent ownership ¹	Place of business/ country of incorporation			
A. Joint ventures:						
AIR BP Aramco Poland sp. z o.o.	Aviation fuels	50%	Poland	70	47	–
Arabian Rig Manufacturing Company	Rig manufacturing	30%	Saudi Arabia	582	1,126	–
BAP Al-Khair Steel Company	Steel plates manufacturing	25%	Saudi Arabia	–	–	–
Energy City Logistics Company	Logistics	51%	Saudi Arabia	40	10	–
First Coast Energy, L.L.P.	Marketing	50%	USA	38	384	–
Gas & Oil Pakistan Ltd.	Retail	40%	Pakistan	864	1,494	–
HAERTOL Chemie GmbH	Coolant manufacturer	50%	Germany	30	14	–
Jasara Program Management Company	Engineering services	20%	Saudi Arabia	496	297	–
Juniper Ventures of Texas LLC	Marketing	60%	USA	8	208	–
Lubrival S.A.	Product sales	51%	Ecuador	83	29	1
Latitude Ventures JV LLC	Leasing and developing retail gas stations	35%	USA	2	20	–
LTIM Aramco Digital Solutions for Information Technology Company	Technology	49%	Saudi Arabia	–	–	–
Middle East Cloud and Digital Transformation Company Limited	Information technology	51%	Saudi Arabia	117	132	–
Novel Non-Metallic Solutions Manufacturing	Manufacturing	50%	Saudi Arabia	43	63	–
Plant Digital for Industry Company	Industrial digital solutions	50%	Saudi Arabia	52	5	–
Port Neches Link LLC	Pipelines	25.1%	USA	23	9	1
Sadara Chemical Company	Petrochemicals	65%	Saudi Arabia	3,900	44,500	38
Saudi Arabian Industrial Investment Company	Investment	42.5%	Saudi Arabia	49	–	4
Saudi Engines Manufacturing Company	Manufacturing	55%	Saudi Arabia	14	69	–
Saudi Silk Road Industrial Services Company	Investment services	20%	Saudi Arabia	91	13	–
Shanghai ZhiSheng Automobile Technology Co Ltd	Product sales	49%	China	9	1	–
S-OIL TotalEnergies Lubricants Co., Ltd.	Lubricants production and sales	30.8%	South Korea	106	178	–
Star Enterprise ³	Pension administration	50%	USA	8	2	1
Synkedia Biscay A.I.E.	E-fuels demo production	50%	Spain	77	6	–
Tas'helat Marketing Company	Marketing	50%	Saudi Arabia	124	2,022	–
Tuwaiq Casting & Forging Company	Metals	15%	Saudi Arabia	139	35	–
Valvoline Cummins Argentina S.A.	Product sales	50%	Argentina	29	35	–
Valvoline Cummins Private Limited	Product sales	50%	India	155	204	–
Valvoline de Colombia S.A.S.	Product sales	51%	Colombia	6	2	–
VC Lubricating Oil Co., Ltd.	Holding company	50%	Hong Kong, China	174	70	2
Advanced Energy Storage System Investment Company ("AESSIC") ^{3,4}	Renewable energy	34.1%	Saudi Arabia			
Al-Jubail Petrochemical Company ("KEMYA") ⁴	Petrochemicals	35%	Saudi Arabia			
Cosmar Company ("COSMAR") ⁴	Petrochemicals	35%	USA			
Eastern Petrochemical Company ("SHARQ") ⁴	Petrochemicals	35%	Saudi Arabia			
ETG Inputs Holdco Limited ("EIHL") ⁴	Agri-nutrients	17.2%	UAE			
Isotopes Company ("IHC") ⁴	Machinery equipment	9.4%	Saudi Arabia			
SABIC Fujian Petrochemicals Co., Ltd. ("FUJIAN") ⁴	Petrochemicals	35.7%	China			
SABIC Plastic Energy Advanced Recycling BV ("SPEAR") ⁴	Petrochemicals	35%	Netherlands			
SABIC SK Nexelene Company Pte. Ltd. ("SSNC") ⁴	Petrochemicals	35%	Singapore			
Saudi Pallet Manufacturing Company ("SPMC") ⁴	Logistics	26.6%	Saudi Arabia			
Saudi Yanbu Petrochemical Company ("YANPET") ⁴	Petrochemicals	35%	Saudi Arabia			

Notes to the consolidated financial statements continued

All amounts in millions of Saudi Riyals unless otherwise stated

40. Joint ventures and associates of Saudi Arabian Oil Company continued

				Conventional financial assets as of December 31, 2024 ²	Conventional financial liabilities as of December 31, 2024 ²	Interest income from conventional financial assets for the year ended December 31, 2024 ²
	Principal business activity	Percent ownership ¹	Place of business/ country of incorporation			
SINOPEC SABIC Tianjin Petrochemical Company Limited ("SSTPC") ⁴	Petrochemicals	35%	China			
Utility Support Group ("USG") B.V. ⁴	Utilities	35%	Netherlands			
B. Associates:						
ASMO for Logistics Services Company	Logistics	49%	Saudi Arabia	5	–	–
BP AOC Pumpstation Maatschap	Storage	50%	Netherlands	–	–	–
BP ESSO AOC Maatschap	Storage	34.4%	Netherlands	–	–	–
Burairq Holding Company	Holding company	30%	Saudi Arabia	–	–	–
Fuel Cell Innovation Co., Ltd.	Fuel cell manufacturing	12.3%	South Korea	5	21	–
Fujian Refining and Petrochemical Company Limited	Refining/ petrochemicals	25%	China	3,684	9,146	88
GCC Electrical Equipment Testing Lab	Inspection	20%	Saudi Arabia	–	–	–
Huajin Aramco Petrochemical Co., Ltd.	Refining/ petrochemicals	30%	China	622	5,711	3
Hyundai Oilbank Co., Ltd.	Refining/ marketing/ petrochemicals	17%	South Korea	7,046	36,909	372
International Maritime Industries Company	Maritime yard	40.1%	Saudi Arabia	28	1,029	20
Moya Holding Company	Holding company	30%	Saudi Arabia	–	–	–
MidOcean Holdings II, L.P.	Holding company	49%	United Kingdom	1,871	–	–
Nabah Holding Company	Holding company	30%	Saudi Arabia	–	–	–
Noor Al Shuaibah Holding Company	Power generation	30%	Saudi Arabia	–	11	–
Power and Water Utility Company for Jubail and Yanbu ⁴	Utilities	29.8%	Saudi Arabia			
Rabigh Refining and Petrochemical Company ⁴	Refining/ petrochemicals	37.5%	Saudi Arabia			
Rafineria Gdańska sp. z o.o.	Refining	30%	Poland	1,211	316	33
Sinopec Senmei (Fujian) Petroleum Company Limited	Marketing/ petrochemicals	22.5%	China	2,986	5,237	35
Sudair 1 Holding Company	Holding company	30.3%	Saudi Arabia	–	2	–
Team Terminal B.V.	Storage	34.4%	Netherlands	–	–	–
The National Shipping Company of Saudi Arabia ⁴	Global logistics services	20%	Saudi Arabia			
Aluminium Bahrain B.S.C. ("ALBA") ⁴ (Note 34(c))	Aluminum	14.4%	Bahrain			
ARG mbH & Co KG ("ARG") ⁴	Transportation	17.5%	Germany			
ARG Verwaltungs GmbH ⁴	Administrative company	11.7%	Germany			
Clariant AG ("Clariant") ⁴	Specialty chemical	22.1%	Switzerland			
German Pipeline Development Company GMBH ("GPDC") ⁴	Transportation	27.3%	Germany			
Gulf Aluminum and Rolling Mill Company ("GARMCO") ⁴	Aluminum	10.4%	Bahrain			
Gulf Petrochemical Industries Company ("GPIC") ⁴	Agri-nutrients, petrochemicals	11.7%	Bahrain			
Ma'aden Phosphate Company ("MPC") ⁴	Agri-nutrients	21%	Saudi Arabia			
Ma'aden Wa'ad Al Shamal Phosphate Company ("MWSPC") ⁴	Agri-nutrients	10.5%	Saudi Arabia			
Mallinda, Inc. ("MALLINDA") ⁴	Ventures	18.3%	USA			
National Chemical Carrier Company ("NCC") ⁴	Transportation	14%	Saudi Arabia			
Nusaned Fund I ⁴	Equity investments	35%	Saudi Arabia			
Nusaned Fund II ⁴	Equity investments	42%	Saudi Arabia			

1. Percentages disclosed reflect the effective ownership of Saudi Aramco in the respective entities.

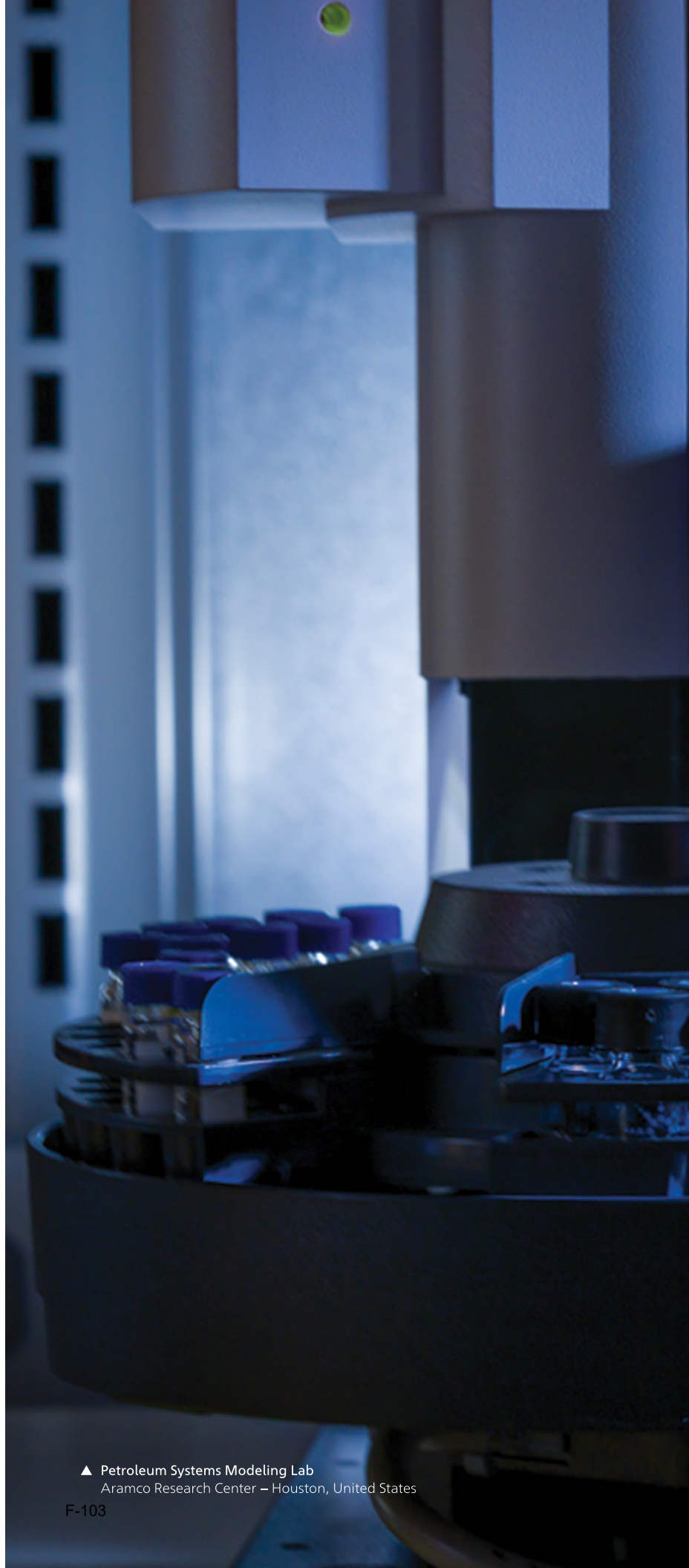
2. Represents 100% amounts of conventional financial assets, financial liabilities and interest income.

3. Under liquidation.

4. Information for conventional financial assets, conventional financial liabilities and interest income from conventional financial assets not included for entities and groups listed on the Saudi Exchange.



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OPPORTUNITY

We invest in growth and
innovate for sustainability,
unlocking opportunities that
bring energy to the world.



Independent auditor's report to the shareholders of Saudi Arabian Oil Company

Report on the audit of the consolidated financial statements

Our opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of Saudi Arabian Oil Company (the "Company") and its subsidiaries (together the "Group") as at December 31, 2023, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards, that are endorsed in the Kingdom of Saudi Arabia, and other standards and pronouncements issued by the Saudi Organization for Chartered and Professional Accountants (SOCPA).

What we have audited

The Group's consolidated financial statements comprise:

- the consolidated statement of income for the year ended December 31, 2023;
- the consolidated statement of comprehensive income for the year ended December 31, 2023;
- the consolidated balance sheet as at December 31, 2023;
- the consolidated statement of changes in equity for the year ended December 31, 2023;
- the consolidated statement of cash flows for the year ended December 31, 2023; and
- the notes to the consolidated financial statements, comprising material accounting policy information and other explanatory information.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing, that are endorsed in the Kingdom of Saudi Arabia. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards), endorsed in the Kingdom of Saudi Arabia (the "Code"), that is relevant to our audit of the consolidated financial statements and we have fulfilled our other ethical responsibilities in accordance with the Code's requirements.

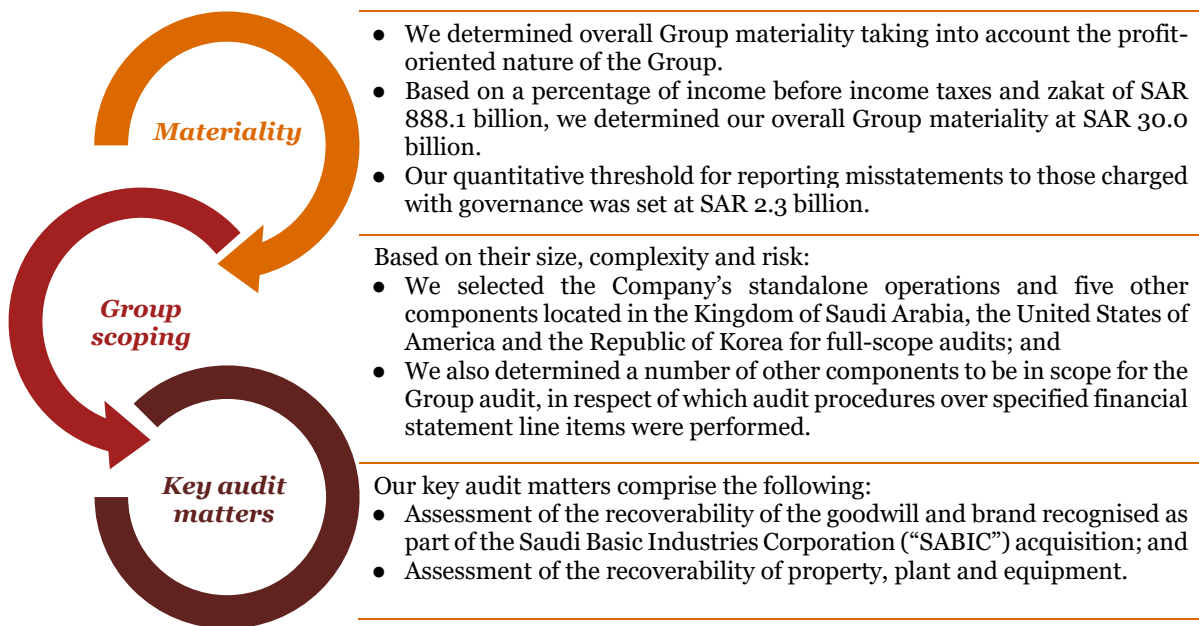
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Independent auditor's report to the shareholders of Saudi Arabian Oil Company (continued)

Our audit approach

Overview



As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the consolidated financial statements. In particular, we considered where the Board of Directors made subjective judgments; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters, consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

Materiality

The scope of our audit was influenced by our application of materiality. An audit is designed to obtain reasonable assurance whether the consolidated financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the consolidated financial statements.

Based on our professional judgment, we determined certain quantitative thresholds for materiality, including the overall Group materiality for the consolidated financial statements as a whole as set out in the following table. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate, on the consolidated financial statements as a whole.



Independent auditor's report to the shareholders of Saudi Arabian Oil Company (continued)

Overall Group materiality	SAR 30.0 billion (2022: SAR 37.5 billion).
How we determined it	Based on a percentage of income before income taxes and zakat.
Rationale for the materiality benchmark applied	Income before income taxes and zakat is an important benchmark for the users of the consolidated financial statements and is a generally accepted benchmark for profit-oriented groups.

We agreed with those charged with governance that we would report to them misstatements identified during our audit above SAR 2.3 billion.

How we tailored our Group audit scope

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the consolidated financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls, and the industry in which the Group operates.

The Group's operations are conducted through many components in different parts of the world. The most significant component within the Group is the Company itself and most of the audit effort was spent by the Group engagement team based in Dhahran, Kingdom of Saudi Arabia. The Group engagement team also directed the work done by the various component teams across different locations and performed audit procedures on the consolidation workings and disclosures.

We identified five other components where a full-scope audit on the respective components' financial information was performed under our instructions. Members of the Group engagement team performed the full-scope audit of the component located in Dhahran, Kingdom of Saudi Arabia. Component teams in Riyadh, Kingdom of Saudi Arabia, the United States of America and the Republic of Korea performed full-scope audits of the components at those locations. We also requested certain other component teams to perform audit procedures over specified financial statement line items. The selection of these components was based on qualitative and quantitative considerations, including whether the component accounted for a significant proportion of individual consolidated financial statement line items.

The Group engagement team's involvement in the audit work performed by component teams considered the relative significance and complexity of the individual component. This included allocating overall Group materiality to the different components, sending formal instructions, obtaining regular updates on progress and results of procedures as well as reviewing deliverables and selected underlying working papers.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.



Independent auditor's report to the shareholders of Saudi Arabian Oil Company (continued)

Key audit matter	How our audit addressed the Key audit matter
Assessment of the recoverability of the goodwill and brand recognised as part of the SABIC acquisition International Accounting Standard (“IAS”) 36 ‘Impairment of Assets’, that is endorsed in the Kingdom of Saudi Arabia, requires goodwill and intangible assets that have indefinite useful lives to be tested annually for impairment, irrespective of whether there is any indication of impairment. Management performed an assessment of recoverability of the goodwill and brand (determined to have an indefinite useful life) recognised as part of the SABIC acquisition during the year ended December 31, 2020. The carrying amounts of these assets were SAR 99.1 billion and SAR 18.1 billion, respectively, as at December 31, 2023. Goodwill has been allocated to the Downstream operating segment. Therefore, the goodwill impairment test was performed at the Downstream operating segment level. The brand test was performed based on an aggregation of the relevant Cash-Generating Units (“CGUs”). The recoverable amounts were determined based on value-in-use derived using discounted cash flow models. Each of the models were based on the most recent approved financial plans and included 10-year projection periods with terminal values assumed thereafter. The exercise performed by management supported the goodwill and brand carrying values and did not identify the need for any impairment charges to be recognised. We considered this to be a key audit matter given the significant judgment and estimates involved in determining recoverable amounts and the uncertainty inherent in the underlying forecasts and assumptions. The key inputs to the recoverable amounts included the: • Cash flows during the 10-year projection periods including commodity prices, margins and other underlying assumptions; • Terminal values; and • Pre-tax discount rates. <i>Refer to Note 2(e), Note 2(h) and Note 6 to the consolidated financial statements for further information.</i>	Our procedures included the following: • We considered the appropriateness of management’s allocation of goodwill to the Downstream operating segment and brand to the aggregation of the relevant CGUs, based on the requirements of IAS 36 ‘Impairment of Assets’, that is endorsed in the Kingdom of Saudi Arabia. • We considered the completeness of the carrying values of the assets and liabilities considered as part of the impairment tests for both goodwill and brand. • With input from internal valuation experts, where considered necessary, we performed the following procedures on management’s valuation models, as deemed appropriate: - Considered the consistency of certain unobservable inputs underlying the 10-year cash flows such as expected product volumes and costs with approved financial plans; - Compared a sample of forecast commodity prices and margins underlying the 10-year cash flows to market data points; - Evaluated the reasonableness of approved financial plans by comparison to historical results; - Assessed the reasonableness of the approach and inputs used to determine the terminal values; - Evaluated the reasonableness of the pre-tax discount rates used by cross-checking the underlying assumptions against observable market data; - Tested the mathematical accuracy and logical integrity of the models; and - Tested management’s sensitivity analyses that considered the impact of changes in assumptions on the outcome of the impairment assessments. • We considered the reasonableness of the movements in the recoverable amounts during the year ended December 31, 2023 in view of the changes in the underlying key assumptions. • We considered the appropriateness of the related accounting policies and disclosures in the consolidated financial statements.



Independent auditor's report to the shareholders of Saudi Arabian Oil Company (continued)

Key audit matter	How our audit addressed the Key audit matter
Assessment of the recoverability of property, plant and equipment Management performed an assessment to consider whether there was any indication that items of property, plant and equipment as at December 31, 2023 may be impaired. For certain Downstream operating segment CGUs where such indicators were identified, recoverable amounts were determined. The recoverable amounts were based on value-in-use derived using discounted cash flow models, and determined to be higher than the fair value less costs of disposal. Based on a comparison of recoverable amounts with carrying values, an aggregate impairment charge of SAR 3.1 billion was recorded as part of depreciation and amortization in the consolidated financial statements. We considered this to be a key audit matter given the significant judgment and estimates involved in identifying impairment indicators and in determining recoverable amounts of the property, plant and equipment as well as the uncertainty inherent in the underlying forecasts and assumptions. The key inputs to the recoverable amounts included the following, where applicable: • Cash flows during the projection periods including commodity prices, margins and other underlying assumptions; • Terminal values; and • Pre-tax discount rates. <i>Refer to Note 2(g), Note 2(h) and Note 5 to the consolidated financial statements for further information.</i>	Our procedures included the following: • We considered the reasonableness of management's assessments of impairment indicators considering our knowledge of internal and external factors based on the requirements of IAS 36 'Impairment of Assets', that is endorsed in the Kingdom of Saudi Arabia. • We considered the completeness of the carrying values of the assets and liabilities considered as part of the impairment tests for the relevant CGUs. • With input from internal valuation experts, where considered necessary, we performed the following procedures on management's valuation models, as deemed appropriate: - Considered the consistency of certain unobservable inputs underlying the cash flows such as expected product volumes and future costs with approved financial plans; - Compared a sample of forecast commodity prices and margins underlying the cash flows to market data points; - Evaluated the reasonableness of approved financial plans by comparison to historical results; - Assessed the reasonableness of the approach and inputs used to determine the terminal values; - Evaluated the reasonableness of the pre-tax discount rates used by cross-checking the underlying assumptions against observable market data; - Tested the mathematical accuracy and logical integrity of the models; and - Tested management's sensitivity analyses that considered the impact of changes in assumptions on the outcome of the impairment assessments. • We considered the appropriateness of the related accounting policies and disclosures in the consolidated financial statements.



Independent auditor's report to the shareholders of Saudi Arabian Oil Company (continued)

Other information

The Board of Directors is responsible for the other information. The other information comprises the Annual Report (but does not include the consolidated financial statements and our auditor's report thereon).

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors and those charged with governance for the consolidated financial statements

The Board of Directors is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards, that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by SOCPA, and the applicable requirements of the Regulations for Companies and the Company's Bylaws, and for such internal control as they determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Board of Directors is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing, that are endorsed in the Kingdom of Saudi Arabia, will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.



Independent auditor's report to the shareholders of Saudi Arabian Oil Company (continued)

As part of an audit in accordance with International Standards on Auditing, that are endorsed in the Kingdom of Saudi Arabia, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.



Independent auditor's report to the shareholders of Saudi Arabian Oil Company (continued)

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

PricewaterhouseCoopers

A handwritten signature in blue ink, appearing to read 'Omar M. Al Sagga'.

Omar M. Al Sagga
License No. 369

March 8, 2024

Consolidated statement of income

All amounts in millions of Saudi Riyals unless otherwise stated

	Note	SAR		USD*	
		Year ended December 31		Year ended December 31	
		2023	2022	2023	2022
Revenue	24	1,653,281	2,006,955	440,875	535,188
Other income related to sales		203,092	259,418	54,158	69,178
Revenue and other income related to sales		1,856,373	2,266,373	495,033	604,366
Royalties and other taxes		(231,795)	(341,510)	(61,812)	(91,069)
Purchases	25	(471,225)	(490,690)	(125,660)	(130,851)
Producing and manufacturing		(96,523)	(101,912)	(25,739)	(27,177)
Selling, administrative and general		(76,890)	(83,700)	(20,504)	(22,320)
Exploration		(9,416)	(8,447)	(2,511)	(2,253)
Research and development		(5,197)	(4,419)	(1,386)	(1,178)
Depreciation and amortization	5,6	(97,040)	(91,618)	(25,877)	(24,431)
Operating costs		(988,086)	(1,122,296)	(263,489)	(299,279)
Operating income		868,287	1,144,077	231,544	305,087
Share of results of joint ventures and associates	7	(4,001)	2,873	(1,067)	766
Finance and other income	27	31,967	14,894	8,524	3,972
Finance costs	20	(8,186)	(8,882)	(2,183)	(2,369)
Income before income taxes and zakat		888,067	1,152,962	236,818	307,456
Income taxes and zakat	8	(433,303)	(548,957)	(115,547)	(146,388)
Net income		454,764	604,005	121,271	161,068
Net income attributable to					
Shareholders' equity		452,753	597,215	120,734	159,257
Non-controlling interests		2,011	6,790	537	1,811
		454,764	604,005	121,271	161,068
Earnings per share (basic and diluted)	37	1.87	2.47	0.50	0.66

* This supplementary information is converted at a fixed rate of U.S. dollar 1.00 = SAR 3.75 for convenience only, and is presented in millions of U.S. dollars.



H.E. Yasir O. Al-Rumayyan
Chairman of the Board



Amin H. Nasser
President & Chief Executive Officer



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

H.E. Yasir O. Al-

Consolidated statement of comprehensive income

All amounts in millions of Saudi Riyals unless otherwise stated

	Note	SAR		USD*	
		Year ended December 31		Year ended December 31	
		2023	2022	2023	2022
Net income		454,764	604,005	121,271	161,068
Other comprehensive income (loss), net of tax	18				
Items that will not be reclassified to net income					
Remeasurement of post-employment benefits		(25)	21,208	(7)	5,655
Share of post-employment benefits remeasurement from joint ventures and associates		90	144	24	38
Changes in fair value of equity investments classified as fair value through other comprehensive income		(1,671)	(211)	(446)	(56)
Items that may be reclassified subsequently to net income					
Cash flow hedges and other		(1,044)	1,450	(278)	387
Changes in fair value of debt securities classified as fair value through other comprehensive income		520	(427)	139	(114)
Share of other comprehensive income of joint ventures and associates		1,250	351	333	94
Currency translation differences		(829)	(3,889)	(221)	(1,037)
		(1,709)	18,626	(456)	4,967
Total comprehensive income		453,055	622,631	120,815	166,035
Total comprehensive income attributable to					
Shareholders' equity		451,111	615,245	120,296	164,065
Non-controlling interests		1,944	7,386	519	1,970
		453,055	622,631	120,815	166,035

* This supplementary information is converted at a fixed rate of U.S. dollar 1.00 = SAR 3.75 for convenience only, and is presented in millions of U.S. dollars.



H.E. Yasir O. Al-Rumayyan
Chairman of the Board



Amin H. Nasser
President & Chief Executive Officer



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

Consolidated balance sheet

All amounts in millions of Saudi Riyals unless otherwise stated

	Note	SAR		USD*	
		At December 31		At December 31	
		2023	2022	2023	2022
Assets					
Non-current assets					
Property, plant and equipment	5	1,384,717	1,303,266	369,258	347,538
Intangible assets	6	164,554	159,328	43,881	42,487
Investments in joint ventures and associates	7	69,474	72,196	18,526	19,252
Deferred income tax assets	8	20,560	18,093	5,483	4,825
Post-employment benefits	21	24,661	23,034	6,576	6,142
Other assets and receivables	9	48,265	32,418	12,871	8,645
Investments in securities	10	33,974	26,758	9,060	7,136
		1,746,205	1,635,093	465,655	436,025
Current assets					
Inventories	11	85,951	100,528	22,920	26,808
Trade receivables	12	163,919	164,442	43,712	43,851
Due from the Government	13	49,378	54,545	13,168	14,545
Other assets and receivables	9	33,747	31,054	8,999	8,281
Short-term investments	14	184,343	281,215	49,158	74,991
Cash and cash equivalents	15	198,973	226,047	53,059	60,279
		716,311	857,831	191,016	228,755
Assets classified as held for sale	34(a)	15,424	–	4,113	–
		731,735	857,831	195,129	228,755
Total assets		2,477,940	2,492,924	660,784	664,780
Equity and liabilities					
Shareholders' equity					
Share capital		90,000	75,000	24,000	20,000
Additional paid-in capital		26,981	26,981	7,195	7,195
Treasury shares	16	(1,362)	(2,236)	(363)	(596)
Retained earnings:					
Unappropriated		1,411,474	1,339,892	376,394	357,305
Appropriated		6,000	6,000	1,600	1,600
Other reserves	18	1,514	3,279	403	874
		1,534,607	1,448,916	409,229	386,378
Non-controlling interests	19	202,485	217,231	53,996	57,928
		1,737,092	1,666,147	463,225	444,306
Non-current liabilities					
Borrowings	20	226,481	318,380	60,395	84,901
Deferred income tax liabilities	8	142,449	122,311	37,986	32,616
Post-employment benefits	21	26,147	26,923	6,973	7,179
Provisions and other liabilities	22	28,205	27,777	7,521	7,408
		423,282	495,391	112,875	132,104
Current liabilities					
Trade payables and other liabilities	23	151,553	135,390	40,414	36,104
Obligations to the Government:					
Income taxes and zakat	8	82,539	104,978	22,010	27,995
Royalties		14,107	16,254	3,762	4,334
Borrowings	20	63,666	74,764	16,978	19,937
		311,865	331,386	83,164	88,370
Liabilities directly associated with assets classified as held for sale	34(a)	5,701	–	1,520	–
		317,566	331,386	84,684	88,370
Total liabilities		740,848	826,777	197,559	220,474
Total equity and liabilities		2,477,940	2,492,924	660,784	664,780

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Executive Vice President & Chief Financial Officer

H.E. Yasir O. Al-

Consolidated statement of changes in equity

All amounts in millions of Saudi Riyals unless otherwise stated

	SAR							USD*	
	Shareholders' equity								
	Share capital	Additional paid-in capital	Treasury shares	Retained earnings		Other reserves (Note 18)	Non-controlling interests	Total	Total
				Unappropriated	Appropriated ¹				
Balance at January 1, 2022	60,000	26,981	(2,828)	1,018,443	6,000	4,661	167,411	1,280,668	341,512
Net income	–	–	–	597,215	–	–	6,790	604,005	161,068
Other comprehensive income	–	–	–	–	–	18,030	596	18,626	4,967
Total comprehensive income	–	–	–	597,215	–	18,030	7,386	622,631	166,035
Transfer of post-employment benefits remeasurement (Note 18)	–	–	–	19,427	–	(19,427)	–	–	–
Transfer of share of post-employment benefits remeasurement from joint ventures and associates (Note 18)	–	–	–	144	–	(144)	–	–	–
Treasury shares issued to employees (Note 16)	–	–	592	99	–	(137)	–	554	147
Share-based compensation	–	–	–	(3)	–	296	–	293	78
Dividends (Note 36)	–	–	–	(281,318)	–	–	–	(281,318)	(75,018)
Bonus shares issued (Note 36)	15,000	–	–	(15,000)	–	–	–	–	–
Sale of non-controlling equity interest in a subsidiary (Note 34(c))	–	–	–	–	–	–	58,125	58,125	15,500
Acquisition of non-controlling interests in certain subsidiaries	–	–	–	(3)	–	–	(227)	(230)	(62)
Dividends to non-controlling interests and other	–	–	–	888	–	–	(15,464)	(14,576)	(3,886)
Balance at December 31, 2022	75,000	26,981	(2,236)	1,339,892	6,000	3,279	217,231	1,666,147	444,306
Net income (loss)	–	–	–	452,753	–	–	2,011	454,764	121,271
Other comprehensive income (loss)	–	–	–	–	–	(1,642)	(67)	(1,709)	(456)
Total comprehensive income (loss)	–	–	–	452,753	–	(1,642)	1,944	453,055	120,815
Transfer of post-employment benefits remeasurement (Note 18)	–	–	–	66	–	(66)	–	–	–
Transfer of share of post-employment benefits remeasurement from joint ventures and associates (Note 18)	–	–	–	90	–	(90)	–	–	–
Treasury shares issued to employees (Note 16)	–	–	874	232	–	(439)	–	667	178
Share-based compensation	–	–	–	(4)	–	472	–	468	125
Dividends (Note 36)	–	–	–	(366,674)	–	–	–	(366,674)	(97,780)
Bonus shares issued (Note 36)	15,000	–	–	(15,000)	–	–	–	–	–
Dividends to non-controlling interests and other	–	–	–	119	–	–	(16,690)	(16,571)	(4,419)
Balance at December 31, 2023	90,000	26,981	(1,362)	1,411,474	6,000	1,514	202,485	1,737,092	463,225

1. Appropriated retained earnings, originally established under the 1988 Articles of the Saudi Arabian Oil Company, represent a legal reserve which is not available for distribution. This amount is maintained pursuant to the Bylaws adopted on January 1, 2018 (Note 1).

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Consolidated statement of cash flows

All amounts in millions of Saudi Riyals unless otherwise stated

	Note	SAR		USD*	
		Year ended December 31		Year ended December 31	
		2023	2022	2023	2022
Income before income taxes and zakat		888,067	1,152,962	236,818	307,456
Adjustments to reconcile income before income taxes and zakat to net cash provided by operating activities					
Depreciation and amortization	5,6	97,040	91,618	25,877	24,431
Exploration and evaluation costs written off	6	3,018	2,916	804	777
Loss on disposal of property, plant and equipment		1,805	3,861	482	1,029
Loss on fair value measurement of assets classified as held for sale	34(a)	3,219	–	858	–
Inventory movement		832	1,525	222	407
Share of results of joint ventures and associates	7	4,001	(2,873)	1,067	(766)
Finance and other income	27	(31,967)	(14,894)	(8,524)	(3,972)
Finance costs	20	8,186	8,882	2,183	2,369
Change in fair value of investments through profit or loss		(347)	237	(92)	64
Change in joint ventures and associates inventory profit elimination	7	(389)	(373)	(103)	(99)
Other		406	1,205	108	322
Change in working capital					
Inventories		11,285	(26,555)	3,010	(7,082)
Trade receivables		47	(22,906)	12	(6,108)
Due from the Government		5,167	(13,228)	1,377	(3,527)
Other assets and receivables		(3,005)	(462)	(801)	(123)
Trade payables and other liabilities		9,946	13,745	2,653	3,665
Royalties payable		(2,147)	2,190	(572)	584
Other changes					
Other assets and receivables	35(c)	(17,740)	2,973	(4,731)	792
Provisions and other liabilities		476	(411)	126	(109)
Post-employment benefits		1,034	596	276	158
Settlement of income, zakat and other taxes	8	(441,120)	(502,856)	(117,633)	(134,094)
Net cash provided by operating activities		537,814	698,152	143,417	186,174
Capital expenditures	4	(158,308)	(141,161)	(42,215)	(37,643)
Acquisition of affiliates, net of cash acquired	35(a)	(9,878)	(1,708)	(2,634)	(455)
Additional investments in joint ventures and associates	7	(3,607)	(1,489)	(962)	(397)
Proceeds from sale of equity interest in an associate	34(b)	–	1,651	–	440
Distributions from joint ventures and associates	7	3,545	4,535	945	1,210
Dividends from investments in securities	27	411	390	110	104
Interest received		25,628	5,950	6,834	1,587
Investments in securities – net	35(c)	(8,682)	(3,035)	(2,316)	(810)
Net maturities (purchases) of short-term investments		96,872	(254,142)	25,833	(67,772)
Net cash used in investing activities		(54,019)	(389,009)	(14,405)	(103,736)
Dividends paid to shareholders of the Company	36	(366,674)	(281,318)	(97,780)	(75,018)
Dividends paid to non-controlling interests in subsidiaries		(14,428)	(14,417)	(3,848)	(3,845)
Proceeds from sale of non-controlling equity interest in a subsidiary		–	58,125	–	15,500
Acquisition of non-controlling interests in certain subsidiaries		–	(230)	–	(62)
Proceeds from issue of treasury shares	16	662	550	176	146
Proceeds from borrowings		32,057	9,082	8,549	2,422
Repayments of borrowings		(134,495)	(132,514)	(35,865)	(35,337)
Principal portion of lease payments		(13,639)	(12,114)	(3,637)	(3,230)
Interest paid		(14,352)	(9,839)	(3,827)	(2,623)
Net cash used in financing activities		(510,869)	(382,675)	(136,232)	(102,047)
Net decrease in cash and cash equivalents		(27,074)	(73,532)	(7,220)	(19,609)
Cash and cash equivalents at beginning of the year		226,047	299,579	60,279	79,888
Cash and cash equivalents at end of the year		198,973	226,047	53,059	60,279

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Notes to the consolidated financial statements

All amounts in millions of Saudi Riyals unless otherwise stated

1. General information

The Saudi Arabian Oil Company (the "Company"), with headquarters located in Dhahran, Kingdom of Saudi Arabia (the "Kingdom"), is engaged in prospecting, exploring, drilling and extracting hydrocarbon substances ("Upstream") and processing, manufacturing, refining and marketing these hydrocarbon substances ("Downstream"). The Company was formed on November 13, 1988, by Royal Decree No. M/8; however, its history dates back to May 29, 1933, when the Saudi Arabian Government (the "Government") granted a concession to the Company's predecessor for the right to, among other things, explore the Kingdom for hydrocarbons.

On December 20, 2017, Royal Decree No. M/37 dated 2/4/1439H was issued approving the Hydrocarbons Law, which applies to the Kingdom's hydrocarbons and hydrocarbon operations. Under the Hydrocarbons Law, all hydrocarbon deposits, hydrocarbons and hydrocarbon resources are the property of the Kingdom until ownership is transferred at the well head or when extracted. Further, the Hydrocarbons Law codifies the Government's sole authority to set the maximum amount of hydrocarbons production by the Company and the maximum sustainable capacity that the Company must maintain.

All natural resources within the Kingdom, including hydrocarbons, are owned by the Kingdom. Through a concession in 1933, the Government granted the Company the exclusive right to explore, develop and produce the Kingdom's hydrocarbon resources, except in certain areas. As of December 24, 2017, the Company's original concession agreement was replaced and superseded by an amended concession agreement (the "Concession Agreement") which provides the Company the exclusive right to explore, drill, prospect, appraise, develop, extract, recover, and produce hydrocarbons in the concession area. The Company is also provided the exclusive right to market and distribute hydrocarbons, petroleum products and liquid petroleum gas ("LPG") in the Kingdom along with the non-exclusive right to manufacture, refine, and treat production and to market, sell, transport and export such production.

The initial term of the Concession Agreement is for 40 years, which shall be extended by the Government for 20 years unless the Company does not satisfy certain conditions commensurate with its then current operating practices. In addition, the Concession Agreement may be amended and extended for an additional 40 years beyond the original 60-year period, subject to the Company and the Government agreeing on the terms of such extension.

Effective January 1, 2018, Council of Ministers Resolution No. 180, dated 1/4/1439H (December 19, 2017) converted the Company to a Saudi Joint Stock Company with new Bylaws. The Company's 1988 Articles were cancelled as of January 1, 2018, pursuant to Royal Decree No. M/36, dated 2/4/1439H (December 20, 2017). The Company's Commercial Registration Number is 2052101150. The Company's share capital was set at Saudi Riyal ("SAR") 60,000, divided into 200 billion fully paid ordinary shares with equal voting rights without par value. On May 12, 2022 and May 8, 2023, after obtaining necessary approvals from the competent authorities in relation to the issuance of bonus shares, the Extraordinary General Assembly ("EGA") approved the increases in the Company's share capital by SAR 15,000 and SAR 15,000, respectively, and the commensurate increase in the number of the Company's issued ordinary shares by 20 billion and 22 billion, respectively. The Company's share capital after these increases is SAR 90,000, divided into 242 billion fully paid ordinary shares with equal voting rights without par value (Note 36).

On December 11, 2019, the Company completed its Initial Public Offering ("IPO") and its ordinary shares were listed on the Saudi Exchange. In connection with the IPO, the Government, being the sole owner of the Company's shares at such time, sold an aggregate of 3.45 billion ordinary shares, or 1.73% of the Company's share capital. In addition, concurrent with the IPO, the Company acquired 117.2 million of its ordinary shares from the Government for a cash payment of SAR 3,750, and classified them as treasury shares (Note 16). These shares are being used by the Company for its employee share plans (Note 17).

On February 13, 2022, the Government transferred 4% of the Company's issued shares to the Public Investment Fund ("PIF"), the sovereign wealth fund of the Kingdom, followed by another transfer of 4% on April 16, 2023 to Saudi Arabian Investment Company ("Sanabil Investments"), a wholly-owned company of PIF. Further, on March 7, 2024, the Government announced the transfer of an additional 8% of the Company's issued shares to PIF's wholly-owned companies. Following the transfers, the Government remains the Company's largest shareholder, retaining a 82.19% direct shareholding.

The consolidated financial statements of the Company and its subsidiaries (together "Saudi Aramco") were approved by the Board of Directors on March 8, 2024.

2. Material accounting policy information and significant judgments and estimates

The material accounting policies applied in the preparation of these consolidated financial statements are set out below.

(a) Basis of preparation

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"), that are endorsed in the Kingdom, and other standards and pronouncements issued by the Saudi Organization for Chartered and Professional Accountants ("SOCPA"). The consolidated financial statements are also in compliance with IFRS as issued by the International Accounting Standards Board ("IASB"). Amounts and balances relating to Shari'a compliant financial instruments are disclosed separately.

Notes to the consolidated financial statements continued

All amounts in millions of Saudi Riyals unless otherwise stated

2. Material accounting policy information and significant judgments and estimates continued

(a) Basis of preparation continued

The consolidated financial statements have been prepared under the historical cost convention except for certain items measured at fair value, which are primarily investments in securities, derivatives, certain trade receivables and payables, and post-employment benefit plan assets. Further, assets classified as held for sale are measured at the lower of carrying amount and fair value less costs to sell. The accounting policies that follow have been consistently applied to all years presented, unless otherwise stated.

(b) Significant accounting judgments and estimates

The preparation of the consolidated financial statements in conformity with IFRS requires management to exercise judgment in applying Saudi Aramco's accounting policies and in the use of certain critical accounting estimates and assumptions concerning the future. Management has made various judgments that may significantly impact the valuation and presentation of assets and liabilities. In addition, management also applies judgment when undertaking the estimation procedures necessary to calculate assets, liabilities, revenue and expenses. Accounting estimates, by definition, may not equal the related actual results and are subject to change based on experience and new information.

The areas requiring the most significant judgments, estimates and assumptions in the preparation of the consolidated financial statements are: accounting for interests in subsidiaries, joint arrangements and associates, fair values of assets acquired and liabilities assumed on acquisition, recoverability of asset carrying amounts, determining the lease term, taxation, provisions, post-retirement obligations and determination of functional currency and are set out in the individual accounting policies below.

Net zero ambition and the energy transition

Saudi Aramco's ambition is to achieve net-zero Scope 1 and Scope 2 greenhouse gas emissions by 2050 across its wholly-owned operated assets. Low lifting costs and lower upstream carbon intensity, associated with the production of both oil and gas, compared to its peers, facilitates Saudi Aramco to continuously supply hydrocarbon products through the energy transition for the foreseeable future. Saudi Aramco's greenhouse gas emissions mitigation targets are to be achieved through: further improving energy efficiency and managing flaring and methane emissions; investing in renewable energy projects and certificates; carbon capture and storage; and developing an offsetting program that includes planting mangroves and purchasing carbon offsets through voluntary markets.

Climate change considerations are key elements of Saudi Aramco's strategic planning processes, which include judgments and estimates relating to the pace of the energy transition and associated demand forecasts, and their impact on commodity prices, margins, and growth rates. Such judgments and estimates, used in the preparation of the 2023 consolidated financial statements, are consistent with Saudi Aramco's long-term strategy and the profile of its operations, and are subject to change as market factors, policies and regulations evolve. Saudi Aramco will continue to assess its financial plans, estimates, and assumptions concerning the economic environment and the pace of the energy transition to update any impacts on the financial statements in future periods.

(c) New or amended standards

- (i) Saudi Aramco adopted the following IASB pronouncements, as endorsed in the Kingdom, effective for annual periods beginning on or after January 1, 2023:

Amendment to IAS 1, Presentation of Financial Statements

In February 2021, the IASB amended IAS 1, Presentation of Financial Statements, to require entities to disclose material accounting policy information rather than their significant accounting policies. Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general-purpose financial statements make on the basis of those financial statements. The amendment further clarifies that immaterial accounting policy information does not need to be disclosed, and if it is disclosed, it should not obscure material accounting policy information. This amendment does not have any significant impact on Saudi Aramco's consolidated financial statements.

Amendment to IAS 12, Income Taxes

In May 2023, the IASB issued an amendment to IAS 12, Income Taxes, relating to the International Tax Reform – Pillar Two Model Rules. This amendment applies to income taxes arising from tax law enacted or substantively enacted to implement the Pillar Two Model Rules published by the Organisation for Economic Co-operation and Development ("OECD"), including tax law that implements qualified domestic minimum top-up taxes described in those rules. The amendment requires entities to make additional disclosures in their annual financial statements regarding their current tax exposure to Pillar Two income taxes. Further, as required by the amendment, Saudi Aramco has applied the mandatory temporary exception to neither recognize nor disclose information about deferred tax assets and liabilities related to Pillar Two income taxes.

Saudi Aramco has performed a preliminary assessment of its exposure to Pillar Two income taxes for jurisdictions where it operates and where Pillar Two legislation has been enacted or substantively enacted as of the reporting date and will be effective for annual periods beginning on or after January 1, 2024. The legislation mandates a top-up tax liability for any difference between the Pillar Two effective tax rate per jurisdiction and the 15% minimum rate. Based on this preliminary assessment, Saudi Aramco is not expected to have any material exposure to Pillar Two top-up taxes.

All amounts in millions of Saudi Riyals unless otherwise stated

2. Material accounting policy information and significant judgments and estimates continued

(c) New or amended standards continued

IFRS 17, Insurance Contracts

In May 2017, the IASB issued IFRS 17, Insurance Contracts, which introduces a new comprehensive accounting model for insurance contracts, and sets out the principles for the recognition, measurement, presentation and disclosure for the issuers of those contracts. The new standard replaces IFRS 4, Insurance Contracts, which was issued in 2005, and allowed insurers to use a range of different accounting treatments for insurance contracts. There is no material impact on Saudi Aramco's consolidated financial statements from the adoption of IFRS 17.

There are no other standards, amendments or interpretations that are effective for annual periods beginning on or after January 1, 2023, that have a material impact on the current or future reporting periods or on foreseeable future transactions.

- (ii) Saudi Aramco has not early adopted any new accounting standards, interpretations or amendments that are issued but not yet effective.

(d) Principles of consolidation, acquisition and equity accounting

(i) Subsidiaries

The consolidated financial statements reflect the assets, liabilities and operations of the Company and its subsidiaries. Subsidiaries are entities over which the Company has control. The Company controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are consolidated from the date on which the Company obtains control, and continue to be consolidated until the date that such control ceases.

Intercompany balances and transactions, including unrealized profits and losses arising from intragroup transactions, have been eliminated. Where necessary, adjustments are made to the financial statements of subsidiaries to align the accounting policies with those used by the Company.

The acquisition method of accounting is used to account for business combinations, including those acquisitions of businesses under common control that have commercial substance. Acquisition related costs are expensed as incurred. The consideration transferred to acquire a subsidiary comprises the fair value of the assets transferred, liabilities incurred to the former owners of the acquired business, equity interests issued by Saudi Aramco, the fair value of any asset or liability resulting from a contingent consideration arrangement, and the fair value of any pre-existing equity interest in the subsidiary. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at fair value at the date the assets and liabilities are exchanged, irrespective of the extent of any non-controlling interests. The excess of the consideration transferred and the amount of any non-controlling interest in the acquired entity over the fair value of the acquired identifiable net assets is recorded as goodwill. Where settlement of any part of the cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained under comparable terms and conditions. Any goodwill arising on acquisition is allocated to each of the cash-generating units, or groups of cash-generating units, expected to benefit from the business combination's synergies.

Non-controlling interests represent the equity in subsidiaries that is not attributable, directly or indirectly, to Saudi Aramco. Saudi Aramco recognizes any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets. Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of income, the consolidated statement of comprehensive income, the consolidated statement of changes in equity, and the consolidated balance sheet, respectively.

Saudi Aramco treats transactions with non-controlling interests that do not result in a loss of control as transactions between equity owners of the group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognized in equity.

If the business combination is achieved in stages, the acquisition date carrying value of the previously held equity interest is remeasured to fair value at the acquisition date with any gains or losses arising from such remeasurement recognized in net income or other comprehensive income, as appropriate.

(ii) Joint arrangements

Under IFRS 11, Joint Arrangements, an arrangement in which two or more parties have joint control is a joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control. Investments in joint arrangements are classified as either joint operations or joint ventures. The classification depends on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangement. Saudi Aramco has interests in both joint operations and joint ventures.

Notes to the consolidated financial statements continued

All amounts in millions of Saudi Riyals unless otherwise stated

2. Material accounting policy information and significant judgments and estimates continued

(d) Principles of consolidation, acquisition and equity accounting continued

1) Joint operations

Joint operations arise where the investors have rights to the assets and obligations for the liabilities of a joint arrangement. Saudi Aramco recognizes its direct right to the assets, liabilities, revenues and expenses of joint operations and its share of any jointly held or incurred assets, liabilities, revenues and expenses.

2) Joint ventures

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement. Investments in joint ventures are accounted for using the equity method of accounting and are initially recognized at cost.

Saudi Aramco's share of results of its joint ventures is recognized within net income, while its share of post-acquisition movements in other comprehensive income is recognized within other comprehensive income. The cumulative effect of these changes is adjusted against the carrying amount of Saudi Aramco's investments in joint ventures, which is presented separately in the consolidated balance sheet. When Saudi Aramco's share of losses in a joint venture equals or exceeds its interest in the joint venture, including any other unsecured non-current receivables, Saudi Aramco does not recognize further losses, unless it has incurred obligations or made payments on behalf of the joint venture.

If the ownership interest in a joint venture or an associate is reduced but joint control or significant influence is retained, the difference between the carrying amount derecognized and the proceeds received is recognized in the consolidated statement of income.

Gains and losses on transactions between Saudi Aramco and joint ventures not realized through a sale to a third party are eliminated to the extent of Saudi Aramco's interest in the joint ventures. Where necessary, adjustments are made to the financial statements of joint ventures to align their accounting policies with those used by Saudi Aramco.

Saudi Aramco's investments in joint ventures includes, when applicable, goodwill identified on acquisition, net of any accumulated impairment loss. Goodwill represents the excess of the cost of an acquisition over the fair value of Saudi Aramco's share of the net identifiable assets of the acquired joint venture at the date of acquisition.

Dividends received or receivable from joint ventures are recognized as a reduction in the carrying amount of the investment.

(iii) Associates

Associates are entities over which Saudi Aramco has significant influence. Significant influence is the power to participate in financial and operating policy decisions but without control or joint control over those policies and is generally reflected by a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting and are initially recognized at cost. The accounting policies for joint ventures detailed in Note 2(d)(ii)(2) above are also applied by Saudi Aramco to its associates.

Significant accounting judgments and estimates

The acquisition of subsidiaries, joint arrangements and associates require management to estimate the fair values of the assets acquired and liabilities assumed. In addition, judgments are applied in the determination of whether control, joint control or significant influence is present with respect to investments in subsidiaries, joint arrangements or associates. Judgment is applied when determining if an entity is controlled by voting rights, potential voting rights or other rights granted through contractual arrangements and includes consideration of an entity's purpose and design, among other factors. Judgment is applied when assessing whether an arrangement is jointly controlled by all of its parties or by a group of the parties by taking decisions about relevant activities through unanimous consent of the parties sharing control. Judgment is also applied as to whether a joint arrangement is classified as a joint venture or joint operation taking into account specific facts and circumstances, such as the purpose and design of the arrangement, including with respect to its output, its relationship to the parties and its source of cash flows. Judgment is applied in determining whether significant influence is held by assessing factors such as representation on the board of directors, participation in policy-making processes, material transactions with the entity, interchange of managerial personnel, and provision of essential technical information. Refer to Notes 7, 34, 35, 38, 39 and 40.

(e) Intangible assets

Goodwill on the acquisition of subsidiaries is included in intangible assets. Goodwill is not amortized but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired. Goodwill is carried at cost less accumulated impairment losses. For the purpose of impairment testing, goodwill is allocated to cash-generating units or groups of cash-generating units that are expected to benefit from the acquisition in which the goodwill arose. The units or groups of units are identified at the lowest level at which goodwill is monitored for internal management purposes.

All amounts in millions of Saudi Riyals unless otherwise stated

2. Material accounting policy information and significant judgments and estimates continued

(e) Intangible assets continued

Intangible assets other than exploration and evaluation costs (Note 2(f)) and those with indefinite useful lives such as goodwill and brands acquired on acquisition of certain subsidiaries, consist primarily of brands and trademarks, franchise/customer relationships and computer software. If acquired in a business combination, these intangible assets are recognized at their fair value at the date of acquisition and, if acquired separately, these intangible assets are recognized at cost. All these intangible assets are subsequently amortized on a straight-line basis over their estimated useful lives.

The following table sets forth estimated useful lives, in years, of the principal groups of these intangible assets:

Brands and trademarks	10 to 22
Franchise/customer relationships	5 to 25
Computer software	3 to 15

Amortization is recorded in depreciation and amortization in the consolidated statement of income.

(f) Exploration and evaluation

Exploration and evaluation costs are recorded under the successful efforts method. Under the successful efforts method, geological and geophysical costs are recognized as an expense when incurred and exploration costs associated with exploratory wells are initially capitalized on the consolidated balance sheet as an intangible asset until the drilling of the well is complete and the results have been evaluated. If potential commercial quantities of hydrocarbons are found, these costs continue to be capitalized subject to further appraisal activities that would determine the commercial viability and technical feasibility of the reserves. If potentially commercial quantities of hydrocarbons have not been found, and no alternative use of the well is determined, the previously capitalized costs are written off to exploration in the consolidated statement of income.

Exploratory wells remain capitalized while additional appraisal drilling on the potential oil and/or gas field is performed or while optimum development plans are established. All such capitalized costs are not subject to amortization, but at each reporting date are subject to regular technical and management review to confirm the continued intent to develop, or otherwise extract value from the well. Where such intent no longer exists, the costs are written off to exploration in the consolidated statement of income. Capitalized exploratory expenditures are, at each reporting date, subject to review for impairment indicators.

When proved reserves of hydrocarbons are determined and there is a firm plan for development approved by management, the relevant capitalized costs are transferred to property, plant and equipment.

(g) Property, plant and equipment

Property, plant and equipment is stated on the consolidated balance sheet at cost less accumulated depreciation and impairment losses, if any. Cost includes expenditures directly attributable to the construction and/or acquisition of the asset (Note 2(s)). Land and construction-in-progress are not depreciated. When a construction-in-progress asset is deemed available for use as intended by management, depreciation commences.

Subsequent expenditures including major renovations are included in an asset's carrying amount, or recognized as a separate asset only when it is probable that future economic benefits associated with the item will flow to Saudi Aramco and the cost of the item can be measured reliably. The carrying amount of the replaced item is derecognized. All other repair and maintenance expenditures are expensed as incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met (Note 2(v)).

Where the life of expected hydrocarbon reserves substantially exceeds the economic or technical lives of the underlying assets, the straight-line method of depreciation is used. The unit of production method is used for fields where the expected reserve life is approximately equal to or less than the estimated useful lives of the underlying assets. Depletion rates are calculated on the basis of a group of wells or fields with similar characteristics based on proved developed reserves. The estimation of expected reserve lives reflects management's assessment of proved developed reserves and the related depletion strategy on a field-by-field basis. Depreciation expense on all other assets is calculated using the straight-line method to allocate the cost less residual values over the estimated useful lives. Depreciation expense is recorded in the consolidated statement of income.

Depreciation expense is calculated after determining an estimate of an asset's expected useful life and the expected residual value at the end of its useful life. The useful lives and residual values are determined by management at the time the asset is initially recognized and are reviewed annually for appropriateness or when events or conditions occur that impact capitalized costs, hydrocarbon reserves, residual values or estimated useful lives.

Notes to the consolidated financial statements continued

All amounts in millions of Saudi Riyals unless otherwise stated

2. Material accounting policy information and significant judgments and estimates continued

(g) Property, plant and equipment continued

The estimated useful lives or, for right-of-use assets the lease term, if shorter (Note 2(i)), in years, of principal groups of depreciable assets is as follows:

Land and land improvements	3 to 54
Buildings	5 to 50
Oil and gas properties	15 to 30
Plant, machinery and equipment	2 to 52
Depots, storage tanks and pipelines	4 to 30
Fixtures, IT and office equipment	2 to 20

Gains and losses on disposals of depreciable assets are recognized in net income.

(h) Impairment of non-financial assets

At each reporting date, Saudi Aramco assesses, whether there are any indications that a non-financial asset with a definite life might be impaired. Assets with indefinite useful lives, such as goodwill and brands acquired on acquisition of certain subsidiaries, are reviewed for impairment on an annual basis. If an indication of impairment exists, or when annual impairment testing for an asset is required, the asset's recoverable amount is estimated. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal or value in use ("VIU"). The fair value less costs of disposal calculation is based on either, post-tax discounted cash flow models or available data from binding arm's length sales transactions for similar assets, or observable market prices less incremental costs of disposing of the asset. The VIU calculation is based on a post-tax risk adjusted discounted cash flow model. The use of post-tax discount rates in determining VIU does not result in a materially different determination of the need for, or the amount of, impairment that would be required if pre-tax discount rates had been used.

Impairment losses are recognized as a component of net income. If, in a subsequent period, the amount of a non-goodwill impairment loss decreases, a reversal of the previously recognized impairment loss is recognized in net income.

Significant accounting judgments and estimates

Impairment tests are undertaken on the basis of the smallest identifiable group of assets (cash-generating unit), or individual assets, for which there are largely independent cash inflows. The key assumptions used to determine the different cash-generating units involves significant judgment by management.

For the purposes of determining whether impairment of items of property, plant and equipment has occurred, and the extent of any impairment or its reversal, the key assumptions management uses in estimating future cash flows for its VIU calculations are forecasted future oil, gas, refined product and chemical prices, expected production volumes, future operating and development costs, refining and petrochemical margins and changes to the discount rate used for the discounted cash flow model. There is an inherent uncertainty over forecasted information and assumptions. Changes in these assumptions and forecasts could impact the recoverable amounts of assets and any calculated impairment and reversals thereof.

(i) Leases

Saudi Aramco's portfolio of leased assets mainly comprises land and buildings, drilling rigs, marine vessels, industrial facilities, equipment, storage and tanks, aircraft and vehicles. The determination of whether the contract is, or contains, a lease is based on the substance of the contract at the inception of the lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Saudi Aramco recognizes right-of-use assets and lease liabilities at the lease commencement date. Right-of-use assets are initially measured at cost, which comprises lease liabilities at initial measurement, any initial direct costs incurred, any lease payments made at or before the commencement date, and restoration costs less any lease incentives received. Subsequent to initial recognition the right-of-use assets are measured at cost less accumulated depreciation and accumulated impairment losses, if any, and adjusted for any remeasurement of the lease liability. Right-of-use assets are depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis unless the lease transfers ownership of the underlying asset by the end of the lease term or if the cost of the asset reflects the exercise of the purchase option, in which case right-of-use assets are depreciated over the useful life of the underlying asset. Depreciation expense is recorded in the consolidated statement of income. Right-of-use assets are included under property, plant and equipment (Note 5).

All amounts in millions of Saudi Riyals unless otherwise stated

2. Material accounting policy information and significant judgments and estimates continued

(i) Leases continued

Lease liabilities are initially measured at the present value of lease payments. Lease payments include fixed lease payments, variable lease payments that depend on an index or rate, amounts payable for guaranteed residual values and payments to be made under extension or purchase or termination options, where applicable. The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions. Subsequent to initial recognition, the lease liabilities are measured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and adjusted for remeasurement to reflect any reassessments or lease modifications. Lease liabilities are included under borrowings (Note 20). Lease payments are allocated between the principal and finance costs. Finance costs are recorded as an expense in the consolidated statement of income over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Saudi Aramco has elected not to recognize right-of-use assets and lease liabilities for short-term and low-value leases. Lease payments under short-term and low-value leases are recorded as an expense in the consolidated statement of income on a straight-line basis over the lease term.

Significant accounting judgments and estimates

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options are only included in the lease term if the lease is reasonably certain to not be terminated or to be extended. The assessment is reviewed if a significant event or a significant change in circumstances occurs which affects this assessment and is within the control of the lessee.

(j) Investments and other financial assets

(i) Classification

Management determines the classification of its financial assets based on its business model for managing the financial assets and the contractual terms of the cash flows. Saudi Aramco's financial assets are classified into the following categories:

- those to be measured subsequently at fair value (either through other comprehensive income or through profit or loss). These include equity securities at fair value through profit or loss ("FVPL"), equity securities at fair value through other comprehensive income ("FVOCI"), debt securities at FVPL, and debt securities at FVOCI. In addition, certain revenue contracts provide for provisional pricing at the time of shipment with the final pricing based on an average market price for a particular future period. Such trade receivables are measured at fair value because the contractual cash flows are not solely payments of principal and interest; and
- those to be measured subsequently at amortized cost. These comprise debt securities at amortized cost, cash and cash equivalents, short-term investments, other assets and receivables, due from the Government, and trade receivables other than those subsequently measured at FVPL, as described above.

(ii) Recognition and derecognition

Regular purchases and sales of financial assets are recognized on the trade-date, which is the date on which Saudi Aramco commits to purchase or sell the asset. Financial assets are derecognized when the rights to receive cash flows from the financial assets have expired or have been transferred and Saudi Aramco has transferred substantially all the risks and rewards of ownership.

(iii) Measurement

At initial recognition, Saudi Aramco measures a financial asset at its fair value plus, in the case of a financial asset not subsequently measured at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed as a component of net income.

Assets that are held for collection of contractual cash flows, where those cash flows represent solely payments of principal and interest, are subsequently measured at amortized cost using the effective interest method. A gain or loss on a debt investment that is subsequently measured at amortized cost and is not part of a hedging relationship is recognized as a component of net income when the asset is derecognized or impaired. Interest income from these financial assets is included in finance income using the effective interest method.

All equity investments and certain debt instruments are subsequently measured at fair value. Gains and losses on financial assets measured at fair value are recorded either through profit or loss, or other comprehensive income. For investments in debt securities, this depends on the business model within which the investment is held. Saudi Aramco reclassifies debt securities, when and only when, its business model for managing those assets changes. For investments in equity securities that are not held for trading whose gains and losses are recorded in profit or loss, this depends on whether Saudi Aramco has made an irrevocable election at the time of initial recognition, due to the strategic nature of these investments, to account for such equity securities at fair value through other comprehensive income.

Notes to the consolidated financial statements continued

All amounts in millions of Saudi Riyals unless otherwise stated

2. Material accounting policy information and significant judgments and estimates continued

(j) Investments and other financial assets continued

(iv) Impairment

Saudi Aramco assesses, on a forward-looking basis, the expected credit losses associated with debt securities carried at either amortized cost or FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For trade receivables, Saudi Aramco applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognized from initial recognition of the receivables.

(k) Derivative instruments and hedging activities

(i) Derivative instruments classified as held for trading

Saudi Aramco uses commodity derivative financial instruments to manage exposure to price fluctuations, which arise on purchase and sale transactions for physical deliveries of crude, natural gas liquids and various refined and bulk petrochemical products. The derivatives are initially recognized, and subsequently remeasured at fair value and recorded as an asset, when the fair value is positive, or as a liability, when the fair value is negative, under trade receivables or trade payables and other liabilities in the consolidated balance sheet, respectively.

The fair value of the derivatives is determined in accordance with Saudi Aramco's derivative valuation policy by reference to the traded price of that instrument on the relevant exchange or over-the-counter markets at the consolidated balance sheet date. The gain or loss from the changes in the fair value of the swap from its value at inception is recognized in net income.

(ii) Derivative instruments designated as hedges

Saudi Aramco uses interest rate swaps and currency forward contracts as derivative financial instruments to manage its exposure to fluctuations in interest rates and foreign exchange rates. These derivative financial instruments, designated as either fair value or cash flow hedges, are purchased from counterparties of high credit standing and are initially recognized, and subsequently remeasured, at fair value.

At the inception of the hedging transaction, Saudi Aramco documents the economic relationship between the hedging instrument and the hedged item, as well as its risk management objectives and strategy for undertaking the hedge transaction.

The fair value of a derivative financial instrument used for hedging purposes is classified as a current asset or liability when the remaining maturity of the derivative is less than 12 months; otherwise, it is classified as a non-current asset or liability.

(l) Income tax and zakat

Income tax expense for the period comprises current and deferred income tax expense. Income tax expense is recognized in net income, except to the extent that it relates to items recognized in other comprehensive income. In this case, the related income tax is also recognized in other comprehensive income.

Current income tax expense is calculated primarily on the basis of the Saudi Arabian Income Tax Law of 2004 and its amendments (the "Tax Law"). In addition, income tax expense results from taxable income generated by foreign affiliates.

Deferred income tax is provided in full, using the liability method at tax rates enacted or substantively enacted at the end of the reporting period and expected to apply when the related deferred income tax is realized or settled on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. In estimating such tax consequences, consideration is given to expected future events. Deferred income tax is not provided on initial recognition of an asset or liability in a transaction, other than a business combination that at the time of the transaction, does not affect either the accounting profit or the taxable profit. As required by the amendment to IAS 12 (Note 2(c)(i)), Saudi Aramco has applied the mandatory temporary exception to neither recognize nor disclose information about deferred tax assets and liabilities related to Pillar Two income taxes.

Deferred income tax assets are recognized where future recovery is probable. Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current income tax assets against current income tax liabilities and when the deferred income taxes relate to the same fiscal authority. Deferred income tax is not provided for taxes on possible future distributions of retained earnings of subsidiaries where the timing of the distribution can be controlled and it is probable that the retained earnings will be substantially reinvested by the entities.

Zakat is levied at the higher of adjusted income subject to zakat or the zakat base in accordance with the Regulations of the Zakat, Tax and Customs Authority ("ZATCA") in the Kingdom. Zakat is computed using the zakat base. The zakat provision is charged to the consolidated statement of income.

All amounts in millions of Saudi Riyals unless otherwise stated

2. Material accounting policy information and significant judgments and estimates continued

(l) Income tax and zakat continued

Significant accounting judgments and estimates

Saudi Aramco establishes provisions, based on reasonable estimates, for potential claims by the tax authorities of the respective countries in which it operates. The amount of such provisions is based on various factors, such as different interpretations of tax regulations by the taxable entity and the responsible tax authority and the outcome of previous negotiations. This requires the application of judgment as to the ultimate outcome, which can change over time depending on facts and circumstances. A change in estimate of the likelihood of a future outflow and/or in the expected amount to be settled would be recognized in net income in the period in which the change occurs. Deferred income tax assets are recognized only to the extent it is considered probable that those assets are recoverable. This includes an assessment of when those assets are likely to reverse, and a judgment as to whether or not there will be sufficient taxable income available to offset the assets when they do reverse. This requires assumptions regarding future profitability. To the extent assumptions regarding future profitability change, there can be an increase or decrease in the amounts recognized in respect of deferred income tax assets as well as in the amounts recognized in net income in the period in which the change occurs.

Detailed taxation information, including current expense and deferred income tax assets and liabilities, is presented in Note 8.

(m) Inventories

Inventories are stated at the lower of cost or estimated net realizable value. Cost comprises all expenses to bring inventories to their present location and condition and, for hydrocarbon and chemical inventories, is determined using the first-in, first-out ("FIFO") method. For materials and supplies inventories, cost is determined using the weighted average method, less an allowance for disposal of obsolete and/or surplus materials and supplies. Net realizable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

(n) Due from the Government

The Government compensates the Company through price equalization (Note 2(y)) and for past due trade receivables of specified Government, semi-Government and other entities with Government ownership or control to whom the Company supplies specified products and services.

Revenue on sales to these specified Government, semi-Government and other entities with Government ownership or control is recognized upon the satisfaction of performance obligations, which occurs when control transfers to these customers. Control of the products is determined to be transferred when the title of products passes, which typically takes place when product is physically transferred to these customers. Once receivables from these customers are past due, these trade receivables are reclassified as a due from the Government current receivable. In cases where any of these customers settle past due amounts, the Government guarantee receivable is credited with the amounts received. The balance is presented within due from the Government even if it is payable to the Government based on the Company's expectation to settle the balance on a net basis with other amounts due from the Government.

Implementing regulations issued by the Government allow the Company to offset any amounts due from the Government against payment of taxes, and in the event of insufficiency of tax balances, offset against any other amounts due and payable by the Company to the Government. Balances due from the Government at December 31 represent amounts to be settled through offset against tax payments.

(o) Cash and cash equivalents

Cash and cash equivalents include cash on hand and in banks together with all highly liquid investments purchased with original maturities of three months or less.

(p) Assets classified as held for sale

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable.

Non-current assets and disposal groups classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell, and are not depreciated, or amortized. An impairment loss is recognized for any initial or subsequent write-down of the asset to fair value less costs to sell. Non-current assets and disposal groups classified as held for sale are presented separately from the other assets in the statement of financial position. The liabilities of a disposal group classified as held for sale are presented separately from other liabilities in the statement of financial position.

(q) Treasury shares

Treasury shares are recognized as a deduction from equity at the amount of consideration paid by the Company for their acquisition, including any directly attributable transaction costs incurred.

Notes to the consolidated financial statements continued

All amounts in millions of Saudi Riyals unless otherwise stated

2. Material accounting policy information and significant judgments and estimates continued

(r) Financial liabilities

Saudi Aramco initially recognizes a financial liability at fair value when it becomes party to the contractual provisions of an instrument. A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires.

Saudi Aramco's financial liabilities are classified into the following categories:

- those to be measured subsequently at FVPL, which mainly include derivative financial liabilities categorized as held for trading unless they are designated as hedges (Note 2(k)). Derivative financial liabilities held for trading are included in current liabilities under trade payables and other liabilities with gains or losses recognized in net income. In addition, trade payables related to contracts with provisional pricing arrangements are subsequently measured at fair value through profit or loss; and
- those to be measured subsequently at amortized cost using the effective interest method, which mainly include borrowings, trade payables, excluding those with provisional pricing arrangements, and other liabilities.

(s) Borrowing costs

Any difference between borrowing proceeds and the redemption value is recognized as finance costs in the consolidated statement of income over the term of the borrowing using the effective interest method.

Borrowing costs are expensed as incurred except for those costs directly attributable to the acquisition, construction or production of a qualifying asset which are capitalized as part of the cost of that asset until the asset is complete for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for intended use or sale.

(t) Post-employment benefit plans

(i) Pension plans

Funded pension plans are non-contributory plans for the majority of employees and are generally funded by payments by Saudi Aramco and where applicable by group companies to independent trusts or other separate entities. Assets held by the independent trusts and other separate entities are held at their fair value. Valuations of both funded and unfunded plans are performed annually by independent actuaries using the projected unit credit method. The valuations take into account employees' years of service, average or final pensionable remuneration, and are discounted to their present value using interest rates of high-quality corporate bonds that have terms to maturity approximating the terms of the related defined benefit obligation.

The amount recognized in the consolidated balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The periodic pension cost included in operating costs in the consolidated statement of income in respect of defined benefit pension plans primarily represents the increase in the actuarially assessed present value of the obligation for pension benefits based on employee service during the year and the net interest on the net defined benefit liability or asset. Net interest is calculated by multiplying the defined benefit liability and plan assets by the discount rate applied to each plan at the beginning of each year, amended for changes to the defined benefit liability and plan assets as a result of benefit payments or contributions.

Past service costs, representing plan amendments, are recognized immediately as pension costs in the consolidated statement of income, regardless of the remaining vesting period.

Remeasurements representing actuarial gains and losses, arising from experience adjustments and changes in actuarial assumptions, and the actual returns on plan assets excluding interest on plan assets, are credited or charged to equity, net of tax, through other comprehensive income.

For defined contribution plans where benefits depend solely on the amount contributed to or due to the employee's account and the returns earned from the investment of those contributions, plan cost is the amount contributed by or due from Saudi Aramco and is recognized as an expense in the consolidated statement of income.

(ii) Other post-employment benefits

Saudi Aramco provides certain post-employment healthcare, life insurance and other benefits to retirees and certain former employees. The entitlement is usually based on the employee remaining in service up to retirement age and the completion of a minimum service period. To the extent these plans are not fully funded, a liability is recognized in the consolidated balance sheet. Valuations of benefits are performed by independent actuaries.

Such plans follow the same accounting methodology as used for defined benefit pension plans.

Significant accounting judgments and estimates

The costs of defined benefit pension plans and post-employment medical benefits are determined using actuarial valuations. The actuarial valuation involves making assumptions, which are reviewed annually. Key assumptions include discount rates, future salary increases, future healthcare costs, mortality rates and future pension increases. Due to the complexity of the valuation, the underlying assumptions and the long-term nature of these plans, such estimates are subject to significant uncertainty. Information about amounts reported in respect of defined benefit plans, assumptions applicable to the plans and their sensitivity to changes are presented in Note 21.

All amounts in millions of Saudi Riyals unless otherwise stated

2. Material accounting policy information and significant judgments and estimates continued

(u) Share-based compensation

The cost of an equity-settled award granted to employees is measured by reference to the fair value of the equity instrument on the date the award is granted. This cost is recognized as an employee benefit expense in the consolidated statement of income with a corresponding increase in equity.

The cost of a cash-settled award granted to employees is measured by reference to the fair value of the liability at each consolidated balance sheet date until settlement. This cost is recognized as an employee benefit expense in the consolidated statement of income with the corresponding recognition of a liability on the consolidated balance sheet.

The cost of both the equity-settled and cash-settled awards is recognized over the vesting period, which is the period over which the employees render the required service for the award and any non-market performance condition attached to the award is required to be met. Additionally, for a cash-settled award, any changes in the fair value of the liability between the vesting date and the date of its settlement are also recognized in the consolidated statement of income within employee benefit expense.

In determining the fair value of an equity-settled or cash-settled award, an appropriate valuation method is applied. Service and non-market performance conditions are not taken into account in determining the fair value of the award, but during the vesting period the likelihood of the conditions being met is assessed as part of the Company's best estimate of the number of awards that are expected to vest. Any market performance conditions and non-vesting conditions are taken into account in determining the award's fair value.

(v) Provisions and contingencies

Saudi Aramco records a provision, and a corresponding asset, for decommissioning activities in Upstream operations for well plugging and abandonment. The decommissioning obligation for a well is recognized when it is drilled. Decommissioning provisions associated with Downstream facilities are generally not recognized, as the potential obligations cannot be measured, given their indeterminate settlement dates. The decommissioning obligations will be recognized in the period when sufficient information becomes available to estimate a range of potential settlement dates. Decommissioning costs are provided for at the present value of expected costs to settle the obligation using estimated cash flows. The value of the obligation is added to the carrying amount of the related asset and amortized over the useful life of the asset. The increase in the provision due to the passage of time is recognized as finance costs in the consolidated statement of income. Changes in future cash flow estimates resulting from revisions to the estimated timing or amount of undiscounted cash flows are recognized as a change in provision and related asset.

A contingent liability is disclosed where the existence of a possible obligation will only be confirmed by future events or where the amount of a present obligation cannot be measured with reasonable reliability or it is not probable that there will be an outflow of resources to settle that obligation. Contingent assets are not recognized, but are disclosed where the inflow of economic benefits is probable.

Significant accounting judgments and estimates

Most of Saudi Aramco's well plugging and abandonment activities are many years into the future with technology and costs constantly changing. Estimates of the amounts of a provision are recognized based on current legal and constructive requirements and costs associated to abandon using existing technologies. Actual costs are uncertain and estimates can vary as a result of changes in the scope of the project and/or relevant laws and regulation. The estimated timing of decommissioning may change due to certain factors, such as reserve life, a decision to terminate operations, or changes in legislation. Changes to estimates related to future expected costs, discount rates and timing may have a material impact on the amounts presented. As a result, significant judgment is applied in the initial recognition and subsequent adjustment of the provision and the capitalized cost associated with decommissioning, plugging and abandonment obligations. Any subsequent adjustments to the provision are made prospectively. Detail on the particular assumptions applied when making certain non-current provisions is included in Note 22.

(w) Functional and presentation currency

The U.S. dollar ("USD") is the functional currency of the Company. Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign currency monetary assets or liabilities are translated at each reporting date using the prevailing reporting date exchange rate. Non-monetary assets or liabilities measured at fair value are translated at the exchange rate on the date when fair value was last measured. Non-monetary assets or liabilities, other than those measured at fair value, are translated into the functional currency using the exchange relevant spot rates at the dates of the transactions. Foreign exchange gains and losses from these translations are recognized as a component of net income.

The consolidated financial statements are presented in SAR. The financial position and results of the operations of the Company, subsidiaries, joint arrangements and associates that have a functional currency which is different from the presentation currency are translated to the presentation currency at reporting date exchange rates and the average exchange rates that approximate the cumulative effect of rates prevailing at the transaction dates, respectively. All resulting exchange differences are recognized through other comprehensive income.

Notes to the consolidated financial statements continued

All amounts in millions of Saudi Riyals unless otherwise stated

2. Material accounting policy information and significant judgments and estimates continued

(w) Functional and presentation currency continued

Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition are treated as assets and liabilities of the foreign operation and translated at the reporting date exchange rate.

Translations from SAR to USD presented as supplementary information in the consolidated statement of income, consolidated statement of comprehensive income, consolidated balance sheet, consolidated statement of changes in equity, and consolidated statement of cash flows at December 31, 2023 and 2022, are for convenience and were calculated at the rate of USD 1.00 = SAR 3.75 representing the exchange rate at the consolidated balance sheet dates.

Significant accounting judgments and estimates

The Company has determined that USD is the functional currency as a substantial amount of its products are traded in USD in international markets. However, a substantial amount of costs of the Company are denominated in SAR, which has been exchanged at a fixed rate to USD since 1986. A change in the fixed exchange rate could impact the recorded revenue, expenses, assets and liabilities of the Company.

(x) Revenue recognition and sales prices

Revenue from sales of crude oil and related products is recognized upon the satisfaction of performance obligations, which occurs when control transfers to the customer. Control of the products is determined to be transferred to the customer when the title of crude oil and related products passes to the customer, which typically takes place when product is physically transferred into a vessel, pipe or other delivery mechanism.

Revenue contracts for crude oil and certain related products provide for provisional pricing at the time of shipment, with final pricing based on the average market price for a particular future period. Revenue on these contracts is recorded based on the estimate of the final price at the time control is transferred to the customer. Any difference between the estimate and the final price is recorded as a change in fair value of the related receivable, as part of revenue, in the consolidated statement of income. Where applicable the transaction price is allocated to the individual performance obligations of a contract based on their relative stand-alone selling prices.

(y) Other income related to sales

The Government compensates the Company through price equalization for revenue directly forgone as a result of the Company's compliance with local regulations governing domestic sales and distribution of certain liquid products, LPGs and certain other products. This compensation reflected in these consolidated financial statements, is calculated by the Company as the difference between the product's equalization price and the corresponding domestic regulated price, net of Government fees, in accordance with the implementing regulations issued by the Government in 2017 and 2019.

This compensation is recorded as other income related to sales, that is taxable, when the Company has satisfied its performance obligations through transfer of the title to the buyer, which occurs when product is physically transferred. The compensation due from the Government is characterized as a due from the Government (Note 2(n)) current receivable and is recognized initially at fair value and subsequently measured at amortized cost using the effective interest method less impairment losses, if any.

The implementing regulations allow the Company to offset any amounts due from the Government against payment of taxes, and in the event of insufficiency of tax balances, offsetting may extend against any other amounts due and payable by the Company to the Government.

(z) Production royalties

Royalties to the Government are calculated based on a progressive scheme applied to crude oil production. An effective royalty rate is applied to production based on the Company's official selling prices. The effective royalty rate is determined based on a baseline marginal rate of 15% applied to prices up to \$70 per barrel, increasing to 45% applied to prices above \$70 per barrel and 80% applied to prices above \$100 per barrel. All such royalties are accounted for as an expense in the consolidated statement of income based on volumes sold during the year and are deductible costs for the Government income tax calculations.

(aa) Research and development

Development costs that are expected to generate probable future economic benefits are capitalized as intangible assets and amortized over their estimated useful life. During the period of development, the asset is tested for impairment annually. All other research and development costs are recognized in net income as incurred.

(bb) Dividends

Provision is made for the amount of any dividend declared, being appropriately authorized and no longer at the discretion of the Company, on or before the end of the reporting period but not distributed at the end of the reporting period.

All amounts in millions of Saudi Riyals unless otherwise stated

2. Material accounting policy information and significant judgments and estimates continued

(cc) Earnings per share

(i) Basic earnings per share

Basic earnings per share is calculated by dividing:

- the net income attributable to the ordinary shareholders of the Company
- by the weighted average number of ordinary shares outstanding during the reporting period, adjusted for bonus elements in ordinary shares issued during the period and excluding treasury shares.

(ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after-income tax effect of interest and other financing costs associated with dilutive potential ordinary shares; and
- the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

(dd) Reclassifications

Certain comparative amounts for 2022 in the notes to the consolidated financial statements have been reclassified to conform to the current year presentation.

3. Financial risk management

Financial risks include market risk (including foreign currency exchange risk, price risk, and interest rate risk), credit risk, and liquidity risk. Financial risk management is carried out primarily by a central treasury department. The adequacy of financial risk management policies is regularly reviewed with consideration of current activities and market conditions on a consolidated basis. Saudi Aramco uses derivative financial instruments with limited complexity to manage certain risk exposures and does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

(a) Financial risk factors

(i) Market risk

1) Foreign currency exchange risk – The risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in foreign currency exchange rates.

Saudi Aramco operates internationally but has limited exposure to financial risk due to changes in foreign currency exchange rates as most significant transactions are denominated in its functional currency (Note 2(w)), are linked to its functional currency or are hedged. Saudi Aramco's limited foreign currency exchange risk arises from future commercial transactions or recognized assets or liabilities denominated in a currency that is not Saudi Aramco's functional currency. In addition, a substantial amount of costs of Saudi Aramco are denominated in SAR which has been at a fixed rate to USD since 1986. A change in the fixed exchange rate would result in foreign exchange differences being recognized in the consolidated financial statements.

Saudi Aramco engages in foreign currency hedging activities through the use of currency forward contracts to manage its exposure from significant transactions denominated in a foreign currency. The hedge ratio considers variability in potential outcomes, spot rates, as well as interest rates on a transaction by transaction basis.

The notional amounts of outstanding currency forward contracts designated as hedging instruments are included in Note 30.

2) Price risk – The risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Price risk primarily stems from investments in securities and commodity trading.

a) Investments in securities

Saudi Aramco has limited exposure to price risk with such risk arising from investments in securities carried at fair value.

Saudi Aramco regularly reviews its positions in investments in securities considering current and expected future economic trends.

At December 31, 2023 and 2022, a change in fair value due to a movement of 5% in the price of listed equity securities would result in a change in other comprehensive income before income taxes and zakat of SAR 669 and SAR 435, respectively.

At December 31, 2023 and 2022, a change in fair value due to a movement of 5% in the unit price of equities and mutual and hedge funds would result in a change in income before income taxes and zakat of SAR 26 and SAR 15, respectively.

b) Commodity derivative contracts

Saudi Aramco trades crude, natural gas liquids and various refined and bulk petrochemical products and uses commodity derivatives as a means of managing price and timing of risks arising from this trading. In effecting these transactions, Saudi Aramco operates within policies and procedures designed to ensure that risks, including those related to the default of counterparties, are managed within authorized limits. The notional amounts of outstanding commodity derivative contracts are included in Note 30.

Notes to the consolidated financial statements continued

All amounts in millions of Saudi Riyals unless otherwise stated

3. Financial risk management continued

(a) Financial risk factors continued

3) Interest rate risk – The risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Saudi Aramco is exposed to interest rate risk from changes in interest rates that affect the fair value or future cash flows of financial instruments, principally borrowings, issued at variable and fixed rates. Borrowings issued at variable rates expose Saudi Aramco to cash flow interest rate risk, which is partially offset by short-term time deposits and debt securities held at variable rates. Borrowings issued at fixed rates expose Saudi Aramco to fair value interest rate risk. Saudi Aramco may enter into interest rate swap agreements as part of its overall strategy to manage the interest rate risk on its debt.

At December 31, 2023 and 2022, a change of 1% in market interest rates, with all other variables held constant, would result in a net change of SAR 1,281 and SAR 2,161, respectively, in Saudi Aramco's income before income taxes and zakat as a result of the effect of higher or lower market interest rates.

The notional amounts of interest rate swap contracts are included in Note 30.

(ii) Credit risk

Credit risk is the risk that counterparties might not fulfill their contractual payment obligations towards an entity.

Saudi Aramco is exposed to credit risk related to its counterparties not performing or honoring their obligations, which could result in financial loss. Credit risk arises from credit exposures on trade and other receivables as well as from cash and cash equivalents, short-term investments, debt securities, and derivatives with financial institutions. The maximum exposure to credit risk is the carrying value of these assets.

Saudi Aramco's trade receivables arise from a global customer base, which limits geographic concentrations of credit risk. Moreover, a credit risk policy is in place to ensure credit limits are extended to creditworthy counterparties and risk mitigation measures are defined and implemented accordingly. Saudi Aramco performs ongoing evaluations of its counterparties' financial standing and takes additional measures to mitigate credit risk when considered appropriate, including but not limited to letters of credits, bank guarantees or parent company guarantees.

In addition, the credit risk policy limits the amount of credit exposure to any individual counterparty based on their credit rating as well as other factors. Moreover, Saudi Aramco's investment policy limits exposure to credit risk arising from investment activities. The policy requires that cash and cash equivalents and short-term investments be invested with a diversified group of financial institutions with acceptable credit ratings. Saudi Aramco ensures that each counterparty is of an acceptable credit quality by relying on quantitative and qualitative measures compiled from internal and third-party rating models. At December 31, 2023, all short-term investments were with financial institutions assigned a long-term credit rating of "BBB" (2022: "BBB") or above.

Employee home loans (Note 9) and debt securities are generally considered to have low credit risk based on history of default and thus the impairment provision recognized during the year based on the general approach allowed by IFRS 9, where applicable, was substantially limited to 12-month expected losses.

Saudi Aramco applies the simplified approach allowed by IFRS 9 in providing for expected credit losses for trade receivables, which uses the lifetime expected credit loss provision for all trade receivables. Such credit losses have historically been nominal and the loss allowance for trade receivables (Note 12) is not material.

(iii) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities.

Saudi Aramco's liquidity risk management includes maintaining sufficient cash and cash equivalents and ensuring the availability of incremental funding through credit facilities (Note 20). Management also monitors and forecasts Saudi Aramco's liquidity requirements based on current and non-current expected cash flows.

Saudi Aramco invests surplus cash in current accounts, time deposits, money market instruments, government repurchase agreements, and marketable securities, choosing instruments with appropriate maturities or sufficient liquidity to meet forecasted cash flow requirements. Saudi Aramco prioritizes security and liquidity over yield.

Note 20 analyzes Saudi Aramco's borrowings into relevant maturity groupings based on the balances associated with each contractual maturity date at the end of the reporting period.

Saudi Aramco's derivative liabilities relate to contracts that mature within 12 months from the balance sheet date, except for certain interest rate swaps and financial liabilities – options and forward contracts that have maturity dates of more than five years.

Saudi Aramco has financial guarantees arising in the ordinary course of business. The earliest period in which such guarantees can be called is the effective date as defined in the related agreements. The maximum exposure is limited to the gross value of such guarantees.

All amounts in millions of Saudi Riyals unless otherwise stated

3. Financial risk management continued

(b) Capital structure management

Saudi Aramco seeks to maintain a prudent capital structure, comprised of borrowings and shareholders' equity, to support its capital investment plans and maintain a sustainable dividend profile. Maintaining sufficient financial flexibility is considered strategically important to mitigate industry cyclicality, while also enabling the pursuit of organic and inorganic investment opportunities. Borrowings or dividends will result in an adjustment to Saudi Aramco's capital structure.

Gearing is a measure of the degree to which Saudi Aramco's operations are financed by debt. Saudi Aramco defines gearing as the ratio of net debt / (cash) (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 debt / (cash). Saudi Aramco's gearing ratios at December 31, 2023 and 2022, were as follows:

	2023	2022
Total borrowings (current and non-current)	290,147	393,144
Cash and cash equivalents	(198,973)	(226,047)
Short-term investments	(184,343)	(281,215)
Investments in debt securities (current and non-current)	(9,584)	(8,565)
Non-current cash investments	–	–
Net cash	(102,753)	(122,683)
Total equity	1,737,092	1,666,147
Total equity and net cash	1,634,339	1,543,464
Gearing	(6.3)%	(7.9)%

(c) Casualty loss risk retention

Saudi Aramco's casualty loss risk strategy includes a risk retention and insurance program, including providing coverage to certain joint arrangements and associates limited to Saudi Aramco's percentage interest in the relevant entity. Current maximum risk retention is SAR 3,301 per loss event (2022: SAR 3,190) and various insurance limits apply, of which the risk retention forms a part. Should a credible loss event occur, the maximum insurance limit above retention is SAR 4,388 (2022: SAR 4,498) per event dependent on the circumstances.

(d) Fair value estimation

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability or, in the absence of a principal market, in the most advantageous market for the asset or liability. Management believes that the fair values of Saudi Aramco's financial assets and liabilities that are measured and recognized at amortized cost are not materially different from their carrying amounts at the end of the reporting period.

Saudi Aramco measures financial instruments such as derivatives, equity investments and debt securities classified as FVPL, and equity investments and debt securities classified as FVOCI, at fair value at each consolidated balance sheet date. Saudi Aramco uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs. All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and
- Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

Notes to the consolidated financial statements continued

All amounts in millions of Saudi Riyals unless otherwise stated

3. Financial risk management continued

(d) Fair value estimation continued

The following table presents Saudi Aramco's assets and liabilities measured and recognized at fair value at December 31, 2023 and 2022, based on the prescribed fair value measurement hierarchy on a recurring basis. Saudi Aramco did not measure any financial assets or financial liabilities at fair value on a non-recurring basis at December 31, 2023 and 2022.

Assets	Level 1	Level 2	Level 3	Total
2023				
Investments in securities:				
Equity securities at FVOCI	13,376	36	2,143	15,555
Debt securities at FVOCI	75	8,884	–	8,959
Equity securities at FVPL	548	1,628	7,908	10,084
Debt securities at FVPL	–	176	–	176
Trade receivables related to contracts with provisional pricing arrangements	–	–	98,978	98,978
	13,999	10,724	109,029	133,752
Other assets and receivables:				
Interest rate swaps	–	556	–	556
Commodity derivative contracts	–	3,651	486	4,137
Currency forward contracts	–	80	–	80
Financial assets – option rights	–	–	3,745	3,745
	–	4,287	4,231	8,518
Total assets	13,999	15,011	113,260	142,270
2022				
Investments in securities:				
Equity securities at FVOCI	8,699	33	2,285	11,017
Debt securities at FVOCI	47	7,463	–	7,510
Equity securities at FVPL	318	1,562	6,201	8,081
Debt securities at FVPL	53	82	4	139
Trade receivables related to contracts with provisional pricing arrangements	–	–	113,542	113,542
	9,117	9,140	122,032	140,289
Other assets and receivables:				
Interest rate swaps	–	734	–	734
Commodity derivative contracts	–	2,987	47	3,034
Currency forward contracts	–	130	–	130
Financial assets – option rights	–	–	2,687	2,687
	–	3,851	2,734	6,585
Total assets	9,117	12,991	124,766	146,874

All amounts in millions of Saudi Riyals unless otherwise stated

3. Financial risk management continued

(d) Fair value estimation continued

Liabilities	Level 1	Level 2	Level 3	Total
2023				
Trade payables and other liabilities:				
Interest rate swaps	–	21	–	21
Commodity derivative contracts	225	2,776	126	3,127
Currency forward contracts	–	49	–	49
Trade payables related to contracts with provisional pricing arrangements	–	–	35,598	35,598
Provisions and other liabilities:				
Financial liabilities – options and forward contracts	–	–	2,011	2,011
Total liabilities	225	2,846	37,735	40,806
2022				
Trade payables and other liabilities:				
Interest rate swaps	–	16	–	16
Commodity derivative contracts	228	2,358	81	2,667
Currency forward contracts	–	134	–	134
Trade payables related to contracts with provisional pricing arrangements	–	–	17,060	17,060
Provisions and other liabilities:				
Financial liabilities – options and forward contracts	–	–	2,929	2,929
Total liabilities	228	2,508	20,070	22,806

The valuation techniques for Saudi Aramco's investments in securities are described in Note 10. The changes in Level 3 investments in securities for the years ended December 31, 2023 and 2022, are as follows:

	2023	2022
January 1	8,490	5,268
Net additions	1,633	2,790
Net unrealized fair value (loss) gain	(64)	391
Realized (loss) gain	(8)	41
December 31	10,051	8,490

The movement in trade receivables and trade payables related to contracts with provisional pricing arrangements is mainly arising from sales and purchase transactions made during the year, net of settlements (Notes 12 and 23). Unrealized fair value movements on these trade receivables and trade payables are not significant.

The change in the carrying amount of commodity derivative contracts primarily relates to purchase and sales of derivative contracts, including recognition of a gain or loss that results from adjusting a derivative to fair value. Fair value movements on commodity derivative contracts are not significant.

The movements in financial assets – option rights and financial liabilities – options and forward contracts, being put, call and forward contracts on equity instruments of certain non-wholly-owned subsidiaries, are mainly due to changes in the unrealized fair values of those contracts during the period.

Notes to the consolidated financial statements continued

All amounts in millions of Saudi Riyals unless otherwise stated

4. Operating segments

Saudi Aramco is engaged in prospecting, exploring, drilling, extracting, processing, manufacturing, refining and marketing hydrocarbon substances within the Kingdom and has interests in refining, petrochemical, distribution, marketing and storage facilities outside the Kingdom.

Saudi Aramco's operating segments are established on the basis of those components that are evaluated regularly by the President & CEO, considered to be the Chief Operating Decision Maker. The Chief Operating Decision Maker monitors the operating results of Saudi Aramco's operating segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on revenues, costs and a broad range of key performance indicators in addition to segment profitability.

For management purposes, Saudi Aramco is organized into business units based on the main types of activities. At December 31, 2023, Saudi Aramco had two reportable segments, Upstream and Downstream, with all other supporting functions aggregated into a Corporate segment. Upstream activities include crude oil, natural gas and natural gas liquids exploration, field development and production. Downstream activities consist primarily of refining and petrochemical manufacturing, supply and trading, distribution and power generation, logistics, and marketing of crude oil and related services to international and domestic customers. Corporate activities include primarily supporting services including Human Resources, Finance and IT, not allocated to Upstream and Downstream. Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties.

The accounting policies used by Saudi Aramco in reporting segments internally are the same as those described in Note 2 of the consolidated financial statements. There are no differences from the consolidated financial statements for the year ended December 31, 2022 in the basis of segmentation or in the basis of measurement of segment earnings before interest, income taxes and zakat, except for some limited changes in the pricing basis of certain inter-segment transactions between Upstream and Downstream.

Information by segments is as follows:

	Upstream	Downstream	Corporate	Eliminations	Consolidated
2023					
External revenue	784,642	866,688	1,951	–	1,653,281
Other income related to sales	71,361	131,731	–	–	203,092
Inter-segment revenue	355,770	35,093	312	(391,175)	–
Share of results of joint ventures and associates	(21)	(3,555)	(425)	–	(4,001)
Depreciation and amortization	(48,997)	(42,352)	(5,691)	–	(97,040)
Dividends and other income	–	736	15	–	751
Earnings (losses) before interest, income taxes and zakat	863,549	21,184	(18,220)	(1,476)	865,037
Finance income					31,216
Finance costs					(8,186)
Income before income taxes and zakat					888,067
Capital expenditures – cash basis	123,543	32,735	2,030	–	158,308
2022					
External revenue	1,024,628	980,681	1,646	–	2,006,955
Other income related to sales	85,475	173,943	–	–	259,418
Inter-segment revenue	463,302	45,090	305	(508,697)	–
Share of results of joint ventures and associates	(16)	3,195	(306)	–	2,873
Depreciation and amortization	(44,209)	(41,425)	(5,984)	–	(91,618)
Dividends and other income	–	2,469	–	–	2,469
Earnings (losses) before interest, income taxes and zakat	1,092,425	79,292	(19,667)	(2,631)	1,149,419
Finance income					12,425
Finance costs					(8,882)
Income before income taxes and zakat					1,152,962
Capital expenditures – cash basis	109,789	29,541	1,831	–	141,161

All amounts in millions of Saudi Riyals unless otherwise stated

4. Operating segments continued

Information by geographical area is as follows:

	In-Kingdom	Out-of-Kingdom	Total
2023			
External revenue	1,011,932	641,349	1,653,281
Property, plant and equipment, intangible assets, investments in joint ventures and associates	1,431,965	186,780	1,618,745
2022			
External revenue	1,293,097	713,858	2,006,955
Property, plant and equipment, intangible assets, investments in joint ventures and associates	1,328,545	206,245	1,534,790

Revenue from sales to external customers by region is based on the location of the Saudi Aramco entity, which made the sale. Out-of-Kingdom revenue includes sales of SAR 194,072 originating from the United States of America ("USA") (2022: SAR 223,731).

Property, plant and equipment, intangible assets and investments in joint ventures and associates by region are based on the location of the Saudi Aramco entity holding the assets.

5. Property, plant and equipment

	Land and land improvements	Buildings	Oil and gas properties	Plant, machinery and equipment	Depots, storage tanks and pipelines	Fixtures, IT and office equipment	Construction-in-progress	Total
Cost								
January 1, 2023	50,738	91,617	641,029	937,307	95,610	20,755	262,903	2,099,959
Additions ¹	660	1,000	292	21,507	375	248	164,142	188,224
Acquisition (Note 35(a))	482	806	–	779	35	44	139	2,285
Construction completed	1,358	2,815	55,216	47,290	14,232	802	(121,713)	–
Currency translation differences	(59)	171	–	813	(106)	8	85	912
Transfers and adjustments ²	(125)	(77)	(3,024)	398	316	84	(670)	(3,098)
Transfer of exploration and evaluation assets	–	–	–	–	–	–	1,858	1,858
Transfer to assets held for sale	(312)	(4,087)	–	(21,758)	–	(415)	(741)	(27,313)
Retirements and sales	(563)	(807)	(424)	(6,982)	(956)	(591)	(279)	(10,602)
December 31, 2023	52,179	91,438	693,089	979,354	109,506	20,935	305,724	2,252,225
Accumulated depreciation								
January 1, 2023	(19,411)	(42,330)	(244,678)	(431,840)	(45,802)	(12,632)	–	(796,693)
Charge for the year ²	(1,934)	(4,038)	(21,810)	(61,840)	(3,377)	(1,681)	–	(94,680)
Currency translation differences	(4)	(90)	–	(741)	44	(9)	–	(800)
Transfers and adjustments	(57)	10	(15)	(1,106)	(13)	(12)	–	(1,193)
Transfer to assets held for sale	64	2,436	–	15,773	–	393	–	18,666
Retirements and sales	194	671	229	4,983	551	564	–	7,192
December 31, 2023	(21,148)	(43,341)	(266,274)	(474,771)	(48,597)	(13,377)	–	(867,508)
Property, plant and equipment – net, December 31, 2023	31,031	48,097	426,815	504,583	60,909	7,558	305,724	1,384,717

Notes to the consolidated financial statements continued

All amounts in millions of Saudi Riyals unless otherwise stated

5. Property, plant and equipment continued

	Land and land improvements	Buildings	Oil and gas properties	Plant, machinery and equipment	Depots, storage tanks and pipelines	Fixtures, IT and office equipment	Construction-in-progress	Total
Cost								
January 1, 2022	47,926	86,411	596,495	883,216	84,110	19,554	246,175	1,963,887
Additions ¹	1,118	642	281	19,209	294	293	132,819	154,656
Acquisitions	42	39	–	62	–	17	14	174
Construction completed	1,839	6,056	46,991	47,748	11,695	1,441	(115,770)	–
Currency translation differences	(452)	(578)	2	(5,041)	(438)	(105)	(253)	(6,865)
Transfers and adjustments ²	331	(240)	17	(198)	365	46	(3,088)	(2,767)
Transfer of exploration and evaluation assets	–	–	–	–	–	–	3,386	3,386
Retirements and sales	(66)	(713)	(2,757)	(7,689)	(416)	(491)	(380)	(12,512)
December 31, 2022	50,738	91,617	641,029	937,307	95,610	20,755	262,903	2,099,959
Accumulated depreciation								
January 1, 2022	(17,989)	(38,603)	(225,273)	(382,413)	(43,679)	(11,614)	–	(719,571)
Charge for the year ²	(1,441)	(4,810)	(19,766)	(58,945)	(2,646)	(1,565)	–	(89,173)
Currency translation differences	5	317	–	2,976	175	84	–	3,557
Transfers and adjustments	(13)	138	20	(245)	(34)	(23)	–	(157)
Retirements and sales	27	628	341	6,787	382	486	–	8,651
December 31, 2022	(19,411)	(42,330)	(244,678)	(431,840)	(45,802)	(12,632)	–	(796,693)
Property, plant and equipment – net, December 31, 2022	31,327	49,287	396,351	505,467	49,808	8,123	262,903	1,303,266

1. Additions include borrowing costs capitalized during the year ended December 31, 2023, amounting to SAR 8,204 (2022: SAR 4,826), which were calculated using an average annualized capitalization rate of 5.36% (2022: 3.24%).

2. During the year ended December 31, 2023, Saudi Aramco recognized an impairment loss of SAR 3,110 (2022: SAR 3,690) mainly relating to plant, machinery and equipment of certain downstream facilities. The impairment was recognized as a result of changed market conditions and was calculated based on the recoverable amount of SAR 10,132 (2022: SAR 25,100), which was determined using VIU calculations. The pre-tax discount rate used in the calculations was 10.2%. In addition, a write-down of SAR 907 was recorded for the year ended December 31, 2023 (2022: SAR 476) on certain downstream facilities, including facilities under construction of SAR 377 (2022: SAR 122).

All amounts in millions of Saudi Riyals unless otherwise stated

5. Property, plant and equipment continued

Additions to right-of-use assets during the year ended December 31, 2023, were SAR 18,083 (2022: SAR 16,065). Acquisition of right-of-use assets during the year ended December 31, 2023, amounted to SAR 364 (2022: SAR 8). The following table presents depreciation expense and net carrying amounts of right-of-use assets by class of assets. Information on lease liabilities and related finance costs is provided in Note 20.

	Depreciation expense for the year ended December 31, 2023	Net carrying amount at December 31, 2023	Depreciation expense for the year ended December 31, 2022	Net carrying amount at December 31, 2022
Land and land improvements	161	5,160	199	5,044
Buildings	510	3,210	596	2,981
Oil and gas properties	11	–	15	11
Plant, machinery and equipment	12,116	52,196	10,455	48,735
Depots, storage tanks and pipelines	338	2,250	296	2,194
Fixtures, IT and office equipment	128	263	124	345
	13,264	63,079	11,685	59,310

6. Intangible assets

	Goodwill	Exploration and evaluation ¹	Brands and trademarks	Franchise/ customer relationships	Computer software	Other ²	Total
Cost							
January 1, 2023	100,603	17,971	22,730	19,647	5,854	4,031	170,836
Additions	–	6,918	–	–	81	113	7,112
Acquisition (Note 35(a))	410	–	2,288	2,073	–	267	5,038
Currency translation differences	(3)	–	(15)	(2)	11	34	25
Transfers and adjustments	–	–	(21)	(17)	(58)	(388)	(484)
Transfer of exploration and evaluation assets	–	(1,858)	–	–	–	–	(1,858)
Transfer to assets held for sale	–	–	–	–	–	(167)	(167)
Retirements and write offs	–	(3,018)	–	–	(1,655)	(14)	(4,687)
December 31, 2023	101,010	20,013	24,982	21,701	4,233	3,876	175,815
Accumulated amortization							
January 1, 2023	–	–	(2,559)	(3,362)	(4,066)	(1,521)	(11,508)
Charge for the year	–	–	(254)	(1,118)	(302)	(309)	(1,983)
Currency translation differences	–	–	(2)	(2)	(10)	(28)	(42)
Transfers and adjustments	–	–	20	17	42	380	459
Transfer to assets held for sale	–	–	–	–	–	146	146
Retirements and write offs	–	–	–	–	1,655	12	1,667
December 31, 2023	–	–	(2,795)	(4,465)	(2,681)	(1,320)	(11,261)
Intangible assets – net, December 31, 2023	101,010	20,013	22,187	17,236	1,552	2,556	164,554

Notes to the consolidated financial statements continued

All amounts in millions of Saudi Riyals unless otherwise stated

6. Intangible assets continued

	Goodwill	Exploration and evaluation ¹	Brands and trademarks	Franchise/ customer relationships	Computer software	Other ²	Total
Cost							
January 1, 2022	100,188	19,219	22,874	19,720	5,149	2,929	170,079
Additions	–	5,054	–	–	292	89	5,435
Acquisitions	426	–	–	4	400	1,108	1,938
Currency translation differences	(11)	–	(74)	(12)	(24)	(92)	(213)
Transfers and adjustments	–	–	(70)	(65)	55	23	(57)
Transfer of exploration and evaluation assets	–	(3,386)	–	–	–	–	(3,386)
Retirements and write offs	–	(2,916)	–	–	(18)	(26)	(2,960)
December 31, 2022	100,603	17,971	22,730	19,647	5,854	4,031	170,836
Accumulated amortization							
January 1, 2022	–	–	(2,235)	(2,367)	(3,721)	(1,088)	(9,411)
Charge for the year ³	–	–	(391)	(980)	(359)	(593)	(2,323)
Currency translation differences	–	–	(3)	(1)	20	63	79
Transfers and adjustments	–	–	70	(14)	(11)	92	137
Retirements and write offs	–	–	–	–	5	5	10
December 31, 2022	–	–	(2,559)	(3,362)	(4,066)	(1,521)	(11,508)
Intangible assets – net, December 31, 2022	100,603	17,971	20,171	16,285	1,788	2,510	159,328

1. Cash used for exploration and evaluation operating activities in 2023 was SAR 6,398 (2022: SAR 5,531) and expenditures for investing activities were SAR 6,918 (2022: SAR 5,054).

2. Other intangible assets with a net book value of SAR 2,556 as at December 31, 2023 (2022: SAR 2,510) comprise processing and offtake agreements, licenses, technology, usage rights, patents and intellectual property.

3. In 2022, Saudi Aramco recognized a write-down on certain other intangible assets of SAR 330.

Saudi Aramco performed an annual impairment test for the goodwill acquired as part of the SABIC acquisition, amounting to SAR 99,116 at December 31, 2023 and 2022, which is allocated to the Downstream segment. The recoverable amount of the Downstream segment was determined based on VIU calculations which require use of certain assumptions. The calculations used cash flow projections for a period of 10 years based on financial plans approved by management. Cash flows were discounted and aggregated with a terminal value. Management's estimate for the cash flows is based on past performance and management's expectation of the future. This includes management's forecast for prices and margins for the downstream operations. The growth rate of 2.25% (2022: 2.25%) used in the terminal value calculation represents the long-term inflation forecast. The pre-tax discount rate for the VIU calculations was 9.9% (2022: 11.1%). As a result of the analysis, management did not identify any impairment of goodwill related to the SABIC acquisition.

Saudi Aramco also performed an annual impairment test for the brand acquired as part of the SABIC acquisition, which has been determined to have an indefinite useful life, amounting to SAR 18,140 at December 31, 2023 and 2022. The impairment test was performed by aggregating the relevant cash-generating units. Cash flows were calculated in the same way as for the goodwill impairment test. The pre-tax discount rate for the VIU calculations was 9.1% (2022: 10.9%). As a result of the analysis, management did not identify any impairment.

Pre-tax discount rates of 10.9% and 11.7% in the VIU calculations for the goodwill and the brand, respectively, would result in the recoverable amounts to be equal to the carrying amounts used in the annual impairment tests. Further, management believes that a 1% decrease in the growth rate, or a reasonable range of increase or decrease in any of the other assumptions used for cash flow projections, individually, would not change the outcome of the impairment analysis for the goodwill or the brand.

All amounts in millions of Saudi Riyals unless otherwise stated

7. Investments in joint ventures and associates

Company	Equity ownership 2023/2022	Principal place of business	Nature of activities	Carrying amount at December 31, 2023	Carrying amount at December 31, 2022
Joint ventures					
Saudi Yanbu Petrochemical Company ("Yanpet") ¹	50%	Saudi Arabia	Petrochemicals	9,943	10,362
Al-Jubail Petrochemical Company ("Kemya") ¹	50%	Saudi Arabia	Petrochemicals	6,108	6,438
Sinopec SABIC Tianjin Petrochemical Company Limited ("SSTPC") ¹	50%	China	Petrochemicals	5,481	6,251
Eastern Petrochemical Company ("Sharq") ¹	50%	Saudi Arabia	Petrochemicals	4,758	5,235
Sadara Chemical Company ("Sadara") ^{2,3}	65%	Saudi Arabia	Petrochemicals	1,139	3,769
Other				6,811	4,646
				34,240	36,701
Associates					
Clariant AG ("Clariant") ^{1,4}	31.5%	Switzerland	Specialty chemical	7,522	7,968
Hyundai Oilbank Co. Ltd. ("Hyundai Oilbank") ⁶	17%	South Korea	Refining/ marketing/ petrochemicals	3,560	3,467
Ma'aden Phosphate Company ("MPC") ¹	30%	Saudi Arabia	Agri-nutrients	3,277	3,396
Aluminium Bahrain BSC ("ALBA") ^{1,4}	20.6%	Bahrain	Aluminum	3,134	3,208
Power and Water Utility Company for Jubail and Yanbu ("Marafiq") ⁴ (Note 34(b))	35%	Saudi Arabia	Utilities	3,008	3,020
Rabigh Refining and Petrochemical Company ("Petro Rabigh") ^{3,4,5}	37.5%	Saudi Arabia	Refining/ petrochemicals	2,786	4,415
The National Shipping Company of Saudi Arabia ("Bahri") ⁴	20%	Saudi Arabia	Global logistics services	2,570	2,262
Ma'aden Wa'ad Al Shamal Phosphate Company ("MWSPC") ^{1,6}	15%	Saudi Arabia	Agri-nutrients	2,189	2,075
Fujian Refining and Petrochemical Company Limited ("FREPC")	25%	China	Refining/ petrochemicals	1,640	1,790
Other				5,548	3,894
				35,234	35,495
				69,474	72,196

1. Equity ownership represents shareholding by SABIC, which is 70% owned by Saudi Aramco.

2. Agreements and constitutive documents do not give a single shareholder control; therefore, the joint venture does not qualify as a subsidiary and has not been consolidated.

3. Saudi Aramco has provided guarantees as described in Note 33.

4. Listed company.

5. On July 6, 2022, the Company subscribed to its share in the Petro Rabigh Rights Issue Offering for an amount of SAR 2,981 through the conversion of an outstanding loan receivable as described in Note 33(b).

6. Agreements and constitutive documents provide Saudi Aramco significant influence over this entity.

Notes to the consolidated financial statements continued

All amounts in millions of Saudi Riyals unless otherwise stated

7. Investments in joint ventures and associates continued

The components of the change in the investments in joint ventures and associates for the years ended December 31 are as follows:

	Joint ventures		Associates	
	2023	2022	2023	2022
January 1	36,701	38,003	35,495	31,556
Acquisitions (Note 35)	393	36	–	853
Share of results of joint ventures and associates	(2,831)	(918)	(1,170)	3,791
Additional investment	2,025	1,338	1,582	3,132
Distributions	(1,924)	(2,856)	(1,621)	(1,679)
Sale of equity interest (Note 34(b))	–	–	–	(1,187)
Change in elimination of profit in inventory	255	352	134	21
Share of other comprehensive income (loss)	1,248	748	92	(253)
Other	(1,627)	(2)	722	(739)
December 31	34,240	36,701	35,234	35,495

Summarized financial information (100%) for joint ventures and associates and reconciliation with the carrying amount of the investments in the consolidated financial statements at December 31, 2023, are set out below:

Summarized balance sheet

At December 31, 2023

	Yanpet	Clariant ¹	Kemysa	SSTPC	Sharq	Hyundai Oilbank ²	MPC	ALBA	Marafiq	Petro Rabigh ³	Bahri	MWSPC	FREP	Sadara ³
Current assets:														
Cash and cash equivalents	831	1,189	502	1,576	480	1,106	1,817	589	1,187	1,372	2,913	1,191	1,725	1,018
Other	3,420	8,069	3,948	1,301	3,046	18,788	4,848	5,739	1,938	10,567	2,389	4,431	6,858	7,352
Total current assets	4,251	9,258	4,450	2,877	3,526	19,894	6,665	6,328	3,125	11,939	5,302	5,622	8,583	8,370
Non-current assets	4,556	14,431	10,021	9,937	10,245	37,303	12,085	18,902	19,928	51,264	17,809	23,968	6,399	47,062
Current liabilities:														
Financial liabilities (excluding trade payables and other liabilities)	8	2,570	5	901	4	6,932	1,429	2,022	804	10,900	797	618	4,358	281
Other	1,548	3,496	1,864	2,365	1,614	11,263	573	1,652	1,524	11,856	2,009	2,818	2,494	4,951
Total current liabilities	1,556	6,066	1,869	3,266	1,618	18,195	2,002	3,674	2,328	22,756	2,806	3,436	6,852	5,232
Non-current liabilities	1,191	6,992	1,355	3,050	2,583	20,943	4,551	3,877	12,522	29,896	7,663	14,572	1,568	47,820
Net assets	6,060	10,631	11,247	6,498	9,570	18,059	12,197	17,679	8,203	10,551	12,642	11,582	6,562	2,380
Saudi Aramco interest	50%	31.5%	50%	50%	50%	17%	30%	20.6%	35%	37.5%	20%	15%	25%	65%
Saudi Aramco share	3,030	3,349	5,624	3,249	4,785	3,070	3,659	3,642	2,871	3,957	2,528	1,737	1,641	1,547
Fair value and other adjustments at Saudi Aramco level	6,913	4,173	484	2,232	(27)	490	(382)	(508)	137	(1,171)	42	452	(1)	(408)
Investment balance at December 31	9,943	7,522	6,108	5,481	4,758	3,560	3,277	3,134	3,008	2,786	2,570	2,189	1,640	1,139

1. The information provided for Clariant is at June 30, 2023, and for the six months then ended.

2. The information provided for Hyundai Oilbank is at September 30, 2023, and for the nine months then ended.

3. Information disclosed reflects estimated results.

All amounts in millions of Saudi Riyals unless otherwise stated

7. Investments in joint ventures and associates continued

Summarized statement of comprehensive income

Year ended December 31, 2023

	Yanpet	Clariant ¹	Kemysa	SSTPC	Sharq	Hyundai Oilbank ²	MPC	ALBA	Marafiq	Petro Rabigh ³	Bahri	MWSPC	FREP	Sadara ³
Revenue	5,594	9,529	8,974	9,819	7,489	58,254	6,770	15,255	6,389	44,604	8,778	7,314	31,999	10,708
Depreciation and amortization	558	501	792	695	1,391	1,851	1,142	1,323	1,228	3,221	1,406	1,081	858	3,124
Conventional interest income	27	54	13	60	1	365	135	-	87	27	-	162	73	66
Interest expense	65	188	61	108	44	1,326	265	615	478	2,217	622	996	167	2,426
Income tax expense (benefit)	176	167	138	(224)	(31)	152	121	2	46	(100)	101	320	184	79
Net income (loss)	1,042	960	1,403	(747)	(599)	480	762	1,166	526	(4,693)	1,793	1,259	478	(3,777)
Dividends received from JVs/associates	597	182	1,009	-	182	275	450	288	193	-	49	56	-	-

1. The information provided for Clariant is at June 30, 2023, and for the six months then ended.

2. The information provided for Hyundai Oilbank is at September 30, 2023, and for the nine months then ended.

3. Information disclosed reflects estimated results.

Summarized financial information (100%) for individually immaterial joint ventures and associates is set out below:

	Joint ventures	Associates
Net (loss) income	(402)	1,676

Notes to the consolidated financial statements continued

All amounts in millions of Saudi Riyals unless otherwise stated

7. Investments in joint ventures and associates continued

Summarized financial information (100%) for joint ventures and associates and reconciliation with the carrying amount of the investments in the consolidated financial statements at December 31, 2022, are set out below:

Summarized balance sheet

At December 31, 2022

	Yanpet	Clariant ¹	Kemys	SSTPC	Sharq	Hyundai Oilbank ²	MPC	ALBA	Marafiq	Petro Rabigh ³	Bahri	MWSPC	FREP	Sadara ³
Current assets:														
Cash and cash equivalents	395	1,436	688	2,455	270	1,205	328	6,190	686	2,045	2,529	1,274	2,002	2,058
Other	4,419	9,951	4,164	1,400	3,977	19,797	5,932	932	3,187	10,216	3,039	6,226	6,066	8,409
Total current assets	4,814	11,387	4,852	3,855	4,247	21,002	6,260	7,122	3,873	12,261	5,568	7,500	8,068	10,467
Non-current assets	4,784	16,377	10,532	10,882	10,662	34,733	12,327	18,931	20,354	53,318	17,329	24,166	7,035	49,747
Current liabilities:														
Financial liabilities (excluding trade payables and other liabilities)	34	2,379	563	899	10	4,365	62	1,236	744	14,038	1,078	659	3,569	289
Other	2,189	6,597	1,855	2,549	1,723	13,528	1,532	1,586	1,669	12,893	1,727	2,755	2,230	5,005
Total current liabilities	2,223	8,976	2,418	3,448	1,733	17,893	1,594	2,822	2,413	26,931	2,805	3,414	5,799	5,294
Non-current liabilities	1,140	6,932	1,248	3,830	2,569	20,186	4,049	5,089	13,568	23,393	8,963	17,557	2,142	48,335
Net assets	6,235	11,856	11,718	7,459	10,607	17,656	12,944	18,142	8,246	15,255	11,129	10,695	7,162	6,585
Saudi Aramco interest	50%	31.5%	50%	50%	50%	17%	30%	20.6%	35%	37.5%	20%	15%	25%	65%
Saudi Aramco share	3,118	3,735	5,859	3,730	5,304	3,002	3,883	3,737	2,886	5,721	2,226	1,604	1,791	4,280
Fair value and other adjustments at Saudi Aramco level	7,244	4,233	579	2,521	(69)	465	(487)	(529)	134	(1,306)	36	471	(1)	(511)
Investment balance at December 31	10,362	7,968	6,438	6,251	5,235	3,467	3,396	3,208	3,020	4,415	2,262	2,075	1,790	3,769

1. The information provided for Clariant is at June 30, 2022, and for the six months then ended.

2. The information provided for Hyundai Oilbank is at September 30, 2022, and for the nine months then ended.

3. Information disclosed reflects estimated results.

All amounts in millions of Saudi Riyals unless otherwise stated

7. Investments in joint ventures and associates continued

Summarized statement of comprehensive income

Year ended December 31, 2022

	Yanpet	Clariant ¹	Kemys	SSTPC	Sharq	Hyundai Oilbank ²	MPC	ALBA	Marafiq	Petro Rabigh ³	Bahri	MWSPC	FREP	Sadara ³
Revenue	6,993	10,457	10,157	9,793	9,654	77,797	10,701	18,325	6,505	55,952	8,583	10,313	33,114	16,725
Depreciation and amortization	483	559	819	542	1,378	1,692	1,061	1,269	1,174	3,039	1,332	1,323	1,033	3,314
Conventional interest income	7	33	2	–	5	137	61	–	51	280	–	66	60	–
Interest expense	41	180	58	62	24	1,801	185	189	298	1,359	297	586	184	2,278
Income tax expense	176	265	334	–	11	1,579	152	4	6	48	93	308	321	61
Net income (loss)	1,171	1,575	2,229	(915)	(266)	4,228	4,870	4,143	846	(1,115)	1,163	3,477	(922)	(1,993)
Dividends received from JVs/associates	720	163	1,045	257	773	193	225	247	189	–	–	–	256	–

1. The information provided for Clariant is at June 30, 2022, and for the six months then ended.

2. The information provided for Hyundai Oilbank is at September 30, 2022, and for the nine months then ended.

3. Information disclosed reflects estimated results.

Summarized financial information (100%) for individually immaterial joint ventures and associates is set out below:

	Joint ventures	Associates
Net income	87	1,513

Saudi Aramco's share of the fair value of the listed associates at December 31, together with their carrying value at those dates, is as follows:

	Fair value		Carrying value	
	2023	2022	2023	2022
Clariant	5,786	6,217	7,522	7,968
Petro Rabigh	6,479	6,692	2,786	4,415
Marafiq (Note 34(b))	5,670	4,104	3,008	3,020
Bahri	3,257	2,904	2,570	2,262
ALBA	3,335	3,165	3,134	3,208

Notes to the consolidated financial statements continued

All amounts in millions of Saudi Riyals unless otherwise stated

8. Income taxes and zakat

(a) Kingdom income tax rates

The Company is subject to an income tax rate of 20% on its Downstream activities and on the activities of exploration and production of non-associated natural gas, including gas condensates, as well as the collection, treatment, processing, fractionation and transportation of associated and non-associated natural gas and their liquids, gas condensates and other associated elements. All other activities are subject to an income tax rate of 50%, in accordance with the Tax Law. The 20% income tax rate applicable to the Company's Downstream activities, which came into effect on January 1, 2020, is conditional on the Company separating its Downstream activities under the control of one or more separate wholly-owned subsidiaries before December 31, 2024, otherwise the Company's Downstream activities will be retroactively taxed at 50%. The Company expects to transfer its Downstream activities in line with the applicable requirements within the specified period.

Additionally, according to the Tax Law, shares held directly or indirectly in listed companies on the Saudi Exchange by taxpayers engaged in oil and hydrocarbon activities are exempt from the application of corporate income tax. As a result, the Company's ownership interests in such companies are subject to zakat.

The reconciliation of tax charge at the Kingdom statutory rates to consolidated tax and zakat expense is as follows:

	2023	2022
Income before income taxes and zakat	888,067	1,152,962
Less: Income subject to zakat	(2,674)	(24,682)
Income subject to income tax	885,393	1,128,280
Income taxes at the Kingdom's statutory tax rates	428,966	548,473
Tax effect of:		
Loss (income) not subject to tax at statutory rates and other	2,888	(1,497)
Income tax expense	431,854	546,976
Zakat expense	1,449	1,981
Total income tax and zakat expense	433,303	548,957

(b) Income tax and zakat expense

	2023	2022
Current income tax – Kingdom	409,931	512,587
Current income tax – Foreign	5,066	5,331
Deferred income tax – Kingdom	19,638	28,091
Deferred income tax – Foreign	(2,781)	967
Zakat – Kingdom	1,449	1,981
	433,303	548,957

Saudi Aramco paid foreign taxes of SAR 7,519 and SAR 2,741 for the years ended December 31, 2023 and 2022, respectively.

Income tax charge recorded through other comprehensive income was SAR 248 for the year ended December 31, 2023 (2022: SAR 14,936).

All amounts in millions of Saudi Riyals unless otherwise stated

8. Income taxes and zakat continued

(c) Income tax and zakat obligation to the Government

	2023	2022
January 1	104,978	90,525
Provided during the period	411,380	514,568
Payments during the period by the Company (Note 28)	(200,189)	(232,661)
Payments during the period by subsidiaries and joint operations	(14,227)	(10,644)
Settlements of due from the Government	(214,032)	(251,476)
Other settlements	(5,153)	(5,334)
Transfer to liabilities associated with assets held for sale	(218)	–
December 31	82,539	104,978

(d) Deferred income tax

	2023	2022
Deferred income tax assets:		
Kingdom	17,466	16,680
U.S. Federal and State	172	134
Other foreign	2,922	1,279
	20,560	18,093
Deferred income tax liabilities:		
Kingdom	133,921	113,163
U.S. Federal and State	4,995	5,355
Other foreign	3,533	3,793
	142,449	122,311
Net deferred income tax liabilities	(121,889)	(104,218)

The gross movement of the net deferred income tax position is as follows:

	2023	2022
January 1	(104,218)	(59,881)
Current period charge to income	(16,857)	(29,058)
Other reserves charge	(248)	(14,936)
Other adjustments	(566)	(343)
December 31	(121,889)	(104,218)

Notes to the consolidated financial statements continued

All amounts in millions of Saudi Riyals unless otherwise stated

8. Income taxes and zakat continued

(d) Deferred income tax continued

The movement in deferred income tax assets (liabilities) for the years ended December 31 is as follows:

	Post-employment benefits	Investment in subsidiary	Undistributed earnings	Provisions and other	Loss carry-forward	Property plant and equipment and intangible assets	Investments in securities at FVOCI	Total
January 1, 2022								
Deferred income tax assets	4,236	–	–	1,806	9,661	(734)	–	14,969
Deferred income tax liabilities	8,314	(4,980)	(1,097)	20,149	10,139	(106,984)	(391)	(74,850)
	12,550	(4,980)	(1,097)	21,955	19,800	(107,718)	(391)	(59,881)
Recognized during the year								
Current period (charges) credits to income ¹	(792)	354	(193)	(4,268)	(5,366)	(18,793)	–	(29,058)
Other reserves (charges) credits	(14,979)	–	–	–	–	–	43	(14,936)
Other adjustments	–	–	–	(343)	–	–	–	(343)
	(15,771)	354	(193)	(4,611)	(5,366)	(18,793)	43	(44,337)
December 31, 2022								
Deferred income tax assets	2,953	–	–	7,729	8,137	(726)	–	18,093
Deferred income tax liabilities	(6,174)	(4,626)	(1,290)	9,615	6,297	(125,785)	(348)	(122,311)
	(3,221)	(4,626)	(1,290)	17,344	14,434	(126,511)	(348)	(104,218)
Recognized during the year								
Current period (charges) credits to income ¹	(672)	538	(45)	(998)	(68)	(15,612)	–	(16,857)
Other reserves (charges) credits	(505)	–	–	–	–	–	257	(248)
Other adjustments	–	–	–	(566)	–	–	–	(566)
	(1,177)	538	(45)	(1,564)	(68)	(15,612)	257	(17,671)
December 31, 2023								
Deferred income tax assets	2,729	–	–	11,604	6,943	(718)	2	20,560
Deferred income tax liabilities	(7,127)	(4,088)	(1,335)	4,176	7,423	(141,405)	(93)	(142,449)
	(4,398)	(4,088)	(1,335)	15,780	14,366	(142,123)	(91)	(121,889)

1. Current period charge includes the net impact of SAR 3,112 (2022: 8,971) recognized in relation to unrealized fair value movements on the long-term agreements for the pipelines transactions (Note 19).

A deferred income tax liability has not been recognized with regard to the undistributed earnings of certain subsidiaries, which are considered to be permanently reinvested in their respective businesses. Such earnings would be taxed only upon distribution. There was no material cumulative taxable undistributed earnings or unrecognized deferred income tax liability for such subsidiaries at December 31, 2023 and 2022. Also, a deferred income tax asset has not been recognized largely related to cumulative unused tax losses of certain subsidiaries with carry-forward periods from 2024 to indefinite. Such losses are available for offsetting against future taxable profits of the subsidiaries in which the losses arose. The cumulative amount of the unused tax losses and other items is SAR 52,622 and SAR 41,178 at December 31, 2023 and 2022, respectively, and the unrecognized deferred income tax asset is SAR 13,019 and SAR 11,077 at December 31, 2023 and 2022, respectively.

(e) Income tax and zakat assessments

The Company and the majority of its affiliates are subject to tax review and audit in tax jurisdictions where they operate. In June 2020, the Company and its wholly-owned domestic affiliates were notified that the Saudi Arabian income tax submissions for all years up to and including the year ended December 31, 2019 were accepted as filed.

For the Company's other domestic and international affiliates, examinations of tax and zakat returns for certain prior years had not been completed as of December 31, 2023; however, the Company is not aware of any significant claims. Therefore, no material provision for any additional income tax and zakat liability has been recorded in the consolidated financial statements.

All amounts in millions of Saudi Riyals unless otherwise stated

9. Other assets and receivables

	2023	2022
Non-current:		
Home loans (Note 9(a))	12,427	12,890
Loans to joint ventures and associates (Note 29(b))	9,866	6,461
Loans and advances	9,066	7,734
Advance payment related to long-term sales agreement (Note 35(c))	5,833	–
Derivative assets (Note 3)	4,299	2,687
Receivable from Government, semi-Government and other entities with Government ownership or control (Note 29(b))	1,151	510
Home ownership construction	692	364
Lease receivable from associates (Note 29(b))	389	408
Other	4,542	1,364
	48,265	32,418
Current:		
Employee and other receivables	9,043	7,613
Tax receivables	8,286	9,302
Prepaid expenses	4,840	3,493
Derivative assets (Note 3)	4,219	3,898
Interest receivable	2,211	3,396
Home loans (Note 9(a))	1,318	1,115
Investments in securities (Note 10)	1,249	905
Receivables from joint ventures and associates (Note 29(b))	5	13
Other	2,576	1,319
	33,747	31,054

(a) Home loans

The home ownership programs provide subsidized non-interest-bearing loans to eligible Saudi Arabian employees. Loans are repayable through payroll deductions and are net of associated subsidies. Any balance remaining upon the death, permanent disability or termination of an employee under the Chronic Medical Condition Program is forgiven. An analysis of the home loans balance is as follows:

	2023	2022
Gross amounts receivable	19,066	18,568
Less:		
Discount	(4,604)	(3,830)
Allowance for doubtful home loans	(555)	(528)
Subsidies	(162)	(205)
Net amounts receivable	13,745	14,005
Current	(1,318)	(1,115)
Non-current	12,427	12,890

Notes to the consolidated financial statements continued

All amounts in millions of Saudi Riyals unless otherwise stated

10. Investments in securities

	Equity ownership percentage 2023/2022	Carrying amount at December 31, 2023	Carrying amount at December 31, 2022
Investments in equity securities			
Equity securities at FVOCI:			
Listed securities:			
Saudi Electricity Company ("SEC")	6.9%	5,480	6,667
Rongsheng Petrochemical Co., Ltd. ("Rongsheng Petrochemical") (Note 35(c))	10.0%	5,536	–
Idemitsu Kosan Co. Ltd. ("Idemitsu")	7.8%	2,360	2,032
Unlisted securities:			
Arab Petroleum Pipelines Company ("SUMED")	15.0%	769	859
Industrialization and Energy Services Company ("TAQA")	7.1%	626	611
Daehan Oil Pipeline Corporation	8.9%	165	158
Other		619	690
Equity securities at FVPL:			
Listed securities		548	318
Unlisted securities		9,536	7,763
		25,639	19,098
Investments in debt securities			
Debt securities at FVOCI:			
Listed securities		75	47
Unlisted securities:			
USD debt securities with fixed interest rates ranging from 0.3% to 10.8% (2022: 0.1% to 13.9%) and maturity dates between 2024 and 2072 (2022: 2023 and 2071)		7,073	5,865
USD debt securities with variable interest rates and maturity dates between 2024 and 2073 (2022: 2023 and 2069)		806	915
Mutual and hedge funds		1,005	683
Debt securities at FVPL:			
Listed securities		–	53
Unlisted securities		176	86
Debt securities at amortized cost:			
Unlisted securities:			
Debt securities with fixed interest rates ranging from 2.5% to 5.1% (2022: 3.2% to 5.1%) and maturity dates between 2024 and 2043 (2022: 2023 and 2043)		188	523
Debt securities with variable interest rates and maturity dates between 2024 and 2028 (2022: 2024 and 2028)		261	393
		9,584	8,565
Total investments in securities		35,223	27,663
Current portion (Note 9)		(1,249)	(905)
Non-current		33,974	26,758

All amounts in millions of Saudi Riyals unless otherwise stated

10. Investments in securities continued

Equity investments designated at FVOCI are not held for trading. Instead, they are held for medium to long-term strategic purposes. Accordingly, management has elected to designate these equity investments at FVOCI as recognizing short-term fluctuations in these investments' fair value in net income would not be consistent with Saudi Aramco's strategy of holding these investments for long-term purposes and realizing their performance potential in the long run.

The fair value of SUMED is based on expected cash flows discounted using a rate based on market interest rates and a risk premium specific to the unlisted security which was 18.1% and 16.1% at December 31, 2023 and 2022, respectively. The fair value of TAQA is based on an earnings growth factor for unlisted equity securities from market information for similar types of companies. The fair value of Daehan Oil Pipeline Corporation is determined using discounted cash flow analysis based on the risk-adjusted yield.

The fair value of other unlisted equity and debt securities is determined based on valuation techniques, including discounted cash flows, using both observable and unobservable inputs that are categorized in level 2 and level 3, respectively, of the fair value hierarchy.

The maximum exposure to credit risk at the reporting date of the investments in debt securities is the fair value. To limit credit risk, Saudi Aramco's investment policy requires that these securities be diversified. Credit ratings for debt securities held at December 31, 2023, range from AAA to BB (2022: AAA to BB) as set out by internationally recognized credit rating agencies.

The movement in investments in securities is as follows:

	2023	2022
January 1	27,663	25,676
Net additions	8,596	3,002
Net unrealized fair value loss	(1,061)	(918)
Net unrealized foreign currency gain (loss)	25	(97)
December 31	35,223	27,663
Current (Note 9)	(1,249)	(905)
Non-current	33,974	26,758

Net additions include unsettled transactions of SAR (86) at December 31, 2023 (2022: SAR (33)).

11. Inventories

	2023	2022
Crude oil, refined products and chemicals	70,512	81,698
Materials and supplies – net	14,157	17,054
Natural gas liquids and other	1,282	1,776
	85,951	100,528

During 2023, a write-down to net realizable value of SAR 914 (2022: SAR 1,759) was recognized in the consolidated statement of income for a portion of the hydrocarbon and chemical inventories purchased from third parties by certain affiliates.

The carrying amount of materials and supplies are shown net of an allowance for obsolete and surplus materials with movement as follows:

	2023	2022
Balance, January 1	3,214	3,448
Net movement in allowance	(82)	(234)
Balance, December 31	3,132	3,214

Notes to the consolidated financial statements continued

All amounts in millions of Saudi Riyals unless otherwise stated

12. Trade receivables

Trade receivables from export and local sales are denominated primarily in USD and SAR, respectively. The components of trade receivables are as follows:

	2023	2022
Arising from export and local sales at international prices	153,883	154,858
Arising from local sales at Kingdom regulated prices	10,287	9,865
	164,170	164,723
Less: Loss allowance	(251)	(281)
	163,919	164,442

Trade receivables relating to certain contracts with provisional pricing arrangements are measured at fair value. The fair value was calculated using forward curves and future prices. These trade receivables are classified as level 3 in the fair value hierarchy (Note 3(d)) due to the inclusion of unobservable inputs, including counterparty credit risk in the fair value calculation.

As described in Note 2(n), the Government, through the Ministry of Finance, provided a guarantee to the Company in the event that certain Government, semi-Government and other entities with Government ownership or control are unable to settle within the terms agreed with the Company.

The movement of the allowance for trade receivables related to past due sales is as follows:

	2023	2022
January 1	281	265
Net movement in allowance	(30)	16
December 31	251	281

13. Due from the Government

	2023	2022
Other income related to sales (Note 2(y))	50,274	53,109
Government guarantee (Note 2(n))	(1,156)	603
Other	260	833
Note 29(b)	49,378	54,545

14. Short-term investments

	2023	2022
USD time deposits	123,851	206,633
USD Murabaha time deposits (Shari'a compliant)	10,009	11,809
USD commercial paper	—	28,241
SAR time deposits	9,188	5,843
SAR repurchase agreements (Shari'a compliant)	21,648	11,700
SAR Murabaha time deposits (Shari'a compliant)	19,583	16,514
South Korean Won time deposits	64	475
	184,343	281,215

All amounts in millions of Saudi Riyals unless otherwise stated

15. Cash and cash equivalents

	2023	2022
Cash at bank and in hand	67,348	95,579
USD time deposits	87,783	91,490
USD Murabaha time deposits (Shari'a compliant)	25,661	15,544
SAR time deposits	1,545	323
SAR repurchase agreements (Shari'a compliant)	1,808	5,351
SAR Murabaha time deposits (Shari'a compliant)	11,588	17,190
South Korean Won time deposits	3,240	570
	198,973	226,047

16. Treasury shares

On December 11, 2019, the Company acquired 117.2 million ordinary shares from the Government for cash consideration of SAR 3,750. These shares were classified by the Company as treasury shares for the purposes of issuing them to the Company's employees upon vesting or purchase of the shares in the employee share plans, including those that the Company may adopt in the future. The number of treasury shares issued to employees during 2023 was 31.4 million (2022: 19.7 million) in relation to employee share plans (Note 17). Further, the number of treasury shares held by the Company increased by 6.1 million ordinary shares as a result of the issuance of bonus shares during 2023 (2022: 8 million) (Note 36). The number of treasury shares outstanding as at December 31, 2023, was 51.3 million (2022: 76.6 million).

17. Share-based compensation

Share-based compensation relates to grants or issuance of ordinary shares awarded to the Company's eligible employees under the respective plan terms. Awards are generally equity-settled; however, in limited circumstances awards may be settled in cash. The Company recognized the following share-based compensation expense in the consolidated statement of income, as an employee benefit expense, for the years ended December 31, 2023 and 2022:

	Equity-settled	Cash-settled	Total
2023			
Share-based compensation expense	472	10	482
2022			
Share-based compensation expense	296	3	299

At December 31, 2023, the total carrying amount of the liabilities in respect of the cash settlement elements and dividend equivalents of the respective awards was SAR 16 (2022: SAR 20) and the intrinsic value of such liabilities, which had vested during the year, was SAR 17 (2022: SAR 5).

Awards granted or shares issued during the year relate to the Long-Term Incentive Plan for Executives ("ELTIP") and the Long-Term Incentive Plan for Management ("MLTIP"), the Long-Term Incentive Plan for certain other eligible employees ("LTIP") and the Employee Share Purchase Plan ("ESPP").

Awards for all plans were granted for nil consideration, with the exception for ESPP, under which shares were issued at a discount of 20% to the fair market value of the shares at each purchase date. The fair values of awards granted were determined by reference to the market values of the Company's ordinary shares on the grant dates for equity-settled awards and at the consolidated balance sheet date for cash-settled awards. Where applicable, the fair values of the awards subject to market-based performance measures were estimated using an appropriate valuation method.

Notes to the consolidated financial statements continued

All amounts in millions of Saudi Riyals unless otherwise stated

17. Share-based compensation continued

	Number of shares granted (in millions)	Weighted average fair value per share (SAR)
2023		
ESPP	25	33.17
ELTIP	2	31.55
MLTIP	2	31.55
LTIP	2	31.55
2022		
ESPP	18	38.51
ELTIP	2	41.55
MLTIP	3	41.55
LTIP	1	41.85

The number of awards settled in shares during the year in relation to the employee share plans was 31.4 million (2022: 19.7 million).

Participants in the plans (other than the ESPP) are entitled to dividend equivalents, if dividends are paid to ordinary shareholders, during the vesting period. Such dividend equivalents will be paid in cash on vesting of the awards. Accordingly, no adjustment for expected dividends during the vesting period was made in determining the fair value of the awards. Participants in all plans become entitled to dividends only after shares have been issued to the participants as the registered holders.

The vesting of ELTIP is dependent on the achievement of (a) specified non-market and market-based performance measures over a three-year performance period, and (b) required service, except for certain qualifying leavers. Upon vesting, 50% of the vested awards are required to be held by the participants for an additional two years, except for certain qualifying leavers. The awards will be settled with the participants in shares on vesting.

The vesting of MLTIP is dependent on the participants achieving (a) specified individual performance targets over a one-year performance period, and (b) required service, except for certain qualifying leavers. The awards are subject to graded vesting. Twenty-five percent of the awards will vest after the end of the performance period, and the remaining 75% of the awards will vest in equal installments over three years from thereon, provided that the participants continue to meet the required service condition. The awards will be settled with the participants in shares on vesting, except for certain qualifying participants who will receive cash-settlement.

The vesting of LTIP is dependent only on the participants achieving required service, except for certain qualifying leavers. The awards are subject to graded vesting. Twenty-five percent of the awards will vest immediately, and the remaining 75% of the awards will vest in equal installments over three years, provided that the participants continue to meet the required service condition. The awards will be settled with the participants in shares on vesting, except for certain qualifying participants who will receive cash-settlement.

Shares issued under the ESPP are required to be held until the earlier of one year from the date of issuance or at the time of cessation of employment.

All amounts in millions of Saudi Riyals unless otherwise stated

18. Other reserves

	Currency translation differences	Investments in securities at FVOCI	Post-employment benefits	Share-based compensation reserve	Cash flow hedges and other	Share of other comprehensive income (loss) of joint ventures and associates		Total
						Foreign currency translation gains (losses)	Cash flow hedges and other	
January 1, 2022	(564)	5,769	–	139	(397)	733	(1,019)	4,661
Current period change	(3,889)	(681)	–	296	1,450	(672)	1,023	(2,473)
Remeasurement gain	–	–	36,187	–	–	–	144	36,331
Transfer to retained earnings	–	–	(19,427)	(137)	–	–	(144)	(19,708)
Tax effect	–	43	(14,979)	–	–	–	–	(14,936)
Less: amounts related to non-controlling interests	1,046	24	(1,781)	–	(19)	134	–	(596)
December 31, 2022	(3,407)	5,155	–	298	1,034	195	4	3,279
Current period change	(829)	(1,408)	–	472	(1,044)	1,407	(157)	(1,559)
Remeasurement gain	–	–	480	–	–	–	90	570
Transfer to retained earnings	–	–	(66)	(439)	–	–	(90)	(595)
Tax effect	–	257	(505)	–	–	–	–	(248)
Less: amounts related to non-controlling interests	396	(25)	91	–	35	(430)	–	67
December 31, 2023	(3,840)	3,979	–	331	25	1,172	(153)	1,514

19. Non-controlling interests

Summarized consolidated financial information (100%) for each subsidiary that has non-controlling interests that are material to Saudi Aramco are set out below. The amounts disclosed for each subsidiary are before inter-company eliminations:

Summarized statement of comprehensive income Year ended December 31

	2023				2022			
	SABIC	AOPC	AGPC	S-Oil Corporation	SABIC	AOPC	AGPC ¹	S-Oil Corporation
Revenue and other income (loss)	156,259	(4,988)	9,446	102,803	199,556	(9,536)	(5,438)	123,300
Net (loss) income	(3,705)	(3,990)	7,549	2,516	17,456	(7,841)	(4,358)	5,513
Other comprehensive income (loss)	221	–	–	(439)	2,471	–	–	(1,466)
Total comprehensive (loss) income	(3,484)	(3,990)	7,549	2,077	19,927	(7,841)	(4,358)	4,047
Net (loss) income attributable to non-controlling interests	(1,159)	(1,955)	3,699	966	9,915	(3,842)	(2,135)	2,116
Dividends paid to non-controlling interests	(8,723)	(2,168)	(2,603)	(413)	(10,163)	(2,258)	(908)	(705)

1. Amounts included are for the period from the date of sale of the non-controlling equity interest in the subsidiary.

Notes to the consolidated financial statements continued

All amounts in millions of Saudi Riyals unless otherwise stated

19. Non-controlling interests continued

On June 17, 2021, the Company sold a 49% equity interest in Aramco Oil Pipelines Company ("AOPC") to EIG Pearl Holdings S.à r.l. ("EIG") for upfront sale proceeds of SAR 46,547 (\$12,412) in cash. Further, on February 23, 2022, the Company sold a 49% equity interest in Aramco Gas Pipelines Company ("AGPC") to GreenSaif Pipelines Bidco S.à r.l. ("GreenSaif") for upfront proceeds of SAR 58,125 (\$15,500) in cash (Note 34(c)). AOPC and AGPC are expected to make quarterly distributions to their respective ordinary shareholders from available cash when the Company pays discretionary dividends to its ordinary shareholders. Given the discretionary nature of distributions to EIG and GreenSaif, the shareholdings of EIG and GreenSaif in AOPC and AGPC, respectively, represent non-controlling interests and, therefore, the upfront sale proceeds were recognized in the consolidated financial statements as non-controlling interest within equity.

Net loss of AOPC includes an unrealized loss of SAR 10,010, and net income of AGPC includes an unrealized gain of SAR 1,712, on their financial assets measured at FVPL at December 31, 2023 (2022: unrealized losses of SAR 13,819 and SAR 10,105, respectively).

Summarized balance sheet At December 31

	2023				2022			
	SABIC	AOPC	AGPC	S-Oil Corporation	SABIC	AOPC	AGPC	S-Oil Corporation
Current assets	101,235	5,955	7,189	28,054	106,620	6,529	10,447	27,240
Non-current assets	242,704	73,043	107,899	37,223	259,613	81,273	103,410	33,866
Total assets	343,939	78,998	115,088	65,277	366,233	87,802	113,857	61,106
Current liabilities	53,475	424	435	26,693	48,679	806	1,444	24,281
Non-current liabilities	48,548	–	–	10,290	49,759	–	–	9,461
Total liabilities	102,023	424	435	36,983	98,438	806	1,444	33,742
Net assets	241,916	78,574	114,653	28,294	267,795	86,996	112,413	27,364
Accumulated non-controlling interest	94,511	38,501	56,180	10,859	106,535	42,628	55,082	10,502

Current assets of AOPC and AGPC as at December 31, 2023 and 2022, mainly include current portion of financial assets measured at FVPL, cash received and trade receivables from the Company in respect of quarterly volume-based tariff.

Summarized statement of cash flows Year ended December 31

	2023				2022			
	SABIC	AOPC	AGPC	S-Oil Corporation	SABIC	AOPC	AGPC ¹	S-Oil Corporation
Cash flows from operating activities	21,469	4,425	4,680	7,635	34,418	4,384	2,479	4,628
Cash flows from investing activities	(8,801)	–	34	(5,873)	(9,375)	–	–	(2,209)
Cash flows from financing activities	(20,314)	(4,429)	(5,310)	71	(26,385)	(4,609)	(1,853)	(4,695)
Net (decrease) increase in cash and cash equivalents	(7,646)	(4)	(596)	1,833	(1,342)	(225)	626	(2,276)

1. Amounts included are for the period from the date of sale of the non-controlling equity interest in the subsidiary.

All amounts in millions of Saudi Riyals unless otherwise stated

20. Borrowings

		2023			2022		
	Note	Non-current	Current	Total	Non-current	Current	Total
Conventional:							
Deferred consideration	a	–	–	–	81,168	40,995	122,163
Debentures	b	81,092	9,683	90,775	89,585	7,627	97,212
Bank borrowings	c	22,853	3,630	26,483	20,998	2,166	23,164
Short-term borrowings	d	–	18,378	18,378	–	10,205	10,205
Revolving credit facilities	e	–	1,237	1,237	–	–	–
Export credit agencies	f	941	656	1,597	1,582	657	2,239
Public Investment Fund	g	455	365	820	820	365	1,185
Other financing arrangements	h	36,070	200	36,270	23,570	408	23,978
		141,411	34,149	175,560	217,723	62,423	280,146
Shari’a compliant:							
Sukuk	i	18,689	15,000	33,689	34,300	281	34,581
Murabaha	j	13,830	2,089	15,919	16,158	2,135	18,293
Saudi Industrial Development Fund	k	3,057	281	3,338	3,441	295	3,736
Ijarah/Procurement	l	3,499	13	3,512	2,688	13	2,701
Wakala	m	771	27	798	997	26	1,023
		39,846	17,410	57,256	57,584	2,750	60,334
Borrowings – other than leases		181,257	51,559	232,816	275,307	65,173	340,480
Lease liabilities		45,224	12,107	57,331	43,073	9,591	52,664
Total borrowings		226,481	63,666	290,147	318,380	74,764	393,144

The carrying amounts of borrowings above are net of unamortized transaction costs of SAR 1,274 (2022: SAR 1,477). Interest payable on borrowings is included in trade payables and other liabilities.

The finance costs recognized in the consolidated statement of income are as follows:

	2023	2022
Finance costs:		
Conventional borrowings	2,781	4,863
Shari'a compliant financial instruments	2,665	1,777
Lease liabilities	2,229	1,732
Unwinding of discount	511	510
	8,186	8,882

In addition, finance costs amounting to SAR 8,204 were capitalized in property, plant and equipment during the year ended December 31, 2023 (2022: SAR 4,826) (Note 5).

Borrowings – other than leases

Saudi Aramco has entered into long-term financing arrangements with various lenders. These financing arrangements limit the creation of additional liens and/or financing obligations and some of these arrangements are secured predominantly over certain property, plant and equipment of Saudi Aramco aggregating to SAR 94,091 (2022: SAR 95,018). Additionally, certain financing arrangements require compliance by Saudi Aramco with covenants to maintain certain financial and other conditions. Saudi Aramco has complied with these covenants throughout the reporting period. The fair value of borrowings excluding lease liabilities at December 31, 2023, was approximately SAR 219,253 (2022: SAR 319,910). This was mainly determined using inputs that are categorized in level 1 or level 2 of the fair value hierarchy, except for the fair value of other financing arrangements that was primarily determined using level 3 inputs.

A majority of the contracts and agreements referencing USD LIBOR, recognized at December 31, 2022, were renegotiated with counterparties and transitioned to alternative benchmark rates in 2023. In addition, for borrowings of certain affiliates amounting to SAR 22,684 at December 31, 2023, Synthetic USD LIBOR has been used under fallback arrangements provided in the underlying financing agreements, which will be transitioned to reflect the agreed benchmark rates.

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All amounts in millions of Saudi Riyals unless otherwise stated

20. Borrowings continued

Borrowings – other than leases continued

(a) Deferred consideration

Deferred consideration represented the amount payable to PIF for the SABIC acquisition in 2020. The amount was payable over several installments, in the form of promissory notes, from August 2020 to April 2028. During the year ended December 31, 2023, the Company made the following repayments:

- (i) On March 13, 2023, the Company, in agreement with PIF, made a partial prepayment of SAR 59,040 (\$15,744), which resulted in a gain of SAR 4,634 (\$1,236).
- (ii) On April 7, 2023, the Company repaid the outstanding amounts of the promissory notes due on or before April 7, 2023, aggregating to SAR 41,250 (\$11,000).
- (iii) On May 2, 2023, the Company, in agreement with PIF, made a final prepayment of SAR 16,691 (\$4,451), which resulted in a gain of SAR 1,141 (\$304).

Following the above repayments, the outstanding amount of deferred consideration was fully settled.

(b) Debentures

- (i) In October 2018, SABIC issued five-year and 10-year USD denominated \$1,000 bonds each, equivalent to a total of SAR 7,500 (\$2,000). These bonds are unsecured and carry coupon rates of 4% and 4.5%, respectively. The bonds are issued in accordance with the Rule 144A/Regulation S offering requirements under the U.S. Securities Act of 1933, as amended. The bonds are listed on the Irish Stock Exchange ("Euronext Dublin") and the proceeds were used for refinancing maturing debt. In 2023, bonds with five-year maturities, aggregating to a principal amount of SAR 3,750 (\$1,000) and carrying a coupon rate of 4%, were repaid.

In September 2020, SABIC issued 10-year and 30-year USD denominated \$500 bonds each, equivalent to a total of SAR 3,750 (\$1,000). These bonds are unsecured and carry coupon rates of 2.15% and 3%, respectively. Both bonds are issued in accordance with Rule 144A/Regulation S offering requirements under the U.S. Securities Act of 1933, as amended. These bonds are listed on the Euronext Dublin and the 30-year bond is dual listed on the Taipei Exchange in Taiwan, China. The proceeds were used for general purposes and refinancing maturing debt.

- (ii) On April 16, 2019, the Company issued five tranches of USD denominated unsecured notes aggregating to an equivalent of SAR 45,000 (\$12,000) and consisting of three-year maturities for SAR 3,750 (\$1,000) with a coupon rate of 2.75%, five-year maturities for SAR 7,500 (\$2,000) with a coupon rate of 2.875%, 10-year maturities for SAR 11,250 (\$3,000) with a coupon rate of 3.5%, 20-year maturities for SAR 11,250 (\$3,000) with a coupon rate of 4.25%, and 30-year maturities for SAR 11,250 (\$3,000) with a coupon rate of 4.375%. The notes were issued and sold in accordance with Rule 144A/Regulation S under the U.S. Securities Act of 1933, as amended. Interest is payable semi-annually in arrears on April 16 and October 16. The notes are listed on the London Stock Exchange's Regulated Market and the proceeds were for general corporate purposes. At initial recognition, the Company recorded an amount of SAR 44,460 (\$11,856) for the issuance proceeds, net of discounts and estimated transaction costs. On April 16, 2022, notes with three-year maturities, aggregating to a principal amount of SAR 3,750 (\$1,000) and carrying a coupon rate of 2.75%, were repaid.

On November 24, 2020, the Company issued another series of USD denominated unsecured notes, aggregating to an equivalent of SAR 30,000 (\$8,000), consisting of maturity dates of three years to 50 years paid at the end of the maturity date with coupon rates ranging from 1.25% to 3.50%. At initial recognition, the Company recorded an amount of SAR 29,625 (\$7,900) for the issuance proceeds, net of discounts. On November 24, 2023, notes with three-year maturities, aggregating to a principal amount of SAR 1,875 (\$500) and carrying a coupon rate of 1.25%, were repaid.

- (iii) Debentures amounting to SAR 8,078, denominated in South Korean Won, have been issued in capital markets with interest rates ranging from 1.49% to 4.8% and with maturities from 2024 to 2033. In 2023, debentures with three to seven-year maturities, aggregating to a principal amount of SAR 1,695, were repaid.
- (iv) Certain notes denominated in USD have been issued in capital markets, by a wholly-owned subsidiary of Saudi Aramco, with fixed and variable interest rates and with maturities from 2027 to 2040. In September 2022, following a cash tender offer to buy-back its outstanding senior notes issued in January 2010 and maturing on January 15, 2040, notes with a principal amount of SAR 1,226 (\$327) were redeemed for a cash payment of SAR 1,260 (\$336). The buy-back resulted in a gain of SAR 188 (\$50), which was recognized in the consolidated statement of income.

Discounts and transaction costs are amortized using the effective interest method and are reflected as finance costs in the consolidated statement of income.

All amounts in millions of Saudi Riyals unless otherwise stated

20. Borrowings continued

Borrowings – other than leases continued

(c) Bank borrowings

Saudi Aramco has commercial and other facility agreements with a number of banks with a total carrying amount at December 31, 2023 of SAR 26,483 (2022: SAR 23,164). The facilities are primarily repayable in semi-annual installments from November 2008 to September 2045. Interest is payable on amounts drawn and is mainly calculated at a market rate plus a margin. As at December 31, 2023, an amount of SAR 1,759 (2022: SAR 2,259) was undrawn against these facilities.

(d) Short-term borrowings

Saudi Aramco has short-term borrowing facilities with a number of banks with a total carrying amount at December 31, 2023 of SAR 18,378 (2022: SAR 10,205), including debt factoring arrangements of SAR 4,237 (2022: SAR 3,551) and a financial liability related to repurchase agreements of SAR 5,377 (2022: nil). The maturity period of short-term facilities is less than one year and they incur interest at a market rate plus a margin. As at December 31, 2023, an amount of SAR 14,871 (2022: SAR 16,795) was available for drawdown against these facilities.

(e) Revolving credit facilities

On April 4, 2022, the Company entered into a new five-year common terms agreement for unsecured revolving credit facilities aggregating to SAR 37,500 (\$10,000), to replace facilities which expired during 2022. The new facilities comprise USD denominated conventional facilities of SAR 30,000 (\$8,000) and a SAR denominated Shari'a compliant Murabaha facility of SAR 7,500 (\$2,000) (Note 20(j)). The conventional facilities also incorporate a SAR 7,500 (\$2,000) swingline sublimit facility in support of the Company's establishment of a U.S. commercial paper program. The common terms agreement provides the framework and common lending terms for the facilities and the Company has the option of up to two extensions of one year each. The Company shall apply all amounts advanced to it under these facilities for general corporate purposes and towards its general working capital requirements. The entire amounts of these facilities were undrawn as at December 31, 2023 and 2022. In addition, Saudi Aramco has a number of other revolving credit facilities with an aggregate carrying amount of SAR 1,237 (2022: nil), and undrawn amount of SAR 14,080 (2022: SAR 17,708) at December 31, 2023.

(f) Export credit agencies

Saudi Aramco has borrowing agreements with a number of export credit agencies with a total carrying amount at December 31, 2023, of SAR 1,597 (2022: SAR 2,239). The amounts borrowed are repayable in semi-annual installments from December 2014 to December 2033. Commission is payable on amounts drawn and is calculated at a market rate plus a margin.

(g) Public Investment Fund

Saudi Aramco has borrowing agreements with the PIF with a total carrying amount at December 31, 2023, of SAR 820 (2022: SAR 1,185). The amounts borrowed are repayable in semi-annual installments from December 2014 to December 2025. Commission is payable on amounts drawn and is calculated at a market rate plus a margin.

(h) Other financing arrangements

Other financing arrangements comprise borrowings from non-financial institutions under commercial terms.

On September 27, 2021, the Company entered into a financing arrangement with the Jazan Integrated Gasification and Power Company ("JIGPC"), a joint operation of Saudi Aramco, for an amount of SAR 44,063. Upon closing Saudi Aramco recognized an amount of SAR 21,226, representing the amount due to the other shareholders of JIGPC, in relation to the first tranche of SAR 26,532 under the financing arrangement. The second tranche of SAR 15,563 was received on January 19, 2023, of which SAR 12,450 is the amount due to the other shareholders of JIGPC. The remaining amount to be received under the financing arrangement as at December 31, 2023 is SAR 1,968. The total amount under the arrangement is repayable in monthly installments, commencing from October 2021 to October 2046.

(i) Sukuk

A Sukuk is a financial instrument similar to a bond that complies with Islamic financing principles.

- (i) On October 9, 2011, Saudi Aramco issued Sukuk for SAR 2,344 at par value, with semi-annual repayments from December 20, 2014 to December 20, 2025. In May 2023, Saudi Aramco fully redeemed the remaining outstanding Sukuk with par value of SAR 911.
- (ii) On April 10, 2017, Saudi Aramco issued Sukuk for SAR 11,250 at par value as part of a SAR 37,500 program. The Sukuk issuance provides a return based on Saudi Arabian Interbank Offered Rate ("SAIBOR") plus a predetermined margin payable semi-annually on April 10 and October 10. These Sukuk mature on April 10, 2024. In accordance with the terms of the Sukuk, 51% of the proceeds from issuance are invested in Mudaraba assets and the remaining 49% are used in a Murabaha arrangement.

Notes to the consolidated financial statements continued

All amounts in millions of Saudi Riyals unless otherwise stated

20. Borrowings continued

Borrowings – other than leases continued

(iii) On June 17, 2021, Saudi Aramco issued three tranches of USD denominated Sukuk trust certificates aggregating to an equivalent of SAR 22,500 (\$6,000) at par value with semi-annual payments on June 17 and December 17. The Shari'a compliant senior unsecured certificates consist of three-year maturities of SAR 3,750 (\$1,000) with a coupon rate of 0.946%, five-year maturities of SAR 7,500 (\$2,000) with a coupon rate of 1.602% and 10-year maturities of SAR 11,250 (\$3,000) with a coupon rate of 2.694%. In accordance with the terms of the Sukuk, 55% of the proceeds from issuance are structured as an Ijarah and the remaining 45% are structured as a Murabaha arrangement. The certificates were listed on the London Stock Exchange's Regulated Market and sold in accordance with Rule 144A/Regulation S under the U.S. Securities Act of 1933, as amended. The proceeds are for general corporate purposes and the Sukuk mature between 2024 and 2031. At initial recognition, the Company recorded an amount of SAR 22,399 (\$5,973) for the issuance proceeds, net of estimated transaction costs.

(j) Murabaha

Saudi Aramco has various Murabaha Shari'a compliant borrowings from a number of financial intuitions. The borrowed amounts are repayable in semi-annual installments from 2008 to 2032. Commission is payable on amounts drawn and is calculated at a market rate plus a margin. In addition, Saudi Aramco also has access to unutilized Murabaha facilities of SAR 10,320 (2022: SAR 9,880), including the SAR denominated Islamic Murabaha facility of SAR 7,500 (Note 20(e)) (2022: SAR 7,500).

(k) Saudi Industrial Development Fund

Saudi Aramco has various borrowing agreements with the Saudi Industrial Development Fund. The amounts borrowed are not subject to periodic financial charges and are repayable in semi-annual installments from 2008 to 2035. As at December 31, 2023, no amounts were available for drawdown under these agreements (2022: SAR 48).

(l) Ijarah/Procurement

Saudi Aramco has Procurement and Ijarah Shari'a compliant Islamic facility agreements with a number of banks. The facilities are repayable in semi-annual installments from 2014 to 2039. As at December 31, 2023, an amount of SAR 165 (2022: SAR 603) was undrawn under these facilities.

(m) Wakala

Saudi Aramco has Shari'a compliant Islamic facility agreements with a number of lenders. The facilities utilize a Wakala financing structure which is an agency arrangement. The facilities are repayable in installments on a semi-annual basis, from 2019 to 2036. An amount of SAR 120 was undrawn as at December 31, 2023 (2022: SAR 271), under these facilities.

Lease liabilities

Lease liabilities are effectively secured as the rights to the leased asset revert to the lessor in the event of default. The lessor has ownership of the assets during the term of the contract and is typically responsible for the operation, insurance and maintenance of the assets until termination of the underlying agreements. For certain leases, the lessor shall transfer its rights, title and interest in the assets to the lessee on the last day of the agreements; for others, there are no further obligations on completion of agreements. Performance guarantees are provided by the lessor under the terms of the agreements.

The cash outflow related to the principal portion of leases for the year ended December 31, 2023, was SAR 13,639 (2022: SAR 12,114). Expenses relating to short-term and low value leases were recognized in the consolidated statement of income for the year ended December 31, 2023, and amounted to SAR 956 (2022: SAR 518) and SAR 309 (2022: SAR 261), respectively.

The maturities of borrowings are as follows:

	No later than one year	Later than one year and no later than five years	Later than five years	Total contractual amount	Total carrying amount
2023					
Borrowings – other than leases	55,931	72,048	193,512	321,491	232,816
Leases	14,327	27,589	28,933	70,849	57,331
	70,258	99,637	222,445	392,340	290,147
2022					
Borrowings – other than leases	74,640	171,825	214,391	460,856	340,480
Leases	12,788	28,118	29,194	70,100	52,664
	87,428	199,943	243,585	530,956	393,144

All amounts in millions of Saudi Riyals unless otherwise stated

20. Borrowings continued

The movement of borrowings is as follows:

	Long-term borrowings	Short-term borrowings and revolving credit facilities	Lease liabilities	Total liabilities from financing activities
January 1, 2022	446,379	17,351	47,191	510,921
Cash flows	(116,281)	(7,151)	(12,114)	(135,546)
Non-cash changes:				
Lease additions	–	–	16,358	16,358
Foreign exchange adjustment	(665)	–	(170)	(835)
Accretion of liabilities and others ¹	842	5	1,399	2,246
December 31, 2022	330,275	10,205	52,664	393,144
Cash flows	(111,999)	9,561	(13,639)	(116,077)
Non-cash changes:				
Lease additions	–	–	18,056	18,056
Foreign exchange adjustment	(141)	(214)	(96)	(451)
Transfer to liabilities associated with assets held for sale	(543)	–	–	(543)
Accretion of liabilities and others ¹	(4,391)	63	346	(3,982)
December 31, 2023	213,201	19,615	57,331	290,147

1. Amount for long-term borrowings includes a gain of SAR 5,775 (2022: net gain of SAR 3,064) on prepayments of deferred consideration to PIF (Note 20(a)).

21. Post-employment benefits

Saudi Aramco sponsors or participates in several funded and unfunded defined benefit pension plans and other post-employment benefit plans that provide pension, severance, death, medical and other benefits to substantially all of its employees primarily in the Kingdom. The majority of the defined benefit plans for the Kingdom-based employees are governed under the Kingdom's Labor Law, applicable benefit plan laws of the USA, and/or Company policies. Benefits to employees of group companies are provided based on local regulations and practices of the respective jurisdiction.

Retirement benefits for defined benefit pension plans are paid, primarily, in the form of lump sum payments upon retirement based on final salary and length of service. Other post-employment benefits such as medical are used to cover retired employees and eligible dependents of retirees for medical services in line with the plan policy documents.

At December 31, the net liability recognized for employee defined benefit plans in the consolidated balance sheet is as follows:

	2023	2022
Pension plans	(7,784)	(7,481)
Medical and other post-employment benefit plans	9,270	11,370
Net benefit liability	1,486	3,889
Represented by:		
Non-current assets	(24,661)	(23,034)
Non-current liabilities	26,147	26,923
Net benefit liability	1,486	3,889

Notes to the consolidated financial statements continued

All amounts in millions of Saudi Riyals unless otherwise stated

21. Post-employment benefits continued

The status of Saudi Aramco's pension and other post-employment defined benefit plans is as follows:

	Pension benefits		Other benefits	
	2023	2022	2023	2022
Net benefit obligation by funding:				
Present value of funded obligations	66,746	62,666	96,034	87,187
Fair value of plan assets	(80,258)	(74,393)	(94,380)	(84,270)
Benefit (surplus) deficit	(13,512)	(11,727)	1,654	2,917
Present value of unfunded obligations	5,728	4,246	7,616	8,453
Net benefit (asset) liability	(7,784)	(7,481)	9,270	11,370
Change in benefit obligations:				
Benefit obligations, January 1	66,912	85,504	95,640	136,042
Current service cost	3,169	4,455	2,220	3,551
Interest cost	3,255	2,546	5,265	4,305
Past service cost	563	173	23	–
Remeasurement	3,870	(21,161)	4,204	(44,351)
Plan participants' contribution	38	45	–	–
Benefits paid	(3,514)	(4,669)	(2,745)	(2,434)
Transfer to liabilities associated with assets held for sale	(2,556)	–	(211)	–
Foreign currency translation and other	737	19	(746)	(1,473)
Benefit obligations, December 31	72,474	66,912	103,650	95,640
Change in plan assets:				
Fair value of plan assets, January 1	(74,393)	(86,888)	(84,270)	(93,929)
Interest income	(4,024)	(2,726)	(4,718)	(2,948)
Remeasurement	(3,053)	13,965	(5,501)	15,360
Employer contributions	(3,188)	(3,746)	(2,636)	(5,258)
Benefits paid	3,514	4,669	2,745	2,434
Foreign currency translation and other	886	333	–	71
Fair value of plan assets, December 31	(80,258)	(74,393)	(94,380)	(84,270)
Net benefit (asset) liability at December 31	(7,784)	(7,481)	9,270	11,370

The weighted average duration of the pension benefit obligations is 12 years at December 31, 2023, and 12 years at December 31, 2022. The weighted average duration of the other benefit obligations is 18 years at December 31, 2023, and 17 years at December 31, 2022.

All amounts in millions of Saudi Riyals unless otherwise stated

21. Post-employment benefits continued

The components of net defined benefit cost, before tax, are primarily recognized in producing and manufacturing, and selling, administrative and general expenses in the consolidated statement of income. Remeasurements are included in the consolidated statement of comprehensive income. Net defined benefit cost and remeasurements for the years ended December 31 are as follows:

	Pension benefits		Other benefits	
	2023	2022	2023	2022
Amounts recognized in net income:				
Current service cost	3,169	4,455	2,220	3,551
Past service cost	563	173	23	–
Net interest (income) cost	(769)	(180)	547	1,357
Other	–	–	(38)	–
	2,963	4,448	2,752	4,908
Amounts recognized in other comprehensive income:				
(Gains) losses from changes in demographic assumptions	(98)	12	323	5,501
Losses (gains) from changes in financial assumptions	2,336	(23,044)	4,699	(50,212)
Losses (gains) from changes in experience adjustments	1,632	1,871	(818)	360
Returns on plan assets (excluding interest income)	(3,053)	13,965	(5,501)	15,360
	817	(7,196)	(1,297)	(28,991)
Net defined benefit loss (gain) before income taxes	3,780	(2,748)	1,455	(24,083)

The present value of the defined benefit obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions, based in part on market conditions. Any changes in these assumptions will impact the carrying amount of the defined benefit obligations.

The significant assumptions used to determine the present value of the defined benefit obligations for the years ended December 31 are as follows:

	Pension benefits		Other benefits	
	2023	2022	2023	2022
Discount rate	5.1%	5.4%	5.3%	5.6%
Salary growth rate	5.5%	5.2%	–	–
Annual average medical claim cost, in whole SAR			31,800	29,138
Health care participation rate			95.0%	95.0%
Assumed health care trend rates:				
Cost-trend rate			6.0%	6.5%
Rate to which cost-trend is to decline			5.0%	5.0%
Year that the rate reaches the ultimate rate			2026	2026

All the above assumptions are reviewed and updated as necessary as part of the periodic actuarial valuation of the defined benefit obligations.

Saudi Aramco determines the discount rate used to calculate the present value of estimated future cash outflows expected to be required to settle the post-employment benefit plan obligations. In determining the appropriate discount rate, Saudi Aramco considers the interest rates of high-quality corporate bonds in the USA that have terms to maturity approximating the terms of the related defined benefit obligation.

The salary growth rate assumption is based on a study of recent years' salary experience and reflects management's outlook for future increases. The annual average medical claim cost assumption is based on medical costs incurred in external medical providers, on behalf of the Company's employees and retirees. The health care participation rate considers the historical participation rate, amongst others, derived from the best available historical data. The assumed health care cost-trend rates reflect Saudi Aramco's historical experience and management's expectations regarding future trends.

Notes to the consolidated financial statements continued

All amounts in millions of Saudi Riyals unless otherwise stated

21. Post-employment benefits continued

Mortality assumptions are reviewed regularly and set based on actuarial advice in accordance with best practice and statistics, adjusted to reflect the experience and improvements to longevity. Relevant life expectancies are as follows:

Life expectancy at age:	Saudi plans		U.S. plans	
	Male	Female	Male	Female
50	33.7	36.4	35.6	37.5
60	24.5	26.8	26.5	27.9
60 (currently aged 40)	26.3	28.4	28.0	29.4

The sensitivity of the overall defined benefit obligations to changes in the principal assumptions, keeping all other assumptions constant, is presented below. The sensitivity analysis may not be representative of an actual change in the defined benefit obligations as it is unlikely that changes in assumptions would occur in isolation from one another.

	Change in assumption	Impact on obligation	2023	2022
Ultimate health care cost-trend rates	Increase by 0.5%	Increase by	9,825	8,633
	Decrease by 0.5%	Decrease by	(8,648)	(7,624)
Discount rate – other benefits	Increase by 0.5%	Decrease by	(8,385)	(7,305)
	Decrease by 0.5%	Increase by	9,604	8,336
Discount rate – pension benefits	Increase by 0.5%	Decrease by	(3,795)	(3,675)
	Decrease by 0.5%	Increase by	4,028	3,638
Salary growth rate	Increase by 0.5%	Increase by	2,014	2,055
	Decrease by 0.5%	Decrease by	(2,213)	(2,269)
Annual average medical claim cost	Increase by 5%	Increase by	4,770	4,350
	Decrease by 5%	Decrease by	(4,770)	(4,350)
Life expectancy	Increase by 1 year	Increase by	3,484	2,963
	Decrease by 1 year	Decrease by	(3,664)	(3,090)
Health care participation rate	Increase by 5%	Increase by	1,260	1,245
	Decrease by 5%	Decrease by	(1,298)	(1,283)

All amounts in millions of Saudi Riyals unless otherwise stated

21. Post-employment benefits continued

Plan assets consist of the following:

	2023	2022
Cash	4,793	5,381
Equity instruments	31,712	30,315
Investment funds	62,178	65,663
Bonds	75,066	55,500
Sukuk (Shari'a compliant)	889	1,804
	174,638	158,663

Plan assets are administered under the oversight of the Company or one of its subsidiaries and managed by independent trustees or separate entities, in a manner consistent with fiduciary obligations and principles, acting in the best interest of plan participants. The objectives of the plans are to maximize investment returns consistent with prudent risk over a long-term investment horizon in order to secure retiree benefits and minimize corporate funding.

All plan assets are held separately, solely to pay retiree benefits. Funded Saudi plans have the right to transfer assets held in excess of the plan's defined benefit obligation to another funded Saudi plan. The right to transfer such assets is solely in respect of amounts held in excess of the plan's defined benefit obligations and solely to plans with defined benefit obligations exceeding the value of assets held. Where Saudi Aramco has no rights to a refund of plan assets, surplus assets are recognized on the consolidated balance sheet on the basis that economic benefit can be gained through a reduction in future contributions.

Through its post-employment benefit plans, Saudi Aramco is exposed to a number of risks including asset volatility, changes in bond yields, inflation and life expectancy. Investment risk is minimized through diversification of investments among fixed income, equity, and alternative asset classes. Asset allocation is determined by an asset liability modeling study. The target asset allocation is, approximately, 17% (2022: 25%) equity instruments, 46% (2022: 38%) debt instruments, and 37% (2022: 37%) alternative assets. Inflation risk is partially offset by equities inflation and life expectancy risk is borne by Saudi Aramco.

Plan assets include transferable securities with a fair value of SAR 2,749 (2022: SAR 6,794) in the Company and its affiliated entities.

Employer contributions to defined benefit plans are estimated to be SAR 6,871 in 2024. While the Saudi plans are not governed by regulatory minimum funding requirements, the funding objective is to reach full funding of the larger plans only. Saudi Aramco pays annual contributions equal to benefit payments. Asset outperformance is expected to meet the shortfall between assets and the assessed liabilities within a reasonable period. Funding for the U.S. plans sponsored by Aramco Shared Benefit Company, a wholly-owned subsidiary of the Company, is recommended by the actuary in order to meet Saudi Aramco's funding strategy to meet benefit plan expenses using applicable U.S. plan funding rules. Other plans follow local regulations or contractual obligations to meet minimum funding requirements.

In addition to the above plans, Saudi Aramco maintains or participates in defined contribution plans for which Saudi Aramco's legal or constructive obligation is limited to the contributions. The costs of the defined contribution plans, which are included principally within producing and manufacturing, and selling, administrative and general expenses in the consolidated statement of income, are SAR 1,322 and SAR 1,201 for the years ended December 31, 2023 and 2022, respectively (Note 26).

22. Provisions and other liabilities

	2023	2022
Asset retirement	15,150	17,568
Environmental	698	770
Derivative liabilities (Note 3)	2,011	2,929
Other non-current liabilities	10,346	6,510
	28,205	27,777

Asset retirement provisions relate to the future plugging and abandonment of oil and natural gas wells and the decommissioning of certain Downstream assets. The environmental provision is for the remediation of ground water and soil contamination. Payments to settle these provisions will occur on an ongoing basis and will continue over the lives of the operating assets, which can exceed 50 years for the time when it is necessary to abandon oil and natural gas wells. The amount and timing of settlement in respect of these provisions are uncertain and dependent on various factors that are not always within management's control. Derivative liabilities comprise financial liabilities relating to options and forward contracts.

Notes to the consolidated financial statements continued

All amounts in millions of Saudi Riyals unless otherwise stated

22. Provisions and other liabilities continued

The movements in asset retirement and environmental provisions are as follows:

	Asset retirement	Environmental
January 1, 2022	18,296	824
Revision to estimate	(1,770)	(8)
Additional provisions	626	4
Unwinding of discount	431	4
Amounts charged against provisions	(15)	(54)
December 31, 2022	17,568	770
Revision to estimate	(3,461)	23
Additional provisions	664	30
Unwinding of discount	458	15
Amounts charged against provisions	(79)	(140)
December 31, 2023	15,150	698

23. Trade payables and other liabilities

	2023	2022
Trade payables	71,993	65,425
Accrued materials and services	44,633	34,083
Amounts due to related parties (Note 29(b))	13,823	15,431
Employee related payables	10,769	10,304
Derivative liabilities (Note 3)	3,197	2,817
Other	7,138	7,330
	151,553	135,390

Trade payables relating to certain contracts with provisional pricing arrangements are measured at fair value. The fair value was calculated using forward curves and future prices. These trade payables are classified as level 3 in the fair value hierarchy (Note 3(d)) due to the inclusion of unobservable inputs, including counterparty credit risk in the fair value calculation.

24. Revenue

	2023	2022
Revenue from contracts with customers	1,644,114	2,003,347
Movement between provisional and final prices	(549)	(3,397)
Other revenue	9,716	7,005
	1,653,281	2,006,955
Other revenue:		
Services provided to:		
Government, semi-Government and other entities with Government ownership or control (Note 29(a))	934	1,061
Third parties	2,168	698
Joint ventures and associates (Note 29(a))	210	195
Freight	555	1,076
Other	5,849	3,975
	9,716	7,005

Revenue from contracts with customers is measured at a transaction price agreed under the contract and the payment is due within 10 to 120 days from the invoice date depending on specific terms of the contract.

Transaction prices are not adjusted for the time value of money, as Saudi Aramco does not have any contracts where the period between the transfer of product to the customer and payment by the customer exceeds one year.

All amounts in millions of Saudi Riyals unless otherwise stated

24. Revenue continued

Disaggregation of revenue from contracts with customers

Saudi Aramco's revenue from contracts with customers according to product type and source is as follows:

	2023			
	Upstream	Downstream	Corporate	Total
Crude oil	746,689	91,945	–	838,634
Refined and chemical products	–	750,355	–	750,355
Natural gas and NGLs	38,053	4,018	–	42,071
Metal products	–	13,054	–	13,054
Revenue from contracts with customers	784,742	859,372	–	1,644,114
Movement between provisional and final prices	(475)	(74)	–	(549)
Other revenue	375	7,390	1,951	9,716
External revenue	784,642	866,688	1,951	1,653,281

	2022			
	Upstream	Downstream	Corporate	Total
Crude oil	971,325	105,401	–	1,076,726
Refined and chemical products	–	835,884	–	835,884
Natural gas and NGLs	56,055	19,292	–	75,347
Metal products	–	15,390	–	15,390
Revenue from contracts with customers	1,027,380	975,967	–	2,003,347
Movement between provisional and final prices	(3,142)	(255)	–	(3,397)
Other revenue	390	4,969	1,646	7,005
External revenue	1,024,628	980,681	1,646	2,006,955

25. Purchases

	2023	2022
Refined and chemical products	277,022	291,696
Crude oil	162,236	152,556
NGL and other products	31,967	46,438
	471,225	490,690

Purchases primarily consist of refined products, chemicals, crude oil and NGL purchased from third parties for use in Downstream operations and to meet demand for products in the Kingdom when it exceeds Saudi Aramco's production of the relevant product. Saudi Aramco also purchases products from third parties in certain markets where it is more cost effective compared to procuring them from other business units.

26. Employee benefit expense

	2023	2022
Salaries and wages	49,530	44,736
Social security costs	3,280	2,927
Post-retirement benefits (Note 21):		
Defined benefit plans	5,715	9,356
Defined contribution plans	1,322	1,201
Share-based compensation (Note 17)	482	299
	60,329	58,519

Notes to the consolidated financial statements continued

All amounts in millions of Saudi Riyals unless otherwise stated

27. Finance and other income

	2023	2022
Interest income	22,275	7,955
Gain on partial prepayment of deferred consideration to PIF	5,775	3,281
Investment income	3,166	1,189
Dividend income from investments in securities	411	390
Other	340	2,079
	31,967	14,894

28. Payments to the Government by Saudi Arabian Oil Company

	2023	2022
Income taxes (Note 8(c))	200,189	232,661
Royalties	213,216	349,270
Dividends	333,699	265,066

29. Related party transactions

(a) Transactions

	2023	2022
Joint ventures:		
Revenue from sales	23,899	28,155
Other revenue (Note 24)	34	30
Interest income	23	161
Purchases	25,729	30,574
Service expenses	11	8
Associates:		
Revenue from sales	90,045	77,048
Other revenue (Note 24)	176	165
Interest income	124	113
Purchases	46,260	72,503
Service expenses	135	158
Government, semi-Government and other entities with Government ownership or control:		
Revenue from sales	23,355	23,351
Other income related to sales	203,092	259,418
Other revenue (Note 24)	934	1,061
Purchases	14,194	12,761
Service expenses	563	409
Lease expenses	1,015	791

Goods are purchased and sold according to supply agreements in force. Note 33 includes additional information on loans to joint ventures and associates.

All amounts in millions of Saudi Riyals unless otherwise stated

29. Related party transactions continued

(b) Balances

	2023	2022
Joint ventures:		
Other assets and receivables (Note 9)	5,378	5,363
Trade receivables	4,976	5,096
Interest receivable	581	371
Trade payables and other liabilities (Note 23)	6,236	7,060
Associates:		
Other assets and receivables (Note 9)	4,882	1,519
Trade receivables	12,971	13,410
Trade payables and other liabilities (Note 23)	6,139	6,278
Borrowings	–	15
Government, semi-Government and other entities with Government ownership or control:		
Other assets and receivables (Note 9)	1,151	510
Trade receivables	2,606	3,874
Due from the Government (Note 13)	49,378	54,545
Trade payables and other liabilities (Note 23)	1,448	2,093
Borrowings	7,736	128,026

Sales to and receivables from Government, semi-Government and other entities with Government ownership or control are made on specific terms within the relevant regulatory framework in the Kingdom.

(c) Compensation of key management personnel

Key management personnel of Saudi Aramco included directors and senior executive management. The compensation paid or payable to key management for services is shown below:

	2023	2022
Short-term employee benefits	90	80
Post-employment benefits	58	43
Share-based compensation	34	25
Other long-term benefits	4	3
	186	151

(d) Other transactions with key management personnel

Other than as set out in Note 29(c), there were no reportable transactions between Saudi Aramco and members of key management personnel or their close family members during the year ended December 31, 2023 (2022: nil).

30. Derivative instruments and hedging activities

Saudi Aramco uses interest rate swap contracts to manage exposure to interest rate risk mainly resulting from borrowings. These hedges are designated as cash flow hedges. Saudi Aramco also engages in hedging activities through the use of currency forward contracts in relation to firm commitments under procurement contracts and highly probable forecast transactions. These hedges are designated as fair value hedges and cash flow hedges, respectively. Further, Saudi Aramco uses short-term commodity derivative contracts to manage exposure to price fluctuations.

Notes to the consolidated financial statements continued

All amounts in millions of Saudi Riyals unless otherwise stated

30. Derivative instruments and hedging activities continued

The notional amounts of currency forward contracts and interest rate swap contracts designated as hedging instruments and outstanding commodity derivative contracts are as follows:

	2023	2022
Interest rate swaps	10,399	10,658
Currency forward contracts	4,794	4,830
Commodity derivative contracts	18,488	29,846
	33,681	45,334

31. Non-cash investing and financing activities

Investing and financing activities during 2023 include additions to right-of-use assets of SAR 18,083 (2022: SAR 16,065), asset retirement provisions of SAR 295 (2022: SAR 467), and equity awards issued to employees of SAR 211 (2022: SAR 70) (Note 17). Further, investing activities during 2022 include an additional investment in Petro Rabigh as part of a subscription to a rights issuance offering through conversion of a non-current loan receivable of SAR 2,981.

32. Commitments

(a) Capital commitments

Capital expenditures contracted for but not yet incurred were SAR 222,938 and SAR 172,639 at December 31, 2023 and 2022, respectively. In addition, leases contracted for but not yet commenced were SAR 26,369 and SAR 18,326 at December 31, 2023 and 2022, respectively.

(b) International Maritime Industries Company ("IMI")

In 2017, Saudi Aramco Development Company ("SADCO"), a wholly-owned subsidiary of the Company, Maritime Offshore Limited, a wholly-owned subsidiary of Lamprell plc, Bahri and Korea Shipbuilding and Offshore Engineering Co., Ltd ("KSOE") formed a company, IMI, in which SADCO owns 40.1%, Maritime Offshore Limited owns 20%, Bahri owns 19.9% and KSOE owns 20%. The principal activities of IMI are the development, operation, and maintenance of a maritime yard under construction by the Government, as well as, the design, manufacture, maintenance and repair of ships and rigs. The maritime yard is divided into four main operational zones and completion of the construction of the individual zones will vary, with the final yard completion and handover expected in 2025. SADCO has committed to fund IMI up to SAR 1,053 through equity contributions. At December 31, 2023, the full amount of SAR 1,053 (2022: SAR 916) has been drawn down by IMI. In addition, Saudi Aramco has guaranteed the purchase of 20 offshore rigs over a 10-year period beginning in 2023. One of these rigs was delivered in 2023, and accordingly, the commitment as at December 31, 2023 for the 19 remaining rigs amounted to SAR 23,201.

(c) Arabian Rig Manufacturing Company ("ARM")

In June 2018, SADCO and NOV Downhole Eurasia Limited formed a company, ARM (Note 40), to provide onshore land drilling manufacturing, equipment and services to SANAD and the Middle East and North Africa region. The Company committed to invest SAR 225, of which, SAR 207 is invested at December 31, 2023. In addition, SADCO has guaranteed the purchase of 50 onshore rigs over a 10-year period beginning in 2022. Five of these rigs were delivered up to the end of 2023, and accordingly, the remaining commitment as at December 31, 2023 amounted to SAR 8,380. SADCO has the option to cancel the rig orders for a maximum financial exposure of SAR 1,181.

All amounts in millions of Saudi Riyals unless otherwise stated

32. Commitments continued

(d) Other

- (i) The Company and The Dow Chemical Company ("Dow") equally committed to comply with the Ministry of Energy feedstock agreement to support the development of Chemical Value Parks in the Kingdom in the total amount of SAR 375. The first payment of approximately SAR 38 will be deposited within one month from the date of supplying Sadara with additional ethane. The remaining funds will be paid over nine years at SAR 38 annually. Saudi Aramco's commitment of SAR 188 is outstanding at December 31, 2023.
- (ii) In order to comply with past Government directives, the Company expects to sell portions of its equity in Saudi Aramco Total Refining and Petrochemical Company and Yanbu Aramco Sinopec Refining Company Limited (Note 39) through a public offering of shares in Saudi Arabia.
- (iii) Saudi Aramco is committed to comply with the Government directive to guarantee that Saudi Aramco Total Refining and Petrochemical Company shall spend a total of SAR 375 over a 10-year period ending December 31, 2025 on social responsibility programs. At December 31, 2023, SAR 217 remains to be spent.
- (iv) Saudi Aramco is committed to comply with the Government directive to guarantee that Yanbu Aramco Sinopec Refining Company Limited shall spend a total of SAR 375 on social responsibility programs by September 30, 2025. At December 31, 2023, SAR 131 remains to be spent.
- (v) Saudi Aramco has commitments of SAR 492 (2022: SAR 264) to invest in private equity investments both inside and outside the Kingdom. Such commitments can be called on demand.
- (vi) Saudi Aramco has commitments of SAR 79 (2022: SAR 173) to fund additional loans and acquire additional unlisted equity investments of certain small to mid-sized enterprises in the Kingdom. The commitments can be called by the enterprises upon meeting certain conditions.
- (vii) Saudi Aramco has commitments of SAR 1,175 (2022: SAR 2,107) in relation to capital contributions for certain other affiliates.

33. Contingencies

Saudi Aramco has contingent assets and liabilities with respect to certain disputed matters, including claims by and against contractors and lawsuits and arbitrations involving a variety of issues. These contingencies arise in the ordinary course of business. It is not anticipated that any material adjustments will result from these contingencies.

Saudi Aramco also has contingent liabilities with respect to the following:

(a) Sadara

On March 25, 2021, Sadara entered into various agreements to restructure its senior project financing debt amounting to SAR 37,280. Terms of the restructuring include a principal repayment grace period until June 2026 and an extension of the final maturity date from 2029 to 2038. In connection with the restructuring, the Company and Dow have agreed to guarantee up to an aggregate of SAR 13,875 of senior debt principal and its associated interest in proportion to their ownership interests in Sadara. Further, the Company and Dow have agreed to provide guarantees and support, in proportion to their ownership interest in Sadara, for interest payment shortfalls on all outstanding senior debt until June 2026, working capital shortfall support up to SAR 1,875 in 2030, as well as an undertaking to provide acceptable credit support to cover the required Debt Service Reserve Account balance, which needs to be funded prior to June 2026.

In addition to the senior debt restructuring, effective March 25, 2021, the Company, Dow (and/or their affiliates) and Sadara have also entered into agreements to (i) provide additional feedstock by increasing the allocated quantity of ethane and natural gasoline supplied by Saudi Aramco, and (ii) gradually increase Saudi Aramco's rights to market, through SABIC, its equity share of finished products produced by Sadara (subject to certain agreed terms) over the next five to 10 years. The Company has provided a guarantee for the payment and performance obligations of SABIC under the Product Marketing and Lifting Agreement.

On June 17, 2021, Excellent Performance Chemical Company ("EPCC"), a wholly-owned subsidiary of the Company, and Sadara entered into a SAR 1,500 subordinated revolving credit facility to provide shortfall funding to Sadara. The facility, originally scheduled to mature in June 2023, has been extended till June 2026. As of December 31, 2023, the facility was not utilized.

With respect to Sadara's fuel and feedstock allocation, Saudi Aramco has provided two letters of credit to the Ministry of Energy for SAR 169 and SAR 152 to construct epoxy plants and for the development of projects to support conversion industries in the Kingdom.

Notes to the consolidated financial statements continued

All amounts in millions of Saudi Riyals unless otherwise stated

33. Contingencies continued

(b) Petro Rabigh

In 2020, the two founding shareholders of Petro Rabigh, the Company and Sumitomo Chemical Co. Ltd., entered into a debt service undertaking with lenders of the Rabigh II Project, whereby each founding shareholder, on a several basis, undertakes to pay 50% of any shortfalls in scheduled (and not accelerated) Rabigh II debt service on each Rabigh II payment date until the earlier of the final Rabigh II repayment date in June 2032 or the full repayment of SAR 5,625 of the equity bridge loans. The semi-annual scheduled principal debt service under the Rabigh II financing is approximately SAR 622.

On September 30, 2020, Petro Rabigh entered into revolving loan facilities in an aggregate amount of SAR 5,625 with the Company and Sumika Finance Company Limited, a wholly-owned subsidiary of Sumitomo Chemical Co. Ltd. An amount of SAR 3,525 was utilized as at December 31, 2023. In 2020, Petro Rabigh also entered into another revolving loan facility for SAR 1,875 with the Company, which remained unutilized as at December 31, 2023. The facilities mature on December 31, 2024.

The founding shareholders arranged equity bridge loans ("the EBLs") in an aggregate amount of SAR 11,250 which the founding shareholders guarantee on a several and equal basis, to meet the equity financing requirements under the senior finance agreements. Petro Rabigh repaid SAR 1,940 of the equity bridge loans out of the proceeds of the rights issuance in July 2022. The remaining EBLs of SAR 9,310 matured on March 20, 2023 and were refinanced by Petro Rabigh. Under the refinancing arrangement, Sumitomo Chemical Co. Ltd. guaranteed its share of the equity bridge loans, amounting to SAR 4,655, that was fully financed by external lenders. In addition, the Company, through its wholly-owned subsidiary, Aramco Overseas Company B.V. ("AOC"), provided Petro Rabigh an equity bridge loan of SAR 3,000, while the remaining amount of its share, amounting to SAR 1,655, was provided by external lenders and was guaranteed by the Company. The refinanced equity bridge loans mature on December 20, 2027.

(c) Noor Al Shuaibah Holding Company

On May 2, 2023, Saudi Aramco Power Company ("SAPCO"), a wholly-owned subsidiary of the Company, entered into a shareholders' agreement with the Water and Electricity Holding Company ("Badeel"), wholly-owned by PIF, and ACWA Power Company, to invest in Noor Al Shuaibah Holding Company for the development of Al Shuaibah 1 and Al Shuaibah 2 solar photovoltaic power generating plants in Makkah province in the Kingdom (the "Projects"). The Projects will have a combined capacity of over 2.6 gigawatts and commercial operations are expected to commence by 2025. The estimated total cost of the Projects is SAR 8,919 which will be funded through a mix of senior debt financing and equity bridge loans. The Company guaranteed SAPCO's 30% share of the equity bridge loans, amounting to approximately SAR 800, under the terms of the project financing. The equity bridge loans were fully drawn as of December 31, 2023. Further, additional guarantees amounting to SAR 347 have been provided to support SAPCO's obligations related to the Projects.

(d) Other

Saudi Aramco has provided guarantees of SAR 1,863 (2022: SAR 2,110) in relation to borrowings and other obligations of certain other affiliates, arising in the ordinary course of business.

34. Sale of equity interests in affiliates

(a) Saudi Iron and Steel Company ("Hadeed")

On September 3, 2023, SABIC, a subsidiary of Saudi Aramco, announced the signing of an agreement to sell its 100% shareholding in the Saudi Iron and Steel Company ("Hadeed") to PIF. This transaction will enable SABIC, which is part of the Downstream segment, to optimize its portfolio and focus on its core business. The completion of the transaction is subject to customary conditions and regulatory approvals, and is expected to occur in 2024.

Following the signing of the agreement, assets and liabilities of Hadeed were classified as held for sale, and were presented separately on the consolidated balance sheet. At the Saudi Aramco level, a loss on fair value measurement of SAR 3,219 was recognized within selling, administrative and general expenses in the consolidated statement of income to reduce the carrying amount of the assets to their fair value less costs to sell, that was determined based on the sale agreement.

As at December 31, 2023, the major classes of Hadeed's assets classified as held for sale comprise property, plant and equipment and intangible assets of SAR 5,335, inventories of SAR 3,904, trade receivables of SAR 2,765, and other assets of SAR 3,420. The liabilities directly associated with assets classified as held for sale comprise trade payables of SAR 529, post-employment benefit obligations of SAR 2,957, and other liabilities of SAR 2,215.

(b) Power and Water Utility Company for Jubail and Yanbu ("Marafiq")

On November 24, 2022, Marafiq, an associate of Saudi Aramco, announced the listing of its shares on the Main Market of the Saudi Exchange following the successful completion of its IPO. The IPO comprised shares offered by the majority shareholders of Marafiq, including Saudi Aramco Power Company and SABIC, in proportion to their shareholding. Following the completion of the IPO, the aggregate equity ownership of the aforementioned Saudi Aramco subsidiaries in Marafiq reduced from 49.6% to 35%, resulting in proceeds of SAR 1,651 and a gain of SAR 464. The carrying value of the investment in Marafiq in the consolidated financial statements at December 31, 2023, was SAR 3,008 (2022: SAR 3,020).

All amounts in millions of Saudi Riyals unless otherwise stated

34. Sale of equity interests in affiliates continued

(c) Aramco Gas Pipelines Company ("AGPC")

On February 23, 2022, the Company sold a 49% equity interest in AGPC, a newly formed wholly-owned subsidiary of the Company, to GreenSaif Pipelines Bidco S.à r.l. (formerly, GEPIF III Finance III Lux S.à r.l.) ("GreenSaif") for upfront proceeds of SAR 58,125 (\$15,500) in cash.

GreenSaif is an entity owned by a consortium of investors led by affiliates of BlackRock Real Assets and Hassana Investment Company, the investment management arm of the General Organization for Social Insurance ("GOSI") in the Kingdom. GreenSaif, as a shareholder of AGPC, is entitled to receive quarterly distributions of its pro rata share of AGPC's available cash when the Company pays discretionary dividends to its ordinary shareholders. Given the discretionary nature of distributions to GreenSaif, in line with the principles outlined in Note 2(d), GreenSaif's shareholding represents a non-controlling interest and, therefore, the upfront sale proceeds are recognized in the consolidated financial statements as a non-controlling interest within equity.

Immediately prior to the closing of the transaction, the Company leased the usage rights to its gas pipelines network to AGPC for a 20-year period. Concurrently, AGPC granted the Company the exclusive right to use, operate and maintain the pipelines network during the 20-year period in exchange for a quarterly, volume-based tariff payable by the Company to AGPC. The tariff is backed by minimum volume commitments. The Company will at all times retain title to, and operational control of, the pipelines.

35. Investments in affiliates and securities

(a) Investments in subsidiaries

(i) Valvoline Inc.'s global products business

On March 1, 2023, AOC, a wholly-owned subsidiary of the Company, acquired a 100% equity interest in Valvoline Inc.'s global products business ("VGP Holdings LLC") for a cash consideration of SAR 10,338 (\$2,757), including customary adjustments. VGP Holdings LLC is one of the leading worldwide independent producer and distributor of premium branded automotive, commercial and industrial lubricants, and automotive chemicals. This strategic acquisition is expected to complement Saudi Aramco's line of premium branded lubricant products, optimize its global base oils production capabilities, and expand its own research and development activities and partnerships with original equipment manufacturers.

The transaction resulted in Saudi Aramco obtaining control of VGP Holdings LLC. Saudi Aramco accounts for acquisitions of subsidiaries using the acquisition method of accounting. This requires recognition of the assets acquired and liabilities assumed at fair value as of the acquisition date.

Saudi Aramco engaged an independent valuer in order to determine the fair value of the assets and liabilities of VGP Holdings LLC as part of the purchase price allocation process. The fair values of the identifiable assets and liabilities are as follows:

Cash and cash equivalents	460
Trade receivables, inventories and other current assets	3,854
Property, plant and equipment (Note 5)	2,285
Intangible assets (Note 6)	4,628
Other non-current assets	512
Trade payables and other current liabilities	(1,275)
Non-current liabilities	(536)
Total identifiable net assets at fair value	9,928
Goodwill (Note 6)	410
Purchase consideration	10,338

Acquisition and transaction costs of SAR 161 were expensed as selling, administrative and general expenses in the consolidated statement of income for the year ended December 31, 2023.

Post-acquisition, VGP Holdings LLC contributed revenues of SAR 9,428 and net income of SAR 668, which is included in the consolidated statement of income. If the acquisition had occurred on January 1, 2023, management estimates that consolidated revenue and net income for the year ended December 31, 2023 would have been SAR 11,189 and SAR 802, respectively.

Notes to the consolidated financial statements continued

All amounts in millions of Saudi Riyals unless otherwise stated

35. Investments in affiliates and securities continued

(a) Investments in subsidiaries continued

(ii) Grupa LOTOS S.A. transaction

On January 12, 2022, AOC, a wholly-owned subsidiary of the Company, entered into share purchase agreements with Grupa LOTOS Spółka Akcyjna ("Grupa LOTOS S.A."), a subsidiary of Polski Koncern Naftowy ORLEN S.A. ("PKN ORLEN"), to purchase shares in certain entities of Grupa LOTOS S.A. Under this transaction, AOC acquired 100% equity interest in LOTOS SPV 1 Sp. z o.o. for a cash consideration of SAR 930 (\$248), in addition to acquiring 30% of the issued share capital of LOTOS Asphalt sp. z o.o. and 50% of the issued share capital of LOTOS-Air BP Polska sp. z o.o. for SAR 889 (\$237) (Note 35(b)(iii)). These acquisitions are in line with Saudi Aramco's strategy of expanding its downstream presence in Europe and further expanding its crude imports into Poland.

Prior to completion of the transaction, an organized part of the wholesale business operated by LOTOS Paliwa sp. z o.o. ("LOTOS Paliwa"), a subsidiary of Grupa LOTOS S.A., was transferred to LOTOS SPV 1 Sp. z o.o., subsequently renamed as Aramco Fuels Poland sp. z o.o. ("AFP"). AFP is engaged in the acquisition, storage, blending, marketing, transportation, distribution and the sale of fuel to wholesale customers.

The closing of the transaction occurred on November 30, 2022. The transaction resulted in Saudi Aramco obtaining control of AFP. Saudi Aramco accounts for acquisitions of subsidiaries using the acquisition method of accounting. This requires recognition of the assets acquired and liabilities assumed at fair value as of the acquisition date.

Saudi Aramco engaged an independent valuer in order to determine the fair value of the assets and liabilities of AFP as part of the purchase price allocation process. Based on the fair values of the total identifiable net assets and liabilities of SAR 909, including cash acquired of SAR 513, goodwill of SAR 21 has been recognized.

Acquisition and transaction costs of SAR 37 were expensed as selling, administrative, and general expenses in the consolidated statement of income for the year ended December 31, 2022.

Post-acquisition, AFP contributed revenues of SAR 2,043 and net income of SAR 14, for the year ended December 31, 2022 which is included in the consolidated statement of income.

(b) Investments in joint ventures and associates

(i) Huajin Aramco Petrochemical Co., Ltd. ("HAPCO")

On March 25, 2023, AOC, a wholly-owned subsidiary of the Company, entered into definitive agreements with North Huajin Chemical Industries Group Corporation ("North Huajin") and Panjin Xincheng Industrial Group Co., Ltd. ("Panjin Xincheng") to construct the HAPCO refinery and petrochemical complex in Panjin City, Liaoning Province, China. AOC owns a 30% interest in HAPCO, while North Huajin and Panjin Xincheng own 51% and 19%, respectively. The investment in HAPCO has been accounted for as an associate. The complex, expected to be completed in 2026 with an estimated construction cost of RMB 83.7 billion (SAR 44,362), will be financed through a combination of debt and equity. The facility will combine a 300,000 barrels per day ("bpd") refinery and a petrochemical plant with annual production capacity of 1.65 million metric tons of ethylene and 2 million metric tons of paraxylene. Saudi Aramco's share of the equity contribution is RMB 8.4 billion (SAR 4,436), of which RMB 5.8 billion (SAR 3,090) was undrawn as at December 31, 2023.

(ii) MidOcean Energy ("MidOcean")

On September 27, 2023, AOC, a wholly-owned subsidiary of the Company, entered into definitive agreements to acquire a strategic minority stake in MidOcean Energy ("MidOcean") for a purchase consideration of SAR 1,875 (\$500), with an option to increase its shareholding and associated rights in the future. MidOcean is a Liquefied Natural Gas ("LNG") company, formed and managed by EIG Global Energy Partners with the objective of building a portfolio of high-quality, long term LNG interests, and is currently in the process of acquiring interests in four Australian LNG projects, with a growth strategy to create a diversified global LNG business. The strategic partnership with MidOcean marks Saudi Aramco's first international investment in LNG. The transaction is expected to close during 2024, subject to customary closing conditions and regulatory approvals.

All amounts in millions of Saudi Riyals unless otherwise stated

35. Investments in affiliates and securities continued

(b) Investments in joint ventures and associates continued

(iii) Grupa LOTOS S.A. transaction

On November 30, 2022, AOC acquired 30% of the issued share capital of LOTOS Asfalt sp. z o.o., subsequently renamed as Rafineria Gdańska sp. z o.o. ("POLREF"), for SAR 853 (\$227). The remaining 70% of the equity interest is held by PKN ORLEN (Note 35(a)(ii)). The investment in POLREF has been accounted for as an associate. POLREF operates an oil refinery located in Gdańsk, Poland. Post-acquisition, the refinery processes the crude oil supplied by PKN ORLEN and AFP into finished products, in exchange for a processing fee.

In addition, on November 30, 2022, AOC acquired 50% of the issued share capital of LOTOS-Air BP Polska sp. z o.o., subsequently renamed as Air BP Aramco Poland sp. z o.o. ("AIRBP"), for SAR 36 (\$10). The remaining 50% of the issued share capital of AIRBP is retained by BP Europa SE (Note 35(a)(ii)). The investment in AIRBP has been accounted for as a joint venture. The business of AIRBP includes acquisition, storage, transport, distribution and sale of aviation fuels in bulk or having them delivered into aircrafts in and outside of Poland.

(c) Investment in securities

Rongsheng Petrochemical

On July 21, 2023, the Company announced the completion of the acquisition of a 10% equity interest in Rongsheng Petrochemical from Zhejiang Rongsheng Holding Group Co., Ltd., through its wholly-owned subsidiary, AOC, for a total transaction value of RMB 24.6 billion (SAR 12,767). The acquisition of the equity interest in Rongsheng Petrochemical, a company listed on the Shenzhen Stock Exchange in China, follows the signing of definitive strategic agreements by the companies, as announced on March 27, 2023. Among other assets, Rongsheng Petrochemical owns a 51% equity interest in Zhejiang Petroleum & Chemical Co., Ltd. ("ZPC"), which in turn owns and operates the largest integrated refining and chemicals complex in China with a capacity to process 800,000 bpd of crude oil and to produce 4.2 million metric tons of ethylene per year. Through this strategic arrangement, Saudi Aramco would significantly expand its downstream presence in China, including supplying 480,000 bpd of crude oil to ZPC, under a long-term sales agreement. Upon completion, Saudi Aramco recognized an equity investment at fair value through other comprehensive income of SAR 6,399 within investments in securities (Note 10), and a non-current other asset of SAR 5,932 (Note 9), relating to a payment made for the long-term sales agreement, which is amortized over the term of the agreement. In addition, a loss of SAR 436 was recognized in selling, administrative and general expenses in the consolidated statement of income, representing fair value changes to the market price up to the completion date.

36. Dividends

	2023	2022	SAR per share	
			2023	2022
Dividends declared and paid each quarter:				
March	73,150	70,331	0.3326	0.3518
June ¹	73,160	70,328	0.3024	0.3198
September ¹	110,181	70,329	0.4554	0.3198
December ¹	110,183	70,330	0.4554	0.3198
Total ²	366,674	281,318	1.5458	1.3112
Dividends declared on March 8, 2024 and March 10, 2023 ^{1,3}	116,503	73,150	0.4815	0.3326

1. Dividends per share of SAR 0.3024, SAR 0.4554, SAR 0.4554 and SAR 0.4815, declared on May 8, 2023, August 6, 2023, November 6, 2023, and March 8, 2024, respectively, reflect the effect of the issuance of the bonus shares approved on May 8, 2023, as described below.

2. Performance-linked dividends were introduced in the third quarter of 2023 and amount to SAR 74,035 (SAR 0.3060 per share) out of the total dividends declared and paid during the year.

3. Dividend of SAR 116,503 (SAR 0.4815 per share) represents a base dividend of SAR 76,096 (SAR 0.3145 per share) and a performance-linked dividend of SAR 40,407 (SAR 0.1670 per share). These dividends are not reflected in the consolidated financial statements and will be deducted from unappropriated retained earnings in the year ending December 31, 2024.

Notes to the consolidated financial statements continued

All amounts in millions of Saudi Riyals unless otherwise stated

36. Dividends continued

On May 12, 2022, after obtaining necessary approvals from the competent authorities, the Extraordinary General Assembly ("EGA") approved the increase of the Company's share capital by SAR 15,000 and the commensurate increase of the number of the Company's issued ordinary shares by 20 billion without par value. Such increase was effected through capitalization of the Company's retained earnings. Each shareholder was granted one (1) bonus share for every ten (10) shares owned. The Company's share capital after the increase was SAR 75,000, divided into 220 billion fully paid ordinary shares with equal voting rights without par value.

On May 8, 2023, after obtaining necessary approvals from the competent authorities, the EGA approved the increase of the Company's share capital by SAR 15,000 and the commensurate increase of the number of the Company's issued ordinary shares by 22 billion without par value. Such increase was effected through capitalization of the Company's retained earnings. Each shareholder was granted one (1) bonus share for every ten (10) shares owned. The Company's share capital after the increase is SAR 90,000, divided into 242 billion fully paid ordinary shares with equal voting rights without par value.

37. Earnings per share

The following table reflects the net income and number of shares used in the earnings per share calculations:

	2023	2022
Net income attributable to the ordinary shareholders of the Company	452,753	597,215
Weighted average number of ordinary shares (in millions) (Note 2(cc)) ¹	241,933	241,907
Earnings per share for net income attributable to the ordinary shareholders of the Company (in Saudi Riyals) ¹	1.87	2.47

1. Earnings per share for the years ended December 31, 2023 and 2022 have been calculated by retrospectively adjusting the weighted average number of outstanding shares to reflect the effect of the issuance of bonus shares approved on May 8, 2023 (Note 36).

Potential ordinary shares during the year ended December 31, 2023, related to employees' share-based compensation in respect of employee share plans that were awarded to the Company's eligible employees under those plan terms (Note 17). These share plans did not have a significant dilution effect on basic earnings per share for the years ended December 31, 2023 and 2022.

All amounts in millions of Saudi Riyals unless otherwise stated

38. Subsidiaries of Saudi Arabian Oil Company

	Principal business activity	Percent ownership ¹	Place of business/ country of incorporation	Conventional financial assets as of December 31, 2023 ^{2,3}	Conventional financial liabilities as of December 31, 2023 ³	Interest income from conventional financial assets for the year ended December 31, 2023 ³
A. Wholly-owned:						
4 Rivers Energy LLC	Retail fuel operations	100%	USA	–	–	–
AOC Management Consultancies LLC	Consulting services	100%	UAE	–	–	–
Aramco (Beijing) Venture Management Consultant Co., Ltd.	Investment	100%	China	8	8	–
Aramco Affiliated Services Company	Support services	100%	USA	1	–	–
Aramco Asia India Private Limited	Purchasing and other services	100%	India	1	1	–
Aramco Asia Japan K.K.	Purchasing and other services	100%	Japan	65	394	4
Aramco Asia Korea Limited	Marketing and vendor sourcing activities	100%	South Korea	59	17	1
Aramco Asia Singapore Pte. Ltd.	Purchasing and other services	100%	Singapore	24	18	–
Aramco Associated Company	Aircraft operations	100%	USA	160	317	20
Aramco Capital Company, LLC	Aircraft leasing	100%	USA	62	–	2
Aramco Chemicals Company	Chemicals	100%	Saudi Arabia	344	42	16
Aramco Far East (Beijing) Business Services Co., Ltd.	Petrochemical purchasing, sales and other services	100%	China	514	155	11
Aramco Financial Services Company	Financing	100%	USA	135	3	4
Aramco Fuels Poland sp. z o.o.	Wholesale fuel operations	100%	Poland	215	1,778	26
Aramco Gulf Operations Company Limited	Production and sale of crude oil	100%	Saudi Arabia	4,886	1,955	177
Aramco Innovations Limited Liability Company	Research and commercialization	100%	Russia	11	16	–
Aramco International Gas Holding Co B.V.	Financing	100%	Netherlands	–	–	–
Aramco InvestCo GP B.V.	Financing	100%	Netherlands	–	–	–
Aramco InvestCo NewCo Sub B.V.	Financing	100%	Netherlands	–	–	–
Aramco Lubricants and Retail Company	Retail fuel marketing	100%	Saudi Arabia	70	83	–
Aramco Overseas - Egypt	Personnel and other support services	100%	Egypt	–	–	–
Aramco Overseas Company B.V.	Purchasing and other services	100%	Netherlands	16,815	2,314	1,113
Aramco Overseas Company Spain, S.L.	Personnel and other support services	100%	Spain	–	1	–
Aramco Overseas Company UK Limited	Personnel and other support services	100%	United Kingdom	1	73	–
Aramco Overseas Malaysia SDN. BHD.	Personnel and other support services	100%	Malaysia	13	12	–
Aramco Performance Materials LLC	Petrochemical manufacture and sales	100%	USA	–	–	1
Aramco Services Company	Purchasing, engineering and other services	100%	USA	7,446	508	224
Aramco Shared Benefits Company	Benefits administration	100%	USA	1	1	–
Aramco Sohar Overseas SPC	Personnel and other support services	100%	Oman	–	–	–
Aramco Trading Americas Holding Inc.	Holding	100%	USA	2	2	–
Aramco Trading Americas LLC (formerly, Motiva Trading LLC)	Purchasing and sale of petroleum goods and other services	100%	USA	917	17,848	120
Aramco Trading Company	Importing, exporting and trading of crude oil, refined and chemical products	100%	Saudi Arabia	10,141	8,094	414

Notes to the consolidated financial statements continued

All amounts in millions of Saudi Riyals unless otherwise stated

38. Subsidiaries of Saudi Arabian Oil Company continued

	Principal business activity	Percent ownership ¹	Place of business/ country of incorporation	Conventional financial assets as of December 31, 2023 ^{2,3}	Conventional financial liabilities as of December 31, 2023 ³	Interest income from conventional financial assets for the year ended December 31, 2023 ³
Aramco Trading Dubai Company Limited	Importing, exporting and trading of crude oil and refined products	100%	UAE	–	33	–
Aramco Trading Fujairah FZE	Importing and exporting refined products	100%	UAE	326	8,709	195
Aramco Trading Limited	Importing and exporting refined products	100%	United Kingdom	256	2,550	216
Aramco Trading Singapore Pte. Ltd.	Marketing and sales support	100%	Singapore	2,337	9,443	86
Aramco Valvoline Global Holding Corp.	Holding company	100%	USA	–	–	–
Aramco Venture Management Consultant Company LLC	Consulting services	100%	USA	2	11	–
Aramco Ventures Company	Investment	100%	Saudi Arabia	120	58	–
Aramco Ventures Holdings Limited	Investment	100%	Guernsey	407	–	–
Aramco Ventures Investments Limited	Investment	100%	Guernsey	2,877	–	–
ARLANXEO Holding B.V.	Development, manufacture, and marketing of high-performance rubber	100%	Netherlands	771	2,563	28
ARLANXEO Belgium N.V.		100%	Belgium	104	120	–
ARLANXEO Branch Offices B.V.		100%	Netherlands	30	–	–
ARLANXEO Brasil S.A.		100%	Brazil	453	175	4
ARLANXEO Canada Inc.		100%	Canada	283	208	–
ARLANXEO Deutschland GmbH		100%	Germany	233	313	–
ARLANXEO Elastomères France S.A.S.		100%	France	7	96	–
ARLANXEO Emulsion Rubber France S.A.S.		100%	France	37	126	–
ARLANXEO High Performance Elastomers (Changzhou) Co., Ltd.		100%	China	445	243	5
ARLANXEO India Private Limited		100%	India	5	1	–
ARLANXEO Netherlands B.V.		100%	Netherlands	487	251	8
ARLANXEO Singapore Pte. Ltd.		100%	Singapore	159	500	–
ARLANXEO Switzerland S.A.		100%	Switzerland	9	3	–
ARLANXEO USA LLC		100%	USA	338	192	–
Bolanter Corporation N.V.	Crude oil storage	100%	Curaçao	34	–	2
Briar Rose Ventures LLC	Real estate holdings	100%	USA	–	–	–
Canyon Lake Holdings LLC	Retail fuel operations	100%	USA	–	–	–
Ellis Enterprises B.V.	Product sales and manufacturing/ distribution	100%	Netherlands	2	–	6
Ellis Enterprises East doo Kruševac	Product sales and manufacturing/ distribution	100%	Serbia	10	–	–
Energy City Development Company	Industrial development	100%	Saudi Arabia	64	56	1
Energy City Operating Company	Industrial development	100%	Saudi Arabia	33	17	–
Excellent Performance Chemicals Company	Petrochemical manufacture and sales	100%	Saudi Arabia	697	2	251
Global Digital Integrated Solutions Company	Information technology	100%	Saudi Arabia	101	115	–
Investment Management Company	Investment management of post-employment benefit plans	100%	Saudi Arabia	3	–	–
Lex Capital LLC	Financing/funding company	100%	USA	4	–	–
Motiva Enterprises LLC	Refining and marketing	100%	USA	2,772	12,845	289

All amounts in millions of Saudi Riyals unless otherwise stated

38. Subsidiaries of Saudi Arabian Oil Company continued

				Conventional financial assets as of December 31, 2023 ^{2,3}	Conventional financial liabilities as of December 31, 2023 ³	Interest income from conventional financial assets for the year ended December 31, 2023 ³
	Principal business activity	Percent ownership ¹	Place of business/ country of incorporation			
Motiva Pipeline LLC	Pipeline transport	100%	USA	—	—	—
Mukamala Oil Field Services Limited	Oil field services	100%	Saudi Arabia	344	—	10
Mukamalah Aviation Company (formerly, Mukamala International Investments Company)	Aviation	100%	Saudi Arabia	9	133	6
P.T. Valvoline Lubricants and Chemicals Indonesia	Product sales	100%	Indonesia	3	—	—
Pandlewood Corporation N.V.	Financing	100%	Curaçao	1,311	1	50
Pedernales Ventures II LLC	Investment	100%	USA	294	—	—
Pedernales Ventures LLC	Retail fuel operations	100%	USA	—	—	—
PT Aramco Overseas Indonesia	Project management support	100%	Indonesia	1	—	—
Qingdao Valvoline Automotive Services Co., Ltd.	Product sales	100%	China	—	—	—
SAEV Europe Limited	Investment	100%	United Kingdom	6	6	—
SAEV Guernsey 1 Ltd	Investment	100%	Guernsey	325	—	—
SAEV Guernsey Holdings Limited	Investment	100%	Guernsey	2,459	—	—
Saudi Aramco Asia Company Limited	Investment	100%	Saudi Arabia	2,935	—	137
Saudi Aramco Capital Company Limited	Investment	100%	Guernsey	—	—	—
Saudi Aramco Development Company	Investment	100%	Saudi Arabia	1,107	—	21
Saudi Aramco Energy Ventures US LLC	Investment	100%	USA	3	7	—
Saudi Aramco Entrepreneurship Center Company Limited	Financing	100%	Saudi Arabia	315	11	13
Saudi Aramco Entrepreneurship Venture Company Limited	Investment	100%	Saudi Arabia	960	4	—
Saudi Aramco Jubail Refinery Company	Refining	100%	Saudi Arabia	5,775	942	—
Saudi Aramco Power Company	Power generation	100%	Saudi Arabia	6,771	13	192
Saudi Aramco Sukuk Company	Investment	100%	Saudi Arabia	1	166	—
Saudi Aramco Technologies Company	Research and commercialization	100%	Saudi Arabia	208	30	—
Saudi Aramco Upstream Technology Company	Research and commercialization	100%	Saudi Arabia	19	3	—
Saudi Petroleum International, Inc.	Marketing support services	100%	USA	36	60	2
Saudi Petroleum Overseas, Ltd.	Marketing support and tanker services	100%	United Kingdom	66	21	2
Saudi Refining, Inc.	Refining and marketing	100%	USA	2,189	84	89
Sofon Industries Company	Investment in maritime activities	100%	Saudi Arabia	34	14	1
Sofon Naval Industries Company	Manufacturing of naval vessels	100%	Saudi Arabia	—	—	—
Stellar Insurance, Ltd.	Insurance	100%	Bermuda	11,440	770	266
Valvoline (Australia) Pty. Limited	Product sales and manufacturing/ distribution	100%	Australia	22	—	1
Valvoline (Deutschland) GmbH	Product sales	100%	Germany	—	—	—
Valvoline (Shanghai) Chemical Co., Ltd.	Product sales	100%	China	36	26	—
Valvoline (Thailand) Ltd.	Product sales	100%	Thailand	25	—	—
Valvoline (Zhangjiagang) Lubricants Co., Ltd.	Manufacturing and distribution	100%	China	17	103	—
Valvoline Canada Corp.	Product sales and manufacturing/ distribution	100%	Canada	28	—	—
Valvoline Canada Holdings B.V.	Holding company	100%	Netherlands	—	—	—

Notes to the consolidated financial statements continued

All amounts in millions of Saudi Riyals unless otherwise stated

38. Subsidiaries of Saudi Arabian Oil Company continued

				Conventional	Conventional	Interest income
	Principal business activity	Percent ownership ¹	Place of business/ country of incorporation	financial assets as of December 31, 2023 ^{2,3}	financial liabilities as of December 31, 2023 ³	from conventional financial assets for the year ended December 31, 2023 ³
Valvoline Europe Holdings LLC	Holding company	100%	USA	—	—	—
Valvoline Holdings 2 B.V.	Holding company	100%	Netherlands	11	—	8
Valvoline Holdings Pte. Ltd.	Holding company	100%	Singapore	1	—	—
Valvoline Indonesia Holdings LLC	Holding company	100%	USA	—	—	—
Valvoline International de Mexico S. de R.L. de C.V.	Product sales	100%	Mexico	47	—	—
Valvoline International Holdings Inc.	Holding company	100%	USA	—	—	—
Valvoline International Inc.	Product sales	100%	USA	25	—	—
Valvoline International Servicios de Mexico S. de R.L. de C.V.	Payroll/employment	100%	Mexico	1	—	—
Valvoline Investments B.V.	Investing/holding company	100%	Netherlands	—	—	—
Valvoline Italy S.r.l.	Product sales	100%	Italy	—	—	—
Valvoline Lubricants & Solutions India Private Limited	Payroll/employment	100%	India	7	—	—
Valvoline ME FZE	Product sales	100%	UAE	2	—	3
Valvoline Middle East DMCC	Holding company	100%	UAE	2	—	3
Valvoline New Zealand Limited	Product sales	100%	New Zealand	4	—	—
Valvoline Poland Sp. z o.o.	Product sales	100%	Poland	7	—	—
Valvoline Pte Ltd.	Product sales	100%	Singapore	16	1	1
Valvoline South Africa Proprietary Ltd	Product sales	100%	South Africa	7	—	—
Valvoline Spain S.L.	Product sales	100%	Spain	3	—	—
Valvoline UK Limited	Product sales	100%	United Kingdom	—	—	—
VCA Solutions, LLC	Product sales	100%	USA	6	6	—
Vela International Marine Limited	Marine management and transportation	100%	Liberia	11,214	1	446
VGP Holdings LLC	Holding company	100%	USA	770	1,860	31
VGP IPCo LLC	IP company	100%	USA	—	—	—
Wisayah Global Investment Company	Investment services	100%	Saudi Arabia	311	53	11
B. Non-wholly-owned:						
Aramco Gas Pipelines Company	Pipeline transport	51%	Saudi Arabia	27	—	30
Aramco Oil Pipelines Company	Pipeline transport	51%	Saudi Arabia	1	1	—
Aramco Training Services Company ⁵	Training	49%	USA	1	—	—
ARLANXEO-TSRC (Nantong) Chemical Industries Co., Ltd. ⁵	Development, manufacture, and marketing of high-performance rubber	50%	China	68	20	2
Johns Hopkins Aramco Healthcare Company	Healthcare	80%	Saudi Arabia	702	815	3
SA Global Sukuk Limited ⁵	Investment	0%	Cayman Islands	—	—	—
Saudi Aramco Base Oil Company ^{6,7}	Production and sale of petroleum-based lubricants	70%	Saudi Arabia	—	—	—
Saudi Aramco Nabors Drilling Company ⁵	Drilling	50%	Saudi Arabia	1,055	2,174	49
Saudi Aramco Rowan Offshore Drilling Company ⁵	Drilling	50%	Saudi Arabia	348	3,020	14
S-International Ltd.	Purchasing and sale of petroleum goods	61.6%	The Independent State of Samoa	5	—	—
S-Oil Corporation	Refining	61.6%	South Korea	6,031	28,811	162
S-Oil Singapore Pte. Ltd.	Marketing support	61.6%	Singapore	75	180	3
Saudi Basic Industries Corporation ("SABIC") ⁷	Holding	70%	Saudi Arabia	—	—	—
SABIC Luxembourg S.à r.l. ("SLUX")	Petrochemicals	70%	Luxembourg	—	—	—

All amounts in millions of Saudi Riyals unless otherwise stated

38. Subsidiaries of Saudi Arabian Oil Company continued

					Conventional financial assets as of December 31, 2023 ^{2,3}	Conventional financial liabilities as of December 31, 2023 ³	Interest income from conventional financial assets for the year ended December 31, 2023 ³
	Principal business activity	Percent ownership ¹	Place of business/ country of incorporation				
SABIC Industrial Investments Company ("SIIC")	Investments	70%	Saudi Arabia				
SABIC Agri-Nutrients Company ("SABIC AN") ⁵	Agri-nutrients	35.1%	Saudi Arabia				
SABIC Investment and Local Content Development Company ("NUSANED")	Investment	70%	Saudi Arabia				
Arabian Petrochemical Company ("PETROKEMYA")	Petrochemicals	70%	Saudi Arabia				
Saudi Iron and Steel Company ("HADEED") (Note 34(a))	Metals	70%	Saudi Arabia				
Saudi European Petrochemical Company ("IBN ZAHR")	Petrochemicals	56%	Saudi Arabia				
Jubail United Petrochemical Company ("UNITED")	Petrochemicals	52.5%	Saudi Arabia				
Saudi Methanol Company ("AR-RAZI")	Petrochemicals	52.5%	Saudi Arabia				
National Industrial Gases Company ("GAS")	Utilities	51.8%	Saudi Arabia				
Yanbu National Petrochemical Company ("YANSAB") ⁵	Petrochemicals	36.5%	Saudi Arabia				
National Methanol Company ("IBN-SINA") ⁵	Petrochemicals	35%	Saudi Arabia				
Arabian Industrial Fibers Company ("IBN RUSHD") ⁵	Petrochemicals	33.9%	Saudi Arabia				
Saudi Kayan Petrochemical Company ("SAUDI KAYAN") ⁵	Petrochemicals	24.5%	Saudi Arabia				
SABIC Innovative Plastics Argentina SRL	Petrochemicals	70%	Argentina				
SABIC High Performance Plastic ("SHPP") Argentina SRL	Specialties	70%	Argentina				
SABIC Australia Pty Ltd.	Petrochemicals	70%	Australia				
SABIC Innovative Plastics Aus GmbH	Petrochemicals	70%	Austria				
SABIC Innovative Plastics GmbH & Co. KG	Petrochemicals	70%	Austria				
SABIC Innovative Plastics South America- Indústria e Comércio de Plásticos Ltda	Petrochemicals	70%	Brazil				
SHPP South America Comércio de Plásticos Ltda	Specialties	70%	Brazil				
NV Pijpleiding Antwerpen-Limburg-Luik (PALL)	Support services	70%	Belgium				
SABIC Belgium NV	Petrochemicals	70%	Belgium				
SHPP Canada, Inc.	Specialties	70%	Canada				
SABIC Petrochemicals Canada, Inc.	Petrochemicals	70%	Canada				
SABIC Innovative Plastics (China) Co., Ltd.	Petrochemicals	70%	China				
SABIC Innovative Plastics (Chongqing) Co., Ltd.	Petrochemicals	70%	China				
SABIC Innovative Plastics International Trading (Shanghai) Ltd.	Petrochemicals	70%	China				
SHPP (Shanghai) Co., Ltd.	Specialties	70%	China				
SABIC (Shanghai) Trading Co. Ltd.	Petrochemicals	70%	China				
SABIC (China) Research & Development Co. Ltd.	Petrochemicals	70%	China				
SABIC China Holding Co. Ltd.	Petrochemicals	70%	China				
SABIC Innovative Plastics Czech s.r.o.	Petrochemicals	70%	Czech Republic				
SHPP Czech s.r.o.	Specialties	70%	Czech Republic				
SABIC Innovative Plastics Denmark Aps	Petrochemicals	70%	Denmark				
SABIC Nordic A/S	Petrochemicals	70%	Denmark				

Notes to the consolidated financial statements continued

All amounts in millions of Saudi Riyals unless otherwise stated

38. Subsidiaries of Saudi Arabian Oil Company continued

					Conventional financial assets as of December 31, 2023 ^{2,3}	Conventional financial liabilities as of December 31, 2023 ³	Interest income from conventional financial assets for the year ended December 31, 2023 ³
	Principal business activity	Percent ownership ¹	Place of business/ country of incorporation				
SABIC Innovative Plastics Finland OY	Petrochemicals	70%	Finland				
SHPP Finland OY	Specialties	70%	Finland				
SABIC France S.A.S.	Petrochemicals	70%	France				
SABIC Innovative Plastics France S.A.S.	Petrochemicals	70%	France				
SHPP France S.A.S.	Specialties	70%	France				
SABIC Deutschland GmbH	Petrochemicals	70%	Germany				
SABIC Holding Deutschland GmbH	Petrochemicals	70%	Germany				
SABIC Innovative Plastics GmbH	Petrochemicals	70%	Germany				
SABIC Innovative Plastics Holding Germany GmbH	Petrochemicals	70%	Germany				
SABIC Polyolefine GmbH	Petrochemicals	70%	Germany				
SHPP Germany GmbH	Specialties	70%	Germany				
SD Verwaltungs GmbH	Administrative company	70%	Germany				
SD Lizenzverwertungs GmbH & Co KG ⁴	License company	70%	Germany				
SD Beteiligungs GmbH & Co KG ⁴	Specialties	70%	Germany				
SABIC Greece M.E.P.E.	Petrochemicals	70%	Greece				
SABIC Innovative Plastics Hong Kong Ltd.	Petrochemicals	70%	Hong Kong, China				
SABIC Innovative Plastics SIT Holding Ltd.	Petrochemicals	70%	Hong Kong, China				
SABIC Taiwan Holding Ltd.	Petrochemicals	70%	Hong Kong, China				
SHPP Hong Kong	Specialties	70%	Hong Kong, China				
SABIC Hungary Kft.	Petrochemicals	70%	Hungary				
SABIC Innovative Plastics Kereskedelmi Kft.	Petrochemicals	70%	Hungary				
SHPP Hungary Kft.	Specialties	70%	Hungary				
SABIC India Pvt Ltd.	Petrochemicals	70%	India				
SABIC Innovative Plastics India Private Ltd.	Petrochemicals	70%	India				
SABIC R&T Pvt Ltd.	Petrochemicals	70%	India				
High Performance Plastics India Pvt Ltd.	Petrochemicals	70%	India				
SABIC Innovative Plastics Italy Srl	Petrochemicals	70%	Italy				
SABIC Italia Srl	Petrochemicals	70%	Italy				
SABIC Sales Italy Srl	Specialties	70%	Italy				
SHPP Italy Srl	Specialties	70%	Italy				
SHPP Sales Italy Srl	Specialties	70%	Italy				
SHPP Japan LLC	Petrochemicals	70%	Japan				
SABIC Petrochemicals Japan LLC	Petrochemicals	70%	Japan				
SABIC Korea Ltd.	Petrochemicals	70%	South Korea				
SHPP Korea Ltd.	Specialties	70%	South Korea				
SABIC Innovative Plastics Malaysia Sdn Bhd	Petrochemicals	70%	Malaysia				
SHPP Malaysia Sdn Bhd	Specialties	70%	Malaysia				
SABIC Innovative Plastics Mexico S de RL de CV	Petrochemicals	70%	Mexico				
High Performance Plastics Manufacturing Mexico S de RL de CV	Specialties	70%	Mexico				
BV Snij-Unie HiFi	Petrochemicals	70%	Netherlands				
SABIC Capital B.V.	Financing	70%	Netherlands				
National Global Business Services Company	Shared service	70%	Saudi Arabia				

All amounts in millions of Saudi Riyals unless otherwise stated

38. Subsidiaries of Saudi Arabian Oil Company continued

					Conventional financial assets as of December 31, 2023 ^{2,3}	Conventional financial liabilities as of December 31, 2023 ³	Interest income from conventional financial assets for the year ended December 31, 2023 ³
	Principal business activity	Percent ownership ¹	Place of business/ country of incorporation				
SABIC Capital I B.V.	Financing	70%	Netherlands				
SABIC Capital II B.V.	Financing	70%	Netherlands				
Petrochemical Pipeline Services B.V.	Petrochemicals	70%	Netherlands				
SABIC Europe B.V.	Petrochemicals	70%	Netherlands				
SABIC Global Technologies B.V.	Petrochemicals	70%	Netherlands				
SABIC International Holdings B.V.	Petrochemicals	70%	Netherlands				
SABIC Innovative Plastics B.V.	Petrochemicals	70%	Netherlands				
SABIC Innovative Plastics GP B.V.	Petrochemicals	70%	Netherlands				
SABIC Innovative Plastics Holding B.V.	Petrochemicals	70%	Netherlands				
SABIC Innovative Plastics Utilities B.V.	Petrochemicals	70%	Netherlands				
SABIC Licensing B.V.	Petrochemicals	70%	Netherlands				
SABIC Limburg B.V.	Petrochemicals	70%	Netherlands				
SABIC Sales Europe B.V.	Petrochemicals	70%	Netherlands				
SABIC Petrochemicals B.V.	Petrochemicals	70%	Netherlands				
SABIC Ventures B.V.	Petrochemicals	70%	Netherlands				
SABIC Mining B.V.	Petrochemicals	70%	Netherlands				
SHPP Holding B.V.	Specialties	70%	Netherlands				
SHPP Global Technologies B.V.	Specialties	70%	Netherlands				
SHPP Ventures B.V.	Specialties	70%	Netherlands				
SHPP Capital B.V.	Financing	70%	Netherlands				
SHPP Capital I B.V.	Financing	70%	Netherlands				
SHPP Capital II B.V.	Financing	70%	Netherlands				
SHPP B.V.	Specialties	70%	Netherlands				
SHPP Sales B.V.	Specialties	70%	Netherlands				
SABIC Innovative Plastics Poland Sp. Z o.o.	Petrochemicals	70%	Poland				
SABIC Poland Sp. Z o.o.	Petrochemicals	70%	Poland				
SHPP Poland Sp. Z o.o.	Specialties	70%	Poland				
SABIC Canada, Inc.	Petrochemical	70%	Canada				
F&S BV	Petrochemical	70%	Netherlands				
F&S Holding BV	Petrochemical	70%	Netherlands				
F&S US LLC	Petrochemical	70%	USA				
Forms & Sheets Spain, S.L.	Petrochemical	70%	Spain				
Films & Sheets Korea Ltd.	Petrochemical	70%	Korea				
F&S France SAS	Petrochemical	70%	France				
F&S Germany GmbH	Petrochemical	70%	Germany				
F&S Japan LLC	Petrochemical	70%	Japan				
Films & Sheets South America Ltd.	Petrochemical	70%	Brazil				
F&S Capital I BV	Petrochemical	70%	Netherlands				
F&S (SEA) Singapore Sales Pte Ltd	Petrochemical	70%	Singapore				
F&S Sales India Private Limited	Petrochemical	70%	India				
F&S Malaysia Sdn. Bhd	Petrochemical	70%	Malaysia				
Film & Sheets Hong Kong Co. Ltd	Petrochemical	70%	Hong Kong, China				
F&S China Co. Ltd.	Petrochemical	70%	China				

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All amounts in millions of Saudi Riyals unless otherwise stated

38. Subsidiaries of Saudi Arabian Oil Company continued

					Conventional financial assets as of December 31, 2023 ^{2,3}	Conventional financial liabilities as of December 31, 2023 ³	Interest income from conventional financial assets for the year ended December 31, 2023 ³
	Principal business activity	Percent ownership ¹	Place of business/ country of incorporation				
LLC SABIC Eastern Europe	Petrochemicals	70%	Russia				
SABIC Innovative Plastics Rus Z.o.o.	Petrochemicals	70%	Russia				
SHPP Russia OOO	Specialties	70%	Russia				
SABIC Innovative Plastics (SEA) Pte. Ltd.	Petrochemicals	70%	Singapore				
SABIC Innovative Plastics Holding Singapore Pte. Ltd.	Petrochemicals	70%	Singapore				
SHPP Singapore Pte. Ltd.	Specialties	70%	Singapore				
SABIC Asia Pacific Pte Ltd ("SAPPL")	Petrochemicals, agri-nutrients	70%	Singapore				
SABIC Innovative Plastics Espana ScpA	Petrochemicals	70%	Spain				
SABIC Sales Spain SL	Petrochemicals	70%	Spain				
SABIC Marketing Ibérica S.A.	Petrochemicals	70%	Spain				
SHPP Manufacturing Spain SL	Specialties	70%	Spain				
SHPP Marketing Plastics SL	Specialties	70%	Spain				
Saudi Innovative Plastics Sweden AB	Petrochemicals	70%	Sweden				
SHPP Thailand Co. Ltd.	Specialties	70%	Thailand				
SABIC (Thailand) Co. Ltd.	Petrochemicals	70%	Thailand				
SHPP Petrokimya Ticaret Ltd Sirketi	Specialties	70%	Turkey				
SABIC Global Ltd.	Petrochemicals	70%	United Kingdom				
SABIC Tees Holdings Ltd.	Petrochemicals	70%	United Kingdom				
SHPP Manufacturing UK Ltd.	Specialties	70%	United Kingdom				
SABIC Innovative Plastics Ltd.	Petrochemicals	70%	United Kingdom				
SABIC UK Ltd.	Petrochemicals	70%	United Kingdom				
SABIC UK Pension Trustee Ltd.	Petrochemicals	70%	United Kingdom				
SABIC UK Petrochemicals Ltd.	Petrochemicals	70%	United Kingdom				
SHPP Sales UK Ltd.	Specialties	70%	United Kingdom				
Exatec, LLC	Petrochemicals	70%	USA				
SABIC Americas LLC	Petrochemicals, agri-nutrients	70%	USA				
SABIC US Holdings LP	Petrochemicals	70%	USA				
SABIC Innovative Plastics Mt. Vernon, LLC	Petrochemicals	70%	USA				
SABIC Innovative Plastics US LLC	Petrochemicals	70%	USA				
SABIC Petrochemicals Holding US, LLC	Petrochemicals	70%	USA				
SABIC Ventures US Holdings LLC	Petrochemicals	70%	USA				
SABIC US Projects LLC	Petrochemicals	70%	USA				
SABIC US Methanol LLC	Petrochemicals	70%	USA				
SHPP US LLC	Specialties	70%	USA				
JVSS Holding Co Inc.	Specialties	70%	USA				
Scientific Design Co. Inc.	Specialties	70%	USA				
SABIC Vietnam Company Ltd.	Petrochemicals	70%	Vietnam				
SHPP Vietnam Co Ltd	Specialties	70%	Vietnam				
SABCAP Insurance Limited ("SABCAP")	Insurance	70%	Guernsey				
SABIC Petrokimya Ticaret Limited ("SABIC TURKEY")	Petrochemicals	70%	Turkey				

All amounts in millions of Saudi Riyals unless otherwise stated

38. Subsidiaries of Saudi Arabian Oil Company continued

					Conventional financial assets as of December 31, 2023 ^{2,3}	Conventional financial liabilities as of December 31, 2023 ³	Interest income from conventional financial assets for the year ended December 31, 2023 ³
	Principal business activity	Percent ownership ¹	Place of business/ country of incorporation				
SABIC Middle East Offshore Company ("SABIC MIDDLE EAST") ⁴	Petrochemicals	70%	Lebanon				
SABIC Middle East Business Management LLC	Petrochemicals	70%	Jordan				
SABIC South Africa Proprietary Ltd.	Petrochemicals	70%	South Africa				
SABIC Africa for Trade & Marketing ("S.A.E.")	Petrochemicals	70%	Egypt				
SABIC Morocco	Petrochemicals	70%	Morocco				
SABIC Global Mobility Company FZ LLC ("GMC")	Personnel and other support services	70%	UAE				
SABIC Global Mobility ("GMC LLC") ⁴	Personnel and other support services	70%	UAE				
SABIC Tunisia	Petrochemicals	70%	Tunisia				
SABIC Kenya	Petrochemicals	70%	Kenya				
SABIC Pakistan (Pvt.) Ltd.	Petrochemicals	70%	Pakistan				
SABIC East Africa for Trade and Marketing LLC	Petrochemicals	70%	Egypt				
International Shipping and Transportation Co. ("ISTC")	Supply chain	69.3%	Saudi Arabia				
SABIC Supply Chain Services Limited Company ("SSCS")	Supply chain	69.3%	Saudi Arabia				
SABIC Terminal Services ("SABTANK")	Supply chain	63%	Saudi Arabia				
Jubail Chemical Storage and Services Company ("CHEMTANK") ⁵	Supply chain	40.6%	Saudi Arabia				
SABIC Agri-Nutrients Investment Company ("SANIC") ⁵	Agri-nutrients	35.1%	Saudi Arabia				
National Chemical Fertiliser Company ("IBN AL-BAYTAR") ⁵	Agri-nutrients	35.1%	Saudi Arabia				
Al-Jubail Fertiliser Company ("AL BAYRONI") ⁵	Agri-nutrients	17.5%	Saudi Arabia				

1. Percentages disclosed reflect the effective ownership of Saudi Aramco in the respective entities.

2. Conventional financial assets comprise cash, time deposits, short-term investments and investments in securities.

3. Represents 100% amounts of subsidiaries, after elimination of intercompany transactions.

4. Under liquidation.

5. Agreements and constitutive documents provide Saudi Aramco control.

6. In December 2022, Saudi Aramco Base Oil Company ("Luberef") listed its shares on the Saudi Exchange following the successful completion of its IPO. There was no change in the Company's shareholding interest following the listing.

7. Information for conventional financial assets, conventional financial liabilities and interest income from conventional financial assets not included for entities and groups listed on the Saudi Exchange.

Notes to the consolidated financial statements continued

All amounts in millions of Saudi Riyals unless otherwise stated

39. Joint operations of Saudi Arabian Oil Company

	Principal business activity	Percent ownership ¹	Place of business/ country of incorporation	Conventional financial assets as of December 31, 2023 ^{2,3}	Conventional financial liabilities as of December 31, 2023 ³	Interest income from conventional financial assets for the year ended December 31, 2023 ³
Al-Khafji Joint Operations	Oil and gas exploration and production	50%	Saudi-Kuwaiti Partitioned Zone	—	—	—
Fadhili Plant Cogeneration Company	Power generation	30%	Saudi Arabia	37	534	—
Jazan Integrated Gasification and Power Company	Power systems	20%	Saudi Arabia	120	3,028	9
Korea Electric Power Corporation for Power Company	Power generation	40%	Saudi Arabia	5	228	—
Maasvlakte Olie Terminal C.V.	Tank storage	9.6%	Netherlands	—	69	—
Maasvlakte Olie Terminal N.V.	Tank storage	16.7%	Netherlands	—	—	—
Pengerang Petrochemical Company SDN. BHD.	Petrochemicals	50%	Malaysia	103	2,969	3
Pengerang Refining Company SDN. BHD.	Refining	50%	Malaysia	350	20,228	10
Power Cogeneration Plant Company	Power generation	50%	Saudi Arabia	50	327	—
Saudi Aramco Mobil Refinery Company Ltd	Refining	50%	Saudi Arabia	78	924	26
Saudi Aramco Total Refining and Petrochemical Company ⁴	Refining/petrochemicals	62.5%	Saudi Arabia	1,508	7,546	244
Tanajib Cogeneration Power Company	Power systems	40%	Saudi Arabia	5	813	—
Yanbu Aramco Sinopec Refining Company Limited ⁴	Refining	62.5%	Saudi Arabia	1,348	3,554	—
Geismar ⁵	Petrochemicals	8%	USA			
Gulf Coast Growth Venture LLC ("GCGV") ⁵	Petrochemicals	35%	USA			
Saudi Acrylic Butanol Company ("SABUCO") ⁵	Petrochemicals	8.2%	Saudi Arabia			
Saudi Methacrylates Company ("SAMAC") ⁵	Petrochemicals	35%	Saudi Arabia			

1. Percentages disclosed reflect the effective ownership of Saudi Aramco in the respective entities.

2. Conventional financial assets comprise cash, time deposits, short-term investments and investments in securities.

3. Represents Saudi Aramco's share of conventional financial assets, financial liabilities and interest income.

4. Agreements and constitutive documents do not give a single shareholder control; therefore, the joint operation does not qualify as a subsidiary.

5. Information for conventional financial assets, conventional financial liabilities and interest income from conventional financial assets not included for entities and groups listed on the Saudi Exchange.

All amounts in millions of Saudi Riyals unless otherwise stated

40. Joint ventures and associates of Saudi Arabian Oil Company

	Principal business activity	Percent ownership ¹	Place of business/ country of incorporation	Conventional financial assets as of December 31, 2023 ²	Conventional financial liabilities as of December 31, 2023 ²	Interest income from conventional financial assets for the year ended December 31, 2023 ²
A. Joint ventures:						
AIR BP Aramco Poland sp. z o.o.	Aviation fuels	50%	Poland	95	55	—
Arabian Rig Manufacturing Company	Rig manufacturing	30%	Saudi Arabia	247	1,213	—
Energy City Logistics Company	Logistics	51%	Saudi Arabia	19	4	—
First Coast Energy, L.L.P.	Marketing	50%	USA	18	166	—
HAERTOL Chemie GmbH	Coolant manufacturer	50%	Germany	35	14	—
Jasara Program Management Company	Engineering services	20%	Saudi Arabia	365	152	—
Juniper Ventures of Texas LLC	Marketing	60%	USA	4	34	—
Latitude Ventures JV LLC	Leasing and developing retail gas stations	35%	USA	—	4	—
Lubrival	Product sales	51%	Ecuador	59	46	—
Middle East Cloud and Digital Transformation Company Limited	Information technology	51%	Saudi Arabia	53	22	—
Middle East Information Technology Solutions	Information technology	49%	Saudi Arabia	23	6	—
Novel Non-Metallic Solutions Manufacturing	Manufacturing	50%	Saudi Arabia	98	57	—
Plant Digital for Industry Company	Industrial digital solutions	50%	Saudi Arabia	—	—	—
Port Neches Link LLC	Pipelines	5%	USA	7	2	—
Sadara Chemical Company	Petrochemicals	65%	Saudi Arabia	5,294	40,489	66
Saudi Arabian Industrial Investment Company	Investment	42.5%	Saudi Arabia	218	60	3
Saudi Engines Manufacturing Company	Manufacturing	55%	Saudi Arabia	3	46	—
Saudi Silk Road Industrial Services Company	Investment services	20%	Saudi Arabia	94	10	—
Shanghai VC Lubricating Oil Co., Ltd	Product sales	50%	China	205	94	1
Shanghai ZhiSheng Automobile Technology Co Ltd	Product sales	49%	China	12	2	—
S-OIL TotalEnergies Lubricants Co., Ltd.	Lubricants production and sales	30.8%	South Korea	142	221	—
Star Enterprise ³	Pension administration	50%	USA	6	—	—
Synkedia Biscay EIA	E-fuels demo production	50%	Spain	—	—	—
Tas'helat Marketing Company	Marketing	50%	Saudi Arabia	167	245	—
Tuwaiq Casting & Forging Company	Metals	15%	Saudi Arabia	414	1,513	—
Valvoline Cummins Argentina	Product sales	50%	Argentina	25	48	3
Valvoline Cummins Private Limited	Product sales	50%	India	153	191	—
Valvoline de Colombia	Product sales	51%	Colombia	6	3	—
VC Lubricating Oil Co., Ltd.	Holding company	50%	Hong Kong, China	—	—	—
Advanced Energy Storage System Investment Company ("AESSIC") ^{3,4}	Renewable energy	34.1%	Saudi Arabia			
Al-Jubail Petrochemical Company ("Kemya") ⁴	Petrochemicals	35%	Saudi Arabia			
Cosmar Company ("COSMAR") ⁴	Petrochemicals	35%	USA			
Eastern Petrochemical Company ("Sharq") ⁴	Petrochemicals	35%	Saudi Arabia			
ETG Inputs Holdco Limited ("EHL") ⁴	Agri-nutrients	17.2%	UAE			
Isotopes Company ("IHC") ⁴	Machinery equipment	9.4%	Saudi Arabia			
Mauritania Saudi Mining & Steel Company S.A. ("TAKAMUL") ^{4,5}	Mining (metal)	35%	Mauritania			
SABIC Fujian Petrochemicals Co., Ltd. ("FUJIAN") ⁴	Petrochemicals	35.7%	China			
SABIC Plastic Energy Advanced Recycling BV ("SPEAR") ⁴	Petrochemicals	35%	Netherlands			
SABIC SK Nexelene Company Pte. Ltd. ("SSNC") ⁴	Petrochemicals	35%	Singapore			
Saudi Pallet Manufacturing Company ("SPMC") ⁴	Logistic	26.6%	Saudi Arabia			

Notes to the consolidated financial statements continued

All amounts in millions of Saudi Riyals unless otherwise stated

40. Joint ventures and associates of Saudi Arabian Oil Company continued

				Conventional	Conventional	Interest income
	Principal business activity	Percent ownership ¹	Place of business/ country of incorporation	financial assets as of December 31, 2023 ²	financial liabilities as of December 31, 2023 ²	from conventional financial assets for the year ended December 31, 2023 ²
Saudi Yanbu Petrochemical Company ("Yanpet") ⁴	Petrochemicals	35%	Saudi Arabia			
Sinopec SABIC Tianjin Petrochemical Company Limited ("SSTPC") ⁴	Petrochemicals	35%	China			
Utility Support Group B.V. ("USG") ⁴	Utilities	35%	Netherlands			
B. Associates:						
ASMO for Logistics Services Company	Logistics	49%	Saudi Arabia	—	—	—
BP AOC Pumpstation Maatschap	Storage	50%	Netherlands	—	—	—
BP ESSO AOC Maatschap	Storage	34.4%	Netherlands	—	—	—
Fuel Cell Innovation Co., Ltd.	Fuel cell manufacturing	12.3%	South Korea	1	36	—
Fujian Refining and Petrochemical Company Limited	Refining/ petrochemicals	25%	China	4,818	7,866	73
GCC Electrical Equipment Testing Lab	Inspection	20%	Saudi Arabia	223	32	—
Huajin Aramco Petrochemical Co., Ltd.	Refining/ petrochemicals	30%	China	572	1,806	2
Hyundai Oilbank Co., Ltd.	Refining/ marketing/ petrochemicals	17%	South Korea	7,092	38,253	953
International Maritime Industries Company	Maritime	40.1%	Saudi Arabia	135	329	—
Lukoil Saudi Arabia Energy Limited ³	Exploration	20%	British Virgin Islands	—	—	—
Noor Al Shuaibah Holding Company	Power generation	30%	Saudi Arabia	—	—	—
Power and Water Utility Company for Jubail and Yanbu ⁴	Utilities	29.8%	Saudi Arabia	—	—	—
Rabigh Refining and Petrochemical Company ⁴	Refining/ petrochemicals	37.5%	Saudi Arabia	—	—	—
Rafineria Gdańska sp. z o.o.	Refining	30%	Poland	1,311	525	—
Sinopec Senmei (Fujian) Petroleum Company Limited	Marketing/ petrochemicals	22.5%	China	2,949	3,086	41
Sudair 1 Holding Company	Holding	30.3%	Saudi Arabia	—	1	—
Team Terminal B.V.	Storage	34.4%	Netherlands	—	—	—
The National Shipping Company of Saudi Arabia ⁴	Global logistics services	20%	Saudi Arabia	—	—	—
Aluminium Bahrain BSC ("ALBA") ⁴	Aluminum	14.4%	Bahrain	—	—	—
ARG mbH & Co KG ("ARG") ⁴	Transportation	17.5%	Germany	—	—	—
ARG Verwaltungs GmbH ⁴	Administrative company	17.5%	Germany	—	—	—
Clariant AG ("Clariant") ⁴	Specialty chemical	22.1%	Switzerland	—	—	—
German Pipeline Development Company GMBH ("GPDC") ⁴	Transportation	27.3%	Germany	—	—	—
Gulf Aluminum and Rolling Mills Company ("GARMCO") ⁴	Aluminum	10.4%	Bahrain	—	—	—
Gulf Petrochemical Industries Company ("GPIC") ⁴	Agri-nutrients, petrochemicals	11.7%	Bahrain	—	—	—
Ma'aden Phosphate Company ("MPC") ⁴	Agri-nutrients	21%	Saudi Arabia	—	—	—
Ma'aden Wa'ad Al Shamal Phosphate Company ("MWSPC") ⁴	Agri-nutrients	10.5%	Saudi Arabia	—	—	—
Mallinda, Inc. ("MALLINDA") ⁴	Ventures	18.3%	USA	—	—	—

All amounts in millions of Saudi Riyals unless otherwise stated

40. Joint ventures and associates of Saudi Arabian Oil Company continued

				Conventional financial assets as of December 31, 2023 ²	Conventional financial liabilities as of December 31, 2023 ²	Interest income from conventional financial assets for the year ended December 31, 2023 ²
	Principal business activity	Percent ownership ¹	Place of business/ country of incorporation			
National Chemical Carrier Company ("NCC") ⁴	Transportation	14%	Saudi Arabia			
Nusaned Fund I ⁴	Equity investments	35%	Saudi Arabia			
Nusaned Fund II ⁴	Equity investments	42%	Saudi Arabia			

1. Percentages disclosed reflect the effective ownership of Saudi Aramco in the respective entities.

2. Represents 100% amounts of conventional financial assets, financial liabilities and interest income.

3. Under liquidation.

4. Information for conventional financial assets, conventional financial liabilities and interest income from conventional financial assets not included for entities and groups listed on the Saudi Exchange.

5. TAKAMUL, a joint venture of Hadeed, is included in other assets classified as held for sale (Note 34(a)).

41. Events after the reporting period

(i) SABIC Fujian Petrochemicals Co., Ltd

On January 21, 2024, SABIC, a subsidiary of Saudi Aramco, announced its decision to develop a petrochemical complex located in China's Fujian province, in partnership with Fujian Fuhua Gulei Petrochemical Company Limited. The complex, with an estimated cost of SAR 24,000, will be jointly owned by SABIC and Fujian Fuhua Gulei Petrochemical, 51% and 49%, respectively, through their ownership of the joint venture, SABIC Fujian Petrochemicals Co., Ltd.

(ii) Esmax Distribución SpA ("Esmax")

On March 1, 2024, the Company announced the completion of the acquisition of a 100% equity stake in Esmax Distribución SpA ("Esmax"), through its wholly-owned subsidiary, AOC, from Southern Cross Group, a Latin America-focused private equity company. 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 represents Saudi Aramco's first downstream retail investment in South America and would enable it to secure outlets for its refined products, including fuel placement from Motiva. It would also create a platform to launch the Aramco brand in South America while strengthening its downstream value chain and unlock new market opportunities for its Valvoline-branded lubricants.

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