

## Aramco announces second quarter and half year 2023 results

Company delivers strong profitability and cash flows, enabled by low-cost production and high supply reliability

- Net income: \$30.1 billion (Q2) / \$62.0 billion (H1)
- Cash flow from operating activities: \$33.6 billion (Q2) / \$73.3 billion (H1)
- Free cash flow<sup>1</sup>: \$23.2 billion (Q2) / \$54.1 billion (H1)
- Gearing ratio<sup>1</sup> down to -10.5% as balance sheet continues to strengthen
- Sustainable and progressive dividend: Q1 2023 base dividend of \$19.5 billion paid in the second quarter, up 4.0% year-on-year, and Q2 2023 dividend of \$19.5 billion to be paid in the third quarter
- Company intends to distribute performance-linked dividends over six quarters from Q3 2023. First distribution of approximately \$9.9 billion in Q3 2023 based on combined full-year 2022 results and half-year 2023 results
- Upstream oil and gas developments on track, including the Marjan, Berri, Dammam, and Zuluf crude oil increments, as part of broader capacity expansions
- Downstream growth strategy advances with award of engineering, procurement, and construction contracts for the \$11.0 billion Amiral petrochemicals complex
- Accredited lower-carbon ammonia shipments dispatched to key markets, supporting development of decarbonization options

"Our strong results reflect our resilience and ability to adapt through market cycles. We continue to demonstrate our long-standing ability to meet the needs of customers around the world with high levels of reliability. For our shareholders, we intend to start distributing our first performance-linked dividend in the third quarter.

"At Aramco, our mid to long-term view remains unchanged. With a recovery anticipated in the broader global economy, along with increased activity in the aviation sector, ongoing investments in energy projects will be necessary to safeguard energy security.

"We are maintaining the largest capital spending program in our history, with the aim of increasing our oil and gas production capacity and expanding our Downstream business — with petrochemicals projects, such as our \$11.0 billion expansion of the SATORP refinery with TotalEnergies, essential to meet future demand.

"At the same time, we remain optimistic about the potential for new technologies to reduce our operational emissions, and our recent blue ammonia shipments to Asia highlight the growing market interest in the potential of alternative, lower-carbon energy solutions."

**Amin H. Nasser**  
President and CEO



## Key financial results

All amounts in millions unless otherwise stated	Second quarter ended June 30				Half year ended June 30			
	SAR		USD*		SAR		USD*	
	2023	2022	2023	2022	2023	2022	2023	2022
Net income	<b>112,810</b>	181,643	<b>30,083</b>	48,439	<b>232,352</b>	329,669	<b>61,961</b>	87,912
EBIT <sup>1</sup>	<b>212,162</b>	328,243	<b>56,577</b>	87,533	<b>433,710</b>	607,808	<b>115,656</b>	162,083
Capital expenditures	<b>39,239</b>	35,093	<b>10,463</b>	9,358	<b>72,036</b>	63,528	<b>19,209</b>	16,941
Free cash flow <sup>1</sup>	<b>86,836</b>	129,801	<b>23,157</b>	34,614	<b>202,686</b>	244,657	<b>54,051</b>	65,242
Dividends paid	<b>73,160</b>	70,328	<b>19,509</b>	18,754	<b>146,310</b>	140,659	<b>39,016</b>	37,509
ROACE <sup>1,2</sup>	<b>25.9%</b>	31.3%	<b>25.9%</b>	31.3%	<b>25.9%</b>	31.3%	<b>25.9%</b>	31.3%
Average realized crude oil price (\$/barrel)	<b>n/a</b>	n/a	<b>78.8</b>	113.2	<b>n/a</b>	n/a	<b>79.9</b>	105.6

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

1. Non-IFRS measure: refer to Non-IFRS measures reconciliations and definitions section for further details.

2. Calculated on a 12-month rolling basis.

### Second quarter highlights

Global crude oil prices decreased in the second quarter of 2023 as inflationary pressure contributed to economic uncertainty. Despite this, Aramco delivered resilient earnings and free cash flow through its low-cost upstream production and strategically integrated downstream operations, underscoring its ability to withstand crude oil price fluctuations. Aramco remains focused on generating shareholder returns through a balanced mix of growth and yield, and the Company declared base dividend of SAR 73.2 billion (\$19.5 billion) for the second quarter.

Following the announcement in the first quarter of Aramco's intention to introduce a mechanism for performance-linked dividends, and in recognition of the Group's performance, the Company intends to calculate the first performance-linked dividends based on the combined full-year results of 2022 and 2023. The Company expects these performance-linked dividends to be calculated based on 70% of the Group's combined full-year free cash flow for 2022 and 2023, net of the base dividend and other amounts including external investments<sup>1</sup>. This is intended to be distributed over six quarters commencing in the third quarter of 2023. The first distribution of these performance-linked dividends in the amount of SAR 37.0 billion (\$9.87 billion) has been approved by the Board and was calculated based on the full-year results of 2022 and the half-year results for the period ended June 30, 2023. The subsequent distributions are expected to be adjusted to reflect the remaining results for 2023. The relevant details, including dividend amounts, eligibility, and distribution dates of any future performance-linked dividends will be announced if and when declared at the Board's sole 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.

For the full-year results of 2024 and onwards, the Company intends to target any performance-linked dividends to be in the amount of 50-70% of the Group's annual free cash flow, net of the base dividend and other amounts including external investments, to be determined and announced with the full-year results of each year and distributed over the subsequent four quarters.

Aramco believes demand for oil, gas, and chemicals will remain strong over the medium- to long-term. During the quarter, capital expenditures were SAR 39.2 billion (\$10.5 billion) reflecting Aramco's aim to capture unique growth opportunities and maximize value from its integrated portfolio.

Aramco seeks to strategically deleverage its balance sheet to maintain a high investment-grade credit rating and optimize funding costs. In May, the Company made a final prepayment of the deferred consideration related to the SABIC acquisition in the amount of SAR 16.7 billion (\$4.5 billion), to fully reduce the outstanding principal amounts of promissory notes of SAR 18.7 billion (\$5.0 billion). As a result, the deferred consideration related to the SABIC acquisition was fully settled. This final prepayment and the prepayment made in March 2023 resulted in savings of SAR 10.5 billion (\$2.8 billion).

With respect to the distribution of bonus shares to shareholders approved at the Company's Extraordinary General Assembly on May 8, 2023, the Company completed the capitalization of SAR 15.0 billion (\$4.0 billion) of retained earnings. As a result, Aramco's share capital increased correspondingly by SAR 15.0 billion (\$4.0 billion) to SAR 90.0 billion (\$24.0 billion).

To help drive Aramco's long-term strategy across its global portfolio and value chain, the Company has appointed Nasir K. Al-Naimi as President of its Upstream business and Mohammed Y. Al Qahtani as President

of its Downstream business, effective July 1, 2023. These newly created roles demonstrate Aramco's emphasis on its Upstream and Downstream businesses, and will help drive operational and financial performance in support of the Company's upstream capacity growth and downstream expansion.

#### Upstream

Aramco demonstrated its operational agility and disciplined execution plans in the second quarter as it advanced efforts to grow crude oil and gas production capacity. Total hydrocarbon production in the second quarter totaled 13.5 mmbod.

As part of the planned expansion of Aramco's MSC to 13.0 mmbpd by 2027, engineering, construction, and procurement activities continued during the quarter for the following projects:

- The Marjan and Berri crude oil increments, which are expected to add production capacity of 300 mbpd and 250 mbpd, respectively, by 2025;
- The Dammam development project, which is expected to add 25 mbpd and 50 mbpd of crude oil by 2024 and 2027, respectively; and,
- The Zuluf crude oil increment, which is expected to provide a central facility to process a total of 600 mbpd of crude oil from the Zuluf field by 2026.

Aramco also intends to increase its gas production capacity to meet domestic demand growth. During the quarter, the Company progressed multiple projects in support of this aim:

- Design and construction activities continued on the Jafurah Gas Plant, part of the Jafurah unconventional gas field which is expected to commence production in 2025 and will gradually increase natural gas deliveries to reach a sustainable rate of 2.0 bscfd by 2030;

1. External investments includes acquisition of an affiliate, net of cash acquired, and additional investments in joint ventures and associates. Please see the Condensed consolidated statement of cash flows for more information.

- Construction and procurement activities continued at the Tanajib Gas Plant, part of the Marjan development program. The plant is expected to be onstream by 2025 and add 2.6 bscfd of additional processing capacity from the Marjan, Safaniyah, and Zuluf fields;
- Hawiyah Unayzah Gas Reservoir Storage, the first underground natural gas storage in the Kingdom, achieved its maximum injection target of 1.5 bscfd. This program will provide up to 2.0 bscfd of natural gas for reintroduction into the Master Gas System by 2024;
- Gas compression projects at the Haradh and Hawiyah fields continued commissioning activities, and are expected to be fully onstream in 2023; and,
- Hawiyah Gas Plant expansion, which is part of the Haradh gas increment program, continued commissioning activities and is expected to be onstream in 2023.

## Downstream

Aramco continued to strategically expand and integrate across the hydrocarbon value chain, advancing its goal of building a world-class integrated Downstream business centered on long-term value creation and crude placement security.

During the quarter, the Company continued to demonstrate its excellent track record of dependable operations, achieving 99.8% supply reliability. In the first half of the year, Downstream utilized approximately 44% of Aramco's crude oil production.

Key Downstream developments include the following:

- In June, Aramco and TotalEnergies awarded engineering, procurement, and construction contracts for the SAR 41.3 billion (\$11.0 billion) Amiral complex, a future world-scale petrochemicals facility expansion at the Saudi Aramco Total Refining & Petrochemical Company (SATORP)

refinery in Jubail, Saudi Arabia. The new complex, to be owned and operated by SATORP, aims to house one of the largest mixed-load steam crackers in the region, with a capacity to produce 1.65 million tons per annum of ethylene and other industrial gases. The petrochemical complex will enable SATORP to help advance Aramco's liquids-to-chemicals strategy with expected commercial operation in 2027;

- Saudi Aramco Power Company (SAPCO), a wholly-owned subsidiary of Aramco, entered into a consortium with Water and Electricity Holding Company (Badeel), a wholly-owned company of the Public Investment Fund (PIF), and ACWA Power Company for the development of the Al Shuaibah 1 and Al Shuaibah 2 photovoltaic solar projects. The SAR 8.3 billion (\$2.2 billion) projects, located in Makkah province, are expected to have a combined capacity of 2.66 GW. This consortium supports Aramco's intention to invest in 12 GW of solar and wind energy by 2030 in support of the Kingdom's National Renewable Energy Program;
- Aramco completed its strategic acquisition of a 10% interest in Rongsheng Petrochemical Company Limited (Rongsheng Petrochemical) for SAR 12.8 billion (\$3.4 billion). Under a long-term sales agreement, Aramco has the right to supply up to 480 mbpd of crude oil to Rongsheng Petrochemical's affiliate, Zhejiang Petroleum and Chemical Company Limited, which operates one of the largest integrated refining and chemicals complex in China with a capacity to process 800 mbpd of crude oil and to produce 4.2 million metric tons of ethylene per year. The acquisition aligns with Aramco's strategic goal to enhance its Downstream business in high-growth geographies and advance its liquids-to-chemicals strategy;

- Aramco delivered three shipments of accredited, lower-carbon ammonia during the second quarter through its affiliates Aramco Trading Company and SABIC Agri-Nutrients. These shipments align with the Company's strategy of developing lower-carbon products and solutions, and represent the supply of lower-carbon ammonia for fertilizer production and power generation in markets such as India, Japan and Taiwan; and,
- Aramco, TotalEnergies, 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. SATORP, Aramco's Ju'aymah NGL Fractionation facility, and PETROKEMMYA, are the three industrial plants involved in the process, and each received ISCC+ certification to assure transparency and traceability of the recycled origin of the feedstock and products. The project illustrates the importance of the petrochemical sector in creating more sustainable products and solutions, and aims to pave the way for the creation of a domestic value chain for the advanced recycling of plastics to circular polymers in the Kingdom.

# Saudi Aramco

## Second quarter and half year interim report 2023

### Sustainability

In June, Aramco published its 2022 Sustainability Report, detailing the Company's sustainability performance and focus areas. The report sets out Aramco's plans across the environmental, social, and governance (ESG) spectrum, and describes how the Company is delivering on these areas. In 2022, Aramco engaged with various stakeholders, including investors, to ensure their perspectives were considered. As a result, 25 key performance indicators (KPIs) and metrics were added to this year's report to provide greater quantitative and qualitative information across multiple material topics, including biodiversity.

This brings the total KPIs and metrics in the report to 61, with 16 metrics undergoing external assurance, compared to 36 total KPIs and metrics and six externally assured metrics in the 2021 Sustainability Report. Additionally, the boundaries for various metrics have been expanded to include entities under Aramco's operational control as the Company aims to present a more complete representation of its total global footprint.

During the quarter, Aramco participated as a lead bidder in the largest-ever voluntary carbon credit auction, held by the Regional Voluntary Carbon Market Company (RVCMC) in Nairobi, Kenya. Over 2.2 million tons of high-quality carbon credits were sold at the auction. The purchase of carbon credits enables Aramco to offset some of its emissions, supports the establishment of a credible and functioning Saudi-based regional voluntary carbon market, and is one of the Company's five levers to achieve GHG emissions reductions by 2035.

Aramco supports the development of new industries in the Kingdom under its Namaat industrial investment program. During the quarter, the Company signed a shareholders' agreement to establish an integrated steel plate manufacturing complex in Ras al-Khair Industrial City. Together with Baoshan Iron & Steel Company Limited (Baosteel) and PIF, the joint venture complex will be the first facility of its kind in the region and is expected to create jobs and contribute to the Kingdom's economic growth and diversification. By supporting steel plate manufacturing in Saudi Arabia, Aramco aims to further localize its supply chain and reduce reliance on imported steel, in line with iktva's objectives to maximize local content and strengthen the local supply chain resilience.

## Financial performance

### Summary of financial performance

All amounts in millions unless otherwise stated	Second quarter					Half year				
	SAR		USD*		%	SAR		USD*		%
	2023	2022	2023	2022		2023	2022	2023	2022	
<b>Income before income taxes and zakat</b>	<b>217,431</b>	329,794	<b>57,982</b>	87,946	(34.1)%	<b>446,665</b>	607,611	<b>119,111</b>	162,030	(26.5)%
Income taxes and zakat	<b>(104,621)</b>	(148,151)	<b>(27,899)</b>	(39,507)	(29.4)%	<b>(214,313)</b>	(277,942)	<b>(57,150)</b>	(74,118)	(22.9)%
<b>Net income</b>	<b>112,810</b>	181,643	<b>30,083</b>	48,439	(37.9)%	<b>232,352</b>	329,669	<b>61,961</b>	87,912	(29.5)%

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

### Financial Results

#### Key factors affecting Aramco's financial results

- Aramco's results of operations and cash flows are primarily driven by market prices and volumes sold of hydrocarbons as well as refined and chemicals products. Ongoing economic uncertainty resulted in lower prices for hydrocarbons and continued pressure on refining and chemicals margins, compared to the same period in 2022.
- In January 2023, Aramco received a payment of SAR 15.6 billion (\$4.2 billion) related to the financing arrangement with the Jazan Integrated Gasification and Power Company (JIGPC). This is the second of the three payments to be received by Aramco as a result of this transaction that was completed in October 2021. The remaining amount of SAR 2.0 billion (\$0.5 billion) is expected to be received by the end of the year.
- With respect to the deferred consideration related to the SABIC acquisition, in March 2023 the Company made a third partial prepayment in the amount of SAR 59.0 billion (\$15.7 billion). This partial prepayment reduced the outstanding principal amounts of promissory notes by a total of SAR 49.1 billion (\$13.1 billion) and loan charges totaling SAR 18.4 billion (\$4.9 billion). Aramco also paid an installment of SAR 41.3 billion (\$11.0 billion) due on April 7, 2023. Additionally, in May Aramco made a final prepayment of SAR 16.7 billion (\$4.5 billion) to fully reduce the outstanding principal amounts of promissory notes of SAR

18.7 billion (\$5.0 billion), resulting in the full settlement of the deferred consideration related to the SABIC acquisition. These resulted in a decrease in total borrowings and cash and cash equivalents, and a gain of SAR 5.8 billion (\$1.5 billion).

#### Second quarter

**Income before income taxes and zakat** for the second quarter of 2023 was SAR 217,431 (\$57,982), compared to SAR 329,794 (\$87,946) for the same quarter in 2022. The decrease mainly reflected the impact of lower crude oil prices and weakening refining and chemicals margins. This was partially offset by a decrease in production royalties largely attributable to lower crude oil prices and lower average effective royalty rate.

**Income taxes and zakat** for the second quarter of 2023 were SAR 104,621 (\$27,899), compared to SAR 148,151 (\$39,507) for the same quarter in 2022. This decrease was in line with lower earnings in the second quarter of 2023.

#### Half year

**Income before income taxes and zakat** for the first half of 2023 was SAR 446,665 (\$119,111), compared to SAR 607,611 (\$162,030) for the same period in 2022. The decrease was primarily a result of lower crude oil prices and weakening refining and chemicals margins. This was partially offset by a decrease in production royalties, largely due to lower average effective royalty rate and lower crude oil prices, and higher finance and other income.

**Income taxes and zakat** for the first half of 2023 were SAR 214,313 (\$57,150), compared to SAR 277,942 (\$74,118) for the same period in 2022. The decrease principally reflects the impact of lower earnings in the first half of 2023.

For non-IFRS measures, refer to the *Non-IFRS measures reconciliations and definitions* section.



# Saudi Aramco

## Second quarter and half year interim report 2023

All amounts in millions unless otherwise stated

### Upstream financial performance

All amounts in millions unless otherwise stated	Second quarter					Half year				
	SAR		USD*		% change	SAR		USD*		% change
	2023	2022	2023	2022		2023	2022	2023	2022	
Earnings before interest, income taxes and zakat	212,456	294,515	56,655	78,537	(27.9)%	427,734	558,265	114,062	148,871	(23.4)%
Capital expenditures - cash basis	31,319	27,726	8,352	7,394	13.0%	56,651	49,561	15,107	13,216	14.3%

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

#### Second quarter

Earnings before interest, income taxes and zakat (EBIT) for the second quarter of 2023 was SAR 212,456 (\$56,655), compared to SAR 294,515 (\$78,537) for the same quarter in 2022. The decrease in EBIT was primarily due to lower average realized crude oil prices, partially offset by a decrease in production royalties.

Capital expenditures for the second quarter of 2023 were SAR 31,319 (\$8,352), an increase of 13.0%

compared to SAR 27,726 (\$7,394) for the same period in 2022. This increase was the result of additional development activity for crude oil increments to expand the MSC, and for progress associated with gas projects to increase gas production capacity.

#### Half year

EBIT for the first half of 2023 was SAR 427,734 (\$114,062), compared to SAR 558,265 (\$148,871) for the same period in 2022. This reduction was largely due to a decline in average realized crude oil

prices, partially offset by a decrease in production royalties.

Capital expenditures for the first half of 2023 were SAR 56,651 (\$15,107), an increase of 14.3%, compared to SAR 49,561 (\$13,216) for the same period in 2022. The increase was principally attributable to the development of crude oil increments related to increasing the crude oil MSC, and continued progression on multiple gas projects.

### Downstream financial performance

All amounts in millions unless otherwise stated	Second quarter					Half year				
	SAR		USD*		% change	SAR		USD*		% change
	2023	2022	2023	2022		2023	2022	2023	2022	
Earnings before interest, income taxes and zakat	2,956	47,764	788	12,737	(93.8)%	15,786	86,020	4,210	22,939	(81.6)%
Capital expenditures - cash basis	7,580	6,865	2,021	1,831	10.4%	14,727	13,039	3,927	3,477	12.9%

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

#### Second quarter

EBIT for the second quarter of 2023 was SAR 2,956 (\$788), compared to SAR 47,764 (\$12,737) for the same quarter in 2022. This decrease was largely driven by weakening refining and chemicals margins and inventory valuation movement.

Capital expenditures for the second quarter of 2023 increased by 10.4%, compared to the same period in 2022,

from SAR 6,865 (\$1,831) to SAR 7,580 (\$2,021), primarily due to growth project developments.

#### Half year

EBIT for the first half of 2023 was SAR 15,786 (\$4,210), compared to SAR 86,020 (\$22,939) for the same period in 2022. This decrease in financial performance was primarily driven by inventory valuation movement and

weakening refining and chemicals margins compared to the same period in 2022 which experienced strong global energy market conditions.

Capital expenditures for the first half of 2023 were SAR 14,727 (\$3,927), an increase of 12.9% compared to SAR 13,039 (\$3,477) for the same period in 2022. This increase was mainly due to an increase in international investments and expansion.

## Non-IFRS measures reconciliations and definitions

This Interim Report includes certain non-IFRS financial measures (ROACE, free cash flow, gearing, and EBIT), which Aramco uses to make informed decisions about its financial position and operating performance or liquidity. These non-IFRS financial measures have been included in this Interim Report to facilitate a better understanding of Aramco's historical trends of operation and financial position.

Aramco uses non-IFRS financial measures as supplementary information

to its IFRS-based operating performance and financial position. The non-IFRS financial measures are not defined by, or presented in accordance with, IFRS. The non-IFRS financial measures are not measurements of Aramco's operating performance or liquidity under IFRS and should not be used instead of, or considered as alternatives to, any measures of performance or liquidity under IFRS. The non-IFRS financial measures relate to the reporting periods described in this Interim Report and are not intended to be predictive of future

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

### ROACE

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

equity at the beginning and end of the applicable period. Aramco utilizes ROACE to evaluate management's performance and demonstrate to its shareholders that capital has been used effectively.

ROACE for the 12 months ended June 30, 2023, was 25.9%, compared to 31.3% for

the same period in 2022. The decrease in ROACE, calculated on a 12-month rolling basis, was predominantly driven by lower earnings, mainly reflecting the decline in crude oil prices, weakening refining and chemicals margins, and higher average capital employed during the period.

All amounts in millions unless otherwise stated	Twelve months ended June 30			
	SAR		USD*	
	2023	2022	2023	2022
Net income	506,688	565,160	135,117	150,709
Finance costs, net of income taxes and zakat	4,468	5,626	1,192	1,500
<b>Net income before finance costs, net of income taxes and zakat</b>	<b>511,156</b>	570,786	<b>136,309</b>	152,209
<b>As at period start:</b>				
Non-current borrowings	323,397	419,781	86,239	111,942
Current borrowings	69,692	119,852	18,585	31,961
Total equity	1,530,823	1,189,393	408,220	317,171
<b>Capital employed</b>	<b>1,923,912</b>	1,729,026	<b>513,044</b>	461,074
<b>As at period end:</b>				
Non-current borrowings	227,649	323,397	60,706	86,239
Current borrowings	57,641	69,692	15,371	18,585
Total equity	1,741,882	1,530,823	464,502	408,220
<b>Capital employed</b>	<b>2,027,172</b>	1,923,912	<b>540,579</b>	513,044
<b>Average capital employed</b>	<b>1,975,542</b>	1,826,469	<b>526,812</b>	487,059
<b>ROACE</b>	<b>25.9%</b>	31.3%	<b>25.9%</b>	31.3%

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

# Saudi Aramco

## Second quarter and half year interim report 2023

All amounts in millions unless otherwise stated

### Free cash flow

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

Free cash flow for the second quarter of 2023 was SAR 86,836 (\$23,157), compared to SAR 129,801 (\$34,614) for the same quarter in 2022. This decrease of SAR 42,965 (\$11,457) was mainly due to lower net cash provided by operating activities resulting from lower earnings. This was partially offset by favorable

movements in working capital and a reduction in cash paid for the settlement of income, zakat and other taxes. Capital expenditures increased by SAR 4,146 (\$1,105) in the second quarter of 2023, compared to the same period in 2022, mainly attributable to additional development activity for crude oil increments to expand the MSC and for progress associated with gas projects to increase gas production capacity.

Free cash flow for the first half of 2023 was SAR 202,686 (\$54,051), compared to SAR 244,657 (\$65,242) for the same

period in 2022. The decrease of SAR 41,971 (\$11,191) was largely attributable to lower net cash provided by operating activities reflecting lower earnings, partially offset by favorable movements in working capital. Capital expenditures for the first half of 2023 increased by SAR 8,508 (\$2,268) compared to the same period in 2022, principally driven by the development of crude oil increments related to increasing the crude oil MSC and continued progression on multiple gas projects.

All amounts in millions unless otherwise stated	Second quarter				Half year			
	SAR		USD*		SAR		USD*	
	2023	2022	2023	2022	2023	2022	2023	2022
Net cash provided by operating activities	126,075	164,894	33,620	43,972	274,722	308,185	73,260	82,183
Capital expenditures	(39,239)	(35,093)	(10,463)	(9,358)	(72,036)	(63,528)	(19,209)	(16,941)
<b>Free cash flow</b>	<b>86,836</b>	<b>129,801</b>	<b>23,157</b>	<b>34,614</b>	<b>202,686</b>	<b>244,657</b>	<b>54,051</b>	<b>65,242</b>

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

### Gearing

Gearing is a measure of the degree to which Aramco's operations are financed by debt and reflects available liquidity held in current and non-current investments and cash management instruments. Aramco's 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.

Aramco's gearing ratio as at June 30, 2023, was (10.5)% compared to (7.9)% as at December 31, 2022. The decrease in gearing was mainly driven by a higher net cash position largely due to operating cash inflows, partially offset by capital expenditures and dividend payments during the period.

All amounts in millions unless otherwise stated	SAR		USD*	
	June 30, 2023	December 31, 2022	June 30, 2023	December 31, 2022
Total borrowings (current and non-current)	285,290	393,144	76,077	104,838
Cash and cash equivalents	(248,891)	(226,047)	(66,371)	(60,279)
Short-term investments	(193,623)	(281,215)	(51,633)	(74,991)
Investments in debt securities (current and non-current) <sup>1</sup>	(8,461)	(8,565)	(2,256)	(2,282)
Non-current cash investments	-	-	-	-
<b>Net (cash)</b>	<b>(165,685)</b>	<b>(122,683)</b>	<b>(44,183)</b>	<b>(32,714)</b>
Total equity	1,741,882	1,666,147	464,502	444,306
<b>Total equity and net (cash)</b>	<b>1,576,197</b>	<b>1,543,464</b>	<b>420,319</b>	<b>411,592</b>
<b>Gearing</b>	<b>(10.5)%</b>	<b>(7.9)%</b>	<b>(10.5)%</b>	<b>(7.9)%</b>

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

1. As at June 30, 2023, investments in debt securities (current and non-current) are comprised of SAR 1,358 (\$362) and SAR7,103 (\$1,894) which form part of other assets and receivables under current assets, and investments in securities under non-current assets, respectively. As at December 31, 2022, the investments in debt securities (current and non-current) are comprised of SAR 906 (\$240) and SAR 7,659 (\$2,042) which form part of other assets and receivables under current assets, and investments in securities under non-current assets, respectively.



## Earnings before interest, income taxes and zakat (EBIT)

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

EBIT for the second quarter ended June 30, 2023, was SAR 212,162 (\$56,577), compared to SAR 328,243 (\$87,533) for the same quarter in 2022. This decrease

of SAR 116,081 (\$30,956) was primarily a result of the decline in crude oil prices and weakening refining and chemicals margins, partially offset by a decrease in production royalties during the period.

EBIT for the half year of 2023, was SAR 433,710 (\$115,656), compared to SAR 607,808 (\$162,083) for the same period in 2022. The decrease of SAR 174,098 (\$46,427) mainly represents

the impact of lower crude oil prices and weakening refining and chemicals margins compared to the same period in 2022, partially offset by a decrease in production royalties during the period.

All amounts in millions unless otherwise stated	Second quarter				Half year			
	SAR		USD*		SAR		USD*	
	2023	2022	2023	2022	2023	2022	2023	2022
Net income	<b>112,810</b>	181,643	<b>30,083</b>	48,439	<b>232,352</b>	329,669	<b>61,961</b>	87,912
Finance income	<b>(7,425)</b>	(4,497)	<b>(1,980)</b>	(1,199)	<b>(18,288)</b>	(5,082)	<b>(4,877)</b>	(1,355)
Finance costs	<b>2,156</b>	2,946	<b>575</b>	786	<b>5,333</b>	5,279	<b>1,422</b>	1,408
Income taxes and zakat	<b>104,621</b>	148,151	<b>27,899</b>	39,507	<b>214,313</b>	277,942	<b>57,150</b>	74,118
<b>Earnings before interest, income taxes and zakat</b>	<b>212,162</b>	328,243	<b>56,577</b>	87,533	<b>433,710</b>	607,808	<b>115,656</b>	162,083

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

### Terms and abbreviations

#### Currencies

##### **SAR/Saudi Riyal**

Saudi Arabian riyal, the lawful currency of the Kingdom

##### **\$/USD/Dollar**

U.S. dollar

#### Units of measurement

##### **Barrel (bbl)**

Barrels of crude oil, condensate or refined products

##### **boe**

Barrels of oil equivalent

##### **bpd**

Barrels per day

##### **bscf**

Billion standard cubic feet

##### **bscfd**

Billion standard cubic feet per day

##### **GW**

Gigawatts

##### **mboed**

Thousand barrels of oil equivalent per day

##### **mbpd**

Thousand barrels per day

##### **mmbbl**

Million barrels

##### **mmboe**

Million barrels of oil equivalent

##### **mmboed**

Million barrels of oil equivalent per day

##### **mmbpd**

Million barrels per day

##### **mmBTU**

Million British thermal units

##### **mmscf**

Million standard cubic feet

##### **mmscfd**

Million standard cubic feet per day

##### **mmtpa**

Million metric tonnes per annum

##### **per day**

Volumes are converted into a daily basis using a calendar year (Gregorian)

##### **scf**

Standard cubic feet

##### **tscf**

Trillion standard cubic feet

#### Technical terms

##### **CO<sub>2</sub>**

Carbon dioxide.

##### **Condensate**

Light hydrocarbon substances produced with raw gas which condenses into liquid at normal temperatures and pressures associated with surface production equipment.

##### **Hydrocarbons**

Crude oil and other hydrogen and carbon compounds in liquid or gaseous state.

##### **Reliability**

Total products volume shipped/delivered within 24 hours of the scheduled time, divided by the total products volume committed. Any delays caused by factors that are under the Company's control (e.g. terminal, pipeline, stabilization, or production) negatively affect the score, whereas delays caused by conditions that are beyond the Company's control, such as adverse weather, are not considered. A score of less than 100 percent indicates there were issues that negatively impacted reliability.

## Glossary

### **Affiliate**

Except with respect to financial information, the term Affiliate means 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.

With respect to financial information, the term Affiliate means the Company's subsidiaries, joint arrangements and associate, each as defined by IFRS.

### **Associate**

With respect to financial information, the term Associate, as defined by IFRS, means an entity over which the Company has significant influence but not control, generally reflected by a shareholding of between 20% and 50% of the voting rights. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

### **Auditor**

PricewaterhouseCoopers Public Accountants, the independent external auditor of Aramco.

### **Board**

The Board of Directors of the Company.

### **Company**

Saudi Arabian Oil Company (The Company).

### **Control**

Except with respect to financial information, the term "Control" means the ability to influence the actions or decisions of another person through, whether directly or indirectly, alone or with a relative or affiliate (a) holding 30% or more of the voting rights in a company, or (b) having the right to appoint 30% or more of the Board of a company; "controller" shall be construed accordingly.

With respect to financial information, the term "Control" is defined by IFRS:

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.

### **COVID-19**

The coronavirus disease identified in 2019.

### **Domestic**

Refers to the Kingdom of Saudi Arabia.

### **EBIT**

Earnings (losses) before interest, income taxes and zakat.

### **ESG**

Environmental, social, governance.

### **General Assembly**

Any Ordinary General Assembly or Extraordinary General Assembly.

### **Government**

The Government of the Kingdom (and "Governmental" shall be interpreted accordingly).

### **H**

Hijri calendar.

### **IAS**

International Accounting Standard(s).

### **IFRS**

International Financial Reporting Standard(s) that are endorsed in the Kingdom and other standards and pronouncements endorsed by SOCPA.

### **Joint venture**

The term joint venture, as defined by IFRS, means a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement.

### **Kingdom**

Kingdom of Saudi Arabia.

### **MENA**

Middle East and North Africa.

### **PIF**

Public Investment Fund of Saudi Arabia.

### **ROACE**

Return on average capital employed.

### **SABIC**

Saudi Basic Industries Corporation.

### **Saudi Aramco/Aramco/Group**

Saudi Arabian Oil Company, together with its consolidated subsidiaries, and where the context requires, its joint operations, joint ventures and associates.

Any reference to "us", "we" or "our" refers to Saudi Aramco / Aramco except where otherwise stated.

Unless otherwise stated, the text does not distinguish between the activities and operations of the Company and those of its subsidiaries.

### **Shareholder**

Any holder of shares.

### **SOCPA**

Saudi Organization for Chartered and Professional Accountants.

### **Subsidiaries**

Except with respect to financial information, the term subsidiaries mean the companies that Aramco controls through its ability to influence the actions or decisions of another person through, whether directly or indirectly, alone or with a relative or affiliate (i) holding 30% or more of the voting rights in a company or (ii) having the right to appoint 30% or more of the Board of a company.

With respect to financial information, the term subsidiaries is defined by IFRS, meaning entities over which the Company has controls.

### Disclaimer

This Interim Report may contain certain forward-looking statements with respect to Aramco's financial position, results of operations and business and certain of Aramco's plans, intentions, expectations, assumptions, goals and beliefs regarding such items. 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", "outlook" or similar expressions, including variations and the negatives thereof or comparable terminology.

Investors and prospective investors should be aware that forward-looking statements are not guarantees of future performance and that 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 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 Aramco's expectations are contained in cautionary statements in this Interim Report and include, among other things, the following:

- Supply, demand and price fluctuations with respect to oil and gas, and Aramco's other products;
- Global economic market conditions;
- Natural disasters and public health pandemics or epidemics (such as COVID-19), and weather conditions (including those associated with climate change);
- Competition in the industries in which Aramco operates;

- Climate change concerns and related impacts on the global demand for hydrocarbons and hydrocarbon-based products, as well as risks related to Aramco's ESG goals and targets;
- 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;
- Terrorism and armed conflict, political and social instability and unrest, and actual or potential armed conflicts in the MENA region and other areas;
- Managing Aramco's growth and risks related to its strategic growth objectives;
- Risks in connection with projects under development and recent and future acquisitions and joint ventures, including with respect to SABIC;
- Aramco's dependence on the reliability and security of its IT systems;
- Managing Aramco's subsidiaries, joint operations, joint ventures, associates and entities in which it holds a minority interest;
- Aramco's exposure to 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 Aramco operates;
- Risks related to litigation, including international trade litigation, disputes or agreements; and
- Risks related to the Kingdom.

#### *Disclaimer – Risk Factors*

For a discussion of our risk factors, please see Aramco's Annual Report 2022, available through the investor relations section of Aramco's website at [www.aramco.com/en/investors/reports-and-presentations](http://www.aramco.com/en/investors/reports-and-presentations).

We undertake 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 us or to persons acting on our behalf are expressly qualified in their entirety by the cautionary statements referred to above and our risk factors in our Annual Report and statements contained elsewhere in this Interim Report.

Aramco's financial information herein has been extracted from Aramco's condensed consolidated interim financial report for the three and six month periods ended June 30, 2023, which is prepared and presented in accordance with IAS 34, that is endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by the Saudi Organization for Chartered and Professional Accountants ("SOCPA").

In addition, this document includes certain "non-IFRS financial measures." These measures are not recognized measures under IFRS and do not have standardized meanings prescribed by IFRS. Rather, these measures are provided as additional information to complement IFRS measures by providing further understanding of Aramco's results of operations, cash flow and financial position from management's perspective. Accordingly, they should not be considered in isolation or as a substitute for analysis of Aramco's financial information reported under IFRS.

A reconciliation of non-IFRS measures is included in the Non-IFRS measures reconciliations and definitions section of this Interim Report.



## Condensed consolidated interim financial report

---

For the three-month and six-month periods ended June 30, 2023 (unaudited)

Independent auditor's review report.....	14
Condensed consolidated statement of income.....	15
Condensed consolidated statement of comprehensive income.....	16
Condensed consolidated balance sheet.....	17
Condensed consolidated statement of changes in equity.....	18
Condensed consolidated statement of cash flows.....	19
Notes to the condensed consolidated interim financial report.....	20







## *Report on review of 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 June 30, 2023 and the related condensed consolidated statements of income, comprehensive income and cash flows for the three-month and six-month periods then ended and the condensed consolidated statement of changes in equity for the six-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**

A blue ink signature in Arabic script, appearing to read 'عمر م. السعدي' (Omar M. Al Sagga).

Omar M. Al Sagga  
License No. 369

August 6, 2023

## Condensed consolidated statement of income

	Note	SAR				USD*			
		2 <sup>nd</sup> quarter 2023	2 <sup>nd</sup> quarter 2022	Six months 2023	Six months 2022	2 <sup>nd</sup> quarter 2023	2 <sup>nd</sup> quarter 2022	Six months 2023	Six months 2022
Revenue	10	402,564	562,068	820,024	1,029,071	107,350	149,885	218,673	274,419
Other income related to sales		45,754	86,305	88,127	136,199	12,202	23,015	23,501	36,320
<b>Revenue and other income related to sales</b>		<b>448,318</b>	<b>648,373</b>	<b>908,151</b>	<b>1,165,270</b>	<b>119,552</b>	<b>172,900</b>	<b>242,174</b>	<b>310,739</b>
Royalties and other taxes		(52,094)	(112,689)	(120,336)	(180,216)	(13,892)	(30,051)	(32,090)	(48,058)
Purchases		(119,064)	(144,601)	(225,433)	(251,347)	(31,751)	(38,561)	(60,116)	(67,026)
Producing and manufacturing		(24,132)	(17,687)	(47,265)	(39,793)	(6,435)	(4,716)	(12,604)	(10,611)
Selling, administrative and general		(14,370)	(24,639)	(29,617)	(44,304)	(3,832)	(6,570)	(7,898)	(11,814)
Exploration		(2,361)	(1,803)	(4,113)	(3,149)	(629)	(481)	(1,096)	(840)
Research and development		(1,052)	(1,012)	(1,983)	(1,866)	(280)	(269)	(528)	(497)
Depreciation and amortization	5,6	(22,692)	(21,453)	(44,667)	(42,401)	(6,052)	(5,721)	(11,912)	(11,307)
<b>Operating costs</b>		<b>(235,765)</b>	<b>(323,884)</b>	<b>(473,414)</b>	<b>(563,076)</b>	<b>(62,871)</b>	<b>(86,369)</b>	<b>(126,244)</b>	<b>(150,153)</b>
<b>Operating income</b>		<b>212,553</b>	<b>324,489</b>	<b>434,737</b>	<b>602,194</b>	<b>56,681</b>	<b>86,531</b>	<b>115,930</b>	<b>160,586</b>
Share of results of joint ventures and associates		(790)	2,973	(1,531)	4,816	(210)	793	(408)	1,284
Finance and other income		7,824	5,278	18,792	5,880	2,086	1,408	5,011	1,568
Finance costs		(2,156)	(2,946)	(5,333)	(5,279)	(575)	(786)	(1,422)	(1,408)
<b>Income before income taxes and zakat</b>		<b>217,431</b>	<b>329,794</b>	<b>446,665</b>	<b>607,611</b>	<b>57,982</b>	<b>87,946</b>	<b>119,111</b>	<b>162,030</b>
<b>Income taxes and zakat</b>	7	<b>(104,621)</b>	<b>(148,151)</b>	<b>(214,313)</b>	<b>(277,942)</b>	<b>(27,899)</b>	<b>(39,507)</b>	<b>(57,150)</b>	<b>(74,118)</b>
<b>Net income</b>		<b>112,810</b>	<b>181,643</b>	<b>232,352</b>	<b>329,669</b>	<b>30,083</b>	<b>48,439</b>	<b>61,961</b>	<b>87,912</b>
<b>Net income attributable to</b>									
Shareholders' equity		108,881	173,795	226,352	315,807	29,035	46,346	60,361	84,215
Non-controlling interests		3,929	7,848	6,000	13,862	1,048	2,093	1,600	3,697
		<b>112,810</b>	<b>181,643</b>	<b>232,352</b>	<b>329,669</b>	<b>30,083</b>	<b>48,439</b>	<b>61,961</b>	<b>87,912</b>
<b>Earnings per share (basic and diluted)</b>	17	<b>0.45</b>	<b>0.72</b>	<b>0.94</b>	<b>1.31</b>	<b>0.12</b>	<b>0.19</b>	<b>0.25</b>	<b>0.35</b>

\* 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*			
		2 <sup>nd</sup> quarter 2023	2 <sup>nd</sup> quarter 2022	Six months 2023	Six months 2022	2 <sup>nd</sup> quarter 2023	2 <sup>nd</sup> quarter 2022	Six months 2023	Six months 2022
<b>Net income</b>		<b>112,810</b>	181,643	<b>232,352</b>	329,669	<b>30,083</b>	48,439	<b>61,961</b>	87,912
<b>Other comprehensive income (loss), net of tax</b>	8								
<b>Items that will not be reclassified to net income</b>									
Remeasurement of post-employment benefits		2,363	5,000	210	16,544	630	1,334	56	4,412
Share of post-employment benefits remeasurement from joint ventures and associates		11	(21)	111	76	2	(6)	29	20
Changes in fair value of equity investments classified as fair value through other comprehensive income		(332)	(1,112)	(579)	(74)	(89)	(297)	(155)	(20)
<b>Items that may be reclassified subsequently to net income</b>									
Cash flow hedges and other		(887)	519	(912)	966	(236)	139	(243)	258
Changes in fair value of debt securities classified as fair value through other comprehensive income		95	(179)	158	(379)	25	(48)	42	(101)
Share of other comprehensive (loss) income of joint ventures and associates		(283)	(867)	730	(69)	(75)	(231)	195	(18)
Currency translation differences		(411)	(3,046)	(1,346)	(4,217)	(109)	(813)	(358)	(1,125)
		556	294	(1,628)	12,847	148	78	(434)	3,426
<b>Total comprehensive income</b>		<b>113,366</b>	181,937	<b>230,724</b>	342,516	<b>30,231</b>	48,517	<b>61,527</b>	91,338
<b>Total comprehensive income attributable to</b>									
Shareholders' equity		109,445	174,854	225,022	329,095	29,185	46,628	60,006	87,759
Non-controlling interests		3,921	7,083	5,702	13,421	1,046	1,889	1,521	3,579
		<b>113,366</b>	181,937	<b>230,724</b>	342,516	<b>30,231</b>	48,517	<b>61,527</b>	91,338

\* 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 balance sheet

	Note	SAR		USD*	
		June 30, 2023	December 31, 2022	June 30, 2023	December 31, 2022
<b>Assets</b>					
<b>Non-current assets</b>					
Property, plant and equipment	5	1,343,250	1,303,266	358,200	347,538
Intangible assets	6	164,634	159,328	43,902	42,487
Investments in joint ventures and associates		71,370	72,196	19,032	19,252
Deferred income tax assets		16,554	18,093	4,414	4,825
Post-employment benefits		23,505	23,034	6,268	6,142
Other assets and receivables		38,113	32,418	10,164	8,645
Investments in securities		26,524	26,758	7,073	7,136
		<b>1,683,950</b>	<b>1,635,093</b>	<b>449,053</b>	<b>436,025</b>
<b>Current assets</b>					
Inventories		83,997	100,528	22,399	26,808
Trade receivables		159,823	164,442	42,619	43,851
Due from the Government		46,645	54,545	12,439	14,545
Other assets and receivables		30,952	31,054	8,254	8,281
Short-term investments		193,623	281,215	51,633	74,991
Cash and cash equivalents		248,891	226,047	66,371	60,279
		<b>763,931</b>	<b>857,831</b>	<b>203,715</b>	<b>228,755</b>
<b>Total assets</b>		<b>2,447,881</b>	<b>2,492,924</b>	<b>652,768</b>	<b>664,780</b>
<b>Equity and liabilities</b>					
<b>Shareholders' equity</b>					
Share capital		90,000	75,000	24,000	20,000
Additional paid-in capital		26,981	26,981	7,195	7,195
Treasury shares		(1,712)	(2,236)	(457)	(596)
Retained earnings:					
Unappropriated		1,405,166	1,339,892	374,711	357,305
Appropriated		6,000	6,000	1,600	1,600
Other reserves	8	1,936	3,279	516	874
		<b>1,528,371</b>	<b>1,448,916</b>	<b>407,565</b>	<b>386,378</b>
<b>Non-controlling interests</b>		<b>213,511</b>	<b>217,231</b>	<b>56,937</b>	<b>57,928</b>
		<b>1,741,882</b>	<b>1,666,147</b>	<b>464,502</b>	<b>444,306</b>
<b>Non-current liabilities</b>					
Borrowings	9	227,649	318,380	60,706	84,901
Deferred income tax liabilities		126,087	122,311	33,623	32,616
Post-employment benefits		27,366	26,923	7,298	7,179
Provisions and other liabilities		32,420	27,777	8,646	7,408
		<b>413,522</b>	<b>495,391</b>	<b>110,273</b>	<b>132,104</b>
<b>Current liabilities</b>					
Trade and other payables		134,433	135,390	35,848	36,104
Obligations to the Government:					
Income taxes and zakat	7	85,552	104,978	22,814	27,995
Royalties		14,851	16,254	3,960	4,334
Borrowings	9	57,641	74,764	15,371	19,937
		<b>292,477</b>	<b>331,386</b>	<b>77,993</b>	<b>88,370</b>
<b>Total liabilities</b>		<b>705,999</b>	<b>826,777</b>	<b>188,266</b>	<b>220,474</b>
<b>Total equity and liabilities</b>		<b>2,447,881</b>	<b>2,492,924</b>	<b>652,768</b>	<b>664,780</b>

\* 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

# Saudi Aramco

## Second quarter and half year interim report 2023

All amounts in millions of Saudi Riyals unless otherwise stated

### Condensed consolidated statement of changes in equity

	SAR								USD*
	Shareholders' equity								Total
	Additional paid-in			Retained earnings		Other reserves	Non-controlling	Total	
	Share capital	capital	Treasury shares	Unappropriated	Appropriated	(Note 8)	interests		
<b>Balance at January 1, 2022</b>	60,000	26,981	(2,828)	1,018,443	6,000	4,661	167,411	1,280,668	341,512
Net income	-	-	-	315,807	-	-	13,862	329,669	87,912
Other comprehensive income (loss)	-	-	-	-	-	13,288	(441)	12,847	3,426
<b>Total comprehensive income</b>	-	-	-	315,807	-	13,288	13,421	342,516	91,338
Transfer of post-employment benefits remeasurement	-	-	-	15,453	-	(15,453)	-	-	-
Transfer of share of post-employment benefits remeasurement from joint ventures and associates	-	-	-	76	-	(76)	-	-	-
Treasury shares issued to employees	-	-	303	(50)	-	9	-	262	70
Share-based compensation	-	-	-	(2)	-	147	-	145	38
Dividends (Note 17)	-	-	-	(140,659)	-	-	-	(140,659)	(37,509)
Bonus shares issued (Note 17)	15,000	-	-	(15,000)	-	-	-	-	-
Sale of non-controlling equity interest in a subsidiary	-	-	-	-	-	-	58,125	58,125	15,500
Acquisition of non-controlling interest in a subsidiary	-	-	-	-	-	-	(181)	(181)	(48)
Dividends to non-controlling interests and other	-	-	-	-	-	-	(10,053)	(10,053)	(2,681)
<b>Balance at June 30, 2022</b>	75,000	26,981	(2,525)	1,194,068	6,000	2,576	228,723	1,530,823	408,220
<b>Balance at January 1, 2023</b>	75,000	26,981	(2,236)	1,339,892	6,000	3,279	217,231	1,666,147	444,306
Net income	-	-	-	226,352	-	-	6,000	232,352	61,961
Other comprehensive loss	-	-	-	-	-	(1,330)	(298)	(1,628)	(434)
<b>Total comprehensive income (loss)</b>	-	-	-	226,352	-	(1,330)	5,702	230,724	61,527
Transfer of post-employment benefits remeasurement (Note 8)	-	-	-	176	-	(176)	-	-	-
Transfer of share of post-employment benefits remeasurement from joint ventures and associates (Note 8)	-	-	-	111	-	(111)	-	-	-
Treasury shares issued to employees	-	-	524	(172)	-	(29)	-	323	86
Share-based compensation	-	-	-	(2)	-	303	-	301	80
Dividends (Note 17)	-	-	-	(146,310)	-	-	-	(146,310)	(39,016)
Bonus shares issued (Note 17)	15,000	-	-	(15,000)	-	-	-	-	-
Dividends to non-controlling interests and other	-	-	-	119	-	-	(9,422)	(9,303)	(2,481)
<b>Balance at June 30, 2023</b>	90,000	26,981	(1,712)	1,405,166	6,000	1,936	213,511	1,741,882	464,502

\* 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 cash flows

	Note	SAR				USD*			
		2 <sup>nd</sup> quarter 2023	2 <sup>nd</sup> quarter 2022	Six months 2023	Six months 2022	2 <sup>nd</sup> quarter 2023	2 <sup>nd</sup> quarter 2022	Six months 2023	Six months 2022
<b>Income before income taxes and zakat</b>		<b>217,431</b>	329,794	<b>446,665</b>	607,611	<b>57,982</b>	87,946	<b>119,111</b>	162,030
<b>Adjustments to reconcile income before income taxes and zakat to net cash provided by operating activities</b>									
Depreciation and amortization	5,6	22,692	21,453	44,667	42,401	6,052	5,721	11,912	11,307
Exploration and evaluation costs written off		1,058	180	1,574	471	282	48	420	126
Loss on disposal of property, plant and equipment		457	941	1,077	1,418	121	251	287	378
Inventory movement		336	118	1,272	204	89	31	339	54
Share of results of joint ventures and associates		790	(2,973)	1,531	(4,816)	210	(793)	408	(1,284)
Finance and other income		(7,824)	(5,278)	(18,792)	(5,880)	(2,086)	(1,408)	(5,011)	(1,568)
Finance costs		2,156	2,946	5,333	5,279	575	786	1,422	1,408
Change in fair value of investments through profit or loss		(59)	187	(152)	271	(15)	50	(40)	72
Change in joint ventures and associates inventory profit elimination		(203)	(85)	(195)	(74)	(54)	(22)	(52)	(20)
Other		(537)	(100)	333	(30)	(144)	(26)	88	(8)
<b>Change in working capital</b>									
Inventories		2,773	(19,930)	16,666	(41,570)	740	(5,315)	4,445	(11,085)
Trade receivables		5,194	(19,942)	6,907	(80,470)	1,386	(5,317)	1,842	(21,458)
Due from the Government		(1,985)	(35,465)	7,900	(45,373)	(530)	(9,458)	2,106	(12,100)
Other assets and receivables		(1,957)	1,927	(28)	(4,963)	(521)	513	(7)	(1,324)
Trade and other payables		4,976	10,433	(3,251)	30,996	1,326	2,782	(867)	8,266
Royalties payable		(2,644)	6,618	(1,403)	31,647	(705)	1,764	(374)	8,439
<b>Other changes</b>									
Other assets and receivables		(1,193)	3,867	(5,541)	3,237	(319)	1,032	(1,478)	863
Provisions and other liabilities		578	(457)	810	(426)	155	(122)	216	(113)
Post-employment benefits		141	903	446	2,262	37	241	119	603
Settlement of income, zakat and other taxes		(116,105)	(130,243)	(231,097)	(234,010)	(30,961)	(34,732)	(61,626)	(62,403)
<b>Net cash provided by operating activities</b>		<b>126,075</b>	164,894	<b>274,722</b>	308,185	<b>33,620</b>	43,972	<b>73,260</b>	82,183
<b>Net cash (used in) provided by investing activities</b>									
Capital expenditures	4	(39,239)	(35,093)	(72,036)	(63,528)	(10,463)	(9,358)	(19,209)	(16,941)
Acquisition of an affiliate, net of cash acquired	16(a)	-	(402)	(9,886)	(402)	-	(107)	(2,636)	(107)
Distributions from joint ventures and associates		1,006	1,226	2,328	1,955	268	326	620	521
Additional investments in joint ventures and associates		(2,054)	(809)	(2,158)	(1,100)	(547)	(216)	(575)	(293)
Dividends from investments in securities		341	289	362	306	90	78	96	82
Interest received		5,985	797	12,798	1,278	1,596	213	3,412	341
Net investments in securities		(3,079)	(102)	(960)	(1,044)	(81)	(28)	(256)	(279)
Net (purchases) maturities of short-term investments		(38,019)	(59,990)	87,592	(68,415)	(10,139)	(15,997)	23,358	(18,244)
<b>Net cash (used in) provided by investing activities</b>		<b>(72,284)</b>	(94,084)	<b>18,040</b>	(130,950)	<b>(19,276)</b>	(25,089)	<b>4,810</b>	(34,920)
<b>Net cash used in financing activities</b>									
Dividends paid to shareholders of the Company	17	(73,160)	(70,328)	(146,310)	(140,659)	(19,509)	(18,754)	(39,016)	(37,509)
Dividends paid to non-controlling interests in subsidiaries		(5,656)	(4,689)	(7,512)	(6,950)	(1,508)	(1,250)	(2,003)	(1,853)
Proceeds from sale of non-controlling equity interest in a subsidiary		-	-	-	58,125	-	-	-	15,500
Acquisition of non-controlling interest in a subsidiary		-	(181)	-	(181)	-	(48)	-	(48)
Proceeds from issue of treasury shares		165	137	320	263	44	36	85	70
Proceeds from borrowings		2,089	1,016	17,797	4,841	557	270	4,745	1,290
Repayments of borrowings		(61,058)	(86,714)	(120,909)	(119,992)	(16,282)	(23,123)	(32,242)	(31,998)
Principal portion of lease payments		(3,079)	(2,914)	(6,225)	(5,963)	(821)	(777)	(1,660)	(1,590)
Interest paid		(4,875)	(4,032)	(7,079)	(5,323)	(1,300)	(1,076)	(1,887)	(1,420)
<b>Net cash used in financing activities</b>		<b>(145,574)</b>	(167,705)	<b>(269,918)</b>	(215,839)	<b>(38,819)</b>	(44,722)	<b>(71,978)</b>	(57,558)
<b>Net (decrease) increase in cash and cash equivalents</b>		<b>(91,783)</b>	(96,895)	<b>22,844</b>	(38,604)	<b>(24,475)</b>	(25,839)	<b>6,092</b>	(10,295)
Cash and cash equivalents at beginning of the period		340,674	357,870	226,047	299,579	90,846	95,432	60,279	79,888
<b>Cash and cash equivalents at end of the period</b>		<b>248,891</b>	260,975	<b>248,891</b>	260,975	<b>66,371</b>	69,593	<b>66,371</b>	69,593

\* 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

# Saudi Aramco

## Second quarter and half year interim report 2023

All amounts in millions of Saudi Riyals unless otherwise stated

# 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, 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. Subsequently, the Government announced on April 16, 2023, the transfer of 4% of the Company’s issued shares to Saudi Arabian Investment Company (“Sanabil Investments”), a wholly owned company of PIF. The Government remains the Company’s largest shareholder, retaining a 90.19% 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 August 6, 2023.

## 2. Basis of preparation and other significant accounting policies

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”). This condensed consolidated interim financial report is consistent with the accounting policies and methods of computation and presentation set out in Saudi Aramco’s consolidated financial statements for the year ended December 31, 2022, except for new and amended standards disclosed below.

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, 2022, 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, 2022 are also in compliance with IFRS as issued by the International Accounting Standards Board (“IASB”).

Translations from SAR to USD 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 June 30, 2023 and December 31, 2022 and for the three-month and six-month periods ended June 30, 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 balance sheet dates.

### 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 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.

## 2. Basis of preparation and other significant accounting policies 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, that was issued in 2005, and allowed insurers to use a range of different accounting treatments for insurance contracts. There is no material impact on the condensed consolidated interim financial report from the adoption of IFRS 17.

There are no other amendments or interpretations that are effective for annual periods beginning on or after January 1, 2023 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 assets and liabilities measured and recognized at fair value at June 30, 2023 and December 31, 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 June 30, 2023 and December 31, 2022. There were no changes made to any of the valuation techniques and valuation processes applied as of December 31, 2022 and changes in unobservable inputs are not expected to materially impact the fair values.

Assets	Level 1 <sup>i</sup>	Level 2 <sup>ii</sup>	Level 3 <sup>iii</sup>	Total
<b>June 30, 2023</b>				
Investments in securities:				
Equity securities at Fair Value Through Other Comprehensive Income ("FVOCI")	8,256	36	2,130	10,422
Debt securities at FVOCI	94	7,782	-	7,876
Equity securities at Fair Value Through Profit or Loss ("FVPL")	527	1,512	6,959	8,998
Debt securities at FVPL	-	247	-	247
Trade receivables related to contracts with provisional pricing arrangements	-	-	121,564	121,564
	<b>8,877</b>	<b>9,577</b>	<b>130,653</b>	<b>149,107</b>
Other assets and receivables:				
Interest rate swaps	-	703	-	703
Commodity derivative contracts	-	3,932	-	3,932
Currency forward contracts	-	80	-	80
Financial assets - option rights	-	-	3,599	3,599
	<b>-</b>	<b>4,715</b>	<b>3,599</b>	<b>8,314</b>
<b>Total assets</b>	<b>8,877</b>	<b>14,292</b>	<b>134,252</b>	<b>157,421</b>
<b>December 31, 2022</b>				
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
	<b>9,117</b>	<b>9,140</b>	<b>122,032</b>	<b>140,289</b>
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
	<b>-</b>	<b>3,851</b>	<b>2,734</b>	<b>6,585</b>
<b>Total assets</b>	<b>9,117</b>	<b>12,991</b>	<b>124,766</b>	<b>146,874</b>

# Saudi Aramco

## Second quarter and half year interim report 2023

All amounts in millions of Saudi Riyals unless otherwise stated

### 3. Fair value estimation continued

Liabilities	Level 1 <sup>i</sup>	Level 2 <sup>ii</sup>	Level 3 <sup>iii</sup>	Total
<b>June 30, 2023</b>				
Trade and other payables:				
Interest rate swaps	-	14	-	14
Commodity derivative contracts	-	3,283	12	3,295
Currency forward contracts	-	786	-	786
Provisions and other liabilities:				
Financial liabilities - options and forward contracts	-	-	2,902	2,902
<b>Total liabilities</b>	<b>-</b>	<b>4,083</b>	<b>2,914</b>	<b>6,997</b>
<b>December 31, 2022</b>				
Trade and other payables:				
Interest rate swaps	-	16	-	16
Commodity derivative contracts	228	2,358	81	2,667
Currency forward contracts	-	134	-	134
Provisions and other liabilities:				
Financial liabilities - options and forward contracts	-	-	2,929	2,929
<b>Total liabilities</b>	<b>228</b>	<b>2,508</b>	<b>3,010</b>	<b>5,746</b>

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 six-month period ended June 30, 2023 and the year ended December 31, 2022 are as follows:

	June 30, 2023	December 31, 2022
<b>Beginning</b>	<b>8,490</b>	<b>5,268</b>
Net additions	744	2,790
Net unrealized fair value (loss) gain	(176)	391
Realized gain	31	41
<b>Ending</b>	<b>9,089</b>	<b>8,490</b>

The movement in trade receivables related to contracts with provisional pricing arrangements mainly relates to sales transactions, net of settlements, made during the period, resulting from contracts with customers (Note 10). Unrealized fair value movements on these trade receivables 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 Saudi Aramco's own equity instruments in certain 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 June 30, 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.

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 for the three-month period ended June 30, 2023 is as follows:

	Upstream	Downstream	Corporate	Eliminations	Consolidated
External revenue	192,585	209,446	533	-	402,564
Other income related to sales	16,587	29,167	-	-	45,754
Inter-segment revenue	84,285	8,833	65	(93,183)	-
Earnings (losses) before interest, income taxes and zakat	212,456	2,956	(4,211)	961	212,162
Finance income					7,425
Finance costs					(2,156)
Income before income taxes and zakat					217,431
Capital expenditures - cash basis	31,319	7,580	340	-	39,239

Information by segments for the three-month period ended June 30, 2022 is as follows:

	Upstream	Downstream	Corporate	Eliminations	Consolidated
External revenue	285,732	275,746	590	-	562,068
Other income related to sales	26,604	59,701	-	-	86,305
Inter-segment revenue	131,024	11,542	68	(142,634)	-
Earnings (losses) before interest, income taxes and zakat	294,515	47,764	(5,115)	(8,921)	328,243
Finance income					4,497
Finance costs					(2,946)
Income before income taxes and zakat					329,794
Capital expenditures - cash basis	27,726	6,865	502	-	35,093

Information by segments for the six-month period ended June 30, 2023 is as follows:

	Upstream	Downstream	Corporate	Eliminations	Consolidated
External revenue	393,824	425,224	976	-	820,024
Other income related to sales	29,483	58,644	-	-	88,127
Inter-segment revenue	172,064	17,540	126	(189,730)	-
Earnings (losses) before interest, income taxes and zakat	427,734	15,786	(7,060)	(2,750)	433,710
Finance income					18,288
Finance costs					(5,333)
Income before income taxes and zakat					446,665
Capital expenditures - cash basis	56,651	14,727	658	-	72,036



# Saudi Aramco

## Second quarter and half year interim report 2023

All amounts in millions of Saudi Riyals unless otherwise stated

### 4. Operating segments continued

Information by segments for the six-month period ended June 30, 2022 is as follows:

	Upstream	Downstream	Corporate	Eliminations	Consolidated
External revenue	528,511	499,650	910	-	1,029,071
Other income related to sales	41,977	94,222	-	-	136,199
Inter-segment revenue	241,235	22,327	143	(263,705)	-
Earnings (losses) before interest, income taxes and zakat	558,265	86,020	(8,773)	(27,704)	607,808
Finance income					5,082
Finance costs					(5,279)
Income before income taxes and zakat					607,611
Capital expenditures - cash basis	49,561	13,039	928	-	63,528

### 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
<b>Cost</b>								
January 1, 2023	55,911	91,617	641,029	932,134	95,610	20,755	262,903	2,099,959
Additions <sup>1</sup>	575	709	187	7,209	243	84	72,342	81,349
Acquisition (Note 16(a))	556	805	-	798	92	65	139	2,455
Construction completed	800	741	20,458	15,977	4,826	268	(43,070)	-
Currency translation differences	(180)	8	-	(363)	(221)	(22)	(46)	(824)
Transfers and adjustments	1,210	44	155	(81)	(33)	36	(140)	1,191
Transfer of exploration and evaluation assets	-	-	-	-	-	-	384	384
Retirements and sales	(77)	(574)	(191)	(3,883)	(204)	(311)	(75)	(5,315)
<b>June 30, 2023</b>	<b>58,795</b>	<b>93,350</b>	<b>661,638</b>	<b>951,791</b>	<b>100,313</b>	<b>20,875</b>	<b>292,437</b>	<b>2,179,199</b>
<b>Accumulated depreciation</b>								
January 1, 2023	(19,411)	(42,330)	(244,678)	(431,840)	(45,802)	(12,632)	-	(796,693)
Charge for the period	(729)	(1,775)	(10,247)	(28,692)	(1,452)	(764)	-	(43,659)
Currency translation differences	(2)	9	-	(3)	100	12	-	116
Transfers and adjustments	(5)	5	(34)	111	8	(36)	-	49
Retirements and sales	58	469	60	3,145	204	302	-	4,238
<b>June 30, 2023</b>	<b>(20,089)</b>	<b>(43,622)</b>	<b>(254,899)</b>	<b>(457,279)</b>	<b>(46,942)</b>	<b>(13,118)</b>	<b>-</b>	<b>(835,949)</b>
<b>Property, plant and equipment - net, June 30, 2023</b>	<b>38,706</b>	<b>49,728</b>	<b>406,739</b>	<b>494,512</b>	<b>53,371</b>	<b>7,757</b>	<b>292,437</b>	<b>1,343,250</b>

1. Additions include borrowing costs capitalized during the six-month period ended June 30, 2023, amounting to SAR 3,551, which were calculated using an average annualized capitalization rate of 4.51%.

Additions to right-of-use assets during the three-month and six-month periods ended June 30, 2023 were SAR 2,628 and SAR 5,937, respectively. Acquisition of right-of-use assets during the three-month and six-month periods ended June 30, 2023 were nil and SAR 326, respectively. The following table presents depreciation charges and net carrying amounts of right-of-use assets by class of assets.

	Depreciation expense for the six-month period ended June 30, 2023	Net carrying amount at June 30, 2023
Land and land improvements	87	5,526
Buildings	265	3,179
Oil and gas properties	8	3
Plant, machinery and equipment	5,913	47,483
Depots, storage tanks and pipelines	156	2,357
Fixtures, IT and office equipment	63	302
	<b>6,492</b>	<b>58,850</b>

## 6. Intangible assets

	Goodwill	Exploration and evaluation	Brands and trademarks	Franchise/customer relationships	Computer software	Other <sup>1</sup>	Total
<b>Cost</b>							
January 1, 2023	100,603	17,971	22,730	19,647	5,854	4,031	170,836
Additions	-	3,471	-	-	26	104	3,601
Acquisition (Note 16(a))	372	-	2,063	2,318	-	-	4,753
Currency translation differences	(6)	-	(33)	(4)	5	7	(31)
Transfers and adjustments	-	-	(40)	(34)	9	(414)	(479)
Transfer of exploration and evaluation assets	-	(384)	-	-	-	-	(384)
Retirements and write offs	-	(1,574)	-	-	(20)	-	(1,594)
<b>June 30, 2023</b>	<b>100,969</b>	<b>19,484</b>	<b>24,720</b>	<b>21,927</b>	<b>5,874</b>	<b>3,728</b>	<b>176,702</b>
<b>Accumulated amortization</b>							
January 1, 2023	-	-	(2,559)	(3,362)	(4,066)	(1,521)	(11,508)
Charge for the period	-	-	(161)	(552)	(158)	(137)	(1,008)
Currency translation differences	-	-	-	-	(5)	(8)	(13)
Transfers and adjustments	-	-	7	68	-	366	441
Retirements and write offs	-	-	-	-	20	-	20
<b>June 30, 2023</b>	<b>-</b>	<b>-</b>	<b>(2,713)</b>	<b>(3,846)</b>	<b>(4,209)</b>	<b>(1,300)</b>	<b>(12,068)</b>
<b>Intangible assets - net, June 30, 2023</b>	<b>100,969</b>	<b>19,484</b>	<b>22,007</b>	<b>18,081</b>	<b>1,665</b>	<b>2,428</b>	<b>164,634</b>

1. Other intangible assets with a net book value of SAR 2,428 as at June 30, 2023 comprise of 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, 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 all its Downstream activities into a separate legal entity or entities within the period specified.

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:

	2 <sup>nd</sup> quarter 2023	2 <sup>nd</sup> quarter 2022	Six months 2023	Six months 2022
Income before income taxes and zakat	217,431	329,794	446,665	607,611
Less: Income subject to zakat	(3,236)	(10,687)	(6,177)	(17,954)
Income subject to income tax	214,195	319,107	440,488	589,657
Income taxes at the Kingdom's statutory tax rates	103,830	151,883	215,929	284,243
Tax effect of:				
Loss (income) not subject to tax at statutory rates and other	291	(4,344)	(2,642)	(7,453)
Income tax expense	104,121	147,539	213,287	276,790
Zakat expense	500	612	1,026	1,152
Total income tax and zakat expense	104,621	148,151	214,313	277,942

# Saudi Aramco

## Second quarter and half year interim report 2023

All amounts in millions of Saudi Riyals unless otherwise stated

### 7. Income taxes and zakat continued

#### (b) Income tax and zakat expense

	2 <sup>nd</sup> quarter 2023	2 <sup>nd</sup> quarter 2022	Six months 2023	Six months 2022
Current income tax - Kingdom	101,411	140,448	205,811	266,243
Current income tax - Foreign	639	480	2,476	970
Deferred income tax - Kingdom	2,321	4,337	5,392	5,422
Deferred income tax - Foreign	(250)	2,274	(392)	4,155
Zakat - Kingdom	500	612	1,026	1,152
	<b>104,621</b>	<b>148,151</b>	<b>214,313</b>	<b>277,942</b>

#### (c) Income tax and zakat obligation to the Government

	2023	2022
<b>January 1</b>	<b>104,978</b>	<b>90,525</b>
Provided during the period	206,837	267,395
Payments during the period by the Company (Note 14)	(116,171)	(131,360)
Payments during the period by subsidiaries and joint operations	(9,171)	(6,961)
Settlements of due from the Government	(98,472)	(92,272)
Other settlements	(2,449)	(2,784)
<b>June 30</b>	<b>85,552</b>	<b>124,543</b>

### 8. 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	
<b>January 1, 2023</b>	(3,407)	5,155	-	298	1,034	195	4	3,279
Current period change	(1,346)	(453)	-	303	(912)	731	(1)	(1,678)
Remeasurement gain <sup>1</sup>	-	-	474	-	-	-	111	585
Transfer to retained earnings	-	-	(176)	(29)	-	-	(111)	(316)
Tax effect	-	32	(264)	-	-	-	-	(232)
Less: amounts related to non-controlling interests	566	(1)	(34)	-	8	(241)	-	298
<b>June 30, 2023</b>	<b>(4,187)</b>	<b>4,733</b>	<b>-</b>	<b>572</b>	<b>130</b>	<b>685</b>	<b>3</b>	<b>1,936</b>

1. The remeasurement 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

	June 30, 2023			December 31, 2022		
	Non-current	Current	Total	Non-current	Current	Total
<b>Conventional:</b>						
Deferred consideration (Note 9(a))	-	-	-	81,168	40,995	122,163
Debentures	81,959	15,810	97,769	89,585	7,627	97,212
Bank borrowings	21,217	3,415	24,632	20,998	2,166	23,164
Short-term borrowings	-	11,526	11,526	-	10,205	10,205
Revolving credit facilities	-	586	586	-	-	-
Export credit agencies	1,268	657	1,925	1,582	657	2,239
Public Investment Fund	638	365	1,003	820	365	1,185
Other financing arrangements (Note 9(b))	36,194	267	36,461	23,570	408	23,978
<b>Shari'a compliant:</b>						
Sukuk	22,429	11,250	33,679	34,300	281	34,581
Murabaha	14,773	2,241	17,014	16,158	2,135	18,293
Saudi Industrial Development Fund	3,195	304	3,499	3,441	295	3,736
Ijarah/Procurement	3,464	13	3,477	2,688	13	2,701
Wakala	798	13	811	997	26	1,023
	<b>185,935</b>	<b>46,447</b>	<b>232,382</b>	<b>275,307</b>	<b>65,173</b>	<b>340,480</b>
<b>Lease liabilities</b>	<b>41,714</b>	<b>11,194</b>	<b>52,908</b>	<b>43,073</b>	<b>9,591</b>	<b>52,664</b>
	<b>227,649</b>	<b>57,641</b>	<b>285,290</b>	<b>318,380</b>	<b>74,764</b>	<b>393,144</b>

## 9. Borrowings 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 period, 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 4,635 (\$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) Other financing arrangements

On January 19, 2023, the Company received SAR 15,563 in respect of the second tranche of the financing arrangement with the Jazan Integrated Gasification and Power Company ("JIGPC"), a joint operation of Saudi Aramco. An amount of SAR 12,450 was recognized on the condensed consolidated balance sheet in this regard, being the amount due to the other shareholders of JIGPC. The final tranche of SAR 1,968 under the financing arrangement is expected to be received by the end of 2023.

## 10. Revenue

	2 <sup>nd</sup> quarter 2023	2 <sup>nd</sup> quarter 2022	Six months 2023	Six months 2022
Revenue from contracts with customers	401,636	559,249	817,573	1,022,652
Movement between provisional and final prices	(1,771)	1,238	(2,628)	3,781
Other revenue	2,699	1,581	5,079	2,638
	<b>402,564</b>	<b>562,068</b>	<b>820,024</b>	<b>1,029,071</b>

### Disaggregation of revenue from contracts with customers

Saudi Aramco's revenue from contracts with customers according to product type and source is as follows:

	2 <sup>nd</sup> quarter 2023			Total
	Upstream	Downstream	Corporate	
Crude oil	185,311	24,275	-	209,586
Refined and chemical products	-	179,112	-	179,112
Natural gas and NGLs	8,875	994	-	9,869
Metal products	-	3,069	-	3,069
<b>Revenue from contracts with customers</b>	<b>194,186</b>	<b>207,450</b>	<b>-</b>	<b>401,636</b>
Movement between provisional and final prices	(1,714)	(57)	-	(1,771)
Other revenue	113	2,053	533	2,699
<b>External revenue</b>	<b>192,585</b>	<b>209,446</b>	<b>533</b>	<b>402,564</b>

	2 <sup>nd</sup> quarter 2022			Total
	Upstream	Downstream	Corporate	
Crude oil	268,557	32,416	-	300,973
Refined and chemical products	-	228,913	-	228,913
Natural gas and NGLs	16,023	9,262	-	25,285
Metal products	-	4,078	-	4,078
<b>Revenue from contracts with customers</b>	<b>284,580</b>	<b>274,669</b>	<b>-</b>	<b>559,249</b>
Movement between provisional and final prices	1,129	109	-	1,238
Other revenue	23	968	590	1,581
<b>External revenue</b>	<b>285,732</b>	<b>275,746</b>	<b>590</b>	<b>562,068</b>

# Saudi Aramco

## Second quarter and half year interim report 2023

All amounts in millions of Saudi Riyals unless otherwise stated

### 10. Revenue continued

	Six months 2023			Total
	Upstream	Downstream	Corporate	
Crude oil	377,139	45,613	-	422,752
Refined and chemical products	-	367,424	-	367,424
Natural gas and NGLs	18,938	2,129	-	21,067
Metal products	-	6,330	-	6,330
<b>Revenue from contracts with customers</b>	<b>396,077</b>	<b>421,496</b>	<b>-</b>	<b>817,573</b>
Movement between provisional and final prices	(2,463)	(165)	-	(2,628)
Other revenue	210	3,893	976	5,079
<b>External revenue</b>	<b>393,824</b>	<b>425,224</b>	<b>976</b>	<b>820,024</b>

	Six months 2022			Total
	Upstream	Downstream	Corporate	
Crude oil	493,179	47,511	-	540,690
Refined and chemical products	-	429,541	-	429,541
Natural gas and NGLs	31,754	12,274	-	44,028
Metal products	-	8,393	-	8,393
<b>Revenue from contracts with customers</b>	<b>524,933</b>	<b>497,719</b>	<b>-</b>	<b>1,022,652</b>
Movement between provisional and final prices	3,478	303	-	3,781
Other revenue	100	1,628	910	2,638
<b>External revenue</b>	<b>528,511</b>	<b>499,650</b>	<b>910</b>	<b>1,029,071</b>

### 11. Non-cash investing and financing activities

Investing and financing activities for the three-month and six-month periods ended June 30, 2023 include additions to right-of-use assets of SAR 2,628 and SAR 5,937 (June 30, 2022: SAR 3,690 and SAR 4,811), respectively, asset retirement provisions of SAR 91 and SAR 186 (June 30, 2022: SAR 86 and SAR 162), respectively, and equity awards issued to employees of SAR 54 and SAR 203 (June 30, 2022: SAR 6 and SAR 60), respectively.

### 12. Commitments

#### Capital commitments

Capital expenditures contracted for but not yet incurred were SAR 266,850 and SAR 172,639 at June 30, 2023 and December 31, 2022, respectively. In addition, leases contracted for but not yet commenced were SAR 25,013 and SAR 18,326 at June 30, 2023 and December 31, 2022, 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. These contingencies arise in the ordinary course of business. It is not anticipated that any material adjustments will result from these contingencies.

#### Rabigh Refining and Petrochemical Company ("Petro Rabigh")

On March 20, 2023, Petro Rabigh refinanced the outstanding amount of equity bridge loans of SAR 9,310, which were previously guaranteed on a several and equal basis by the two founding shareholders of Petro Rabigh, the Company and Sumitomo Chemical Co. Ltd. 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.

### 14. Payments to the Government by the Company

	2 <sup>nd</sup> quarter 2023	2 <sup>nd</sup> quarter 2022	Six months 2023	Six months 2022
Income taxes (Note 7(c))	59,443	71,412	116,171	131,360
Royalties	52,042	109,406	103,051	164,775
Dividends	65,999	66,266	134,917	132,535

## 15. Related party transactions and balances

### (a) Transactions

	2 <sup>nd</sup> quarter 2023	2 <sup>nd</sup> quarter 2022	Six months 2023	Six months 2022
<b>Joint ventures:</b>				
Revenue from sales	5,467	8,182	11,036	14,865
Other revenue	7	3	11	11
Interest income	60	34	98	49
Purchases	5,843	8,587	12,353	16,871
Service expenses	-	-	4	4
<b>Associates:</b>				
Revenue from sales	16,954	25,793	35,629	46,883
Other revenue	22	12	90	98
Interest income	22	26	105	79
Purchases	13,965	22,444	28,958	41,179
Service expenses	23	22	49	45
Lease expenses	-	379	-	428
<b>Government, semi-Government and other entities with Government ownership or control:</b>				
Revenue from sales	5,389	6,693	10,875	11,096
Other income related to sales	45,754	86,305	88,127	136,199
Other revenue	244	398	454	574
Purchases	4,923	2,892	7,556	5,513
Service expenses	116	68	214	169
Lease expenses	270	109	514	259

### (b) Balances

	June 30, 2023	December 31, 2022
<b>Joint ventures:</b>		
Other assets and receivables	5,441	5,363
Trade receivables	4,481	5,096
Interest receivable	469	371
Trade and other payables	6,251	7,060
<b>Associates:</b>		
Other assets and receivables	1,541	1,519
Trade receivables	12,638	13,410
Trade and other payables	6,180	6,278
Borrowings	-	15
<b>Government, semi-Government and other entities with Government ownership or control:</b>		
Other assets and receivables	810	510
Trade receivables	3,413	3,874
Due from the Government	46,645	54,545
Trade and other payables	1,609	2,093
Borrowings	5,990	128,026

### (c) Compensation of key management personnel

Compensation policies for and composition of key management personnel remain consistent with 2022.



# Saudi Aramco

## Second quarter and half year interim report 2023

All amounts in millions of Saudi Riyals unless otherwise stated

### 16. Investments in affiliates

#### (a) Valvoline Inc.'s global products business

On March 1, 2023, AOC, a wholly owned subsidiary of Saudi Aramco, acquired a 100% equity interest in Valvoline Inc.'s global products business ("VGP Holdings LLC") for a cash consideration of approximately SAR 10,346 (\$2,759), including customary adjustments. VGP Holdings LLC is a 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 preliminary fair values of the identifiable assets and liabilities are as follows:

Cash and cash equivalents	460
Trade receivables, inventories and other current assets	3,978
Property, plant and equipment (Note 5)	2,455
Intangible assets (Note 6)	4,381
Other non-current assets	491
Trade payables and other current liabilities	(1,346)
Non-current liabilities	(445)
<b>Total identifiable net assets at fair value</b>	<b>9,974</b>
Goodwill (Note 6)	372
<b>Purchase consideration</b>	<b>10,346</b>

Acquisition and transaction costs of SAR 144 were expensed as selling, administrative and general expenses in the condensed consolidated statement of income for the six-month period ended June 30, 2023.

Post-acquisition, VGP Holdings LLC contributed revenues of SAR 3,718 and net profit of SAR 175, which is included in the condensed consolidated statement of income. If the acquisition had occurred on January 1, 2023, management estimates that consolidated revenue and net profit for the six-month period ended June 30, 2023 would have been SAR 5,483 and SAR 309, respectively.

#### (b) Huajin Aramco Petrochemical Co., Ltd. ("HAPCO")

On March 25, 2023, AOC, a wholly owned subsidiary of Saudi Aramco, 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 (approximately SAR 43,284), 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 (approximately SAR 4,328), of which RMB 7.1 billion (approximately SAR 3,667) was outstanding as at June 30, 2023.

## 17. Dividends

Dividends declared and paid on ordinary shares are as follows:

	Six months 2023	Six months 2022	SAR per share	
			Six months 2023	Six months 2022
Quarter:				
March <sup>1</sup>	73,150	70,331	0.33	0.35
June <sup>2</sup>	73,160	70,328	0.30	0.32
Total dividends declared and paid	<b>146,310</b>	140,659	<b>0.63</b>	0.67
Dividends declared on August 6, 2023 and August 12, 2022 <sup>2,3</sup>	<b>110,180</b>	70,329	<b>0.45</b>	0.32

1. Dividend of SAR 73,150 paid in 2023 relates to 2022 results. Dividend of SAR 70,331 paid in 2022 relates to 2021 results.
2. Dividends per share of SAR 0.30 and SAR 0.45, declared on May 8, 2023 and August 6, 2023, respectively, reflect the effect of the issuance of the bonus shares approved on May 8, 2023, as described below.
3. Dividend of SAR 110,180 (SAR 0.45 per share) represents a base dividend of SAR 73,163 (SAR 0.30 per share) and a performance-linked dividend of SAR 37,017 (SAR 0.15 per share) that were declared on August 6, 2023 (August 12, 2022: base dividend of SAR 70,329 (SAR 0.32 per share)). These dividends are not reflected in this condensed consolidated interim financial report and will be deducted from unappropriated retained earnings in the year ending December 31, 2023.

On May 8, 2023, 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 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.

Accordingly, earnings per share for the three-month and six-month periods ended June 30, 2023 and 2022 have been calculated by retrospectively adjusting the weighted average number of outstanding shares to reflect the effect of the issuance of the above bonus shares.

## 18. Events after the reporting period

### Rongsheng Petrochemical Co., Ltd. (“Rongsheng Petrochemical”)

On July 21, 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 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 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. The transaction value above represents an equity investment at fair value through other comprehensive income and a payment related to the long-term sales agreement.

# Saudi Aramco

Second quarter and half year interim report 2023

## 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](http://www.aramco.com)**

Investor overview:

**[www.aramco.com/en/investors](http://www.aramco.com/en/investors)**

Sustainability:

**[www.aramco.com/en/sustainability](http://www.aramco.com/en/sustainability)**

International media:

**[international.media@aramco.com](mailto:international.media@aramco.com)**

Domestic media:

**[domestic.media@aramco.com](mailto:domestic.media@aramco.com)**

Investor relations:

**[investor.relations@aramco.com](mailto:investor.relations@aramco.com)**