

Non-IFRS measures reconciliations and definitions

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

Aramco uses non-IFRS financial measures as supplementary information to its IFRS based operating performance and financial position.

The non-IFRS financial measures are not defined by, or presented in accordance with, IFRS. The non-IFRS financial measures are not measurements of Aramco's operating performance or liquidity under IFRS and should not be used instead of, or considered as alternatives to, any measures of performance or liquidity under IFRS. The non-IFRS financial measures relate to the reporting periods described below 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 first quarter ended March 31, 2022, was 27.2%, compared to 14.2% for the same period in 2021. The increase in ROACE was primarily driven by higher earnings, mainly reflecting stronger crude oil prices and volumes sold, and improved downstream margins.

This was partially offset by higher average capital employed during the period.

All amounts in millions unless otherwise stated	Twelve months ended March 31			
	SAR		USD*	
	2022	2021	2022	2021
Net income	478,982	202,725	127,728	54,059
Finance costs, net of income taxes and zakat	5,884	5,802	1,569	1,548
Net income before finance costs, net of income taxes and zakat	484,866	208,527	129,297	55,607
As at period start:				
Non-current borrowings	472,308	154,466	125,949	41,191
Current borrowings	66,528	30,783	17,740	8,209
Total equity	1,123,509	1,079,539	299,603	287,877
Capital employed	1,662,345	1,264,788	443,292	337,277
As at period end:				
Non-current borrowings	410,412	472,308	109,443	125,949
Current borrowings	71,141	66,528	18,970	17,740
Total equity	1,426,846	1,123,509	380,492	299,603
Capital employed	1,908,399	1,662,345	508,905	443,292
Average capital employed	1,785,372	1,463,567	476,099	390,285
ROACE	27.2%	14.2%	27.2%	14.2%

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

Free cash flow

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

Free cash flow for the first quarter of 2022 was SAR 114,856 (\$30,628), compared to

SAR 68,549 (\$18,279) for the same quarter in 2021, an increase of SAR 46,307 (\$12,349). This was largely due to higher operating cash flow, mainly driven by higher earnings, partially offset by higher cash paid for the settlement of income, zakat and other taxes, and unfavorable movements in working capital. Capital expenditures decreased by

SAR 2,315 (\$617) in the first quarter of 2022, compared to the same period in 2021, principally due to lower Upstream capital expenditures.

All amounts in millions unless otherwise stated	First quarter ended March 31			
	SAR		USD*	
	2022	2021	2022	2021
Net cash provided by operating activities	143,291	99,299	38,211	26,479
Capital expenditures	(28,435)	(30,750)	(7,583)	(8,200)
Free cash flow	114,856	68,549	30,628	18,279

* 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. Aramco defines gearing as the ratio of net debt (total borrowings less cash and cash equivalents) to net debt plus total equity. Management believes that gearing is widely used by analysts and investors in the oil and

gas industry to indicate a company's financial health and flexibility.

Aramco's gearing ratio as at March 31, 2022, was 8.0%, compared to 14.2% as at December 31, 2021. The decrease in gearing was a result of higher cash and cash equivalents primarily

attributable to stronger operating cash flows and cash proceeds in connection with Aramco's gas pipeline transaction, and an increase in total equity mainly driven by improved earnings.

All amounts in millions unless otherwise stated	SAR		USD*	
	March 31, 2022	December 31, 2021	March 31, 2022	December 31, 2021
	Total borrowings (current and non-current)	481,553	510,921	128,413
Cash and cash equivalents	(357,870)	(299,579)	(95,432)	(79,888)
Net debt	123,683	211,342	32,981	56,358
Total equity	1,426,846	1,280,668	380,492	341,512
Total equity and net debt	1,550,529	1,492,010	413,473	397,870
Gearing	8.0%	14.2%	8.0%	14.2%

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

Earnings before interest, income taxes and zakat (EBIT)

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 first quarter ended March 31, 2022, was SAR 279,565 (\$74,550), compared to SAR 153,680 (\$40,982) during the same quarter in 2021. This increase of SAR 125,885 (\$33,568) primarily reflects the impact of

higher crude oil prices and volumes sold and improved downstream margins, partly offset by an increase in production royalties.

All amounts in millions unless otherwise stated	First quarter ended March 31			
	SAR		USD*	
	2022	2021	2022	2021
Net income	148,026	81,440	39,473	21,717
Finance income	(585)	(323)	(156)	(86)
Finance costs	2,333	2,623	622	700
Income taxes and zakat	129,791	69,940	34,611	18,651
Earnings before interest, income taxes and zakat	279,565	153,680	74,550	40,982

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