

Notes to the consolidated financial statements continued

All amounts in millions of Saudi Riyals unless otherwise stated

5. Property, plant and equipment continued

	Land and land improvements	Buildings	Oil and gas properties	Plant, machinery and equipment	Depots, storage tanks and pipelines	Fixtures, IT and office equipment	Construction-in-progress	Total
Cost								
January 1, 2023	50,738	91,617	641,029	937,307	95,610	20,755	262,903	2,099,959
Additions ¹	660	1,000	292	21,507	375	248	164,142	188,224
Acquisition (Note 35(a))	482	806	—	779	35	44	139	2,285
Construction completed	1,358	2,815	55,216	47,290	14,232	802	(121,713)	—
Currency translation differences	(59)	171	—	813	(106)	8	85	912
Transfers and adjustments ²	(125)	(77)	(3,024)	398	316	84	(670)	(3,098)
Transfer of exploration and evaluation assets	—	—	—	—	—	—	1,858	1,858
Transfer to assets held for sale	(312)	(4,087)	—	(21,758)	—	(415)	(741)	(27,313)
Retirements and sales	(563)	(807)	(424)	(6,982)	(956)	(591)	(279)	(10,602)
December 31, 2023	52,179	91,438	693,089	979,354	109,506	20,935	305,724	2,252,225
Accumulated depreciation								
January 1, 2023	(19,411)	(42,330)	(244,678)	(431,840)	(45,802)	(12,632)	—	(796,693)
Charge for the year ²	(1,934)	(4,038)	(21,810)	(61,840)	(3,377)	(1,681)	—	(94,680)
Currency translation differences	(4)	(90)	—	(741)	44	(9)	—	(800)
Transfers and adjustments	(57)	10	(15)	(1,106)	(13)	(12)	—	(1,193)
Transfer to assets held for sale	64	2,436	—	15,773	—	393	—	18,666
Retirements and sales	194	671	229	4,983	551	564	—	7,192
December 31, 2023	(21,148)	(43,341)	(266,274)	(474,771)	(48,597)	(13,377)	—	(867,508)
Property, plant and equipment – net, December 31, 2023	31,031	48,097	426,815	504,583	60,909	7,558	305,724	1,384,717

1. Additions include borrowing costs capitalized during the year ended December 31, 2024, amounting to ₪ 8,692 (2023: ₪ 8,204), which were calculated using an average annualized capitalization rate of 5.36% (2023: 5.36%).

2. An impairment charge of ₪ 10,370 mainly relating to plant, machinery and equipment of certain domestic and international downstream facilities was recognized during the year (2023: ₪ 3,110). The impairment was recognized as a result of revised cash flow projections due to changes in market conditions and operational plans. The impairment was calculated based on the recoverable amount of ₪ 68,417 (2023: ₪ 10,132), which was determined using VIU calculations. The pre-tax discount rate used in the calculations ranged from 8.3% to 11.6% (2023: 10.2%). In addition, a write-down of ₪ 1,070 (2023: ₪ 907) was recorded relating to certain downstream facilities, including facilities under construction of ₪ 769 (2023: ₪ 377).

Property, plant and equipment include assets leased out by Saudi Aramco to other parties as operating lease with a carrying amount of ₪ 2,475 (2023: ₪ 2,600).

Additions to right-of-use assets during the year ended December 31, 2024, were ₪ 20,989 (2023: ₪ 18,083). Acquisition of right-of-use assets during the year ended December 31, 2024, amounted to ₪ 1,039 (2023: ₪ 364). The following table presents depreciation expense and net carrying amounts of right-of-use assets by class of assets. Information on lease liabilities and related finance costs is provided in Note 20.

	Depreciation expense for the year ended December 31, 2024	Net carrying amount at December 31, 2024	Depreciation expense for the year ended December 31, 2023	Net carrying amount at December 31, 2023
Land and land improvements	274	6,581	161	5,160
Buildings	533	3,506	510	3,210
Oil and gas properties	11	—	11	—
Plant, machinery and equipment	6,299	55,785	12,116	52,196
Depots, storage tanks and pipelines	514	2,633	338	2,250
Fixtures, IT and office equipment	135	330	128	263
	7,766	68,835	13,264	63,079