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ADDENDUM TO EARNING RELEASE

Q2 2020

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Content

1. Restatement due to change in accounting treatment	3
2. Table 1 – Restated figures 2019	4
3. Table 2 – Restated figures Q1 20 and end of Mar. 2020	6
4. Table 3 – Pro Forma figures Q2 20, end of June 2020 and H1 20	7

1. Restatement due to change in accounting treatment

As per our announcement on 10/25/1440 (corresponding to 06/17/2020) with respect to the alignment of the accounting policies and critical accounting judgments related to the reassessment of SABIC's control over certain investments in ventures retrospectively as a result of Saudi Aramco's acquisition of 70% of SABIC shares, SABIC reassessed its control over certain 50% owned affiliates. Based on the reassessment of the control over these ventures and alignment of "critical judgement" under relevant accounting policies, SABIC, starting from the second quarter of 2020, will deconsolidate retrospectively "YANPET", "KEMYA", "SHARQ" (collectively, the "Joint Ventures") and SAMAC (the "Joint Operation"). The "Joint Ventures" will be accounted for using the equity method while "Joint Operation" under the joint operations accounting requirements. Aforementioned changes will have no impact on SABIC's business model and the legal arrangements between SABIC and Joint Ventures / Operations.

With deconsolidation, there will be revenues variance, which is the net effect of derecognition of deconsolidated entities sales to third parties (essentially the sales to the JV partners made by the deconsolidated entities) and recognition of SABIC group sales to the deconsolidated entities, which were previously eliminated as a part of the consolidation process. Post deconsolidation, there will be reduction in the 'Income from Operations' leading to a reduction in EBITDA driven by a less favorable margins on finished products purchased from deconsolidated entities, as, after deconsolidation, SABIC consolidated profit on this revenue stream is limited to the related marketing fees. This will be partially offset by decrease in fixed costs, depreciation, and amortization.

In addition, as above mentioned, during the second quarter of 2020, SABIC retrospectively reassessed the control over other investments related to SADAF and ARRAZI, where SABIC acquired additional shares in SADAF and ARRAZI in 2017 and 2019 respectively, increasing its shareholding from 50% to 100 % and 75% respectively. SADAF and ARRAZI were not classified among the existing ventures that had been announced in our aforementioned announcement. Accordingly, SABIC has performed retrospective control reassessment over SADAF and ARRAZI prior to the acquisitions of additional shares and classified them as joint arrangements. This resulted in the need to revalue SABIC's interests prior to the acquisition of the additional shares in SADAF and ARRAZI by applying IFRS 3 (Business Combination), and accordingly purchase price allocation has been applied to the applicable financial items.

2. Table 1 – Restated figures 2019

Statement of Income (quarterly comparison reported vs restated)

Statement of Income	Q1 19 As Reported	Q1 19 Restated	% Change	Q2 19 As Reported	Q2 19 Restated	% Change	Q3 19 As Reported	Q3 19 Restated	% Change	Q4 19 As Reported	Q4 19 Restated	% Change	2019 As Reported	2019 Restated	% Change
Revenue	37.4	36.0	-4%	35.9	34.9	-3%	33.7	32.8	-3%	32.8	31.7	-3%	139.7	135.4	-3%
EBITDA ¹	10.2	8.6	-16%	9.1	7.6	-16%	9.2	7.6	-17%	7.1	5.8	-19%	35.5	29.6	-17%
EBITDA Margin %	27%	24%		25%	22%		27%	23%		22%	18%		25%	22%	
Income from operations	6.2	5.2	-16%	4.8	4.0	-17%	4.7	3.8	-19%	-0.8	-1.4	-79%	14.8	11.5	-22%
Net Income (Attributable to Equity Holders of SABIC)	3.4	3.3	-3%	2.1	2.0	-4%	0.8	0.7	-12%	-0.8	-0.9	-12%	5.6	5.2	-7%

2. Table 1 – Restated figures 2019

Statement of Financial Position and cashflows (quarterly comparison reported vs restated)

Statement of Financial Position ²	End of Mar. 2019 As Reported	End of Mar. 2019 Restated	% Change	End of June 2019 As Reported	End of June 2019 Restated	% Change	End of Sep. 2019 As Reported	End of Sep. 2019 Restated	% Change	2019 As Reported	2019 Restated	% Change
Non-Current Assets	218.6	216.9	-1%	219.7	218.1	-1%	216.9	215.1	-1%	215.4	213.0	-1%
Current Assets	107.7	97.9	-9%	100.3	91.5	-9%	93.9	85.1	-9%	95.0	87.5	-8%
Total Assets	326.3	314.8	-4%	320.0	309.5	-3%	310.7	300.2	-3%	310.4	300.5	-3%
Total Equity	223.1	217.5	-3%	215.4	209.6	-3%	213.2	207.6	-3%	211.3	206.5	-2%
Non-current liability	67.7	61.2	-10%	64.4	58.8	-9%	65.8	59.9	-9%	61.7	56.4	-8%
Current liability	35.5	36.1	2%	40.1	41.2	3%	31.7	32.6	3%	37.4	37.5	0%
Total Equity and Liabilities	326.3	314.8	-4%	320.0	309.5	-3%	310.7	300.2	-3%	310.4	300.5	-3%
Statement of Cashflows ³	Q1 19 As Reported	Q1 19 Restated	% Change	H1 19 As Reported	H1 19 Restated	% Change	M9 19 As Reported	M9 19 Restated	% Change	2019 As Reported	2019 Restated	% Change
Net cash from operating activities	9.9	10.1	2%	16.4	15.2	-8%	24.7	24.5	-1%	35.6	35.9	1%
Net cash used in investing activities	-5.9	-5.6	5%	-3.4	-3.3	4%	-8.8	-6.9	21%	-13.7	-11.8	14%
Net cash used financing activities	-3.4	-3.4	0%	-14.9	-12.4	17%	-24.6	-24.6	0%	-26.3	-25.7	2%
Cash and Cash Equivalents at the end of the Period	43.0	39.0	-9%	39.8	36.6	-8%	33.3	30.5	-9%	38.3	36.6	-4%

All amounts in SAR billion. Certain figures and percentages included in this document have been subject to rounding adjustments. ¹ Income from operations plus depreciation, amortization and impairment. ²Statement of Financial Position at the end of Mar. 2019, End of June 2019 and End of Sep. 2019 are unaudited for the restated figures and subject to audit adjustment and significant changes. ³Statement of Cash Flows for Q1 2019 and M9 2019 are unaudited for the restated figures and subject to audit adjustment and significant changes.

3. Table 2 – Restated figures for Q1 20 and end of Mar. 2020

Restated figures for Q1 20 and end of Mar. 2020 (quarterly comparison reported vs restated)

STATEMENT OF INCOME	Q1 20 As Reported	Q1 20 Restated	% Change
Revenue	30.8	30.2	-2%
EBITDA ¹	5.5	4.4	-21%
EBITDA Margin %	18%	14%	
Income from operations	0.5	-0.1	-112%
Net Income (Attributable to Equity Holders of SABIC)	-0.9	-1.0	-10%
Statement of Financial Position ²	End of Mar. 2020 As Reported	End of Mar. 2020 Restated	% Change
Non-Current Assets	213.2	211.0	-1%
Current Assets	94.3	86.1	-9%
Total Assets	307.5	297.1	-3%
Total Equity	208.6	203.7	-2%
Non-current liability	62.3	56.9	-9%
Current liability	36.6	36.6	0%
Total Equity and Liabilities	307.5	297.1	-3%
Statement of Cashflows ³	Q1 20 As Reported	Q1 20 Restated	% Change
Net cash from operating activities	5.5	4.5	-18%
Net cash used in investing activities	-6.5	-6.1	7%
Net cash used financing activities	1.1	1.1	0%
Cash and Cash Equivalents at the end of the Period	38.7	36.5	-6%

All amounts in SAR billion. Certain figures and percentages included in this document have been subject to rounding adjustments. ¹ Income from operations plus depreciation, amortization and impairment. ²Statement of Financial Position at the end of Mar. 2020 is unaudited for the restated figures and subject to audit adjustment and significant changes. ³Statement of Cash Flows for Q1 2020 is unaudited for the restated figures and subject to audit adjustment and significant changes.

4. Table 3 – Pro Forma figures Q2 20, end of June 2020 and H1 20

Pro Forma figures Q2 20, end of June 2020 and H1 20 (quarterly comparison Pro Forma vs reported)

STATEMENT OF INCOME	Q2 20 Pro Forma ¹	Q2 20 As Reported ²	% Change	H1 20 Pro Forma ¹	H1 20 As Reported ²	% Change
Revenue	25.3	24.6	-3%	56.1	54.8	-2%
EBITDA ³	4.5	3.5	-23%	10.0	7.9	-22%
EBITDA Margin %	18%	14%		18%	14%	
Income from operations	-0.9	-1.3	-44%	-0.4	-1.3	-229%
Net Income (Attributable to Equity Holders of SABIC)	-2.1	-2.2	-5%	-3.1	-3.3	-6%
Statement of Financial Position				End of June 2020 Pro Forma ¹	End of June 2020 As Reported ²	% Change
Non-Current Assets				210.6	208.4	-1%
Current Assets				84.3	76.5	-9%
Total Assets				294.9	284.9	-3%
Total Equity				193.7	188.9	-2%
Non-current liability				61.9	57.0	-8%
Current liability				39.4	39.0	-1%
Total Equity and Liabilities				294.9	284.9	-3%
Statement of Cashflows				H1 20 Pro Forma ¹	H1 20 As Reported ²	Statement of Cashflows
Net cash from operating activities				10.1	8.3	-18%
Net cash used in investing activities				-12.3	-11.6	6%
Net cash used financing activities				-7.8	-7.0	10%
Cash and Cash Equivalents at the end of the Period				28.1	26.0	-7%

All amounts in SAR billion. Certain figures and percentages included in this document have been subject to rounding adjustments. ¹Pro Forma figures reflecting the results and balances assuming there had not been any restatements. Pro Forma number are unaudited for the restated figures and subject to audit adjustments and significant changes. ² Reported figures reflecting the restatements as explained above. ³Income from operations plus depreciation, amortization and impairment.

