

# Borealis Group

Debt Investor  
Presentation



**BOREALIS**

# Borealis' Debt Investor Presentation

What guides us and all our actions is to become..



**A global leader in  
advanced and  
sustainable chemicals  
and material solutions.**

# Borealis at a glance



Who we are

# Borealis at a glance



**120**

Countries. Head Office  
in Vienna, Austria

**6,000**

employees  
worldwide



**Production and distribution**  
of advanced and circular  
polyolefins solutions and base  
chemicals

**Ownership structure:**

**75%**

OMV, Austria

**25%**

ADNOC, UAE



**Our JV's: Bayport Polymers (Baystar™)**  
– brings Borstar® technology to American  
polyethylene markets



**Our JV's: Borouge** – one of  
the world's largest integrated  
polyolefin complexes (Ruwais,  
UAE)

**BBB+**

Strong investment  
grade credit rating,  
stable outlook

**#2**

Among polyolefin  
producers in Europe

**EUR 168**million

net profit

**128**

Priority patents filed  
in 2023

**4**

Polyolefin recycling  
operations in Europe

# Highlights 2023



**Safety first** – “B-safe” program puts safety first as it is rolled out across the entire Group



**Nitrogen business unit divested to Agrofert** as of July and **Rosier to Yildirim** in January



Completion of major **cracker furnace upgrade in Stenungsund** enhances energy efficiency and process safety standards of this feedstock-flexible cracker

**ISCC PLUS certification** for Europe-based polyolefins and compounding facilities as well as recycling operations in Belgium (Renasci), Austria (Ecoplast) and Germany (mtm)

**Borealis named #1 plastics producer in BloombergNEF’s 2022 Circular Economy ranking**, reflecting leadership in development of more sustainable packaging



**Start-up of new Borstar® 3G polyethylene plant Bay 3** as part of the **Baystar™** joint venture with Total Energies in Texas



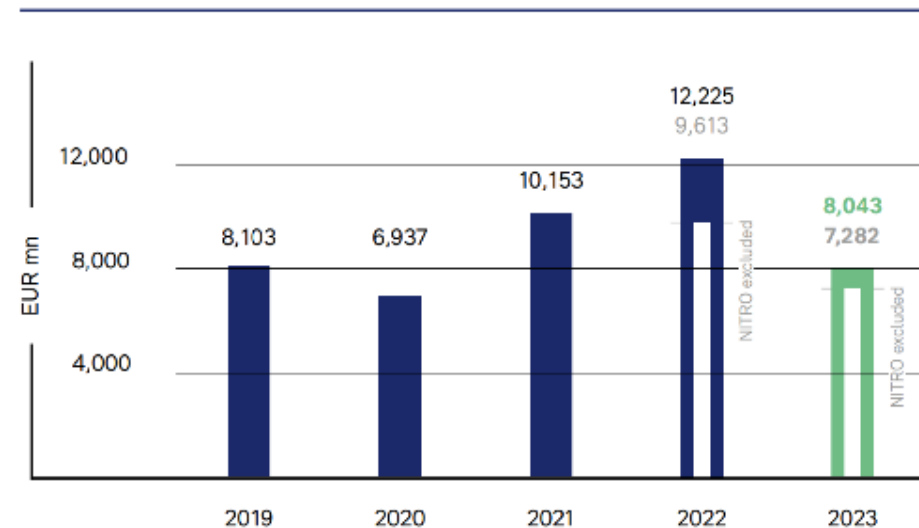
**Launch of Stelora™**, new class of engineering polymer for advanced applications and the **Bornewables™** line of **Queo™** portfolio



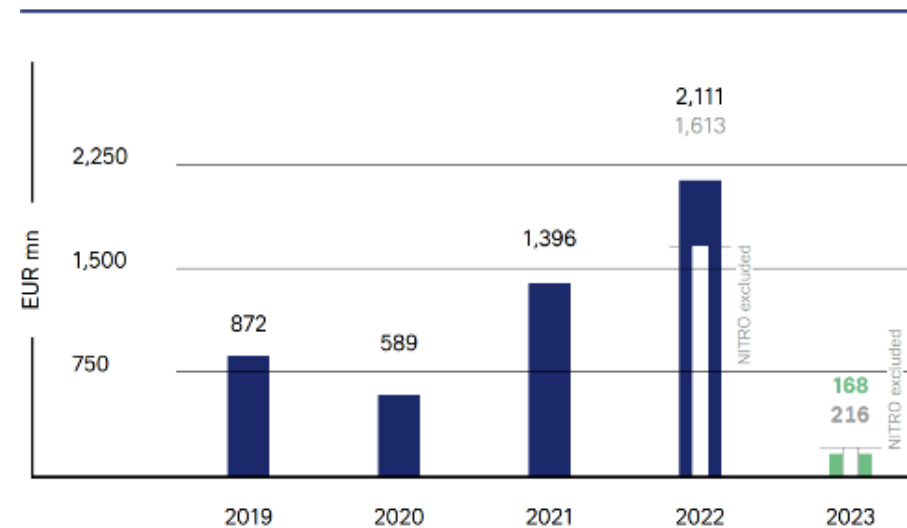
Achievement of **40% use of renewable electricity** to power European operations, two years before Borealis Strategy 2030 target.

# Our key financial metrics

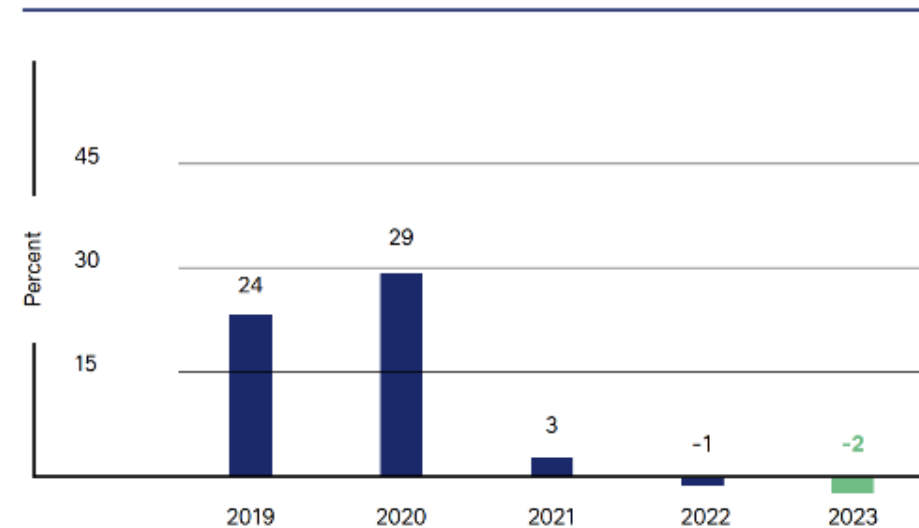
**Total Sales and Other Income** <sup>1)</sup>



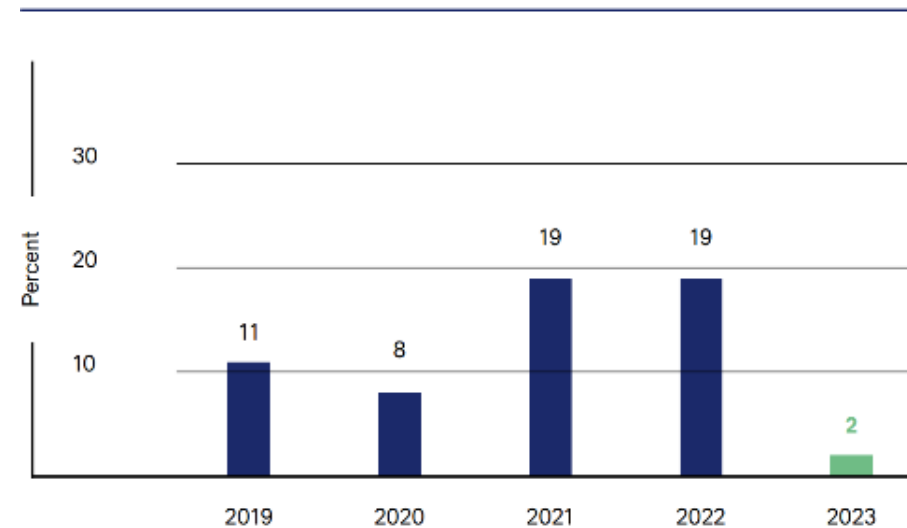
**Net Profit**



**Gearing**



**ROCE**



<sup>1)</sup> Total net sales of Borealis and pro-rata sales of at equity-consolidated companies.

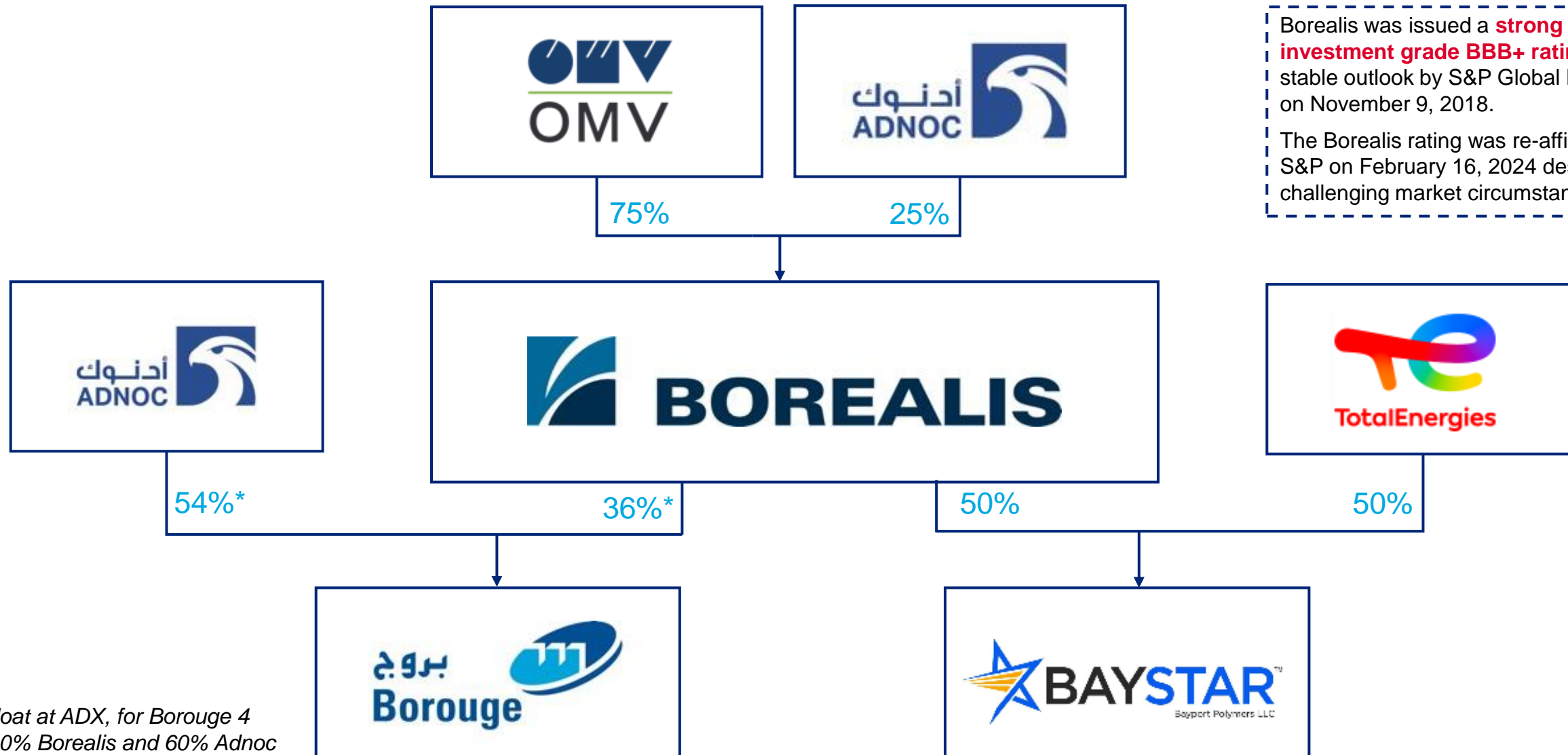
Who we are

# Strong shareholders, with long-term visions

## S&P Global Ratings

Borealis was issued a **strong investment grade BBB+ rating** with stable outlook by S&P Global Ratings on November 9, 2018.

The Borealis rating was re-affirmed by S&P on February 16, 2024 despite challenging market circumstances.



\* 10% free float at ADX, for Borouge 4 stakes are 40% Borealis and 60% Adnoc

# Who we are

## Global footprint

### ○ Borealis Locations

#### Head Office

Borealis AG  
 Trabrennstr. 6-8  
 A-1020 Vienna, Austria  
 Tel. +43 1 22 400 300  
 Fax + 43 1 22 400 333  
 www.borealisgroup.com  
 info@borealisgroup.com

#### Customer Service Centers

Austria, Belgium, Finland,  
 Turkey, United States

#### Production Plants

Austria, Belgium, Brazil, Finland,  
 Germany, Italy, South Korea,  
 Sweden, The Netherlands,  
 United States

#### Recycling Plants

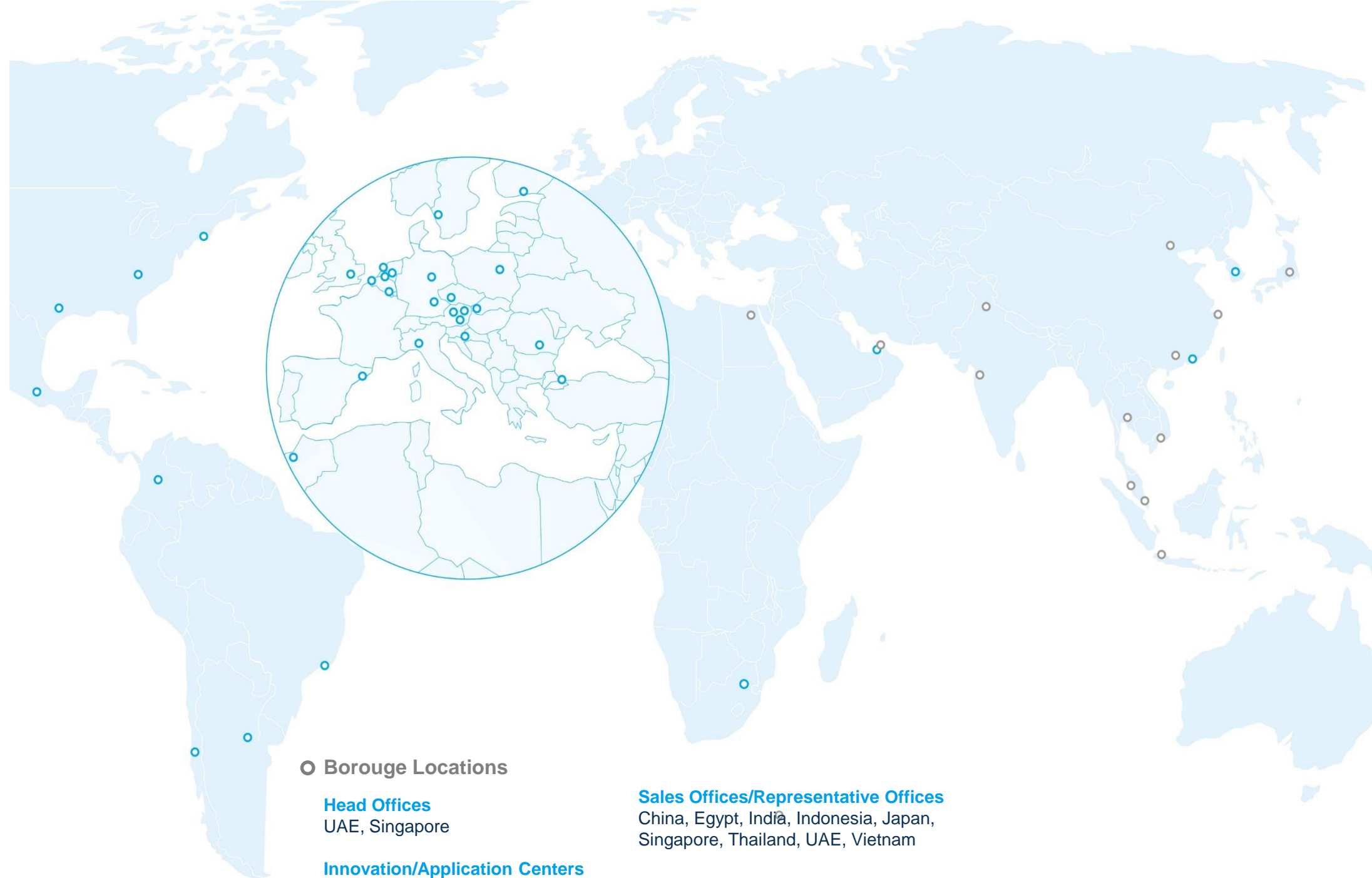
Austria, Belgium, Germany

#### Innovation Centers

Austria, Finland, Sweden

#### Sales Offices/Representative Office

Argentina, Brazil, Chile, Colombia,  
 Croatia, Czech Republic, France,  
 Mexico, Morocco, Poland, Romania,  
 Slovakia, South Africa, Spain, Turkey,  
 UAE, UK



### ○ Borouge Locations

#### Head Offices

UAE, Singapore

#### Innovation/Application Centers

UAE/China

#### Production Plants

UAE, China

#### Sales Offices/Representative Offices

China, Egypt, India, Indonesia, Japan,  
 Singapore, Thailand, UAE, Vietnam

#### Logistics Hubs

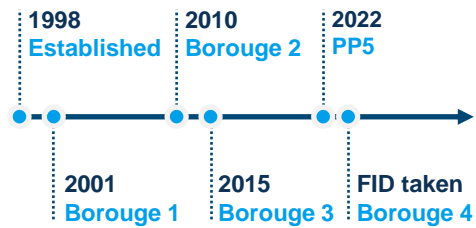
China, Malaysia, Singapore, UAE



# Borouge joint venture – successful partnership

## Evolution

Abu Dhabi, United Arab Emirates

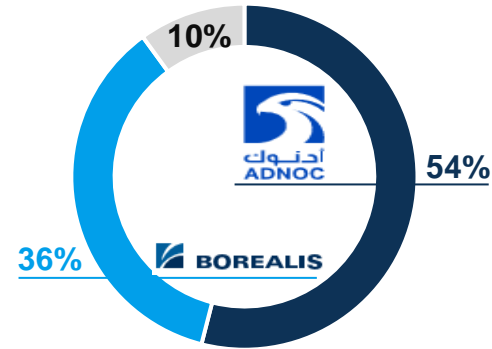


## Facilities

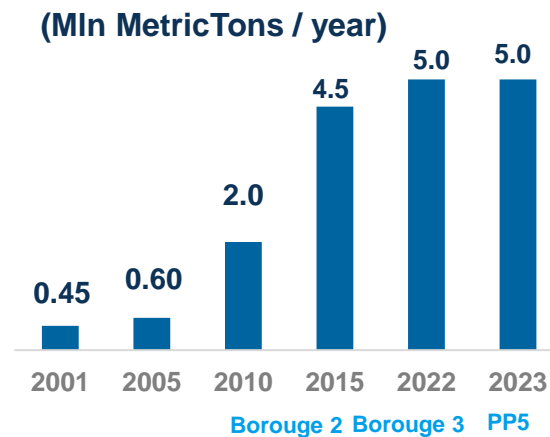
**Biggest** integrated ethylene complex (3,600 kt per year)

**Largest** polyolefin site (19 operating units, 13 shift supervisors, & 180 operators per shift)

## Ownership



## Polyolefins production



## Employees



**+3,500 employees** (170 secondees in Abu Dhabi, Singapore, & Shanghai)

## Net Profit (2023)



**Net profit after tax of USD 1.0 billion**



*In November 2021, ADNOC and Borealis reached a final investment agreement to build Borouge 4 in Ruwais, United Arab Emirates (UAE), which will produce 1.4 million metric tons of polyethylene per annum.*

*The expansion project includes construction of a 1.5 million metric tons ethane cracker, two state-of-the-art Borstar® polyethylene plants and a cross-linked polyethylene plant.*

# Our strategy and products



**BOREALIS**

Where do we go from here?

**Our commitment: Placing  
sustainability  
at the core of everything we do.**



## Our transformation framework

### WHAT ARE OUR PURPOSE AND VISION

We share a common purpose across the group

Re-inventing essentials for sustainable living

We have a clear vision for our transformation journey

A global leader in advanced and sustainable chemicals and material solutions

### HOW WE WANT TO TRANSFORM

Key pillars of our strategy 2030 for the challenges ahead



### WHAT WE WANT TO ACHIEVE

Commitments 2030 we set ourselves and what to be judged by:



1.8 million metric tons of circular products and solutions



100% of electricity used of renewable origin



< 2 million metric tons of Scope 1 & 2 emissions\*

\* From 5.1 mn metric tons in 2019 including the nitrogen business. The divestment process for the Borealis nitrogen business which comprises fertilizers, technical nitrogen, and melamine was concluded in July 2023. Scope 1 are direct GHG emissions that occur at the source and are controlled by Borealis. Scope 2 are GHG emissions stemming from the generation of energy purchased by the company.

# Key pillars of our strategy 2030

## Geographical expansion

**Become a fully global partner to our customers**

We grow through M&A and selected builds in NAM, Middle East and Asia. We leverage Borouge's market presence for in-Asia growth.

## Transformation

**Evolve to a fully customer-centric approach to offer advanced and sustainable material solutions**

### **Circular economy**

We lead the transformation to a truly circular economy across all our applications.

### **Value add**

We invest in compounding and adjacencies to accelerate value creation through innovation.

## Sustainability

We significantly reduce our CO<sub>2</sub> footprint

### **Safety**

Goal Zero guides our strategic aspiration to be among the safest companies in the industry.

### **People & Culture**

People make it happen. We shape an experience where everyone can perform at their best and make a difference.

### **Innovation & technology**

Accelerate circularity, drive specialty growth and create more value in licensing & catalyst technology.

### **Performance excellence**

We focus on excellence across all activities. Utilize technology and digitalization to drive efficiencies.

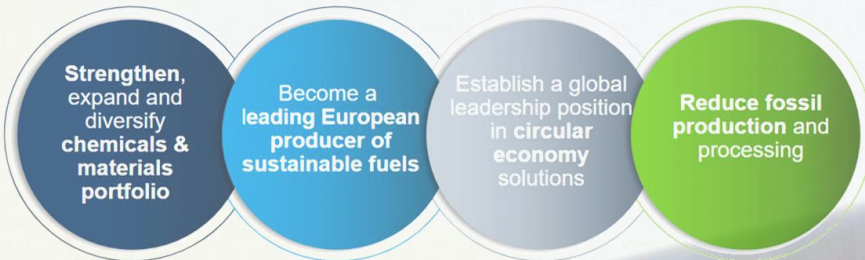
## Strong foundation

**Build on safety, people & culture, innovation & technology and performance excellence to sustain strong growth.**

# OMV Strategy 2030

Become a leading sustainable fuels, chemicals and materials company – with a strong focus on shareholder value

Net zero by 2050 in scope 1, 2 and 3

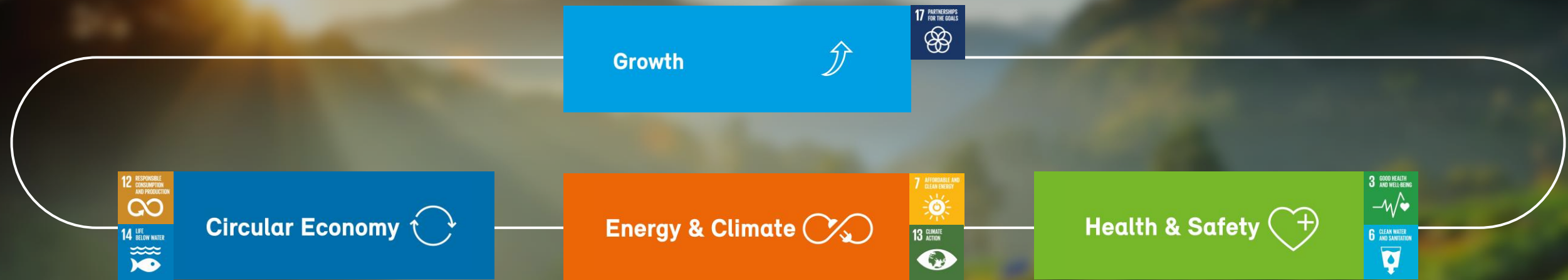


- High cash flow generation
- Clear investment criteria
- Progressive dividend policy



- Changed product portfolio will increase profitability and deliver higher quality earnings
- Strong financial performance of existing businesses drives transition
- Strategic portfolio management to transform business at speed
- Growth options to be implemented in a targeted and disciplined manner
- Progressive dividend policy continues to deliver attractive shareholder returns with significant upside

# Our commitments - in line with our ambition to be a sustainable leader



## Our goals

**ZERO** 

Pellet loss

**ZERO** 

non-emergency flaring


**ZERO** 

work-related **incidents or accidents**

**ZERO** 

harmful substances in **our products** according to REACH (Registration, Evaluation, Authorization and Restriction of Chemicals)


## until 2030

**100%** 


of electricity from **renewable** sources

**1,800** 

Metric kilotons of **circular products** and solutions by 2030

**+10%** 

**Energy efficiency** improvements (vs 2015)

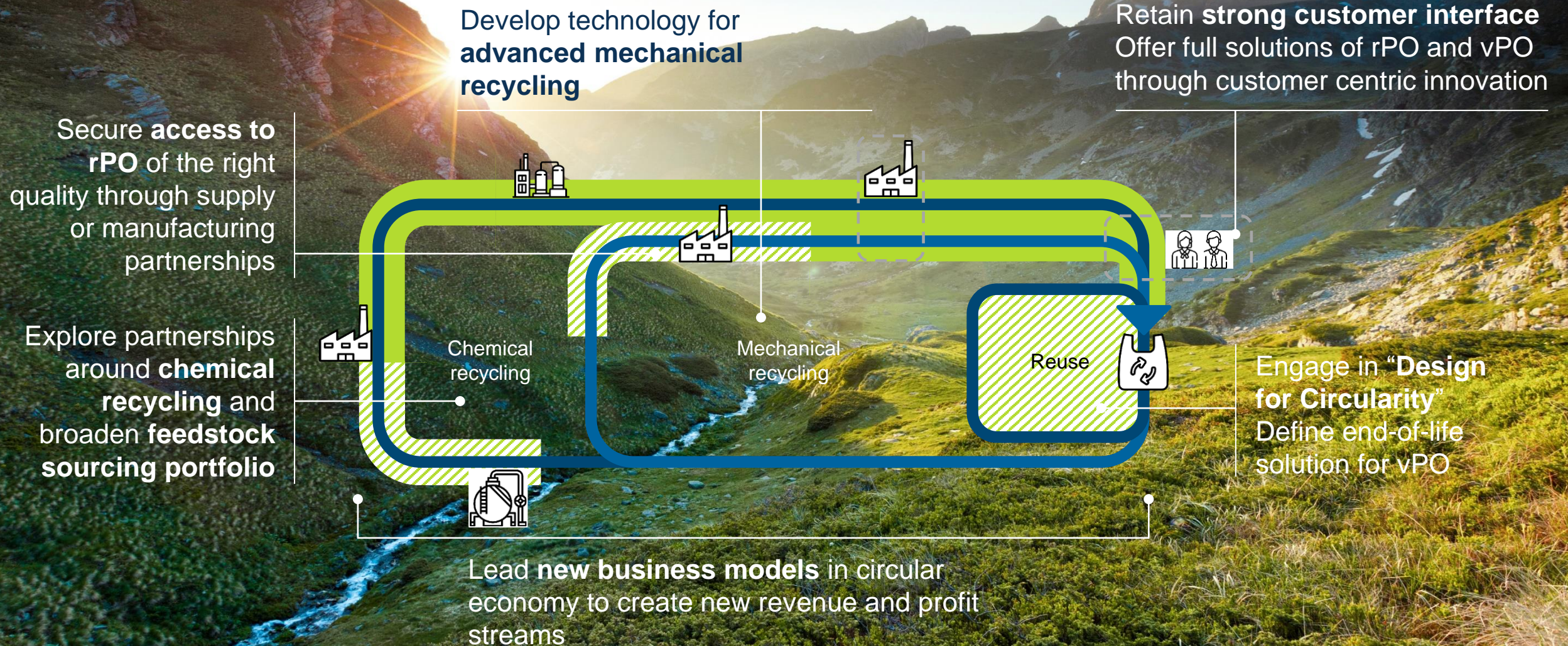
**< 2** 

million metric tons of **Scope 1 & 2 emissions\***

\* From 5.1 million metric tons in 2019 including the nitrogen business. The divestment process for the Borealis nitrogen business which comprises fertilizers, technical nitrogen, and melamine was concluded in July 2023. Scope 1 are direct GHG emissions that occur at the source and are controlled by Borealis. Scope 2 are GHG emissions stemming from the generation of energy purchased by the company.

# Borealis Group Strategy 2030

Borealis aims to take the lead in transforming the industry by targeting “Plastics Neutrality”







Climate



Water



Energy



Waste & Recycling



Food



Health

Borealis addresses global challenges

# Borealis product range

## Integrated Polyolefins Producer



### Hydrocarbons & Energy

- Feedstock, olefins, & co-products
- Phenol & Acetone
- Energy



### Circular Economy Solutions

- Mechanical recycling
- Design for recyclability (DfR)



### Polymer Solutions

- Polymer Modifiers
- Foam solutions
- Reinforced polyolefins for structural parts

--- With our advanced polyolefins for virgin and circular economy solutions we serve these industries: ---



### Consumer Products

- Flexible packaging
- Rigid packaging
- Fibers
- Appliances (washing machines, dish washers, fridges/freezers, vacuum cleaners, coffee makers, microwave oven etc..)



### Energy

- AC/DC extra high, high, medium & low voltage
- Fiber optic & data network cable
- Automotive, building, photovoltaic, & industrial cables



### Healthcare

- Medical pouches
- Syringes
- Sachets
- Medical devices
- Bottles



### Infrastructure

- Water & Gas
- Sewerage & industrial
- Plumbing & heating
- Oil & gas



### Mobility

- Bumpers & body panels,
- Exterior & interior trims,
- Dash-boards & central console
- Door cladding
- Under body shielding,
- Cooling systems & battery tray

# PO Portfolio to accelerate the move to plastics circularity

Non-virgin like / Non-food

Virgin like / Food



**Recyclates**  
Commercial

**Borcycle™ M** First generation launched

**Borcycle™ C** First generation launched

**The Bornewables™**  
Commercial

# Consumer Products



**Stand-up pouches designed for recycling (DFR) so it can be collected, sorted, and recycled**

**Deploy HMS PP 100% recyclable HMS PP foam developed for food service (cups), automotive, and construction**

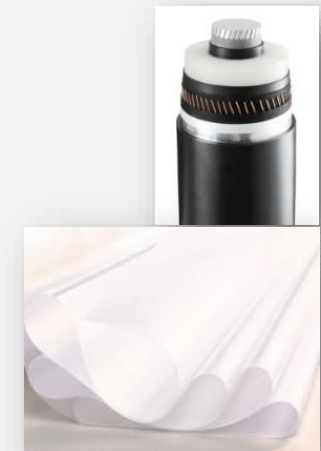


# Energy



**Polyolefin compounds solutions for high voltage cables (HVC) for long-distance and sub-sea energy transmission**


**Encapsulant film and backsheet compounds for long-term photovoltaic module performance and reliability**





Reliable solutions for medical and pharmaceutical applications that add value to healthcare

Borealis Bormed™ products are a valuable addition for rigid and flexible products in the healthcare industry



Shielding against pollution and viruses with protective face masks – made possible with plastics

The demand for face masks is only intensifying, whether for the healthcare industry, protecting against air pollution, or in offering a barrier against any bacterial and viral threats, such as for instance the recently ongoing coronavirus outbreak. **Advanced plastics solutions, such as meltblown fibers, play a vital role in face mask applications.**

# Infrastructure



**Polyolefin solutions for water and gas supply, waste water and sewage disposal, in-house plumbing and heating**



**Coated steel pipes for several applications, including the oil & gas industry**



# Mobility

VW Tiguan side panel & wheel arch trim



**Exterior Solutions for OEMs, including side panes, bumpers, front-grills**

C-Class Low density front grills



Audi A1 Door Cladding

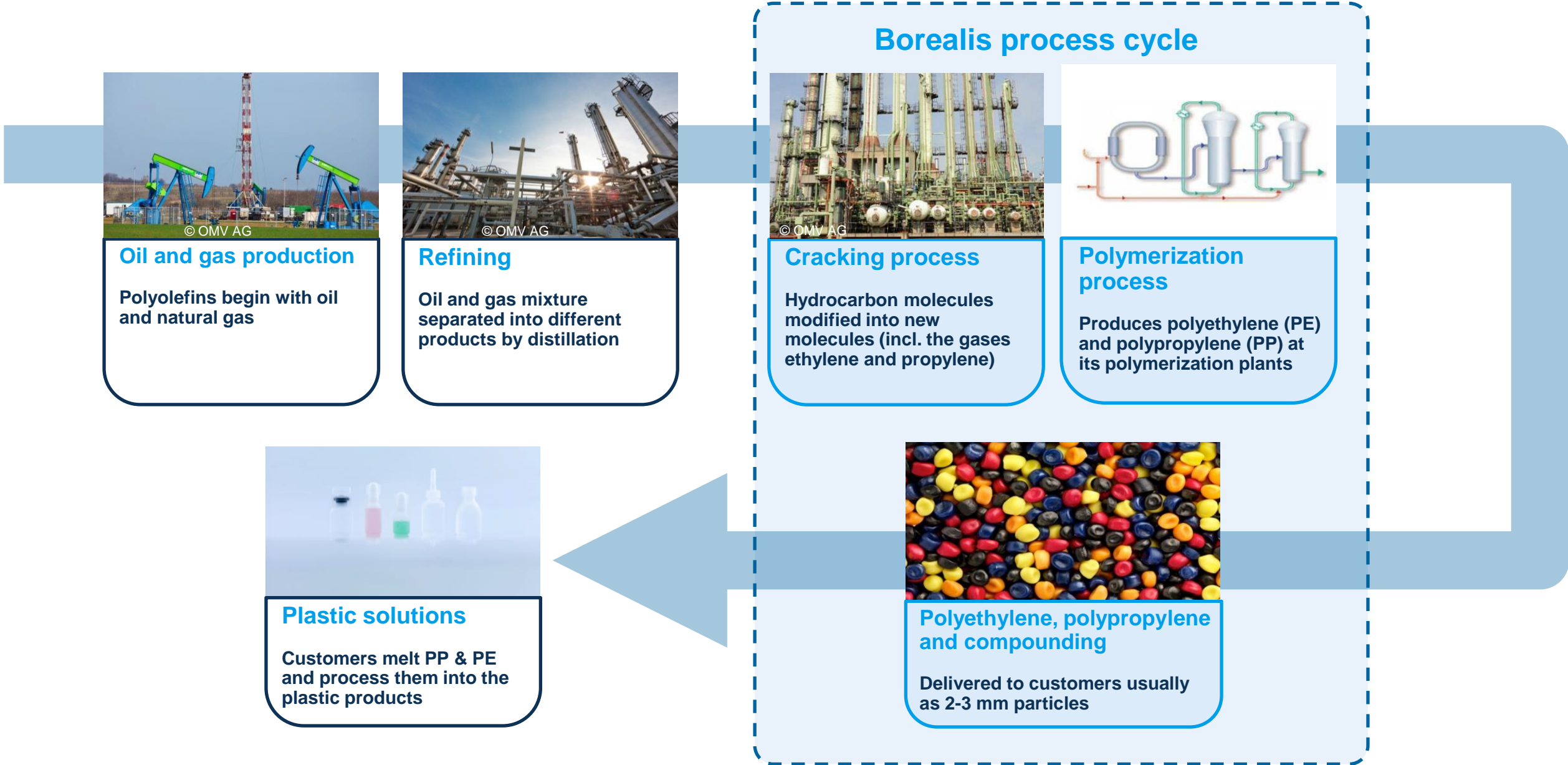


**Interior Solutions, including Door Claddings, Trunk Trims, Tail-gate Cladding, etc.**

Skoda Karog Trunk Trims

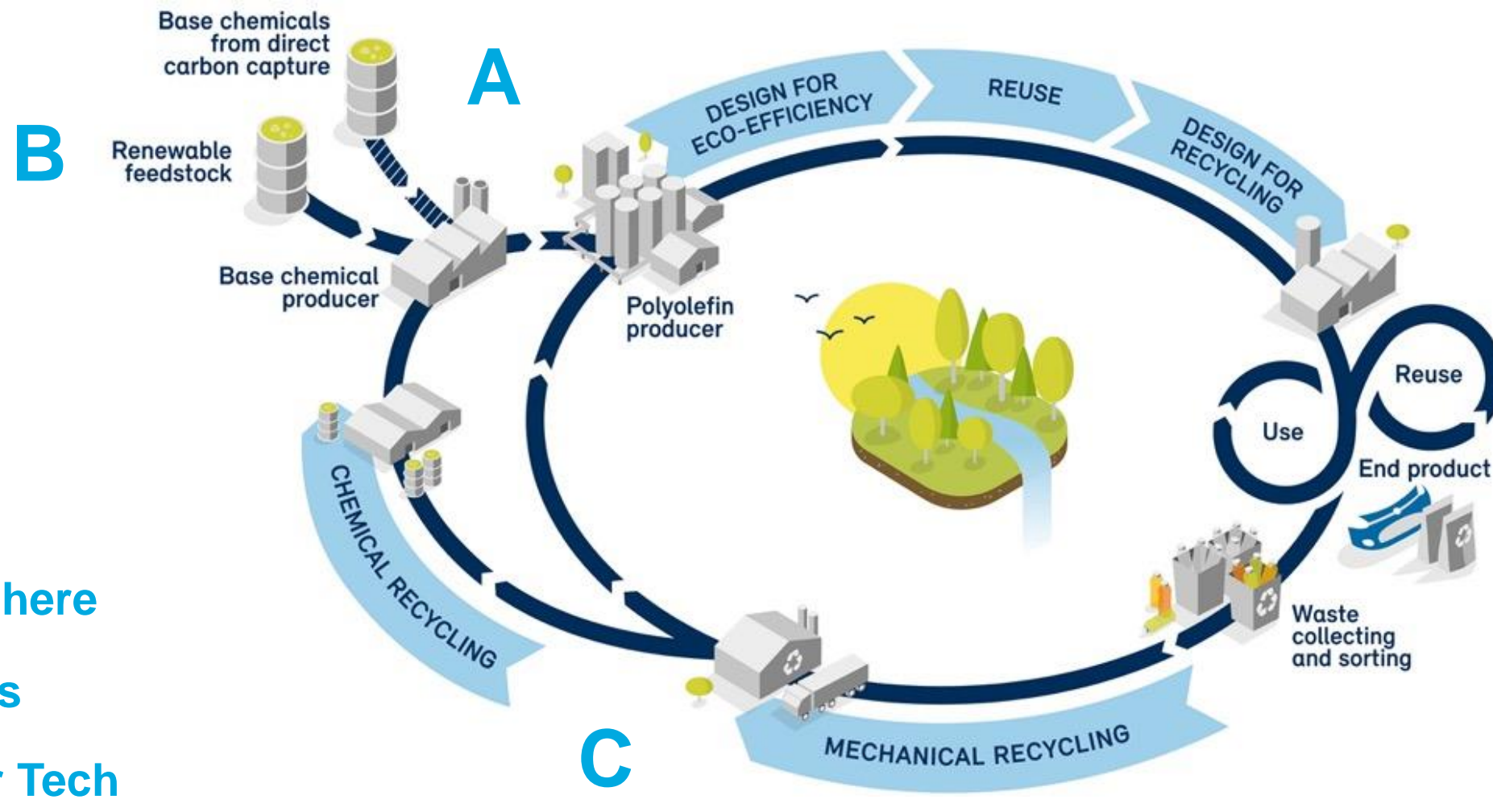


# Borealis in the plastic value chain



# To build up a Circular Economy, Borealis takes wide view on the value chain

Future Positive Revolution



- A** Atmosphere
- B** Biomass
- C** Circular Tech

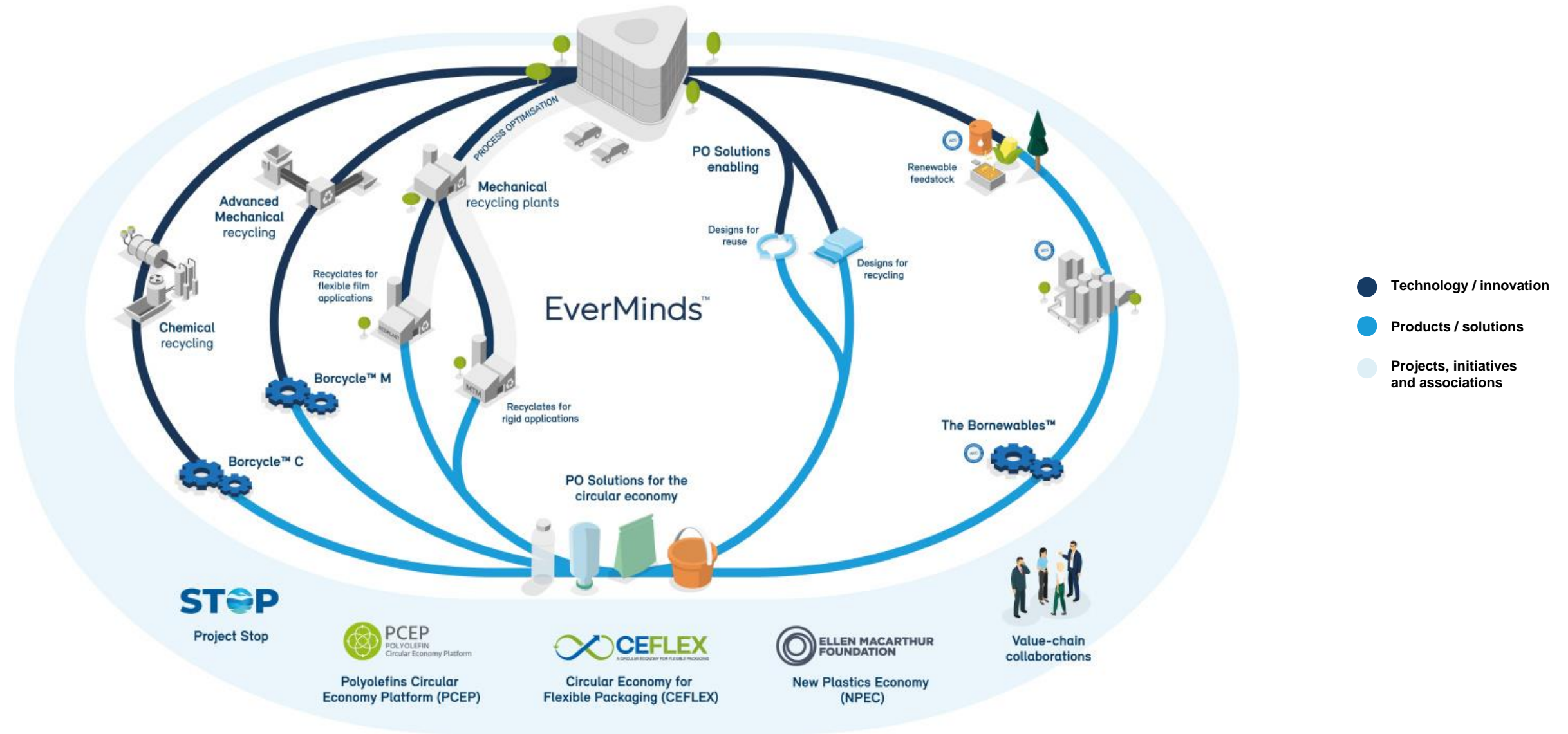


# Borealis offers a well-rounded mixture of circular PO solutions

Future Positive Revolution



## CES Innovation Programme



# The journey to climate neutrality

# Where and how do we make an impact?



## Renewable power transportation

Borlink™ technology ensures reliable wind and other renewable power transportation



## Optimize solar energy

Advanced photovoltaic films optimise the production of renewable solar energy



## Reduce emissions

Plastics provide for efficient Electric Vehicle system components and reduce emissions in transportation

# We are reducing our direct emissions



## Greenhouse gas (GHG) emissions

Reduction of Scope 1 and Scope 2\* emissions from 5.1 million metric tons (base year 2019) to less than 2 million metric tons by 2030

- Energy efficiency improvements
  - Carbon capture projects
- Divestment of NITRO business \*\*



## Energy consumption

Increase the share of renewables in the electricity mix to 40%\*\*\* by 2025 and further to 100% by 2030

\* Scope 1 are direct GHG emissions that occur at the source and are controlled by Borealis. Scope 2 are GHG emissions stemming from the generation of energy purchased by the company.

\*\* completed in July 2023

\*\*\* Achieved in December 2023

# Our journey to climate neutrality features numerous efforts



● Finland

Two new wind power purchase agreements put Borealis over the 40% mark of use of renewable electricity to power European operations



● Belgium

Member of the **Antwerp@C** Consortium that develops a CCS/CCU infrastructure within the Port of Antwerp



● Belgium

Heat recovery with revolutionary Qpinch technology, Antwerp. Electricity + steam from waste-to-energy plant in Beringen



● Stenungsund, Sweden

Completion of a major revamp of the Stenungsund cracker furnace to achieve significantly higher energy efficiency



● Stenungsund, Sweden

10-year hydropower purchase agreement for renewable electricity from with Vattenfall to supply operations in Stenungsund with a total of 175 GWh



● Monza, Italy

Solar panels using our proprietary Quentys™ technology installed at our Compound plant in Monza, Italy

# Borealis is a Pioneer in Converging Prime Material Market with Recycling

## Way forward is clear: quadruple our recycled plastics volume by 2025



- Founded in **1994**, part of the Borealis group since **2016**
- Leading European **post-consumer recycler for rigid polyolefins** with 70 kt output
- Two sites in **central Germany**
- Niedergebra site is **one of the biggest European post-consumer recycling sites** with 50 kt output



- Founded in **1989**, part of the Borealis group since **2018**
- Leading European **post-consumer recycler for flexible polyolefins**
- Production site in **Wildon, Austria**
- On-going expansion project will increase **output to over 30 kt**



- Founded in September 2020, Renasci is a Belgian company **innovating in the waste management through plastics recycling**
- Borealis **acquired a majority stake of Renasci N.V**
- Renasci is a provider of recycling solutions and **creator of the Smart Chain Processing concept (SCP)**



- **Leading European polypropylene producer of high-quality, mechanically recycled polypropylene compounds** for extrusion and injection molding applications in mobility and other high-margin sectors
- Production site is based in the area of **Varese in Italy**.
- Next to an **addition of 50 kt of recycling production capacity**, this acquisition brings significant **expertise in compounding of recycled PP** and therefore contributes to closing the loop for a more circular economy



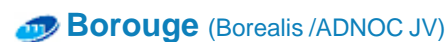
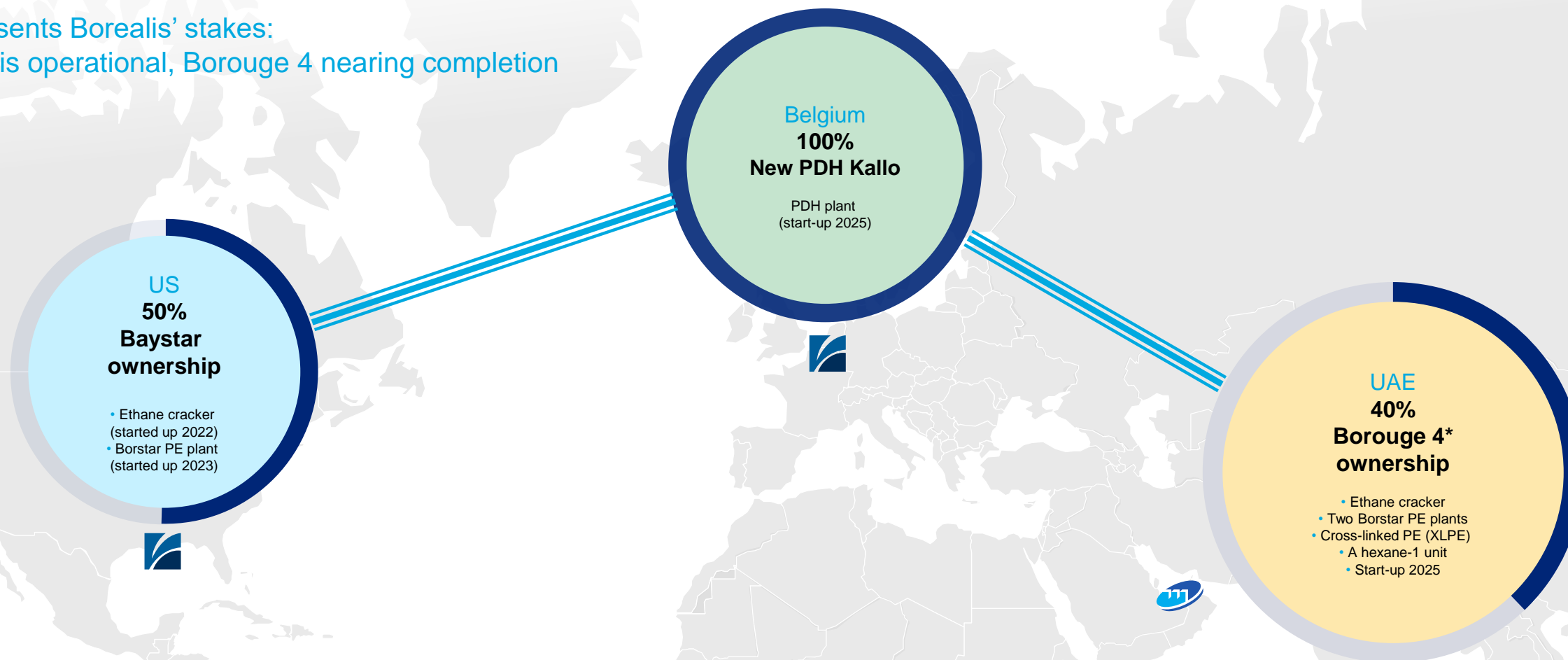
In November 2023, Borealis announced the signing of an agreement to **acquire Integra Plastics AD, an advanced mechanical recycling player based in Bulgaria**. The investment will further strengthen Borealis' advanced mechanical recycling portfolio, adding **more than 20 kt of recycling capacity** to support the growing customer demand for sustainable solutions. The transaction was closed successfully end March 2024.

# Key projects & growth

## Growth

# Growth journey continues in Europe and beyond transforming Borealis into a global business partner

% represents Borealis' stakes:  
Baystar is operational, Borouge 4 nearing completion



\* Borealis has 36% interest in Borouge plc and 40% interest in Borouge 4 LLC



## Growth

# Continuous investments in Europe underpin our leading position in the European market

● Porvoo, Finland

● Stenungsund, Sweden

● **Kallo, Belgium**



## One of the largest and most efficient facilities in the world

- Construction of a new, world-scale propane dehydrogenation (PDH) plant in Kallo, Belgium
- Scheduled to start up in 2025
- Targeted production capacity of 750,000 metric tons per year

## Growth

# Continuous investments underpin our leading position in the Middle East & Asia

● Abu Dhabi, UAE

● Shanghai, China

● Guangzhou, China

● Singapore

## Borouge is one of the world's largest integrated polyolefin complexes

- Production capacity 5 million metric tons
- New Borouge **Borstar PP5** plant is integrated with the existing Borouge 3 complex and producing 480,000 metric tons per year; started-up in 2022
- Upon completion of Borouge 4, the overall production capacity of Borouge will be **6.4 million metric tons annually**.
- **Borouge Innovation Center** in Abu Dhabi
- **Logistics hubs** in Abu Dhabi, Singapore, Shanghai and Guangzhou in China
- Compounding Manufacturing Plant and R&D Application Center in Shanghai, China

## Growth

# Growth project status Borouge 4

● Abu Dhabi, UAE

● Shanghai, China

● Guangzhou, China

● Singapore

**Borouge 4 will play a significant role in meeting the projected growth of customers' demand for polyolefins in the Middle East, Africa and Asia**

- Final investment decision for the Borouge 4 expansion taken in November 2021
- One 1.5 mio metric tons pa ethane cracker
- Two Borstar PE plants, each with a production capacity of 700 kta
- One 100 kto cross-linked PE (XLPE)
- One hexene-1 unit, producing comonomers for certain PE grades
- In progress: in-depth study for carbon capture unit that would reduce CO2 emissions by 80%

## Growth

# Growing in the US with Baystar

Rockport, US ●  
Taylorsville, US ●

● Texas, US

Itatiba, Brazil ●



## Baystar becoming a fully integrated polyethylene company

- 50/50 joint venture with Total Petrochemicals & Refining USA, Inc.
- 1 mio metric tons per annum ethane cracker in Port Arthur
- 625 metric kilotons per annum Borstar® polyethelene (PE) plant in Pasadena (construction ongoing)
- Borealis Borstar – technology, which is used in North America for the first time – will allow Baystar to produce enhanced polyethylene products for the most demanding applications
- Fitch has affirmed 'A-' senior unsecured rating for USD 650mn notes of Bayport Polymers LLC.

# Leading technologies pave the path for achieving our vision



## **Borstar®**

multi-modal proprietary technology for manufacturing polyethylene and polypropylene



## **Borceed™**



## **Borlink™**

Wire & Cable Technology Platform



## **Borealis Sirius**

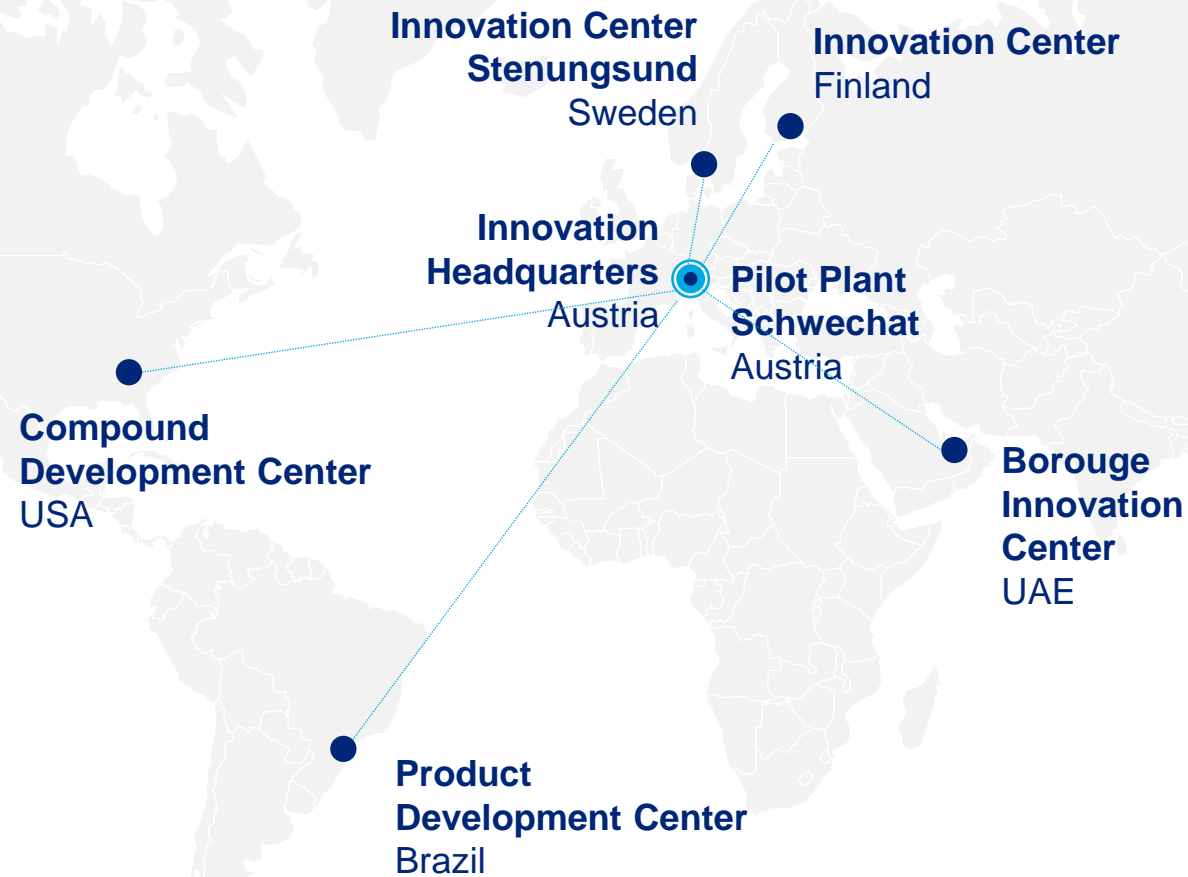


## **Borcycle™**

An evolving recycling technology

## Innovation Leadership

# Leading R&D capabilities: state-of-the-art innovation centers



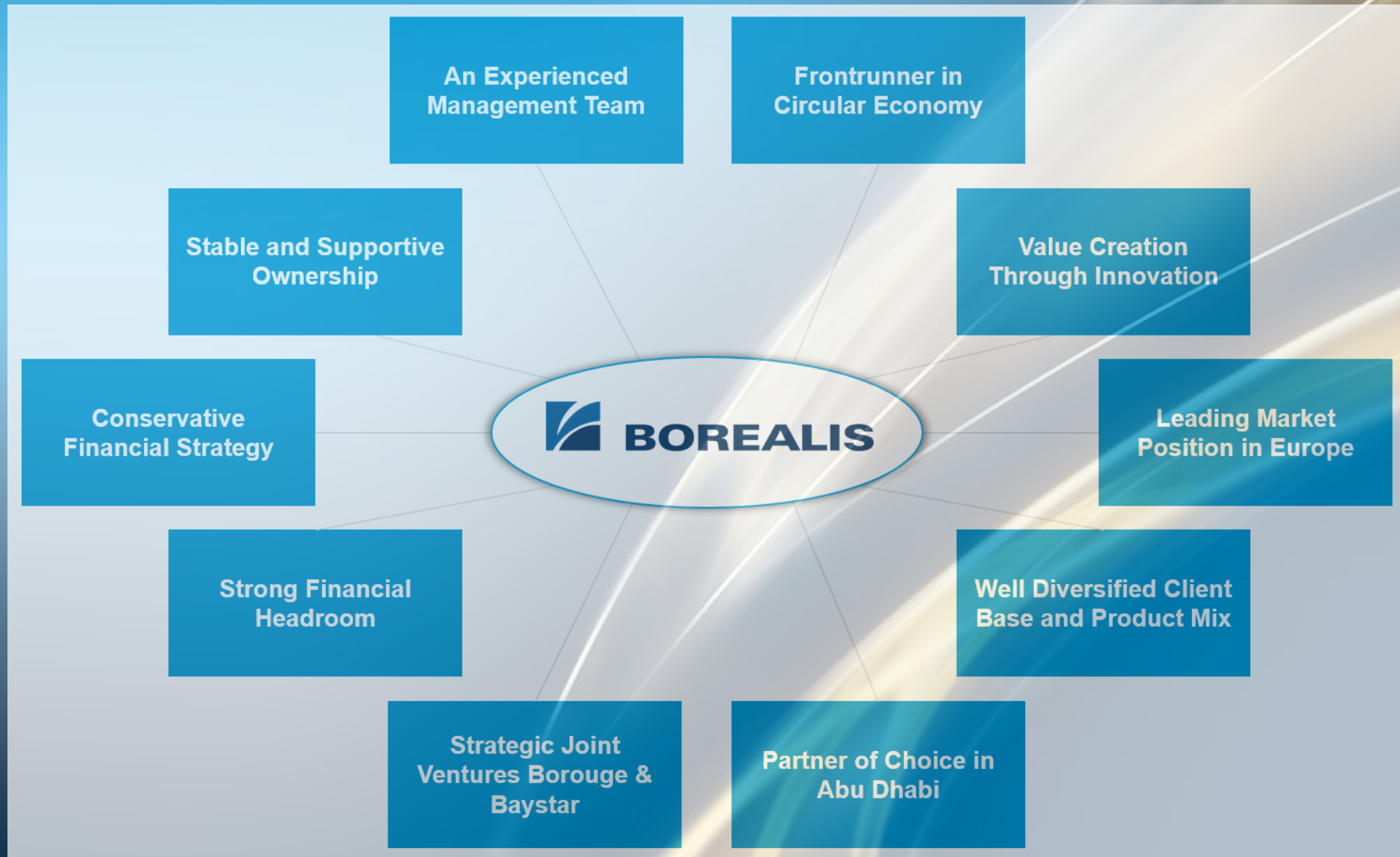
# Financials



**BOREALIS**

# Borealis' value proposition

**BBB+**  
**S&P Global**  
Ratings





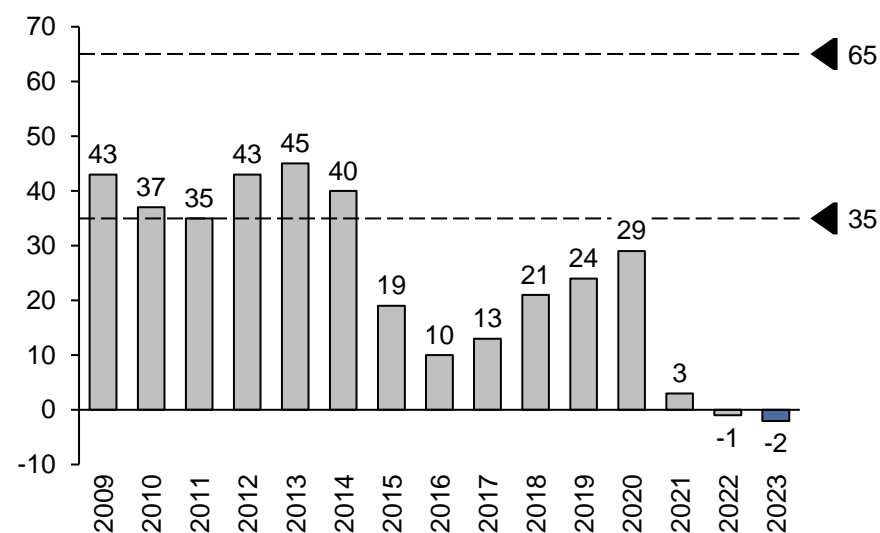
# Solid financials 2009 – 2023

## Borealis delivers solid financial result in a volatile market environment

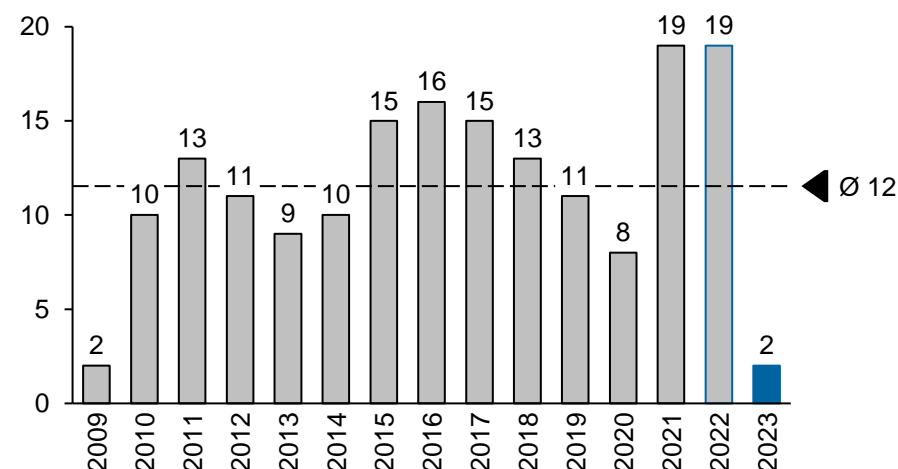
Figures excl. discontinued operation where applicable, for more information refer to the annual report 2023

MEUR	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
												restated			
Net sales	4,714	6,269	7,096	7,545	8,106	8,330	7,700	7,218	7,564	8,337	8,103	5,986	8,592	9,333	7,082
EBITDA	260	610	569	432	517	641	1,066	1,338	1,184	953	1,032	703	1,817	1,052	428
Net results of associated companies and JVs	44	120	333	391	351	408	469	487	543	606	386	374	595	397	160
Net profit	38	333	507	480	423	571	988	1,107	1,095	906	872	589	1,396	2,111	168

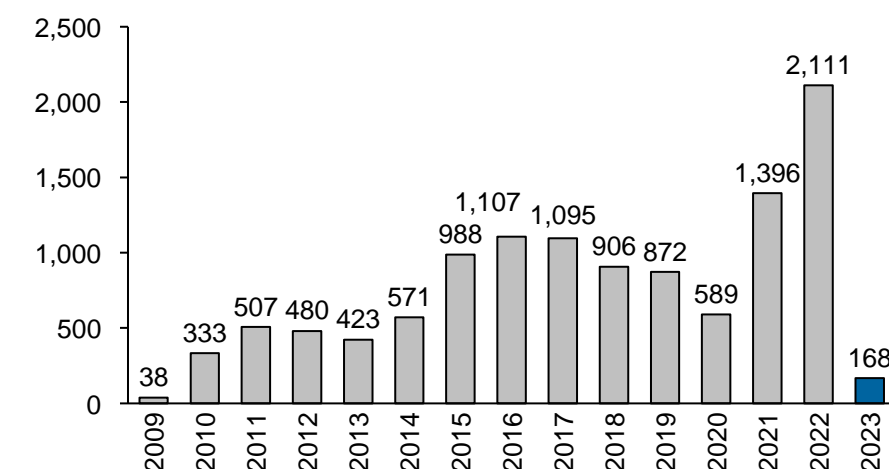
### Gearing (%) target range 35-65%



### Group ROCE (%)



### Net profit (MEUR)



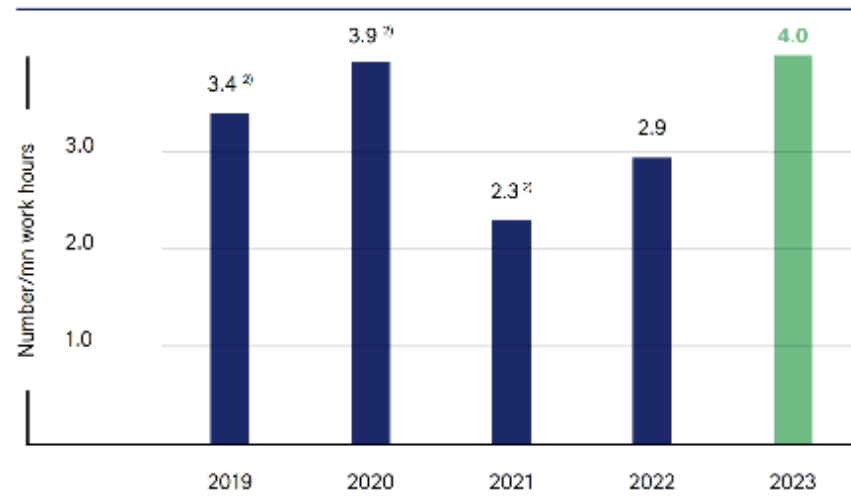
Gearing: defined as current and non-current loans borrowings (i.e. interest bearing short-term liabilities plus interest bearing long-term liabilities) minus cash and cash equivalents divided by total equity.

Return on Capital Employed (ROCE) defined as Operating profit, profit and loss from sale of operations, net result in associated companies plus interest income, after imputed tax, divided by average capital employed

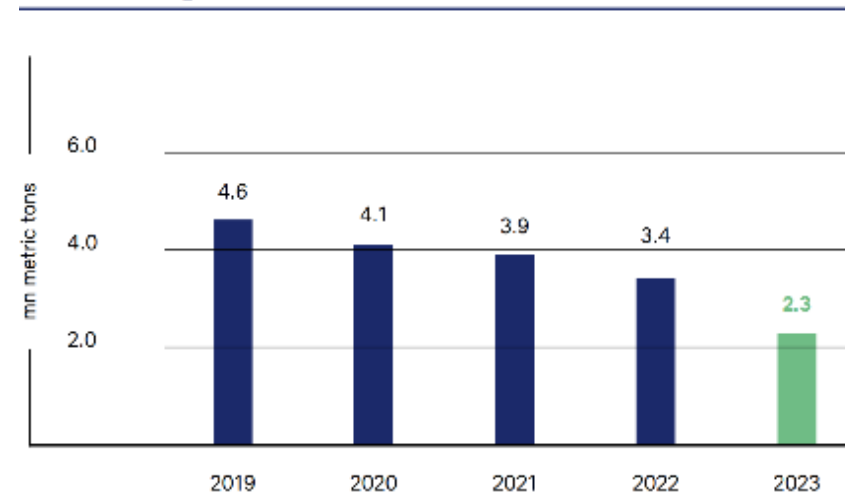
# Key sustainability metrics



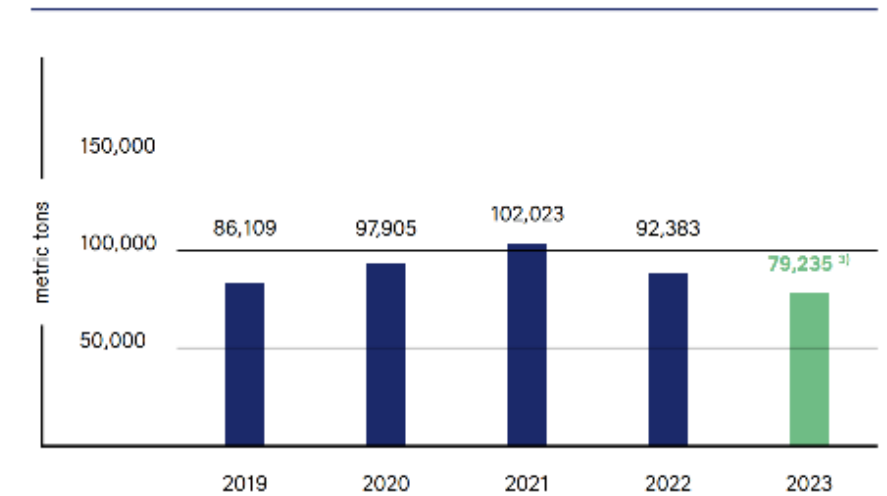
Total Recordable Injuries (TRI) <sup>1)</sup>



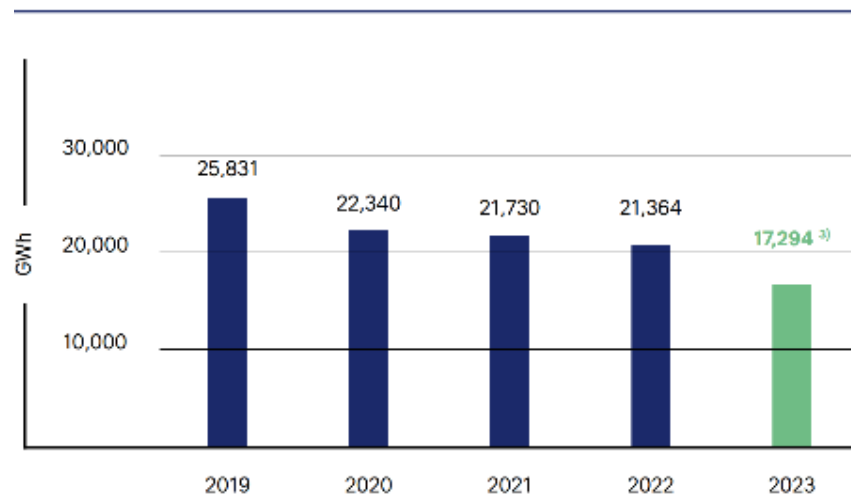
EU ETS CO<sub>2</sub> Emissions



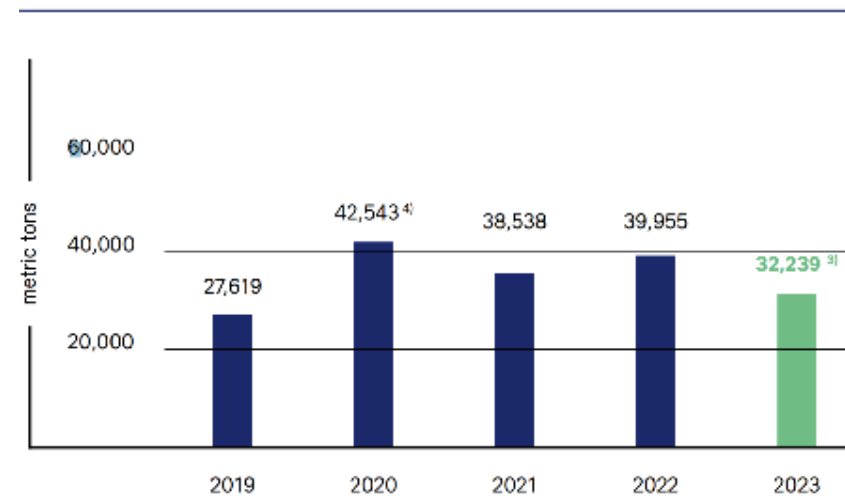
Waste Generation



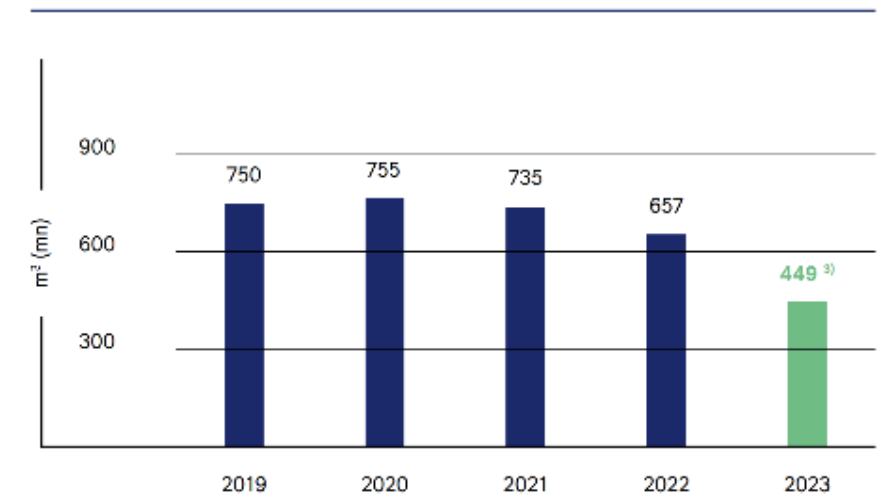
Primary Energy Consumption



Flaring Performance



Water Withdrawal



All non-financial information for the reporting period 2023 includes Borealis Fertilizers, Melamine and TEN (NITRO) for the first half of 2023. The figures are, therefore, not fully comparable.

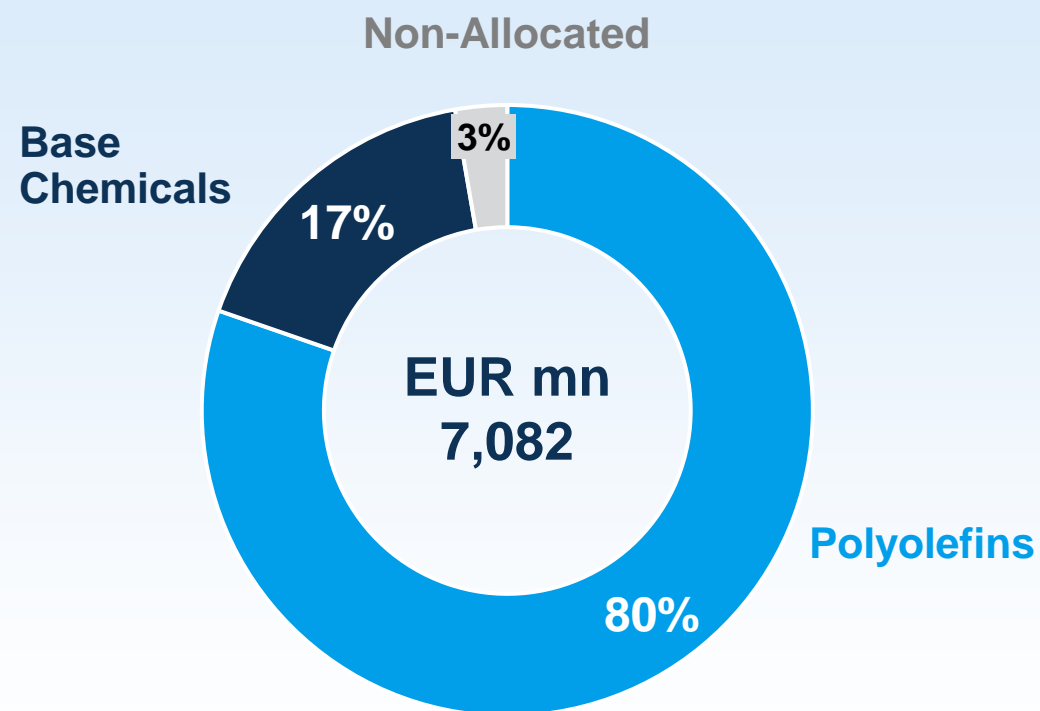
<sup>1)</sup> Includes own employees and contractors // <sup>2)</sup> Definitions were adjusted in 2022 to be aligned with OMV definitions. A comparison to previous years is therefore not possible. //

<sup>3)</sup> Environmental data might be subject to minor adjustments due to ongoing audits and missing third-party data at the time of closing of this report. // <sup>4)</sup> Severe upsets led to significant emergency flaring during shutdowns; furthermore, there was a lack of recycling capacity

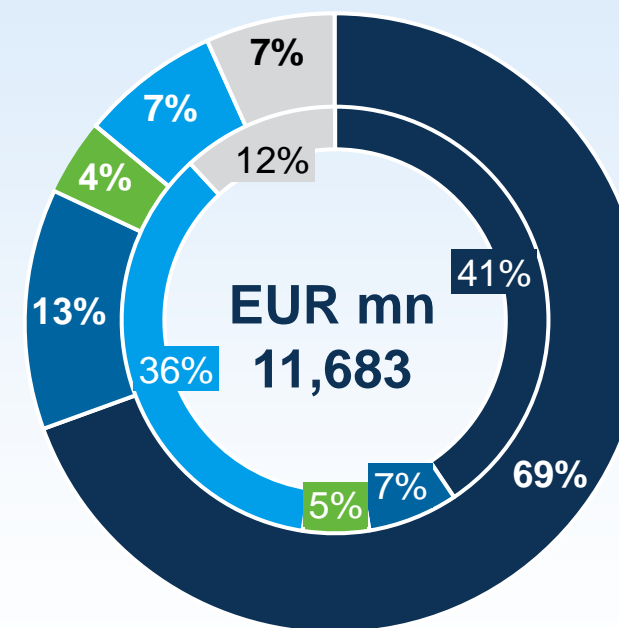
# Sales split by segment and region – FY 2023

Figures incl. discontinued operation

## Net Sales by segment



## Net Sales by region (Inner circle includes JV sales on 100% basis)



Reconciliation of reportable segments to the consolidated income statement  
EUR thousand

	2023
Total revenue for reportable segments	7,770,625
Elimination of discontinued operation	-688,473
<b>Net sales</b>	<b>7,082,152</b>

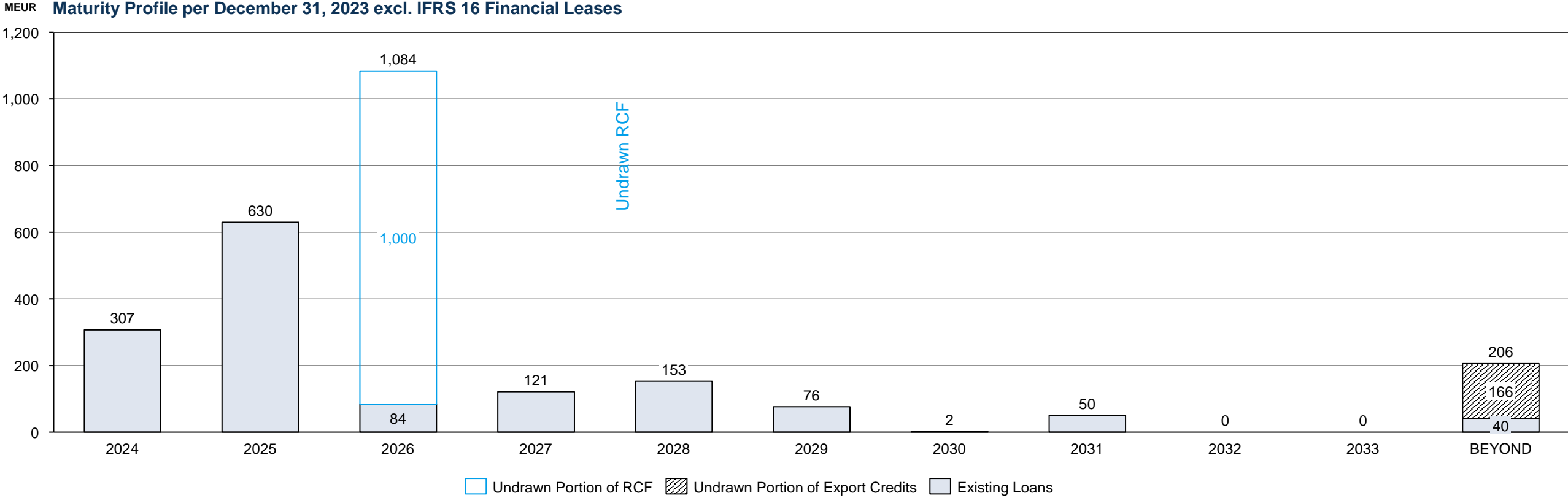
- EU Countries
- Non-EU Countries
- US
- Middle East and Asia
- Other regions

# Financing and Bank Strategy – Debt Portfolio

## Well diversified debt portfolio as basis for a solid financial position

- Revolving Credit Facilities
- OeKB (Austrian ECA)
- R&D Finance
- Corporate Bonds
- Private Placements (USPP, Schuldschein)
- Samurai Loan
- Working Capital Solutions (e.g. Securitization)

## Well balanced maturity profile contributing to financial stability

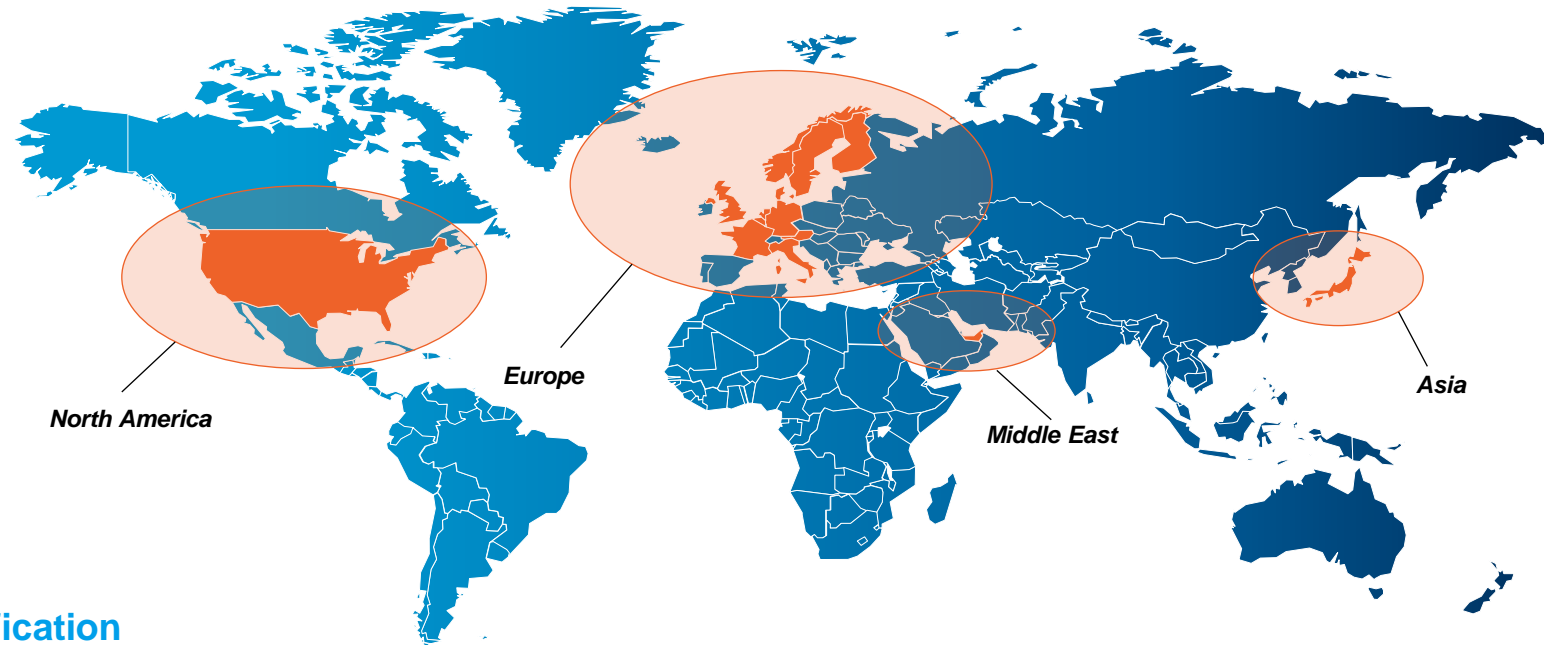


# Financing and Bank Strategy – Diversification

- Active management of maturity profile
- Portfolio approach
- Clear rules for financing approach
- Appropriate measurement & indicators
- Significant headroom under committed lines

## Geographic Diversification

of relationship banks reducing dependency on local financial markets



## Segment Diversification

of relationship banks



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