BOROUGE REPORTS Q4 2023 NET PROFIT INCREASE OF 16% YOY, VALUE ENHANCEMENT PROGRAMME OUTPERFORMS WITH $607 MILLION IN 2023

FY2023 net profit of $1 billion, with robust profitability margins, underscores operational and commercial excellence

Value Enhancement Programme delivered a $607 million positive impact in FY2023, surpassing both its initial and revised targets of $400 million and $500 million respectively

Management intends to maintain a dividend of $1.3 billion for 2024, equivalent to 15.9 fils per share and 6.6% current dividend yield

ABU DHABI, UAE – 01 February 2024: Borouge Plc, a leading petrochemicals company that provides innovative and differentiated polyolefins solutions, has delivered a strong performance in the fourth quarter of 2023, reporting a 16% year-on-year increase in net profit to $288 million, bringing full-year net profit to $1 billion.

The Company maintained its performance trajectory, with fourth quarter net profit increasing 2% quarter-on-quarter, marking a third consecutive increase in quarterly earnings.

Borouge's focus on operational and commercial excellence is driving strong performance in the face of challenging global market conditions. Costs in the fourth quarter were 16% lower year-on-year. The Company's Value Enhancement Programme , centred on revenue optimisation and cost efficiencies, has significantly mitigated a subdued global pricing and demand environment in the last year. The ambitious programme has achieved a positive impact of $607 million, surpassing both its initial 2023 target of $400 million and the later revised target of $500 million.

On the back of the Company's resilient performance, high cash generation and robust liquidity position, Borouge management intends to distribute 15.9 fils per share in dividends for full year 2024, equating to a 6.6% current dividend yield[1].

Hazeem Sultan Al Suwaidi, Chief Executive Officer of Borouge, commented: "Over the past twelve months we have demonstrated the resilience of our business model and ability to leverage our strong brand positioning, technical capabilities, operational scale and excellence to outperform in challenging market conditions.

Operational efficiencies played a significant role in driving bottom line performance with our Value Enhancement Programme delivering beyond its set targets. We maintained a clear focus on cost

[1] Based on the closing share price on 31 January 2024.

discipline with zero compromise on safety, outstanding product innovation, quality and our commitment to the value we provide to our stakeholders.

Looking ahead, Borouge will remain agile in adapting to market dynamics and our customers' evolving needs. Our focus centres on differentiated product development, maintaining our price premia across our products, and continuing to drive further value creation as we solidify our market-leading positions. The strategic Borouge 4 project is progressing well and will be pivotal to delivering on our growth aspirations, particularly in high-growth segments and the development of sustainable solutions that cater to customers' evolving needs in this space.

Building on our strong dividend track record, we are pleased to announce our intention to distribute $1.3 billion in cash dividends for 2024, highlighting our dedication to deliver shareholder value through-the-cycle."

Highlights for the three months ended 31 December 2023

Fourth quarter revenue reached $1.5 billion, unchanged quarter-on-quarter and declining 6% on a year-on-year basis on weaker global demand, while costs reduced 16% over the same period. Net profit of $288 million in the quarter increased 16% year-on-year, supported by significant contributions from the Value Enhancement Programme. Net profit increased by 2% quarter-on-quarter reflecting the Company's resilience despite global polyolefins pricing remaining broadly flat.

Moreover, Borouge delivered a healthy EBITDA margin of 40%, up 6 percentage points compared to the previous year, owing to the Company's improved operational efficiencies and cost optimisation strategies. Cash conversion was high at 88%, with a healthy adjusted operating free cash flow of $526 million, down 9 percentage points quarter-on-quarter.

Production in the quarter was 2% higher year-on-year while the company reduced cost per tonne produced by 17% year-on-year.

Highlights for the 12 months ended 31 December 2023

For the full 2023 financial year 2023, the Company reported revenue of $5.8 billion and adjusted EBITDA of $2.2 billion. Enabled by the very successful execution of the Company's Value Enhancement Programme, full-year costs were 12% lower. Net profit for the year stood at $1 billion, impacted by a 16% decline in average selling prices as global polyolefins demand reduced from peak levels in 2022, which was partially offset by a 1% increase in sales volume to 5.1 million tonnes.

Operational excellence played a central role in Borouge's resilient performance, with the company achieving high utilisation rates of 101% for polyethylene (PE) and 97% for polypropylene (PP), a significant increase from 2022 levels. The high-value infrastructure solutions segment represented 39% of total sales in 2023, highlighting Borouge's strong positioning in this key growth market.

Operational excellence continues to drive exceptional production volumes

Borouge operates state-of-the-art manufacturing facilities in Al Ruwais, one of the world's largest integrated polyolefin complexes. The Company achieved outstanding production utilisation rates in 2023, with fourth quarter PE production reaching 112% and PP production at 99%. This contributed to total production volume increasing 6% in 2023, despite the successful Borouge 2 plant turnaround impact.

Value Enhancement Programme surpasses target, delivering $607 million positive impact, supporting Borouge's strong competitive positioning

The Value Enhancement Programme has played a critical role in enabling Borouge to deliver strong bottom-line result during the fourth quarter and full year 2023. The strategic programme has delivered an impact of $607 million surpassing its initial 2023 target of $400 million and the revised $500 million target set in Q3 2023. As a result, Borouge remains agile and able to effectively adapt to changing market conditions.

Value creation supported by strategic capacity growth projects, continuous operational investments and the pursuit of international expansion opportunities

The Company is actively advancing its polyethylene production capabilities, with the ongoing Borouge 4 project, under ownership of ADNOC and Borealis. The facility is expected to be completed in 2025 and is set to expand Borouge's capacity by 1.4 million tonnes annually to a full production capacity of 6.4 million tonnes. This strategic project is pivotal to Borouge's strategy to achieve sustained growth and will support delivery of its growing product portfolio. Borouge also continues to explore international expansion opportunities as mandated by its Board of Directors.

In line with a commitment to operational excellence, the Borouge 3 plant and associated feedstock operations are scheduled for a planned maintenance shutdown in 2024. This will impact annual volume by an estimated 500 kilo tonnes in 2024.

Focus on new product innovation and partnerships drives Borouge sustainability agenda

Sustainability remains a key pillar of Borouge's strategic agenda. In 2023, the Company signed five MoUs across the markets it serves, expanding its network to promote recycling and a circular economy, while investing in innovation to ensure its applications meet the evolving economic and sustainability needs of its customers. Moreover, Borouge has launched several new innovative products over the year, including a fully circular solution in its sustainable packaging product portfolio and a new infrastructure and advanced packaging solution to capitalise on the growing demand in these high-growth segments. Borouge's premium products are increasingly being deployed for renewable energy infrastructure as well as sustainable mobility, agriculture and packaging, providing tangible benefits for our communities and a diverse range of industries.

Outlook

Borouge will continue to focus its sales on high-growth geographies, and high-value segments including infrastructure and adjacent industries. Borouge's management reiterates the through-the-cycle premia guidance supported by its first-quartile cost position, operational scale through one of the world's largest integrated polyolefins complexes, superior Borealis Borstar® proprietary technology, and its competitive positioning in key high-growth markets and high-value market segments.

Financial Highlights

USD millions	Q4 2023	Q4 2022	*YoY % Change*	Q3 2023	*QoQ % Change*	FY 2023	FY 2022	*YoY % Change*
Sales Volume (kt) (1)	**1,359**	1,415	***-4%***	1,395	***-3%***	**5,116**	5,083	***1%***
Revenue	**1,497**	1,593	***-6%***	1,496	***unchanged***	**5,791**	6,727	***-14%***
Adj. EBITDA (2)	**600**	541	***11%***	592	***1%***	**2.171**	2,646	***-18%***
Net Profit	**288**	247	***16%***	282	***2%***	**1,001**	1,409	***-29%***
Adj. Operating FCF (3)	**526**	465	***13%***	573	***-8%***	**1,972**	2,457	***-20%***

(1) PE, PP and ethylene sales (including Borealis volumes).

(2) Adj. EBITDA defined as EBITDA plus adjustments on foreign exchange gain or loss and impairment loss on Property, Plant and Equipment.

(3) Adj. Operating FCF defined as Adjusted EBITDA less capital expenditure.

--- ENDS ---

About Borouge Plc

Borouge Plc, listed on the Abu Dhabi Securities Exchange (ADX symbol: BOROUGE / ISIN AEE01072B225), is a leading petrochemicals company that provides innovative and differentiated polyolefin solutions for the infrastructure, energy, mobility, healthcare, agriculture and advanced packaging industries. Borouge employs more than 3,100 people and serves customers in over 86 countries across Asia, the Middle East and Africa.

Founded in 1998 through a strategic partnership between ADNOC and Borealis, Borouge was formed to build and operate a polyolefins complex in Al Ruwais Industrial City, United Arab Emirates, which today is one of the world's largest integrated polyolefin complexes. ADNOC owns a majority 54% stake and Borealis holds a 36% stake in Borouge.

To find out more, visit: borouge.com

For further information, please contact:

Rehab Ateeq
VP, Global Communications
Media@borouge.com

Samar Khan
VP, Investor Relations
IR@borouge.com