

بروج
Borouge



Performance through Differentiation

Borouge PLC Annual Report 2025



Consistent value creation through technology leadership

Our Vision

The recognised leader in creative polyolefin solutions that have a positive impact on society today and tomorrow.

Our Mission

Value creation through people, and innovation.

Our Values

At Borouge, we are one family working together to make Borouge a better place for us and generations to come, by living and breathing our five values: **progressive, collaborative, responsible, respectful** and **efficient**.

In 2025, Borouge delivered an exceptional operational and financial performance, underscoring the strength of our differentiated portfolio and the resilience of our business model.

We accelerated value creation by empowering our people, leveraging Artificial Intelligence (AI) and digital technologies and driving product innovation. Through premium, differentiated polyolefin solutions that command a quality price premium, we enabled critical applications across a wide range of industries.

Our products continued to help address global challenges – from climate resilience, food preservation and water security to the energy transformation, healthcare support and responsible waste management – reflecting our commitment to delivering value for our shareholders and all our stakeholders.

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Financial

Industry-leading profitability, strong cash generation and a resilient balance sheet enable superior, through-the-cycle shareholder returns.

[See more on page: 36](#)

Commercial

Differentiated technology, continuous innovation and a global sales and distribution network support sustainable premium pricing across our polyolefins portfolio.

[See more on page: 47](#)

Operational

High utilisation rates, strong production performance and an unwavering commitment to best-in-class HSE standards underpin our operational excellence.

[See more on page: 41](#)



Strategic Report



At a Glance

A global leader in differentiated polyolefin solutions, delivering sustainable value through scale, innovation and operational excellence.

Who we are

Borouge is a leading pure-play polyolefins company, providing premium polyethylene (PE) and polypropylene (PP) solutions to high-growth industries worldwide. Established in 1998, as a strategic partnership between ADNOC and Borealis, we have expanded our nameplate capacity more than 11-fold to 5Mtpa, creating one of the world’s largest integrated, single-site polyolefin complexes in Al Ruwais Industrial City, UAE.

With a workforce of c. 3,000 people and a global network of 14 offices and 13 logistics hubs, Borouge serves customers in over 90 countries and territories through an integrated global supply chain. Leveraging Borealis’s proprietary Borstar® technology platform, advanced AI capabilities and deep R&D expertise, we deliver differentiated, high performance solutions tailored to evolving global needs.

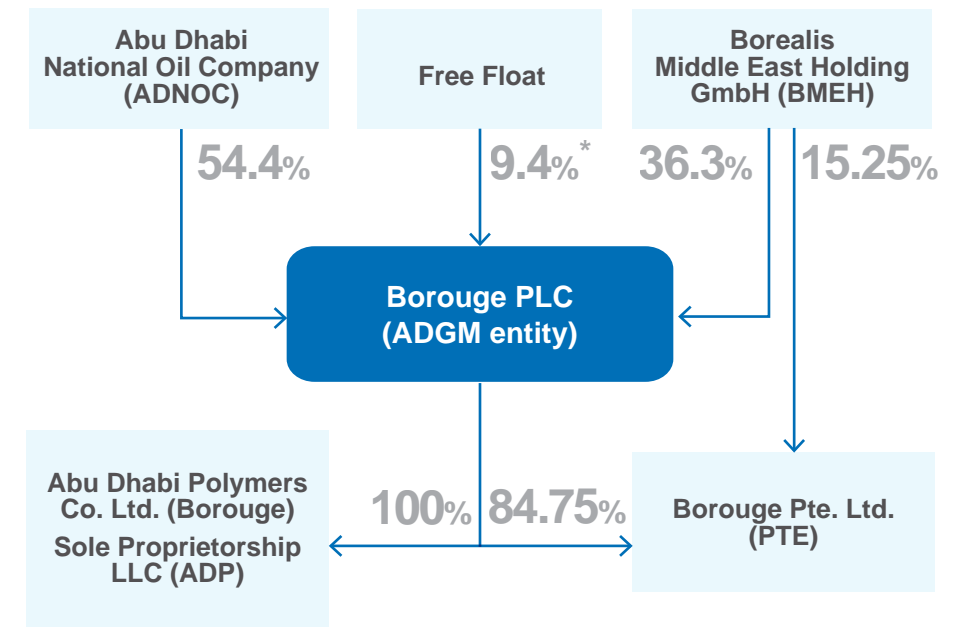
Our strategic growth projects continued to progress throughout the year. Commissioning of the first Borouge 4 facility, XLPE 2, began at the end of 2025. As the remaining Borouge 4 units ramp up over the course of 2026, we are set to further expand our production capacity and enhance our ability to reliably serve customers across global markets.

Borouge PLC is publicly listed on the Abu Dhabi Securities Exchange (ADX).

By the numbers

3,000 employees worldwide
50+ nationalities
90+ countries served through an integrated supply chain

Legal structure**



* As of 31 December 2025.

** The legal structure reflects the Company’s share buyback , under which approximately 212 million shares were repurchased from the free float during 2025. These shares are held as treasury shares on the balance sheet. The share buyback was approved at the Company’s AGM on 7 April 2025.

At a Glance

Our operating entities

Through our integrated operational structure, we maintain world-class facilities and capabilities across our key business segments:



Production

Abu Dhabi Polymers Company

World-class facilities in **Al Ruwais Industrial City**

Utilisation rates exceeded design capacity despite the planned **B3** turnaround

High asset reliability maintained at **98%**



Sales & Marketing

Borouge PTE

Direct sales channels reaching **global markets**

14 offices
13 logistics hubs worldwide

Strategic market presence in **high-growth regions**



Production volume

5.1Mt

Sales volume

5.4Mt

Record sales

Innovation & technology

Borouge is a leading provider of innovative and differentiated polyolefin solutions, supported by world-class innovation and technology capabilities.

Borealis's proprietary Borstar® technology, advanced AI-enabled development tools and strong R&D ecosystem, underpinned by over 1,400 active patents, enable us to deliver premium, high-performance solutions across infrastructure, energy, mobility, healthcare and packaging applications. These capabilities ensure consistent quality, superior performance and improved circularity to meet evolving global customer needs.

80% of sales from differentiated products

Our target is to sustain through-the-cycle premium pricing of USD 200/tonne for PE and USD 140/tonne for PP

Industry-leading solutions across consumer, infrastructure and specialty applications

Sales volume split (2025, Total = 5.4Mt)

By product

57%

Polyethylene

43%

Polypropylene

By geography

59%

APAC

32%

MEA

9%

RoW

By end market

59%

Consumer solutions

38%

Infrastructure solutions

3%

Other

At a Glance

Extensive global footprint

Our global sales and marketing organisation, leverages our Middle Eastern production base and Singapore platform to strategically access and serve key global demand centres.



<p>Offices worldwide</p> <p>14</p>	<p>Logistics hubs strategically located</p> <p>13</p>
<p>Our International presence</p> <ul style="list-style-type: none"> ● Head Office: ADP Company ● Head Office: PTE ● Petrochemical Complex ● Compounding Plant ○ Borouge Innovation Centre ○ Sales, Marketing & Representative Offices ● Borealis Innovation Centre ○ Application Centre 	

At a Glance

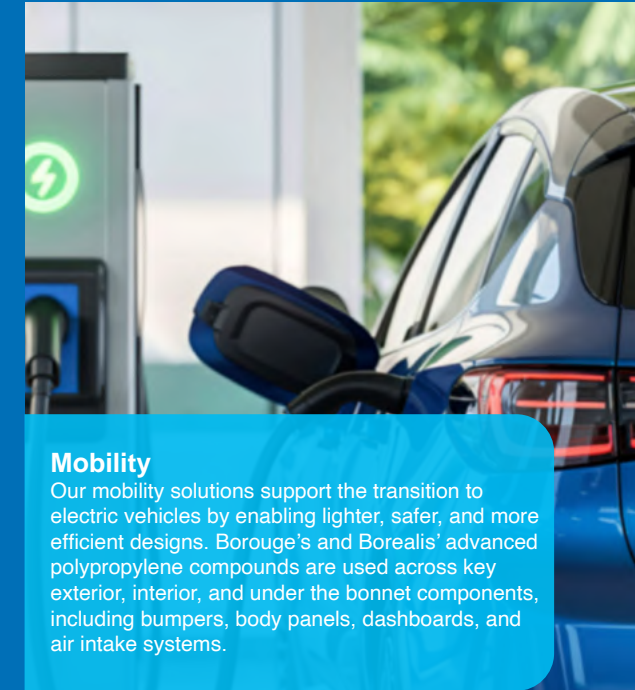
End markets we serve



Infrastructure
 With decades of expertise, Borouge delivers advanced polyolefin solutions that enable reliable, durable, and sustainable infrastructure for communities worldwide. Our materials support critical applications in water and gas distribution, plumbing and heating, industry, and energy. Reliable and long-lasting pipe systems help reduce water losses, lower energy consumption, and minimise maintenance requirements, providing more sustainable and cost-effective solutions over the full infrastructure lifecycle.



Energy solutions
 From buildings to subsea networks, Borouge's specialised materials ensure the safety, reliability and longevity of cable systems. High-performance jackets and insulation solutions protect critical energy infrastructure from mechanical and environmental stresses.



Mobility
 Our mobility solutions support the transition to electric vehicles by enabling lighter, safer, and more efficient designs. Borouge's and Borealis' advanced polypropylene compounds are used across key exterior, interior, and under the bonnet components, including bumpers, body panels, dashboards, and air intake systems.



Advanced packaging
 Borouge's packaging portfolio delivers consistency, performance and material advantages that keep produce fresh while supporting circularity. Leveraging proprietary technologies, we develop differentiated solutions for both flexible and rigid applications, advancing sustainability across the value chain.



Agriculture
 Through Borstar® technology and close collaboration with universities, R&D partners, government agencies and producers, Borouge develops innovative agricultural film solutions that enhance crop productivity and strengthen food security.



Healthcare
 Our Bormed™ range of medical-grade polyolefins is engineered for demanding healthcare applications, delivering consistent quality, regulatory reliability and high performance across both rigid and flexible products. These solutions support patient safety and advanced medical manufacturing.

Highlights

Exceptional 2025 performance

Borouge delivered strong operational and financial performance in 2025, achieving record sales volumes of 5.4 million tonnes, reflecting strong global demand for our differentiated product portfolio. This was supported by production of 5.1 million tonnes, above nameplate capacity despite the planned Borouge 3 turnaround in Q2.

Exceptional sales performance, disciplined cost management and premium pricing supported industry-leading margins and strong cash generation, underpinning our full-year dividend intention of 16.2 fils per share (c. USD 1.3 billion).

Borouge delivered industry-leading margins in 2025 despite a soft pricing environment, achieving an EBITDA margin of 37%, a net profit margin of 19%, and cash conversion of 86%, reflecting strong operational discipline and efficiency.

Strategic growth projects advanced during the year, with the Borouge 4 megaproject reaching 94% completion by year-end 2025. Progress was also made on debottlenecking projects in Ruwais, supporting future capacity enhancements.

Our commitment to safety remained unwavering, with a Total Recordable Injury Rate (TRIR)* of 0.07, in line with last year. Our sustainability performance also strengthened, reflected in a 27% reduction in Scope 1 emissions and a 36% reduction in Scope 2 emissions, compared to a 2018 baseline, both ahead of target. These results demonstrate our continued commitment to producing more with less and reducing our environmental impact.

Financial

Adj. EBITDA margin

37%

Premia

\$224
/tonne for PE

Net debt to EBITDA

1.2x
as at 31 December 2025

Dividend (FY 2025)

16.2***
fils per share

Net profit margin

19%

Premia

\$134
/tonne for PP

Cash conversion

86%
Adj. operating free cash flow conversion from adj. EBITDA

Operational

Asset utilisation

102%
for PE

Asset utilisation

100%
for PP

Asset reliability

98%

Sales volume

5.4Mt

Production volume

5.1Mt

ESG

TRIR

0.07*

Emissions

43.6ktCO₂e
abatement coming from new projects in 2025

Energy intensity

17
GJ/tonne**

Environmental expenditure

\$60.8m

* TRIR: The number of injuries (Fatalities + Permanent Total Disabilities + Permanent Partial Disabilities + Lost Workday Cases + Restricted Work Cases + Medical Treatment Cases) per 1,000,000 hours worked. TRIR does not include First Aid Cases.

** The energy intensity is described in GJ/tonne. It represents the overall energy consumption within the facility in relation to the total volume produce of High Value Chemicals (HVCs) that includes polyolefins, olefins, hydrogen and aromatics.

*** Borouge's full-year 2025 dividend intention is 16.2 fils per share, equating to approximately USD 1.3 billion.

Highlights

Year in review



Exceptional financial performance

Most profitable polyolefins company

37%

EBITDA margin

Borouge delivered another year of strong financial results, reinforcing its position as the most profitable polyolefins producer globally. Revenue reached USD 5.8 billion, supported by record sales volumes of 5.4Mt and a quality price premium for high-value products. We sustained an industry-leading EBITDA margin of 37% and a net profit margin of 19%, both significantly above the global peer average.

Growing innovation pipeline

Serving high growth segments

Record

\$94m

in innovation value generated in 2025

Innovation remains central to our strategy and a key driver of our quality price premium. In 2025, we launched 10 new grades, including the UAE's first LDPE for healthcare applications, supporting our ambition to build a 100 ktpa healthcare business. We also advanced our circular and sustainable packaging portfolio through new mono-material solutions and additions to our recycled Recleo™ grades. These developments, amongst others, contributed to a record USD 94 million of innovation value in 2025, underpinned by a strong innovation pipeline supported by more than 1,400 active patents.

Operational excellence

Exceptional reliability and utilisation rates

5.1Mt

Production volume

Borouge delivered an outstanding operational performance in 2025, with asset reliability of 98% and utilisation rates of 102% for PE and 100% for PP. Despite executing our largest-ever turnaround at the Borouge 3 plant in Q2, we achieved production above nameplate capacity of 5.1Mt. The turnaround was completed ahead of schedule and on budget, minimising downtime and demonstrating our commitment to operational excellence and world-class safety.

Leveraging AI & digital technologies

Driving performance and long-term competitiveness

\$717m

of value delivered in 2025 through the AIDT programme, significantly exceeding the USD 575 million target

AI and digital technologies (AIDT) are central to how we run Borouge. Our AIDT programme was a major contributor to our 2025 outperformance, driving margin gains, improving efficiency and reducing costs across the value chain. We continued to build on this momentum in 2025, completing a proof-of-concept with Honeywell for AI-powered autonomous operations at Ruwais. This milestone positions Borouge to deliver the petrochemical industry's first fully AI-driven autonomous control room, further strengthening our long-term competitiveness. 2025 also marked the third year of our Value Enhancement Programme, which delivered significant value through operational optimisation, higher production and lower conversion costs.

De-risked growth

Strategic expansion projects on track

+1.4Mt

New production capacity from Borouge 4

The Borouge 4 expansion project surpassed 94% completion in 2025, marking a major milestone in our growth journey. Commissioning of the XLPE 2 unit commenced in December 2025, with the additional units scheduled for commissioning through 2026. The Borouge 4 Asset Usage Agreement was signed in March 2026 and is expected to deliver USD 400 million cumulative net profit over three years and approximately 10% earnings accretion, after full ramp up of the Borouge 4 project.

Transformational growth

Formation of Borouge Group International

Fourth-largest polyolefins producer by nameplate capacity

13.6Mtpa

In March 2025, ADNOC and OMV announced the formation of Borouge Group International, combining Borouge with Borealis and including the acquisition of NOVA Chemicals. The transactions completed in March 2026. This transformational growth creates the fourth largest polyolefins producer globally by nameplate capacity, with an expanded geographic footprint, broader product offering and enhanced customer reach. The new Group is expected to unlock significant value through scale, integration and technology leadership, with annual EBITDA synergies in excess of USD 500 million targeted.

Market Overview

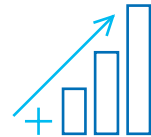
Empowering the new economy

Rapidly evolving infrastructure and energy needs driven by the accelerating AI economy, increasing electric-vehicle uptake and the global energy transition are reshaping demand for advanced materials and specialised solutions.

As high-growth markets continue to urbanise and incomes rise, the world is experiencing heightened pressure on essential systems, from energy and water to food security and industrial productivity. These structural shifts are amplifying the need for more efficient healthcare, agricultural and manufacturing capabilities, while reinforcing the critical importance of the circular economy in achieving sustainable long-term growth. Against this backdrop of intensifying global challenges and opportunity, Borouge is well positioned to address and capitalise on these megatrends in 2026 and beyond through its scale, innovation platform and differentiated portfolio.



Global megatrends



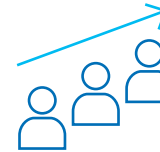
New economy

Rapid data and power infrastructure needs from the AI economy which will lead to a new era of productivity growth.



Food and water

Advanced packaging technologies extend food shelf life in developing regions, while sustainable agriculture solutions enhance resource efficiency and crop yields. Durable pipe systems address critical water infrastructure needs, while innovative polymer technologies enable robust sanitation solutions in developing regions. Solutions for industrial and agricultural sectors are also needed to keep up with population and rapid growth in the new economy.



Growth in population and emerging economies

Rapid urbanisation across Asia and Africa drives infrastructure demand while expanding middle-class populations, creating new sustainable solutions opportunities including the energy needs of electric vehicles in urban areas where our lightweight solutions support automotive electrification and reduced carbon footprints.



Healthcare

Healthcare infrastructure expansion in emerging markets requires higher volumes of advanced materials while rising hygiene and purity standards drive demand for specialised medical solutions.



Energy security and sustainability

Increasing need for self-sufficiency on the back of energy transition trends drive the need for optimal energy solutions. Infrastructure for renewable and conventional power continue to drive growth for specialised polyolefin-based materials.



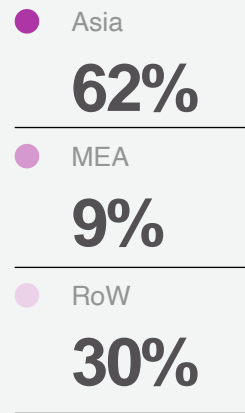
Circular economy

Our recyclable polyolefin solutions transform material lifecycles while integrated recycled content maintains performance standards across our product portfolio.

Market Overview

Serving high-growth markets

Global polyolefins demand and growth 2026-2030



Borouge markets share of global demand growth 2026-2030

71%

Strategically positioned to capture growth in high-value market segments

2026-2030 CAGR % Borouge markets

3.9%

Rest of the World

1.7%

Global megatrends



Near-term drivers

2025 saw a paradigm shift in trade policies, particularly from the United States. This shift has created opportunities for Borouge to enter new markets while also managing those which could face greater competition.

Continuous growth in emerging markets

Asian and MEA markets – including our home market in the UAE – have demonstrated solid growth overall despite periodic fluctuations resulting from tariff uncertainties. India, although affected by increased tariffs, has exhibited resilience in its domestic demand.

Combined with a rising middle-class population this represents an exciting growth opportunity for Borouge. Closer to home, the UAE and Middle East saw strong economic growth, inward investment and diversification – all factors that will sustain polyolefin consumption.

Ongoing stimulus policies

China is the world's largest polyolefin market, with economic conditions closely linked with its regional businesses. In 2025, China continued to roll out stimulus measures and expansionary monetary policies to boost consumer confidence and spending which resulted in a record-high trade surplus of USD 1 trillion despite the period of uncertainty.

Geopolitical volatility remains

Geopolitical developments and logistics challenges in the Middle East region remain an ongoing challenge for our industry. Borouge has activated contingency plans and is working to deliver for its customers.



Market Overview

Organic growth and substitution



Organic growth

Infrastructure expansion and urbanisation are boosting demand in emerging markets, particularly in Asia and the Middle East. Economic recovery continues to stimulate consumer confidence and industrial output while smart cities and transportation networks are developing rapidly, driving the ongoing need for polyolefin solutions. A growing middle class is also amplifying consumption, creating multiple growth opportunities in construction, packaging, industrial, agricultural and consumer goods.



Material substitution

Advanced polyolefins are replacing traditional materials due to superior performance and sustainability. Environmental regulations and corporate commitments are accelerating this shift, especially in automotive, construction, and packaging. Advancements in Borstar® technology support the creation of high-performance materials that meet industry standards and reduce environmental impact.

Market Overview

Supported by an improving outlook for polyolefins



Industry outlook

Through economic cycles and periods of global uncertainty, Borouge has delivered growth and created value for our customers. A culture of research and development and ongoing investment in expanding our global footprint leave Borouge well placed to meet the needs of high-growth markets while delivering sustained growth and shareholder value in 2025 and beyond.

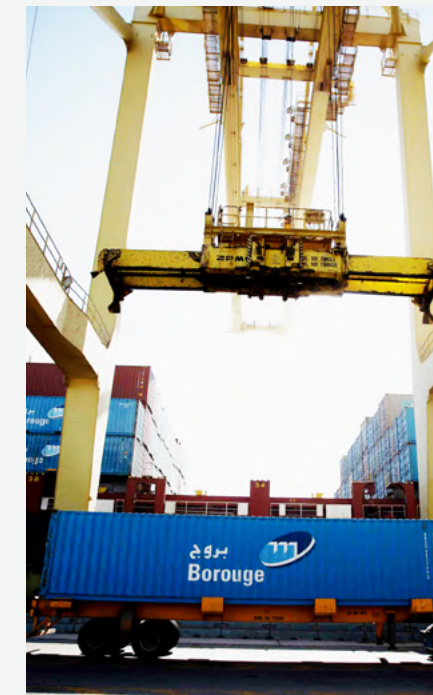


Assets under strategic review

Some producers in Europe and Asia Pacific have been conducting strategic reviews of their assets, and there are early signs of industry consolidation. We anticipate further capacity rationalisation to come, creating a more sustainable supply and demand balance going forwards.

Value chain integration

More producers are focused on value chain integration to identify enhanced efficiency in the supply chain and downstream products, and improved cost position in feedstock. This strategic approach provides cost advantages and operational stability, while attracting premium segments through improved customer alignment and tailored solutions.



Geographic diversification

Producers with the ability and flexibility to diversify their geographic exposure are more able to address the short-term challenges faced. Expanding capabilities across various regions facilitates better market access and risk management. This strategy also helps to mitigate regional market volatility and provides access to new growth opportunities.

Market Overview

Success story



Expanding our high-margin healthcare portfolio through local innovation

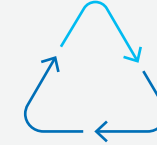
In 2025, Borouge advanced its Healthcare portfolio with the launch of the first Made-in-UAE low-density polyethylene (LDPE) grade for pharmaceutical packaging. The new Bormed™ LE6607-PH, produced in Ruwais, enables regional manufacturing of IV bottles, ampoules and other sterile medical packaging. This strengthens healthcare supply chains across the Middle East, Asia and Africa while supporting the Make it in the Emirates initiative.



Strengthening our leadership in high-performance pipe solutions

Borouge expanded its Infrastructure portfolio with a next generation BorSafe™ PE100 RC pipe grade, engineered for superior durability and long term performance in critical water and gas networks.

In parallel, Borouge's broader PE100-RC+ materials were recognised as 'New Product of the Year' at the Asian Oil & Gas Awards, reflecting the breakthrough performance and strategic relevance of the Company's advanced piping solutions and reinforcing its position as a leader in resilient infrastructure technologies.



Accelerating circularity through mono material innovation

In collaboration with Siegwerk and TPN, Borouge launched a fully recyclable mono material polyethylene laminate for food grade stand up pouches. The solution provides high oxygen barrier performance for dry foods while enabling full recyclability and high quality recycled polyethylene production. Produced by TPN in Thailand, this is the first co development under the Siegwerk–Borouge partnership and strengthens Borouge's advanced packaging offering.



Enabling sustainable mobility through advanced materials

Borouge expanded its presence in Automotive by deepening its partnership with ROX Motor to supply lightweight polyolefin materials for 17 interior and exterior components of the new ADAMAS SUV.

The collaboration supports the UAE's growing automotive manufacturing ambitions and includes a joint innovation laboratory in Shanghai focused on advanced polyolefin solutions and next-generation lightweight design.

Investment Case

Borouge is a trusted global leader in premium polyolefin solutions, uniquely positioned to deliver sustainable value through scale, technology leadership and an advantaged cost position.

Our differentiated proposition is built on six pillars:



World-class production platform

Borouge operates one of the world's largest integrated single-site polyolefin complexes in Al Ruwais Industrial City, with 5Mtpa of nameplate capacity and a young, efficient asset base with 90% of assets are under 14 years old.

The transformational Borouge 4 project will add 1.4Mtpa upon retribution and is expected to generate USD 900 million of EBITDA through the cycle.



● 11x growth since 2001

5Mtpa capacity

● Utilisation rates in 2025

102% PE
100% PP

● First-quartile cost position underpinned by

ADNOC
feedstock
agreement to 2057



Superior technology and quality price premium

Through our partnership with Borealis, Borouge leverages proprietary Borstar® technology to deliver differentiated, high-performance polyolefin solutions that command consistent pricing premia above commodity benchmarks. Our direct-to-market model in APAC, MEA and Africa ensures strong customer intimacy and efficient market reach.



● **10**
new grades launched in 2025

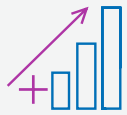
● **27% PE**

16% PP
quality price premium in 2025

● **90%**
sales via direct channels

● **9**
international logistics hubs

Investment Case



Financial resilience

Borouge consistently delivers industry-leading margins and cash conversion, supported by disciplined capital allocation and a robust balance sheet. Since IPO, we have sustained an average EBITDA margin of approximately 40%, more than 3x the global peer average, demonstrating resilience through market cycles.

● Adj. EBITDA margin (2025)

37%

● Net profit margin (2025)

19%

● Cash conversion (2025)

86%



Sector-leading shareholder returns

Borouge is one of the ADX's largest dividend payers, with USD 4.2 billion distributed since IPO. For full-year 2025, we intend to pay 16.2 fils per share, with an intention to maintain this annual level through 2030. Borouge also commenced a share buy back in April 2025 and had repurchased approximately 212 million shares by 31 December 2025.

● Dividends paid since IPO

\$4.24Bn

● TSR delivered since IPO

+25%



Access to high-growth markets and serving megatrends

Borouge is strategically positioned to capture demand in high-growth markets that are expected to drive a significant share of global polyolefin consumption through 2030. Our solutions support major global megatrends including population growth, healthcare, food security, water infrastructure, the circular economy and the energy transition. These long-term structural themes underpin sustained demand for premium applications across energy, infrastructure, healthcare and advanced packaging.

● Total sales in 2025

38%

high-value Energy & Infrastructure solutions

● **+90%**

of sales volumes to Asia Pacific, the Middle East and Africa



Sustainability leadership

Sustainability is embedded in Borouge's strategy and operational model. We provide safe, durable and lightweight materials that enhance food preservation, healthcare delivery, clean water access and energy efficiency. We are committed to long-term ESG leadership through transparent reporting, operational efficiency and circular innovation.

● **Net Zero**

Operations by 2045

● Strong safety performance

Zero

Tier 1/Tier 2 incidents and TRIR* of 0.07

* TRIR: The number of injuries per 1,000,000 hours worked.



Our Business Model

Sustainable value creation for our stakeholders

Borouge’s business model is built on a foundation of innovation, operational excellence, and strategic partnerships. We create value by leveraging our proprietary Borstar® technology and world-class production facilities to deliver differentiated polyolefin solutions that address global challenges.

Inputs

- Operational scale
- 5Mtpa** polyolefin capacity

- Young asset base
- 90%** of capacity less than 14 years old

- Borstar® technology
- Powering Innovation**

- Differentiated products
- c. **80%** of total sales

- Long-term feedstock agreement
- In place with **ADNOC** until 2057

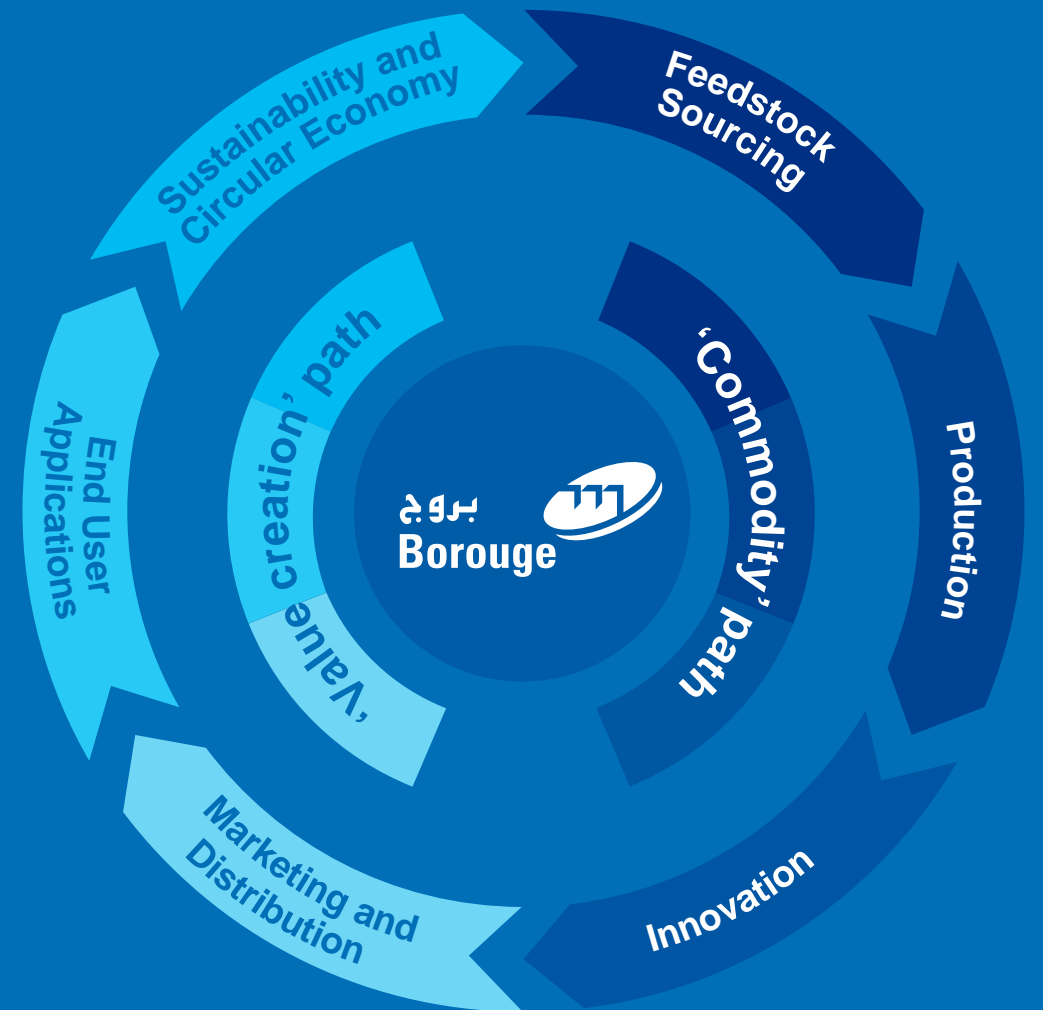
- 25 years of operational experience supporting exceptional shareholder

Returns

- Trusted brand
- To our customers, employees, suppliers and partners

Unlocking sustainable value and growth

Sustainability sits at the heart of our business



Our Business Model

How we make a difference

Expertise

- **100+** scientists, researchers and technicians to drive innovation

Research & development

- **25** polymer research labs for analysis, processing and application testing.

New product innovation

- **+20%** of Borouge's annual sales volume is derived from new product innovations.

Patents

- Borouge has filed more than **1,400+** patent applications.

Addressing Global Challenges

Our solutions are safe, durable, lightweight and are found in applications which address global challenges such as food security, improved healthcare, access to energy, water and sanitation. We are also growing our circular solutions and innovation for differentiated sustainable solutions.

For all our stakeholders

Our shareholders

- **37%** adjusted EBITDA margin
- **\$4.24Bn** dividends paid since IPO

Our people

- **68,143** total training hours in 2025

Our customers

- **\$25M** Total R&D spend in 2025
- **10** new products launched in 2025

Our communities and environment

- **981** volunteering hours in 2025



Value creation process

Inputs

- Proprietary Borstar® technology
- World-class production facilities
- Strategic partnerships with ADNOC and Borealis
- Skilled workforce of 3,000 employees

Activities

- Research and development of innovative polyolefin solutions
- Efficient production of high-quality PE and PP applications
- Strategic expansion of production capacity
- Global marketing and distribution
- Continuous focus on operational excellence and sustainability

Outputs

- Differentiated polyolefin products for infrastructure, energy, mobility, healthcare, agriculture, and advanced packaging industries
- Industry-leading EBITDA margins and ROIC
- Sustainable solutions addressing global megatrends

Impact

- Consistent value creation for shareholders
- Contribution to economic diversification in the UAE
- Advancement of circular economy solutions
- Support for global sustainability goals

Competitive advantages

- Proprietary Borstar® technology enables the production of differentiated products.
- Strategic location in Al Ruwais Industrial City, providing cost advantages
- Strong market presence in high-growth regions
- Robust innovation capabilities with 1,400+ active patents
- Industry-leading operational efficiency and reliability

Our Strategy

A strategy built for performance

Borouge’s strategy is designed to reinforce our position as a global leader in innovative, high performance polyolefin solutions. Built on three core pillars, our strategy focuses on leveraging our advantaged production platform, expanding our technology driven and differentiated product portfolio, and delivering sustainable, long term value for customers, shareholders and society.

Our approach ensures that every decision across the organisation supports our ambition to lead in premium polyolefins, accelerate growth in high value markets, and contribute to a more sustainable future for the communities we serve.



Our Strategic Pillars

Excellence

HSE and operational excellence

- Maintain industry-leading safety standards.
- Optimise asset utilisation and reliability.
- Continuously improve operational efficiency.

Innovation and commercial excellence

- Leverage Borealis proprietary Borstar® technology to deliver differentiated, high performance products.
- Collaborate with Borealis innovation hubs to create cutting-edge solutions.
- Optimise commercial operations to drive growth and value creation, leveraging industry best practices and technologies.

AI & Digital Technology (AIDT)

- Leverage AIDT to improve productivity, accelerate innovation and enhance processes.
- Build strategic partnerships to enhance and deploy AI solutions.
- Promote AI awareness and adoption across the organisation and upskill the workforce.

Growth

A growing portfolio of differentiated solutions

- Expand the product range for emerging applications and growth markets.
- Develop sustainable solutions addressing global megatrends.
- Strengthen value selling and differentiation to achieve through the cycle premia and reinforce market leadership.

Growing circular economy solutions

- Increase production of recyclable and recycled content products.
- Collaborate with partners to advance circularity initiatives across the value chain.

Value accretive capacity expansion projects

- Complete the Borouge 4 expansion to increase production capacity by 1.4Mtpa.
- Explore international growth opportunities, including the planned specialty polyolefins plant in Fujian Province, China.
- Complete asset debottlenecking project at Ruwais to further increase production capacity by 0.2Mtpa.

Identity

Strong and cohesive identity and culture

- Foster a culture of innovation, accountability and sustainability.
- Promote diversity and inclusion across the organisation.

Corporate citizenship and ESG commitment

- Advance towards net-zero emissions target by 2045.
- Support local communities and contribute to the UAE’s economic diversification agenda.

Borouge branding

- Strengthen brand recognition as a leader in innovative polyolefin solutions.
- Enhance customer engagement through direct sales channels.

Excellence

Borouge's commitment to excellence spans HSE, operations, innovation, and commercial practices.

We continuously strive to enhance operational efficiency, maintain industry-leading safety standards, and leverage cutting-edge technologies to drive innovation.

Our focus on excellence ensures we deliver superior products and maintain our competitive edge in the global polyolefins market.

Asset utilisation

● 102%PE ● 100%PP

PO production

● 5.1Mt



HSE and operational excellence

HSE excellence underpins Borouge’s commitment to protecting people, the environment, and operational integrity. It covers asset integrity and process safety, learning, contractor management, competence, occupational health, environment, business continuity, and culture, driven by strong governance and continuous improvement.

Operational excellence at Borouge is driven by maximising asset utilisation, elevating production efficiency, and deploying advanced technologies. Our record production, exceptional asset reliability, and outstanding PP and PE utilisation rates reflect the strength of Production Excellence, Asset Management Excellence, and Technical Excellence. Together, these capabilities, reinforced by improved planning, cost-efficiency gains, and adoption of best demonstrated practices, sustain industry-leading safety, reliability, and operational performance.



What we did in 2025

- Strengthened asset integrity and process safety performance by improving the reliability of safety-critical equipment, maintaining preventive maintenance discipline, strengthening alarm management, and closing risk-assessment actions on time.
- Sustained a proactive occupational health programme through targeted screening, early intervention, and well-being initiatives, with strong focus on heat-stress prevention.
- Maintained environmental performance by improving waste management controls and strengthening emissions monitoring and control.
- Executed the Borouge 3 turnaround safely and successfully through early readiness planning, strong contractor onboarding, disciplined work controls, and visible field leadership.
- Accelerated enterprise transformation by improving turnaround efficiency, minimising planned downtime, reducing operational and logistics costs, enhancing digital training and quality systems, and strengthening overall capability through targeted improvement initiatives.
- Advanced autonomous-operations capabilities through a successful proof of concept, progressing toward a fully AI-enabled control-room environment and reinforcing leadership in digital innovation.

Plans for 2026 and beyond

- Strengthen operational readiness through safer and more controlled start-ups, tighter operational oversight, and wider use of digital tools and technology.
- Improve employee and contractor performance by strengthening supervision quality, advancing learning and welfare governance, and closing critical competence gaps.
- Further elevate HSE maturity by strengthening incident insight, embedding requirements into day-to-day work, refining leading indicators, and strengthening business continuity resilience.
- Enhance operational performance and reduce costs by improving production efficiency, minimising losses, optimising product planning, and strengthening value-chain effectiveness, supported by broader digital enablement, advanced control systems, and scalable automation tools.
- Increase reliability and build long-term technical resilience through predictive, digitally supported maintenance, more efficient shutdown execution, stronger investment governance, wider use of smart-factory solutions, and advanced monitoring and detection capabilities.
- Develop a future-ready workforce by deepening employee engagement, expanding skills, and leveraging AI-driven learning, while operational functions focus on maximising output, maintaining uninterrupted services, improving energy efficiency, and scaling real-time digital insights for better performance.

Total Recordable Incident Rate (TRIR)*

● 0.07

● ZERO

Process Safety Events (T1/ T2)

Total PO production

● 5.1Mt

Utilisation rate

● 102% PE
100% PP

Overall Asset reliability

● 98%

* TRIR: The number of injuries per 1,000,000 hours worked.

Innovation and commercial excellence

We maintain a strong focus on innovation, further complemented through collaboration with Borealis. By leveraging Borealis' proprietary Borstar® technology, we develop differentiated and sustainable solutions with superior properties, driving continuous innovation to support value creation and circular economy.

We leverage AI and digitalisation to increase the speed-to-market of new products, pioneer new applications and lock-in value chain and key customers, while implementing dynamic business management to achieve optimal margin realisation. In this way, we provide premium differentiated solutions across the largest and fastest growing markets, leveraging our direct sales network to build intelligence and tailor products to capitalise customer demand.



What we did in 2025

- Launched six polyethylene products, highlighted by the new healthcare grade Bormed™ LH6607 PH, building on the earlier introduction of Bormed™ RG868MO to further expand our healthcare portfolio. In parallel, we introduced Borsafe™ HE3490LSH RC, a next generation PE100 RC+ pipe grade offering superior durability, surface quality, and resistance to slow crack growth.
- Launched four polypropylene grades, including BH555MO, a best in class block PP grade engineered for exceptional impact strength and stiffness, even at low temperatures, and RD201CF, a high performance PP grade designed to deliver cost efficiency and superior film properties for Cast Polypropylene (CPP), Biaxially Oriented Polypropylene (BOPP), and Polyolefin (POF) films.
- Strengthened our circular economy solution offerings with the development of an ultra thin 14 micron (14 μm) fully recyclable Machine Direction Oriented (MDO) PE film – the thinnest and most economical MDO PE blown film on the market – developed in collaboration with Reifenhäuser.
- Launched digital tools and platforms to reduce time to market for new products and enhance customer engagement and experience.
- Launched our new Customer Business Model to better understand and segment our customers, placing customer needs at the centre of our strategy, and introduced a new Service Level Offering concept to better serve customers and improve retention.
- Enhanced our Customer Portal by adding Chinese language support and real time shipment tracking, improving order visibility and transparency for customers.

- Implemented real time customer sentiment tracking through post invoice feedback to strengthen engagement and drive continuous improvement.
- Leveraged GenAI to aggregate and synthesise competitive intelligence, macroeconomic trends and market insights, while deploying Large Language Models to power knowledge based customer support – enabling rapid access to in house technical expertise and tailoring of solutions.

Plans for 2026 and beyond

- Develop product portfolio and prepare market readiness for upcoming Borouge 4 expansion.
- Leverage new technologies to improve the speed of innovation.
- Continue to work closely with our partners, including the Borealis innovation team, to sustain high differentiation in product portfolio.
- Revise and update the Commercial Academy to equip Borouge workforce with up-to-date knowledge and competencies development.
- Optimise our internal processes to improve our agility in addressing customers' needs; leverage digital technologies and AI to drive commercial excellence and deliver superior value to our customers.
- Deploy advanced digitalisation to streamline commercial operations, harnessing data-driven tools to deliver actionable customer insights that maximise profitability, elevate customer experience, and empower strategic decision-making.

● **10**
new products launched

● **+20%**
of sales volume from new product innovations

● **5.4Mt**
record sales volume

● **+1,400**
patent cases

AI & Digital Technology

Borouge is a leading global enterprise in AI-driven transformation, leveraging our strong foundational pillars, including:

- **Robust AIDT Governance:** A centralised and empowered framework that evaluates the value proposition of expanding AIDT’s scope, ensuring alignment with broader strategic objectives and accelerating implementation.
- **Talent Development and Innovation Culture:** A comprehensive upskilling programme designed to enhance workforce capabilities through targeted learning opportunities, supported by strong collaborations with academic institutions to build internal capabilities.
- **Strategic Expertise:** Deep partnerships with ADNOC and Borealis, granting access to world-class AI capabilities and technology leadership.
- **Global Partnerships:** Collaborations with leading service providers to leverage emerging technologies and deliver best-in-class solutions.
- **End-to-End Transformation:** AIDT initiatives driving impact across Borouge’s entire value chain – from the world’s largest integrated PO complex and supply chain operations to sales and marketing, innovation and research, HSE, and business support functions – accelerating AI-driven value creation across all assets.
- **Modern Digital Infrastructure:** Advanced, cutting-edge IT and digital infrastructure designed to enable and unlock the full potential of AI across critical business processes.
- **World-Class Talent Pool:** Building a future-ready, resilient workforce through industry-leading talent development strategies.

What we did in 2025

In 2025, Borouge successfully implemented the AIDT Programme through robust governance and full value-chain integration, delivering USD 717 million in value. Key achievements include:

- **AI-Enabled Autonomous Operations:** Advanced Phase I of autonomous control rooms leveraging agentic AI for real-time decision-making, operational safety, and risk mitigation in collaboration with strategic partners.
- **3D Printing & Digital Warehouse:** Produced 450+ critical spare parts via 3D printing, significantly reducing cost, lead time, and inventory carrying costs.
- **Robotic Sphere Inspection:** Deployed robotics for spherical tank inspections during turnaround, enhancing safety and reducing turnaround time and costs.
- **Supply Chain Agentic Hub:** Transformed logistics and supply chain operations into fully AI-enabled processes through a centralised digital hub for demand planning, price forecasting, and inventory optimisation.
- **RealWear Z1 Navigator:** Full-scale deployment of intrinsically safe, voice-activated wearable devices for frontline teams in hazardous environments.
- **Talent Development:** Rolled out comprehensive upskilling and internally designed bespoke e-learning programmes to foster AI awareness, education, and adoption across the organisation.
- **Key accolades:** Received the GPCA Supply Chain Innovation Award and two Industry Eagle Awards – Gold for S&OP Quintiq and Bronze for our AI-driven demand planning solution.

Plans for 2026 and beyond

- Focus on unlocking internal and external opportunities to accelerate value generation through AI and digital transformation.
- Implement a robust solution pipeline is in place to deliver high-impact, targeted initiatives, while workforce capabilities will be strengthened through the core pillars of Excite, Educate, and Engage, ensuring innovation and digital adoption remain central to our strategy.
- Leveraging structured change management, we will drive successful implementation of these solutions and continue forging strategic partnerships with global market leaders to further enhance our position and technological capabilities.



● **Full-scale**
enablement of our AIDT Programme across the value chain

● **1,700+** employees
(i.e. more than 65% of our employees) actively participated in new comprehensive AI upskilling programme

● **USD 717 million**
in value generated through AIDT

● **25+**
strategic partners

● **150+**
implemented solutions



Excellence

Strategy in action

Case study 1

Largest turnaround in Borouge’s History

Every six years, Borouge conducts major plant turnarounds to ensure the safety, reliability, and long term performance of our assets. These events require a full shutdown of operations to support comprehensive inspection, cleaning, maintenance, and upgrades. In 2025, Borouge 3 underwent the largest and most complex turnaround in our history.

Through rigorous planning, the use of AI enabled scheduling tools, and strong cross functional coordination, the planned 45-day Borouge 3 turnaround was completed eight days ahead of schedule without compromising safety or quality. Optimising turnaround days generated substantial value, enabling an additional 31 kilotonnes of ethylene and 70 kilotonnes of polyolefins production.

Case study 2

AI enabled autonomous operations

In 2025, Borouge, together with Honeywell, completed a proof of concept for AI powered autonomous operations at our Ruwais facility. This milestone represents an important step in enhancing operational performance and long term competitiveness, while also supporting ADNOC’s ambition to become the world’s most AI enabled energy company. The proof of concept, conducted in a live production environment, demonstrated strong potential benefits: efficiency improvements of up to 20%, a 20% reduction in downtime, and operating cost reductions of up to 15%. It also showed clear advantages for process safety, energy efficiency and emissions reduction.

The initiative builds toward creating the petrochemical industry’s first AI driven autonomous control room, transforming operations from reactive monitoring to proactive, data driven decision making. By integrating AI, machine learning and automation, Borouge is laying the foundation for a next generation operational model that enhances reliability, optimises performance and strengthens sustainability across our facilities.

Case study 3

Advanced polymer simulations

Our new product development cycle has relied heavily on physical testing of lab or pilot plant prototypes, making the process resource-intensive and time-consuming. To overcome this, we are implementing AI and Machine Learning (ML) to build an internal predictive model that eliminates trial-and-error synthesis and enables accurate predictions for efficient polymer space exploration for a pilot grade.

This initiative is accelerating the discovery of innovative polymers and streamlining development steps. As part of the rollout, time-to-market for pilot-grade is reduced by 60 days, unlocking approximately USD 1.5 million.

Case study 4

3D warehouse and printing for critical spares

The cracker furnace faced a challenge with the side-wall burner spares when the original supplier quoted an unworkable eight-month lead time. The team turned to advanced 3D printing, replicating the design, enhancing the material, and producing the parts locally. Manufacturing and installation were completed on-site in three weeks.

This success highlights the value of a digital warehouse for rapid prototyping, customised part production, and reduced costs and lead times across multiple instances. The initiative delivered a gain of USD 3.8 million.

Case study 5

RealWear smart glasses

Currently, there is no provision for real-time remote assistance when addressing process safety issues at the plant. The introduction of AI-enabled, voice-operated RealWear smart glasses, integrated with standard safety helmets, offers a comprehensive solution to enhance process safety and strengthen real-time communication with subject-matter experts during critical field interventions.

This technology enables safe and seamless collaboration with experts – or other key stakeholders – while operating in hazardous environments. In addition to improving response effectiveness, it can also deliver measurable operational efficiencies, including the reduction of international travel requirements for multiple specialists. Moreover, minimising the number of personnel physically present at high-risk sites can significantly reduce the likelihood of workplace incidents.

Growth

Our growth strategy focuses on expanding our portfolio of differentiated solutions, advancing circular economy initiatives, and pursuing value-accretive capacity expansion projects.

By leveraging Borealis' proprietary technologies and market insights, we aim to capture opportunities in high-growth regions and emerging applications, ensuring sustainable long-term growth for Borouge.



Growing portfolio of differentiated solutions

We drive product differentiation through our Borstar® PE, Borstar® PP and Borlink™ technology platforms, delivering innovative solutions aligned with sustainability priorities and major socioeconomic megatrends. Our strategy remains focused on enabling circularity, expanding our infrastructure and energy solutions, and enhancing customer value through digitalisation and innovation.

Looking ahead, we will continue to strengthen our differentiated product portfolio, advance our cross linked polyethylene (XLPE) production capabilities, and apply value selling to maintain competitive advantage and achieve through the cycle premia.



What we did in 2025

- Continued to target high value market segments, such as energy and infrastructure solutions, through strong growth in high value XLPE and Jacketing products, reinforcing market leadership and customer value.
- Launched the upgraded BorSafe™ HE3490LSH RC, a next generation PE100 RC+ pipe grade delivering benchmark durability, surface quality, and slow crack growth resistance. Borouge was the first in Asia to meet the enhanced PE100-RC+ standards.
- Advanced our sustainable packaging platform by expanding the use of Anteo™ FK1510 and FK1516 across our renewed flexible packaging portfolio, achieving step change improvements in sealing integrity, consumer safety, and conversion efficiency.
- Introduced a fully recyclable mono material packaging solution in collaboration with Siegwerk and TPN Food Packaging.
- Won the Innovation Excellence Award at Make it in the Emirates (MIITE) 2025 for pioneering product and leading innovation excellence.
- Secured two honours at the Asian Innovation Excellence Awards 2025, recognising leadership in digital transformation and sustainable materials. Our blockchain-powered TradeChain platform was named UAE Technology Innovation of the Year, and our fully recyclable mono-material PE pouch won UAE Business Product Innovation of the Year. In addition, our new BorSafe™ PE pipe grade, launched in September, was recognised as New Product of the Year at the Asian Oil & Gas Awards.

Plans for 2026 and beyond

- Continue to drive product differentiation and value selling of new products to achieve through the cycle pricing premia.
- Expand XLPE capacity through Borouge 4 to meet growing demand for advanced energy and power cable applications, while advancing new Extra High Voltage (EHV) wire and cable product development from our Ruwais assets to reinforce our innovation pipeline and strengthen competitive advantage.



10 product launches in 2025

USD94M of value generated through innovation

20% increase in circular product sales

Highest-ever 5.4Mt polyolefins sales volume

Quality price premium of USD224/t for PE and

USD134/t for PP over product benchmarks

Growing circular economy solutions

We have developed a comprehensive circular economy strategy and recycling roadmap, and are expanding our network of mechanical recycling partners across all regions to grow our recyclate portfolio under our new Recleo brand.

Working closely with customers and value chain partners, we have also developed smart solution concepts that enable 100% recyclability across a broad range of industries and applications. Excelling in circular offerings will help us increase sales of our Borstar® virgin polyolefins by delivering synergistic solutions that incorporate higher levels of recyclates or improve end product performance through advanced design and material innovation.



What we did in 2025

- Expanded our network of mechanical recycling partners to more than 25 across Borouge territories.
- Delivered strong growth in recyclate sales by accelerating application development that incorporates post consumer recycled (PCR) polyolefins into virgin materials, including:
 - 20% rLDPE inclusion in collation shrink film for soft drink and water bottle packaging in India to support new PCR content legislation.
 - Our first HD PCR/HD virgin compound, addressing rising FMCG demand for sustainable blow moulding solutions such as shampoo, detergent, and lubricant oil bottles.
- Expanded global access to premium sustainable automotive compounds through newly commercialised PCR based grades combining 40% PCR with 20% glass fibres, meeting stringent purity, fogging, and odour requirements while reducing carbon footprint by approximately 36% versus virgin material.
- Strengthened leadership in mono material packaging solutions, developing an award winning 100% recyclable PE pouch with Siegwerk and TPN Food Packaging featuring advanced barrier performance and de inking capability; recognised at the Asian Innovation Excellence Awards 2025.
- Deepened downstream engagement with more than 10 brand owners and retailers, generating over 10 new growth opportunities.
- Introduced Recleo, our new brand for mechanical recycled solutions, developed with Borealis to offer a full range of high quality recyclates from rLD, rHD and rPP to PCR containing compounds with virgin polyolefins.
- Signed a MoU with Ningbo Dabashou and Ningbo Hajing in China to establish a waste to recycling ecosystem using AI based collection systems, supported by World Bank funding.

Plans for 2026 and beyond

- Prepare to commercially launch additional high quality, value added PCR/polyolefin compounds for demanding applications to enhance performance, circularity, and customer value.
- Expand polyolefin based mono material solutions through Design for Recyclability (DfR) initiatives to support virgin polyolefin growth, while deepening collaboration with recycling partners to improve operations, product properties, and recyclate quality – extending circular solutions beyond packaging into infrastructure and mobility markets.
- Intensify cooperation with Ningbo circular partners to establish a waste to recycling ecosystem, creating a model setup for achieving Circular Excellence in China.
- Continue to promote youth education and advocacy through our Polymers on the Move (POTM) programme.

Recycling partnerships located across

3

Borouge sub-regions, across nine countries, enhancing accessibility

25+ recycling partners

25+ value chain collaborations



Value accretive capacity expansion projects

The Borouge 4 project aligned with our 2030 Strategy to increase total polymer nameplate capacity from 5.0Mtpa to 6.4Mtpa.

Borouge 4 is an integrated, state-of-the-art, capital-efficient petrochemical complex that add additional capacity to one of the world's largest integrated polyolefin complexes.

Additional capacity expansion of 200 ktpa of the existing site is planned through the EU2 Cracker, PE4 and PE5 asset revamp projects. The feasibility of capacity expansion in China is another expansion project that is currently in progress.



What we did in 2025

Borouge 4 megaproject

- Progressed Borouge 4's engineering, procurement and construction (EPC) phase to approximately 94% completion, achieving major milestones including completion of the XLPE 2 plant and utilities, installation and trial of the world's largest single line extruder, and readiness of key utilities such as the flare and steam systems.
- Commenced commissioning of XLPE 2 – the first Borouge 4 unit – at the end of 2025, more than doubling Borouge's cross linked polyethylene capacity to 180 ktpa.
- Borouge 4 project has achieved over 180 million man-hours with a TRIR* of 0.07 with over 24,000 personnel on site.
- Commercial readiness of Borouge 4 is progressing well which is enabled by a finalised customer segmentation, a completed Service Level Offering catalogue, concrete business plan and finalised logistics contracts. Additionally, an enhanced customer database enables increased volume potential and activation of new customers to drive Borouge 4 product sales.
- A streamlined organisational structure and defined recruitment timelines are in place to ensure the human capabilities required for Borouge 4 sales execution.

Ruwais expansion

- Completed Front-End Engineering Design (FEED) for the expansion of the second ethane cracker (EU2)
- Awarded the EPC contract for the expansion and refurbishment of the PE4 and PE5 production units.
- Completed the feasibility study for the expansion of the third ethane cracker (EU3) and progressed into pre-FEED activities.

China JV

- Completed a feasibility study for a proposed greenfield project with Wanhua Chemical, to produce specialty polyolefins in China.

Plans for 2026 and beyond

Borouge 4 megaproject

- Commissioning of the Borouge 4 units is expected through 2026, delivering additional value to Borouge and our shareholders, driving revenue growth and delivering additional value to Borouge and our shareholders.

Ruwais expansion

- Ruwais expansion: EPC work on the PE4/PE5 revamp is advancing toward a 2027 start-up, with the pre-FEED contract for the EU3 cracker expected to be awarded in 2026.

China JV

- Decision on next steps for a proposed greenfield project with Wanhua Chemical is a focus during this year.

Borouge 4

- reached 94% completion as at 31 December 2025
- 180 million project to date (PTD) man hours
- 0.07 PTD TRIR*

Ruwais expansion

- FEED completed for EU2 expansion; EPC contract for PE4 and PE5 awarded with project progressing well
- Feasibility study completed for EU3 cracker expansion, progressing to pre FEED

* TRIR: The number of injuries per 1,000,000 hours worked.

Growth

Strategy in action

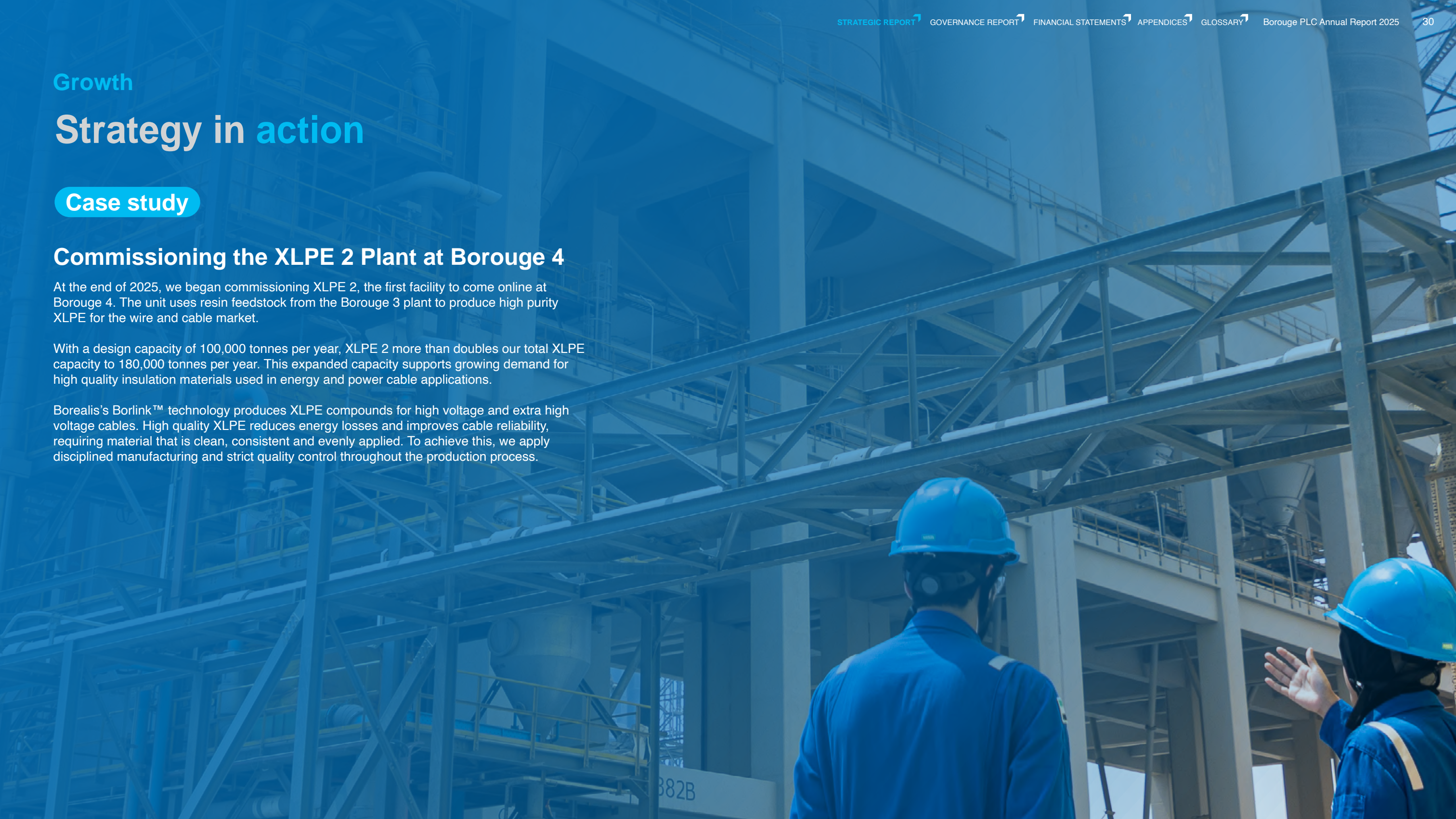
Case study

Commissioning the XLPE 2 Plant at Borouge 4

At the end of 2025, we began commissioning XLPE 2, the first facility to come online at Borouge 4. The unit uses resin feedstock from the Borouge 3 plant to produce high purity XLPE for the wire and cable market.

With a design capacity of 100,000 tonnes per year, XLPE 2 more than doubles our total XLPE capacity to 180,000 tonnes per year. This expanded capacity supports growing demand for high quality insulation materials used in energy and power cable applications.

Borealis's Borlink™ technology produces XLPE compounds for high voltage and extra high voltage cables. High quality XLPE reduces energy losses and improves cable reliability, requiring material that is clean, consistent and evenly applied. To achieve this, we apply disciplined manufacturing and strict quality control throughout the production process.



Identity

Borouge's identity is rooted in a strong corporate culture that values innovation, sustainability, and diversity.

We are committed to fostering a cohesive identity that resonates with our employees, customers, and stakeholders. Our focus on corporate citizenship, ESG commitments, and brand enhancement reinforces our position as a responsible leader in the polyolefins industry.



Strong and cohesive identity and culture

We foster a unified culture by prioritising employee engagement, leadership development, and skill-building initiatives.

Through tailored programmes, mentorship opportunities, and a redesigned onboarding experience, we strive to ensure that our employees feel valued and aligned with our core values, creating a collaborative and inclusive work environment that drives long-term success.



What we did in 2025

- Established Culture Tuesdays, a vibrant, weekly engagement platform that strengthened connection, creativity, and community across the organisation through high-participation events led by our Culture Influencers.
- Advanced our Culture Renovation Programme, rolling out the Culture Toolkit to over 50% of employees, covering key topics including Fail Fast, Recover Safe and Effective, Open Communication, with specialised modules delivered to line managers to enhance leadership capability and embed a high-performance culture.
- Supported work-life balance through dedicated sessions delivered in partnership with ADNOC Medical and Well-being and the Family Development Foundation, offering practical tools for managing professional and family responsibilities. We also hosted #AMRemarkable Google workshops in Abu Dhabi and Ruwais to empower women to recognise and celebrate their achievements.
- Introduced the Himma youth initiative, spotlighting emerging Borouge talent and fostering cross-generational collaboration and capability building.
- Launched the Toastmaster Programme, providing a safe and supportive environment for employees to strengthen presentation and communication skills, build confidence, and expand networks across the organisation.
- Developed future leaders through the Elite Programme, supporting young talent in building strong communication skills and expanding their professional networks, as part of their long-term growth journey.

Plans for 2026 and beyond

- Continue to drive our accelerated growth ambitions and maintain momentum, ensuring impact through ongoing engagement and collaboration.



• **68,305+**
hours of training across all programmes

• **344+**
HSE training sessions for
8,530
participants

• **35**
sessions under the
Leadership Ecosystem
Programme

Corporate citizenship and ESG commitment

We are focused on sustainability through our net-zero by 2045 targets, gender balance goals, and environmental initiatives. By advancing the AI Ruwais Environmental Sustainability Programme and fostering community engagement, we actively address global challenges while promoting responsible growth and social impact.



What we did in 2025

- Achieved significant emissions reductions, with Scope 1 emissions down 27% against a 2025 target of 22%, and Scope 2 emissions reduced by 36% against the 2025 target of 19%, compared to the 2018 baseline.
- Launched the Executive Coaching for Women Programme, pairing high-potential female employees with senior executives (VP level and above) to build resilience, enhance decision-making and accelerate leadership development.
- Delivered community outreach programmes and CSR initiatives, strengthening our contribution to society and supporting key community partners, with a total investment of AED 300,460.
- Continued progress toward our 2045 net-zero target, with projects implemented in 2025 reducing more than 44 KtCO₂e, reinforcing our long-term decarbonisation pathway.

Plans for 2026 and beyond

- Develop and implement long-term sustainability goals, including exploring electrification and carbon capture technologies.
- Focus on creating innovative polyolefin solutions that address global challenges such as circular packaging, water access, and healthcare.
- Expand efforts in promoting circular economy practices and continue to develop fully recyclable mono-material solutions.
- Enhance community engagement and CSR programmes to support local communities.
- Improve ESG performance, aiming for higher rankings and broader recognition in global ESG indices.
- Refine our transition climate risks analysis by incorporating the latest appropriate scientific references and methodologies (e.g. Life Cycle Assessments and thorough Scope 3 estimate).



● **22,932**
people reached through volunteering initiatives, reflecting our commitment to positive community impact.

Steady progress in our long-term decarbonisation journey

● **661 KtCO₂e**
cumulative reduction by 2025 and 44 KtCO₂e coming from new projects

Borouge branding

The Borouge brand reflects our position as a leader in differentiated polyolefin solutions that impacts fast-growing markets and adds incredible value to developing and emerging economies.

Through strategic communication, employee advocacy programmes, and a focus on innovation and sustainability, we reinforce our identity as a trusted brand in delivering world-leading solutions globally.



What we did in 2025

- Enhanced regional market access and building stronger relationships with customers and value chain partners through a robust local presence.
- Supported efficient product delivery with 13 logistics hubs globally, ensuring optimal margin capture and uninterrupted service during crises through alternative supply chain routes.
- Reinforced our identity as a trusted global leader in differentiated polyolefin solutions through strategic communication initiatives and employee advocacy programmes.
- Launched a strategic supply chain transformation, including a landmark partnership with Etihad Rail and the opening of a dedicated, one-million-square-metre freight terminal in Al Ruwais Industrial City. In its first year of operation, the rail network transported more than 700,000 tonnes of polyolefins, marking a major shift toward safer, more efficient, and more sustainable large-scale distribution.
- Strengthened trade efficiency through a strategic partnership with Abu Dhabi Customs, leveraging blockchain-enabled data sharing and real-time system integration to streamline import and export processes, accelerate customs clearance, reduce logistics costs, and enhance transparency, compliance and risk management across Borouge's supply chain.

Plans for 2026 and beyond

- Continue the global brand ambassador programme to empower employees as advocates of Borouge's values and solutions.
- Strengthen digital engagement strategies to improve customer experiences and foster deeper connections with stakeholders.
- Expand the direct sales network to cover additional high-growth regions and emerging markets.
- Develop multimedia campaigns showcasing Borouge's role in addressing global challenges through innovative polyolefin applications.
- Continue investing in sustainability-focused branding initiatives to highlight the recyclability and environmental benefits of Borouge's product portfolio.

● **74%**
sales from direct sales network

● **10**
new products launched in 2025



Identity

Strategy in action

Case study 1

Strengthening employee health, safety and environment ownership

Building a strong safety culture requires active participation from the frontline teams who operate and maintain our assets every day. During the year, our Asset HSE champions led a sustained engagement programme across all shifts to reinforce frontline ownership of safety priorities and strengthen awareness of process safety fundamentals. The initiative was designed around short, interactive shift sessions that allowed teams to engage with practical safety topics in a clear and accessible format. Discussions focused on areas such as process safety fundamentals, learning moments and the importance of speaking up when weak signals are identified. The programme established a consistent routine for reporting, discussing and acting on process safety observations, ensuring that issues were addressed promptly and transparently. Participation was maintained across every shift, with visible leadership support and a strong focus on closing follow up actions quickly and effectively.

Through this structured approach, the programme strengthened frontline engagement and improved the sharing of early warning signals across our operations. It also reinforced a sustained focus on preventing major process safety events, helping to embed a culture of accountability, awareness and continuous improvement across our workforce.

Case study 2

Well-being and healthy heart campaign

Protecting the health and well-being of our workforce is a core priority and an essential component of safe and reliable operations. During the year, we delivered a targeted well-being programme focused on the early detection and prevention of cardiovascular health risks across our workforce, extending the initiative to include contractor personnel working across our facilities.

The programme combined health screening and structured risk identification to support higher risk groups and enable timely medical intervention where required. Early intervention pathways and medical follow up were established to ensure that individuals received appropriate care and guidance. At the same time, contractor health compliance was strengthened through enhanced medical fitness checks and improved tracking systems. Awareness was reinforced through regular well-being sessions and practical guidance designed to help employees and contractors better understand and manage cardiovascular health risks.

Through this proactive approach, we improved early detection and follow up while strengthening workforce well-being support across our operations. The initiative also enhanced our ability to manage health-related risks more effectively, reinforcing our commitment to safeguarding our people and maintaining a safe working environment.



Chief Financial Officer's Review

Exceptional financial performance



Borouge delivered an exceptional performance in 2025 across key metrics, underpinned by record sales volumes of 5.4 million tonnes in a softer pricing environment.

Jan-Martin Nufer
Chief Financial Officer

We reported net profit of USD 1.1 billion, ahead of market expectations, and strengthened our innovation pipeline with 10 new grade launches, reinforcing our leadership in differentiated polyolefin solutions. Our ability to capture healthy price premia and focus on high-value segments continued to set us apart.

Despite the challenging global polyolefins backdrop, Borouge delivered an industry-leading adjusted EBITDA margin of 37% and a net profit margin of 19%. Robust cash generation and disciplined capital allocation underpin our commitment to shareholder returns.

For full-year 2025, we intend to pay an increased dividend of 16.2 fils per share (c. USD 1.3 billion). Looking ahead, we remain focused on operational excellence, disciplined cost management and commercial optimisation to support resilient cash flow through the cycle, while positioning the business to capture long-term polyolefins demand growth across high-value market segments.

A resilient and high-quality performance despite market headwinds

Borouge delivered a highly resilient financial and operational performance in 2025, reporting net profit of USD 1.1 billion and adjusted EBITDA of USD 2.2 billion. This strong result was achieved despite a softer pricing environment, reflecting disciplined execution, cost efficiency and commercial agility.

Production reached 5.1 million tonnes, above our nameplate capacity despite the B3 turnaround executed in Q2, driven by exceptional utilisation rates across the year, including record utilisation achieved in Q4 2025. Sales volumes grew to 5.4 million tonnes – the highest in our history. This outstanding operational reliability, combined with effective commercial optimisation and a focus on the highest-netback markets, underpinned our robust earnings delivery. Demand in our core geographies – Asia Pacific, the Middle East and Africa – remained healthy, with high-value

infrastructure and energy solutions accounting for 38% of total polyolefin sales. Our differentiated, value-added product portfolio enabled us to maintain a strong quality price premium, with PE sales prices averaging USD 1,046 per tonne (27% above benchmarks) and PP sales prices averaging USD 985 per tonne (16% above benchmarks). This consistent quality price premium reflects the strength of our innovation, customer relationships and high-quality solutions.

Maintaining our position as one of the sector's most profitable producers

Borouge delivered strong top-line and operational performance in 2025. Revenue of USD 5.8 billion declined 3% year-on-year due to lower product pricing, but this was offset by strong volumes and continued operational efficiency. Adjusted EBITDA of USD 2.2 billion translated into an industry-leading 37% EBITDA margin, highlighting our ability to protect earnings through premium pricing, disciplined cost control and operational excellence. Net profit of USD 1.1 billion, while 11% lower year-on-year, represented a 19% net profit margin, placing Borouge among the most profitable polyolefins producers globally and significantly outperforming peer averages in the sector. Capital expenditure rose to USD 308 million, reflecting the scheduled B3 turnaround and our continued investment in safe operations, reliability and long-term growth capabilities.

Chief Financial Officer’s Review

Borouge’s business model continues to generate strong cash flow across market cycles, underpinned by our first quartile cost position and quality price premium for our products.

Robust balance sheet and strong cash flow generation supporting industry-leading shareholder returns

Borouge’s business model continues to generate strong cash flow across market cycles, underpinned by our long-term and stable feedstock agreement with ADNOC through 2057, along with our first-quartile cost position, industry-leading Borstar® technology and sustained focus on high-growth, high-value markets. In 2025, we generated adjusted operating free cash flow of USD 1.9 billion, maintaining a healthy 86% cash conversion rate.

We declared and paid a dividend of 8.1 fils per share (USD 663 million) in September 2025 and intend to pay an additional 8.1 fils per share in April 2026, following the AGM, in line with our 2025 dividend commitment of 16.2 fils per share.

Our 2025 share buyback programme has also been highly successful. We repurchased approximately 212 million shares by year-end, reflecting our confidence in the company’s valuation and long-term outlook.

Total shareholder return for the year reached 16 %, materially outperforming the global petrochemical peer group. We ended 2025 with net debt of USD 2.7 billion, broadly unchanged year-on-year, including USD 427 million in cash and equivalents. Our USD 500 million revolving credit facility remains undrawn, and we closed the year with a strong net-debt-to-EBITDA ratio of 1.2x, providing ample financial flexibility.

Accelerating growth through cost discipline, digitalisation and value creation

Borouge retains a first-quartile global cost position, supported by scale, efficient operations and access to competitive feedstock. Our Value Enhancement Programme, launched in late 2022, continued to deliver meaningful improvements across operational excellence, commercial optimisation and cost efficiency. Fixed costs remained disciplined at USD 648 million, broadly flat versus 2023 and 2024.

In parallel, our AIDT programme delivered USD 717 million in value during 2025, significantly exceeding our USD 575 million target. These initiatives enhance production efficiency, improve customer experience and strengthen long-term competitiveness.

Borouge 4: A major step forward in our growth journey

The Borouge 4 expansion, a cornerstone of our long-term strategy, advanced to 94% completion by year-end 2025. The first unit, XLPE 2, entered commissioning in December.

The remaining units will be commissioned progressively throughout 2026. Once fully operational, Borouge 4 will add 1.4 million tonnes of annual capacity, enhancing our ability to serve fast-growing markets and expand our range of differentiated solutions.

Driving transformational growth

During 2025, we laid the foundations for a new era of growth, with the proposed formation of Borouge Group International, combining Borouge, Borealis and Nova Chemicals.

The transactions completed in March 2026, creating a global polyolefins leader with enhanced scale, expanded innovation capabilities and unmatched access to major demand centres.

Our priority for 2026 is executing seamlessly on this transformation while ensuring operational continuity and advancing our performance and productivity programmes.

Key highlights



Adj. EBITDA margin
(FY 2025)

37%



Net profit margin
(FY 2025)

19%



Cash conversion
(FY 2025)

86%

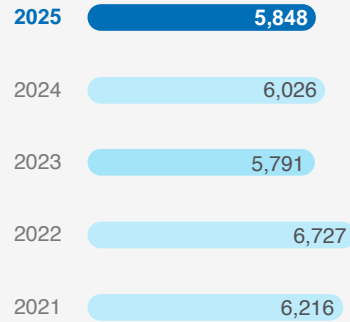


Net Debt to EBITDA
(FY 2025)

1.2x

Key metrics

Revenue **\$5,848m**
(USD m)



Strategic relevance

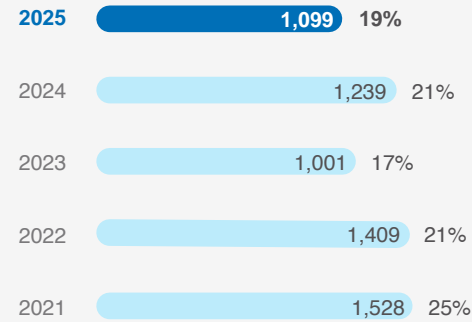
Borouge maintains resilient revenue performance supported by strong and sustained demand across core markets.



Performance

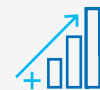
Revenue of USD 5,848 million in 2025, supported by record sales volumes and continued premium pricing for differentiated products. The year-on-year decline was mainly driven by lower realised pricing in a softer market environment.

Net profit and margin **\$1,099m**
19% margin
(USD m and %)



Strategic relevance

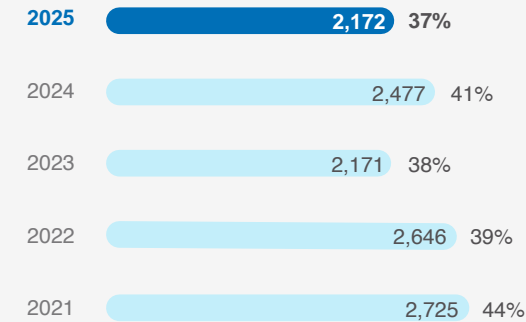
Borouge's goal is to maintain sustainable profitability over the medium term.



Performance

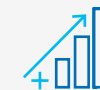
Net profit reached USD 1,099 million in 2025, exceeding market expectations and supported by exceptional operational performance, record sales volumes and strong cost discipline. Despite softer market pricing, Borouge delivered an industry-leading profit margin of 19%.

Adj. EBITDA and margin **\$2,172m**
37% margin
(USD m and %)



Strategic relevance

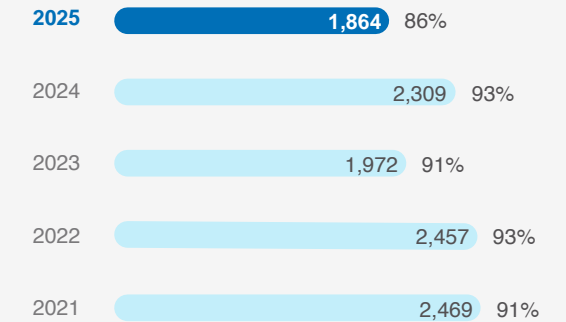
Industry-leading EBITDA margins highlight Borouge's operational excellence and premium product positioning.



Performance

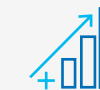
Maintained an industry-leading EBITDA margin of 37% in 2025, driven by strong operational performance and record sales volume.

Adj. operating FCF and cash conversion **\$1,864m**
86% cash conversion
(USD m and %)



Strategic relevance

Strong cash generation enables investment in growth while supporting attractive shareholder returns.



Performance

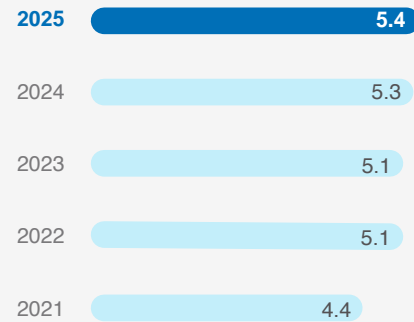
Delivered USD 1,864 million in adj. operating free cash flow, supporting Borouge's dividend, and achieved a solid 86% cash conversion. The year-on-year decline primarily reflects higher capital expenditure, primarily related to the planned Borouge 3 turnaround successfully executed in Q2 2025.

Key metrics

Sales volumes

5.4Mt

(mt)



Strategic relevance

Strong production and sales volumes demonstrate operational excellence and strong market demand.



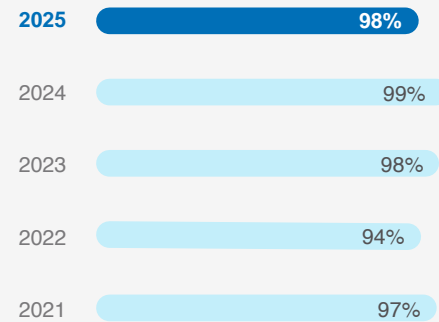
Performance

Achieved record sales volumes of 5.4 mt in 2025, reflecting resilient commercial performance. High-value segments such as energy and infrastructure solutions accounted for 38% of total sales.

Asset reliability

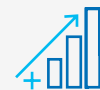
98%

(%)



Strategic relevance

World-class asset reliability underpins consistent and efficient operational performance.



Performance

Delivered asset reliability of 98% while achieving exceptional utilisation rates of 102% for PE and 100% for PP, despite successfully executing the Borouge 3 turnaround in Q2 2025 – the largest and most complex in the company’s history.



Key metrics

Average selling prices

(USD / per tonne)

Polyethylene

	Average Selling Price	Average Product Premia	Average Benchmark Price
2025	1,046	224	822
2024	1,095	197	898
2023	1,129	215	914
2022	1,318	311	1,007
2021	1,421	334	1,087

Polypropylene

	Average Selling Price	Average Product Premia	Average Benchmark Price
2025	985	134	851
2024	1,047	150	897
2023	1,016	125	891
2022	1,222	208	1,014
2021	1,313	147	1,166



Strategic relevance

Premium pricing reflects the strength of our differentiated product portfolio and the value we deliver to customers across key market segments.



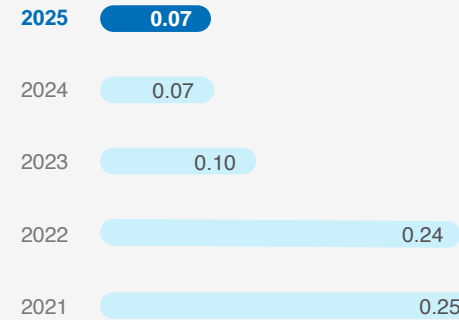
Performance

Maintained a strong quality price premium in 2025, delivering USD 224 per tonne for PE, above management guidance of USD 200 per tonne, and USD 134 per tonne for PP, broadly in line with the through-the-cycle guidance of USD 140 per tonne.

Safety excellence

0.07

Total Recordable Injury Rate (TRIR)*

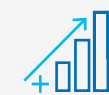


*TRIR: The number of injuries per 1,000,000 hours worked.



Strategic relevance

Safety remains our top priority across all operations.



Performance

Maintained industry-leading safety performance with a TRIR of 0.07, flat year-on-year.



Business Review - Operations



Exceptional operational performance

2025 was a defining year for Borouge. In a period dominated by the largest turnaround programme in our history, the Company delivered record polyolefin production above nameplate capacity, reaffirming the exceptional strength of our operating model. Asset utilisation reached 101%, reliability remained at 98%, and several units delivered their highest-ever annual output.

In Q4 2025, Borouge achieved a new quarterly production record of 1,464 kilotonnes, supported by outstanding utilisation rates of 119% for PE and 114% for PP. These results underscore the resilience of our operations and the material impact of the ABAX 2025 transformation programme, which drove measurable improvements across all five excellence pillars.

Our unwavering commitment to operational excellence is demonstrated by our ability to deliver more than five million tonnes of polyolefin production in a complex turnaround year, while maintaining an exceptional asset reliability of 98%.

Dr Hasan Karam
Chief Operating Officer

These achievements highlight our relentless drive to enhance asset capabilities and the world-class efficiency and resilience of our operations, enabling us to deliver consistently high output without ever compromising on HSE or quality.

Operational footprint - integrated world-class production network

Al Ruwais (UAE)

Our flagship Ruwais complex remains one of the world's largest fully integrated polyolefin platforms, with a nameplate capacity of 5 million tonnes per year. Benefitting from 90% of our assets being under 14 years old, the site consistently delivers industry-leading utilisation, energy efficiency, and HSE performance.

Shanghai (China)

Our Shanghai Compounding and Application Centres play a strategic role in serving APAC customers with tailored, high-value solutions. In 2025, the sites contributed meaningfully to production and supported deeper commercial penetration in automotive, consumer products, and mobility applications.

Abu Dhabi Innovation Centre (UAE)

A catalyst for differentiation, the Innovation Centre launched 10 new products in 2025 – including advanced healthcare solutions – and accelerated Borouge's transition to data-driven operations through digitalisation initiatives and process optimisation programmes.

Marketing HQ (Singapore)

Our presence in Singapore continued to strengthen Borouge's commercial reach across fast-growing global markets. In 2025, the Marketing HQ expanded direct customer coverage and enhanced supply chain efficiency, enabling superior margin capture and improved customer service levels.

Prioritising Health, Safety and the Environment (HSE)

Borouge maintains an uncompromising focus on health, safety, and environmental performance. The HSE Excellence Journey provides a structured, multi year approach across Asset Integrity and Process Safety (AIPS), Learning from Incidents, Contractor HSE Management, HSE Competency Assurance, Environmental Stewardship, and HSE Culture Transformation.

In 2025, Borouge sustained zero Tier 1 and Tier 2 LOPC incidents, demonstrating the strength of its AIPS framework and 100% compliance with all critical HSECES preventive maintenance requirements, alarm management targets, Safety Instrumented System (SIS) learnings, and emergency response drills. Leadership visibility remained a central driver of performance, with 624 site engagement tours, over 30,000 safety observations, and full closure of all mandatory incident actions.

The Total Recordable Injury Rate (TRIR)* remained exceptionally low at 0.07, flat year on year, despite the scale and complexity of operations including the Borouge 4 project, which accounted for a significant portion of the total 96.4 million man hours worked. Borouge also achieved 100% compliance with occupational health surveillance and medical examinations for employees and contractors, reinforcing a proactive approach to health management.

* TRIR: The number of injuries per 1,000,000 hours worked.

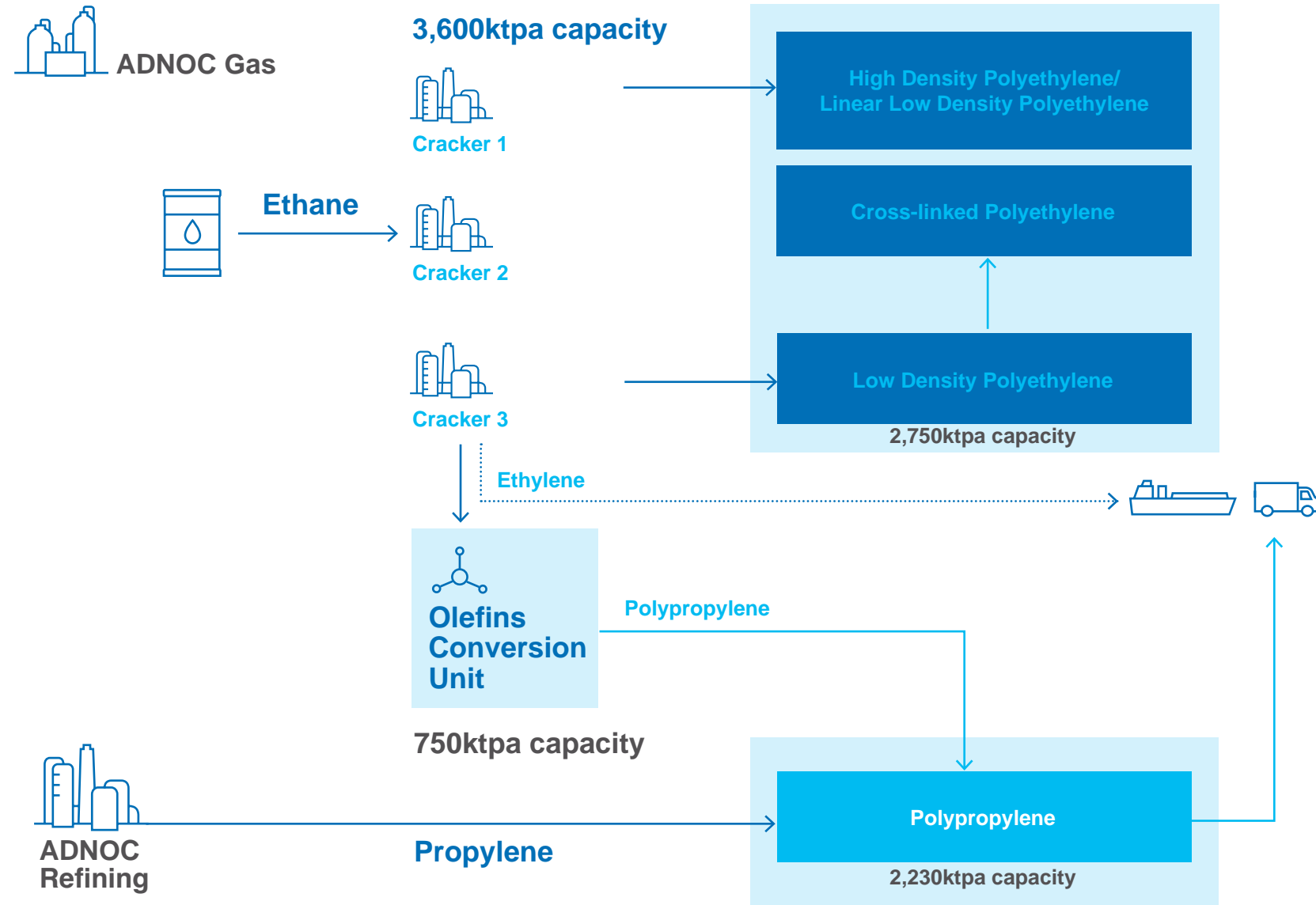
Environmental stewardship remained a key priority. Borouge achieved meaningful reductions in greenhouse gas emissions, waste generation, and flaring. The Company recycled 35% of non hazardous waste, continued the implementation of the Air Emission Monitoring System (AEMS) and fugitive emissions detection technologies, and achieved the OGMP Gold Standard for methane emissions reduction.

HSE culture transformation was further reinforced through behavioural based safety initiatives, visible leadership commitments, and employee recognition programmes. More than 75 employees were acknowledged for their contributions to safety excellence. Our strengthened HSE assurance programme ensured timely completion of all audit actions and incident learnings, while a full scale business continuity exercise demonstrated robust operational preparedness and organisational resilience.



Production Volumes
5.1Mt

Fully integrated production complex



Feedstock for AI Ruwais Complex

Borouge benefits from long-term, competitively priced feedstock supplied exclusively by ADNOC, ensuring secure volumes and strategic alignment. Current feedstock contracts extend to 2057.

	Ethane	Propylene
Supplier	ADNOC Gas Processing	~60% from ADNOC Refining and ~40% from internal Borouge sources
Volume	No minimum off-take, no contractual cap	
Contract start date	Contracts entered in October 1998, with amendments to reflect the additional volume requirements	
Contract end date	Current Feedstock Supply Agreement until 2057, includes a re-pricing mechanism due to take effect in late November 2027 (pricing mechanism due to be reviewed again in June 2045)	



Source: Company information

Production facilities

Launched in 2001, our integrated petrochemical complex in Al Ruwais Industrial City comprises Borouge 1 and five subsequent expansions — Borouge 1 Expansion, Borouge 2, Borouge 3, PP5, and Borouge 4. The site hosts a broad array of modern production units that together form one of the world’s largest polyolefin complexes. The Ruwais complex delivers 5.0 million tonnes of polyolefins annually, comprising 2.8 million tonnes of polyethylene and 2.2 million tonnes of polypropylene. In addition, we operate a Compounding Manufacturing Plant in Shanghai with a 90 kt/y capacity for advanced polypropylene compounds, enabling us to tailor automotive solutions to evolving global requirements.

Borouge 1

Borouge 1, the foundation of our operations, continues to deliver a robust performance. In 2025, the site maintained high production volumes and efficiency, contributing significantly to our overall capacity. The facility’s focus on safety and process optimisation ensured consistent output and reliability.

Borouge 2

Borouge 2, with its expanded capacity, played a crucial role in meeting the increasing demand for polyolefins. The site’s advanced technologies and operational excellence drove significant production efficiency and product quality improvements, supporting our strategic growth objectives.

Borouge 3

Borouge 3 continued to operate at full capacity in 2025. The site’s state-of-the-art facilities and innovative processes enabled us to deliver high value, differentiated products to our global customers. The facility’s focus on sustainability and energy efficiency further enhanced its performance. In Q2 2025, Borouge completed the largest turnaround in its history: the turnaround of the Borouge 3 plant. The Borouge 3 turnaround was delivered eight days ahead of schedule, reducing downtime by 15%. The reduced downtime contributed a USD 39 million positive sales margin impact, while improved execution efficiency lowered turnaround CAPEX by a further USD 4 million. All major maintenance activities were completed successfully, ensuring strong and reliable performance of the Borouge 3 assets for the next six years.

Borouge 4

In 2025, the Borouge 4 megaproject progressed past 94% completion. Commissioning activities for the first Borouge 4 unit, XLPE 2, commenced at the end of the year. The remaining units are expected to be commissioned and ramped up progressively through 2026.

In March 2026, Borouge entered into an agreement via its wholly owned subsidiary, Abu Dhabi Polymers Ltd, with the owners of Borouge 4 LLC, which will enable Borouge to operate and market the volumes of Borouge 4 in return for an at-cost utilisation fee. The Asset Usage Agreement is expected to deliver USD 400 million cumulative net profit over three years, after full ramp up of the Borouge 4 project.

Ruwais debottlenecking projects

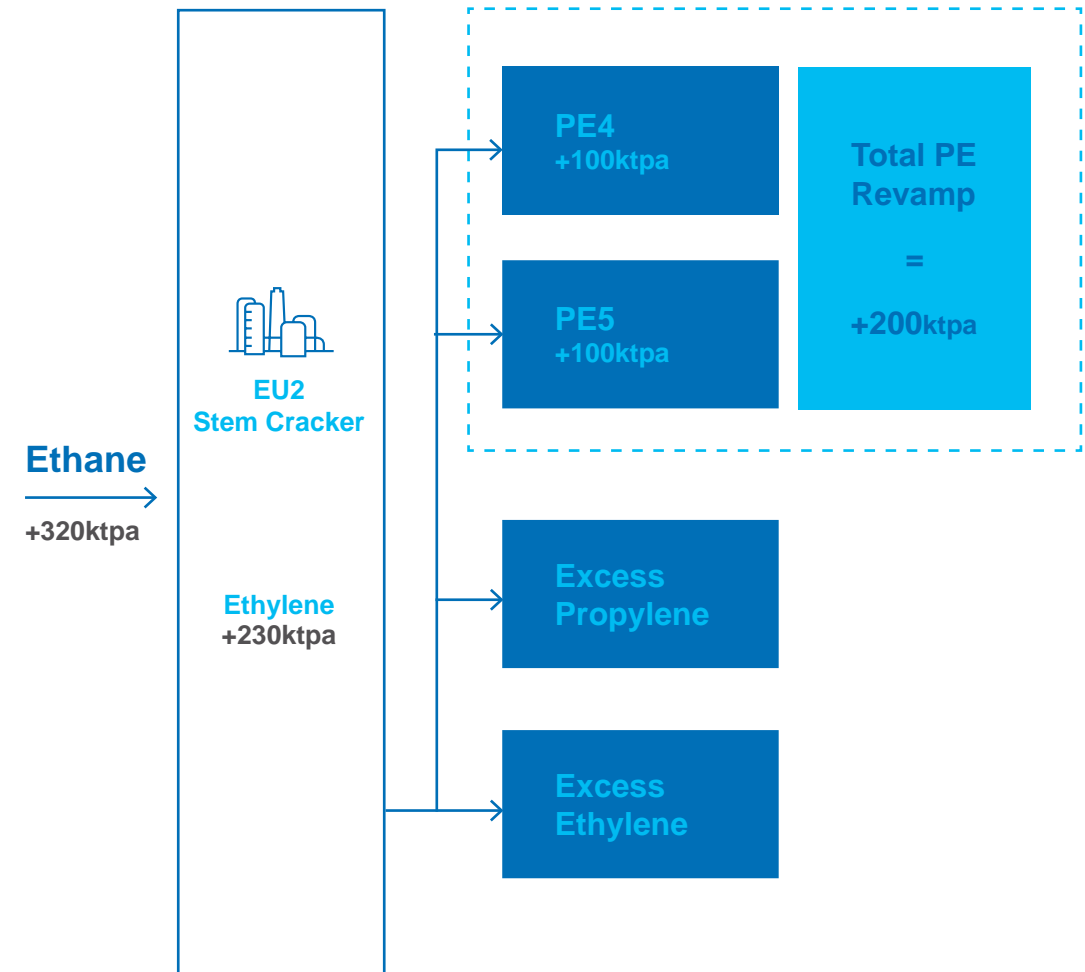
In 2025, Borouge initiated a series of asset expansion projects at the Ruwais site aimed at increasing the nameplate capacity of its second ethane cracker (EU2) and the fourth and fifth polyethylene units (PE4 and PE5). Once completed, these enhancements are expected to increase overall polyolefin production capacity by approximately 200 ktpa.

By the end of 2025, Front-End Engineering Design (FEED) services for the EU2 expansion were completed by Linde Engineering. The Company is now preparing to award an Engineering, Procurement and Construction (EPC) contract for the project in 2026. Upon completion, the EU2 revamp will add an additional 230 ktpa of ethylene production capacity.

Progress also continued on the revamp of the PE4 and PE5 production units. An EPC contract for these upgrades was awarded to Target Engineering Construction Company in 2025. This project will increase the nameplate capacity of each unit from 540,000 tpa to 700,000 tpa. Leveraging Borealis Borstar® Polyethylene technology, the enhanced units are scheduled for start-up in 2027.

In parallel, Borouge completed a feasibility study for the expansion of its third ethane cracker (EU3) and has advanced into the pre-FEED phase of development.

Ruwais debottlenecking projects



Case study

Borouge 4 commences commissioning

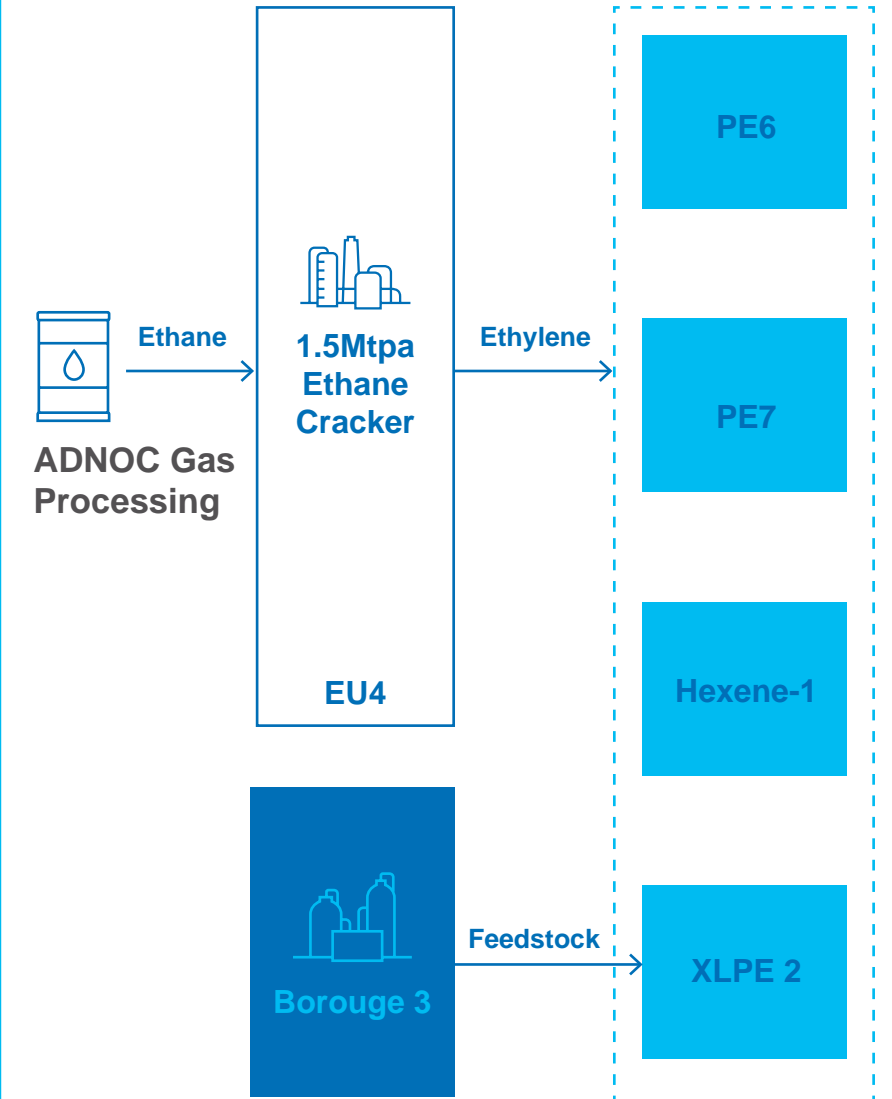


In 2025, the Borouge 4 project reached 94% completion, with commissioning of the first facility, XLPE 2, commencing at year-end. XLPE 2, which uses resin feedstock from the B3 plant, produces high-purity XLPE for the high-value wire and cable market. Production across the complex will ramp up through 2026 as the remaining units are commissioned.

The Borouge 4 Asset Usage Agreement is expected to deliver USD 400 million cumulative net profit over three years and approximately 10% earnings accretion, after full ramp up of the Borouge 4 project.

Powered by Borstar® 3G technology and rising global demand for durable, low-carbon infrastructure materials, Borouge is well positioned to deliver specialised, value-added solutions and strengthen its leadership in advanced polyolefin applications.

Borouge 4 plant



Exceptional operational performance

2025 was a standout year for Borouge, delivering polyolefin production above nameplate design capacity in a turnaround year. Operational excellence and disciplined performance management drove 101% asset utilisation, 98% asset reliability, and the highest-ever annual output across several key units. The Company also achieved its highest quarterly production on record in Q4 2025, reaching 1,464 kilotonnes, supported by exceptional utilisation rates of 119% for PE and 114% for PP. These achievements highlight Borouge’s strong operational foundation and the impact of the ABAX 2025 Programme, which delivered meaningful enhancements across all five excellence pillars.

● **101%**

Asset Utilisation

● **98%**

Asset Reliability

● Highest quarterly production on record in Q4 2025

1,464 kt

● Record utilisation rates achieved in Q4 2025

119%

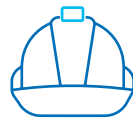
for PE

● **114%**

for PP

Sustained operational excellence

Borouge’s operational excellence framework is built around five pillars – HSE, Production, Asset Management, Technical, and People & Culture Excellence – each designed to strengthen performance, drive reliability, and support long-term value creation.



HSE excellence

We maintain an uncompromising focus on safety, asset integrity, and process safety compliance. In 2025, Borouge recorded zero Tier 1 and Tier 2 LOPC incidents, reflecting disciplined execution of our Asset Integrity and Process Safety (AIPS) frameworks. HSE leadership engagement remained strong, with 624 site tours, strengthened contractor management, and expanded assurance programmes. The deployment of AI-enabled safety technologies further reinforced behavioural-based safety practices and supported a proactive, prevention-driven safety culture across all operations.



Production excellence

Borouge continues to advance production excellence by maximising throughput, minimising losses, and improving product consistency. In 2025, production performance was strengthened through advanced optimisation technologies – Real-Time Optimisation (RTOs), Advanced Process Control (APC), Process Data Technology (PDT) and Yield Accounting Systems (YAS). AI-enabled process enhancements, including a Polymer Optimisation AI proof of concept, improved stability, increased yield, and unlocked additional performance uplift across both polyethylene and polypropylene lines.



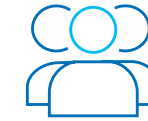
Asset management excellence

Asset management initiatives in 2025 delivered substantial reliability and cost improvements. The Borouge 3 turnaround was completed ahead of schedule with an approximately 15% reduction in downtime, generating USD 45 million in value. Further efficiencies were realised through optimised preventive maintenance, improved spare parts strategies, and the adoption of digital maintenance tools such as 3D printing and smart-part digitisation. These initiatives support Borouge’s ambition to reduce downtime by 30–40% and establish world-class shutdown and turnaround practices.



Technical excellence

Technical Excellence focuses on maximising margins through high-value differentiated products while maintaining superior product quality and top-tier First-Time-Right (FTR) performance. In 2025, process stability and reliability improved through reduced unplanned downtime, enhanced data integration, and the deployment of AI-enabled quality tools. Progress continued on the 1001 (one-out-of-one) elimination programme, strengthening equipment availability and supporting long-term asset resilience. Targeted CAPEX optimisation further ensured that investment prioritisation aligned with critical technical needs and operational risk reduction.



People and culture excellence

Borouge continues to build a future-ready, high-performing workforce by strengthening leadership engagement, enhancing technical and behavioural capabilities, and accelerating digital fluency. In 2025, strong progress was achieved through the Progressive Emiratisation Programme, expanded competency frameworks, and the deployment of AI-enabled simulators and immersive digital learning tools. These initiatives have significantly improved workforce readiness and reinforced a culture of continuous learning, innovation, and operational excellence.

Product differentiation and quality

Borouge operates one of the world’s largest single-site, fully integrated polyolefin complexes, delivering significant economies of scale. The use of Borealis Borstar® technology enables differentiation at scale – enhancing asset flexibility, improving reliability, and supporting superior first-time-right production. This technological advantage allows Borouge to consistently meet the highest customer expectations while delivering high-quality, value-added solutions across its global markets.

Key focus areas for 2026

In 2026, Borouge will launch ABAX 2.0, an expanded transformation framework that introduces a sixth pillar: Base Chemicals & Utilities Excellence. This next phase will deepen integration, strengthen cost competitiveness, and elevate long-term asset resilience.

Key 2026 priorities include:

- Sustaining zero Tier 1 and Tier 2 process safety incidents
- Achieving new Best Demonstrated Rates, optimising grade mix, and scaling digital optimisation tools
- Improving asset availability through predictive maintenance and targeted bad-actor elimination
- Advancing technical resilience via the 1001 programme and enhanced CAPEX governance
- Strengthening workforce readiness through advanced capability development and AI-enabled training
- Reinforcing monomer and utility system reliability while reducing specific energy and utility consumption

Business Review – Sales and Marketing



Guided by our commitment to innovation and collaboration across the value chain, we successfully launched 10 new products that advance sustainable packaging and circular economy solutions, while addressing critical global challenges such as food security and resource efficiency. These achievements reflect disciplined commercial execution, strong cross functional collaboration, and an unwavering focus on value creation.

At the same time, initiatives such as the People Pulse Survey reinforced our culture of engagement and performance excellence, ensuring that growth is underpinned by a resilient and empowered organisation. With a clear roadmap for capacity expansion and a strong foundation of trust, partnership, and customer focus, we are well positioned to accelerate momentum and deliver sustainable, long term value for shareholders in the years ahead.

2025 was a year of strong execution and progress for Borouge

Roland Janssen
Chief Marketing Officer

In 2025, Borouge achieved significant progress across our global sales and marketing footprint, delivered through commercial excellence and execution agility, aided by the integration of artificial intelligence and digitalisation across our operations. Despite the production volume impact from a major planned asset turnaround at Borouge 3, we registered a 1% year-on-year increase in sales volume, reaching a new record volume of 5.4 million tonnes. This result was achieved through our exceptional organisational competencies, consistently strong market positioning, and solid relationships with our customers.

Markets and products

Against volatile market pricing conditions throughout 2025, we continued to optimise our geographic sales mix, increasing allocations to the Middle East & Africa and Borealis regions by approximately 4%, supporting improved netbacks. This calibrated approach has allowed us to optimise volume flows in a commercially beneficial way, as we reallocated supply to meet market demand while leveraging our wide-ranging logistics and delivery capabilities. Consequently, we were able to achieve a balanced distribution of our products to high-growth markets, meeting differing regional needs and providing Borouge with a leading role in the development of highly differentiated products.

The new solutions that were developed in 2025 were designed to address emerging customer needs in terms of sustainability and performance. Examples include the first made-in-UAE healthcare Low-Density Polyethylene (LDPE) grade, Bormed™ LE6607-PH, for healthcare applications that enable localised production of critical sterile pharmaceutical packaging. We also partnered with China-based ROX Motor to supply advanced lightweight polyolefin solutions for its ADAMAS SUV, in addition to inaugurating a joint innovation laboratory in Shanghai to drive sustainable design for next-generation vehicles.

These initiatives underscore our unwavering commitment and steadfast contribution to a better, sustainable future. This progress has been underpinned by the continued expansion of our manufacturing and R&D capabilities, together with the further strengthening of our global marketing footprint. Extending from East Africa across the Middle East and into India, China, Korea, Thailand, Singapore, and Vietnam, our broad geographic reach continues to be a key enabler of scale, allowing us to serve markets efficiently while optimising margin capture. Our extensive commercial platform – comprising 14 sales offices and 13 logistics hubs worldwide – supports the efficient delivery of products across multiple regions, including our largest market, Asia Pacific, alongside the Middle East, Africa, and Europe, reinforcing our ability to respond dynamically to customer needs and market opportunities. Asia Pacific accounted for 59% of total sales volumes in 2025, while the Middle East and Africa contributed 32%, with the remaining volumes distributed globally through our strategic partnership with Borealis. Our rapidly expanding global reach supported by strong pricing premia and record sales volumes, was a major driver of our outstanding financial performance in 2025. Despite a challenging market environment, Borouge delivered a net profit of USD 1.1 billion, reflecting the strength of our commercial strategy, disciplined execution, and enduring customer partnerships.

Segmental volumes split (2025 5.4mt)

Product group



● Polyethylene (PE)

57%

● Polypropylene (PP)

43%

End markets



● Consumer solutions

59%

● Infrastructure solutions

38%

● Others

3%

Quality price premium

Across the portfolio of differentiated PE and PP products, the average premia for PE stood at USD 224 per tonne, while PP achieved average premia of USD 134 per tonne in 2025. These figures underscore our ability to command premium prices through our differentiated

product offerings and advanced Borstar® technology. We also enhanced our pricing strategies and market intelligence in 2025, with investments in artificial intelligence tools that enabled dynamic pricing models and improved customer relationship management systems.

As a major provider of polyolefins, base chemicals, and fertilisers, Borealis has been instrumental in

supporting our sales and market expansion in 2025. Established through a joint venture with ADNOC, its expertise in advanced technology and innovation has demonstrated its ability to consistently enhance our product offerings and competitive edge.

Borealis's established market presence and customer relationships have been fundamental to our ability

to access new high-value markets in 2025 – particularly in the Asia-Pacific and Middle East regions.

Looking at our direct sales, 74% were delivered through our direct sales channels in 2025, contributing to additional margin capture and enabling strong relationships with our customers and value chain partners.

Through leadership in high-growth markets, maintaining price premia, and expanding our global footprint, we delivered record sales volumes amidst a challenging market landscape.

Differentiated product prices

	2023	2024	2025
Polyethylene			
Borouge PE average realised price	1,129	1,095	1,046
PE product benchmark	914	898	822
Borouge PE premium to benchmark	215	197	224
Polypropylene			
Borouge PP average realised price	1,016	1,047	985
PP product benchmark	891	897	851
Borouge PP premium to benchmark	125	150	134



Through-the-cycle premia guidance

USD 200/tonne PE

USD 140/tonne PP

Business Review – Technology and Innovation

Technology and quality control

Borealis' proprietary Borstar® technology continues to provide a clear competitive advantage, enabling the delivery of differentiated products with superior performance characteristics that meet stringent customer requirements while supporting our sustainability and circular economy objectives.

This focus is critical to maintaining organisational readiness in an increasingly dynamic operating environment and to positioning Borouge to capture sustainable, long term growth opportunities. The launch of Bormed™ LE6607 PH in 2025 exemplifies this approach, enabling the development of a resilient regional medical supply chain and supporting local healthcare manufacturers in reducing risk, shortening lead times, and enhancing patient safety. More broadly, we continue to advance an extensive R&D programme spanning high value applications across healthcare and hygiene, clean energy and electrification, and sustainability driven circular economy solutions. In particular, next generation circular products are being developed to address critical challenges related to food waste reduction and recyclability, reinforcing our role as a provider of differentiated, future ready solutions.

Innovation Centre

Our Innovation Centre in Abu Dhabi, with over 1,400 active patents, continues to drive significant advancements in polyolefin solutions. In 2025, key achievements included:

- Launch of high-value LDPE healthcare grade, Bormed™ LE6607-PH, in the UAE.
- Launch of a fully-recyclable, mono-material barrier stand-up pouch solution, incorporating our Borstar® FB560.

- Received Asian Oil and Gas Award 2025 for BorSafe™ HE3492-LS-H, PE100-RC material.
- Inauguration of a joint innovation laboratory on advanced lightweight polyolefin solutions with ROX Motor in Shanghai.

Capturing future growth

Borouge is structurally well positioned to outperform industry peers across the cycle, supported by a differentiated product portfolio and a clear focus on value accretive growth. In addition to developing solutions that address the world's most pressing challenges, we continue to deliver product premia above benchmark prices. This capability is underpinned by our strategic focus on differentiated products and disciplined capacity expansion, embedding scalability into both our long term strategy and day to day operations.

The Borouge 4 strategic expansion project represents a significant step change in scale, increasing production capacity by almost one third while further strengthening our innovation platform. Together, these enhancements are expected to support sales growth in major markets and reinforce our ability to generate resilient, long term shareholder value.

Innovation remains a core pillar of Borouge's business strategy, underpinning our ability to achieve and sustain operational and commercial excellence across the organisation.

Throughout the year, we remained focused on ensuring that our product portfolio remains relevant, competitive, and well aligned with key global megatrends.

Case study

BH555MO

high-performance high-flow polypropylene for rigid packaging needs

BH555MO enables up to

50%

PCR content incorporation without compromising performance

BH555MO is a best-in-class block polypropylene (PP) grade engineered for exceptional impact strength and stiffness, even at low temperatures, making it ideal for demanding applications such as industrial pails, crates, pallets, and heavy-duty toolboxes. BH555MO offers superior processability, allowing faster cycles, smoother mold filling, and reduced energy use. Our optimised rheology enables complex designs without compromising strength, making it ideal for durable, everyday products.

This new product which enables up to 50% post-consumer recycled (PCR) content incorporation without compromising performance enhances our differentiated PP portfolio. Its approval by Keter for Milwaukee Tool Boxes underscores its commercial viability and societal impact by supporting durable, sustainable consumer goods. Aligned with global trends in circular economy and carbon reduction, BH555MO exemplifies our commitment to future-proofing our portfolio and driving profitability through sustainable innovations.

Digitalisation and excellence driving the future of polyolefins through AI-powered innovation

AI and digital driven transformation

Value generation

USD 717m

Through its AIDT programme

Borouge continues to implement AI and digital-powered autonomous solutions across our value chain, covering Operations, Asset Management, Supply Chain, Sales & Marketing, Innovation & Research, HSE and our Corporate functions. Our comprehensive transformation is anchored on strategic partnerships with world-leading service providers such as Honeywell, Yokogawa, Siemens, SAS, Emerson, Maersk, MBZUAE, and Gecko Robotics in addition to strong in-house capabilities.

This foundation enables the deployment of advanced AI and digital solutions, including autonomous operations, storage probability prediction, demand planning, hazard identification through computer vision, robotic inspections, and real-time optimisation to name few.

A critical pillar of this transformation is workforce upskilling, delivered through the 'Excite, Educate and Position' framework, ensuring our teams are equipped to thrive in a digitally driven future.

As we advance and implement a range of cutting-edge AI and digital solutions as part of our transformation journey, some of the key initiatives include:

AI enabled autonomous operations

In 2025, we successfully advanced Phase I of this initiative focused on Safe Operations in close collaboration with our strategic partners. The programme aims to equip our operating facilities with AI driven autonomous control rooms, powered by agentic AI to enable real-time decision making, unlock value creation, and proactively mitigate operational risk.

This initiative is designed to accelerate growth, enhance safety and asset integrity, and reduce production losses by leveraging advanced data analytics, anomaly detection, and predictive pattern modelling. These insights activate interconnected agentic AI solutions across operations, enabling seamless field coordination, effective shift handovers, management of transient operational activities, plant optimisation, and flawless communication. The project is underway with our strategic partners across the EU2 cracker covering the Gasoline Redistillation Unit furnace and the OCU unit (dimmer section) as well as the EU3 cracker for the C3 splitter column furnace. Robust execution has commenced to ensure successful deployment over the coming years.

3D printing and digital warehouse

Borouge as successfully completed a POC by producing more than 450 critical spare parts through 3D printing, which significantly reduced cost, lead time and inventory carrying cost. We are aiming to deploy this digital technology at full scale, having identified over 15,000 potential spares to digitise while more than 1,500 spares are planned during 2026.

Borouge has successfully completed POC

450

critical spare parts through I3D printing

Borouge has identified

15,000+

potential spares to digitise

More than

1,500

spares are planned during 2026

Robotic sphere inspection

Inspection of spherical tanks using robotics was successfully performed during the Borouge 3 plant turnaround in 2025. A wall-climbing robot was deployed to conduct ultrasonic thickness measurements on the tank to assess its structural integrity and overall health. This AI-enabled solution demonstrated enhanced safety and enabled faster inspection, thus reducing turnaround time and costs.

Crackers front-end online optimisation

By integrating AI, process modelling, and real-time analytics, our crackers will consistently operate at their most efficient, profitable, and sustainable levels by dynamically adjusting over 2,500 process parameters and 70 performance targets while maintaining over 500 operational constraints.

2,500

process parameter

70

performance targets

maintaining over

500

operational constraints

Supply chain agent hub

We are transforming traditional logistics and supply chain operations to fully AI and digitally enabled processes through centralised digital hub, by data integration and storage, cleansing and knowledge mapping. The hub links external data sources and global supply chain factors to enhanced customer regularity, price forecast, demand planning and inventory management. We are now working with our leading shipping line partners to integrate their systems with the maximised yield of the Agentic Hub.

Knowledge based sales system

Our sales team benefits from an AI powered knowledge management system built on 25 years of structured and unstructured data. Leveraging large language models (LLMs), the platform enables faster and more accurate access to information, strengthening decision making, improving marketing efficiency, and enhancing customer service.

Realwear Z1 navigator

We successfully deployed Realwear Z1 Navigator at full scale, beginning with a Proof of Concept in early 2025. The intrinsically safe rugged wearable headset is designed for frontline field teams working in hazardous environments, who benefit from a voice-activated, hands-free device that displays digital information while they work on site. It has drastically enhanced productivity, safety and efficiency in tough real-world environments where traditional electronics cannot be used. Our field team have yielded benefits of remote expert assistance, improved inspection and data capture, reduced downtime and errors.

Borouge's robotics process automation

AI is deployed alongside Robotic Process Automation (RPA) to automate repetitive tasks across our operations, ensuring consistent, accurate, and error free execution while reducing manual workload and human error. This initiative enhances process reliability and speed, supports scalable operations, and advances our broader digital transformation agenda.

Launch of MEERA GPT agent

In January, our Digital and Analytics solutions and Sustainability teams partnered to launch the Borouge Sustainability Agent, Meera GPT. The tool enables ADNOC employees to easily access and learn about sustainability across Borouge, including our goals, strategies, governance framework, and key initiatives. This initiative was recognised as first runner up in the Borouge Excellence Awards under the AI & Digitalisation stream.

Recognition, reward and upskilling programme

Our AI and Digital transformation journey earned strong external recognition, reinforcing our position as an industry leader in innovation. Key accolades include the GPCA Supply Chain Innovation Award and two Industry Eagle Gold Awards for S&OP Quintiq and Bronze for our AI driven demand planning solution. In addition, Borouge was named a finalist at both the IChemE Global Awards and the Gulf Energy Excellence Awards for our real time optimiser, further validating our commitment to embedding intelligence and automation across operations to drive long term value creation. A notable highlight was our impactful showcase at ADIPEC 2025, which attracted industry leaders and positioned Borouge at the forefront of transformative advancements across the value chain.

Building on this momentum, we continue our strong focus on innovation and digital adoption, structured around three core pillars: Excite, Educate, and Position. As part of this approach, we launched a comprehensive Upskilling Programme to strengthen workforce capabilities through a broad range of internal and external learning opportunities. The initiative has delivered strong results, with 64.4% of employees (1,700 individuals) actively participating, exceeding the annual target of 60%.



Sustainability Review

Sustainability at Borouge

This year marks a pivotal moment in Borouge's sustainability journey as we accelerate progress towards our Net Zero 2045 ambition and deepen our alignment with global ESG standards.

Maitha Al Marashi
VP Sustainability

We successfully concluded one of the most significant chapters in our sustainability history: the five-year Al Ruwais Environmental Sustainability Programme (RESP 2025). Through disciplined execution across the organisation, continuous innovation, and strong collective commitment, we not only met but exceeded the programme's ambitious targets.

This achievement reflects what Borouge can deliver when the entire organisation aligns behind a shared purpose. Importantly, the lessons gained have strengthened our governance, data quality, and reporting foundations, supporting our readiness to report against the European Sustainability Reporting Standards (ESRS), alongside GRI, ADX and TCFD.

The organisational maturity built over the years positions us strongly to meet rising international expectations for transparency, double materiality, and robust, credible ESG disclosures, reinforced by the ESG ratings in which we continue to participate.



Our Sustainability Policy commitments

Our Sustainability Policy outlines our commitments across People, Planet and Profit, which is demonstrated through visible leadership and effective communication, a proactive sustainability performance culture supported by

transparent monitoring and reporting systems, and continuous investment in our people, innovation and assets. We engage with all our stakeholders and encourage them to commit to this Policy.

Our Sustainability Policy Frameworks



At Borouge, are committed to the well-being of society and preservation of the environment, while addressing the economic expectations of our shareholders. We conduct our business within the framework of our values, vision and mission, and in accordance with applicable laws, regulations and industry standards. We focus on the performance, profitability and efficiency of our operations and enhance the contribution and

development of our people, while actively contributing to the United Nations Sustainable Development Goals (SDGs). We are committed to explore and drive opportunities towards a circular economy. As a signatory of the Chemical Industry's Responsible Care® Global Charter, we apply best practices and pursue continual improvement.



People

Social responsibility

- Pursuing a goal of no harm to people and society
- Contributing to solutions that deliver a positive and sustainable impact on people's lives
- Promoting the health and welfare of our people and the communities where we operate
- Building diverse and multi-cultural human capabilities and creating opportunities for individual growth
- Fostering mutually beneficial partnerships and social initiatives within the industry and society
- Respecting and conforming to relevant social, cultural, legal and ethical aspects of society



Planet

Environmental stewardship

- Addressing global challenges, such as climate change, water, food, energy, healthcare and waste, with innovative solutions
- Minimising discharges, waste and emissions, safeguarding biodiversity, enhancing energy performance and optimising the use of natural resources
- Ensuring that energy performance improvements are considered throughout the duration of the intended lifecycle of our assets
- Optimising the positive health, safety, environmental, energy and societal impacts of our plastics throughout their lifecycle



Profit

Economic growth

- Maximising shareholder return throughout the value chain
- Enhancing the reputation of Borouge and the image of the plastics industry
- Ensuring that the design, operational and technical integrity of our assets are sustained throughout their lifecycle
- Strengthening organisational resilience through the application of effective risk management, security and emergency preparedness, and business continuity practices
- Advancing the development of local downstream industries, and science and engineering capabilities
- Optimising responsible global procurement and supply chain opportunities

Key achievements in 2025 in advancing our sustainability agenda included:

This year, we proudly concluded one of the most important journeys in our sustainability history: the five year Al Ruwais Environmental Sustainability Programme (RESP 2025). Through disciplined work across every function, continuous innovation, and steadfast determination, we not only met but exceeded the programme’s ambitious goals.

Environmental progress in 2025 included:

Water efficiency

33%

exceeding the 25% target set against the 2018 baseline

Energy intensity reduced by

30%

exceeding the 28% target set against the 2018 baseline

Scope 1 GHG emissions reduced by

27%

exceeding the 22% target set against the 2018 baseline

Scope 2 GHG emissions reduced by

36%

exceeding the 19% target set against the 2018 baseline

Readiness for ESRs reporting (European Sustainability Reporting Standards), including a double materiality assessment, in addition to standards which we already reported against in the past, such as GRI, ADX, SASB and TCFD.

We advanced our capability to understand and manage value chain emissions through **enhanced Scope 3 reporting**, giving us clearer insight into upstream and downstream impacts and supporting more targeted reductions in collaboration with our partners.

We delivered our most successful year in commercializing **circular solutions, crossing 100 kt circular sales**, including both recyclates and Design for Recycling (DfR) mono-material solutions, based upon a strong co-operation with global brand owners and converters across Asia and the Middle East.

We were honoured with a series of significant Sustainability awards, both internationally and nationally, including:

● **Oil&Gas Middle East Sustainability**
Initiative of the Year

Middle East Economy’s list of

● **30**
Sustainability Leaders Transforming Energy and Environment

Forbes Top

● **100**
Listed Companies in the Middle East

● **Emirates Energy Award**

● **Asian Innovation Excellence Awards 2025**

● **UAE Majra Impact Seal**

● **Procurement Success Awards 2025**

● **2025 Industry Eagles Awards**

● **Gulf Petrochemicals and Chemicals Association (GPCA)**
Supply Chain Innovation Award

● **2025 Make It In The Emirates**

● **2025 Asian Oil & Gas Awards**

We maintained our position in the **top-quintile** of the **S&P Global ESG ranking**, standing out among more than **500 chemical companies** worldwide for three consecutive years.

Aligned with the UAE’s 2025 theme of the “Year of Community,” we were able to leave a positive mark on the lives of more than **22,900 people** in the areas where we operate – thanks to the dedication of our volunteers, who collectively contributed over 980 volunteering hours.

Sustainability reporting framework

The Borouge Sustainability Report has been developed with reference to the Global Reporting Initiative (GRI) Standards 2021, the Sustainability Accounting Standards Board (SASB), and the Abu Dhabi Securities Exchange (ADX). These standards help us align our efforts with international best practices and ensure transparency in how we manage material ESG topics. Moreover, in response to evolving global regulatory requirements, we have initiated steps toward aligning with the European Sustainability Reporting Standards (ESRS), which includes a double materiality assessment.

We also engaged an external provider to perform limited assurance on selected consolidated environmental and social disclosures. The assurance was conducted in accordance with the International Federation of Accountants' (IFAC) International Standard on Assurance Engagements (ISAE) 3000 standards.

This structured approach helps us to periodically assess and refine our ESG material topics to reflect the most current priorities and emerging opportunities.



Borouge produces a separate, externally-verified Sustainability Report, which is available on our website, providing a comprehensive review of our Sustainability and ESG commitments and progress.

The summary below outlines our approach to sustainability and the key highlights of our performance in 2025.

Success stories

Ruwais Environmental Sustainability Programme (RESP) 2025



Ruwais is the world’s largest single-site polyolefin manufacturing facility, producing and distributing five million tonnes of polyethylene (PE) and polypropylene (PP) annually to customers across the globe. This scale comes with great responsibility, leading to the introduction of Al Ruwais Environmental Sustainability Programme (RESP) in 2020 to strategically improve our operations. RESP sets clear and measurable targets that drive reductions from our 2018 baseline across carbon emissions, energy and water consumption, and waste generation. Some of the major initiatives that were completed as part of this programme include:

- Adding Advanced Process Controls (APC)
- Reducing flaring
- Increasing water recycling

Supported by robust management systems and protocols, our teams surpassed our targets two years ahead of schedule. Due to our success in exceeding our targets, 2025 is now the final year of our RESP programme. In recognition of our innovation and impact, this programme was named the Sustainability Initiative of the Year in the downstream subcategory at the 2025 Oil & Gas Middle East Awards, which are amongst the most reputable awards in the O&G industry worldwide.

Water efficiency*

2025 Results	2025 Target
Increase by 33%	Increase by 25%

Energy intensity*

2025 Results	2025 Target
Reduce by 30%	Reduce by 28%

Reduce Scope 1 GHG emissions*

2025 Results	2025 Target
Reduced by 27%	Reduce by 22%

Reduce Scope 2 GHG Emissions*

2025 Results	2025 Target
Reduced by 36%	Reduce by 19%

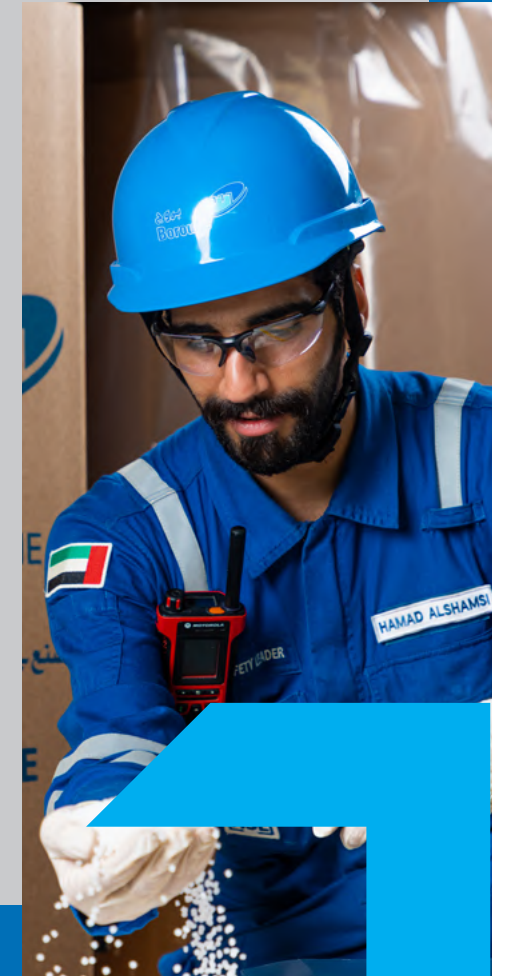
* Set against the 2018 baseline

A major milestone in Borouge history 100kt circular solutions sold in 2025

In 2025, we surpassed a major milestone by exceeding 100kts of circular sales for the first time. This includes 25.86 kts of recycled material (recyclate) and 76.18 kts of virgin polymer sales designed specifically for Design for Recyclability (DfR) applications. This performance reflects our strong collaboration with global brand owners and converters across Asia and the Middle East, demonstrating a pathway to growth through combined virgin PE, PP, and recyclate solutions, all while delivering environmental benefits.

Key contributors to these results include the growing demand for PE-based DfR solutions, increased sales of recycled PP for plastic pallets made from 100% post consumer recyclates, and the introduction of new business models such as Marketing Services Agreements in China, India, and Indonesia.

Our circular initiatives have prevented or removed approximately 730kt of plastic waste leakage to the environment to date.



Our People

At Borouge, our people are the driving force behind our success.

Operating across Asia, the Middle East, and Africa, we are proud of our diverse community of around 3,000 employees, representing more than 50 nationalities. This diversity is a source of strength – bringing together a wide range of perspectives, experiences, and ideas that fuel innovation and resilience.

We are committed to fostering an inclusive and collaborative culture in which every employee feels empowered to contribute. Guided by our core values, we work as one team, united by a shared purpose and ambition. This spirit of collaboration underpins our ability to deliver sustainable growth, strengthen performance, and uphold the highest standards of excellence in everything we do.



In 2025, our people were instrumental in delivering Borouge’s strategic milestones and operational goals. Their dedication, capability, and commitment enabled Borouge to meet our targets and uphold the highest standards of performance. The achievements of the year clearly demonstrate the strength of our workforce and the essential role each individual plays in Borouge’s success.

Our Human Capital function continues to invest in developing and empowering our employees, creating a culture that supports growth, retention, and long term career development. By providing meaningful opportunities to build new skills, take on expanded responsibilities, and advance within the Company, we not only strengthen our talent pipeline but also enable our people to realise their full potential.

Notable achievements in 2025 related to our people development and capability building include:

- **68,305** hours of training conducted across all our programmes
- **344** HSE training sessions held for 8,530 participants, including direct hire employees and contractors, resulting in **USD 637,000** in cost savings
- **100% of the 42** Trainees who participated in our Fresh Graduate Programme completed our Youth Development Programme (YDP) and successfully integrated into the Company
- **35** Leadership Ecosystem Programme sessions held



- **36** employees supported through part time study leave, enabling them to pursue further education while balancing their professional responsibilities
- **Automated Online** tracking and reporting system created to address HSE training compliance
- **Two-day technical orientation** conducted for **45** new employees including Borouge 4 under Marhaba Ruwais Onboarding Programme

Our People

Diversity and Inclusion

We are committed to attracting, developing, and retaining a diverse workforce that reflects the breadth of the communities and markets we serve. Employees with different backgrounds, experiences, and perspectives play a critical role in driving innovation across our business. By bringing together a diverse team, we harness a wide range of ideas and viewpoints, fostering creativity and enabling more innovative and effective solutions for our customers.



As of the end of 2025, our workforce comprised 14.1% female employees across all areas of operations, with 19% of females holding management positions. Borouge is committed to advancing gender balance and supporting the empowerment of women across the organisation, in alignment with the vision of the UAE’s leadership. We continue to invest in high quality professional development opportunities to enable the growth and advancement of women across Borouge. At the same time, we are active in attracting and retaining high calibre female talent, ensuring that women play a central role in shaping our future workforce and contributing to our long term success.

Developing local talent

Developing and empowering UAE National talent is a cornerstone of our People Strategy and reflects our long standing alignment and support of the UAE’s national development agenda. We believe that investing in the skills and capabilities of Emiratis is essential to building a strong, sustainable workforce and contributing to nation building.

As of the end of 2025, we achieved our Emiratisation targets with an outstanding score of 55.54% on applicable positions. Out of our total workforce, 1,130 are UAE Nationals, comprising half of our overall headcount. This milestone demonstrates both the strength of our talent pipeline and the effectiveness of our long term approach to national workforce development. To support the growth of UAE Nationals across all career stages, we have a dedicated function focused on developing secondary- and tertiary level Emirati graduates. This team designs and delivers structured development programmes that provide the technical, behavioural, and leadership skills needed for successful and meaningful careers at Borouge. Over the years, we have continued to offer our Emirati employees opportunities for international exposure, career advancement, and professional development. By upholding high standards of excellence and providing a workplace where talent can thrive, Borouge is well-established as an employer of choice for UAE Nationals.

Employee engagement and culture

Employee engagement is essential to the long term success and sustainability of any organisation. Engaged employees are more motivated, productive, and committed, contributing directly to stronger overall performance. At Borouge, our leaders and managers continue to prioritise regular communication with employees, providing frequent updates and maintaining enhanced two way channels that encourage open and constructive exchange of information and ideas.

We also take pride in our holistic approach to employee well being, which encompasses the four dimensions of social, personal, work, and environmental well being. Throughout the year, we organised a range of well being activities designed to support work–life balance and promote a positive and healthy working environment for all our people.

We place high importance on organisational culture as a key driver of positive and sustainable change across Borouge. In 2025, we continued to implement the Culture Renovation Programme, with the objective of strengthening a high performance and accountable culture, deeply rooted in our values and behaviours, and reinforced through positive cultural shifts.

At the heart of our Culture Transformation journey is our Culture Renovation Committee, which leads our efforts to strengthen a high performance, accountable culture rooted in Borouge’s values and behaviours. In 2025, the Committee advanced a refreshed Culture and Engagement Action Plan and continued to drive leadership led communication, recognition initiatives, and the rollout of the Culture Toolkit across the organisation. To support these priorities, a series of activities were delivered throughout the year, including e learning workshops, recognition events, fireside chats, and in person engagement sessions. Culture Tuesdays also remained a vibrant part of our workplace, bringing colleagues together weekly to reinforce connection, creativity, and community.

Recruitment in 2025

Total experienced	110
Total graduates	42
Emiratisation on recruitment	64
Including graduates female diversity	8

	UAE National		Non-UAE National
	Graduates	Experienced	Experienced
Female	0	5	3
Male	42	17	85
Total	42	22	88

Performance management

Building on last year’s progress, 2025 marked a year of strengthened performance management, reinforcing our commitment to continuous development and accountability. The use of the Continuous Performance Management (CPM) system was further enhanced, ensuring that real time feedback, structured discussions and data driven insights remain central to our performance culture.

For the third consecutive year, we refined CPM subcategories to enable more precise evaluations, clearer performance expectations and stronger talent development outcomes. These enhancements supported more meaningful conversations between employees and leaders, improving transparency and alignment with organisational priorities. The integration of data analytics into performance reviews also provided deeper insight into performance trends, high potential talent and development needs. Our continued emphasis on well being and support within the performance framework helped strengthen engagement, motivation and long term success. Overall, 2025 was a year of sustained advancement in performance management, laying a solid foundation for continued excellence and workforce development in the years ahead.



Talent development

Developing the skills, capabilities and future readiness of our people is a strategic priority for Borouge. We offer a wide range of internal and external learning opportunities, including e learning, on the job training, classroom programmes, coaching, mentoring and specialised technical development.

Through ADNOC’s Learning Management System (LMS), our employees have access to curated e learning content tailored to their individual needs and interests, covering areas such as management, HSE, leadership, technical skills, role related competencies and interpersonal development. In line with our business priorities, we delivered several key learning initiatives in 2025.

Coaching for transformation

We continued our coaching platform in SAP for all employees, strengthening access to certified and professional internal coaches across Borouge. This enhanced platform supports employees in unlocking their potential, stimulating creativity and productivity, and driving meaningful personal and professional growth.

Youth empowerment

In 2025, we continued to invest in the development of our young entry point professionals, integrating them into the organisation and preparing them to take on increased responsibilities.

We remain committed to equipping early career talent with the skills, exposure, and support needed to contribute effectively within their functions and to the wider organisation.

Early Professional Employees (EPEs) were integrated under our Youth Development Programme (YDP), while 20 ADNOC Training Academy trainees completed the 25% our On-Job Training Programme and successfully graduated.

● **7 EPEs**
During 2025, seven Early Professional Employees (EPEs) were integrated under our YDP

● **20**
ADNOC Training Academy (ATA) Trainees completed **25%** our **On-Job Training Programme** and successfully graduated.

● **20** employees graduated from Cohort 1 in 2025

36 employees are currently enrolled in Cohort 2

Competency streams Technical Competence Standard

We achieved 97% implementation for Operators, Technicians, and Supervisors.

Asset Integrity & Process Safety Standard

We achieved 97% implementation for Operators, Technicians, and Supervisors.

Internship programme

During 2025, we welcomed 87 Interns, who were given the opportunity to gain basic work experience and fulfil their graduation requirements. In addition, there were 60 talent mobility cases within Borouge during 2025, giving them the opportunity to enrich their knowledge, experience, and skills by involving in various projects and leadership development plan.

Borouge elite programme

The Borouge Leadership Ecosystem continued in 2025, featuring a bespoke, 12-month, Continuing Professional Development (CPD)-accredited Elite High-Potential Programme, which combined executive masterclasses, curated digital learning, and business critical projects sponsored by senior leadership.

In addition, we delivered the 2025 Elite Programme, developing high potential talent through two cohorts and five targeted interventions, which included financial acumen, leadership effectiveness, and project execution, with strong participation and 20 graduates.

Furthermore, we designed comprehensive toolkits to reinforce learning across all programmes, supporting lasting behavioural change and delivering a positive ROI, as evidenced by participant feedback.

Risk Management

Enterprise Risk Management

In 2025, we advanced from a traditional defensive risk mitigation to a model of Strategic Resilience, positioning Borouge to thrive amid volatility and complexity.



Strategic resilience in action

We operated against a backdrop of global macroeconomic uncertainty, geopolitical disruptions, and accelerating regulatory change. Despite these conditions, we continued to anticipate, adapt, and respond effectively, leveraging an Enterprise Risk Management (ERM) framework that is deeply embedded across the organisation.

Our ERM approach is anchored in internationally recognised standards, including ISO 31000 and COSO ERM, ensuring alignment with global best practice. This framework is not merely procedural; it is cultural. Risk-informed decision-making is integrated from strategy and capital allocation through to operational execution, reinforcing trust and resilience.

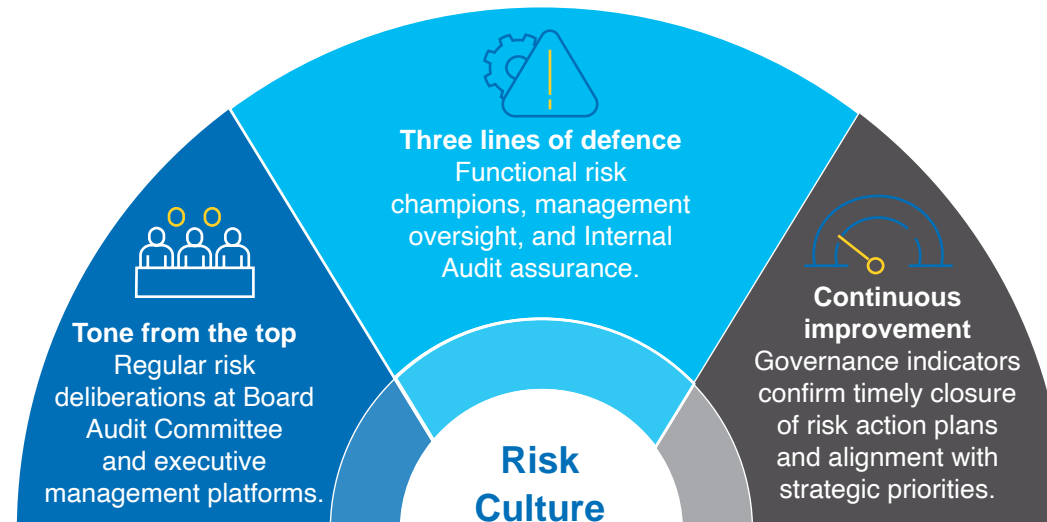
Looking ahead to 2026, our priority is to deliver on our strategic growth objectives, while remaining resilient through the cycle and positioning the business to capture long-term polyolefins demand growth. We do not merely manage risk; we manage for reality, building resilience today to convert future demand into sustained value.

Risk culture

Risk culture remains a cornerstone of Borouge’s resilience. In 2025, we strengthened this culture by fostering proactive risk conversations across leadership platforms, including the Board Audit Committee sessions and executive management reviews. These dialogues ensure that emerging risks are identified early and deliberated at the highest levels, reinforcing a strong tone from the top.

Our governance model follows a structured, multi-layered oversight approach: our CEO provides strategic approval of Borouge’s risk posture, senior management aligns mitigation strategies with business objectives, and risk champions embedded across functions identify issues at source. Independent assurance from Internal Audit validates the effectiveness of controls, supporting continuous improvement and accountability.

Our risk culture is built on:



The Borouge ERM Framework

Our risk methodology remains anchored in ISO 31000 model and COSO ERM guidance, ensuring alignment with globally recognised best-practice standards. ERM is embedded across Borouge’s culture so that every decision, from day-to-day

operations to multibillion-dollar investments, is informed by a clear understanding of risk. This integration strengthens trust, supports disciplined governance, and enables sound, forward-looking decision-making throughout the organisation.



The risk assessment architecture

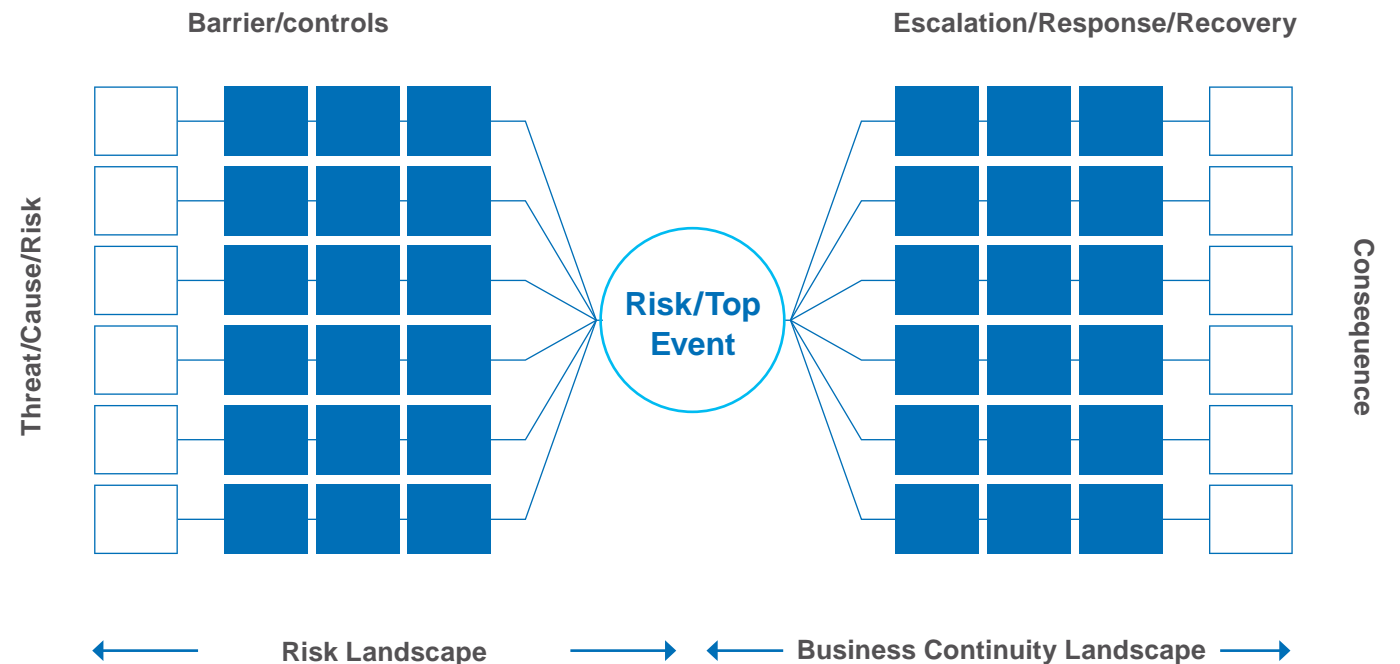
We apply a systematic process to identify, analyse and evaluate risks, ensuring a consistent approach across all operating locations.

- **Establishing the context:** We define key parameters based on the external environment, shareholder expectations and our internal value drivers.
- **Identification and analysis:** We assess where, when and how potential events could affect our business objectives, considering both threats and the opportunities that may emerge.
- **The Bowtie Method:** This visual methodology maps the progression of risk from root causes to final consequences. It clarifies the distinction between preventive controls (before an event) and reactive controls (after an event), supporting robust business continuity planning.

Risk treatment and mitigation philosophy

Based on our established risk thresholds and tolerance levels, Borouge applies four primary treatment strategies to manage risk effectively:

- **Treat:** Reduce the likelihood and/or impact of a risk by implementing mitigation action plans or Risk Action Plans (RAPs).
- **Tolerate:** Accept the risk within defined limits while continuing to monitor for changes.
- **Transfer:** Shift the financial or operational impact of a risk to a third party, such as through insurance or outsourcing. This does not eliminate the risk entirely but can mitigate its consequences.
- **Terminate:** Avoid or discontinue the activity that gives risk to the risk where feasible.



Risk Management

Governance oversight and continuous improvement

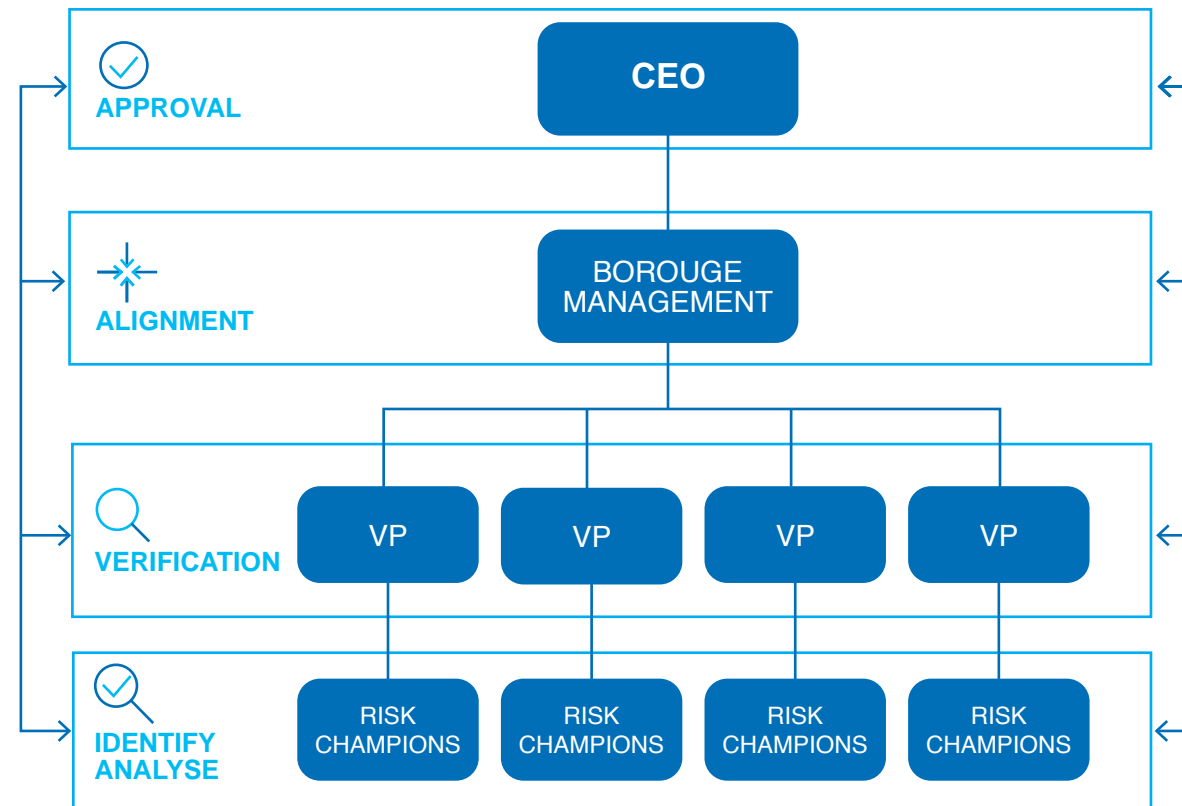
ERM is embedded across the organisation to ensure Borouge effectively manages risks and supports both short-term performance and long-term growth aspirations.

Our approach is integrated and proactive, enabling the business to anticipate and respond to a wide range of risks and potential disruptions.

Our multi-layered oversight structure ensures clear accountability throughout the enterprise:

- Approval**
 Our CEO provides final strategic approval of Borouge’s overall risk posture.
- Alignment**
 Our senior management ensures risk-mitigation actions are aligned with business objectives and operational priorities.
- Verification**
 Our functional management verifies that mitigation measures are effective and operating as intended within their departments.
- Identification and Analysis**
 Our risk champions embedded across all departments identify emerging risks at the source and escalate them appropriately.

Our Internal Audit Department provides independent assurance by assessing the effectiveness of these processes and incorporating feedback from management, risk champions and ERM team. This ensures our control environment remains strong, adaptive and aligned with evolving business and risk landscapes.



Emerging risks

In a dynamic market environment, we continuously assess emerging risks to remain proactive and resilient. This process involves ongoing monitoring and analysis of external factors that could influence our objectives and performance. Identified emerging risks are reviewed through our Management Committees, ensuring leadership has clear visibility and is prepared to respond.

Where possible, new and evolving risks are linked to existing risk categories, allowing for a cohesive and integrated risk management strategy. Mitigation action plans are then defined, monitored, and tracked to ensure effective timely and effective response. This proactive process strengthens Borouge’s ability to adapt to volatility and maintain resilience in pursuing our strategic goals. During 2025, this included:

- 
Continuously reporting and assessing emerging risks through Leadership Committees and Board Audit Committee meetings, ensuring timely visibility and oversight.
- 
Supporting our management and project teams by providing risk insights for strategic growth projects and major initiatives.
- 
Conducting scenario-based risk assessments to support the business during disruptive market conditions and global events impacting our operations.

Risk Management

Navigating **principal risks** in 2025



Geopolitical & geo-economic

The year was marked by persistent geopolitical and geoeconomic disruptions. The Red Sea and Suez Canal corridor, which typically handles 12-15% of global trade and nearly 20% of container traffic, experienced severe interruptions, forcing carriers to reroute via the Cape of Good Hope. This extended transit times by up to two weeks and drove shipping costs to levels more than 140% above pre-crisis benchmarks. Borouge mitigated these exposures through friend-shoring strategies and diversified logistics routes, preserving supply chain integrity.



Macroeconomic & market

Macroeconomic conditions added further complexity. Global GDP growth moderated to 3.2%, while polyolefin markets faced a pronounced down-cycle driven by oversupply and weak demand. Borouge responded with disciplined capital management, value-based pricing, and a focus on specialty grades to protect margins. At the same time, regulatory developments accelerated. The European Union's Carbon Border Adjustment Mechanism (CBAM) moved toward its definitive phase, and sustainability reporting obligations under CSRD and ESPR began to reshape compliance landscapes. Borouge proactively advanced low-carbon intensity initiatives and traceable product data capabilities to maintain market access and meet evolving stakeholder expectations.

In 2025, the United States implemented broad tariff measures under its "reciprocal trade" policy, imposing a baseline 10% duty on most imports and significantly higher rates on targeted sectors, including chemicals and plastics. Polyolefin imports, such as polyethylene and polypropylene, faced combined tariffs exceeding 25%, while downstream plastic products were subject to duties of up to 45%. These actions disrupted global trade flows, raised input costs, and reduced U.S. resin imports by nearly 7% year-on-year. For Borouge, the tariff environment compressed competitiveness for commodity-grade resins but reinforced the strategic importance of specialty products and regional diversification, enabling us to mitigate exposure and sustain market access despite shifting trade dynamics.



AI & cybersecurity

Cybersecurity risks intensified across industrial sectors, with ransomware campaigns and OT/ICS-targeted attacks escalating. In response, Borouge transitioned from static controls to dynamic, agentic governance, implementing zero-trust principles for operational technology and deploying digital-twin-enabled resilience strategies. These measures strengthen our ability to safeguard critical infrastructure and maintain operational continuity.



Sustainability & ESG

CBAM's definitive regime begins on 1 January 2026: EU importers must purchase and surrender CBAM certificates against embedded emissions in covered sectors, with scope expansions under consideration. On reporting, the EU's Omnibus I has narrowed Corporate Sustainability Reporting Directive (CSRD) scope, targeting companies with over EUR 450 million turnover and over 1,000 employees, with first-wave companies having reported for 2024 and certain later waves deferred. Digital Product Passports under the Ecodesign for Sustainable Products Regulation (ESPR) are phasing in from 2026, with batteries and other high-impact categories prioritised; harmonised standards are being advanced to enable interoperability. Implication: low-carbon intensity and traceable product data become prerequisites for EU market access.



HSE & operational

Borouge's integrated Al Ruwais site is recognised as the world's largest single-site polyolefins complex, which forms a cornerstone of our HSE risk management strategy. By consolidating production units, utilities, and safety systems under a unified governance framework, we ensure consistent standards and operational resilience. Leveraging ISO 50001-certified energy management and the Ruwais Environmental Sustainability Programme, the site has delivered significant reductions in flaring, water consumption, and greenhouse gas emissions since 2018. Large-scale maintenance turnarounds, such as Borouge 2, were executed with strong adherence to HSE protocols and millions of safe man-hours, underscoring our commitment to minimising operational risk. This integrated approach enhances our ability to prevent, detect, and respond to HSE challenges across the entire complex.



Strategic growth

Borouge 4 remains a flagship execution priority. Execution focus areas include commissioning readiness, workforce availability, and rapid market integration, with prudent capital cycle management given the broader oversupply signals in basic chemicals.



People & talent

The World Economic Forum's 2025 Future of Jobs survey underscores the pivot in skills: 39% of core skills are expected to change by 2030, with AI/big data, cybersecurity, and technological literacy among the fastest-growing capabilities. Employers anticipate substantial reskilling, with demand strongest at the intersection of petrochemicals domain expertise and data/automation proficiency. Our succession planning and knowledge management programmes are prioritising these hybrid skill sets.



Looking ahead: 2026 and beyond

In 2026, Borouge's strategic posture shifts from realignment to high-stakes execution. The commissioning of Borouge 4 remains a flagship priority, requiring meticulous readiness planning, workforce optimisation, and rapid market integration. At the same time, we continue to navigate a challenging capital cycle characterised by petrochemical oversupply and margin compression. Our focus on disciplined investment, operational excellence, and sustainability compliance positions Borouge to convert potential risks into structural advantages. **By embedding resilience into every facet of our operations, from governance and culture to technology and sustainability, Borouge stands prepared to deliver sustainable value to stakeholders in an increasingly complex global environment.**



Governance Report

Board of Directors

Committed to standards of corporate governance

Our Board of Directors (or “Board”) is committed to standards of corporate governance that are aligned with international best practice. As per the Articles of Association of the Company, it comprises eleven members since the incorporation of the Company. As of year-end 2025, the Board was reconstituted at the annual general assembly meeting held on 7 April 2025.



H.E. Dr. Sultan Ahmed Al Jaber
Chairman



Mr. Stefan Doboczky
Director and Vice Chairman



Khaled Salmeen
Director



Nasser Omair Al Muhairi
Director



Daniel Turnheim
Director



Klaus Bernhard Alfred Frohlich
Director



Hetal Patel
Director



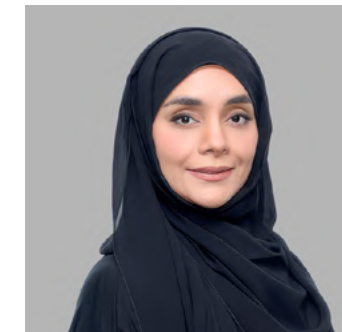
Thomas Michael Boesen
Director



Philippe Roodhooft
Director



Ahmed El Hoshy
Director



Ayesha Mohammad Al Hammadi
Director

The Board of Directors has adopted a Group Management and Governance Policy which includes various principles applicable to the management of the Borouge Group and the make-up of the Board, including that there must be at least one female Director, the manner of exercise of Borouge's rights as a shareholder in PTE and the exercise of Borouge's rights to appoint, remove and replace seven of the Directors of PTE. The policy also governs the appointment, removal, and replacement of certain other Group personnel (including the chief financial officer and chief operating officer). Borouge's articles of association further require that each Director serves a three-year term, after which a Director may be elected to a successive term or terms.

H.E. Dr. Sultan Ahmed Al Jaber

Chairman

H.E. Dr. Sultan Ahmed Al Jaber has been serving as Minister of Industry and Advanced Technology since July 2020, as the UAE's special climate envoy since November 2020, as a member of Abu Dhabi Supreme Council for Financial and Economic Affairs since December 2020, as Minister of State of the UAE Cabinet from March 2013 to July 2020, as Chairman of the National Media Council from 2016 to July 2020, as Group Chief Executive Officer of ADNOC since February 2016 and additionally Managing Director of ADNOC since February 2021. From January 2014 to February 2016, he served as Chief Executive Officer, Energy, of Mubadala Development Company. H.E. Dr. Al Jaber is also Chairman of several ADNOC Group companies, Chairman of Masdar, Chairman of Emirates Development Bank, Chairman of FAB Misr and Chairman of the Board of Trustees of Mohammed bin Zayed University of Artificial Intelligence, as well as a member of the Board of Directors of Advanced Technology Research Council, Mubadala Investment Company, Emirates Global Aluminium, Emirates Investment Authority and First Abu Dhabi Bank. H.E. Dr. Al Jaber holds a PhD in business and economics from Coventry University in the United Kingdom, an MBA from the California State University, and a Bachelor in Chemical Engineering from the University of Southern California, USA.

Stefan Doboczky

Director – Vice Chairman

Stefan Doboczky, an Austrian citizen, was appointed CEO of Borealis in July 2024. His career started in 1992 with ARCO Chemical in the UK, where he spent seven years before joining Royal DSM, where he held successive senior management and executive board positions in the Netherlands, China, and Singapore over a period of 17 years. In 2015, he was appointed CEO of Lenzing AG, a position he held for six years before private equity in the specialty chemicals arena with SK Capital and Heubach in 2022. He has been a member of the OMV Supervisory Board since 2019, from which he stepped down due to his new role at Borealis. Stefan Doboczky holds a Ph.D. in Chemistry from the Vienna University of Technology, Austria, and an MBA from IMD Lausanne, Switzerland.

Mr. Khaled Salmeen

Director

Khaled Salmeen is the former CEO of ADNOC Downstream, where he oversaw the entire downstream value chain. He was a driving force behind the successful public listing of five downstream companies, the strategic consolidation of ADNOC's gas businesses, and the launch of high-impact ventures like TA'ZIZ. Additionally, as a proven dealmaker, Mr. Salmeen has led major transactions that have expanded ADNOC's global footprint, reinforcing ADNOC's position as a regional and international leader. Mr. Salmeen holds board positions at ADNOC Logistics and Services, ADNOC Refining, ADNOC Gas, Borouge ADP, Fertigllobe, ADNOC Global Trading, and ADNOC Distribution. He chairs the boards of Borouge PTE, ADNOC Trading, TA'ZIZ, and Abu Dhabi Gas Distribution, and serves on the boards of NGSCO and OMV. In his previous role, Mr. Salmeen led the Marketing, Supply, and Trading Directorate of ADNOC. His leadership experience includes roles as CEO of Khalifa Industrial Zone Abu Dhabi (KIZAD), Chairman of Abu Dhabi Terminals, and COO of Tabreed. Mr. Salmeen holds a Bachelor's degree in Engineering from the Colorado School of Mines and an Executive MBA from INSEAD.

Mr. Nasser Al Muhairi

Director

Nasser Al Muhairi is the Acting CEO of Downstream at ADNOC, where he is responsible for driving value across one of the world's most integrated and diversified energy portfolios. He oversees a value chain that moves molecules from processing to conversion to market delivery, maximising value creation and impact, while leading the performance, growth and strategic direction of the portfolio. A seasoned energy executive, Nasser brings over 15 years of experience in commercial operations, strategic planning, and portfolio optimisation. He has played a central role in shaping ADNOC's downstream transformation, enhancing customer centricity, expanding international reach, and unlocking synergies across the value chain. Previously, Nasser served as Executive Vice President of Downstream Business Management, where he oversaw the commercial performance of ADNOC's portfolio and led cross-functional alignment between Group entities, operating companies, and strategic partners. He played a key role in strengthening governance, embedding a sharper shareholder mindset, and enabling agile decision-making across ADNOC's downstream platforms. Nasser also serves as Chairman of Ruwais LNG, the first LNG export facility in the Middle East and Africa to be powered by clean energy, as well as Chairman of TA'ZIZ, a world-scale chemicals and transition fuels hub in the heart of the United Arab Emirates. Additionally, Nasser sits on the Boards of ADNOC Gas Processing, ADNOC LNG, ADNOC Distribution, ADNOC Global Trading, Borouge, Navig8, Fertigllobe, Masdar and NMDC Energy, reflecting his active leadership in corporate strategy and external partnerships across the energy value chain. He holds a Bachelor's degree in Chemical Engineering and Master's degree in Business Administration, and has completed executive development programs in leadership and energy strategy.

Mr. Daniel Turnheim

Director

Daniel Turnheim was appointed as CFO of Borealis in June 2023. He looks back at a long-standing career in OMV Group. After joining the company in 2002, he held various senior management functions in OMV Finance, including Head of Controlling at OMV UK in London, United Kingdom and a two-year assignment to Petrol Ofisi in Istanbul, Turkey. From 2011 to 2012, Mr. Turnheim held the role of Chief Financial Officer at OMV Petrom in Bucharest, Romania. Before he joined Borealis he was Vice President Finance & Tax at OMV AG. Mr. Turnheim is an Austrian citizen and holds a Master's degree from the Vienna University of Economics and Business in Vienna, Austria.

Mr. Klaus Frohlich

Director

With extensive experience in Mergers and Acquisitions, commercial and investment banking, capital markets, change management, debt, equity and financial restructuring, Klaus Frohlich has been at the helm of ADNOC's Group Strategic Investments Function since 2020. He is responsible for executing both ADNOC's short and long-term growth and value creation strategies. Prior to joining ADNOC, Mr. Frohlich spent over 20 years in the financial services industry, including 17 years at Morgan Stanley and more recently for three years as Chief Financial Officer of the Saudi Binladin Group in Jeddah. Previously, he has held various roles at BNP Paribas and Deutsche Bank. Mr. Frohlich holds a Bachelor of Science degree in Accounting and Finance from the London School of Economics and Political Science (LSE), and is a member of the Institute of Directors.

Mr. Hetal Patel

Director

Hetal Patel brings over 30 years of experience of investing, M&A and operational experience to the team, along with recent experience across a wide range of products in the Chemicals industry. He has a wide range of industry experience from Engineering & Construction through to Agriculture. Within ADNOC, and now XRG, he has led the asset management of Borouge, Borealis, OMV, Fertiglobe and Taziz, as well as leading the M&A processes for significant chemicals investment projects. Prior to this, Mr. Patel was an Investment Director at Mubadala Investment Company where he led the Chemicals portfolio (US\$17bn) which included Nova Chemicals and Borealis. Within Mubadala he also led the asset management for the largest aquaculture producer in the Mediterranean serving on the Board of Directors where he also served on the Audit Committee and Chaired the People Committee. Prior to this he spent 10 years at SNC-Lavalin, one of the largest Engineering and Construction firms globally, as Head of Strategy, Head of M&A and General Manager of the Saudi Arabian business unit. Earlier in his career he was a consultant at McKinsey & Co for 4 years where he delivered a wide range of investment, acquisition and performance improvement projects for a wide variety of clients. Previous experience includes Goldman Sachs in New York and PwC in London. Mr. Patel started his career at the Ministry of Defence in the UK with the Warfare Division of the Royal Navy where he worked directly with the Chief of Staff Warfare to drive the Strategic Warfare Trials programme. Mr. Patel serves on the Board of Borouge Group, where he serves on the Executive Committee. He is also a Board member of Borealis where he is the Vice Chair of the Board and Vice Chair of the Remuneration Committee. At Fertiglobe plc, he is a member of the Executive Committee and the Nomination and Remuneration Committee. He holds an MBA from Cornell University and is a qualified Chartered Management Accountant (ACMA).

Mr. Thomas Michael Boesen

Director

Thomas Boesen was appointed as a member of the Board of Directors as of the establishment of the Company. Mr. Boesen was appointed Vice President Middle East of Borealis AG in May 2018. Prior to this role, Mr. Boesen was Chief Financial Officer and Senior Adviser with responsibility for strategy in Borouge. Mr. Boesen first joined Borealis in 1994 and has since held several roles including Director of Business Planning and Analysis, Director of Decision Support, Business Development Manager of Innovation and Middle East and Asia, Business Project Manager and Business Unit Controller of Engineering Applications. Mr. Boesen was seconded by Borealis to Borouge from 2005 to 2008 and again from 2011 to 2018. Mr. Boesen is also a member of the Board of Directors of Borouge 4 LLC. Mr. Boesen holds a Master's degree in Economics and Business Administration from Copenhagen Business School, Denmark, with a specialisation in Finance, Accounting, and International Business.

Mr. Philippe René M. Roodhooft

Director

Philippe Roodhooft was appointed as a member of the Board of Directors as of the establishment of the Company. Mr. Roodhooft was appointed Executive Vice President Joint Ventures and Growth Projects of Borealis AG in January 2018. From 2013 to 2017, Mr. Roodhooft was Chief Operating Officer of ADP. Between 2007 and 2013, Mr. Roodhooft held several senior management positions within Borealis, including as General Manager for the Central European production sites, Senior Vice President Operations for the Borealis group of companies and Senior Vice President Supply Chain and Product Management for Polyolefins. Mr. Roodhooft is also a member of the Board of Directors of Bayport Polymers LLC. Mr. Roodhooft holds a Master's degree Cum Laude in Applied Science from the Katholieke Universiteit Leuven, Belgium, with a specialisation in Production Management and Electro-mechanical Engineering.

Mr. Ahmed El Hoshy

Director

Ahmed El-Hoshy has been CEO of Fertiglobe PLC since 2021, where he led its successful IPO on the Abu Dhabi Exchange (ADX), effectively navigating commodity market cycles, and leading Fertiglobe's consolidation with ADNOC to create a world leader in low carbon ammonia and urea. Mr. El-Hoshy was formerly based in London as the CEO of OCI Global, one of the world's largest ammonia and methanol producers at the time, with a capacity of 17 million tons per annum of hydrogen-based products, manufactured across four continents. He played an integral role in the successful divestment of four businesses of OCI Global in 2023 and 2024, generating \$11.6 billion of proceeds, unlocking significant value for shareholders. Mr. El-Hoshy also held senior executive positions over thirteen years at OCI Global, including Global Chief Operating Officer, CEO of OCI Americas and CEO of OCI Partners. Previously, he was based in New York and led the growth of OCI's US and European businesses in both the ammonia and methanol sectors, including the establishment of over 6 million tons of production in Iowa and Texas. Mr. El-Hoshy received his bachelor's degree in economics from Harvard College with honours and began his career at Goldman Sachs as a member of the investment banking and special situations groups in New York and Dubai.

Ms. Ayesha Mohamed Nouri Aqil Al Hammadi

Director

Ayesha Al Hammadi is Executive Vice President, Group People & Culture at the Abu Dhabi National Oil Company (ADNOC), where she leads the Group's people and culture agenda across talent, rewards, leadership, organizational effectiveness, and AI enablement. With more than two decades of experience at ADNOC, she has held senior leadership roles spanning performance management, rewards, people development, and organizational planning, and serves as a strategic partner to the Group's leadership on enterprise-wide transformation and cultural evolution. She is a Board Member of Borouge and ADNOC Schools and serves on the Remuneration Committees of several listed ADNOC Group companies, including ADNOC Distribution, ADNOC Gas, ADNOC Drilling, ADNOC Logistics & Services, Fertiglobe, and PureHealth. She was named GCC Government HR Leader of the Year (Public Sector, 2024) and is a graduate of Harvard Business School's Advanced Management Program.



Former members of the Board of Directors



Mr. Abdulaziz Abdulla Alhajri Former Director (Until 3 February 2025)

Abdulaziz Abdulla Alhajri was appointed as a member of the Board of Directors as of the establishment of the Company. Mr. Alhajri was the Executive Director of Downstream at ADNOC from May 2016 until his retirement in April 2021. From 2016 to 2021, Mr. Alhajri served as chairman of the Board of Directors of PTE. From 2007 to 2016, Mr. Alhajri was the Chief Executive Officer of ADP. Mr. Alhajri currently serves as a member of the Board of Directors of Abu Dhabi Oil Refining Company (Takreer), Abu Dhabi National Oil Company for Distribution PJSC, ADP and Arkan Building Materials PJSC. Mr. Alhajri holds a Bachelor's degree of Science in Chemical Engineering from the University of Texas in the United States.

Mr. Khaled Mohamed Abdulla Alalkeem Al Zaabi Former Director (Until 7 April 2025)

Khaled Mohamed Abdulla Alalkeem Al Zaabi was appointed as a member of the Board of Directors as of the establishment of the Company. Mr Al Zaabi is the current Acting Group Chief Financial Officer of ADNOC. Mr. Al Zaabi previously served as the Senior Vice President of the Financial Planning, Reporting and Group Performance Management function of ADNOC from February 2021 to December 2021, and as the Senior Vice President of the Financial Planning, Budgeting and Reporting function of ADNOC from January 2020 to January 2021. He also serves as a member of the Board of Directors of Abu Dhabi Oil Refining Company (Takreer), ADNOC Trading Ltd. as well as a committee member on several ADNOC-affiliated companies. Mr. Al Zaabi holds a Bachelor's degree in Finance from Deakin University, Victoria, Australia.

Mr. Omar Al Nuaimi Former Director (Until 7 April 2025)

Omar Al Nuaimi was appointed as a member of the Board of Directors as of the establishment of the Company. Mr. Al Farsi is the current Senior Vice President Accounting, Strategy Reporting and Tax at ADNOC. Previously, Mr. Al Farsi served as the Senior Vice President Financial Policies, Systems and Controls at ADNOC from May 2020 to February 2021 and the Chief Financial Officer of Emirates Defence Industries Company PJSC from February 2015 to April 2020. Prior to that, Mr. Al Farsi was a Director of Finance and Director of Supply within the Mubadala group.

Mr. Al Farsi holds a Bachelor's degree of Science in Computer Science (with a Business specialisation) and a Master's degree in Professional Accounting from Seattle University. Mr. Al Farsi is also a certified public account from the State of Washington, USA.

Ms. Tasnim Ahnaish Former Director (Until 7 April 2025)

Tasnim Faraj Abdulla Ahnaish was appointed as a member of the Board of Directors as of the establishment of the Company. Ms. Ahnaish is currently Vice President of ADNOC's Value Chain Optimisation and Analytics function. She previously served as a Manager of ADNOC's Value Chain Optimisation and Analytics function from January 2019 to June 2020 and various roles such as a Principle Research Investigator at Standards and Technology Division, Research and Development and Environmental Engineer at Standards and Technology Division, Environmental and Energy Efficiency Department at ADNOC Gas Processing from November 2012 to December 2017, which included a three-month secondment to TotalEnergies in 2016. In addition, between 2012 to 2014, Ms. Ahnaish worked as an Operations and Environmental Engineer at ADNOC Gas Processing in its Al Ruwais and Habshan plants and responsible for leading and executing ADNOC's digitisation scope of work.

Ms. Ahnaish holds a Bachelor of Science degree in Chemical Engineering from the American University of Sharjah, United Arab Emirates, a Masters of Law in International Law and Sustainable Development from the Sorbonne University, United Arab Emirates and an Executive Master of Business Administration degree from Cambridge University, United Kingdom.

Ms. Daniela Vlad Former Director (Until 28 February 2025)

Daniela Vlad was appointed as a member of the Board of Directors on 6 June 2023 and has been a member of the Executive Board of OMV Aktiengesellschaft since 1 February 2023. In this function, she took over the Chemicals & Materials division of OMV to further strengthen, expand, and diversify the chemicals business. She resigned as a Borouge Plc board member as well as from the Executive Board of OMV Aktiengesellschaft by end of February 2025. After her studies – the Romanian-born holds a Master's degree in Chemical Engineering from the Technical University of Timisoara in Romania and a cum laude Master's degree in Business Administration from Twente University in the Netherlands – she held management positions at Shell and Phillips, and most recently the management of key global businesses at AkzoNobel – such as Powder Coatings and Industrial Coatings. Thanks to her many years of international experience in the chemical business and in leading strategic transformations, Ms. Vlad combines chemical and financial knowledge with experience in the field of sustainable technical solutions.

Female representation on the Board of Directors

Aeysha Al Hammadi was appointed to the Board of Directors on 7 April 2025 as an independent Director. Borouge is therefore in compliance with SCA Corporate Governance Rules which require one female member of the Board.

Directors' remuneration

(Including Board Committee Members and non-Board Committee Members)

As per the Company's Regulations, the remuneration of the members of the Board of Directors should be approved by the Board of Directors. This is then submitted for the approval of the shareholders at the Annual General Meeting.

The remuneration for services of the Board of Directors for the financial year ended on 31 December 2024 amounted to AED 29.62 million. As at the date of the issuance of this Report, the Board of Directors have not yet approved the remuneration to be paid to the members of the Board of Directors for their services rendered in 2025. It is expected to be approved at the 2026 Annual General Meeting. Therefore, no payments have been made in this regard so far.

Board meetings attendance records

Our Articles of Association require that the Board of Directors meets a minimum of four times each year. The quorum for meetings is at least two Directors appointed by ADNOC and two Directors appointed by Borealis. Decisions on Board Reserved Matters also require the approval of at least two ADNOC Directors and two Borealis Directors. Board Reserved Matters include the approval of:

1. the Borouge Group Strategy, Business Plan and budget;
2. annual financial statements;
3. entry by any member of the Borouge Group into joint ventures or partnerships with any third party in respect of any petrochemical project; and
4. the creation or dissolution of Board Committees, among other items.

The following table sets out the meetings held by our Board of Directors in 2025:

Director	Position	Board Meeting (1) of 2025 Dated 03 February 2025	Board Meeting (2) of 2025 Dated 29 April 2025	Board Meeting (3) of 2025 Dated 30 July 2025	Board Meeting (4) of 2025 Dated 28 October 2025
H.E. Dr. Sultan Ahmed Al Jaber	Chairman	P	P	P	P
Stefan Doboczky	Vice Chairman	P	P	P	P
Khaled Salmeen	Director	P	P	P	P
Abdulaziz Abdulla Alhajri	Director	Post his resignation as a Board Director	Post his resignation as a Board Director	Post his resignation as a Board Director	Post his resignation as a Board Director
Khaled Al Zaabi	Director	P	Post his resignation as a Board Director	Post his resignation as a Board Director	Post his resignation as a Board Director
Omar Abdulla Salem Obaid Al Nuaimi	Director	P	Post his resignation as a Board Director	Post his resignation as a Board Director	Post his resignation as a Board Director
Tasnim Ahnaish	Director	P	Post her resignation as a Board Director	Post her resignation as a Board Director	Post her resignation as a Board Director
Philippe René M. Roodhooft	Director	P	P	P	P
Thomas Michael Boesen	Director	P	P	P	P
Daniela Vlad	Director	P	Post her resignation as a Board Director	Post her resignation as a Board Director	Post her resignation as a Board Director
Klaus Froehlich	Director	Prior to his appointment to the Board as a Director	P	P	P
Daniel Turnheim	Director	Prior to his appointment to the Board as a Director	P	P	P
Nasser Omeir Almheiri	Director	Prior to his appointment to the Board as a Director	P	P	P
Ahmed El Hoshy	Director	P	P	P	P
Hetal Patel	Director	Prior to his appointment to the Board as a Director	P	P	P
Ayesha Al Hammadi	Director	Prior to her appointment to the Board as a Director	P	P	P

(A) Absent (P) Present

Written resolutions of the Board of Directors



In 2025, the Board of the Directors passed nine Written Resolutions. Below is a list of the dates when these Written Resolutions were issued.

Written resolutions and dates

1. Resolution dated 27 March 2025 re approval of remuneration matters.
2. Resolution dated 5 April 2025 re approval of the appointment of external auditors.
3. Resolution dated 8 April 2025 re approval for the share buyback program.
4. Resolution dated 16 April 2025 re approval of the distribution of interim dividends by Abu Dhabi Polymers Ltd (Borouge) – Sole Proprietorship LLC for the first quarter of the financial year 2025.
5. Resolution dated 9 June 2025 re approval of the Khalifa Port Packaging Services contract award and variation to the Port Operation Contract, Jebel Ali.
6. Resolution dated 9 July 2025 re approval of the Khalifa Port Packaging Services contract award.
7. Resolution dated 12 December 2025 re approval of the Trade Receivables Securitization Program.
8. Resolution dated 26 December 2025 re approval of the Global Shipping Services - contract award for one year to thirteen suppliers.
9. Resolution dated 30 December 2025 re approval of the distribution of interim dividends by Abu Dhabi Polymers Ltd (Borouge) – Sole Proprietorship LLC for the third quarter of the financial year 2025.

Matters reserved to the Board of Directors and delegated to management

A delegation of authority for Borouge was approved on 27 April 2024 (“DOA”) to facilitate the business of Borouge including its subsidiaries (i.e. PTE and PTE subsidiaries and ADP), (the “Borouge Group”). The Company is the sole owner of ADP, and the majority shareholder of PTE, and is the holding company for the Borouge Group. The Borouge Group conducts its business exclusively via ADP and PTE (including their respective subsidiaries from time to time). By documenting delegations of authority in sufficient detail, Borouge promotes responsibility, accountability, and adequate internal control over the authorisation and execution of the activities of the Borouge Group.

The DOA sets out the matters that are delegated by the Board to its Board Committees, to the Chief Executive Officer of Borouge (“CEO”) or the Chief Marketing Officer of Borouge (“CMO”), or to both of them jointly, as well as highlighting those matters which the Board wishes to expressly reserve or those matters that are expressly reserved for the Major Shareholders. The Board, the CEO or the CMO may elect to delegate certain matters by way of separate authority (including by way of a POA, special delegation or, the approval of Committee terms of reference). The DOA also contains various Board-approved financial authority limits. Matters not expressly delegated in the DOA remain matters reserved for the Board or the Major Shareholders.

Inside information & insider dealing policy

As part of our commitment to acting with the highest levels of integrity, and complying with applicable capital markets and securities regulations, we take the utmost care to prevent insider dealings and insider trading. Accordingly, we have implemented an Inside Information & Insider Dealing Policy. As per this policy, all employees in possession of Borouge inside information are considered “Insiders” and their connected parties must also comply with these rules.



All members of the Board and Board Committees are required to comply with the Group’s information sharing protocol which sets out guidelines on matters relating to the sharing of material non-public information and insider trading.

In addition, Borouge also requires all Insiders to be registered with ADX as a Borouge Insider, sign an Insider undertaking form, which sets forth the obligations and responsibilities required to comply with the Insider Dealing Policy.

Aligned with ADX regulations on prohibition periods, and any adhoc prohibition periods that may be declared based on our dynamic business environment, Borouge prohibits Insiders and their connected parties from trading Borouge’s securities during these periods.

Share dealings

The following table sets out the details of all purchases and sales of our shares undertaken by our Directors, their spouses and their children in 2025:

Director	Position	Shares held on 31 December 2025	Total sale transactions	Total purchase transactions
H.E. Dr. Sultan Ahmed Al Jaber	Chairman	—	—	—
Stefan Doboczky	Vice Chairman	—	—	—
Khaled Salmeen	Director	—	—	—
Ahmed El-Hoshy	Director	—	—	—
Klaus Froehlich	Director	8163	—	—
Hetal Patel	Director	—	—	—
Ayesha Al Hammadi	Director	—	—	—
Daniel Turnheim	Director	—	—	—
Thomas Boesen	Director	—	—	—
Philippe René M. Roodhooft	Director	—	—	—
Nasser Omair Al Muhairi	Director	—	—	—

Executive management



Hazeem Sultan Al Suwaidi
Chief Executive Officer

Mr. Hazeem Sultan Al Suwaidi has served as the Chief Executive Officer of Borouge since 2020. Under his leadership, Borouge has navigated its listing as an IPO and entered a transformational phase of growth to become a global petrochemical champion. He has spearheaded the company's operational activities, accelerated growth projects, and significantly contributed to the development of the UAE's petrochemicals industry. From 2017 to 2019, Mr. Al Suwaidi was the CEO of Al Ruwais Fertiliser Industries LLC (Fertil), where he played a pivotal role in expanding the business regionally and internationally, transforming it into a high-performing, market-facing, and people-centred company. Prior to his tenure at Fertil, he was the Senior Vice of President Regional Sales MEA at PTE, where he successfully established a strong market position for Borouge's products in the MEA region during the high-growth period of Borouge 3 capacity ramp-up.

Mr. Al Suwaidi is also a board member of the Gulf Petrochemicals and Chemicals Association (GPCA). He holds a Bachelor's degree with honours in Business Administration majoring in Marketing, from California State University of San Bernardino, United States of America..

Roland Janssen
Chief Marketing Officer

Mr. Roland Janssen serves as Chief Marketing Officer of Borouge PLC and Chief Executive Officer of Borouge Pte Ltd, based in Singapore. He was appointed CEO on 1 March 2025. Mr. Janssen has more than 25 years of international experience in the chemicals and industrial sectors, holding senior leadership and board-level roles across commercial, operational, and general management disciplines. Prior to Borouge, Mr. Janssen was General Manager at Phillips 66, a US-based diversified energy company, where he oversaw the chemicals portfolio. He joined Borealis in 2007 and held a number of global leadership roles, including Global Vice President, Energy; Managing Director, Americas; and President of Borealis Compounds Inc. During this time, he delivered double-digit profitability growth in the global Energy business and led the successful start-up of a new production site in North Carolina. He also served as Vice President, Energy at Borouge in Singapore for six years, focusing on innovation, value creation, and business growth. Earlier in his career, he held roles with The Dow Chemical Company and the Volkswagen Group.

Mr. Janssen holds a Master of Science in Automotive Engineering from the University of Hertfordshire, United Kingdom, and a Bachelor of Science in Automotive Engineering from HTS Autotechniek, The Netherlands.

Jan-Martin Nufer
Chief Financial Officer

Mr. Jan-Martin Nufer joined Borouge on 1 November 2022 as Chief Financial Officer of Borouge. He has broad international experience in various finance roles, senior leading and board positions for more than 30 years. Mr. Nufer has managed projects globally and has led finance organisations in a variety of set-ups. Prior to Borouge, he spent 16 years in petrochemicals (Borealis) and before that in a number of multinational industries such as aviation, telecommunication, financial advisory, large industrial conglomerates, and banking.

He has been closely involved with Borouge from the shareholder side since 2007 for Borouge 2, 3 and 4, and the successful listing in 2022. Mr. Nufer is a founding board member of ACTA, the Austrian Corporate Treasury Association and EACT (European Corporate Treasury Association) board member. Mr. Nufer is a trained banker and holds a degree (Diplomkaufmann, eq. Master) from the University of Mannheim, Germany.

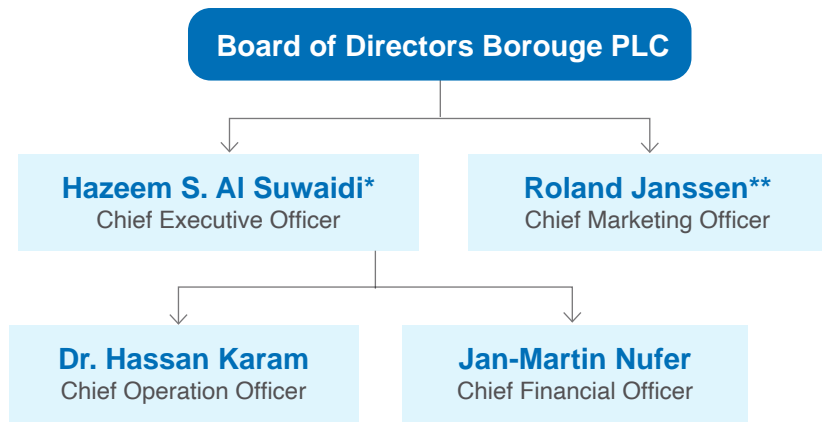
Dr. Hasan Karam
Chief Operating Officer

Dr. Hasan Karam joined Borouge on 1 May 2023 as Chief Operating Officer of Borouge. An oil and gas industry veteran with 30 years of experience in refinery operations, Dr. Karam oversees day-to-day administrative and operational functions at Borouge.

Previously, Dr. Karam held senior positions in various capacities at ADNOC Refining, steering the growth and transformation of the company's performance-driven culture. In his most recent role as Vice President of Plant Operations at Al Ruwais Refinery, Dr. Karam was instrumental in developing the site into one of the largest refinery complexes in the world and contributing to the commercial performance and sustainable growth of its operations.

Dr. Karam holds a Ph.D. in Project Management from SKEMA Business School, France.

Borouge organisation chart



* Mr. Al Suwaidi is also Chief Executive Officer of ADP.

** Mr. Janssen is also Chief Executive Officer of PTE

Director	Position	Appointment date	Salaries and Allowances USD	Total bonuses USD	Other benefits in the near future
Hazeem Sultan Al Suwaidi	Chief Executive Officer	10 May 2022	\$773,733	\$680,735	\$68,334
Jan-Martin Nufer	Chief Financial Officer	1 November 2022	\$543,848	\$163,376	\$8,762
Roland Janssen	Chief Marketing Officer	1 March 2025	\$854,341	\$233,580	
Dr. Hasan Karam	Chief Operating Officer	1 May 2023	\$673,023	\$367,597	

External auditors

Borouge entrusted the external audit function for Borouge’s yearly accounts to Ernst and Young Middle East.

Number of years served as an external auditor for the Company	4 Years
Number of years served by the responsible partner in auditing the Company’s accounts	4 Years
Total fees for auditing the financial statements of 2025 (in AED)	Income Tax Audit AED 2,706,157
The details and nature of other services provided (if any), and in case there are no other services, this shall be expressly stated	Income Tax Audit AED 96,747
	ICFR Opinion AED 157,359
A statement of the other services performed by an external auditor other than the Company’s auditor in 2025 (if any), and in case there is no another auditor, this shall be expressly stated	None

For our annual financial statements for the year ended 31 December 2025, Ernst and Young Middle East issued an unqualified audit opinion.



Executive Committee

The Executive Committee assists the Board in discharging its responsibilities, including in relation to the Company’s commercial performance. The Board has delegated to the Executive Committee approval of related party transactions. However, certain related party transactions will not require such approval (including transactions entered into pursuant to the related party agreements already existing on the date of the listing).

Decisions regarding related party transactions are generally made by way of a vote of non-conflicted Committee Members, although in certain circumstances all members of the Executive Committee will be entitled to vote. These matters include (without limitation) related party transactions entered into in relation to any proposed acquisition of the business or assets, or any proposed acquisition of shares in the capital of Borouge 4 LLC, the purchase of polyolefin technology licences, certain research and development matters and certain other ordinary course transactions.

Committee also receives information and reporting relating to the business and operations of the Group. All members of the Executive Committee are required to comply with the Group’s information sharing protocol which sets out guidelines on matters relating to the sharing of non-public confidential information and insider trading.

The members of the Executive Committee acknowledge their responsibility for the Executive Committee’s systems, review of their work mechanism, and ensuring their effectiveness.

Along with related party transactions, various other decisions are reserved to the Executive Committee, including the approval, amendment or termination of Group policies relating to finance, budget and business planning, procurement, investment, and business continuity. The Executive

The Chairman of the Executive Committee also acknowledges his responsibility for the Committee’s policy, review of its work mechanism and ensuring its effectiveness.

The following table sets out the meetings held by the Executive Committee in 2025:

Director	Position	Dated 24 January 2025	Dated 12 March 2025	Dated 15 April 2025	Dated 03 June 2025	Dated 16 July 2025	Dated 16 September 2025	Dated 24 October 2025
Khaled Salmeen	Chairman and Member	P	A	P	P	A	P	P
Philippe Roodhoft	Deputy Chairman and Member	P	P	P	P	P	P	P
Hetal Patel	Member	P	P	A	P	A	P	P
Thomas Boesen	Member	P	P	P	P	P	P	P
Klaus Froehlich	Member	P	P	P	P	P	P	P

(A) Absent (P) Present



Nomination and Remuneration Committee

The Nomination and Remuneration Committee assists the Board in setting and overseeing the nomination and remuneration policies in respect of the Board, any Board Committees and senior management. In such capacity, it is responsible for evaluating certain matters relating to Borouge’s executive management, evaluating the balance of skills, knowledge and experience of the Board and its Committees and, in particular, monitoring the independent status of the independent Directors.



In addition, and subject to the Articles, the Nomination and Remuneration Committee assists the Board in determining its responsibilities in relation to remuneration, including making recommendations to the Board on the Company’s policy on executive remuneration and decisions on certain of the Group’s human capital policies, setting the overarching principles, parameters and governance framework of our remuneration policy and overseeing remuneration and benefits packages.

The Board has delegated to the Nomination and Remuneration Committee decisions in relation to the appointment, removal, and replacement of personnel reporting directly to the Company’s chief Executive Officer, senior vice presidents of the Group and management personnel reporting directly to the Group’s senior vice-presidents.

The Nomination and Remuneration Committee Terms of Reference require that the Nomination and Remuneration Committee must comprise four members. At least three of the members of the Nomination and Remuneration Committee will need to be Non-Executive Directors (of whom at least two will need to be independent), in each case within the meaning of those terms in the Governance Rules.

The members of the Nomination and Remuneration Committee acknowledge their responsibility for the Nomination and Remuneration Committee’s systems, review of their work mechanism, and ensuring their effectiveness. The Chairman of the Nomination and Remuneration Committee also acknowledges his responsibility for the Committee’s policy, review of its work mechanism and ensuring its effectiveness.

The following tables sets out the meetings held by the NRC in 2025:

Director	Position	Dated 18 March 2025	Dated 26 June 2025
Khaled Salmeen	Chairperson	(P)	(P)
Philippe René M. Roodhooft	Deputy Chair	(P)	(P)
Ayesha Al Hammadi	Member	(P)	(P)
Thomas Michael Boesen	Member	(P)	(P)

(A) Absent (P) Present

Audit Committee

The Audit Committee assists the Board in discharging its responsibilities related to financial reporting, external and internal audits, and controls. This includes reviewing and monitoring the integrity of our financial statements, the extent of non-audit work undertaken by external auditors, advising on the appointment of external auditors, overseeing the relationship with our external auditors, and reviewing the effectiveness of both the external audit process and our internal control review function.



The ultimate responsibility for reviewing and approving the annual report and accounts remains with the Board. The Audit Committee gives due consideration to the applicable laws and regulations of the UAE, the ADGM, the SCA and the ADX.

The Audit Committee Terms of Reference requires that the Audit Committee must comprise six members. At least three members of the Audit Committee must be Non-Executive Directors (of whom at least two must be independent). In addition, at least one member is required to have practical audit, finance, or accounting experience. The Audit Committee is chaired by one of the independent members and includes other members elected by the Board as needed. The members of the Audit Committee are appointed in accordance with the relevant terms of reference.

The following table sets out the meetings held by the Audit Committee in 2025:

Director	Position	AC#4/2024 Dated 23 January 2025	AC#1/2025 Dated 22 April 2025	AC#2/2025 Dated 22 July 2025	AC#3/2025 Dated 21 October 2025
Khaled Al Zaabi (*)	Chairman	(P)	-	-	-
Tasnim Al Mzaini (**)	Member	(P)	-	-	-
Hetal Patel (***)	Chairman	-	(P)	(P)	(P)
Klaus Froehlich (****)	Member	-	(P)	(P)	(P)
Ahmed Abujarad	Member	(A)	(P)	(A)	(P)
Daniel Turnheim	Vice Chairman and Member	(P)	(P)	(P)	(P)
Thomas Boesen	Member	(P)	(P)	(P)	(P)
Sandra Mueller	Member	(P)	(P)	(P)	(P)

(A) Absent (P) Present

* Mr. Khaled Al Zaab resigned as Chairman of the Audit committee of Borouge Plc as of 25 February 2025.

** Ms. Tasnim Al Mzaini resigned as member of the Audit committee of Borouge Plc as of 25 February 2025.

The Audit Committee meets not less than four times per year. All members of the Audit Committee are required to comply with the Group’s information sharing protocol which sets out guidelines on matters relating to the sharing of material non-public information and insider trading.

The Audit Committee takes appropriate steps to ensure that the Company’s external auditors are independent of the Company as required by applicable law. The members of the Audit Committee acknowledge their responsibility for the Audit Committee’s systems, review of their work mechanism, and ensuring their effectiveness. The Chairman of the Audit Committee also acknowledges his responsibility for the Committee’s policy, review of its work mechanism and ensuring its effectiveness.

*** Mr. Hetal Patel appointed as Chairman of the Audit committee of Borouge Plc as of 25 February 2025.

**** Mr. Klaus Froehlich appointed as member of the Audit committee of Borouge Plc as of 25 February 2025.

General information

● **0**
No Violations
 were committed by Borouge in 2025

The above statement does not imply that our systems and procedures provide absolute assurance as to the realisation of our business objectives, or that they can prevent all misstatements, inaccuracies, errors, fraud, and any non-compliance.



Dividend policy

Borouge’s ability to pay dividends is dependent on a number of factors, including the availability of distributable reserves, the Company’s capital expenditure plans, credit rating considerations and other cash requirements in future periods, and there is no assurance that the Company will pay dividends or, if a dividend is paid, what the amount of such dividend will be. Any level or payment of dividends will depend on market conditions among other factors.

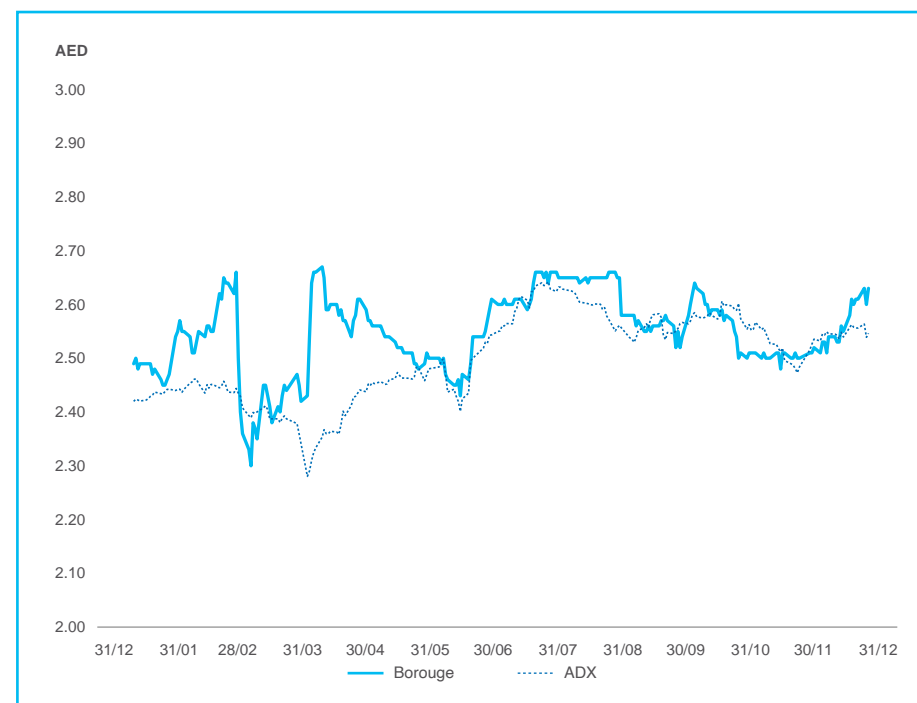
Company's share performance during 2025

Trading of Borouge shares on the ADX started on 3 June 2022 under the symbol BOROUGE. The share price on 31 December 2025 was AED 2.60. Borouge’s market capitalisation on 31 December 2025 was approximately AED 78 billion. The following table sets out the closing price and the high and low share prices of our shares at the end of each month during 2025.

	High (AED)	Low (AED)	Close (AED)
January	2.50	2.41	2.46
February	2.65	2.51	2.64
March	2.66	2.30	2.44
April	2.67	2.42	2.58
May	2.61	2.48	2.48
June	2.54	2.43	2.54
July	2.66	2.55	2.64
August	2.66	2.64	2.66
September	2.66	2.52	2.52
October	2.64	2.50	2.51
November	2.51	2.48	2.50
December	2.63	2.51	2.60

Source: Bloomberg

Comparative performance of Borouge's share price with the General Market Index during 2025



Breakdown of shareholding by region (as at 31 December 2025)

Shareholder category	Percentage of shares held		
	Individual	Companies	Total
Local	3.0%	59.7%	62.8%
GCC (Excluding UAE)	0.1%	0.1%	0.2%
Arab (Excluding GCC)	0.2%	0.0%	0.2%
Foreign	0.2%	36.7%	36.9%
Total	3.4%	96.6%	100.0%

Shareholders who held 5% or more of Borouge's capital by region (as at 31 December 2025)

Name	Number of shares held	% of the shares held of the company's capital
Abu Dhabi National Oil Company (ADNOC)	16,231,153,455	54%
Borealis Middle East Holding GmbH	10,820,768,970	36%

Breakdown of shareholding by ownership percentage (as at 31 December 2025)

Share(s) owned	Number of shareholders	Shares	% held
Less than equal to 50,000	21,210	98,710,540	0%
50,000 to 500,000	1,313	209,498,029	1%
500,000 to 5,000,000	354	549,094,755	2%
More than 5,000,000	74	29,200,388,259	97%
Total	22,951	30,057,691,583	100%



Procedures taken with respect to the controls of investor relations

Throughout the year, Borouge’s Investor Relations Department publishes earnings releases and arranges briefings, conference calls, and webcasts to raise investors’ awareness globally about the Company’s attractive value proposition among listed companies and provides updates on Borouge’s strategy and performance. Each quarter, Borouge holds earnings conference calls and webcasts to communicate its quarterly and annual results to analysts, shareholders, and investors to discuss its financials and outlook. Copies of all presentations, releases and investor information are available on its investor relations website. A proactive Investor Relations strategy is key to sustaining investor trust and maximising shareholder value, particularly during volatile market conditions and global uncertainty.

Investor relations contact information

Investor Relations Officer
Christopher Bucknall

Contact
ir@borouge.com
<https://www.borouge.com/en/investor-relations/Pages/home.aspx>

General Assembly and special resolutions presented to the General Assembly (including material events)

Borouge PLC – Annual General Assembly Meeting held on 7 April 2025

1. Approved the Board of Directors’ report on the Company’s activities and its financial position for the financial year ended on 31 December 2024.
2. Approved the external auditor’s report for the financial year ended on 31 December 2024.
3. Approved the Company’s standalone audited financial statements for the financial year ended on 31 December 2024.
4. Approved the Company’s and its subsidiaries’ consolidated audited financial statements for the financial year ended on 31 December 2024.
5. Approved the recommendation of the Board of Directors concerning a cash dividend distribution of USD 650,000,000 (equivalent to AED 2,387,125,000 amounting to approximately 7.9 fils per share) for the second half of the financial year ended on 31 December 2024, to bring the total cash dividend for the financial year ended on 31 December 2024 to AED 4,774,250,000 (equivalent to 15.88 fils per share).

6. Discharged the members of the Board of Directors from liability for the financial year ended on 31 December 2024.
7. Discharged the auditors from liability for the financial year ended on 31 December 2024.
8. Approved remuneration for the Board of Directors of AED 29.62 million for the financial year ended on 31 December 2024.
9. Approved the appointment of Ernst & Young Middle East as external auditor for the financial year 2025, remuneration of USD 867,468 plus any applicable VAT.
10. Approved the Company’s authority to purchase up to 2.5% of its issued shares, subject to applicable ADGM Company Regulations and ADX rules, including permitted price movements and authorising the Board (or its delegates) to execute, dispose of, and determine the duration of the share buyback programme.
11. Elected the following individuals as members of the Board of Directors for a three-year term in accordance with the Company’s Articles of Association:

- | | |
|-----------------------------|--------------------------|
| 1. H.E. Dr. Sultan Al Jaber | 7. Mr. Thomas Boesen |
| 2. Mr. Stefan Doboczky | 8. Ms. Ayesha Al Hammadi |
| 3. Mr. Khaled Salmeen | 9. Mr. Ahmed El Hoshy |
| 4. Mr. Klaus Froehlich | 10. Mr. Hetal Patel |
| 5. Mr. Daniel Turnheim | 11. Mr. Nasser Almheiri |
| 6. Mr. Philippe Roodhooft | |

Borouge PLC – General Assembly Meeting held on 29 August 2025

Approved the recommendation of the Board of Directors concerning a cash interim dividend distribution of USD 660,000,000 (equivalent to AED 2,426,850,000 amounting to approximately 8.1 fils per share) for the first half of the financial year 2025.

The Secretary to the Board of Directors

The position of the Board Secretary is held by Mr. Ahmad Ma’abreh from A&O Shearman, a multinational law firm headquartered in London. Mr. Ma’abreh is a partner in the corporate team of A&O Sherman’s Abu Dhabi office. Mr. Ma’abreh was appointed effective 1 February 2023.



Emiratization percentage in Borouge

● **51.82%**
Emiratization rate as of 31 December 2025



Cash and in-kind contributions toward the local community development and environmental conservation

During 2025, Borouge made the following contributions:

● **AED 300,460 and AED 60.84 million**
in support of environmental conservation*

*These amounts are not given in physical, hard currency, but payable via wire transfers, cheques, etc.

Ethics & Compliance Programme

Integrity is at the heart of what we do and is the foundation of our business.



Borouge Code of Conduct



Anti-Bribery & Corruption Policy

- Ensuring we comply with all applicable anti-bribery and corruption laws and regulations in each jurisdiction where we operate.



Conflicts of Interest Policy

- Ensuring we conduct business in a conflict-free manner.



Data Privacy & Protection Policy

- Maintaining employee and third parties' trust in how we manage and process personal data as well as ensuring compliance with data protection laws in each of the countries in which we operate.



Sanctions & Export Controls Policy

- Ensuring we comply with all applicable and evolving sanctions and export controls regulations in all jurisdictions where we operate.



Anti-Money Laundering & Counter Terrorist Financing Policy

- Ensuring we go to the farthest extent to combat money laundering and terrorist financing.



Inside Information Management & Insider Dealing Policy

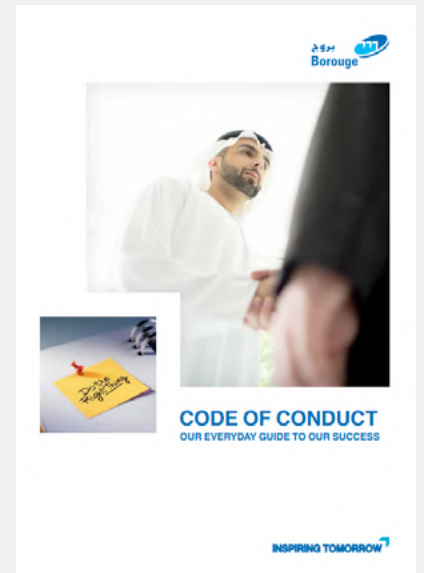
- Ensuring we comply with applicable capital markets and securities regulations related to Inside Information and Insider Dealing.

At Borouge our commitment to ethical practices and integrity is fundamental to our mission and operations. We believe that our success depends on maintaining the trust of our stakeholders, including shareholders, employees, customers, and communities. The Ethics & Compliance Programme at Borouge is aligned with international best practice and works to not only monitor and test the programme, but also to educate and train employees to strengthen our compliance culture and ethical foundations.

Borouge Code of Conduct & Ethics & Compliance Policies

Our Code of Conduct serves as a cornerstone of our ethical framework, ensuring that every employee, contractor, and board member adheres to the highest standards of professional behaviour. It reflects our commitment to uphold the highest standards of ethical business practices and is aligned with our core values. The Code forms the anchor for all compliance policies, which together establish the expected standards of ethical behaviour in everything we do.

Please click here to download a copy of our Code of Conduct.



INSPIRING TOMORROW

Borouge Third Party Code of Conduct

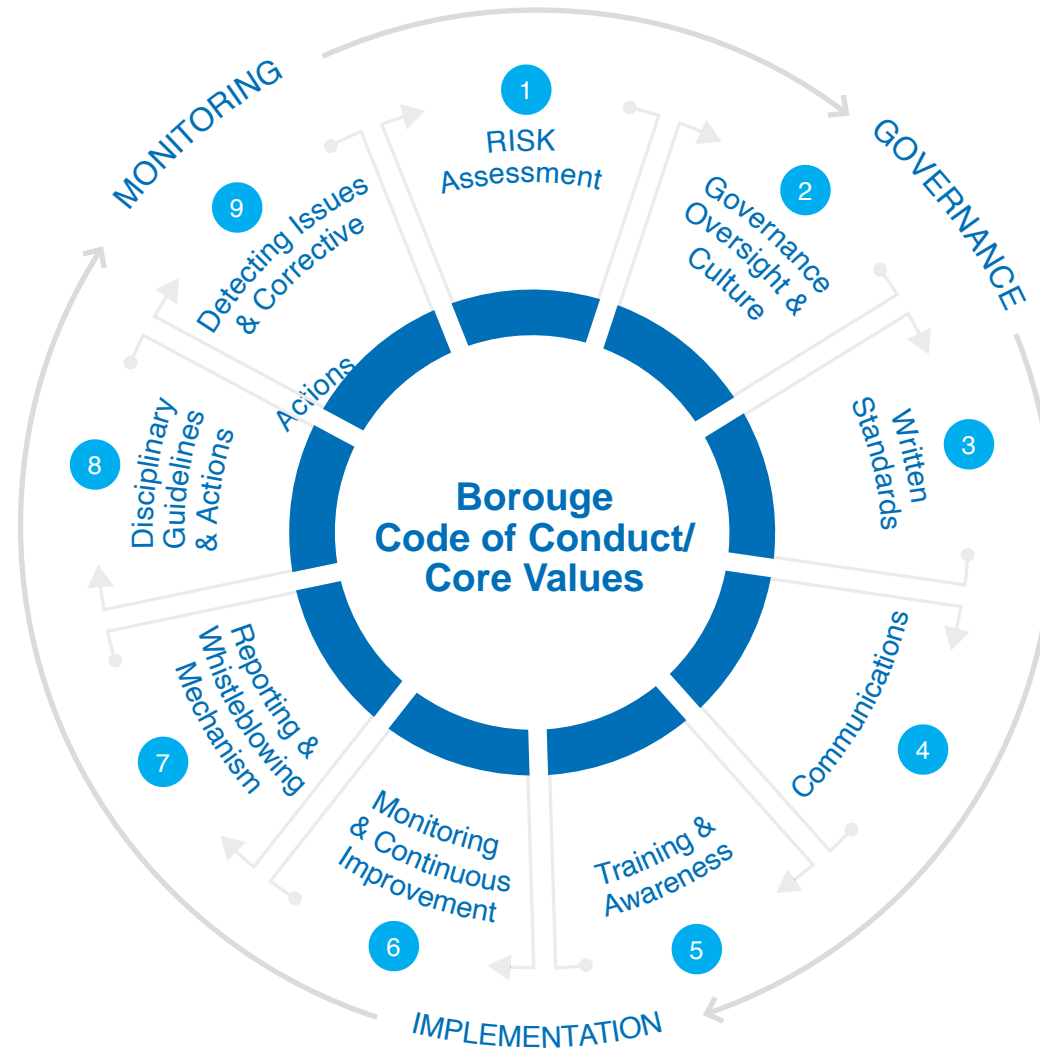
Our Third-Party Code of Conduct serves a similar purpose for those external to Borouge. The Borouge Third-Party Code of Conduct sets out the minimum standards for ethical business practices that we expect from any third party working with Borouge. These basic standards are necessary to conduct Borouge-related business in an ethical and compliant manner and in accordance with our values.

All third parties engaged by Borouge receive a copy of the Third Party Code of Conduct and are required to confirm their commitment to its principles and comply with relevant labour laws and regulations.

Compliance Framework

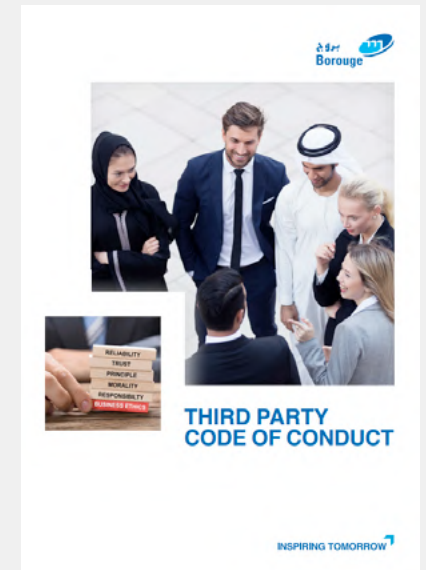
Our Compliance Framework is a set of structured guidelines, controls and procedures that ensure we meet mandated regulations, standards, and internal policies. It provides a systematic approach to managing compliance risks and ensuring that the organisation operates ethically and legally.

Borouge Code of Conduct/Core Values



Please click here to download a copy of our Third Part Code of Conduct

[Download](#)



Ethics & Compliance Programme

Transactions with related parties

ADP and PTE are and have been a party to various agreements and other arrangements with related parties comprising ADNOC and certain of its other subsidiaries and Borealis and certain of its other subsidiaries (collectively, the “Related Parties”).

A list of these existing agreements and other arrangements with Related Parties can be found on the International Offering Memorandum (“IOM”) published on 23 May 2022, (see the section entitled “Business – Material Agreements”). Since the publication of the IOM, the following transactions with related parties have taken place in the ordinary course of business and in accordance with the approval process under the articles of association:

1. Purchase of base resin by ADP from Borealis to support XLPE production.
2. Sublease between PTE and ADNOC Global Trading Asia Pte Limited in relation to part of the area under a Lease Agreement between SG OGS Pte Limited, as Lessor and PTE, as Lessee. The sublease is effective on 17 October 2022, valid until 31 October 2024. The lease has been terminated on 31 October 2024. In November 2024, the Company sub-leased another part of the office to OMV Supply & Trading Singapore Pte Ltd.

3. Renewal of the Transportation, Handling and Storage Agreement (Carbon Black and Petroleum Fines) between ADP and ADNOC Refining effective as of 7 January 2025 (date when the original agreement expired). The renewed agreement is valid for another period of three years (January 2028).

None of the transaction values exceed the equivalent contractual amount equating to 5% of Borouge’s share capital value. Out of all existing contracts with Related Parties, two of them had a total amount of transactions exceeding 5% of Borouge’s share capital (considering the total amount of transactions undertaken under each of them as of the listing):

- (i) the Feedstock Supply Agreement signed with ADNOC; and
- (ii) the Catalyst Supply Agreement signed with Borealis, both of them entered into prior to the listing. More details on these contracts can be found in the IOM (see the section entitled “Business – Material Agreements”).



The value of all transactions with Related Parties undertaken by the Borouge Group (as disclosed in our 2025 financial statements) is as follows:

As per 2025 financial statements

	USD’000
Revenue – ADNOC Group*	46,116
Revenue – Borealis AG*	570,028
Purchase – ADNOC Group*	1,430,076
Purchase – Borealis AG*	557,579
Sales and Distribution Cost – ADNOC Group*	136,649
Administrative costs including interest expenses – ADNOC Group and Borealis AG*	86,642
Sub-lease to Related party**	141,649
Lease Liability to Related Party**	166,180

* Please refer to note 12(b) in the 2025 Financial Statements.

** Please refer to note 8(b)(c) in the 2025 Financial Statements.

Financial Statements

Board of Directors' Report for the year ended 31 December 2025

The Directors present their report together with the audited consolidated financial statements of Borouge PLC (“the Company”) and its subsidiaries (together, the “Group”) for the year ended 31 December 2025.

Principal activities

The purpose of the Company is to serve as a holding company for Abu Dhabi Polymers Co. Ltd (Borouge)-Sole Proprietorship L.L.C. (“ADP”) and Borouge Pte Ltd. which are engaged in the principal activities of production of ethylene, propylene, polyethylene, polypropylene and trading of polyolefins, respectively.

Financial results

The financial results of the Group represent a profit for the year of USD 1,099.13 million (2024: USD 1,238.95 million) as presented in these audited consolidated financial statements.

Directors

The Directors of the Group during the year and as of the date of the audit report were:

H.E. Dr. Sultan Ahmed Al Jaber	Chairperson
Mr. Stefan Doboczky	Vice Chairman
Mr. Thomas Gangl (resigned)	Vice Chairman
Mr. Khaled Salmeen	Director/Board Member
Mr. Thomas Boesen	Director/Board Member
Mr. Philippe Roodhooft	Director/Board Member
Mr. Nasser Omair Al Muhairi (appointed)	Director/Board Member
Mr. Daniel Turnheim (appointed)	Director/Board Member
Mr. Klaus Froehlich (appointed)	Director/Board Member
Mr. Hetal Patel (appointed)	Director/Board Member
Mr. Ahmed El-Hoshy (appointed)	Director/Board Member
Ms. Ayesha Al Hammadi (appointed)	Director/Board Member
Mr. Abdulaziz Al Hajri (resigned)	Director/Board Member
Mr. Khaled Al Zaabi (resigned)	Director/Board Member
Mr. Omar Al Nuaimi (resigned)	Director/Board Member
Ms. Tasnim Ahnaish (resigned)	Director/Board Member
Ms. Daniela Vlad (resigned)	Director/Board Member

During the year ended 31 December 2025, several members resigned from the Borouge PLC board, with replacement appointments made in same period. During the year ended 31 December 2024, Mr. Thomas Gangl resigned from his position as Vice Chairman of the Board of Directors and was replaced by Mr. Stefan Doboczky.

Release

The Directors release from liability the management and external auditor in connection with their duties for the year ended 31 December 2025.

Directors' statement to the disclosure to auditors

In so far as the Directors are aware, there is no relevant information of which the Group's auditors are unaware.

The Group's auditors have been provided with access to all information of which we are aware that is relevant to the preparation of consolidated financial statements.

Auditors

A resolution to reappoint Ernst and Young as auditors for the ensuing year will be put to the shareholders at Annual General Meeting.

For the Board of Directors

Chairman

Independent Auditor's Report to the Shareholders of Borouge PLC

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Borouge PLC (“Borouge” or the “Company”) and its subsidiaries (the “Group”), which comprise the consolidated statement of financial position as at 31 December 2025, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Group as at 31 December 2025, and its consolidated financial performance and consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (“ISAs”). Our responsibilities under those standards are further described in the Auditor’s responsibilities for the audit of the consolidated financial statements section of our report. We are independent of the Group in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) (the “IESBA Code”), as applicable to audits of financial statements of public interest entities, together with the ethical requirements that are relevant to our audit of the consolidated financial statements in the United Arab Emirates, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have fulfilled the responsibilities described in the Auditor’s responsibilities for the audit of the consolidated financial statements section of our report, including in relation to these matters.

Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

Property, plant and equipment

As of 31 December 2025, the Group’s property, plant and equipment amounted to USD 6.1 billion representing 72% of the Group’s total assets as of that date. This balance includes Capital Work-in-Progress (CWIP) amounting to USD 228 million representing 297 capital projects in progress. During the year, capital work in progress amounting to USD 116 million was completed and transferred to the respective categories of property, plant and equipment and depreciated in accordance with the Group’s depreciation policy. Considering the magnitude of the amount and the risk surrounding it in terms of assessing the eligibility of costs capitalized during the year in line with IFRS requirements; this has been identified as a key audit matter to be reported in our audit report.

The audit procedures performed to address this key audit matter include the following:

1. We reviewed the Group’s policies and procedures for capitalization of project costs and assessed their compliance with the requirements of IFRS;
2. We tested the relevant controls over capitalization of project costs;
3. We performed substantive audit procedures over a sample of project costs capitalised to check adherence to the Group’s policies and procedures, and compliance with the requirements of IFRS. This included management’s processes and controls around identification of project costs eligible for capitalization, staff cost capitalization, inventory items etc.;
4. We held discussions with project managers for significant projects and inquired about their budgeted and actual costs incurred to complete the project;
5. We have reviewed management assessment made relating to the change in useful life of different components of property, plant and equipment and we performed substantive procedures including inquiries with management in relation to aforesaid change in estimate; and
6. For a sample of projects, we checked the date of project capitalization against supporting documents such as completion certificates received from contractors to verify that depreciation has been charged from the capitalization date.

Independent Auditor's Report to the Shareholders of Borouge PLC (continued)

Other information

Other information consists of the information included in the Board of Directors' report and the annual report other than the consolidated financial statements and our auditor's report thereon. We obtained the Board of Directors' report prior to the date of our audit report and we expect to obtain the annual report after the date of our auditor's report. Management is responsible for the other information.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and the Board of Directors for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRSs and in compliance with the applicable provisions of the Company's Articles of Association and the Companies Regulations 2020 of Abu Dhabi Global Market, and for such internal control as management determines is necessary to enable the preparation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the Group's financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

Independent Auditor's Report to the **Shareholders of Borouge PLC** (continued)

Auditor's responsibilities for the audit of the consolidated financial statements (continued)

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, action taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Further, as required by the Companies Regulations 2020 of ADGM, we report that, in our opinion:

- The consolidated financial statements include, in all material respects, the applicable requirements of the Companies Regulations 2020 of ADGM; and
- the financial information included in the report of the Board of Directors is consistent with the books of account and records of the Group.

Further, as required by the Abu Dhabi Accountability Authority Chairman Resolution No. 88 of 2021 pertaining to Auditing the Financial Statements of Subject Entities, we report that based on the information provided to us, nothing has come to our attention that causes us to believe that the Company has not complied, in all material respects, with the law of establishment of the Company and relevant provisions of the applicable laws, resolutions and circulars organising the Company's operations, which would materially affect its activities or the consolidated financial statements of the Company as at 31 December 2025.

For and on behalf of Ernst & Young - Middle East (ADGM Branch)

Walid Nakfour

3 February 2026

Abu Dhabi, United Arab Emirates

Consolidated Statement of Financial Position as at 31 December 2025

	Notes	2025 USD'000	2024 USD'000
Assets			
Non-current assets			
Property, plant and equipment	6	6,082,232	6,292,502
Intangible assets	7	104,573	60,643
Right-of-use assets	8(a)	23,327	24,797
Investment in sublease	8(b)&12(d)	135,697	135,789
Loans to employees	10(c)	21,905	20,509
Deferred tax assets	13(c)	1,992	2,397
Total non-current assets		6,369,726	6,536,637
Current assets			
Inventories	9	523,702	640,505
Amounts due from related parties	12(d)	293,251	209,937
Trade receivables	10(a)	808,237	858,768
Loans to employees	10(c)	13,245	13,454
Investments in sublease	8(b)&12(d)	5,952	5,741
Prepayments and other receivables	10(b)	48,090	23,917
Cash and cash equivalents	11	426,901	418,506
Total current assets		2,119,378	2,170,828
Total Assets		8,489,104	8,707,465
Equity and Liabilities			
Equity			
Share capital	14	4,809,231	4,809,231
Merger reserve	15	(4,446,467)	(4,446,467)
Treasury shares	31	(158,223)	-
Other reserve	31	368	-
Restricted reserve	15	186,869	186,770
Capital reserve	15	12,490	12,490

	Notes	2025 USD'000	2024 USD'000
Cash flow hedge reserve	15	(6,002)	(5,993)
Actuarial reserve	15	17,125	18,320
Translation reserve	15	(4,426)	(7,741)
Retained earnings		3,677,885	3,896,116
Equity attributable to the owners of the Company		4,088,850	4,462,726
Non-controlling interests		26,832	19,337
Total equity		4,115,682	4,482,063
Non-current liabilities			
Provision for employees' end of service benefits	16	93,044	97,585
Lease liabilities	8(c)	156,652	158,082
Deferred tax liability	13(c)	128,972	85,136
Bank loans	17	-	2,944,100
Derivative financial instruments	30	-	5,993
Total non-current liabilities		378,668	3,290,896
Current liabilities			
Trade and other payables	18	378,200	356,660
Bank loans	17	2,957,730	-
Derivative financial instruments	30	6,002	-
Amounts due to related parties	12(c)	576,502	520,260
Lease liabilities	8(c)	9,528	9,042
Provisions for employees end of service benefits	16	12,293	1,235
Income tax payable		54,499	47,309
Total current liabilities		3,994,754	934,506
Total liabilities		4,373,422	4,225,402
Total equity and liabilities		8,489,104	8,707,465

H.E. Dr. Sultan Ahmed Al Jaber
Chairman

Hazeem Sultan Al Suwaidi
Chief Executive Officer

Jan-Martin Nufer
Chief Financial Officer

Consolidated Statement of Profit or Loss and other Comprehensive Income for the year ended **31 December 2025**

	Notes	2025 USD'000	2024 USD'000
Revenue	19	5,847,773	6,026,123
Cost of sales	20	(3,565,985)	(3,490,989)
Gross profit		2,281,788	2,535,134
Other income	22	26,321	53,951
General and administrative expenses	23	(196,577)	(193,121)
Selling and distribution expenses	24	(416,028)	(471,963)
Impairment loss on property, plant and equipment and intangible assets	6	(1,441)	(3,082)
Operating profit		1,694,063	1,920,919
Finance income		23,718	28,554
Finance costs	17.1	(175,924)	(202,025)
Foreign exchange loss		(2,013)	(2,139)
Net finance loss		(154,219)	(175,610)
Profit for the year before tax		1,539,844	1,745,309
Income tax expense	13(a)	(440,714)	(506,361)
Profit for the year		1,099,130	1,238,948
Profit for the year attributable to:			
Shareholders of the Parent		1,089,178	1,225,273
Non-controlling interests		9,952	13,675
		1,099,130	1,238,948
Other comprehensive income for the year			
Items that will not be reclassified to profit or loss in subsequent periods			
Defined benefit plan remeasurements, net of tax	16	565	363

	Notes	2025 USD'000	2024 USD'000
Items that may be reclassified to profit or loss			
Exchange differences on translation of foreign operation		3,911	(2,675)
Fair value (loss) gain on derivatives used in effective cash flow hedge relationship	30	(9)	6,615
Other comprehensive income for the year		4,467	4,303
Total comprehensive income for the year		1,103,597	1,243,251
Total comprehensive income for the year attributable to:			
Shareholders of the Parent		1,093,042	1,229,948
Non-controlling interests		10,555	13,303
		1,103,597	1,243,251
Earnings per share: Basic and Diluted (USD)	29	0.04	0.04

Consolidated Statement of Changes in Equity for the Year Ended **31 December 2025**

	Share capital USD'000	Treasury shares USD'000	Other reserve USD'000	Merger reserve USD'000	Restricted reserve USD'000	Capital reserve USD'000	Actuarial reserve USD'000	Cash flow hedge reserve USD'000	Translation reserve USD'000	Retained earnings USD'000	Equity attributable to Owners of the Company USD'000	Non- controlling interests USD'000	Total equity USD'000
Balance at 1 January 2024	4,809,231	-	-	(4,446,467)	186,486	12,490	17,993	(12,608)	(5,474)	3,970,831	4,532,482	13,354	4,545,836
Profit for the year	-	-	-	-	-	-	-	-	-	1,225,273	1,225,273	13,675	1,238,948
Other comprehensive income for the year	-	-	-	-	-	-	327	6,615	(2,267)	-	4,675	(372)	4,303
Total comprehensive income for the year	-	-	-	-	-	-	327	6,615	(2,267)	1,225,273	1,229,948	13,303	1,243,251
Movement during the year	-	-	-	-	284	-	-	-	-	(284)	-	-	-
Dividend declared (note 15)	-	-	-	-	-	-	-	-	-	(1,299,704)	(1,299,704)	(7,320)	(1,307,024)
Balance at 31 December 2024	4,809,231	-	-	(4,446,467)	186,770	12,490	18,320	(5,993)	(7,741)	3,896,116	4,462,726	19,337	4,482,063
Balance at 1 January 2025	4,809,231	-	-	(4,446,467)	186,770	12,490	18,320	(5,993)	(7,741)	3,896,116	4,462,726	19,337	4,482,063
Profit for the year	-	-	-	-	-	-	-	-	-	1,089,178	1,089,178	9,952	1,099,130
Other comprehensive income for the year	-	-	-	-	-	-	558	(9)	3,315	-	3,864	603	4,467
Total comprehensive income for the year	-	-	-	-	-	-	558	(9)	3,315	1,089,178	1,093,042	10,555	1,103,597
Others	-	-	-	-	(90)	-	(1,753)	-	-	1,810	(33)	(10)	(43)
Dividends (note 12)	-	-	-	-	-	-	-	-	-	(1,309,030)	(1,309,030)	(3,050)	(1,312,080)
Transfer to statutory reserve	-	-	-	-	189	-	-	-	-	(189)	-	-	-
Own shares acquired in the period (note 31)	-	(158,223)	368	-	-	-	-	-	-	-	(157,855)	-	(157,855)
Balance at 31 December 2025	4,809,231	(158,223)	368	(4,446,467)	186,869	12,490	17,125	(6,002)	(4,426)	3,677,885	4,088,850	26,832	4,115,682

Consolidated Statement of Cash Flows for the year ended 31 December 2025

		2025 USD'000	2024 USD'000
Operating Activities			
Profit for the year before tax		1,539,844	1,745,309
Adjustments for:			
Depreciation on property, plant and equipment	6	449,384	524,116
Impairment of property, plant and equipment	6	1,441	3,082
Depreciation on right-of-use assets	8(a)	3,609	4,786
Amortisation of intangible assets	7	23,321	23,748
Provision for slow moving and obsolete inventory	9	2,677	7,220
Provision for (reversal of) expected credit losses on trade receivable	10a	811	(3,195)
Provision for expected credit losses on prepayments and other receivable	10b	-	169
Provision for (reversal of) expected credit losses on employee receivables	10c	752	-
Loss on modification of lease liability		16	650
Gain on disposal of plant, property and equipment		(13)	-
End of service benefits charge	16	7,484	8,310
Provision for other retirement benefit		-	-
Unrealised foreign exchange (gain) loss		(294)	396
Finance costs		175,924	206,870
Finance income		(23,718)	(28,554)
Net cash flow from operating activities before changes in working capital		2,181,238	2,492,907
Changes in working capital:			
Decrease / (increase) in trade receivables		48,518	(60,051)
Increase in amounts due from related parties		(81,648)	(29,826)
Decrease / (increase) in inventories		114,501	(2,787)
Increase in prepayments and other receivables		(23,603)	(2,246)
Increase / (decrease) in amounts due to related parties		54,615	(45,347)

		2025 USD'000	2024 USD'000
Increase in trade and other payables		10,166	6,566
Increase in accruals		11,658	38,240
Increase in contract liabilities		53	1,212
Cash generated from operating activities		2,315,498	2,398,668
End of service benefits paid	16	(4,927)	(8,004)
Tax paid		(389,595)	(477,512)
Net cash generated from operating activities		1,920,976	1,913,152
Investing Activities			
Payments for purchase of property, plant and equipment	6	(275,687)	(160,124)
Proceeds from lease receivable, net	8(b)	5,551	6,349
Proceeds from disposal of property, plant and equipment		13	-
Payments for purchase of intangible assets		(32,546)	(7,259)
Interest income received		17,939	23,170
Net cash used in investing activities		(284,730)	(137,864)
Financing Activities			
Repayment of lease liabilities		(9,808)	(8,904)
Repayments of borrowings	17	-	(200,000)
Proceeds from receivables discounting agreement	17	10,680	-
Payment of dividends	12(b)	(1,312,080)	(1,307,024)
Purchase of Treasury shares	31	(157,855)	-
Payment of interest on bank loan		(161,769)	(191,839)
Net cash used in financing activities		(1,630,832)	(1,707,767)
Changes in translation reserve		2,981	(2,936)
Net Increase in Cash and Cash Equivalents		8,395	64,585
Cash and cash equivalents at beginning of the year		418,506	353,921
Cash and cash equivalents at end of the year	11	426,901	418,506

Notes to the Consolidated Financial Statements

31 December 2025

1. Legal Status and Principal Activities

Borouge PLC (the “Company”) was incorporated on 28 April 2022 as a public company limited by shares, with registration number 000007602, pursuant to the Abu Dhabi Global Market Companies Regulations 2020. The Company has been established for the purpose of serving as a holding company for Abu Dhabi Polymers Co. Ltd (Borouge)-Sole Proprietorship LLC and Borouge Pte. Ltd. The Company together with its subsidiaries is referred to as the “Group”.

The Company is jointly controlled by Abu Dhabi National Oil Company (“ADNOC”) and Borealis Middle East Holding GmbH (“BMEH”, together with ADNOC, the “Shareholders”).

During the year, ADNOC and OMV announced the agreement of terms on a binding framework agreement for the proposed combination of Borouge PLC and Borealis into Borouge Group International (BGI). Upon merging, BGI will acquire Nova Chemicals, a leading North America-based polyethylene producer for US\$ 13.4 billion expanding global reach and access to growth markets.

Under the terms of the agreement, ADNOC and OMV will hold equal stakes of 46.94% in BGI, with joint control and equal partnership, with the remaining 6.12% in free float. This is subject to Securities and Commodities Authority (SCA) approval and assuming all existing Borouge free float shareholders accept to exchange their existing shares in Borouge into shares in BGI.

As announced on 11 September 2025, upon receipt of regulatory approvals and the successful completion of the proposed transactions that involve the planned combination of Borouge plc and Borealis AG (Borealis) into a new entity to be named Borouge Group International, with BGI to acquire NOVA Chemicals Inc. (Nova), ADNOC’s entire stake in BGI will be transferred to and held by XRG.

The above restructuring including the reorganization of Borouge PLC is expected to be implemented in 2026.

Pursuant to a resolution of the Shareholders dated 10 May 2022, the shareholders approved listing the Company’s shares on Abu Dhabi Securities Exchange whereby 10% of its shares were offered in an Initial Public Offering (“IPO”). As of the reporting date, ADNOC held 54% and BMEH held 36% of the issued share capital of the Group while the remaining 10% is held by the general public.

2. Basis of Preparation

2.1 Statement of compliance

The consolidated financial statements have been prepared in accordance with IFRS Accounting Standards (“IFRSs”) as issued by the International Accounting Standards Board (IASB) and the applicable provisions of the Companies Regulations 2020 of Abu Dhabi Global Market.

2.2 Basis of measurement

These consolidated financial statements have been prepared on the historical cost basis except for derivative financial instruments which are carried at fair value. Historical cost is generally based on the fair value of the consideration given in exchange for goods or services.

Fair value is the price that would be received on sale of an asset or paid on transfer of a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique.

The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability; or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible to by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. In estimating the fair value of a financial asset or liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis.

Notes to the Consolidated Financial Statements

31 December 2025 (continued)

2. Basis of Preparation (continued)

2.2 Basis of measurement (continued)

For financial reporting purposes, fair value measurements are categorised into level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which is described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within level 1, that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 inputs are unobservable inputs for the asset or liability that are derived from valuation techniques.

2.3 Functional and presentation currency

These consolidated financial statements are presented in US Dollars (“USD”), which is the Company’s functional currency. All amounts have been rounded to the nearest thousand, unless otherwise indicated.

2.4 Use of judgements and estimates

The preparation of consolidated financial statements in conformity with IFRSs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. The judgments, estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant, including expectations of future events that are believed to be reasonable under the circumstances. The Group based its judgements, assumptions and estimates on parameters available when the consolidated financial statements were prepared. However, the resulting accounting estimates may differ from actual results. The estimates and assumptions pose a risk of causing adjustment to the carrying amounts of assets and liabilities within the next financial year.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

In particular, information about significant areas of estimation, uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in these consolidated financial statements, is included in note 5.

2.5 New and amended standards that are effective for the current year

In the current year, the Group has applied a number of amendments to IFRS Accounting Standards issued by the International Accounting Standards Board (IASB) that are mandatorily effective for an accounting period that begins on or after 1 January 2025. Their adoption has not had any material impact on the disclosures or on the amounts reported in these consolidated financial statements.

Lack of exchangeability - Amendments to IAS 21

The amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. The amendments also require disclosure of information that enables users of its financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, the entity’s financial performance, financial position and cash flows. The amendments are effective for annual reporting periods beginning on or after 1 January 2025. When applying the amendments, an entity cannot restate comparative information.

The amendments did not have a material impact on the Group’s financial statements.

2.6 Climate related matters

The Group considers climate-related matters in estimates and assumptions, where appropriate. This assessment includes a wide range of possible impacts on the Group due to both physical and transition risks. Even though the Group believes its business model and products will still be viable after the transition to a low-carbon economy, climate-related matters increase the uncertainty in estimates and assumptions underpinning several items in the consolidated financial statements. Even though climate-related risks might not currently have a significant impact on measurement, the Group is closely monitoring relevant changes and developments, such as new climate-related legislation.

The Group’s Borouge 2030 (B2030) Strategy aims to proactively steer the business ambitions in response to the changing business environment. The B2030 Strategy works to ensure the continued growth of the Group through the pursuit of excellence and create a Borouge identity.

Notes to the Consolidated Financial Statements

31 December 2025 (continued)

2. Basis of Preparation (continued)

2.7 New and amended standards issued but not yet effective

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Group's consolidated financial statements are disclosed below. The Group intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

- Classification and Measurement of Financial Instruments - Amendments to IFRS 9 and IFRS 7
- IFRS 18 – Presentation and Disclosure in Financial Statements
- IFRS 19 - Subsidiaries without Public Accountability: Disclosures
- Annual Improvements to IFRS Accounting Standards—Volume 11
- Contracts Referencing Nature-dependent Electricity – Amendments to IFRS 9 and IFRS 7

2.8 Going concern

The directors have, at the time of approving the consolidated financial statements, reasonable expectation that the Group will continue in operational existence for the foreseeable future as its subsidiaries have a history of profitable operations and the Group has ready access to financial resources. Thus, they continue to adopt the going concern basis of accounting in preparing the consolidated financial statements.

As at 31 December 2025, the Group's current liabilities exceeded its current assets by approximately USD 1.876 billion, primarily due to the classification of a loan maturing on 31 December 2026 as a current liability at the reporting date.

Further to the restructuring explained in note 1, on 4 March 2025, the Group's major shareholders—ADNOC and OMV – announced they had entered into a binding agreement to form a new jointly controlled entity. This planned transaction involves combining the Group with Borealis under a newly established joint venture, expected to be named Borouge Group International AG (BGI), which will serve as ADNOC and OMV's strategic platform for growth and acquisitions in the polyolefins sector. To support this initiative, the shareholders have secured AED 56.6 billion (USD 15.4 billion) in financing from global banks for BGI. A substantial portion of this facility will fund the acquisition of Nova Chemicals, while part of the proceeds is intended to refinance the Group's existing loan upon its maturity.

In evaluating the going concern basis, management assessed the Group's liquidity position, the terms and maturity profile of existing borrowings, the availability of refinancing options, and the continued financial backing of its shareholders. Management concluded that the Group will have access to sufficient financial resources to meet its obligations as they fall due, and accordingly the consolidated financial statements have been prepared on a going concern basis.

3. Material Accounting Policy Information

Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and entities controlled by the Company (its subsidiaries). Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if, and only if, the Group has:

- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee
- The ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights results in control. When the Group has less than a majority of the voting or similar rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Group considers all relevant facts and circumstances in assessing whether or not the Group's voting rights in an investee are sufficient to give it power, including:

- the size of the Group's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Group, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Group has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Notes to the Consolidated Financial Statements

31 December 2025 (continued)

3. Material Accounting Policy Information (continued)

Basis of consolidation (continued)

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the period are included in consolidated financial statements from the date when the Group gains control until the date when the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income (OCI) are attributed to equity holders of the Company and to the non-controlling interests, even if this results in the non-controlling interest having a deficit balance. Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Non-controlling interests in subsidiaries are identified separately from the Group's equity therein. Those interests of non-controlling shareholders that are present ownership interests entitling their holders to a proportionate share of net assets upon liquidation may initially be measured at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets. The choice of measurement is made on an acquisition-by-acquisition basis. Other non-controlling interests are initially measured at fair value. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity.

A change in the ownership interest of a subsidiary without a loss of control, is accounted for as equity transaction. The carrying amount of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interest are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to the owners of the Company.

When the Group loses control of a subsidiary, the gain or loss on disposal recognised in profit or loss is calculated as the difference between (i) the aggregate of the fair value of the consideration received

and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), less liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as required/permitted by applicable IFRS). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under IFRS 9 when applicable, or the cost on initial recognition of an investment in an associate or joint venture.

Business combinations

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, which is measured at acquisition date fair value, and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred and included in general and administrative expenses.

Transactions under common control

A business combination involving entities or business under common control is a business combination in which all the combining entities or businesses are ultimately controlled by the same party or parties both before and after the combination and that control is not transitory.

Transactions giving rise to transfer of interests in entities, which are under the common control of the Shareholders, are accounted for using the pooling of interest method without restatement of comparative information. The assets and liabilities acquired are recognised at the carrying amounts recognised previously in the books of the transferor entity. The components of equity of the acquired entities are added to the same components within Group equity. Any difference between the consideration paid and capital of the acquiree is recognised directly in equity.

Financial instruments

Financial assets and financial liabilities are recognised in the Group's consolidated statement of financial position when the Group becomes a party to the contractual provisions of the instrument.

Notes to the Consolidated Financial Statements

31 December 2025 (continued)

3. Material Accounting Policy Information (continued)

Financial instruments (continued)

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Amortised cost

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance.

Impairment of financial assets

The Group recognises a loss allowance for expected credit losses on trade receivables, investment in sublease, other receivables and amounts due from related parties. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Group recognises lifetime ECL for trade receivables, investment in sublease, other receivables and amounts due from related parties. The expected credit losses on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate. For all other financial instruments, the Group recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECL.

The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition instead of on evidence of a financial asset being credit-impaired at the reporting date.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

i. Significant increase in credit risk

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

Notes to the Consolidated Financial Statements

31 December 2025 (continued)

3. Material Accounting Policy Information (continued)

Financial assets (continued)

Impairment of financial assets (continued)

i. Significant increase in credit risk (continued)

For financial guarantee contracts, the date that the Group becomes a party to the irrevocable commitment is considered to be the date of initial recognition for the purposes of assessing the financial instrument for impairment. In assessing whether there has been a significant increase in the credit risk since initial recognition of financial guarantee contracts, the Group considers the changes in the risk that the specified debtor will default on the contract.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

The Group assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if:

- a. the financial instrument has a low risk of default;
- b. the borrower has a strong capacity to meet its contractual cash flow obligations in the near term; and
- c. adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

ii. Definition of default

The Group employs models to analyse the data collected and generate estimates of probability of default ("PD") of exposures with the passage of time. This analysis includes the identification for any changes in default rates and changes in key macro-economic factors across various geographies of the Group.

iii. Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- a. significant financial difficulty of the issuer or the borrower;
- b. a breach of contract, such as a default or past due event (see (ii) above);
- c. the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;
- d. it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- e. the disappearance of an active market for that financial asset because of financial difficulties.

Write-off policy

The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery.

iv. Measurement and recognition of expected credit losses

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above. As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date; for financial guarantee contracts, the exposure includes the amount drawn down as at the reporting date, together with any additional amounts expected to be drawn down in the future by default date determined based on historical trend, the Group's understanding of the specific future financing needs of the debtors, and other relevant forward-looking information.

For financial assets, the expected credit loss is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original effective interest rate.

Notes to the Consolidated Financial Statements

31 December 2025 (continued)

3. Material Accounting Policy Information (continued)

Financial assets (continued)

Write-off policy (continued)

iv. Measurement and recognition of expected credit losses (continued)

The Group has elected the IFRS 9 simplified approach to measure loss allowance for cash and bank balances, trade receivables, investment in sublease and amounts due from related parties at an amount equal to lifetime ECLs. Accordingly, financial assets which are not credit impaired and which do not have significant financing component are categorised under stage 2 and lifetime ECL is recognised.

Expected credit losses related to cash and bank balances, trade and other receivables, investment in sublease and amounts due from related parties are presented in the consolidated statement of profit or loss and other comprehensive income.

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss. In addition, on derecognition of an investment in a debt instrument classified as at fair value through other comprehensive income (FVTOCI), the cumulative gain or loss previously accumulated in the investment's revaluation reserve is reclassified to profit or loss. In contrast, on derecognition of an investment in equity instrument which the Group has elected on initial recognition to measure at FVTOCI, the cumulative gain or loss previously accumulated in the investments' revaluation reserve is not reclassified to profit or loss, but is transferred to retained earnings.

Financial liabilities

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Group's financial liabilities include trade and other payables, lease liabilities, bank loans, contract liabilities, amounts due to related parties, derivative financial instruments and other payables.

All financial liabilities are measured subsequently at amortised cost using the effective interest method or at fair value through profit or loss (FVTPL).

Financial liabilities at FVTPL

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on changes in fair value recognised in profit or loss to the extent that they are not part of a designated hedging relationship. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability. However, for financial liabilities that are designated as at FVTPL, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is recognised in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch with profit or loss. The remaining amount of change in the fair value of liability is recognised in profit or loss. Changes in fair value attributable to a financial liability's credit risk that are recognised in other comprehensive income are not subsequently reclassified to profit or loss; instead, they are transferred to retained earnings upon derecognition of the financial liability.

Financial liabilities measured subsequently at amortised cost

Financial liabilities that are not designated as FVTPL, are measured subsequently at amortised cost using the effective interest method.

Notes to the Consolidated Financial Statements

31 December 2025 (continued)

3. Material Accounting Policy Information (continued)

Financial assets (continued)

Write-off policy (continued)

iv. Measurement and recognition of expected credit losses (continued)

Financial liabilities measured subsequently at amortised cost (continued)

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

Offsetting

Financial assets and liabilities are offset and the net amount reported in the consolidated statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

Cash and cash equivalents

Cash and cash equivalents includes cash on hand, short-term deposits held with banks, other short-term highly liquid investments with original maturities of three months or less.

Revenue recognition

Application of IFRS 15 Revenue from Contracts with Customers

IFRS 15 establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. The core principle of IFRS 15 is that an entity should recognise revenue to

depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

Specifically, the standard introduces a 5-step approach to revenue recognition:

- Step 1: Identify the contract(s) with a customer.
- Step 2: Identify the performance obligations in the contract.
- Step 3: Determine the transaction price.
- Step 4: Allocate the transaction price to the performance obligations in the contract.
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation.

Under IFRS 15, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when 'control' of the goods or services underlying the particular performance obligation is transferred to the customer. The Group is in the business of sale of high-density Polyethylene, linear low-density Polyethylene, Polypropylene, Ethylene, polyolefin and other compounded products.

Revenue from sale of goods and services in the ordinary course of business is recognised when the Group satisfies a performance obligation ("PO") by transferring control of a promised good or service to the customer. The amount of revenue recognised is the amount of the transaction price allocated to the satisfied PO. The transaction price is allocated to each PO in the contract on the basis of the relative stand-alone selling prices of the promised goods or services. The individual standalone selling price of a good or service that has not previously been sold on a stand-alone basis, or has a highly variable selling price, is determined based on the residual portion of the transaction price after allocating the transaction price to goods and/or services with observable stand-alone selling prices. A discount or variable consideration is allocated to one or more, but not all, of the PO if it relates specifically to those POs.

The transaction price is the amount of consideration in the contract to which the Group expects to be entitled in exchange for transferring the promised goods or services. The transaction price may be fixed or variable and is adjusted for time value of money if the contract includes a significant financing component. Consideration payable to a customer is deducted from the transaction price if the Group does not receive a separate identifiable benefit from the customer. When consideration is variable, the estimated amount is included in the transaction price to the extent that it is highly probable that a significant reversal of the cumulative revenue will not occur when the uncertainty associated with the variable consideration is resolved.

Notes to the Consolidated Financial Statements

31 December 2025 (continued)

3. Material Accounting Policy Information (continued)

Revenue recognition (continued)

Application of IFRS 15 Revenue from Contracts with Customers (continued)

Revenue may be recognised at a point in time or over time following the timing of satisfaction of the PO. If a PO is satisfied over time, revenue is recognised based on the percentage of completion reflecting the progress towards complete satisfaction of that PO.

Revenue represents the invoiced value of goods delivered to the customer and is recognised when all criteria for acceptance have been satisfied.

The following table provides information about the nature and timing of the satisfaction of performance obligations in revenue contracts with customers, including significant payment terms, and the related revenue recognition policies:

Nature of goods or services	The Group generates revenue from sales of polyolefin and compounded products.
When revenue is recognised	Revenue consideration is allocated to the respective performance obligations, i.e. sales of goods and the insurance and freight service, based on their stand-alone selling price. For sales transactions with delivery terms CIF and CFR (i.e. Cost, Insurance and Freight and Cost and Freight), the Company has additional obligation to arrange for the insurance and freight services subsequent to the transfer of the goods to the customer. Management assessed the Company's performance obligations are as follows: A. Sale of goods – revenue is recognised at a point of time when control of goods are transferred to the customers based on trade terms and all criteria for acceptance have been satisfied. The total transaction price is allocated to a single performance obligation as observable stand alone selling prices for freight and insurance are not available. Revenue is therefore recognised at a point in time, upon satisfaction of the combined performance obligation when control transfers at the delivery destination.

Significant payment terms	Invoices are issued upon goods delivery. The Group provides credit terms of between 30 to 90 days to their customers which are common market credit terms. In cases where, the Group received cash paid in advance of goods delivered and to the extent that they remain undelivered as at reporting date, the Group defers recognition of revenue and recognise such amounts in the consolidated statement of financial position as "Contract liabilities".
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Obligations for returns and refunds, if any	<p>Sales returns</p> <p>Customers have the right to return the goods to the Group within 14 days if the products are found defective or do not conform with requirements. For contracts that permit the customer to return an item, revenue is recognised to the extent that revenue recognised will not be reversed.</p> <p>The amount of revenue recognised is adjusted for expected returns, which are estimated based on past sales returns data. The Group will also recognise the related assets for the rights to recover the returned goods as inventories based on the previous carrying amounts of the goods plus expected recovery costs.</p>
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Volume rebate

Volume rebates are given to certain customers based on fulfilment of contractually agreed sales targets over a period of time. Such rebates are accounted for as a variable consideration and is adjusted against revenue.

The rebate amount is estimated based on the most likely outcome method and is recognised when the probability of paying the sales rebates to the customers is high. The Group reviews its estimate of expected rebate at each reporting date based on the sales to customers, contingent on a future event occurring or not occurring, and recognise the rebate as a reduction of the revenue.

Other income

Other income is recognised when it is probable that the economic benefit will flow to the Group and the amount of income can be measured reliably.

Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the assets.

Notes to the Consolidated Financial Statements

31 December 2025 (continued)

3. Material Accounting Policy Information (continued)

Property, plant and equipment (continued)

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the asset will flow to the Group and the cost of the asset can be measured reliably. Capital work in progress is carried at cost less any recognised impairment loss. When commissioned, capital work in progress is transferred to the appropriate property, plant and equipment category and is depreciated in accordance with the Group's policies.

Depreciation is charged so as to write off the cost less estimated residual values of property, plant and equipment, other than capital work in progress, over their estimated useful lives, using the straight-line method. The useful lives and residual values of the property, plant and equipment and intangible assets are based on management's judgment of the historical pattern of useful lives and the general standards applied within the industry.

The plant performs regular major inspections and overhauls, i.e. turnarounds. When each major turnaround is performed, its cost is recognised in the carrying amount of the item of property, plant and equipment as a replacement if the recognition criteria are satisfied. Other plant turnaround costs are expensed as incurred. The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

As per IAS 16, paragraph 51, the residual value and the useful life of an asset shall be reviewed at least at each financial year end and, if expectations differ from previous estimates, the change(s) shall be accounted for as a change in an accounting estimate in accordance with IAS 8 Basis of Preparation of Financial Statements.

The useful life of an asset is primarily determined by the extent to which its economic benefits are expected to be consumed through use. However, some factors contribute to the reduction of these benefits, including:

- **Expected Usage:** Based on the asset's anticipated capacity or output.
- **Physical Deterioration:** Influenced by operational intensity, maintenance practices, and conditions during idle periods.

- **Obsolescence:** Resulting from technological advancements, changes in production methods, or shifts in market demand, which may diminish the asset's value or utility.

Change in estimate – useful life of property, plant and equipment:

In line with the Group policy, during the year ended 31 December 2025, the Group has reassessed the estimated useful life of some of its Plant, Machinery and related Buildings assets. The overview reflects the updated expectation about the pattern of economic benefits and maintenance practices resulting in a decrease in depreciation charge and increase in profit before tax for the year of USD 90,335 thousand. The Group revisits its estimates annually as per its policy, and in light of the comprehensive asset lifetime extension initiated by technical steering committee, the estimated useful lives of such plants and related buildings have increased by up to an additional 10 years.

Based on the carrying amount of the affected assets at 31 December 2025 and assuming no further additions, disposals or changes in estimates, the change in useful lives is expected to decrease depreciation expense (and therefore increase profit before tax) by approximately USD 179,198 thousand in 2026. The effect on periods thereafter is not disclosed because it is impracticable to estimate this reliably over the remaining useful lives.

The estimated useful lives of the Group's Property, Plant and Equipment is applied prospectively, in accordance with IAS 8, from 1 July 2025, as follows:

Buildings	15 - 40 years
Plant and machinery	8 - 35 years

The estimated useful lives of the Group's remaining Property, Plant and Equipment where there is no change in useful life is as follows:

Motor vehicles	4 - 10 years
Furniture, fixtures and equipment	3 - 4 years

Notes to the Consolidated Financial Statements

31 December 2025 (continued)

3. Material Accounting Policy Information (continued)

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

Intangible assets

Intangible assets acquired are recorded at cost and are amortised on a straight-line basis over their estimated useful lives as follows:

Computer software	3 - 5 years
Cracker rights	10 years
License costs	10 years
Others	4 years

License costs represent irrevocable exclusive and non-exclusive rights and licenses granted by Borealis to the Group for use of Borealis's proprietary catalyst, process design, patent rights and technical information in order to design, construct, maintain and operate the Ruwais plant, as well as use and sell Polyethylene ("PE") resins manufactured in the plant.

Inventories

Inventories (excluding spare parts) are stated at the lower of cost and net realisable value. Cost is determined using the weighted average cost method. The cost of finished goods and work in progress comprises raw materials, consumables, spare parts, direct labour and materials and related overheads (based on normal operating capacity). Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and costs necessary to make the sale. Spare parts under the inventory are carried at cost less provision for obsolete and slow-moving items.

Impairment of non-financial assets other than goodwill

At the end of each reporting period, the Group reviews the carrying amounts of its non-financial assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash generating unit to which the asset belongs.

Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash generating units, or otherwise they are allocated to the smallest group of cash generating units for which a reasonable and consistent allocation basis can be identified.

The recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

Leases

The Group as a lessee

At commencement or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property, the Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

Notes to the Consolidated Financial Statements

31 December 2025 (continued)

3. Material Accounting Policy Information (continued)

Leases (continued)

The Group as a lessee (continued)

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the earlier of the asset's useful life and the lease term on a straight-line basis. The estimated useful lives of the assets is as follows:

Land lease	35 - 50 years
Transportation, storage, and terminals	4 years
Buildings and infrastructure	3 to 9 years
Fixture, fittings, and office equipment	3 years

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of fixed payments (including in-substance fixed payments), less any lease incentives receivable.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be determined, the lessee's incremental borrowing rate is used, being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received; and
- restoration costs.

The Group has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

The Group as a lessor

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Group applies the exemption described above, then it classifies the sub-lease as an operating lease. Investment in sub-lease is recognised in the consolidated financial statements to reflect the sub-lease of a plot of land to a related party, Borouge 4.

Interest income

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

Taxation

Value added tax (VAT)

Expenses and assets are recognised net of the amount of VAT, except:

- When VAT incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, VAT is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable
 - When receivables and payables are stated with the amount of VAT included
- The net amount of VAT recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the consolidated statement of financial position.

Notes to the Consolidated Financial Statements

31 December 2025 (continued)

3. Material Accounting Policy Information (continued)

Taxation (continued)

Current income tax

The Group is subject to income taxes in several jurisdictions. Estimates are required in determining the group-wide provision for income taxes. There are some transactions and calculations for which the ultimate tax position is uncertain during the ordinary course of business. The Group recognises provisions for anticipated tax audit issues based on estimates of whether additional taxes will be due.

Income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Group operates and generates taxable income.

The Group periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the consolidated statement of profit or loss and other comprehensive income.

Deferred tax assets and liabilities are offset for financial reporting purposes when they relate to income taxes levied by the same taxation authorities.

International Tax Reform—Pillar Two Model Rules – Amendments to IAS 12

The amendments to IAS 12 have been introduced in response to the OECD's BEPS Pillar Two rules and include:

- A mandatory temporary exception to the recognition and disclosure of deferred taxes arising from the jurisdictional implementation of the Pillar Two model rules; and
- Disclosure requirements for affected entities to help users of the financial statements better understand an entity's exposure to Pillar Two income taxes arising from that legislation, particularly before its effective date.

The mandatory temporary exception – the use of which is required to be disclosed – applies immediately. The remaining disclosure requirements apply for annual reporting periods beginning on or after 1 January 2023, but not for any interim periods ending on or before 31 December 2024.

Pillar Two legislation has been enacted or substantively enacted in certain jurisdictions the Group operates. The legislation will be effective for the Group's financial year beginning 1 January 2025. The Group is in scope of the enacted or substantively enacted legislation and has performed an assessment of the Group's potential exposure to Pillar Two income taxes. The assessment of the potential exposure to Pillar Two income taxes is based on the most recent tax filings, country-by-country reporting and financial statements for the constituent entities in the Group. Based on the assessment, the Pillar Two effective tax rates in most of the jurisdictions in which the Group operates are above 15%. However, there are a limited jurisdictions where the legislation has not been enacted or substantively enacted. The Group is continuing to assess the exposure to the Pillar Two legislation in enacted jurisdictions and creates top-tax provisions as necessary.

IAS 12 is amended to add the exception to recognising and disclosing information about deferred tax assets and liabilities that are related to tax law enacted or substantively enacted to implement the Pillar Two Model Rules published by the Organisation for Economic Co-operating and Development (the "Pillar Two legislation"). It is unclear if the Pillar Two Model Rules create additional temporary differences with regards to deferred tax remeasurement and the Group has applied the temporary exception as at 31 December 2025.

Notes to the Consolidated Financial Statements

31 December 2025 (continued)

3. Material Accounting Policy Information (continued)

Corporate tax

On 9 December 2022, the UAE Ministry of Finance released Federal Decree-Law No. 47 of 2022 on the Taxation of Corporations and Businesses (Corporate Tax Law or the Law) to enact a Federal corporate tax (CT) regime in the UAE. The CT regime has become effective for accounting periods beginning on or after 1 June 2023. The Cabinet of Ministers Decision No. 116 of 2022 (widely accepted to be effective from 16 January 2023) specified the threshold of taxable income to which the 0% UAE CT rate would apply, and above which the 9% UAE CT rate would apply. It is widely considered that this would constitute 'substantive enactment' of the UAE CT Law for the purposes of IAS 12, the objective of which is to prescribe the basis for accounting for Income Taxes.

Current taxes should be measured at the amount expected to be paid to or recovered from the tax authorities by reference to tax rates and laws that have been enacted or substantively enacted, by the end of the any reporting period. Since the Group is expected to pay tax in accordance with the provision of the UAE CT Law on its operational results with effect from 1 January 2024, current taxes have been accounted for in the consolidated financial statements for the period beginning from 1 January 2025. As per IAS12 (Income taxes), any change in tax laws should be recognised in the consolidated financial statements in the period in which the enactment occurs (i.e., FY24) and therefore the tax implications (current and/or deferred) were assessed and recorded accordingly (Note 13).

Employees' benefit

i. Short term obligation

An accrual is made for the estimated liability for employees' entitlement to annual leave and leave passage as a result of services rendered by eligible employees up to the end of the reporting period. The accrual relating to annual leave and leave passage is disclosed as a current liability in the consolidated statement of financial position.

ii. Employees' end of service benefits (EOSB)

The liability recognised in the consolidated statement of financial position in respect of the defined end of service benefit plan is the present value of the projected defined benefit obligation ("DBO") at the end of the reporting period.

The provision for EOSB is calculated by a qualified actuary using the projected unit credit method whilst considering the Group's policy with respect to end of service benefits where it requires the provision to be at least equal to the benefits payable in accordance with the UAE Labour law for their period of service up to the end of the reporting period.

The provision relating to EOSB is disclosed as a non-current liability.

Re-measurements of the net defined benefit liability, which comprise actuarial gains and losses are recognised immediately in other comprehensive income. Re-measurements are not reclassified to the consolidated statement of profit or loss in subsequent periods. The liability is calculated as the current value of the vested benefits to which the employee is entitled, should the employee leave at the consolidated statement of financial position date. Payments are based on employees' final salaries and allowances and their cumulative years of service, as stated in the UAE Labour law.

Net interest expense and other expenses related to defined benefit plans are recognised in the consolidated statement of profit or loss.

The net interest cost is calculated by applying the discount rate to the net balance of the defined EOSB obligation. The Group recognises the following changes in the net defined benefit obligation in the consolidated statement of profit or loss within personnel costs:

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements.
- Net interest expense or income

iii. Pension contributions

With respect to its UAE national employees, the Group makes pension contributions to the Abu Dhabi Retirement Pensions and Benefits Funds in accordance with the Abu Dhabi Retirement Pensions and Benefits Fund's regulations. With respect to its GCC national employees, the Group makes pension contributions to the pension funds or agencies of their respective countries. Such contributions are charged to operating costs during the employees' period of service.

Notes to the Consolidated Financial Statements

31 December 2025 (continued)

3. Material Accounting Policy Information (continued)

Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past event, it is probable that an outflow of resources will be required to settle the obligation, and the amount can be reliably estimated.

Foreign currency transactions

Foreign currency transactions are translated at the rates prevailing on the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

In determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which the Group initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, the Group determines the transaction date for each payment or receipt of advance consideration.

Group companies

On consolidation, the assets and liabilities of foreign operations are translated into USD at the rate of exchange prevailing at the reporting date. Income and expense items are translated at the average

exchange rates for the period, unless exchange rates fluctuated significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are classified as equity and transferred to the foreign currency translation reserve. Such exchange differences are recognised in the profit or loss in the period in which the foreign operation is disposed of. Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition are treated as assets and liabilities of the foreign operation and translated at the spot rate of exchange at the reporting date.

Current versus non-current classification

The Group presents assets and liabilities in the consolidated statement of financial position based on current/non-current classification. An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Group classifies all other liabilities as non-current.

Notes to the Consolidated Financial Statements

31 December 2025 (continued)

3. Material Accounting Policy Information (continued)

Derivative financial instruments

The Group enters into derivative financial instrument contracts to manage its exposure to interest rate. Derivatives are recognised initially at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date.

A derivative with a positive fair value is recognised as a financial asset whereas a derivative with a negative fair value is recognised as a financial liability. Derivatives are not offset in the consolidated financial statements unless the Group has both legal right and intention to offset. A derivative is presented as a non-current asset or a non-current liability if the remaining maturity of the instrument is more than 12 months and it is not expected to be realised or settled within 12 months.

Hedge accounting

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which it wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge.

The documentation includes identification of the hedging instrument, the hedged item, the nature of the risk being hedged and how the Group will assess whether the hedging relationship meets the hedge effectiveness requirements (including the analysis of sources of hedge ineffectiveness and how the hedge ratio is determined).

A hedging relationship qualifies for hedge accounting if it meets all of the following effectiveness requirements:

- There is 'an economic relationship' between the hedged item and the hedging instrument.
- The effect of credit risk does not 'dominate the value changes' that result from that economic relationship.
- The hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the Group actually hedges and the quantity of the hedging instrument that the Group actually uses to hedge that quantity of hedged item.

Hedges that meet all the qualifying criteria for hedge accounting are accounted for and further described in the below sections. If a hedging relationship ceases to meet the hedge effectiveness requirement relating to the hedge ratio but the risk management objective for that designated hedging relationship remains the same, the Group adjusts the hedge ratio of the hedging relationship (i.e. rebalances the hedge) so that it meets the qualifying criteria again.

The effective portion of the gain or loss on the hedging instrument is recognised in OCI in the cash flow hedge reserve, while any ineffective portion is recognised immediately in the statement of profit or loss. The cash flow hedge reserve is adjusted to the lower of the cumulative gain or loss on the hedging instrument and the cumulative change in fair value of the hedged item.

Cash flow hedges

The effective portion of changes in the fair value of derivatives and other qualifying hedging instruments that are designated and qualify as cash flow hedges are recognised in other comprehensive income and accumulated under the heading of cash flow hedge reserve, limited to the cumulative change in fair value of the hedged item from inception of the hedge. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss and is included in the 'finance cost' line item.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated or exercised, or no longer qualifies for hedge accounting. At that point in time, any cumulative gain or loss on the hedging instrument recognised in equity is retained in the Group's consolidated statement of changes in equity until the forecasted transaction occurs or the original hedged item affects the Group's consolidated statement of profit or loss and other comprehensive income. If a forecast hedged transaction is no longer expected to occur, the net cumulative gain or loss recognised in the Group's consolidated statement of changes in equity is reclassified to the Group's consolidated statement of profit or loss and other comprehensive income.

Notes to the Consolidated Financial Statements

31 December 2025 (continued)

4. Group Information

Details of the Company’s subsidiaries as at 31 December 2025 and 2024 are as follows:

Name of subsidiary	Ownership interest	Parent Company	Country of incorporation	Principal activities
Abu Dhabi Polymers Co. Ltd (Borouge) - Sole Proprietorship L.L.C (“ADP”)	100%	PLC	U.A.E	Production of ethylene, propylene, polyethylene and polypropylene
Borouge Pte Ltd (“PTE”)	84.746%	PLC	Singapore	Trading of polyolefins
Borouge (India) Pvt Ltd	100%	PTE	India	Marketing and support services
Borouge Compounding Holding PTE Ltd (“PTECOM”)	100%	PTE	Singapore	Investment Holding
Borouge Compounding (Shanghai) Co. Ltd	100%	PTECOM	People’s Republic of China	Trading polyolefins products
Borouge Sales and Marketing (Shanghai) Co. Ltd	100%	PTE	People’s Republic of China	Marketing and support services
Borouge Egypt LLC	100%	PTE	Arab Republic Egypt	Marketing and support services
Borouge Kenya Ltd	100%	PTE	Kenya	Marketing and support services
Borouge Korea Co. Ltd	100%	PTE	South Korea	Trading of polyolefins products and sales and marketing support

5. Critical Judgements and Key Sources of Estimation Uncertainty

The preparation of the consolidated financial statements in compliance with IFRS requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and contingent liabilities. Future events may occur which will cause the assumptions used in arriving at the estimates to change. The effects of any change in estimates are reflected in the consolidated financial statements as they become reasonably determinable. Judgments and estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical judgements

Segment information

For management purpose, the Group is organised as one business unit based on the products and services and management has concluded that it has only one reportable segment. The Group is managed as a single business unit and the financial performance is reported in the internal reporting provided to the Chief Operating Decision-maker (“CODM”). The Executive Committee, which is responsible for allocating resources and assessing performance of the operating segments, has been identified as the CODM that makes strategic decisions. The financial information reviewed by the CODM is based on the IFRS compliant financial information for the Group. The CODM monitors the operating results of its business unit separately for the purpose of making decisions about resource allocation and performance assessment. The Group measures its revenue at the fair value of consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty, as the Group has determined that it is acting as principal in the transactions. The determination of whether the Group is principal or agent requires judgement. In making this judgement, the Group evaluates whether it controls each specified good or service before that good or service is transferred to the customer.

Asset retirement obligation

The Group exercises judgement in evaluating whether an arrangement contains a legal or constructive obligation to remove the plant and equipment and restore the land at the end of the contractual arrangement or end of useful life of the Group’s plant and equipment constructed and installed on land leased from government related entities. The management has concluded it does not have any legal or constructive obligation relating to decommissioning activity.

Functional currency

Management considers USD to be the currency that most faithfully represents the economic effect of the underlying transactions, events and conditions. USD is the currency in which the Group measures its performance and reports its results.

Notes to the Consolidated Financial Statements

31 December 2025 (continued)

5. Critical Judgements and Key Sources of Estimation Uncertainty (continued)

Key sources of estimation uncertainty

Useful lives and residual values of property, plant and equipment and intangible assets

The Group's management determines the estimated useful lives and residual values of the property, plant and equipment and the intangible assets based on the historical pattern of useful lives and general standards in the industry. The useful lives and residual values are reviewed for reasonableness by management on an annual basis.

Useful lives of right-of-use assets

The Group's management determines the estimated useful lives of its right-of-use assets for calculating depreciation. The cost of right-of-use assets are depreciated over the estimated useful lives of the assets, which is based on the shorter of the lease term and the estimated useful lives of the assets. The Group reviews the estimated useful lives of right-of-use assets at the end of each annual reporting period. Any change in the lease term or pattern of consumption of these assets are adjusted prospectively.

Assessment of indicators of impairment of non-financial assets

The Group assesses at each reporting date whether there is objective evidence that its non-financial assets are impaired. The Group's non-financial assets primarily comprise property, plant and equipment, right-of-use assets and intangible assets. To determine whether there is objective evidence of impairment, the Group considers factors such as operating economic conditions, industry developments and other factors which could affect the carrying value of these assets. An impairment exists when carrying value of an asset or cash-generating unit exceeds its recoverable amount, which is the higher of its fair value less costs to sell and its value-in-use. During the current year, impairment expense amounting to USD 1,441 thousand (2024: USD 3,082 thousand) was recorded in relation to property, plant and equipment and USD nil (2024: USD nil) in relation to intangible assets.

Leases - Estimating the incremental borrowing rate

The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what

the Group 'would have to pay', which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the Company's stand-alone credit rating).

Contingencies

By their nature, contingencies will only be resolved when one or more future events occur or fail to occur. The assessment of contingencies inherently involves the exercise of significant judgement and estimate of the outcome of future events. The Group receives claims from its customers and suppliers as part of its ongoing business and records a provision based on assessment of reliability and probability of the outflow of economic resources (note 25).

Income tax and deferred tax assets

The amount of income tax payable is subject to adjustment pending final agreement on all items of revenue, costs and expenses for the period ended 31 December 2025 between the Group and the representatives of Supreme Council for Financial and Economic Affairs ("SCFAEA"). Management believes that the finalisation of the discussion will not have a material impact on the consolidated financial statements.

Deferred tax assets are recognised against differences between tax basis and accounting basis of recording for depreciation on property, plant and equipment, amortisation of intangible assets, amortisation of right-of-use asset and end of service benefits to the extent that it is probable that taxable profit will be available against which the temporary differences can be utilised. Significant management judgment is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits (note 13).

Provision for expected credit losses on amounts due from related parties and trade and other receivables

The Group recognises an allowance for expected credit losses (ECLs) for amounts due from related parties and trade other receivables. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions.

Notes to the Consolidated Financial Statements

31 December 2025 (continued)

5. Critical Judgements and Key Sources of Estimation Uncertainty (continued)

Key sources of estimation uncertainty (continued)

Provision for expected credit losses on amounts due from related parties and trade and other receivables (continued)

The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

An estimate of the collectible amount of due from related parties and trade and other receivables is made when collection of the full amount is no longer probable. For individually significant amounts, this estimation is performed on an individual basis. As at 31 December 2025, gross trade receivable, other receivables and amounts due from related parties were USD 811,680 thousand (2024: USD 859,914 thousand), USD 29,612 thousand (2024: USD 20,435 thousand) and USD 293,251 thousand (2024: USD 209,937 thousand) with provision for expected credit losses of USD 3,433 thousand (2024: USD 1,146 thousand), USD nil (2024: USD 2,857 thousand) and USD nil (2024: USD nil) respectively. Any difference between the amounts actually collected in future periods and the amounts expected to be received will be recognised in the consolidated statement of comprehensive income.

Impairment of inventories

Inventories are held at the lower of cost and net realisable value. When inventories become old or obsolete, an estimate is made of their net realisable value. For individually significant amounts this estimation is performed on an individual basis. Amounts which are not individually significant, but which are old or obsolete, are assessed collectively and a provision applied according to the inventory type and the degree of ageing or obsolescence, based on historical selling prices. As at 31 December 2025, gross inventory was USD 586,491 thousand (2024: USD 700,617 thousand). As at 31 December 2025, a provision of USD 62,789 thousand (2024: USD 60,112 thousand) on inventories has been recorded. Any difference between the amounts actually realised in future periods and the amounts expected to be realised will be recognised in the profit or loss (note 9).

6. Property, Plant and Equipment

	Buildings USD'000	Plant and machinery USD'000	Motor vehicles USD'000	Furniture, fixtures and equipment USD'000	Capital work-in- progress USD'000	Total USD'000
2025						
Cost:						
Balance at 1 January 2025	716,770	12,751,222	14,093	194,204	257,273	13,933,562
Additions	22	87,312	-	1,823	186,530	275,687
Disposals	-	(90)	-	(9,077)	-	(9,167)
Write off	-	-	-	-	(1,078)	(1,078)
Transfers from capital work in progress	704	105,493	-	9,989	(116,186)	-
Transfers to intangibles (note 7)	-	-	-	-	(36,198)	(36,198)
Exchange differences	769	1,876	-	1,309	35	3,989
At 31 December 2025	718,265	12,945,813	14,093	198,248	290,376	14,166,795
Accumulated depreciation and impairment:						
Balance at 1 January 2025	366,869	7,084,935	13,562	173,850	1,844	7,641,060
Impairment	-	-	-	-	363	363
Depreciation	20,714	419,235	136	9,299	-	449,384
Disposals	-	(90)	-	(9,077)	-	(9,167)
Exchange differences	364	1,343	3	1,214	(1)	2,923
At 31 December 2025	387,947	7,505,423	13,701	175,286	2,206	8,084,563
Net book value:						
At 31 December 2025	330,318	5,440,390	392	22,962	288,170	6,082,232

Notes to the Consolidated Financial Statements

31 December 2025 (continued)

6. Property, Plant and Equipment (continued)

	Buildings USD'000	Plant and machinery USD'000	Motor vehicles USD'000	Furniture, fixtures and equipment USD'000	Capital work-in- progress USD'000	Total USD'000
2024						
Cost:						
Balance at 1 January 2024	720,196	12,693,872	14,093	184,005	207,842	13,820,008
Additions	-	315	-	191	159,618	160,124
Disposals	(5,062)	(14,249)	-	(3,817)	(4,449)	(27,577)
Transfers from capital work in progress	2,168	72,355	-	14,150	(88,673)	-
Transfers to intangibles (note 7)	-	-	-	-	(17,019)	(17,019)
Exchange differences	(532)	(1,071)	-	(325)	(46)	(1,974)
At 31 December 2024	716,770	12,751,222	14,093	194,204	257,273	13,933,562
Accumulated depreciation and impairment:						
Balance at 1 January 2024	346,093	6,609,624	13,375	170,177	3,384	7,142,653
Impairment	(370)	543	-	-	2,909	3,082
Depreciation	26,444	489,722	190	7,760	-	524,116
Disposals	(5,062)	(14,249)	-	(3,817)	(4,449)	(27,577)
Exchange differences	(236)	(705)	(3)	(270)	-	(1,214)
At 31 December 2024	366,869	7,084,935	13,562	173,850	1,844	7,641,060
Net book value:						
At 31 December 2024	349,901	5,666,287	531	20,354	255,429	6,292,502

The right and license to use the land in Ruwais, on which the buildings, plant and machinery are constructed, was granted by the Supreme Petroleum Council, free of all fees, in accordance with a letter dated 28 October 1998. The land in Ruwais continues to be free of all fees, except for the Borouge 4-Plant Site in accordance with an agreement signed between the Group and ADNOC on 16 November 2021. On the same day, the Group signed an agreement with ADNOC for the lease of the Sas Al Nakhil Area where rent will be payable on land for the Innovation Centre Site.

The depreciation charge for the year is allocated to consolidated statement of profit or loss and inventory as follows:

	2025 USD'000	2024 USD'000
Cost of sales (note 20)	408,732	456,370
Depreciation included in unsold inventory	36,611	64,438
General and administrative expenses (note 23)	4,040	3,307
Selling and distribution expenses (note 24)	1	1
	449,384	524,116

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025 (continued)

7. Intangible Assets

	Computer software USD'000	License and patent costs USD'000	Others USD'000	Development costs USD'000	Capital work in progress USD'000	Total USD'000
2025						
Cost:						
Balance at 1 January 2025	125,135	28,202	187,082	-	12,768	353,187
Reclassification	29,697	144,721	(185,038)	10,276	344	-
Additions	903	47	-	62	30,023	31,035
Disposals	(515)	-	-	-	-	(515)
Transfers from property, plant, and equipment (note 6)	-	-	-	-	36,198	36,198
Transfers from capital work in progress	31,433	-	-	-	(31,433)	-
Exchange differences	121	-	1	(1)	4	125
At 31 December 2025	186,774	172,970	2,045	10,337	47,904	420,030
Accumulated amortisation:						
Balance at 1 January 2025	99,038	25,044	168,462	-	-	292,544
Reclassification	20,063	143,786	(167,654)	3,805	-	-
Charge for the year	18,997	1,538	1,239	1,547	-	23,321
Disposals	(515)	-	-	-	-	(515)
Exchange differences	109	-	(2)	-	-	107
At 31 December 2025	137,692	170,368	2,045	5,352	-	315,457
Net book value:						
At 31 December 2025	49,082	2,602	-	4,985	47,904	104,573

	Computer software USD'000	Cracker rights USD'000	Licence costs USD'000	Capital work in progress USD'000	Others USD'000	Total USD'000
2024						
Cost:						
Balance at 1 January 2024	114,008	11,305	31,255	7,423	181,171	345,162
Additions	953	-	-	6,306	-	7,259
Disposals	(1,030)	-	(15,050)	-	(129)	(16,209)
Transfers	959	-	-	(959)	-	-
Transfers from property, plant, and equipment (note 6)	10,289	-	691	-	6,039	17,019
Exchange differences	(44)	-	1	(2)	1	(44)
At 31 December 2024	125,135	11,305	16,897	12,768	187,082	353,187
Accumulated amortisation:						
Balance at 1 January 2024	88,949	11,305	27,721	-	157,061	285,036
Charge for the year	11,153	-	1,065	-	11,530	23,748
Disposals	(1,030)	-	(15,050)	-	(129)	(16,209)
Exchange differences	(34)	-	3	-	-	(31)
At 31 December 2024	99,038	11,305	13,739	-	168,462	292,544
Net book value:						
At 31 December 2024	26,097	-	3,158	12,768	18,620	60,643

The amortisation charge for the year is allocated to the consolidated statement of profit or loss and inventory as follows:

	2025 USD'000	2024 USD'000
Cost of sales (note 20)	20,098	20,372
Amortisation included in unsold inventory	1,801	2,881
General and administrative expenses (note 23)	1,274	350
Selling and distribution expenses (note 24)	148	145
	23,321	23,748

Notes to the Consolidated Financial Statements

31 December 2025 (continued)

8. Right-of-Use Assets and Lease Liabilities

The right and license to use the land in Ruwais, on which the buildings, plant and machinery are constructed, was granted by the Supreme Petroleum Council, free of all fees, in accordance with a letter dated 28 October 1998. The land in Ruwais continues to be free of all fees, except for the Borouge 4-Plant Site in accordance with an agreement signed between the Group and ADNOC on 16 November 2021. On the same day, the Group signed an agreement with ADNOC for the lease of the Sas Al Nakhl Area where rent will be payable on land for the Innovation Centre Site.

(a) Right-of-use assets

	2025 USD'000	2024 USD'000
Cost:		
Balance at 1 January	51,214	49,578
Additions	1,802	361
Disposals	(8,529)	(2,745)
Modification on lease liability	(62)	2,341
Transfer of sublease, net	-	2,156
Exchange differences	1,331	(477)
At 31 December	45,756	51,214
Accumulated depreciation:		
Balance at 1 January	26,417	22,274
Charge for the year	3,609	4,786
Disposal	(8,529)	(438)
Exchange differences	932	(205)
At 31 December	22,429	26,417
Carrying amount:		
At 31 December	23,327	24,797

for the year is allocated to consolidated statement of profit or loss and inventory as follows:

	2025 USD'000	2024 USD'000
Cost of sales (note 20)	186	164
Depreciation included in unsold inventory	13	18
General and administrative expenses (note 23)	3,410	4,604
Selling and distribution expenses (note 24)	-	-
	3,609	4,786

(b) Investment in sublease

Investment in sub-lease is recognised in the consolidated financial statements to reflect the sub-lease of a plot of land to a related party, Borouge 4 (note 12(d)).

	2025 USD'000	2024 USD'000
Balance at 1 January	141,530	142,641
Additions	-	100
Receipts	(5,551)	(6,449)
Accretion of interest	5,205	5,214
Modification of lease	465	-
Exchange differences	-	24
At 31 December	141,649	141,530

	2025 USD'000	2024 USD'000
Current – Investment in sublease	5,952	5,741
Non-current – Investment in sublease	135,697	135,789
	141,649	141,530

Notes to the Consolidated Financial Statements

31 December 2025 (continued)

8. Right-of-Use Assets and Lease Liabilities (continued)

(c) Lease liabilities

	2025 USD'000	2024 USD'000
Balance at 1 January	167,124	170,613
Additions	1,802	361
Payments	(9,808)	(8,904)
Interest expense	6,193	6,233
Modification of lease liability	(107)	(616)
Exchange differences	976	(563)
At 31 December	166,180	167,124
Non-current	156,652	158,082
Current	9,528	9,042
Total	166,180	167,124

Set out below, is the amount recognised in the consolidated statement of profit or loss related to leases:

	2025 USD'000	2024 USD'000
Depreciation charge	3,609	4,786
Interest expense	6,193	6,233
	9,802	11,019

9. Inventories

	2025 USD'000	2024 USD'000
Finished goods	266,352	378,208
Spare parts	166,930	148,411
Raw materials	133,686	159,183
Goods in transit	14,566	9,020
Work in progress	4,957	5,795
	586,491	700,617
Less: allowance for slow moving and obsolete inventories	(62,789)	(60,112)
	523,702	640,505

Finished goods include an allocation of depreciation and amortisation charges amounting to USD 38,404 thousand (2024: USD 67,337 thousand). The movement in the allowance for slow moving and obsolete inventories during the year was as follows:

	2025 USD'000	2024 USD'000
Balance at 1 January	60,112	52,892
Charge for the year	2,677	7,220
At 31 December	62,789	60,112

During the year, total of USD 75 million (2024: 41 million) has been consumed in capex activities. Increase is primarily due to B3 Turnaround.

Notes to the Consolidated Financial Statements

31 December 2025 (continued)

10. Receivables

(a) Trade receivables

	2025 USD'000	2024 USD'000
Trade receivables	811,680	859,914
Less: provision for expected credit losses	(3,443)	(1,146)
	808,237	858,768

Movement in the provision for expected credit losses of trade receivables was as follows:

	2025 USD'000	2024 USD'000
Balance at 1 January	1,146	4,341
Transfer from Prepayments and other receivables (note 10b)	2,010	-
Charge / (reversal) for the year	811	(3,195)
Write off	(524)	-
At 31 December	3,443	1,146

The analysis of the trade receivables provision for expected credit losses is as follows:

	Total USD'000	Not past due USD'000	Past due				
			30 days USD'000	31-60 days USD'000	61 – 90 days USD'000	91 – 180 days USD'000	Over 180 days USD'000
31 December 2025							
Expected credit loss rate		0.01%	0.01%	-	100%	79.45%	64.62%
Estimated total gross carrying amount at default	811,680	763,923	42,630	-	85	73	4,969
Expected credit losses	3,443	85	4	-	85	58	3,211
31 December 2024							
Expected credit loss rate		0.01%	0.01%	-	34.22%	-	55.85%
Estimated total gross carrying amount at default	859,914	808,242	49,656	-	263	-	1,753
Expected credit losses	1,146	73	4	-	90	-	979

Limited recourse receivables discounting agreement

During the year-ended 31 December 2025, a subsidiary of Borouge PLC entered into a Limited Recourse Receivables Discounting Agreement (“agreement”) with an external Commercial Bank (“Purchaser”). The agreed structure provides for the sale of Trade Receivables of Borouge PLC Group and was successfully initiated in December 2025.

As part of this program, with a facility to sell up to USD 400 million, the Group have sold a pool of Trade Receivables in the amount of USD 100 million as of 31 December 2025 (2024: nil), for which USD 100 million has been received by the Group as Cash as of 31 December 2025 (2024: nil).

The requirements for derecognition of receivables are met for the non-recourse portion of the agreement, whereby it is concluded that the contractual rights have been transferred from the Group to the Purchaser. The non-recourse portion of the agreement is irrevocably transferred, with Purchases obtaining the right to ‘control’ the purchased receivables. As of 31 December 2025, USD 90 million has been de-recognised from Trade Receivables (2024: nil). Borouge continues to administer the relationship with Debtors and has to transfer all receivables collected and previously sold to the Purchaser under this program.

Notes to the Consolidated Financial Statements

31 December 2025 (continued)

10. Receivables (continued)

(a) Trade receivables (continued)

Limited recourse receivables discounting agreement (continued)

For the remaining 'with-recourse' portion of the sale, it is concluded that the Group have substantially retained the risks and rewards associated and therefore, have not met the criteria for de-recognition and accordingly, corresponding liability has been recognised. See note 17 for further details on treatment of recourse portion of the agreement.

For the year ended 31 December 2025, Interest payable on the agreement has been recognised in the profit or loss statement of USD 94 thousand (2024: nil), which represents accumulated daily interest due payable on gross receivables sold to Purchaser, irrespective of their recourse vs non-recourse nature.

(b) Prepayments and other receivables

	2025 USD'000	2024 USD'000
Other receivables	25,871	19,651
Tax recoverable	3,741	784
Deposits	13,234	1,760
Less: provision for expected credit losses	-	(2,857)
	42,846	19,338
Prepayments	5,244	4,579
	48,090	23,917

No interest is charged on the other receivable balances. Past due receivables are provided for based on estimated irrecoverable amounts determined by reference to management expectations and past default history. In determining the recoverability of a receivable balance, the Group considers any change in the credit quality of the receivable balances from the date credit was initially granted up to the reporting date.

The movement in the provision for expected credit losses on other receivables during the year was as follows:

	2025 USD'000	2024 USD'000
Balance at 1 January	2,857	2,688
Transfer to trade receivables (note 10a)	(2,010)	-
Transfer to loans to employees (note 10c)	(847)	-
Charge for the year	-	169
At 31 December	-	2,857

(c) Loans to employees

	2025 USD'000	2024 USD'000
Loans to employees	36,749	33,963
Less: provision for expected credit losses	(1,599)	-
At 31 December	35,150	33,963

The movement in the provision for expected credit losses on other receivables during the year was as follows:

	2025 USD'000	2024 USD'000
Balance at 1 January	-	-
Transfer from Prepayments and other receivables (note 10b)	847	-
Charge for the year	752	-
At 31 December	1,599	-

	2025 USD'000	2024 USD'000
Loans to employees – non-current	21,905	20,509
Loans to employees – current	13,245	13,454
At 31 December	35,150	33,963

Notes to the Consolidated Financial Statements

31 December 2025 (continued)

11. Cash and Cash Equivalents

	2025 USD'000	2024 USD'000
Cash at bank – current accounts	114,643	86,216
Short-term deposits	312,248	332,286
Cash in hand	10	4
Cash and cash equivalents	426,901	418,506

Short-term deposits are mainly denominated in US Dollar and earn interest at average floating rate of 4.67% (2024: 5.32%) per annum with an original maturity period of less than three months.

12. Related Parties Transactions and Balances

(a) Related parties

Related parties comprise the Government of Abu Dhabi and related departments and institutions (owner of the majority shareholder), associated companies, joint ventures, shareholders, directors and key management personnel of the Group, and entities controlled, jointly controlled or significantly influenced by such parties. Pricing policies and terms of these transactions are approved by the Group's management. During the year, the Group entered into the following significant transactions with related parties at prices and on terms agreed between the related parties.

(b) Related party transactions

	Nature	2025 USD'000	2024 USD'000
Sale of goods			
ADNOC	Shareholder	9,704	6,756
Borealis AG	Shareholder	570,028	462,629
ADNOC Refining	Affiliate	36,412	40,295
Borouge 4	Affiliate	13,884	18,065
ADNOC Global Trading	Affiliate	-	82
		630,028	527,827

	Nature	2025 USD'000	2024 USD'000
Other income			
ADNOC	Shareholder	4,507	-
Borealis AG	Shareholder	2	-
OMV Supply and Trading Singapore PTE Ltd	Affiliate	25	19
Borouge 4	Affiliate	5,134	5,133
		9,668	5,152

	Nature	2025 USD'000	2024 USD'000
Cost of sales			
Purchase of feedstock (ADNOC)	Shareholder	975,456	951,616
Purchase of catalyst (Borealis AG)	Shareholder	495,167	435,715
Purchase of feedstock- ADNOC Gas Facility	Affiliate	419,928	450,550
Re-charge electricity and water (ADNOC)	Shareholder	247,829	250,277
Purchase of feedstock (DYM Solution)	Affiliate	60,053	47,319
Royalties (Borealis AG) (note 20)	Shareholder	45,486	42,643
Purchase of feedstock – ADNOC Gas Processing	Affiliate	22,649	21,919
Purchase of feedstock – ADNOC Industrial Gas-(Elixir)	Affiliate	6,748	5,925
Fuel, gas and oil (ADNOC Distribution)	Affiliate	5,295	5,041
Purchase of feedstock – Borealis Compounds Inc	Affiliate	2,359	3,530
		2,280,970	2,214,535

	Nature	2025 USD'000	2024 USD'000
Selling and distribution costs			
(ADNOC Logistics and Services)	Affiliate	136,649	185,725
Administrative costs including secondees costs			
(ADNOC and Borealis)	Shareholder	80,651	88,149
Interest Expenses			
(ADNOC)	Shareholder	5,991	10,013

Notes to the Consolidated Financial Statements

31 December 2025 (continued)

12. Related Parties Transactions and Balances (continued)

(b) Related party transactions (continued)

Nature	2025 USD'000	2024 USD'000
Compensation of key management personnel		
Short-term benefits	7,836	6,247
Long-term benefits	408	469

Other transactions

Tax

An amount of 383,060 thousand (2024: USD 470,063 thousand) was paid to the Government of Abu Dhabi Department of Finance by the Group as per the fiscal agreement. At 31 December 2025, an amount of 45,186 thousand (2024: USD 42,977 thousand) was payable to the tax authorities.

Land - right of use

The right and license to use the land in Ruwais, on which the buildings and plant and machinery are constructed, were granted by the Supreme Petroleum Council, free of all fees, in accordance with a letter dated 28 October 1998. The land in Ruwais continues to be free of all fees, except for the Borouge 4 Plant Site in accordance with an agreement signed between the Group and ADNOC on 16 November 2021. On the same day, the Group signed an agreement with ADNOC for the lease of the Sas Al Nakhl Area where rent will be payable on land for Innovation Centre Site (note 8).

Dividends

During the year ended 31 December 2025, dividends of USD 1,312 million (2024: USD 1,307 million) were declared and paid in accordance with resolutions of the Board of Directors (note 15). In accordance with IAS 24 "Related Party Disclosures", the Group has elected to disclose qualitatively the transactions and balances with the Government of Abu Dhabi (other than ADNOC) and other entities over which the Government of Abu Dhabi exerts control, joint control or significant influence.

(C) Amounts due to related parties

Nature	2025 USD'000	2024 USD'000
ADNOC	334,017	278,554
Borealis AG	121,998	112,502
ADNOC Logistics	44,658	68,626
ADNOC Gas Facility	41,924	40,246
ADNOC Refining	18,242	8,814
DYM Solution Co. Ltd	12,680	10,449
ADNOC Distribution	1,632	491
ADNOC Industrial Gas Elixier	679	471
Borealis Compounds Inc.	539	107
ADNOC Global Trading Co	90	-
Borouge 4	29	-
OMV Supply & Trading Singapore Pte Ltd	12	-
ADNOC Onshore	2	-
	576,502	520,260

Amounts due to related parties are disclosed in the consolidated statement of financial position as follows:

	2025 USD'000	2024 USD'000
Non-current	-	-
Current	576,502	520,260
Total	576,502	520,260

Notes to the Consolidated Financial Statements

31 December 2025 (continued)

12. Related Parties Transactions and Balances (continued)

(d) Amounts due from related parties

	Nature	2025 USD'000	2024 USD'000
Borealis AG	Shareholder	223,174	152,407
ADNOC	Shareholder	43,977	40,088
Borouge 4	Affiliate	23,044	14,142
ADNOC Refining	Affiliate	2,501	3,216
ADNOC Offshore	Affiliate	-	-
Borealis AG Abu Dhabi	Affiliate	551	57
ADNOC Global Trading	Affiliate	4	27
		293,251	209,937
OMV Supply & Trading Singapore PTE Ltd	Affiliate	96	98
Borouge 4- Investment in sublease (note 8(b))	Affiliate	141,553	141,432
		141,649	141,530
		434,900	351,467

Amounts due from related parties are disclosed in the consolidated statement of financial position as follows:

	2025 USD'000	2024 USD'000
Investment in sublease – current	5,952	5,741
Investment in sublease – non-current	135,697	135,789
Amounts due from related parties - current	293,251	209,937
Total	434,900	351,467

The Group provides credit terms of between 30 to 90 days to their customers which are common market credit terms. No interest is charged on amounts due from related parties. Past due receivables are provided for based on estimated irrecoverable amounts determined by reference to management expectations and past default history. In determining the recoverability of a receivable balance, the Group considers any change in the credit quality of the receivable balances from the date credit was initially granted up to the reporting date. Management believes that no provision for expected credit losses is required. The ageing analysis of amounts due from related parties is as follows:

	Weighted aver loss rate	Gross receivables USD'000	Provision for expected credit losses USD'000
31 December 2025			
Not yet due	0%	430,219	-
< 90 days	0%	4,677	-
Past due 91 -180 days	0%	4	-
Past due 181 -365 days	0%	-	-
Past due > 365 days	0%	-	-
		434,900	-
31 December 2024			
Not yet due	0%	293,092	-
< 90 days	0%	230	-
Past due 91 -180 days	0%	-	-
Past due 181 -365 days	0%	-	-
Past due > 365 days	0%	-	-
		351,467	-

Notes to the Consolidated Financial Statements

31 December 2025 (continued)

13. Income Tax Expense

(a) Amounts recognised in profit or loss

	2025 USD'000	2024 USD'000
Income tax expense		
UAE	385,236	466,352
Foreign jurisdictions	11,360	8,382
	396,596	474,734
Deferred tax expense		
Origination and reversal of temporary differences	44,118	31,627
	440,714	506,361

(b) Reconciliation of effective tax rate

	2025 USD'000	2024 USD'000
Profit for the period before tax	1,539,844	1,745,309
Effective tax rate	38.24%	29.66%
Tax on accounting profit at applicable rate	588,825	517,572
Tax effect of non-deductible expenses	(5,807)	(42)
Tax effect of exempt income/tax holidays	(141,795)	(7,273)
Tax effect of Pillar 2 adjustments	4,955	-
Opening deferred tax assets remeasured	4,152	2,893
Deferred tax assets reversed on disposed assets during current period	-	727
Others	(9,616)	(7,516)
	440,714	506,361

(c) Movement in deferred tax balances

Deferred tax represents temporary differences arising due to the difference in useful lives used for accounting purposes and that used for fiscal purposes for all assets. It also arises due to the timing difference created in respect of the provision and payment relating to end of service benefits. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences. Deferred tax relates to the following:

	At 1 January 2025 USD'000	Tax charge Recognised in profit or loss USD'000	FX difference Recognised in profit or loss USD'000	Tax charge Recognised in other comprehensive Income USD'000	At 31 December 2025 USD'000
Property, plant and equipment	(110,110)	(46,085)	83	-	(156,112)
Other provision	27,371	1,967	-	(206)	29,132
Deferred tax liability	(82,739)	(44,118)	83	(206)	(126,980)

	At 1 January 2024 USD'000	Tax charge Recognised in profit or loss USD'000	FX difference Recognised in profit or loss USD'000	Tax charge Recognised in other comprehensive Income USD'000	At 31 December 2024 USD'000
Property, plant and equipment	(78,920)	(31,190)	-	-	(110,110)
Other provision	27,863	(437)	(55)	-	27,371
Deferred tax liability	(51,057)	(31,627)	(55)	-	(82,739)

	At 31 December 2025 USD'000	At 31 December 2024 USD'000
Deferred tax asset	1,992	2,397
Deferred tax liability	(128,972)	(85,136)
	(126,980)	(82,739)

Deferred tax asset and liabilities relate to property, plant and equipment and provision for end of service benefits.

Notes to the Consolidated Financial Statements

31 December 2025 (continued)

13. Income Tax Expense (continued)

(c) Movement in deferred tax balances (continued)

International Tax Reform - Pillar Two model rules:

The Organisation for Economic Co-operation and Development (OECD)/G20 Inclusive Framework on Base Erosion and Profit Shifting (BEPS) has published the Pillar Two Anti-Global Base Erosion Rules (“GloBE Rules”), which are designed to address the tax challenges arising from the digitalisation of the global economy. The Group falls within the scope of the Pillar Two legislation, as its consolidated revenue exceeds the €750 million threshold, and it operates in a jurisdiction that has been enacted or substantively enacted Pillar Two legislation.

It is unclear if the Pillar Two model rules create additional temporary differences, whether to remeasure deferred taxes for the Pillar Two model rules and which tax rate to use to measure deferred taxes. In response to this uncertainty, on 23 May 2023 and 27 June 2023, respectively, the IASB and AASB issued amendments to IAS 12 ‘Income taxes’ introducing a mandatory temporary exception to the requirements of IAS 12 under which a company does not recognise or disclose information about deferred tax assets and liabilities related to the proposed OECD/G20 BEPS Pillar Two model rules.

The UAE, where the Parent Company is incorporated, published Federal Decree-Law No. 60 of 2023 on 24 November 2023. This law amends specific provisions of Federal Decree-Law No. 47 of 2022 on the Taxation of Corporations and Businesses, as part of the UAE’s commitment to the OECD guidelines. The amendments introduced by Federal Decree-Law No. 60 of 2023 are intended to prepare for the introduction of the BEPS 2.0 Pillar Two Rules.

On 11 February 2025, the Ministry of Finance of the United Arab Emirates (UAE) released Cabinet Decision No. 142 of 2024 regarding the Imposition of Top-Up Tax on Multinational Enterprises on its website. This decision provides further details on the UAE Domestic Minimum Top-up Tax (UAE DMTT), which will apply to fiscal years starting on or after 1 January 2025. The UAE DMTT aims to ensure that certain in-scope UAE entities of a multinational enterprise (MNE) meet a 15% effective tax rate (ETR) on profits derived in the UAE.

As the UAE DMTT legislation becomes effective in the UAE from 1 January 2025, the Group has performed an assessment of its potential exposure to Pillar Two income taxes based on the 2024 country-by-country reporting (CbCR) and 2025 financial information for the constituent entities in the Group.

Based on the assessment performed, the Group applied the transitional CbCR safe harbour using the simplified effective tax rate test. The UAE jurisdictional ETR exceeded the 15% threshold, resulting in no top-up tax under the UAE DMTT legislation during the fiscal year. This temporary relief, which is available for fiscal years beginning on or before December 31, 2026, allows the Group to use data from qualified financial statements and CbC reports to determine if a jurisdiction meets the de minimis, simplified ETR, or routine profits tests.

However, the Group has recognised a Pillar Two current tax expense of USD 4,955 thousand that arises in PTE Singapore (subsidiary of Borouge), which is not subject to the transitional safe harbour relief—because of low ETR rate resulting to a recognition of additional top-up tax of 10%.

The Group continues to follow Pillar Two legislative developments, as further countries enact the Pillar Two model rules, to evaluate the potential future impact on its consolidated results of operations, financial position and cash flows beginning.

14. Share Capital

In accordance with the Articles of Association of the Company which became effective on 28 April 2022, the Company issued 50,000 ordinary shares of USD 1 each on its incorporation to the Shareholders. By virtue of the Subscription and Transfer agreement dated 17 May 2022, the Company issued further shares effective 31 May 2022 (note 1) increasing its share capital to USD 4.8 billion divided into 30,057,691,583 shares, each valued at USD 0.16.

	2025 USD'000	2024 USD'000
Authorised, issued and fully paid		
30,057,691,583 ordinary shares of USD 0.16 each	4,809,231	4,809,231

Notes to the Consolidated Financial Statements

31 December 2025 (continued)

15. Reserves

Merger reserve

The merger reserve was recognised on combination of the Borouge Business under the pooling of interest method.

Restricted reserve

For the Company, in accordance with ADGM laws the provisions of the Decree Law No.32 of 2021 shall not apply to companies established in free zones of the Emirate of Abu Dhabi.

For the subsidiary ADP, in accordance with the UAE Federal Law No. 32 of 2021 and the Articles of Association of the subsidiary ADP, 10% of the profit is transferred to a non-distributable statutory reserve. Such transfers are required to be made until the reserve is equal to 50% of the paid-up share capital of ADP. For the subsidiary PTE, pursuant to the relevant laws and regulations of PRC, a portion of the profit of a subsidiary established in PRC is required to transfer to a statutory reserve which is restricted in use.

Capital reserve

The capital reserve attributable to the owners of the Company relates to a waiver of a related party payable balance amounting to USD 14.8 million in prior years of PTE, the subsidiary.

Actuarial reserve

Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions on post-employment benefits are recognised in the period in which they occur, directly in other comprehensive income. They are included in the actuarial reserve in the consolidated statement of changes in equity and in the consolidated statement of financial position.

Cash flow hedge reserve

The effective portion of changes in the fair value of derivatives and other qualifying hedging instruments that are designated and qualify as cash flow hedges are recognised in other comprehensive income and accumulated under the heading of cash flow hedge reserve, limited to the cumulative change in fair value of the hedged item from inception of the hedge.

Translation reserve

The translation reserve comprises foreign currency differences arising from the translation of the consolidated financial statements of foreign operations into the Group's presentation currency.

Dividends

During the year ended 31 December 2025, dividends USD 1,312.1 million (2024: USD 1,307.0 million) was declared and paid in accordance with a resolution of the Board of Directors. Of the total dividend, an amount of USD 1,309.0 million (2024: USD 1,299.7 million) was paid to shareholders of the Company and USD 3.1 million (2024: USD 7.3 million) was paid to non-controlling interests.

Treasury Shares and Other reserve

See note 31 for further information.

16. Provision for Employees' End of Service Benefits

The Group has a post-employment benefit plan that is awarded to employees in the United Arab Emirates. Under the plan, qualifying employees will receive gratuity benefits when they leave service. The employees are entitled to receive a lumpsum benefit based on their last drawn salaries taking into account the number of years of their service to the Group.

The defined benefit plan is unfunded. In the estimation of the defined benefit liability, the Group engaged an independent actuary to assess the defined benefit plan obligation. The defined benefit plan exposes the Group to actuarial risks such as mortality rates, interest rates, and expected retirement and termination rates. The provision for employees' end of service benefit at the reporting date is as follows:

	2025 USD'000	2024 USD'000
Defined benefit obligation – current	12,293	1,235
Defined benefit obligation – non-current	93,044	97,585
	105,337	98,820

Notes to the Consolidated Financial Statements

31 December 2025 (continued)

16. Provision for Employees' End of Service Benefits (continued)

Movement in defined benefit obligation

The following table shows a reconciliation from the opening balances to the closing balances for the net defined benefit liability and its components.

	2025 USD'000	2024 USD'000
Balance at 1 January	98,820	94,369
Included in the consolidated statement of profit or loss		
Current service cost	7,484	8,310
Interest cost	4,673	4,845
	12,157	13,155
Other		
Benefits paid	(5,362)	(8,466)
Transferred	435	462
Foreign exchange loss	20	(337)
	(4,907)	(8,341)
Remeasurement of provision--		
Actuarial gains – arising from experience	(728)	(1,798)
Return on assets	(2)	(693)
Actuarial gains – arising from financial assumptions	(3)	2,128
	(733)	(363)
Balance at 31 December	105,337	98,820

Actuarial assumptions

The following were the principal actuarial assumptions at the reporting date (expressed as weighted averages).

	2025	2024
Discount rate	5.0%	5.0%
Salary escalation rate per annum	4.0%	4.0%

Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

	2025 USD'000	
	Increase	Decrease
Discount rate (1% movement)	(5,811)	6,426
Salary escalation rate per annum (1% movement)	6,694	(6,144)

	2025 USD'000	
	Increase	Decrease
Discount rate (1% movement)	(4,969)	5,509
Salary escalation rate per annum (1% movement)	5,744	(5,258)

17. Bank Loans

	2025 USD'000	2024 USD'000
Commercial term facility	2,600,000	2,600,000
Islamic facility	350,000	350,000
Receivables discounting (note 10 (a))	10,680	-
	2,960,680	2,950,000
Unamortised transaction costs	(2,950)	(5,900)
	2,957,730	2,944,100

Notes to the Consolidated Financial Statements

31 December 2025 (continued)

17. Bank Loans (continued)

This represents external facilities from a consortium of banks amounting to USD 4,000 million with a maturity of 5 years from 19 December 2021, comprising a commercial term facility of USD 3,650 million and an Islamic facility of USD 350 million. The commercial term facility carries an interest rate of SOFR + 0.90% margin per annum and the Islamic facility carries a profit margin amount. The repayment of the commercial term and Islamic finance facilities will be in full after 5 years. During the year, interest on this loan amounted to USD 157,956 thousand (2024: USD 190,768 thousand) and transaction costs amortised amounted to USD 2,950 thousand (2024: USD 3,375 thousand) and have been recognised in the consolidated statement of profit or loss and other comprehensive income. During the year ended 31 December 2025, the Group repaid an amount of USD nil (2024: USD 200,000 thousand). There are no bank covenants or collateral maintained for the loans.

As at 31 December 2025, the Group has an undrawn revolving loan facility with First Abu Dhabi Bank amounting to USD 500 million, valid for up to 5 years from December 2024. The loan bears an interest rate at SOFR plus margin per annum of 0.8%. Total commitment fee recognised during the year amounted to USD 886 thousand (2024: USD 1,522 thousand). There are no bank covenants or collateral maintained for this facility.

	2025 USD'000	2024 USD'000
Current liabilities	2,957,730	-
Non – current liabilities	-	2,944,100
	2,957,730	2,944,100

17.1 Finance costs

	2025 USD'000	2024 USD'000
Interest on loans	164,476	191,959
Interest on lease liabilities (8 (c))	6,193	6,233
Others	5,255	3,833
	175,924	202,025

18. Trade and Other Payables

	2025 USD'000	2024 USD'000
Trade accounts payable	79,430	68,794
Accrued expenses	248,325	244,954
Contract liabilities (note 19)	20,568	20,494
Other payables	29,877	22,418
	378,200	356,660

Trade and other payables are non-interest bearing and have an average credit period of 30 days. The Group has financial risk management policies in place to ensure that all payables are paid within the credit timeframe.

19. Revenue

	2025 USD'000	2024 USD'000
Sale of goods (net of commissions and rebates)		
Polyethylene	3,419,049	2,431,350
Polypropylene	2,384,384	3,547,516
Ethylene and others	44,340	47,257
	5,847,773	6,026,123
Timing of revenue recognition		
At a point in time	5,847,773	6,026,123
Revenue from contracts with customers	5,847,773	6,026,123

In terms of the timing of revenue recognition, revenue is recognised at a point in time, when the control of goods is transferred to the Customer. The Group does not render any installation or other services. There are no financing components on these contracts with customers. The performance obligation is satisfied upon delivery of the goods and payment is generally due within 90 days from delivery. Certain contracts for the sale of goods provide customers with a right of return. However, the sales returns are negligible as compared to the gross revenue for the sale of goods. Based on estimated expected returns, goods that are likely to be returned are expected to be very minimal. Considering that the sales returns of the Group are not significant, the Group has not recorded a refund liability and a right of return asset for anticipated sales returns in either period.

Notes to the Consolidated Financial Statements

31 December 2025 (continued)

19. Revenue (continued)

Geographical information

Revenue based on the geographical location of customers as follow:

	2025 USD'000	2024 USD'000
People's Republic of China	1,533,835	1,803,740
India	812,522	818,815
United Arab Emirates	649,417	685,489
Austria	570,028	462,629
Egypt	302,794	374,061
Pakistan	268,804	247,825
Vietnam	151,892	150,389
Saudi Arabia	145,904	120,811
Others	1,412,577	1,362,364
	5,847,773	6,026,123

Contract balances

Contract liabilities relate to advance consideration received from customers for sale of polyolefin products. The Group did not account for any significant financing component arising from these advances as the related performance obligations are completed within less than 12 months.

20. Cost of Sales

	2025 USD'000	2024 USD'000
Cost of production and other related costs	2,728,868	2,507,546
Staff cost (note 21)	295,277	338,370
Depreciation on goods sold (note 6)	473,170	533,820
Amortisation on goods sold (note 7)	22,979	68,446
Depreciation on right-of-use assets (note 8 (a))	205	164
Royalty expense (note 12(b))	45,486	42,643
	3,565,985	3,490,989

Royalty expense relates to fees charged by Borealis for the manufacturing of polyolefin products under the Borstar process license and process design agreement.

21. Staff Costs

	2025 USD'000	2024 USD'000
Cost of sales (note 20)	295,277	338,370
General and administrative expenses (note 23)	126,250	84,224
Selling and distribution expenses (note 24)	112,586	106,903
	534,113	529,497

22. Other Income

Other income relates mainly to the sale of scrap materials that took place during the year.

23. General and Administrative Expenses

	2025 USD'000	2024 USD'000
Salaries and wages (note 21)	126,250	84,224
Maintenance cost	23,678	30,828
General service cost	13,881	21,351
Corporate service cost	8,587	8,072
Human capability cost	206	5,907
Depreciation of right-of-use assets (note 8(a))	3,410	4,604
Depreciation of property, plant and equipment (note 6)	4,040	3,307
Insurance	3,041	3,083
Travel cost	511	384
Amortisation of intangible assets (note 7)	1,274	350
Others	11,699	31,011
	196,577	193,121

Notes to the Consolidated Financial Statements

31 December 2025 (continued)

24. Selling and Distribution Expenses

	2025 USD'000	2024 USD'000
Shipping cost	169,804	209,382
Storage cost	117,691	140,701
Salaries and wages (note 21)	112,586	106,903
General service cost	5,123	5,415
Travel cost	2,309	2,058
Depreciation of property, plant and equipment (note 6)	1	1
Amortisation of intangible assets (note 7)	148	145
Others	8,366	7,358
	416,028	471,963

25. Contingencies

As at 31 December 2025, the Group had contingent liabilities amounting to USD 322 thousand (2024: USD 193 thousand) in respect of bank and other guarantees and other matters arising in the ordinary course of business from which it is anticipated that no material liabilities will arise.

The Group is involved in various legal proceedings and claims arising in the ordinary course of business. While the outcome of these matters cannot be predicted with certainty, management does not believe that these matters will have a material adverse effect on the Group's consolidated financial statements if concluded unfavorably.

26. Segmental Analysis

The business activities of the Group are performed on an integrated basis. Therefore, any segmentation of operating income, expenses, assets and liabilities is not relevant and is not performed for internal management reporting purposes.

For internal management purpose, the Group is organized as one business unit based on the products and services and has only one reportable segment. The Group is managed as a single business unit and the financial performance is reported in the internal reporting provided to the Chief Operating Decision-maker ("CODM"). The Executive Committee, which is responsible for allocating resources and assessing performance of the operating segments, has been identified as the CODM that makes strategic decisions. The financial information reviewed by the CODM is based on the IFRS compliant financial information for the Group. The CODM monitors the operating results of its business unit separately for the purpose of making decisions about resource allocation and performance assessment.

The CODM regularly reviews the consolidated statement of profit or loss and other comprehensive income. The CODM function is to allocate resources to and assess the performance of the operating segments of the Group. Based on the review and assessment of the CODM, the Group has a single operating segment, which is 'Polyolefin Business'.

There are no other economic characteristics within the Group that will lead to determination of other operating segments. This analysis requires significant judgement as to the circumstances of the Group. The Group does not have any operating segments that are aggregated. The CODM has considered the following criteria in determining the operating segments of the Group:

- the nature of products and services;
- the nature of the production processes;
- the type or class of customer for their products and services; and
- the methods used to distribute their products or provide their services;

Based on the criteria and evaluation above, the CODM has determined that the Group has only one operating segment, which is consistent with the internal reporting and performance measurement.

Notes to the Consolidated Financial Statements

31 December 2025 (continued)

27. Financial Risk Management

Overview

The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework and is responsible for developing and monitoring the Group's risk management policies. The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

The Group has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk and the Group's management of capital. Further quantitative disclosures are included throughout these consolidated financial statements. Credit risk is limited to the carrying values of financial assets in the consolidated statement of financial position.

i. Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities primarily for other receivables and amounts due from related parties and from its financing activities, including deposits with banks and financial institutions and other financial instruments.

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

	Notes	2025 USD'000	2024 USD'000
Amounts due from related parties	12(d)	293,251	209,937
Loans to employees	10(c)	35,150	33,963
Cash and cash equivalents	11	426,901	418,506
Trade receivables	10(a)	808,237	858,768
Prepayments and other receivables	10(b)	48,090	23,917

The Group's credit risk primarily relates to concentration of credit attributable to the amounts due from third parties. Management estimates that this concentration of credit risk is not significant, as exposure is ultimately spread over a large number of third party customers. All balances with banks represent commercial banks in the Middle East region. For banks, only reputable and independently rated parties with a sound rating are accepted.

The amount that best represents the Group's maximum credit risk exposure at the reporting date, in the event counter parties fail to perform their obligations under financial instruments generally approximates their carrying value. Amounts due from related parties and certain other receivables and balances with banks are not secured by any collateral.

ii. Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group monitors its risk to a shortage of funds using a recurring liquidity planning tool. The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank loans and funds from shareholders. The Group's principal financial liabilities comprise amounts due to related parties, trade and other payables, lease liabilities and bank loans. The main purpose of these financial liabilities is to raise finance for the Group's operations and construction activity.

The shareholders of the Group and the facilities obtained from banks are the main source of funding for the Group and the liquidity risk for the Group is assessed to be low. The Group limits its liquidity risk by ensuring adequate cash from operations, bank facilities and funds from Shareholders are available.

Notes to the Consolidated Financial Statements

31 December 2025 (continued)

27. Financial Risk Management (continued)

Overview (continued)

ii. Liquidity risk (continued)

At 31 December 2025, 93.2% (2024: 19.2%) of the Group's financial liabilities will mature in less than one year based on the carrying value of borrowings reflected in the consolidated financial statements.

The table below summarises the maturity profile of the Group's financial liabilities in each period based on undiscounted payments and current market interest rates:

	Notes	Carrying value USD'000	Contractual cash flows USD'000	One year or less USD'000	More than one year USD'000
31 December 2025					
Amounts due to related parties	12(c)	576,502	(576,502)	(576,502)	-
Lease liabilities	8(c)	166,180	(293,799)	(10,297)	(283,502)
Bank loan including interest	17	2,957,730	(3,095,410)	(3,095,410)	-
Derivative financial instruments	30	6,002	(6,162)	(6,162)	-
Trade and other payables	18	109,307	(109,307)	(109,307)	-
		3,815,721	(4,081,180)	(3,797,678)	(283,502)
31 December 2024					
Amounts due to related parties	12(c)	520,260	(520,260)	(520,260)	-
Lease liabilities	8(c)	167,124	(294,696)	(9,788)	(284,908)
Bank loan including interest	17	2,944,100	(3,316,676)	(189,441)	(3,127,235)
Derivative financial instruments	30	5,993	(6,308)	(2,712)	(3,596)
Trade and other payables	18	91,212	(91,212)	(91,212)	-
		3,728,689	(4,229,152)	(813,413)	(3,415,739)

The financial derivative instruments disclosed in the above table are the gross undiscounted cash flows. However, those amounts may be settled gross or net. The following table shows the corresponding reconciliation of those amounts to their carrying amounts:

	On demand USD'000	Less than 3 months USD'000	3 to 12 months USD'000	1 to 5 years USD'000	Over 5 years USD'000	Total USD'000
Year ended 31 December 2025						
Inflows	-	4,590	12,176	-	-	16,766
Outflows	-	(5,813)	(17,115)	-	-	(22,928)
Net	-	(1,223)	(4,939)	-	-	(6,162)
Discounted at the applicable interbank rates	-	(1,211)	(4,791)	-	-	(6,002)
Year ended 31 December 2024						
Inflows	-	5,339	15,522	19,331	-	40,192
Outflows	-	(5,735)	(17,838)	(22,927)	-	(46,500)
Net	-	(396)	(2,316)	(3,596)	-	(6,308)
Discounted at the applicable interbank rates	-	(392)	(2,240)	(3,361)	-	(5,993)

The Group is exposed to certain risks relating to its ongoing business operations. The derivative instruments have been entered into to manage the interest rate risk, explained in the Financial Instruments risk management section on page 60.

iii. Market risk

Market price risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. Market prices comprise the following types of risk:

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group's exposure to risk of changes in foreign exchange rates relates primarily to the operating activities and assets and liabilities denominated in a different currency from the functional currencies.

The Group undertakes certain transactions denominated in foreign currencies. Thus, exposures to exchange rate fluctuations arise.

Notes to the Consolidated Financial Statements

31 December 2025 (continued)

27. Financial Risk Management (continued)

Overview (continued)

iii. Market risk (continued)

Foreign currency risk (continued)

The following table demonstrates the sensitivity to a reasonably possible change of 5% increase in exchange rates for the Japanese Yen, Chinese Yuan Renminbi, Euro, Singaporean Dollar, British Pound and Swiss Frank over the United States Dollar, with all other variables held constant, of the Group's profit before tax (due to changes in the fair value of monetary assets and liabilities). A 5% decrease in exchange rates will have the same opposite effect. The Group's exposure to foreign currency changes for all other currencies is not material.

	2025 USD'000	2024 USD'000
5% increase in exchange rates - impact on profit or loss		
Japanese Yen	30	21
Chinese Yuan Renminbi	(538)	(249)
Euro	(378)	581
Singaporean Dollar	(699)	(895)
British Pound	(1)	(1)
Swiss Frank	6	1
	(1,580)	(542)

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rate. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's bank loan drawdown.

The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at the end of each period.

The interest rate profile of the Group's interest bearing financial instruments is as follows:

	2025 USD'000	2024 USD'000
Increase of 0.5%	14,746	(14,721)
Decrease of 0.5%	(14,746)	14,721

Debt issued at variable interest rates gives rise to an interest rate cash flow risk. Interest rate swap contracts are used for debt issued at variable rates to generate fixed interest exposure, creating a cashflow hedge.

iv. Capital risk management

The primary objective of the Group's capital management is to achieve strong credit metrics and healthy capital ratios in order to support its business and maximise shareholder value. The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. There are no regulatory imposed requirements on the level of share capital which the Group has not met.

The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Group includes within net debt, trade and other payables, bank loans, amounts due to related parties, derivative financial instruments lease liabilities and income tax payable less cash and cash equivalents. Capital includes total equity.

	Notes	2025 USD'000	2024 USD'000
Trade and other payables	18	378,200	356,660
Amounts due to related parties	12(c)	576,502	520,260
Bank loans	17	2,957,730	2,944,100
Lease liabilities	8(c)	166,180	167,124
Derivative financial instruments	30	6,002	5,993
Income tax payable		54,499	47,309
Less: cash and cash equivalents	11	(426,901)	(418,506)
Total debt net of cash and cash equivalents		3,712,212	3,622,940
Total equity		4,115,682	4,482,063
Equity and total debt net of cash and cash equivalents		7,827,894	8,105,003
Gearing ratio		0.47	0.45

Notes to the Consolidated Financial Statements

31 December 2025 (continued)

27. Financial Risk Management (continued)

Overview (continued)

iv. Capital risk management (continued)

Changes in liabilities arising from financing activities – year ended 31 December 2025

	At 1 January 2025 USD'000	Cash outflows USD'000	Proceeds USD'000	Others USD'000	At 31 December 2025 USD'000
Bank loan (note 17)	2,944,100	-	-	2,950	2,947,050
Receivables discounting (note 17)	-	-	10,000	680	10,680
Total liabilities from financing activities	2,944,100	-	10,000	3,630	2,957,730

Changes in liabilities arising from financing activities – year ended 31 December 2024

	At 1 January 2024 USD'000	Cash outflows USD'000	Proceeds USD'000	Others USD'000	At 31 December 2024 USD'000
Bank loan (note 17)	3,140,725	(200,000)	-	3,375	2,944,100
Total liabilities from financing activities	3,140,725	(200,000)	-	3,375	2,944,100

28 Capital Commitments

The Group has authorised and committed estimated future expenditure amounting to USD 324,736 thousand (2024: USD 129,087 thousand).

29 Basic and Diluted Earnings Per Share

Basic and diluted earnings per share are calculated by dividing the profit attributable to shareholders of the Group by the weighted average number of share outstanding during the period as follows:

	2025 USD'000	2024 USD'000
Profit attributable to owners of the Company (USD '000)	1,089,178	1,225,273
Weighted average number of shares in issue	29,937,557,774	30,057,691,583
Basic and Diluted Earnings per share (USD)	0.04	0.04

The weighted average number of ordinary shares takes into account the weighted average effect of changes in treasury shares (note 31) during the year.

30 Fair Value of Financial Assets and Liabilities

Management considers that the fair values of the financial instruments of the Group are not materially different from their carrying values at the reporting date.

Fair value hierarchy

As at 31 December 2025 and 2024, the fair value measurement hierarchy of the Group's assets and liabilities is as follows:

	Level 1 USD'000	Level 2 USD'000	Level 3 USD'000	Total USD'000
Items measured at fair value At 31 December 2025				
Interest rate swap – hedged	-	(6,002)	-	(6,002)
Items measured at fair value At 31 December 2024				
Interest rate swap – hedged	-	(5,993)	-	(5,993)

During the year ended 31 December 2023, the Group entered in interest rate swap agreements for notional amount of USD 500 million. The Group earned fair value loss on derivatives used in effective cashflow hedge relationship of USD 9 thousand (2024: gain of USD 6,615 thousand).

Notes to the Consolidated Financial Statements

31 December 2025 (continued)

30 Fair Value of Financial Assets and Liabilities (continued)

Fair value hierarchy (continued)

Cash flow hedge

At 31 December 2025, the Group had interest rate swap agreements in place with a notional amount of USD 500,000 thousand (2024: USD 500,000 thousand) whereby the Group receives a fixed rate of interest of 4.65% and pays interest at a variable rate on the external bank loan. The swap is being used to hedge the exposure to variability of cash flows associated with the variable interest bearing loan held by the Group. There is an economic relationship between the hedged item and the hedging instrument as the terms of the interest rate swap match the terms of the fixed rate loan (i.e., notional amount, maturity, payment and reset dates). The Group has established a hedge ratio of 1:1 for the hedging relationships as the underlying risk of the interest rate swap is identical to the hedged risk component. To test the hedge effectiveness, the Group completes a qualitative assessment of the critical terms, as the critical terms of the interest rate swap match with that of the hedged item and the underlying economics of the interest rate swap matches the underlying of the hedged item. The hedge ineffectiveness can arise from:

- Different interest rate curve applied to discount the hedged item and hedging instrument
- Differences in timing of cash flows of the hedged item and hedging instrument
- The counterparties' credit risk differently impacting the fair value movements of the hedging instrument and hedged item

The ineffectiveness recognised in the statement of profit or loss was USD nil (2024: USD nil).

Fair value hierarchy

The Group uses the following hierarchy for determining and disclosing the fair value of assets and liabilities by valuation technique:

- **Level 1:** Quoted (unadjusted) prices in active markets for identical assets or liabilities.
- **Level 2:** Other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.
- **Level 3:** Techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

During the years ended 31 December 2025 and 31 December 2024, there were no transfers between Level 1 and Level 2 fair value measurements, and no transfers into and out of Level 3 fair value measurements.

31 Treasury Shares and Share Premium

During the year, the Group appointed, ("Al Ramz Capital") a licensed Market Maker on the Abu Dhabi Securities Exchange (ADX) that offers liquidity provision services, to place buy and sell orders of the Group's shares with the objective of reducing bid/ask spreads as well as reducing price and volume volatility. The Market Maker trades and operates within the predetermined parameters approved by the Group. The Group has provided the funding to the Market Maker to trade the Group's shares and it carries all risks and rewards associated with the arrangement. Given the nature and substance of the arrangement, the shares have been classified as "Treasury Shares" in Equity. At 31 December 2025, the Market Maker held 14,664 thousand shares (31 December 2024: Nil) on behalf of the Group, which are classified under equity as treasury shares at the average purchase price amounting to USD 10,405 thousand (31 December 2024; nil). A cumulative net gain of USD 368 thousand has been recognised at 31 December 2025 (31 December 2024; nil) in 'other reserve' under equity, which includes gain/loss on trading shares as well as any dividends received on shares held. In addition to the Liquidity provider services, on 7 April 2025, in the Annual General Assembly meeting the Shareholders of the Group approved the purchase of up to a maximum of 2.5% of the Group's publicly issued shares. The share buyback program commenced after shareholder approval was received and at 31 December 2025, the Group held 211,847 thousand shares (31 December 2024: Nil) which are classified under equity as treasury shares at acquisition cost amounting to USD 147,818 thousand (31 December 2024: Nil).

32 Comparative Information

Certain comparative figures have been reclassified in order to conform to the presentation for the current year and to improve the quality of information previously presented. Such reclassifications do not affect previously reported net profit or total equity.

33 Approval of Consolidated Financial Statements

The consolidated financial statements were approved by the Board of Directors and authorised for issue on 3 February 2026.

Appendices

Appendices

Environmental, Social and Governance Indicators

The table below summarises our response to the ESG KPI's required by the Abu Dhabi Securities Exchange.

ADX ESG disclosure for listed companies

Theme	Disclosures		
Environmental			
E1 Environmental Operations	E1.1	Does your company follow a formal Environmental Policy?	Yes, environmental commitments are covered under the Borouge Sustainability Policy, as there is no standalone Environmental Policy
	E1.2	Does your company follow specific waste, water, energy, and/or recycling policies?	Yes
	E1.3	Does your company use a recognised energy management system?	Yes
E2 Water Usage	E2.1	Total amount of water consumed	3,893,794.00 ML
	E2.2	Total amount of water reclaimed	150.49 ML

Theme	Disclosures				
E3 Waste Generation	E3.1	Total waste generated, per waste type			
	E3.2	Percentage of waste recycled, per waste type			
			Waste Generation (Tonnes)	Total waste diverted from disposal (Tonnes)	Total waste directed to disposal (Tonnes)
		Description			
		Total waste	9,700.00	442.80	10,020.00
		Hazardous waste	7,406.00	442.80	7,726.00
		Electronic waste and batteries	465.00	–	465.00
		Chemical and hydrocarbon / oily sludge	4,178.00	–	4,178.00
		Others	2,763.00	–	2,763.00
		Non-hazardous waste	2,294.00	–	2,294.00
	Municipal solid waste	707.00	–	707.00	
	Recyclable waste	811.00	–	811.00	
	Other waste (mixed general waste, wood waste, etc)	776.00	–	776.00	
	Non-hazardous waste	2,294.00	–	2,294.00	
	To offsite landfill	–	–	917.30	
	To other offsite disposal	–	–	1,376.40	

*Waste disposal figures include legacy waste generated in previous year.

Theme	Disclosures		
E4 Energy Usage	E4.1	Total amount of energy directly consumed	82,238,666 GJ
	E4.2	Total amount of energy indirectly consumed	10,622,710 GJ
E5 Energy Intensity	E5.1	Total direct energy usage per output scaling factor	20.00 GJ/tonne
E6 Energy Mix	E6.1	Percentage: Energy usage by generation type	
		Total energy consumption within Borouge from natural gas, tail gas and liquid fuel	92,861,376 GJ
		Direct energy consumption within Borouge	82,238,666 GJ
		Indirect energy consumption within Borouge	10,622,710 GJ
		Electricity consumption - imported	2,953.47 MWH
		Energy produced by Borouge and used internally	52,477,130 GJ
		Energy consumption reductions achieved from conservation and efficiency initiatives	340,656 GJ
E7 GHG Emissions	E7.1	Total amount in CO2 equivalents, for Scope 1	3,460,761 tCO2e
	E7.2	Total amount, in CO2 equivalents, for Scope 2 (if) applicable	1,298,063 tCO2e
	E7.3	Total amount, in CO2 equivalents, for Scope 3 (if) applicable	NA
E8 Emissions Intensity	E8.1	Total GHG emissions per output scaling factor	0.94 tCO2e/tonne
	E8.2	Total non-GHG emissions per output scaling factor	NOx: 0.000861616 SOx: 7.99988E-05 VOC: 0.000336587 PM: 8.63196E-05 ODS: 0

Theme	Disclosures	
E9 Climate Strategy	E9.1	Describe the climate-related risks and opportunities that could reasonably be expected to affect your organisation’s prospects. Also explain, for each climate-related risk your organisation has identified, whether your organisation considers the risk to be a climate-related physical risk or transition risk. Following the climate change risk management framework, identification and assessment of top climate change hazards and prospects were conducted.
		Below is an overview of the identified hazards that indicate key areas of risk and that require detailed asset-level studies. During the reporting period, we did not observe any significant effects from these identified climate-related risks and opportunities on our financial position, financial performance, or cash flows.

Top Physical Climate Hazards

Hazard	Type	Risk	Mitigation
Heat Waves	Acute	HSE / Occupational Health	Infrastructure greening initiative
Hot Days	Chronic	Accelerate wear and tear	Elevate design thresholds

Top Transitional Climate Hazards

Hazard	Type	Risk	Mitigation
Market Demand	Chronic	Market uncertainties could lead to decreased sales volumes due to shifting attitudes and preferences and regulatory pressures	Investment in low-carbon products and customer diversification
Technology - Energy Demand	Chronic	High upfront CAPEX needed to implement advanced energy efficiency technologies	Transition plan / decarbonization roadmap

Top Climate Prospects

Hazard	Type	Risk	Mitigation
Market - Supply Chain	Chronic	Strategic partnerships focused on low carbon supply chain and supply chain resilience	Supply chain resilience plan/assessment
Technology - Energy Supply	Chronic	Enhanced production efficiency	Double down on tech-related strategies

Theme Disclosures

E9 Climate Strategy	E9.2	Describe the current and anticipated impacts of climate-related risks and opportunities on your organisation’s business model and value chain. - Same as 9.1
	E9.3	How has your organisation responded to, and plans to respond to, climate-related risks and opportunities in its strategy and decision-making, including the plans to achieve any climate-related targets it has set and any targets it is required to meet by law or regulation?

Borouge embeds Enterprise Risk Management (ERM) throughout the organisation to help effectively manage our business risks. Borouge’s risk assessment methodology aligns with the ISO:31000 model and best practices, guiding us in identifying, assessing and responding to potential risks that could impact our strategic ambitions, operational integrity or sustainability ambitions.

We incorporate risk management practices and awareness across the organisation to enable us to stay ahead of potential challenges. Our vigilance extends to the chemistry of our products, where we regularly assess the substances we use, identifying critical chemicals that may pose long-term risks to evolve our offerings in line with safety and sustainability goals. We identify our quantitative and qualitative risks, including ESG and climate-related risks, which are assessed using appropriate methodologies aligned with emerging best practices. Operational and HSE risks are reviewed using the Bow Tie Method and managed under the ‘As Low As Reasonably Practicable (ALARP)’ principle to prioritise elimination, substitution, engineering controls, and administrative measures. These risks are captured within our Operational Excellence & Risk Platform (OERP), the Company’s integrated digital system designed to manage operational risk, compliance, and performance. It centralises HSE data, incident reporting, audits, and assurance activities, enabling real-time monitoring and analytics to support proactive risk management and regulatory compliance.

Climate Risk Management

Borouge is committed to aligning with ADNOC’s strategic vision for responsible energy leadership by proactively mitigating climate-related risks and capitalising on opportunities emerging from global energy transformation. In line with this commitment, Borouge is advancing its efforts to integrate a comprehensive climate change risk management framework into its key processes. The framework establishes a structured, enterprise-wide methodology for the identification, assessment, and management of climate-related risks and opportunities across operations, assets and future investments.

The framework’s scope encompasses both physical and transition climate-related risks, featuring a comprehensive taxonomy of climate hazards and opportunities. It is supported by prioritisation criteria and assessment guidelines the foundation for effective risk management. The framework includes the following key components:

- **Impact Evaluation:** Systematic assessment of potential impacts, timescales, exposure, and organisational readiness to manage identified risks, considering both the magnitude and likelihood of effects.
- **Vulnerability and Capacity Assessment:** Evaluation of business segment vulnerabilities and the organisation’s overall capacity to respond to climate-related risks.

Theme Disclosures

E9 Climate Strategy	Moreover, the framework is designed to provide multiple scenario-based analysis using the latest Intergovernmental Panel on Climate Change (IPCC) Assessment Report (AR6) scenarios (SSP1-26, SSP2-45, SSP5-85) for physical risks, and the Network for Greening the Financial System (NGFS) models (2024) for transition risks. Assessments are conducted at 10-year intervals to ensure forward-looking resilience planning. Borouge is embedding the framework into the company’s Enterprise Risk Management (ERM) system, establishing robust governance to initiate physical climate risk assessments across its asset portfolio. This integration supports the systematic identification of climate-related hazard exposure and enables informed decision-making on appropriate adaptation measures. These efforts aim to ensure that Borouge’s assets and operations remain resilient under a range of future climate scenarios, supporting the company’s long-term sustainable growth and value creation objectives. During the reporting period, we did not observe any significant effects from these identified climate-related risks and opportunities on our financial position, financial performance, or cash flows.
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Our Risk Management Process

Risk Identification and Analysis

- Identifies risks to strategic and operational objectives
- Uses Bow Tie Method for analysing causes, consequences, and controls
- Applies qualitative and quantitative assessment techniques

Governance and Reporting

- Oversees company governance, procedures; and progress against targets
- 11 members: 1 woman; 4 nationals; 1 independent
- Mix of executive and non-executive roles; varied tenure and age groups

Mitigation and Control

- Implements ALARP (As Low As Reasonably Practicable)-based controls
- Integrates risk management into HSE and process safety systems



Establishing the Context

- Evaluates internal and external factors impacting risk exposure
- Aligns risk management with Borouge’s business strategy for sustainability

Risk Evaluation and Prioritisation

- Aligns operation with Borouge’s vision and values
- Accountability for budgeting, procurement, sustainability, and governance
- 4 men; 2 nationals; diverse age group

Monitoring and Continuous Improvement

- Conducts regular audits for compliance and effectiveness
- Reinforces safety through programs like AIPS

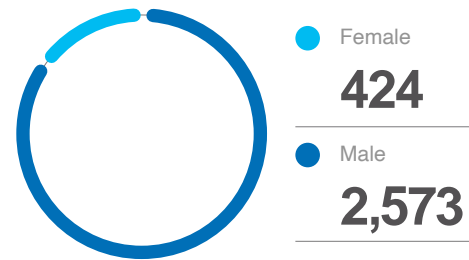
Theme	Disclosures
E9 Climate Strategy	E9.4 What are the current effects (during the reporting period) of climate-related risks and opportunities on your organisation's financial position, financial performance and cash flows for the reporting period (current financial effects)? Answered above
E10 Climate Strategy	E10.1 Describe the processes and policies your organisation uses to identify, assess, prioritise, and monitor climate-related risks, and the inputs and parameters used in these processes. Answered above
	E10.2 Whether and how does your organisation use climate related scenario analysis to inform the identification of climate-related risks? Answered above
E11 Climate Governance	E11.1 Which governance body(s) (which can include a board, committee or equivalent body charged with governance) or individual(s) is responsible for oversight of climate-related risks and opportunities? Answered above
	Our Sustainability Policy serves as a roadmap for sustainability performance across Borouge. Our Executive Committee is accountable for sustainability goals and performance. During the Executive Committee meetings ESG, CSR, and climate-related topics are a standing agenda point to ensure shareholders are involved in integrating sustainability and meeting the goals.
	The Executive Committee is supported by the Sustainability Committee which is dedicated to integrating these goals into our operations. There is a detailed delegation matrix with the Sustainability Committee representing the highest governance body, delegating responsibility for managing Borouge's economic, environmental, and social impacts. It plays a key role in setting objectives, targets, and KPIs while overseeing carbon management and circular economy initiatives. The committee consists of nine members, operates under the sponsorship of the CEO and is chaired by the VP of Sustainability, with the Sustainability Manager serving as its secretary. The committee includes cross-functional leadership from operations, HSE, investor relations, marketing and strategy teams to encourage company-wide accountability.
	Borouge ensures that all the committee members have the appropriate skills and competencies through: <ul style="list-style-type: none"> • Inclusion of VP-level leaders from relevant departments in the committee • Ongoing training and awareness-building across the organisation • Integration of sustainability into leadership development and performance frameworks
	Company-wide accountability is also driven by sustainability KPIs which accounted for 17% of the Borouge scorecard for the reported period, in which performance is directly linked to our remuneration policies. These scorecards are monitored in monthly reports and by the Corporate Performance Committee.

Theme	Disclosures								
E11 Climate Governance	E11.2 How does the body or individual consider climate-related risks and opportunities when overseeing your organisation's strategy? Answered above								
	E11.3 Are performance metrics related to climate targets included in remuneration policies? If so, how? Answered above								
	E11.4 Has your organisation delegated the role of overseeing climate-related risks and opportunities to a specific management-level position or committee, and how is oversight over this role or committee exercised? Answered above								
E12 Climate Governance	E12.1 Are performance metrics related to climate targets included in remuneration policies? If so, how? Answered above								
S1 CEO Pay Ratio	S1.1 Ratio: CEO total compensation to median Full Time Equivalent (FTE) total compensation basic salary of women to men for each employee Data is not public								
	S1.2 Does your company report this metric in regulatory filings? Data is not public								
S2 Gender Pay ratio	S2.1 Ratio: Median male compensation to median female compensation								
	Ratio of basic salary of women to men for each employee category <table border="1"> <tr> <td></td> <td>91%</td> <td>93%</td> <td>106%</td> </tr> <tr> <td></td> <td>Senior</td> <td>Middle</td> <td>Junior</td> </tr> </table>		91%	93%	106%		Senior	Middle	Junior
	91%	93%	106%						
	Senior	Middle	Junior						
	Ratio of remuneration of women to men for each employee category <table border="1"> <tr> <td></td> <td>88%</td> <td>93%</td> <td>110%</td> </tr> <tr> <td></td> <td>Senior</td> <td>Middle</td> <td>Junior</td> </tr> </table>		88%	93%	110%		Senior	Middle	Junior
	88%	93%	110%						
	Senior	Middle	Junior						
S3 Employee Turnover	S3.1 Percentage: Year-over-year change for full-time employees Answered below								
	S3.2 Percentage: Year-over-year change for part-time employees Answered below								
	S3.3 Percentage: Year-over-year change for contractors/consultants Answered below								
S4 Gender Diversity	S4.1 Percentage: Total enterprise headcount held by men and women Answered below								
	S4.2 Percentage: Entry- and mid-level positions held by men and women Answered below								
	S4.3 Percentage: Senior- and executive-level positions held by men and women Answered below								

Theme	Disclosures		
S5 Temporary Worker Ratio	S5.1	Percentage: Total enterprise headcount held by part-time employees	Answered below
	S5.2	Percentage: Total enterprise headcount held by contractors and/or consultant	Answered below
S7 Nationalisation	S7.1	Percentage of national employees, per employment category	Answered below

Locally employed workforce
47%

Total Number of Employees



This chart shows the data for 2025.

Percentage of employees that are

Female
14.14%

Male
85.85%

Middle
Female
22.20%

Male
77.70%

Senior
Female
18.86%

Male
81.10%

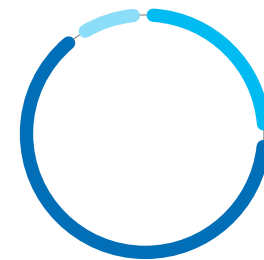
Junior
Female
12.53%

Male
87.46%

Source: From Borouge 2025 Sustainability Report

Locally employed senior management
64.10%

Employee Breakdown by Age



The data in this graph shows the employee breakdown for the year 2025.

<30 Years
750

30-50 Years
2,025

>50 Years
250

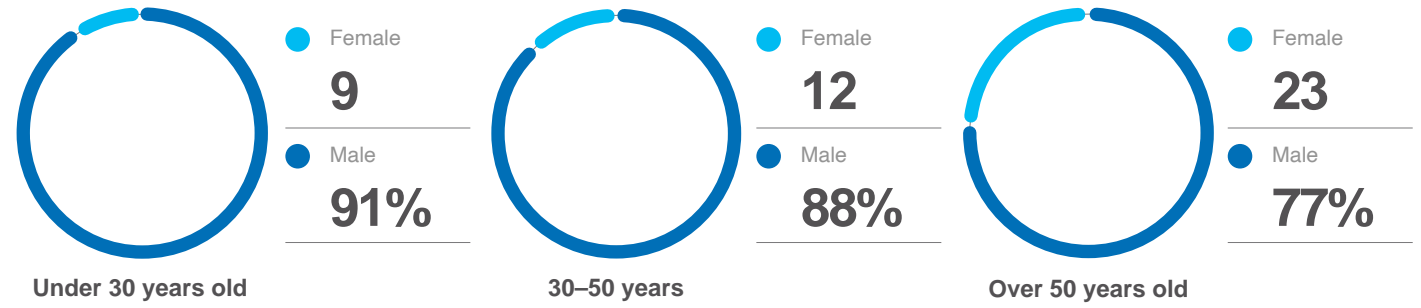
Source: From Borouge 2025 Sustainability Report

Theme	Disclosures					
S7 Nationalisation	Category	Total	Male	Female	UAE	Singapore
		Full-time employees	2997	2573	424	2543
	Part-time employees	0	0	0	0	0
	Full-time remote employees	21	11	10	21	0
	Non-guaranteed hours employees i.e zero hour contracts	0	0	0	0	0
	Workers who are not employees	13	9	4	12	1
	Locally employed senior management	64.10%	82.30%	17.64%	-	-
	Locally employed employees	47.00%	82.69%	17.30%	-	-

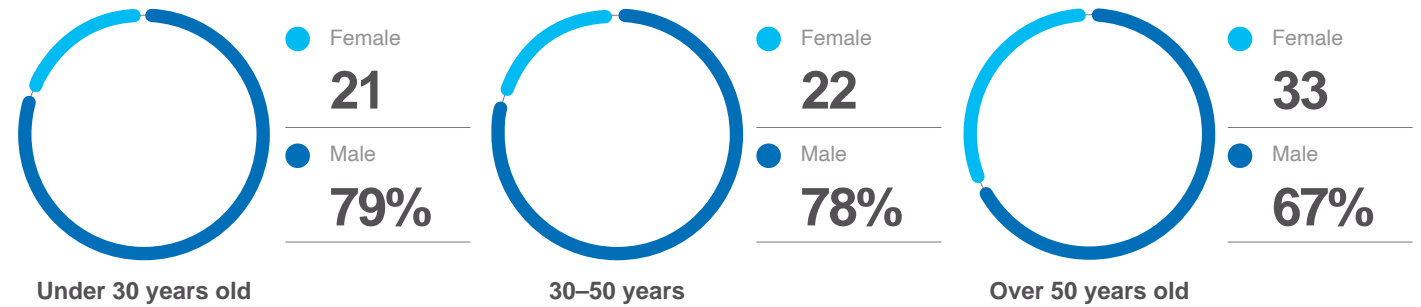
Category	Under 30 years old	30-50 years old	Over 50 years old	Local	Non-local	Female	Male
Percentage of employees per employee category	11.87%	68.33%	19.78%	47%	53%	85.85%	14.14%
Senior	0.0%	1.7%	3.2%	2.4%	1.2%	81.10%	18.86%
Middle	2.8%	16.2%	20.4%	17.2%	13.9%	77.70%	22.20%
Junior	97.2%	82.1%	76.4%	80.4%	84.9%	87.46%	12.53%

Theme	Disclosures					
S7 Nationalisation	Category	Total	Male	Female	UAE	Singapore
	New employee hires	187	164	23	169	9
	New employee hires for local employees	76	62	14	71	5
	Employees entitled to parental leave	200	182	18	193	7
	Employees that took parental leave	200	182	18	193	7
	Employees that returned to work in the reporting period after parental leave ended	200	182	18	193	7
	Retention rates of employees that took parental leave	100%	100%	100%	100%	100%
	Percentage of employees per employee category	-	85.85%	14.14%	-	-
	Senior	-	81.10%	18.86%	-	-
	Middle	-	77.70%	22.20%	-	-
	Junior	-	87.46%	12.53%	-	-

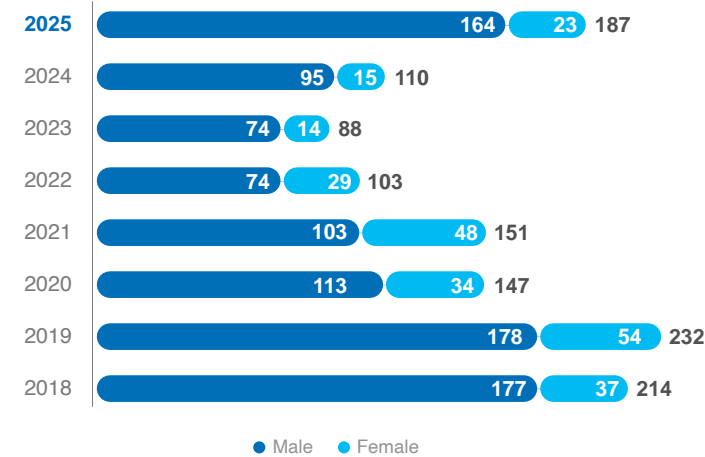
Employees Hired (Gender % by Age Group)



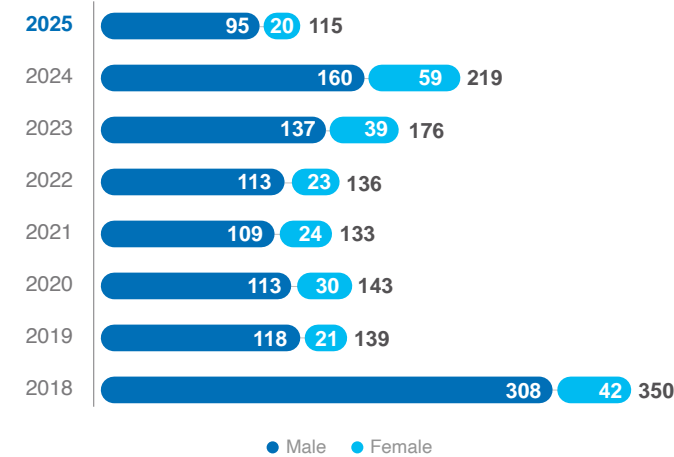
Employees Turnover (Gender % by Age Group)



Employees Joining by Gender



Employees Leaving by Gender



Theme Disclosures

S8 Non-discrimination S8.1 Does your company follow non-discrimination policy?

As part of our commitment to equality, we have a zero-tolerance policy toward discrimination and actively recruit from diverse talent pools. By offering fair opportunities to all qualified individuals, we empower team members to contribute to our collective success. In 2025, this commitment was reflected in our record of 0 reported incidents of discrimination. The Gender Balance Committee is central to Borouge's efforts in advancing gender equality. Its mandate includes supporting ADNOC's gender balance pledges, advising leadership on gender balance strategies, and addressing gender balance challenges at Borouge. We strive to create a supportive and enabling work environment, driving everyone's well-being and success. We have customised our facilities to promote accessibility, integrating advanced technologies to meet unique needs, and fostering a culture that values and celebrates all contributions.

Theme	Disclosures
S9 Health, Safety & Wellbeing	<p>S9.1 Does your company follow an occupational health and/or health & safety policy?</p> <p>We operate under ADNOC’s Health, Safety and Environmental Management System (HSEMS), Borouge’s Occupational Health & Safety Management Systems (OHSMS) and our Occupational Health and Safety Policy which are designed to ensure compliance with applicable legal and regulatory requirements and to maintain high standards of health and safety across operations. These are integrated into our risk management systems and Asset Integrity and Process Safety (AIPS), supporting proactive hazard identification, risk assessment, and mitigation. Our AIPS is specifically designed to identify, evaluate, and control significant process hazards and risks as well as capture lessons learnt for continued improvement.</p> <p>ADNOC’s Health, Safety and Environment Management System is a framework that is used to drive our strict adherence to protecting our employees, both direct hires and contractors. We have aligned our system with ISO 9001, ISO 14001, ISO 45001, and ISO 31000, and utilise a Plan-Do-Check-Act cycle that keeps our employees safe. This HSEMS system is audited internally every year.</p> <p>Our HSE governance sits across corporate, asset, function and site levels, overseen by our dedicated Corporate HSE Committee. This committee represents 100% of our employees and contractors by overseeing health, safety, and environmental (HSE) performance, reports to senior leaderships, and supports alignment with Borouge’s HSE Excellence Journey. Our management-worker committees actively support and oversee the implementation of HSE programs and initiatives, driving continued improvement in performance. The committee meets regularly to review performance, capture lessons learnt, and address issues related to asset integrity, process safety, and contractor HSE management. It has the authority to recommend corrective actions, escalate issues to senior management, and drive closure of mandatory actions.</p>
S10 Injury Time	S10.1 Percentage: Frequency of injury events relative to total workforce time - 0.07
S11 Child and Forced Labour	S11.1 Does your company follow a child and/or forced labour policy? - Yes
	S11.2 If yes, does your child and/or forced labour policy also cover suppliers and vendors? - Yes
S12 Human Rights	S12.1 Does your company follow a human rights policy? - Yes
	S12.2 If yes, does your human rights policy also cover suppliers and vendors? - Yes
S13 Community Investments	S13.1 Amount invested in the community, as a percentage of company revenues AED 300,460 / reported company revenues

Theme	Disclosures
G1 Board Independence	G1.1 Does company prohibit CEO from serving as board chair? - Yes
	G1.2 Percentage: Total board seats occupied by independent board member - One
G2 Board Diversity	G2.1 Percentage: Total board seats occupied by men and women - 10 Men, 1 Women
	G2.2 Percentage: Committee chairs occupied by men and women - Not disclosed
G3 Supplier Code of Conduct	G3.1 Are your vendors or suppliers required to follow a Code of Conduct? - Yes
	G3.2 If yes, what percentage of your suppliers have formally certified their compliance with the code - 100%
G4 Ethics & Prevention of Corruption	G4.1 Does your company follow an Ethics and/or Prevention of Corruption policy? - Yes
	G4.2 If yes, what percentage of your workforce has formally certified its compliance with the policy - 100%
G5 Data Privacy	G5.1 Does your company follow a Data Privacy policy? - Yes
	G5.2 Has your company taken steps to comply with GDPR rules? Yes/No - Not 100% aligned with GDPR
G6 Sustainability Strategy	G6.1 Describe the sustainability-related risks and opportunities that could reasonably be expected to affect your organisation’s prospects - Answered above (Climate Risk and Risk Management)
	G6.2 Describe the current and anticipated impacts of sustainability-related risks and opportunities on your organisation’s business model and value chain. - Answered above (Climate Risk and Risk Management)
	G6.3 Describe how your organisation responded to, and plans to respond to, sustainability-related risks and opportunities in its strategy and decision-making. - Answered above (Climate Risk and Risk Management)
	G6.4 Describe the current and anticipated effects (during the reporting period) of sustainability-related risks and opportunities on your organisation’s business model, financial position, performance, and cash flows. How are these risks considered in financial planning (current financial effects)? - Answered above (Climate Risk and Risk Management)

Theme	Disclosures
G7 Sustainability Risks Management	G7.1 Describe the processes and policies your organisation uses to identify, assess, prioritise, and monitor sustainability-related risks, and the inputs and parameters used in these processes. - Answered above (Climate Risk and Risk Management)
	G7.2 How are the processes for identifying, assessing, prioritising and monitoring sustainability-related risks and opportunities integrated into and informing your organisation’s overall enterprise risk management process?
Our Path to Net Zero	
2025 Targets Achieved	2030 Targets In Progress
Net Zero by 2045 Aspiration	
<ul style="list-style-type: none"> Energy Intensity 30.4% against 2025 target of 28% reduction Water Efficiency 33% against 2025 target of 25% increase Reduce Scope 1 emissions 30% against 2025 target of 22% reduction Reduce Scope 2 emissions 36% against 2025 target of 19% reduction 	<ul style="list-style-type: none"> GHG emissions intensity reduction 30% against 2030 target of 25% reduction Energy intensity reduction 27% against 2030 target of 30% increase
<p>Borouge’s sustainability vision is anchored in a bold ambition: to achieve net zero Scope 1 and 2 emissions by 2045. This target reflects Borouge’s commitment to climate action and its role in supporting the UAE’s national decarbonisation agenda.</p> <p>Borouge also maintains regular engagement with government entities, policymakers, and regulatory authorities to monitor and respond to evolving environmental and climate-related legislation. This proactive approach supports compliance and policy development.</p> <p>Borouge’s proactive approach to sustainability has already delivered a major milestone – we have achieved our 2030 interim target five years ahead of schedule. These targets focused on critical areas such as reducing energy and emissions intensity and eliminating continuous flaring. By modeling future business growth and expansion scenarios, we have translated projected operational changes into estimated emissions. The results confirmed that even with planned growth, Scope 1 and 2 emissions intensity in 2030 should remain below the targeted threshold. This achievement reflects the strength of Borouge’s strategic planning and its commitment to embedding sustainability into its operations through the deployment of advanced carbon management processes, implementation of energy efficiency measures, and a continued review of mitigation strategies to stay aligned with global best practices.</p>	

Theme	Disclosures
G8 Sustainability Governance	G8.1 Which governance body(s) (which can include a board, committee or equivalent body charged with governance) or individual(s) is responsible for oversight of sustainability-related risks and opportunities? Our Executive Committee is accountable for sustainability goals and performance.
	G8.2 How does the body or individual consider sustainability-related risks and opportunities when overseeing your organisation’s strategy?
<p>Our Sustainability Policy serves as a roadmap for sustainability performance across Borouge. Our Executive Committee is accountable for sustainability goals and performance. During the Executive Committee meetings ESG, CSR, and climate-related topics are a standing agenda point to ensure shareholders are involved in integrating sustainability and meeting the goals.</p> <p>The Executive Committee is supported by the Sustainability Committee which is dedicated to integrating these goals into our operations. There is a detailed delegation matrix with the Sustainability Committee representing the highest governance body, delegating responsibility for managing Borouge’s economic, environmental, and social impacts. It plays a key role in setting objectives, targets, and KPIs while overseeing carbon management and circular economy initiatives. The committee consists of nine members, operates under the sponsorship of the CEO and is chaired by the VP of Sustainability, with the Sustainability Manager serving as its secretary. The committee includes cross-functional leadership from operations, HSE, investor relations, marketing and strategy teams to encourage company-wide accountability.</p> <p>Borouge ensures that all the committee members have the appropriate skills and competencies through:</p> <ul style="list-style-type: none"> • Inclusion of VP-level leaders from relevant departments in the committee • Ongoing training and awareness-building across the organisation • Integration of sustainability into leadership development and performance frameworks 	
G8.3	Are performance metrics related to these targets included in remuneration policies? If so, how? Company-wide accountability is also driven by sustainability KPIs which accounted for 17% of the Borouge scorecard for the reported period, in which performance is directly linked to our remuneration policies. These scorecards are monitored in monthly reports and by the Corporate Performance Committee.
G8.4	Has your organisation delegated the role of overseeing sustainability-related risks and opportunities to a specific management-level position or committee, and how is oversight over this role or committee exercised? - Same as above

Theme	Disclosures
G9 Sustainability Targets	G9.1 What metrics does your organisation use to measure and monitor each sustainability-related risk or opportunity identified above? Refer to answer above (Climate Risk, Risk Management, Climate Risk Assessment)
G10 Disclosure Practices	G10.1 Does your company publish a sustainability report? - Yes G10.2 Does your company publish a GRI, IFRS, CDP, SASB, IIRC, or UNGC based report? The report has been developed with reference to the Global Reporting Initiative (GRI) Standards 2021, Taskforce for Climate Financial-related Disclosures (TCFD), the Sustainability Accounting Standards Board (SASB), and Abu Dhabi Securities Exchange (ADX).
G11 External Assurance	G11.1 Are your sustainability disclosures assured or verified by a third-party audit firm? Limited assurance on selected consolidated environmental and social disclosures, including Energy, Water and Effluents, Emissions, Waste, and Occupational Health and Safety. The assurance was conducted in accordance with the International Federation of Accountants' (IFAC) International Standard on Assurance Engagements (ISAE) 3000: Assurance Engagements Other than Audits or Reviews of Historical Financial Information.
I1 Sustainability Reporting	I1.1 Does your company publish a sustainability report? Yes/No - Yes
I2 ESG Ratings	I2.1 Has your company received an ESG rating (solicited or unsolicited)? - Yes I2.2 If yes, provide the latest overall ESG score. CSA S&P Global: top 16% CDP: C
I3 Stakeholder Engagement	I3.1 Does your company engage with stakeholders on ESG/sustainability topics? - Yes I3.2 If yes, report on frequency and effectiveness of engagement. Stakeholders are engaged each time there is a refresh on the materiality assessment or as needed.



Glossary

Glossary

Term	Definition
Adjusted EBITDA	Calculated as EBITDA plus adjustments on foreign exchange gain or loss and impairment loss on property, plant and equipment
Adjusted operating free cash flow	Calculated as adjusted EBITDA less Capital Expenditure
ADX	Abu Dhabi Securities Exchange
AI	Artificial Intelligence
AIDT	Artificial Intelligence, Digitilisation and Technology
Anteo™	Anteo™ is a family of transparent, high purity polyethylene polymers designed for high performance flexible film packaging applications. Enabled by Borstar® Bimodal Terpolymer Technology, Anteo™ grades deliver superior performance compared to similar commercially available materials such as metallocene and high alpha olefin Linear Low Density Polyethylene.
APAC	Asia-Pacific
BOPP	Biaxially Oriented Polypropylene
Borlink™	Borlink™ is Borealis' proprietary cross linkable polyethylene technology platform that provides a complete suite of advanced materials, expertise and technical support for power transmission and distribution cable applications
Borstar®	Borstar is Borealis' state-of-the-art multi-modal proprietary technology for manufacturing polyethylene and polypropylene
B3	Borouge 3 plant

Term	Definition
B4	Borouge 4 plant
CAPEX	Capital Expenditure
CPP	Cast polypropylene
DfR	Design for Recycling
EBITDA	Earnings before interest, tax, depreciation and amortisation
EPC	Engineering, Procurement and Construction
ESG	Environmental, Social and Governance
ESRS	European Sustainability Reporting Standards
FEED	Front-end Engineering and Design
FMCG	Fast-Moving Consumer Goods
GenAI	Generative Artificial Intelligence
HD	High density
Free cash flow	Calculated as adjusted Operating Free Cash Flow plus changes in working capital, less cash tax payments, less cash interest payments, plus cash interest income
GRI	Global Reporting Initiative
HDPE	High-density polyethylene
HSE	Health, Safety and Environment

Glossary

Term	Definition
IFAC	International Federation of Accountants
IPO	Initial Public Offering
ISAE	International Standard on Assurance Engagements
IV	Intravenous
KPIs	Key Performance Indicators
Kt	Kilotonnes
Ktpa	Kilotonnes per annum
LDPE	Low density polyethylene
MEA	Middle East and Africa
Mtpa	Million tonnes per annum
PCR	Post-consumer recycled
PE	Polyethylene
POF	Polyolefin films
PP	Polypropylene

Term	Definition
Premia	Defined as equal to the difference between Borouge's average sales price and benchmark prices
R&D	Research and Development
rLDPE	Recycled Low-Density Polyethylene
ROIC	Return on Invested Capital
SASB	Sustainability Accounting Standards Board
RoW	Rest of the World
SDGs	Sustainable Development Goals
SUV	Sport Utility Vehicle
TCFD	Task Force on Climate-related Financial Disclosures
TRIR	Total Recordable Injury Rate is calculated as the number of injuries per 1,000,000 hours worked
TSR	Total shareholder return
UAE	United Arab Emirates
USD	US Dollar
XLPE	Cross-linked polyethylene