

BOROUGE ANNOUNCES \$193 MILLION Q2 2025 NET PROFIT SUPPORTED BY SUCCESSFUL PLANT TURNAROUND; REAFFIRMS INCREASED FY2025 DIVIDEND INTENTION

- *H1 2025 adjusted EBITDA of \$1.0 billion. Q2 adjusted EBITDA of \$440 million with strong margins and robust pricing, exceeding market expectations*
- *Strong sales volumes of 1.1 million tonnes - continued momentum in high-value infrastructure and advanced packaging segments - infrastructure solutions accounting for 41% of Q2 volumes*
- *Planned Borouge 3 turnaround successfully concluded ahead of schedule, positioning assets for long-term reliability and sustained margin delivery*
- *Borouge reaffirms intention for increased FY2025 dividend to 16.2 fils per share - H1 2025 dividend of 8.1 fils per share to be paid in September*
- *Proposed Borouge Group International transactions on track to close in Q1 2026, with regulatory filings and integration planning underway*

ABU DHABI, UAE – 31 July 2025: Borouge Plc (ADX symbol: BOROUGE / ISIN AEE01072B225), a leading petrochemicals company providing innovative and differentiated polyolefins solutions, today announced a net profit of \$193 million for the second quarter of 2025, exceeding market expectations. The results reflect disciplined execution of the planned Borouge 3 turnaround, with the company maintaining strong margins and healthy cash generation on the back of effective cost management and sustained premia across its high-value product mix.

The Borouge 3 turnaround was successfully executed during the quarter, completed safely, within budget and delivered eight days ahead of schedule. As the largest and most complex turnaround to date, the company optimised downtime by 15%, reflecting the efficiency of company's planning and execution teams. These planned, regular six-year maintenance turnarounds are essential to servicing Borouge's world-class assets and maintaining high utilisation rates and production volumes.

Adjusted EBITDA for the second quarter was \$440 million, reflecting performance above expectations during the planned Borouge 3 turnaround. Borouge maintained a healthy EBITDA margin of 34%, supported by product mix optimisation throughout a scheduled major maintenance event.

Hazeem Sultan Al Suwaidi, Chief Executive Officer of Borouge, commented:

"Borouge's results are underpinned by healthy cash flows, disciplined execution and strong pricing premia, following the successful completion of the planned Borouge 3 turnaround, our largest to date. Reflecting our commitment to delivering shareholder value, we reaffirm our intention to increase Borouge's dividend to 16.2 fils per share for 2025 and our proposed H1 2025 dividend of 8.1 fils per share to be paid in September. The increased dividend is also expected to serve as the intended minimum share payout to at least 2030 under Borouge Group International."

Strong pricing premia above product benchmark prices for polyethylene (PE) and polypropylene (PP) remained a key highlight of the quarter, with \$249 per tonne achieved for PE and \$141 per tonne for PP, both exceeding management's through-the-cycle guidance.

Supported by Borouge's ability to reallocate volumes to maximise netbacks, its differentiated portfolio and disciplined execution, the company sustained premium positioning despite softer market conditions.

Resilient Q2 performance anchored by operational excellence

Borouge reported revenue of \$1.31 billion in Q2 2025, compared to \$1.5 billion in Q2 2024, taking into account the planned Borouge 3 maintenance, reflecting a quarter that balanced disciplined asset management with the company's ongoing commitment to delivering value for shareholders. Sales volumes totalled 1.1 million tonnes, broadly stable quarter-on-quarter, supported by approximately 140 kilotonnes of inventory sales. High-value products continued to account for 41% of total volumes, with strong momentum in infrastructure and advanced packaging applications.

Average selling prices declined 1% quarter-on-quarter and 3% year-on-year, in line with broader market conditions. While PE prices held steady, PP saw a modest decline. Global benchmarks for PE and PP declined slightly over the same period. Despite this environment, Borouge sustained pricing discipline and continued to optimise its regional sales mix, with an increasing share allocated to Middle East and Borealis-linked markets offering higher netbacks.

Adjusted EBITDA for the quarter was \$440 million, compared to \$613 million in Q2 2024, with an EBITDA margin of 34%. The lower margin reflects lower average selling prices, taking into account reduced production levels during the planned turnaround period. Borouge's ability to maintain a high margin despite lower production demonstrates its cost efficiency, operational control and commercial agility.

Capital expenditure in Q2 amounted to \$130 million. Borouge closed the quarter with a net debt-to-EBITDA ratio of 1.0x, maintaining a strong balance sheet and significant financial flexibility.

Strong H1 results supports intention for increased dividends

For the first half of the year, revenue stood at \$2.72 billion compared to \$2.81 billion in H1 2024. Adjusted EBITDA reached \$1.0 billion versus \$1.18 billion in the prior-year period, with margins supported by strong pricing premia, cost discipline and inventory sales. Sales volumes totalled 2.39 million tonnes, down just 2% year-on-year, reflecting Borouge's operational resilience and agility.

The company has proposed an increased minimum interim dividend of 8.1 fils per share for the first half of 2025, subject to shareholder approval at the upcoming General Assembly in August. This interim payout reflects the first instalment of the previously announced intention to increase the full-year 2025 dividend to 16.2 fils per share, marking an uplift from 15.88 fils in 2024, representing an estimated dividend yield of 6.1%¹ at the current share price, one of the highest on the Abu Dhabi Securities Exchange (ADX). This reinforces the company's increased dividend framework.

Since its listing in 2022, Borouge has paid a total of \$3.58 billion in dividends to shareholders. Upon completion of the proposed Borouge Group International transaction, the newly formed entity intends to maintain an annual minimum dividend of 16.2 fils per share up to at least 2030. This represents a cumulative shareholder return of approximately 37%¹ with a strong upside potential and a 90% dividend payout ratio of net profit.

Borouge continues to execute a share buyback approved at its AGM in April, reflecting the company's strong confidence in its future prospects. It has purchased 125 million shares at the end of the second quarter with transactions reported as per ADX regulatory requirements.

¹ Based on the current share price as of 30 July 2025

Borouge 4: scaling growth and product innovation with Borstar® 3G technology

Borouge 4 will add 1.4 million tonnes of annual production capacity once completed by the end of 2026 and is expected to significantly enhance Borouge's earnings power and market reach. Borouge 4 will also serve as a core asset within the proposed Borouge Group International, to which it will be transferred at cost, unlocking substantial embedded value for shareholders. With long-term global demand for durable, low-carbon infrastructure rising, Borouge, with its Borstar® third generation (3G) technology deployed across its Borouge 4 operations, is positioned to lead in delivering specialised, value-added solutions across its core growth regions.

Driving innovation through AI, Digitalisation and Technology

Borouge continues to advance its company-wide AI, Digitalisation and Technology (AIDT) programme, which has delivered \$307 million in value year-to-date. A key milestone this year was the launch of its proof-of-concept project with Honeywell to develop the petrochemical industry's first AI-powered control room, enabling autonomous operations at Borouge's Ruwais facilities. AIDT initiatives have earned external recognition, including the GPCA Supply Chain Innovation Award and the Industry Eagle Awards.

As part of its ongoing AIDT programme, Borouge is introducing MEERAI, ADNOC's AI-powered executive advisor, into its board meetings. MEERAI provides real-time, data-driven insights that empower Borouge's leadership to make faster, more informed decisions.

Accelerating product innovation

Borouge continues to expand its differentiated product portfolio across healthcare and advanced packaging segments. In May, the company signed a strategic agreement with Mubadala Bio to explore the supply of polyolefin materials for medical device and pharmaceutical packaging, supporting the 'Make it in the Emirates' initiative (MIITE). Following the launch of Bormed™ RG868MO, the UAE's first locally produced medical-grade polyolefin, a second healthcare-grade product is expected later this year. In advanced packaging, Borouge is driving circularity with recyclable mono-material films, including the upcoming launch of Borstar™ BH555MO, a differentiated polypropylene grade that enables higher recycled content, lightweighting, and reduced CO₂ emissions.

Outlook

Borouge continues to focus on differentiated products in its core regions, supporting strong price premia and strong performance expected through the second half of the year. The company remains agile in allocating volumes to the best netback markets within its core regions.

With the planned turnaround now successfully concluded, it is well positioned to optimise production capacity and to take advantage of improved market dynamics as they emerge.

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About Borouge Plc

Borouge Plc, listed on the Abu Dhabi Securities Exchange (ADX symbol: BOROUGE / ISIN AEE01072B225), is a leading petrochemicals company that provides innovative and differentiated polyolefin solutions for the infrastructure, energy, mobility, healthcare, agriculture and advanced packaging industries. Borouge employs more than 2,900 people and serves customers in over 90 countries across Asia, the Middle East and Africa.

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

To find out more, visit: borouge.com

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