

BOROUGE Q3 2024 NET PROFIT JUMPS 16% YoY, DRIVEN BY RECORD PRODUCTION AND HIGHEST-EVER QUARTERLY SALES

- Q3 net profit \$328 million, up 16% YoY and 6% QoQ, surpassing analyst expectations
- Company achieves industry-leading 40% EBITDA margin and record production levels in Q3 as sales volumes increase 2% YoY
- Borouge 4 growth project 80% complete, set to boost annual production capacity by 28% post re-contribution
- Company reaffirms commitment to pay \$1.3 billion dividend for FY 2024, representing an attractive dividend yield of 6.3%¹

ABU DHABI, UAE – 29 October 2024: Borouge Plc, a leading provider of innovative and differentiated polyolefins solutions, has reported a 16% year-on-year (YoY) increase in net profit for the third quarter (Q3) of 2024 to \$328 million, beating market expectations, driven by the company's highest ever quarterly sales and robust pricing for its premium products.

The company responded to strong demand from customers in the world's fastest growing economies for innovative, sustainable and durable materials by increasing production to record levels. Adjusted EBITDA rose by 9% YoY to \$646 million in Q3, driven by a 7% increase in revenue. The company sustained its industry-leading profitability with an EBITDA margin of 40% for the quarter.

This strong performance was supported by an increase in the price premia commanded by Borouge, driven by differentiated products and strong customer relationships. Despite ongoing volatility in the global market, the company's average polyethylene and polypropylene prices were \$198 and \$160 per tonne higher than their benchmarks – with that premium increasing 14% and 50% YoY, respectively, and exceeding management guidance through the cycle. The company's management reiterates through-the-cycle guidance of \$200 per tonne for polyethylene and \$140 per tonne for polypropylene.

Hazeem Sultan Al Suwaidi, Chief Executive Officer of Borouge, stated: "Borouge continues to deliver an outstanding financial and operating performance, with net profit surging 16% year on year to \$328 million in Q3, and increasing for the fifth consecutive quarter. Our market-leading profitability is driven by world-class technology, innovation and operational excellence – ensuring that we deliver highly differentiated products to a fast-growing base of industrial customers. The third quarter was distinguished by record production levels and our highest-ever sales volume. Looking ahead, we are accelerating our growth trajectory through transformational production capacity increases. The Borouge 4

¹ Current dividend yield at market close on 28 October 2024.

strategic initiative is advancing at pace and is now 80% complete. The project will significantly increase production and revenue, while the feasibility study for a planned new speciality polyolefins plant in China is progressing well. In parallel, Borouge is investing in a comprehensive digital and AI programme that will create substantial shareholder value through enhanced productivity and innovation.”

Record Sales Volume and Highly Differentiated Products Generate Significant Value

Borouge continues to intensify its focus on high value-add segments, including infrastructure, which accounted for 38% of sales volumes in Q3. Through superior proprietary technology, the company is providing industrial customers with innovative solutions to address climate change, food waste, access to fresh water, energy transition, healthcare and waste management.

The company’s commitment to operational excellence and the broad reach of its marketing and sales network across Asia, Middle East and Africa, is reinforcing the company’s leading position in the fastest growing markets. The Asia Pacific is a key growth region with sales volumes increasing 5% YoY, and accounting for 65% of total sales volumes in Q3.

From July to September, Borouge achieved \$1.6 billion in revenue, marking a 7% YoY increase. A strategic focus on high-value markets fueled a 2% YoY increase in sales volumes, with infrastructure solutions and other high value segments reinforcing the company’s strong position in this key segment.

Borouge continued to achieve record quarterly production levels in Q3, with capacity utilisation rates of 106% for polyethylene and 109% for polypropylene, supported by a focus on asset reliability, which was at 98% in the quarter.

Borouge’s Financial Strength Supports Robust Dividend Payout

The company’s YTD adjusted operating free cash flow of \$1.74 billion represents a 20% YoY increase, supported by a high cash conversion of 95% in the period. The company’s balance sheet remained robust, with net debt/EBITDA standing at 1.3 times as at 30 September. In September, Borouge distributed its half-year 2024 interim cash dividend of \$650 million, or 7.94 fils per share, following shareholder approval at the company’s General Assembly Meeting on August 30. The company’s management reaffirms its commitment to pay the final 2024 dividend of \$650 million in March 2025, taking the total full-year 2024 dividend to \$1.3 billion. This represents a strong current dividend yield of 6.3%².

² Current dividend yield at market close on 28 October 2024.

Strategic Growth Driven by Capacity Expansion Projects

In the UAE, the Borouge 4 strategic expansion project is progressing rapidly, with 80% of the construction completed. This expansion will boost production capacity by 28%, making Al Ruwais Industrial City the world's largest integrated single-site polyolefin complex. The construction of the project, now fully energised through a connection to the national grid, is running on schedule. Upon completion, ownership of Borouge 4 will transfer from ADNOC and Borealis to Borouge. Once fully operational, the project is anticipated to generate an additional \$1.5 to \$1.9 billion in annual revenue.

Internationally, Borouge has made good progress on the feasibility study for a new specialty polyolefins complex in China. This ambitious venture with Wanrong New Material (Fujian), a subsidiary of Wanhua Chemicals, to construct a state-of-the-art plant in Fuzhou, is set to produce 1.6 million tonnes annually.

Additionally, Borouge is enhancing its second ethylene unit (EU2) to increase the production of olefins and polyolefins by 230,000 tonnes. This expansion, expected to be completed by 2028, is projected to contribute between \$220 and \$250 million in annual revenue.

Accelerating Growth with Advanced Digitalisation and AI

Harnessing the power of artificial intelligence, digitalisation, and cutting-edge technology, Borouge is revolutionising its approach to value creation, innovation, and productivity enhancement. The company is targeting \$550 million of value generation by the end of 2024 through a diverse array of initiatives spanning health and safety, sales optimisation, sustainability efforts, and pioneering product development.

The ambitious plan will support the company's long-term AI and digital transformation. A standout achievement of this plan has been the deployment of a real-time optimisation (RTO) system. This advanced system, implemented across three large-scale ethane crackers and 20 furnaces, processes over 150,000 parameters every hour. This capability significantly boosts productivity, optimises energy usage, and minimises emissions, underscoring Borouge's commitment to operational excellence and environmental stewardship.

Innovation Remains Central to Borouge's Growth Strategy

With a portfolio of over 1,200 active patents, Borouge's Innovation Centre in Abu Dhabi is pivotal in driving the company's competitive edge and profitability. By partnering with Borealis' innovation hubs in Europe, the UAE-based team is at the forefront of creating cutting-edge polymer solutions tailored for emerging applications and markets.

A key product, Borlink™ LS4201S, which is designed for high-voltage cables that support expansion of renewable energy projects globally, recently received the highly-regarded Ringier Technology Innovation Award in China. The product ensures reliability in tough sea conditions with its longer cables, making it the top choice for offshore wind energy transfer. The solution

delivers exceptional cleanliness in cable insulation, reduces potential cable failure and enables reliable energy transmission. At its state-of-the-art facilities at Al Ruwais, Borouge operates the largest cross-linked polyethylene (XLPE) production facility in the Middle East and Africa, maintaining the highest standards in XLPE for 220kV export submarine cables.

Borouge signed an agreement with Union Pipes Industry (UPI), a leading UAE-based manufacturer, to supply UPI with 100% post-consumer recycled (PCR) polypropylene that will be used to produce customised plastic pallets for Borouge's logistics operations. These lightweight pallets, which have a life span of up to three times of traditional pallets, will be used by Borouge to deliver the company's products worldwide and to support the growth of the company's circular economy solutions.

The company also continues to explore opportunities in emerging technologies such as electrification and carbon capture to accelerate its Net Zero targets. Borouge has already set interim 2030 goals to reduce greenhouse gas emissions by 25% and energy intensity by 30%.

Outlook

The company's management expects a stable macroeconomic outlook across its key markets in the fourth quarter of 2024, with increased signs of improved operating conditions driven by moderate GDP growth. Strong production and sales volumes are projected to maintain positive momentum, bolstered by a strategic focus on achieving operational efficiencies and serving high value segments. Polyolefin prices are anticipated to stay relatively stable, fluctuating within a narrow range.

To support Borouge's investor outreach programme, the company will be hosting its inaugural Capital Markets Day on October 30.

Financial Highlights

USD millions	Q3 2024	Q3 2023	YoY % Change	Q2 2024	QoQ % Change	9M 2024	9M 2023	YoY (%)
Sales Volume (kt) ⁽¹⁾	1,422 kt	1,395 kt	2%	1,311 kt	8%	3,869	3,758	3%
Revenue	1,600	1,496	7%	1,503	6%	4,405	4,294	3%
Adj. EBITDA ⁽²⁾	646	592	9%	613	6%	1,827	1,571	16%
Net Profit	328	282	16%	308	6%	908	713	27%

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

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

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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 3,100 people and serves customers in 86 countries across Asia, the Middle East and Africa.

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

*Borlink™ is a registered trademark of Borealis AG.

To find out more, visit: borouge.com

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