

# Establishing Borouge Group International, a Global Polyolefins Champion

All-share Combination of Borouge / Borealis and Acquisition of Nova Chemicals

4<sup>th</sup> March 2025



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# Speakers



**Hazeem Sultan  
Al Suwaidi**

Chief Executive  
Officer



**Borouge**



**Jan-Martin  
Nufer**

Chief Financial  
Officer



**Borouge**



**Klaus  
Froehlich**

Chief Investment  
Officer

**ADNOC**



**Hetal  
Patel**

President of Global  
Chemicals

**XRG**

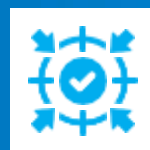
# Three Polyolefins Industry Leaders, a Global Champion Delivering Attractive Dividends Through-the-Cycle



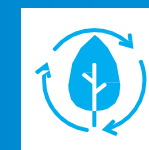
**#4 global polyolefins platform<sup>(1)</sup>** with production in North America, Europe and the Middle East



**Advantaged cost curve positioning** due to access to low-cost feedstock



**Complementary value-added premium product portfolios** based on leading proprietary technology and R&D focus



Well-positioned to benefit from growing demand for **sustainable and circular solutions**



**Best-in-class resilient margins** and **c.\$500m p.a. identified potential synergies**

**Expected to be immediately accretive to Borouge DPS through new attractive dividend policy<sup>(2)</sup>**

# Three World Class Businesses

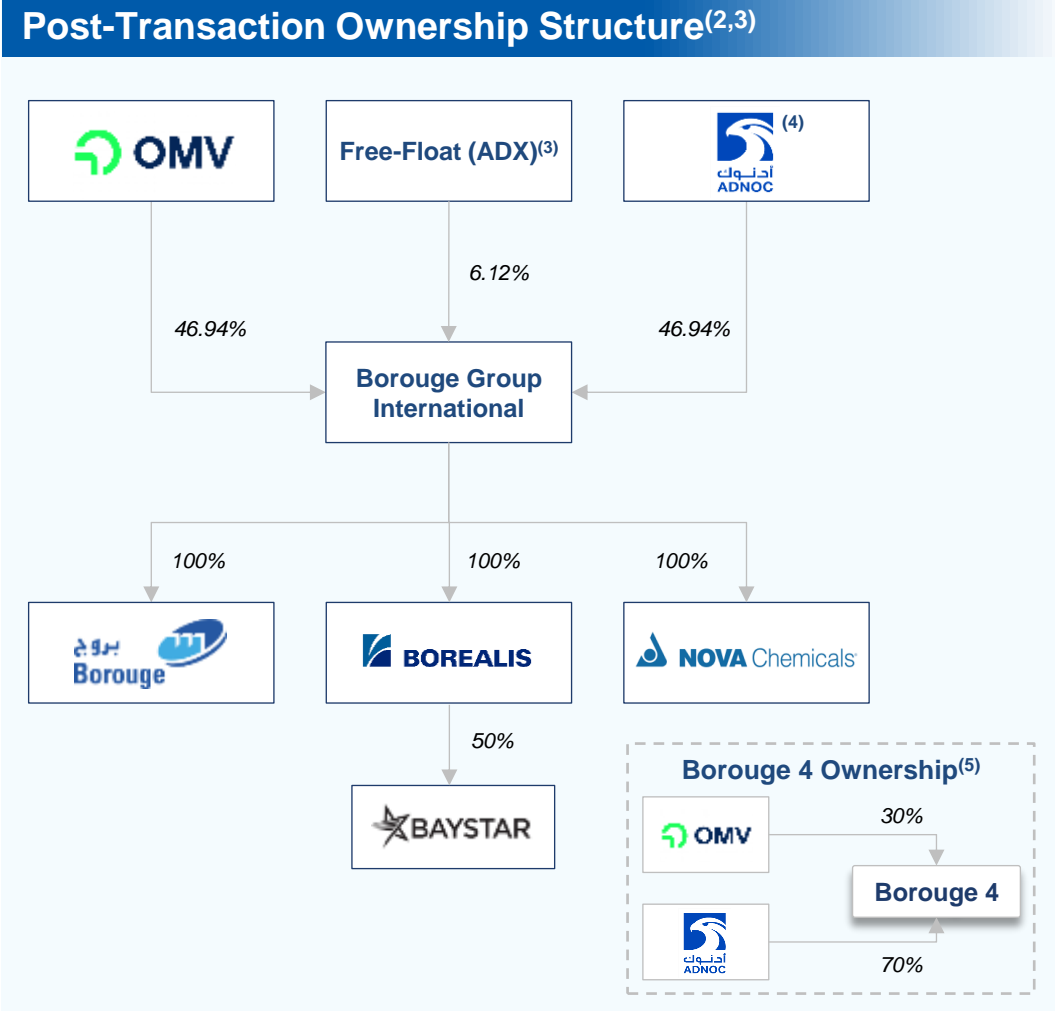
Best of Three World Class Businesses Delivered via a Global Polyolefins Champion



# Overview of Proposed Transactions



- 01
- All-share combination of **Borouge & Borealis** resulting in newly formed Borouge Group International **equally owned by ADNOC & OMV**
- 02
- Acquisition of Nova, at completion**, by Borouge Group International funded through acquisition debt, which is expected to be refinanced in the capital markets
- 03
- Headquartered and domiciled in **Austria** with regional headquarters in **Abu Dhabi**
- 04
- To be listed on the **Abu Dhabi Securities Exchange** (ADX)<sup>(2)</sup>
- 05
- Share exchange offer to Borouge free float** for new shares in Borouge Group International<sup>(1)(3)</sup>
- 06
- Cash capital increase by Borouge Group International in 2026 of up to c.\$4bn** to augment investment grade credit rating profile and achieve MSCI inclusion
- 07
- Recontribution of Borouge 4** when fully operational, expected to be at total cost, estimated at **c.\$7.5bn**<sup>(6)</sup>
- 08
- Simplified ownership structure **aligning objectives to fully capitalize on combined potential**
- 09
- Upon completion, **ADNOC's shareholding** in Borouge Group International will be transferred to **XRG's Global Chemicals Platform**, supporting its global chemicals growth strategy and value-creation agenda



Notes: (1) For the avoidance of doubt, nothing in this document shall constitute an offer (or an intention to make an offer) by ADNOC, OMV, Borealis, NOVA Chemicals Corporation or, following its incorporation, Borouge Group International, for the shares in Borouge held by the free float or a recommendation by the board of directors of Borouge under the Decision of the Chairman of the SCA Board of Directors No. (18 / R.M) of 2017 or under the ADGM Takeover Regulations (Takeover Code) Rules 2015. (2) The proposed listing of Borouge Group International on the ADX and a proposed share exchange offer to the Borouge free float are subject to discussion with, and (if required) approval by, the UAE Securities & Commodities Authority ("SCA") and ADX. (3) Assumes SCA approval of a share exchange offer by Borouge Group International and 100% acceptance of the share exchange offer by the Borouge free float. (4) Shares of ADNOC to be transferred to XRG at completion of the transactions. (5) Borealis' direct ownership of B4 to be upstreamed to ADNOC and OMV. (6) Cost is defined as adjusted net book value and includes aggregate expenses and investments, financing costs and owner's costs.



# Borealis and Nova Complement Borouge to Create Compelling Market Position



Innovation Leaders with Differentiated Product Offering, Well-Positioned within their Respective Geographies



**100%**  
Ethane Feedstock

**>75%**  
Exposure to AECO,  
Henry Hub & Mont Belvieu

**2,500+**  
Patents<sup>(1)</sup>

**2**  
Innovation Centers in Canada

**Leader**  
In Advanced Packaging Solutions

## Proprietary Innovations



Advanced  
Sclairtech™



Sclairtech™



Novapol®



**90%**  
of Sales

Integrated Production Centers:  
**2 in Canada**  
**+ 1 in USA**



**80%**  
of Sales

Production base **spread**  
**across Europe**



**1st Quartile**  
Net Cash Margin in Europe<sup>(2)</sup>

**12,200+**  
Patents<sup>(3)</sup>

**3**  
Innovation Centers in Europe

**~45%**  
Share of Specialty Grades<sup>(4)</sup>

## Proprietary and Technology Innovations



Borstar®



Borceed™



Borlink™



Borcycle™







# Global Platform at a Glance



# Strategic Rationale

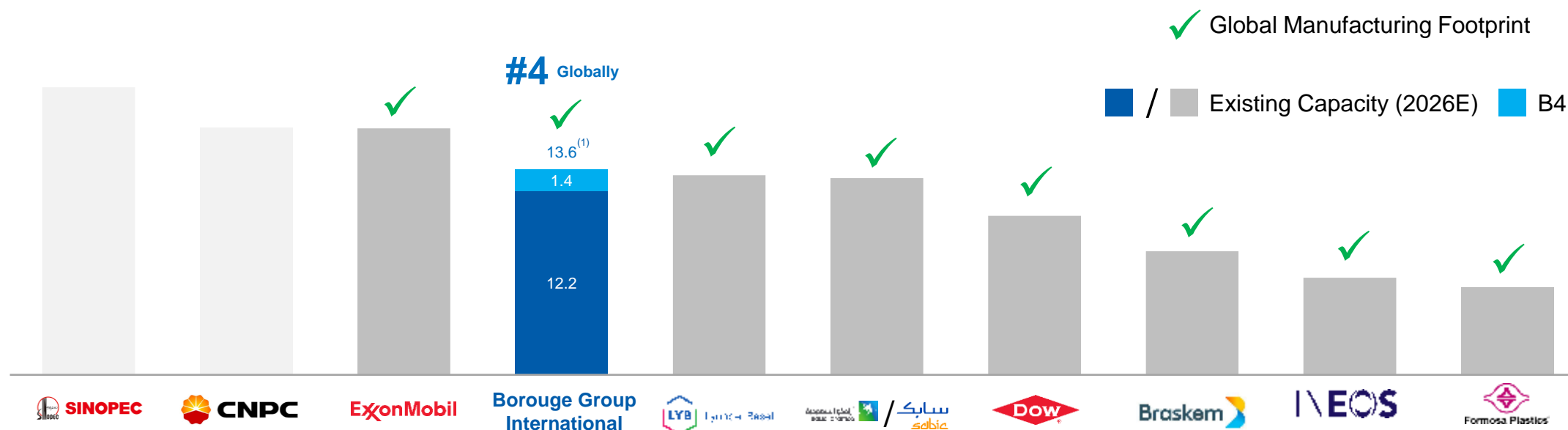
A Global Polyolefins Champion with Leadership in Technology, Innovation & Sustainability, Supporting Superior Shareholder Returns

1	<i>Global Scale</i>		<b>Leading Global Polyolefins Platform Spanning Key Geographic Markets</b>
2	<i>Advantaged Cost Position</i>		<b>Access to Low-Cost Feedstock, and Well-Positioned on the Cost Curve</b>
3	<i>Premium Products &amp; Technology</i>		<b>Complementary Value-Added Product Portfolio Derived from Leading Proprietary Technologies</b>
4	<i>Well-Positioned in Sustainability</i>		<b>Primed to Benefit from Demand Shift Towards Sustainable and Circular Solutions</b>
5	<i>Financial Strength &amp; Synergies</i>		<b>Attractive Financial Profile with Best-in-Class, Resilient Margins, Strong Foundations for the Future and c.\$500m p.a. Identified Potential Synergies</b>

4<sup>th</sup> Largest Polyolefins Player Globally

## Global Nameplate Capacity Ranking

(Polyolefins, mtpa, 2026E)



14

Olefins Plants<sup>(2)</sup>

36

Polyolefins Plants<sup>(3)</sup>

12

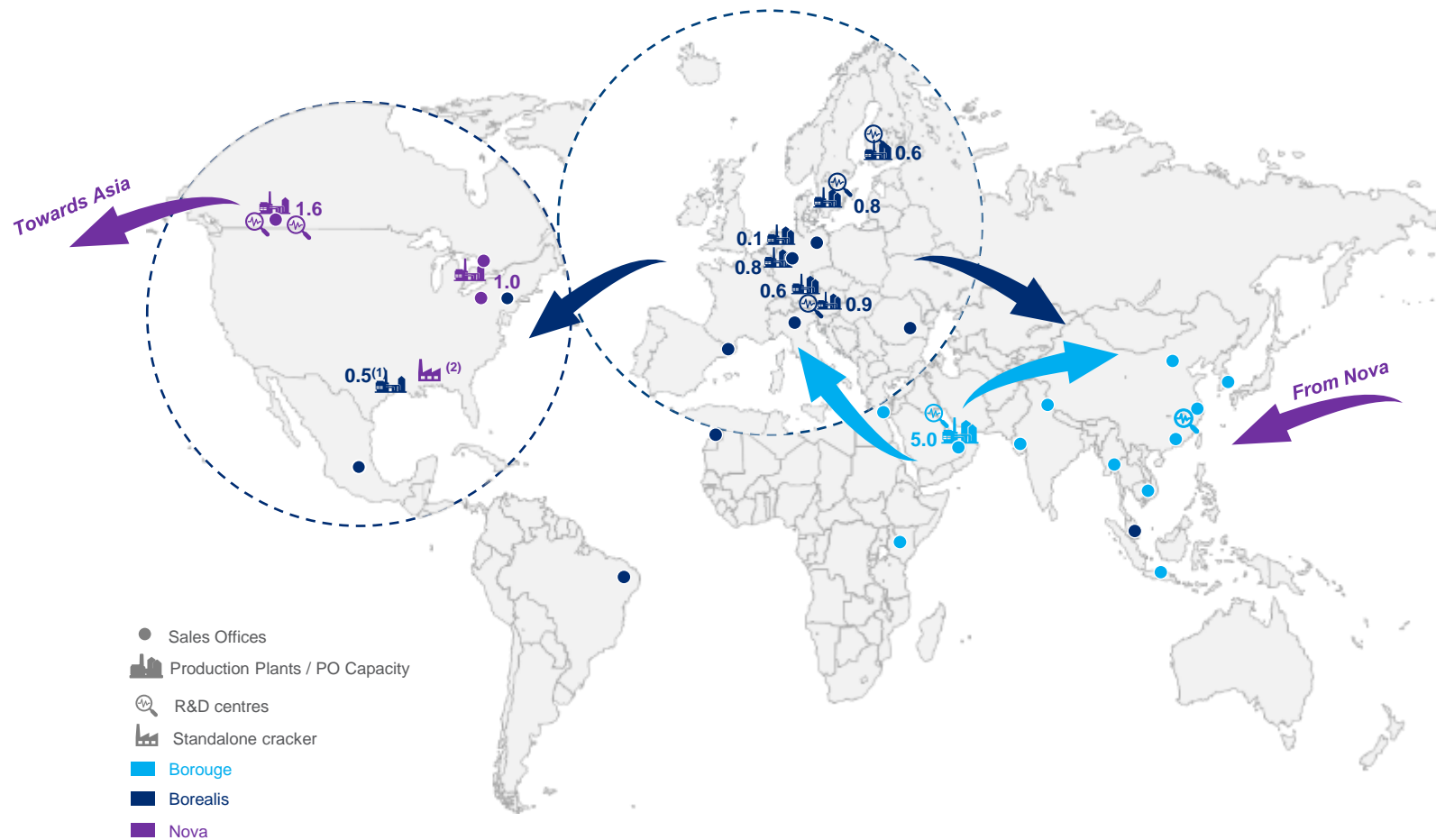
Compounding Plants

>90%

Backward Integration<sup>(4)</sup>

# ... with Extensive Production Footprint and Sales Network Spanning All Major Demand Centers ...

Extensive Geographic Presence and Reach, a Global Champion



Access to global polyolefins demand in **all 3 major consumption areas**



Ability to optimize **netbacks**



**Global salesforce** with **insights into local** client needs and **direct market access**



**Adaptability** via supply chain flexibility

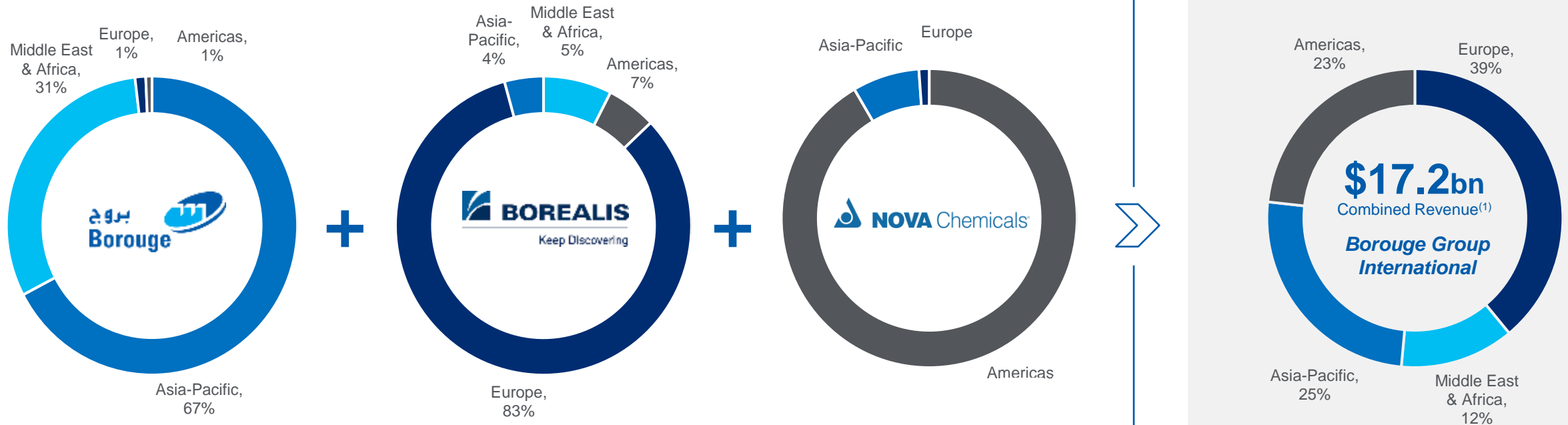
# ... Resulting in Globally Diversified Revenue Base ...

Borouge, Borealis and Nova are Highly Complementary in Terms of Geographic Revenue Split

## Complementary Revenue Base

### Revenue by Geography

(Polyolefins, 2024A)



# ... and Tangible Project Underway Providing Future Upside

Borouge 4 is Poised to Capitalise on Borouge Group International's Extensive and Global Sales Network



**Recontribution** expected to be at cost<sup>(1)</sup> **envisaged by end of 2026 when fully operational**, and expected to be accretive to earnings and dividends per share



**Total cost** estimated at **c.\$7.5bn**, with ADNOC / OMV to continue **funding development capex through to completion**



**Largest single-site polyolefins complex worldwide** upon Borouge 4 recontribution with additional **+1.4mtpa** polyethylene nameplate **capacity**, using **third generation (3G) Borstar® technology**



**c.\$0.9bn** estimated **through-the-cycle EBITDA**



**60 / 40** ADNOC / Borealis **current ownership**<sup>(2)</sup> will become **70 / 30** ADNOC / OMV **post-transaction**<sup>(3)</sup>



Borouge will **maintain operational management of the assets, including marketing of the volumes**



Shareholders to **retain flexibility on timing and funding**, taking into consideration overall market conditions and credit rating. Shareholders may consider **potential stock issuance** of up to \$0.7bn as part of the funding mix

# Advantaged Feedstock Costs in Middle East and North America, and 1<sup>st</sup> Quartile Position in Europe

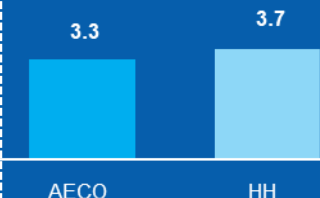
Both Businesses Possess Advantages Brought about by their Position in Europe and North America Respectively

## Feedstock Advantaged

Energy Prices L5Y Avg<sup>(1)</sup>  
(\$/mmbtu)

Nova Feedstock is >75%  
exposed to AECO, Henry  
Hub & Mont Belvieu

North America



NOVA Chemicals

BOREALIS

## Consistently Well-Positioned on European Cost-Curve

Olefin Net Cash Margin<sup>(2)</sup>  
(\$/t)

Stenungsund, Sweden

1<sup>st</sup> Quartile

2019A  
2021A  
2023A

Porvoo, Finland

1<sup>st</sup> Quartile

2019A  
2021A  
2023A



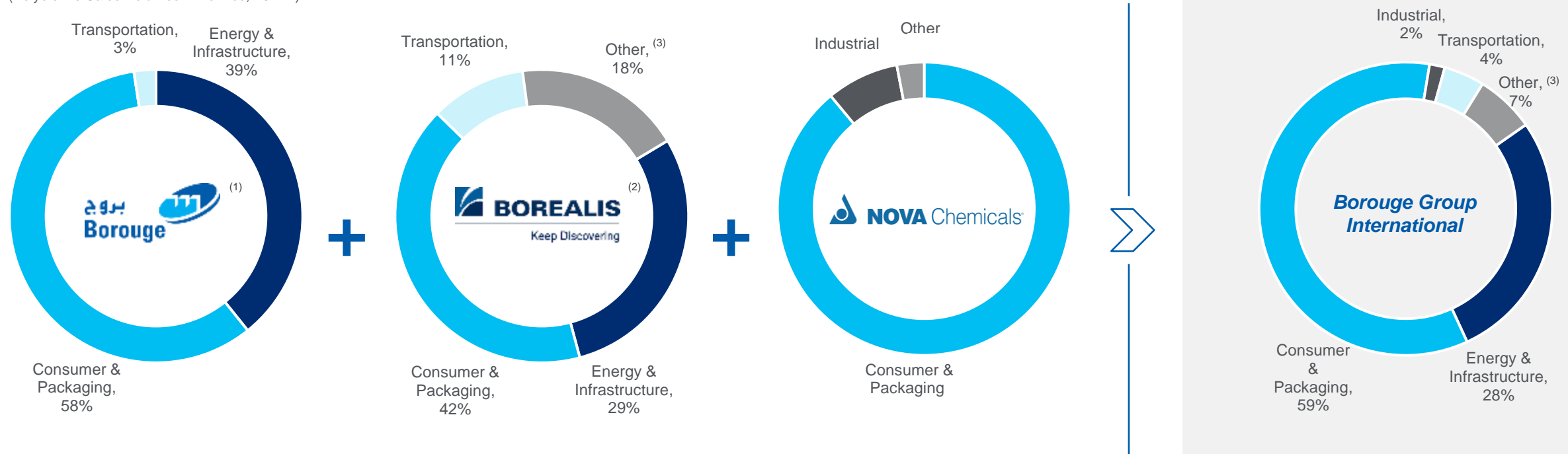
# Complementary Product Portfolios with Focus on Premium Grades ...

Access to Diverse Applications through Specialty and Premium Product Offering

## Complementary Demand Exposure

### Product Sales by Application

(Polyolefins Sales Volumes in Tonnes, 2024A)

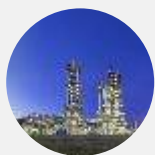


# ... Based on Leading Technologies Enabled through Innovation-Led Strategy and R&D Focus ...

## Ownership of Leading Innovation and R&D Capabilities in the Sector ...



## ...which has Led to Proven Technology & Innovations in Virgin and Recycled Plastic Domains



### Borstar®

*Unique catalyst technology enabling molecular design*



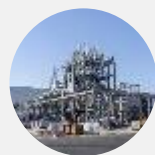
### Borlink™

*Linking grids and energy sources regionally and globally*



### Borceed™

*Closing the gap between thermoplastic products and rubber*



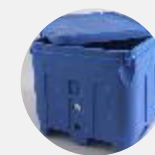
### Borcycle™

*Recycling technology closing the loop on plastic waste*



### Advanced Sclairtech™

*Maximizing capability of catalyst innovations*



### Novapol®

*Resins with unique mechanical properties and versatility*



### Syndigo™

*High-quality mechanically recycled polyethylene*

### Faster Roll-Out of New Innovations ...



Shorter time to market for new products and **faster application at scale...**

---

... **addressing customer needs** across the globe

### ... in Applications where they Create Most Value ...



Ability to marry the **best solutions** with the most promising opportunities...

---

... catering to **regional nuances in demand** and regulatory environment

### ... Leading to Premium Products and Higher Margins



**Innovative products and solutions** for customers will translate into **premium products...**

---

... and **higher margins**

# Ongoing Projects to Capture Upside from Sustainable and Circular Solutions

## Strong Positioning in Chemicals and Mechanicals Recycling ...

### Borcycle™



**Recycling technology** solutions for polyolefins-based, post-consumer waste

**Technology solutions include:**  
**Borcycle™ M** for mechanical recycling  
**Borcycle™ C** for chemical recycling

**Borcycle™ M** offers recyclates with up to **100% recycled content**

All **Borcycle C** polymers are certified by **ISCC PLUS<sup>(1)</sup>**



### Renasci / Ecoplast / mtm



**Renasci** is a Belgian innovator with focus on **“one-stop-shop” mixed waste sorting and recycling** (mechanical and chemical)

**Ecoplast** is an Austrian **post-consumer plastics recycler** with focus on **high-quality PE grades** and **c.30,000tpa capacity**

**mtm** is a German **technology leader** in the recycling of mixed post-consumer plastics waste and one of **Europe’s largest producers of post-consumer polyolefins recyclates**



### Connersville



**Mechanical recycling plant in Connersville, Indiana**

**>100mlbs of rPE capacity** expected by end of **2025**

Construction currently on **schedule** and on **budget**

**9 rPE contracts executed**



## ... Combined with Product Innovations Supporting Customer Sustainability Targets



**Borlink™** connecting offshore wind farms to grids around the world

New innovations to support **clean solar energy**

Self cleaning polyolefin to reduce food waste and **boost recyclability**



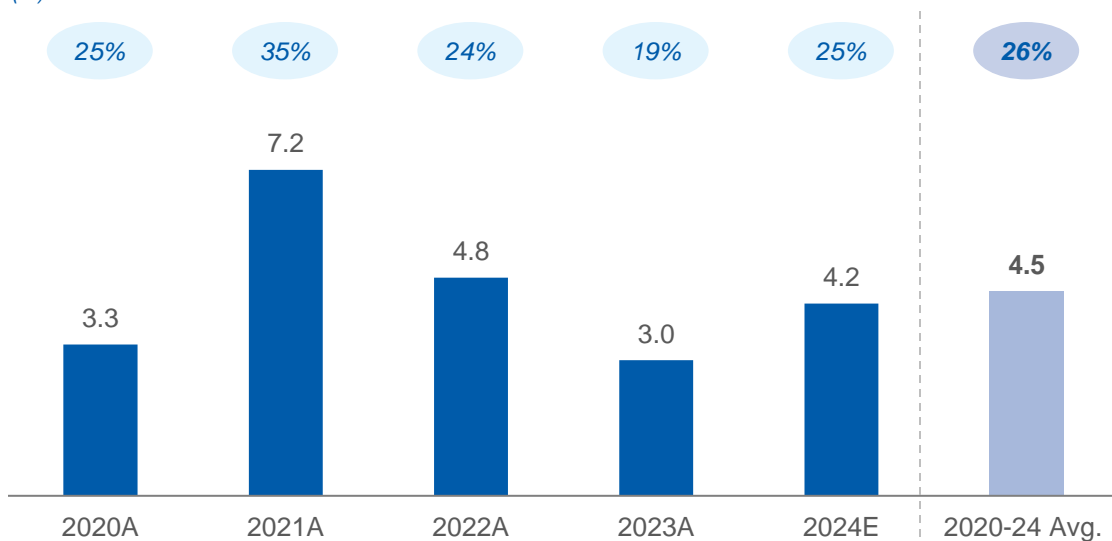
**Stelora™** offers additional heat-resistance capabilities with potential applications in power generators, inverters and electric vehicles

Sustainable packaging solutions with **80% PCR content**

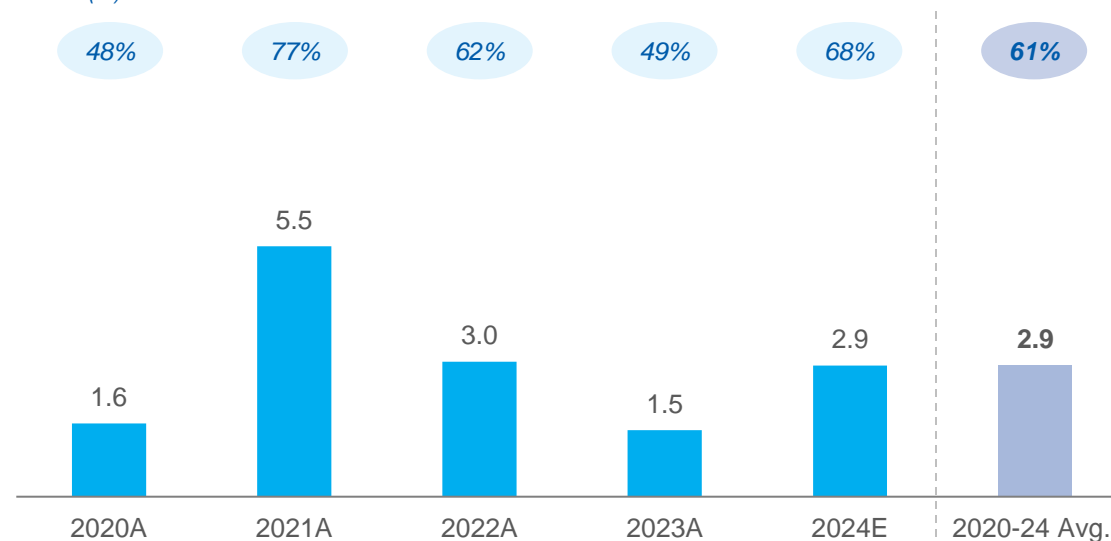
**Queo Bornewables™** bio-based plastomer and elastomers

## Pro-Forma EBITDA

(\$bn)

EBITDA Margin  
(%)Pro-Forma Free Cash Flow<sup>(1)</sup>

(\$bn)

FCF/EBITDA  
(%)

Three Profitable Complementary Businesses of Scale



Attractive Margin Profile with Expansion via Identified Synergies



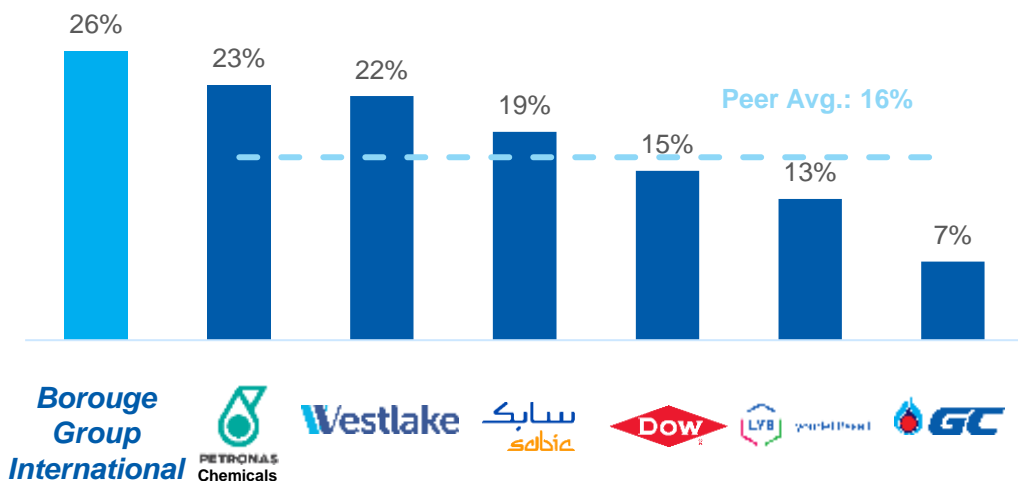
Robust Capital Structure Targeting Investment Grade with Target Through-the-Cycle Net Leverage of up to 2.5x



Financial Strength to Fund Future Organic and Inorganic Growth

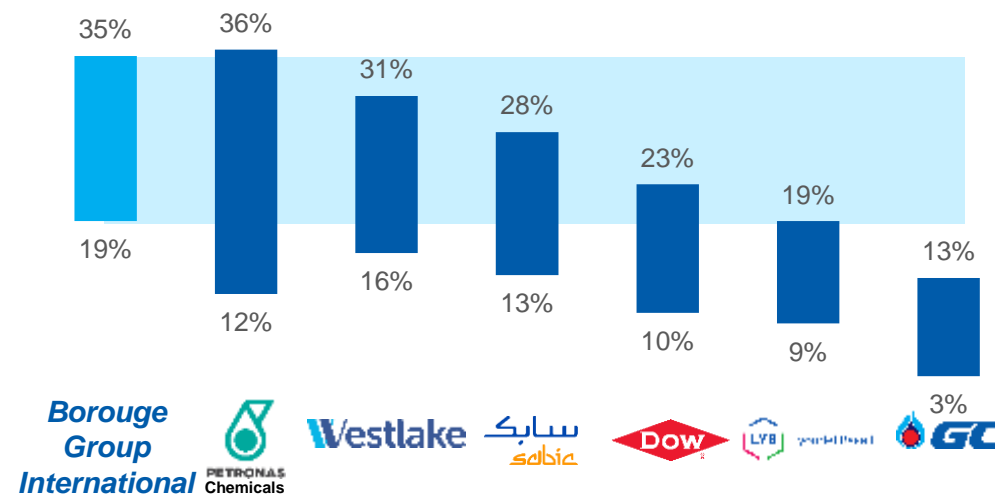
### Superior Average Margin vs. Select Peers<sup>(1)</sup>...

(2020A – 2024E Average EBITDA Margin)



### ...Demonstrating Resilience Through-the-Cycle

(2020A – 2024E Average EBITDA Margin Range)



### Driving Superior Margins with...



**Access to Cost-Competitive Feedstock** in Middle East and North America



**Feedstock Flexibility** in Nordics and Backward Integration



**Differentiated and Superior Products**



**Direct Access to Markets** with Global Sales Offices in Strategic Locations



**Strong Customer Service Focus**

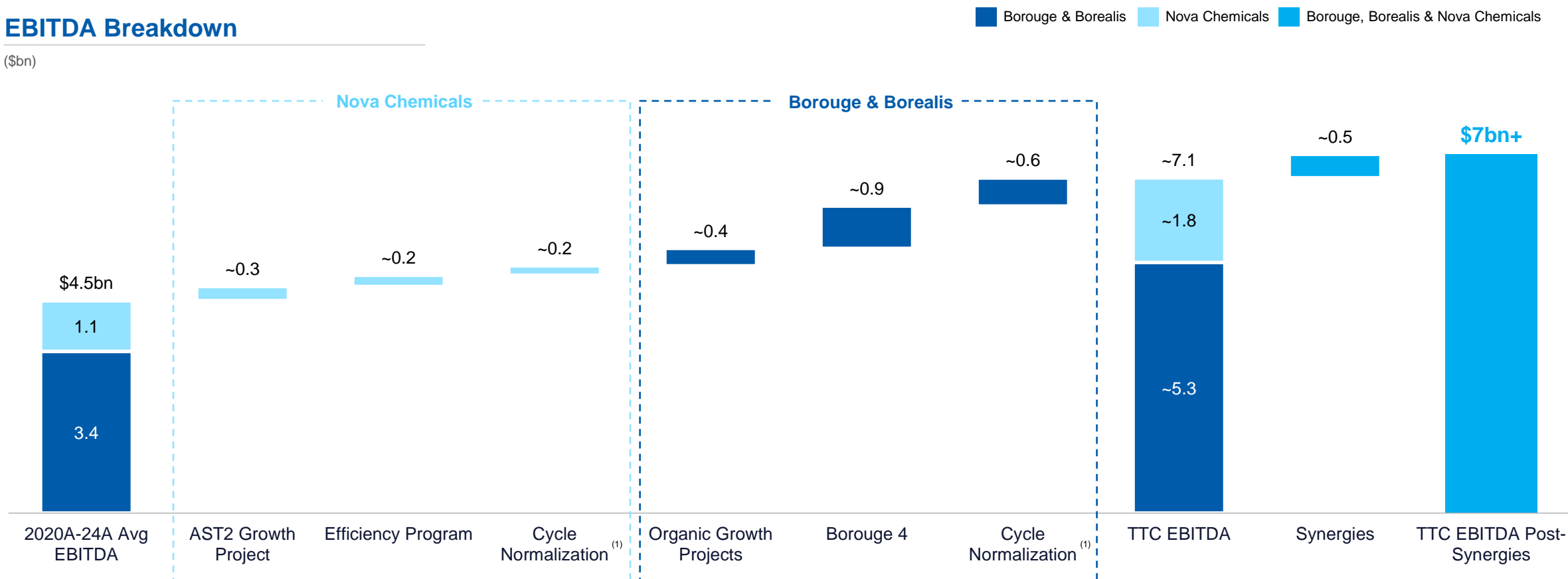


Ramp-Up of Growth Project and Cycle Normalizations Expected to Increase Run-Rate EBITDA Meaningfully

## Expected Through-the-Cycle EBITDA

### EBITDA Breakdown

(\$bn)



# Significantly Geared Towards Cycle Recovery

Expected industry normalization of operating rates, prices and spreads in the mid-term

## Polyethylene spot prices (US\$/t - 2020-2024)<sup>(1)</sup>

	Peak	Trough	Average 5 years	Today
Western Europe	2,280	833	1,399	1,228
NE Asia	1,200	655	953	855
North America	2,116	904	1,329	1,102

**Borouge Group International well place to benefit from price recovery**

## ... and Significant Identified Potential Synergies of c.\$500m p.a.

25-Year Track Record of Strategic Cooperation Between ADNOC and OMV will Ensure Smooth Synergy Realisation

### Synergies Drivers



Improved geographical sales coverage



Cross-selling opportunities



Cost optimization

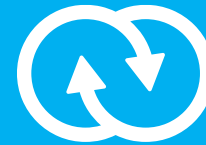


Production network optimization



Better procurement terms and supply chain

### Synergy Implementation Plan Agreed Between ADNOC & OMV



Anticipated  
Annual Synergies<sup>(1)</sup>

Estimated  
**c.\$500m<sup>(2)</sup> p.a.**  
**run-rate EBITDA**

**c.75% of Synergies**

expected to be realised within 3  
years post completion

**c.\$150m**

Estimated one-off implementation  
costs

# Proposed Structure, Financial Highlights and Timeline



Borouge Group International will be headquartered and domiciled in **Austria** with regional headquarters in **the UAE** and will be listed on the **ADX**<sup>(1)</sup>



**Equal governance rights between ADNOC and OMV**. Supervisory Board comprising equal representatives from each shareholder<sup>(2)</sup>; with ADNOC nominating Chairperson and OMV nominating Vice Chairperson



Upon completion, ADNOC's shareholding in Borouge Group International will be transferred to **XRG's Global Chemicals Platform**, supporting its global chemicals growth strategy and value-creation agenda



Borouge Group International to serve as **the platform** through which ADNOC and OMV will pursue their **polyolefins growth strategy**

# Proposed Steps



1

**All-share combination of Borouge & Borealis** resulting in newly formed Borouge Group International owned by ADNOC & OMV



2

**Primary injection by OMV of approximately €1.6bn<sup>(1)</sup>** into Borouge Group International to equalise ownership



3

**Acquisition of Nova, for an enterprise value of \$13.4bn** (at 7.5x EBITDA), funded through acquisition debt, which is expected to be refinanced in the capital markets



4

**Proposed share exchange offer to Borouge free float** for shares in Borouge Group International, subject to SCA approval<sup>(2)</sup>



5

**Cash capital increase by Borouge Group International in 2026 of up to c.\$4bn** to augment investment grade credit rating profile and achieve MSCI inclusion



6

**Recontribution of Borouge 4** expected to be at total cost, estimated at **c.\$7.5bn**

Notes: (1) Subject to adjustment for payment of Borouge and Borealis dividends prior to completion of transaction. (2) For the avoidance of doubt, nothing in this document shall constitute an offer (or an intention to make an offer) by ADNOC, OMV, Borealis or, following its incorporation, Borouge Group International, for the shares in Borouge held by the free float or a recommendation by the board of directors of Borouge under the Decision of the Chairman of the SCA Board of Directors No. (18 / R.M) of 2017 or under the ADGM Takeover Regulations (Takeover Code) Rules 2015.



# Funding and Capital Structure



**Borouge Group International** will target **a robust capital structure and a strong investment grade** credit rating profile, with a through-the-cycle target **net leverage of up to 2.5x** EBITDA



**Acquisition of Nova**, at completion, **funded through acquisition debt**, which is expected to be refinanced in the capital markets



**Cash capital increase by Borouge Group International in 2026** of up to c.\$4bn to augment investment grade credit rating profile and achieve MSCI inclusion



**Borouge 4** with a total estimated cost of **c.\$7.5bn** to be primarily funded through debt with **potential additional stock issuance** (up to c.\$0.7bn to fund part of the B4 equity) to ADNOC and OMV to maintain investment grade rating



# Dividend Policy and Implications for Borouge Shareholders

Transaction is Expected to be Immediately and Sustainably Accretive to Borouge DPS

## Dividend Policy



**90% payout ratio<sup>(1)</sup>** with potential upside for distribution based on free cash flow<sup>(2)</sup> generation



Subject to an annual **dividend floor of equivalent to 16.2 fils per share<sup>(3)</sup>**



## Implications for Borouge Shareholders



No changes to the Borouge existing dividend policy until the completion of the transaction



Borouge Group International's DPS is expected to be immediately and sustainably accretive to Borouge DPS, supported by a stronger cash flow generation through-the-cycle

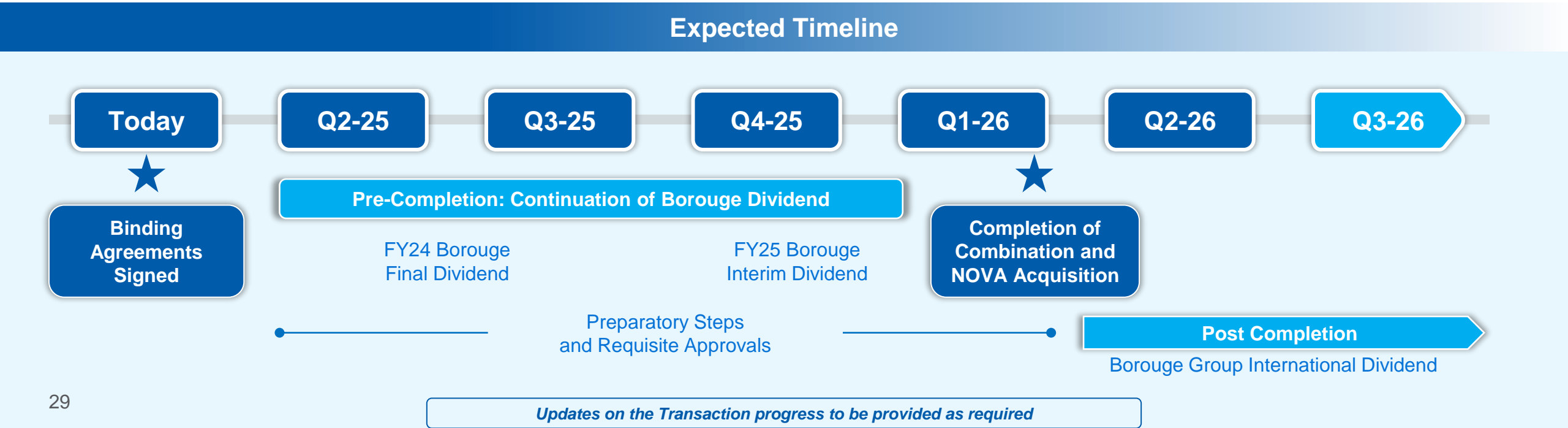
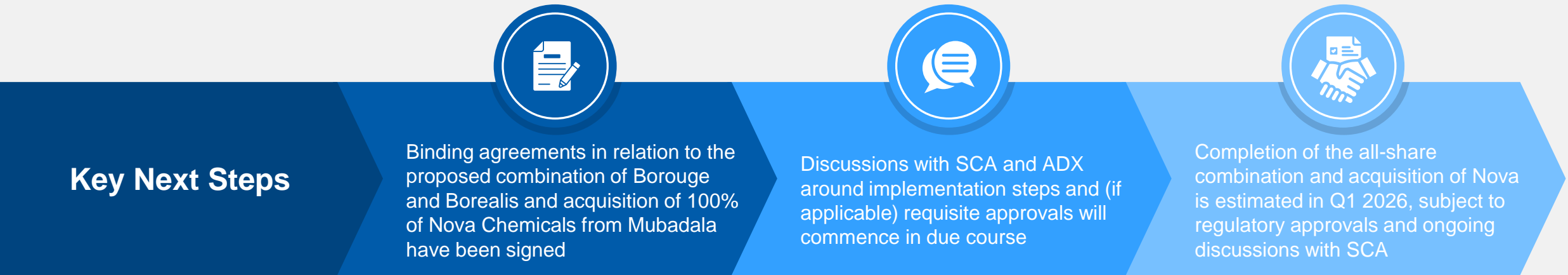


Annual dividend floor implies 2% accretion vs. historical Borouge's dividend per share



Borouge Group International cash EPS<sup>(4)</sup> is expected to be accretive to Borouge EPS

# Expected Timeline



بروج  
Borouge



+



**BOREALIS**

+



**NOVA** Chemicals

**THANK YOU**

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