# Borouge PLC

DIRECTORS' REPORT, REVIEW REPORT AND
INTERIM CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS

31 MARCH 2025

Borouge PLC

Directors' report, review report and interim condensed consolidated financial statements
For the three month period ended 31 March 2025

# BOROUGE PLC

## DIRECTORS' REPORT

### FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2025

The Directors present their report together with the interim condensed consolidated financial statements of Borouge PLC ("the Company") and its subsidiaries (the "Group") for the three month period ended 31 March 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 period of USD 281.07 million (Period ended 31 March 2024: USD 272.71 million) as presented in these interim condensed consolidated financial statements.

**For the Board of Directors**

Chairman

29 April 2025
Abu Dhabi, UAE

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**REPORT ON THE REVIEW OF**

**INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS TO THE BOARD OF DIRECTORS OF**

**BOROUGE PLC**

*Introduction*
We have reviewed the accompanying interim condensed consolidated financial statements of Borouge PLC (the "Company") and its subsidiaries (the "Group") as at 31 March 2025, comprising of the interim condensed consolidated statement of financial position as at 31 March 2025 and the related interim condensed consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows for the three month period then ended and explanatory notes. Management is responsible for the preparation and fair presentation of these interim condensed consolidated financial statements in accordance with International Accounting Standard IAS 34, *Interim Financial Reporting* ("IAS 34"). Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

*Scope of review*
We conducted our review in accordance with International Standards on Review Engagements 2410, *"Review of Interim Financial Information Performed by the Independent Auditor of the Entity"*. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

*Conclusion*
Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34.

For Ernst & Young

Walid Nakfour
Registration No: 5479

29 April 2025
Abu Dhabi, United Arab Emirates

# INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 31 March 2025

| | Notes | ***31 March 2025 USD'000 (Unaudited)*** | *31 December 2024 USD'000 (Audited)* |
|---|---|---|---|
| **ASSETS** | | | |
| **Non-current assets** | | | |
| Property, plant and equipment | 3 | **6,201,091** | 6,292,502 |
| Intangible assets | | **58,987** | 60,643 |
| Right-of-use assets | | **23,899** | 24,797 |
| Investment in sublease | 8 | **137,063** | 135,789 |
| Loans to employees | | **20,248** | 20,509 |
| Deferred tax assets | | **2,257** | 2,397 |
| **Total non-current assets** | | **6,443,545** | 6,536,637 |
| **Current assets** | | | |
| Inventories | 4 | **661,333** | 640,505 |
| Amounts due from related parties | 8 | **247,314** | 209,937 |
| Trade receivables | 5 | **833,970** | 858,768 |
| Loans to employees | | **13,623** | 13,454 |
| Investments in sublease | | **2,965** | 5,741 |
| Prepayments and other receivables | 6 | **57,843** | 23,917 |
| Cash and cash equivalents | 7 | **762,835** | 418,506 |
| **Total current assets** | | **2,579,883** | 2,170,828 |
| **TOTAL ASSETS** | | **9,023,428** | 8,707,465 |
| **EQUITY AND LIABILITIES** | | | |
| **Equity** | | | |
| Share capital | | **4,809,231** | 4,809,231 |
| Treasury shares | 16 | **(10,045)** | - |
| Other reserve | 16 | **210** | - |
| Merger reserve | | **(4,446,467)** | (4,446,467) |
| Restricted reserve | | **186,770** | 186,770 |
| Capital reserve | | **12,490** | 12,490 |
| Cash flow hedge reserve | | **(7,912)** | (5,993) |
| Actuarial reserve | | **18,320** | 18,320 |
| Translation reserve | | **(7,295)** | (7,741) |
| Retained earnings | | **4,174,899** | 3,896,116 |
| Equity attributable to the shareholders of the parent | | **4,730,201** | 4,462,726 |
| Non-controlling interests | | **21,702** | 19,337 |
| **Total equity** | | **4,751,903** | 4,482,063 |

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION continued
As at 31 March 2025

| | *Notes* | ***31 March 2025 USD'000 (Unaudited)*** | *31 December 2024 USD'000 (Audited)* |
|---|---|---|---|
| **EQUITY AND LIABILITIES** continued | | | |
| **Non-current liabilities** | | | |
| Provision for employees' end of service benefits | | **89,528** | 97,585 |
| Lease liabilities | | **158,260** | 158,082 |
| Deferred tax liability | | **89,617** | 85,136 |
| Bank loans | | **2,944,592** | 2,944,100 |
| Derivative financial instruments | | **7,912** | 5,993 |
| **Total non-current liabilities** | | **3,289,909** | 3,290,896 |
| **Current liabilities** | | | |
| Trade and other payables | | **356,835** | 356,660 |
| Amounts due to related parties | 8 | **538,219** | 520,260 |
| Lease liabilities | | **8,903** | 9,042 |
| Provisions for employees end of service benefits | | **9,427** | 1,235 |
| Income tax payable | | **68,232** | 47,309 |
| **Total current liabilities** | | **981,616** | 934,506 |
| **Total liabilities** | | **4,271,525** | 4,225,402 |
| **TOTAL EQUITY AND LIABILITIES** | | **9,023,428** | 8,707,465 |

H.E. Dr. Sultan Ahmed Al Jaber
Chairman

Hazeem Sultan Al Suwaidi
Chief Executive Officer

Jan-Martin Nufer
Chief Financial Officer

The accompanying notes form an integral part of the interim condensed consolidated financial statements.

# INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the three month ended 31 March 2025

| | Notes | ***For the three-month period ended 31 March 2025 USD'000 (Unaudited)*** | *For the three-month period ended 31 March 2024 USD'000 (Unaudited)* |
|---|---|---|---|
| Revenue | 9 | **1,419,611** | 1,302,177 |
| Cost of sales | 10 | **(845,554)** | (729,708) |
| **Gross profit** | | **574,057** | 572,469 |
| Other income | | **6,050** | 4,154 |
| General and administrative expenses | | **(60,573)** | (50,744) |
| Selling and distribution expenses | | **(89,940)** | (95,941) |
| Impairments loss on property, plant and equipment and intangible assets | | **-** | (588) |
| **Operating profit** | | **429,594** | 429,350 |
| Finance income | | **7,897** | 9,664 |
| Finance costs | | **(42,622)** | (53,469) |
| Foreign exchange loss | | **(720)** | (287) |
| **Profit for the period before tax** | | **394,149** | 385,258 |
| Income tax expense | 12 | **(113,082)** | (112,553) |
| **Profit for the period** | | **281,067** | 272,705 |
| **Other comprehensive (loss) / income** | | | |
| *Items that may be reclassified to profit or loss* | | | |
| Fair value gain on derivatives used in effective cash flow hedge relationship | | **(1,919)** | 7,554 |
| Exchange differences on translation of foreign operation | | **527** | (1,712) |
| **Total other comprehensive (loss) / income for the period** | | **(1,392)** | 5,842 |
| **Total comprehensive income for the period, net of tax** | | **279,675** | 278,547 |
| **Profit for the period attributable to:** | | | |
| Shareholders of the Parent | | **278,783** | 270,583 |
| Non-controlling interests | | **2,284** | 2,122 |
| | | **281,067** | 272,705 |
| **Total comprehensive income for the period attributable to:** | | | |
| Shareholders of the Parent | | **277,310** | 276,686 |
| Non-controlling interests | | **2,365** | 1,861 |
| | | **279,675** | 278,547 |
| **Earnings per share:** | | | |
| Basic and diluted (USD) | 11 | **0.01** | 0.01 |

The accompanying notes form an integral part of the interim condensed consolidated financial statements.

# INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
31 March 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 (audited) | 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 period | - | - | - | - | - | - | - | - | - | 270,583 | 270,583 | 2,122 | 272,705 |
| Other comprehensive income for the period | - | - | - | - | - | - | - | 7,554 | (1,451) | - | 6,103 | (261) | 5,842 |
| Total comprehensive income for the period | - | - | - | - | - | - | - | 7,554 | (1,451) | 270,583 | 276,686 | 1,861 | 278,547 |
| Dividends (note 8) | - | - | - | - | - | - | - | - | - | (649,852) | (649,852) | (6,100) | (655,952) |
| Balance at 31 March 2024 (unaudited) | 4,809,231 | - | - | (4,446,467) | 186,486 | 12,490 | 17,993 | (5,054) | (6,925) | 3,591,562 | 4,159,316 | 9,115 | 4,168,431 |
| | | | | | | | | | | | | | |
| Balance at 1 January 2025 (audited) | 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 period | - | - | - | - | - | - | - | - | - | 278,783 | 278,783 | 2,284 | 281,067 |
| Other comprehensive income for the period | - | - | - | - | - | - | - | (1,919) | 446 | - | (1,473) | 81 | (1,392) |
| Total comprehensive income for the period | - | - | - | - | - | - | - | (1,919) | 446 | 278,783 | 277,310 | 2,365 | 279,675 |
| Dividends (note 8) | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Own shares acquired in the period (note 16) | - | (10,045) | 210 | - | - | - | - | - | - | - | (9,835) | - | (9,835) |
| **Balance at 31 March 2025 (unaudited)** | **4,809,231** | **(10,045)** | **210** | **(4,446,467)** | **186,770** | **12,490** | **18,320** | **(7,912)** | **(7,295)** | **4,174,899** | **4,730,201** | **21,702** | **4,751,903** |

The accompanying notes form an integral part of the interim condensed consolidated financial statements.

# INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASHFLOWS

For the three month ended 31 March 2025

| | Notes | ***For the three-month period ended 31 March 2025 USD'000 (Unaudited)*** | *For the three-month period ended 31 March 2024 USD'000 (Unaudited)* |
|---|---|---|---|
| **Cash flows from operating activities** | | | |
| Profits before tax for the period | | **394,149** | 385,258 |
| *Adjustments for:* | | | |
| Depreciation on property, plant and equipment | 3 | **128,215** | 130,443 |
| Depreciation on right-of-use assets | | **894** | 1,224 |
| Amortisation of intangible assets | | **5,754** | 5,456 |
| Provision / (reversal of) for expected credit losses | 5 | **104** | (2,148) |
| Reversal of provision for slow moving and obsolete inventory | | **(675)** | (300) |
| Gain on disposal of assets and modification of right-of-use assets | | **-** | (1) |
| Impairment loss of property, plant and equipment | | **-** | 588 |
| Unrealized foreign exchange (gain) / loss | | **(134)** | 280 |
| End of service benefits charge | | **2,044** | 4,526 |
| Finance cost | | **42,622** | 53,469 |
| Finance income | | **(7,897)** | (9,664) |
| **Net cash flows from operating activities before changes in working capital** | | **565,076** | 569,131 |
| **Changes in working capital:** | | | |
| Decrease in trade receivables | | **25,311** | 91,351 |
| Increase in amounts due from related parties | | **(35,435)** | (1,716) |
| Increase in inventories | | **(20,088)** | (23,038) |
| Increase (decrease) in prepayments and other receivables | | **(32,952)** | 3,413 |
| Increase in amounts due to related parties | | **16,294** | 61,546 |
| Decrease in trade and other payables | | **(9,339)** | (5,493) |
| Increase in other payables | | **9,101** | 3,971 |
| (Decrease) increase in contract liabilities | | **(568)** | 4,191 |
| **Cash generated from operating activities** | | **517,400** | 703,356 |
| End of service benefits paid | | **(1,916)** | (3,482) |
| Tax paid | | **(87,598)** | (105,792) |
| **Net cash generated from operating activities** | | **427,886** | 594,082 |
| **Cash flows used in investing activities** | | | |
| Payments for purchase of property, plant and equipment | 3 | **(40,745)** | (14,368) |
| Payments for purchase of intangible assets | | **-** | (765) |
| Finance income received | | **5,765** | 7,640 |
| **Cash used in investing activities** | | **(34,980)** | (7,493) |
| **Cash flows used in financing activities** | | | |
| Repayment of bank loan | | **-** | (100,000) |
| Purchase of Treasury shares | 16 | **(9,835)** | - |
| Payment of interest on bank loan | | **(38,223)** | (51,076) |
| Receipt from sub lease | | **-** | 328 |
| Payment of lease liabilities | | **(1,131)** | (1,333) |
| **Cash used in financing activities** | | **(49,189)** | (152,081) |
| **Changes in the translation reserve** | | **612** | (1,016) |
| **Net increase in cash and cash equivalents** | | **343,717** | 434,508 |
| Cash and cash equivalents at beginning of period | | **418,506** | 353,921 |
| **Cash and cash equivalents at end of period** | 7 | **762,835** | 787,413 |

The accompanying notes form an integral part of the interim condensed consolidated financial statements.

## 1 GENERAL INFORMATION

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 (Amendment No. 1) 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 L.L.C. and Borouge Pte. Ltd.

In the period, 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. Upon merging, Borouge Group International will acquire Nova Chemicals, a leading North America-based polyethylene producer for US$ 13.4 billion expanding global reach and access to growth markets. The above restructuring including the reorganization of Borouge PLC is expected to be implemented in 2026.

Under the terms of the agreement, ADNOC and OMV will hold equal stakes of 46.94% in Borouge Group International, 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 Borouge Group International.

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

Details of the Company's subsidiaries as at 31 March 2025 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 Kora | Trading of polyolefins products and sales and marketing support |

The Company together with its subsidiaries is referred to as the "Group".

The interim condensed consolidated financial statements were approved by the Board of Directors and authorised for issuance on 29 April 2025.

## 2 BASIS OF PREPARATION

### 2.1 STATEMENT OF COMPLIANCE

The interim condensed consolidated financial statements for the three month ended 31 March 2025 have been prepared in accordance with IAS 34 Interim Financial Reporting. The Group has prepared the interim condensed consolidated financial statements on the basis that it will continue to operate as a going concern.

The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual consolidated financial statements as at 31 December 2024.

### 2.2 FUNCTIONAL AND PRESENTATION CURRENCY

These interim condensed consolidated financial statements are presented in US Dollar ("USD"), which is the Group' functional currency. All amounts have been rounded to the nearest thousand, unless otherwise indicated.

### 2.3 NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS ADOPTED BY THE GROUP

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2024, except for the adoption of new standards effective as of 1 January 2025. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

One amendment applies for the first time in 2025 but does not have an impact on the interim condensed consolidated financial statements of the Group.

**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.

**3 PROPERTY, PLANT AND EQUIPMENT**

| | *Buildings* *USD'000* | *Plant and machinery* *USD'000* | *Furniture, fixtures and equipment* *USD'000* | *Motor vehicles* *USD'000* | *Capital work-in-progress* *USD'000* | *Total* *USD'000* |
|---|---|---|---|---|---|---|
| ***31 March 2025*** | | | | | | |
| *Cost* | | | | | | |
| Balance at 1 January 2025 (audited) | 716,770 | 12,751,222 | 194,204 | 14,093 | 257,273 | 13,933,562 |
| Additions | - | - | - | - | 40,745 | 40,745 |
| Disposals | - | (44) | (5,909) | - | - | (5,953) |
| Transfers from capital work in progress | 704 | 13,561 | 6,777 | - | (21,042) | - |
| Transfers to intangibles | - | - | - | - | (4,098) | (4,098) |
| Exchange differences | 108 | 246 | 567 | - | 11 | 932 |
| At 31 March 2025 (unaudited) | **717,582** | **12,764,985** | **195,639** | **14,093** | **272,889** | **13,965,188** |
| *Accumulated depreciation and impairment* | | | | | | |
| Balance at 1 January 2025 (audited) | 366,869 | 7,084,935 | 173,850 | 13,562 | 1,844 | 7,641,060 |
| Depreciation | 6,498 | 119,816 | 1,864 | 37 | - | 128,215 |
| Disposals | - | (44) | (5,909) | - | - | (5,953) |
| Exchange differences | 49 | 168 | 562 | 3 | (7) | 775 |
| At 31 March 2025 (unaudited) | **373,416** | **7,204,875** | **170,367** | **13,602** | **1,837** | **7,764,097** |
| Net book value: | | | | | | |
| At 31 March 2025 (unaudited) | **344,166** | **5,560,110** | **25,272** | **491** | **271,052** | **6,201,091** |
| At 31 December 2024 (audited) | 349,901 | 5,666,287 | 20,354 | 531 | 255,429 | 6,292,502 |

During the three months ended 31 March 2024, the Group acquired assets with a cost of USD 14,368 thousand. In the same period, gross disposals were made of USD 160 thousand and total depreciation charges for the period were USD 130,443 thousand.

## 4 INVENTORIES

| | ***31 March 2025 USD'000 (unaudited)*** | *31 December 2024 USD'000 (audited)* |
|---|---|---|
| Finished goods | **403,948** | 378,208 |
| Spare parts | **151,630** | 148,411 |
| Raw materials | **154,551** | 159,183 |
| Goods in transit | **4,817** | 9,020 |
| Work in progress | **5,824** | 5,795 |
| | **720,770** | 700,617 |
| Less: allowance for slow moving and obsolete inventories | **(59,437)** | (60,112) |
| | **661,333** | 640,505 |

## 5 TRADE RECEIVABLES

| | ***31 March 2025 USD'000 (unaudited)*** | *31 December 2024 USD'000 (audited)* |
|---|---|---|
| Trade receivables | **835,220** | 859,914 |
| Provision for expected credit losses | **(1,250)** | (1,146) |
| | **833,970** | 858,768 |

Movement in the allowance for expected credit losses against trade receivables during the period was as follows:

| | ***31 March 2025 USD'000 (unaudited)*** | *31 December 2024 USD'000 (audited)* |
|---|---|---|
| Balance at 1 January | **1,146** | 4,341 |
| Charge / (reversal) for the period/year | **104** | (3,195) |
| At the end of the period/year | **1,250** | 1,146 |

## 6 PREPAYMENTS AND OTHER RECEIVABLES

| | ***31 March 2025 USD'000 (unaudited)*** | *31 December 2024 USD'000 (audited)* |
|---|---|---|
| Prepayments | **10,674** | 4,579 |
| Deposits (note 6.1) | **13,461** | 1,760 |
| Advances to suppliers and contractors | **33,491** | 8,599 |
| Other receivables | **3,074** | 11,836 |
| Provision for expected credit losses | **(2,857)** | (2,857) |
| | **57,843** | 23,917 |

6.1 An amount included within deposits of USD 11,707 thousand (31 December 2024: nil) represents cash held by the Liquidity provider. See note 16 for further details.

## 7 CASH AND CASH EQUIVALENTS

For the purpose of the interim condensed consolidated statement of cash flows, cash and cash equivalents are comprised of the following:

| | ***31 March 2025 USD'000 (unaudited)*** | *31 December 2024 USD'000 (audited)* |
|---|---|---|
| Cash at bank – current accounts | **84,066** | 86,216 |
| Short-term deposits | **678,762** | 332,286 |
| Cash on hand | **7** | 4 |
| Cash and cash equivalents | **762,835** | 418,506 |

Included in the Group's cash and cash equivalents are cash and bank balances amounting to USD 10,679 thousand (31 December 2024: USD 5,855 thousand) that are denominated in Chinese Renminbi ("RMB"). RMB is not a freely convertible currency and the remittance of funds inward and outward of the People's Republic of China ("PRC") is subject to exchange control regulations by the PRC government.

Short-term deposits are mainly denominated in US Dollar ("USD") and earn interest at floating rate of 4.81% per annum (2024: 5.32%) with an original maturity of less than three months.

## 8 RELATED PARTIES – TRANSACTIONS AND BALANCES

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 period, the Group entered into the following significant transactions with related parties at prices and on terms agreed between the related parties:

**Related party transactions**

| | ***For the three-month period ended 31 March 2025 USD'000*** | *For the three-month period ended 31 March 2024 USD'000* |
|---|---|---|
| ***Shareholders*** | | |
| Sale of goods | **148,894** | 108,368 |
| Purchase of goods | **(444,171)** | (303,245) |
| Other income and expenses | **(14,750)** | (11,113) |
| ***Other related parties*** | | |
| Sale of goods | **13,907** | 12,944 |
| Purchase of goods | **(125,898)** | (126,847) |
| Other income and expenses | **(35,165)** | (53,695) |

## 8 RELATED PARTIES – TRANSACTIONS AND BALANCES continued

| | ***For the three-month period ended 31 March 2025 USD'000*** | *For the three-month period ended 31 March 2024 USD'000* |
|---|---|---|
| ***Compensation of key management personnel*** | | |
| Short-term benefits | **2,972** | 1,201 |
| Long-term benefits | **127** | 124 |

Balances with related parties mainly comprise:

***Amounts due to related parties***

| | *Nature* | ***31 March 2025 USD'000*** | *31 December 2024 USD'000* |
|---|---|---|---|
| ADNOC | Shareholder | **285,805** | 278,554 |
| Borealis AG | Shareholder | **113,118** | 112,502 |
| ADNOC Logistics | Affiliate | **72,091** | 68,626 |
| ADNOC Gas Facility | Affiliate | **41,274** | 40,246 |
| DYM Solution Co. Ltd | Affiliate | **10,007** | 10,449 |
| ADNOC Refining | Affiliate | **14,596** | 8,814 |
| ADNOC Distribution | Affiliate | **414** | 491 |
| ADNOC Industrial Gas Elixier | Affiliate | **-** | 471 |
| ADNOC Industrial Gases | Affiliate | **370** | - |
| Borealis Compounds Inc. | Affiliate | **448** | 107 |
| ADNOC Fertiliser | Affiliate | **85** | - |
| OMV Supply & Trading Singapore Pte Ltd | Affiliate | **11** | - |
| | | **538,219** | 520,260 |

***Amounts due from related parties***

| | *Nature* | ***31 March 2025 USD'000*** | *31 December 2024 USD'000* |
|---|---|---|---|
| Borealis AG | Shareholder | **166,080** | 152,407 |
| ADNOC | Shareholder | **50,295** | 40,088 |
| Borouge 4 | Affiliate | **25,396** | 14,142 |
| ADNOC Refining | Affiliate | **5,435** | 3,216 |
| ADNOC Sourgas | Affiliate | **50** | - |
| Borealis AG Abu Dhabi | Affiliate | **58** | 57 |
| ADNOC Global Trading | Affiliate | **-** | 27 |
| | | **247,314** | 209,937 |
| OMV Supply & Trading Singapore PTE Ltd | Affiliate | **97** | 98 |
| Borouge 4- Investment in sublease | Affiliate | **139,931** | 141,432 |
| | | **140,028** | 141,530 |
| | | **387,342** | 351,467 |

## 8 RELATED PARTIES – TRANSACTIONS AND BALANCES continued

Amounts due from related parties are disclosed in condensed consolidated statement of financial position as follows:

| | ***31 March 2025 USD'000*** | *31 December 2024 USD'000* |
|---|---|---|
| Investment in sublease – current | **2,965** | 5,741 |
| Investment in sublease – non-current | **137,063** | 135,789 |
| Amounts due from related parties - current | **247,314** | 209,937 |
| Total | **387,342** | 351,467 |

*Dividends*
On 3 February 2025, the Board of Directors endorsed an annual dividend amounting to USD 649,852 thousand (amounting to AED 2,386,585 thousand or 7.94 fils per share) which was approved in the AGM on 7 April 2025 and is due for payment in April 2025 (Period ended 31 March 2024: USD 649,853 thousand). Further, USD 1,525 thousand (2024: USD 6,100 thousand) dividend to non-controlling interest is due for payment in April 2025.

## 9 REVENUE

The Group derives its revenue from contracts with customers for the transfer of goods and services at a point in time in the following major lines of business.

| | ***For the three-month period ended 31 March 2025 USD'000*** | *For the three-month period ended 31 March 2024 USD'000* |
|---|---|---|
| ***Sale of goods*** | | |
| Polyethylene | **855,119** | 809,351 |
| Polypropylene | **550,064** | 483,333 |
| Ethylene and others | **14,428** | 9,493 |
| | **1,419,611** | 1,302,177 |
| ***Timing of revenue recognition*** | | |
| At a point in time | **1,419,611** | 1,302,177 |

## 9 REVENUE continued

***Geographical information***
Revenue is based on the geographical location of end customers as follows:

| | ***For the three-month period ended 31 March 2025 USD'000*** | *For the three-month period ended 31 March 2024 USD'000* |
|---|---|---|
| People's Republic of China | **380,110** | 363,824 |
| India | **191,686** | 166,627 |
| United Arab Emirates | **162,710** | 182,950 |
| Austria | **144,001** | 108,368 |
| Egypt | **66,610** | 85,408 |
| Pakistan | **65,939** | 51,463 |
| Vietnam | **36,111** | 33,612 |
| Saudi Arabia | **35,211** | 24,755 |
| Others | **337,233** | 285,170 |
| **Revenue from contracts with end customers** | **1,419,611** | 1,302,177 |

## 10 COST OF SALES

| | ***For the three-month period ended 31 March 2025 USD'000*** | *For the three-month period ended 31 March 2024 USD'000* |
|---|---|---|
| Cost of production and other related costs | **771,100** | 667,287 |
| Depreciation on property, plant and equipment | **61,409** | 51,309 |
| Royalty expenses | **10,310** | 8,954 |
| Amortisation of intangible assets | **2,706** | 2,140 |
| Depreciation on right-of-use assets | **29** | 18 |
| | **845,554** | 729,708 |

## 11 BASIC AND DILUTED EARNINGS PER SHARE

Earnings per share amounts are calculated by dividing the profit attributable to shareholders of the Company by the weighted average number of share outstanding during the period.

| | ***For the three-month period ended 31 March 2025 (unaudited)*** | *For the three-month period ended 31 March 2024 (unaudited)* |
|---|---|---|
| Profit attributable to owners of the Company (USD '000) | **278,783** | 270,583 |
| Weighted average number of shares in issue | **30,057,023,771** | 30,057,691,583 |
| Earnings per share (USD) | **0.01** | 0.01 |

## 11 BASIC AND DILUTED EARNINGS PER SHARE continued

The weighted average number of ordinary shares takes into account the weighted average effect of changes in treasury shares (note 16) during the year.

## 12 INCOME TAX EXPENSE

| | ***For the three-month period ended 31 March 2025 USD'000*** | *For the three-month period ended 31 March 2024 USD'000* |
|---|---|---|
| Income tax expense | | |
| - UAE | **105,212** | 102,528 |
| - Foreign jurisdictions | **3,238** | 1,216 |
| Deferred tax charge | **4,632** | 8,809 |
| | **113,082** | 112,553 |

***United Arab Emirates***
Income tax expense is recognized at an amount determined by multiplying the profit before tax for the interim reporting period by management's best estimate of the weighted average annual income tax rate expected for the full financial year, adjusted for the tax effect of certain items recognized in full in the interim period. As such, the effective tax rate in the interim financial statements may differ from management's estimate of the effective tax rate for the annual financial statements. Effective tax rate for the period 31 March 2025 is 29.71% (31 March 2024: 29.59%).

The Company is subject to Abu Dhabi Income Tax on its taxable income attributable to its operations in respect of Borouge 1, Borouge 2 and Borouge 3.

***Foreign jurisdictions***
The Group's subsidiaries in foreign jurisdictions are subject to taxation. Income tax for the current period is provided on the basis of estimated taxable income computed by the Group using tax rates, enacted, or substantially enacted at the reporting date, applicable in the respective countries in which the subsidiaries operate and any adjustment to tax in respect of previous years.

## 13 CONTINGENCIES AND CAPITAL COMMITMENTS

As at 31 March 2025, the Group had commitments amounting to USD 282 thousand (31 December 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.

At 31 March 2025, the Group has authorized and committed estimated future capital expenditure amounting to USD 141,510 thousand (31 December 2024: USD 129,087 thousand).

## 14 SEASONALITY OF RESULTS

There is no impact of seasonality on the Group's operating results.

## 15 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 March 2025 and 31 December 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 March 2025*** | | | | |
| Interest rate swap – hedged | **-** | **7,912** | **-** | **7,912** |
| *At 31 December 2024* | | | | |
| Interest rate swap – hedged | - | 5,993 | - | 5,593 |

At 31 March 2025, the Group holds interest rate swap agreements for notional amount of USD 500 million (31 December 2024: USD 500 million). During the period ended 31 March 2025, the Group earned a fair value loss on derivatives used in effective cashflow hedge relationship of USD 1,919 thousand (period ended 31 March 2024: gain of USD 7,554 thousand).

***Cash flow hedge***
At 31 March 2024, the Group had interest rate swap agreements in place with a notional amount of USD 500,000 thousand (31 December 2023: USD 500,000 thousand) whereby the Group pays a fixed rate of interest of 4.65% and receives interest at a variable rate of the notional amount. 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.

The ineffectiveness recognised in the condensed consolidated statement of profit or loss was USD nil (period ended 31 March 2024: nil).

## 16 TREASURY SHARES AND SHARE PREMIUM

During the period, the Company 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 Company'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 Company. The Company has provided the funding to the Market Maker to trade the Company'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 March 2025, the Market Maker held 15,234 thousand shares (31 December 2024: Nil) on behalf of the Company, which are classified under equity as treasury shares at the average purchase price amounting to USD 10,045 thousand (31 December 2024; nil). A cumulative net gain of USD 210 thousand has been recognized at 31 December 2024 (31 March 2024; nil) in an 'other reserve' under equity.

## 17 COMPARATIVE INFORMATION

Certain comparative figures have been reclassified in order to conform to the presentation for the current period and to improve the quality of information previously presented. Such reclassifications do not affect previously reported net profit or total equity.