Market announcement

BOROUGE DELIVERS 23% INCREASE IN NET PROFIT QoQ DESPITE CHALLENGING OPERATING ENVIRONMENT

- *Successful repairs to affected assets restored full production availability by the end of June*
- *Shipped 100% of available production and significant additional volumes from inventory through alternative logistic routes*
- *Global shortage of polyolefins and record premia for Borouge's differentiated products drove a 53% increase in average realised prices QoQ*
- *Margins temporarily impacted by increased logistics expenses and propylene feedstock costs, reflecting operating conditions in the current market environment*
- *Borouge Plc annual dividend intention of 16.2 fils per share remains in place*

ABU DHABI, UAE – 31 July 2026: Borouge Plc (ADX symbol: BOROUGE / ISIN AEE01072B225) ("the Company") delivered a resilient second quarter performance in 2026, demonstrating the strength of its operations, supply chain agility and financial discipline despite adverse regional developments.

Following the incident on 5 April at its Ruwais complex, the Company restored full asset availability ahead of schedule with the successful repair of affected assets completed by the end of June. The Company successfully shipped all volumes produced during the quarter as well as additional volumes from inventory.

As a result of the Company's operational and commercial resilience, Borouge Plc, reported in Q2 2026 an increased revenue of $1.4 billion (Q1 2026: $1.2 billion), adjusted EBITDA of $401 million (Q1 2026: $343 million), and net profit of $191 million (Q1 2026: $156 million), supported by sales volumes of 0.9 million tonnes. The Company benefitted from a 53% increase in average realised prices quarter-on-quarter (QoQ), supported by stronger global polyolefin pricing and record premia for Borouge's differentiated products.

Hazeem Sultan Al Suwaidi, Chief Executive Officer of Borouge Plc, commented: "Borouge delivered a resilient second quarter performance despite the regional developments, reflecting the strength of our operations, the agility of our supply chain and the outstanding commitment of our people. The swift and coordinated response enabled us to implement effective alternative logistics routes, ensuring we shipped all volumes produced, supplemented by additional volumes from inventory, during the quarter, without dependency on the Strait of Hormuz. Repair work was completed safely and successfully, restoring full production availability across all units affected by the incident on 5 April. Our financial resilience and disciplined execution continue to support our commitment to shareholders, with Borouge Plc's annual dividend intention intact."

Swift and successful repair of damaged assets

As disclosed on 6 April 2026, an incident occurred at Borouge Plc's production facilities located at the Ruwais complex which resulted in a temporary suspension of production in affected areas. Repair work commenced following a period of assessment and was expedited throughout the second quarter. Asset availability at the site was fully restored by the end of June, although production has since been constrained by feedstock availability. The cost of repair is expected to result in only a limited increase in maintenance capex for 2026.

Alternative logistics routes ensured customer supply

In the second quarter, Borouge Plc recorded production volumes of 0.7 million tonnes and sales volumes of 0.9 million tonnes.

The Company successfully developed alternative logistics routes via road, rail and sea which enabled it to ship beyond volumes produced during the quarter, supporting continued customer supply despite regional disruption.

Borouge's utilisation rates in the quarter averaged at 60%. With asset availability now fully restored, Borouge is well positioned to return to high utilisation rates during the second half of 2026 depending on logistics and feedstock availability.

Stronger pricing environment supports second quarter performance

Borouge Plc delivered increased revenues of $1.4 billion in Q2 2026, 20% higher QoQ. A stronger pricing environment, driven by a global shortage of polyolefins supply and continued customer demand for the Company's differentiated product portfolio, helped mitigate the impact of regional disruptions.

The Company maintained customer supply across its core markets, with sales volumes of 0.9 million tonnes during the quarter.

Temporary margin pressure from higher costs

Adjusted EBITDA for Q2 2026 was $401 million with net profit of $191 million. While higher average realised prices partially offset increased freight and logistics costs and higher propylene feedstock prices, EBITDA margins were temporarily impacted by these elevated costs during the quarter.

Delivering growth – Borouge 4

Borouge Plc continues to make positive progress on the Borouge 4 expansion project, set to boost the Company's production capacity by 1.4 million tonnes, with the new Cross-Linked Polyethylene (XLPE) plant reaching commercialisation. Following successful performance testing, the Company delivered the first batch of materials to customers with the new plant set to add 100,000 tonnes of annual capacity, doubling Borouge Plc's XLPE output, and strengthening its ability to deliver premium polyolefin solutions. Further Borouge 4 plants are expected to come online in 2026 and 2027, driving value for customers and shareholders.

Borouge International

The successful formation of Borouge International, completed on 30 March 2026, creates the fourth-largest polyolefins producer globally as measured by nameplate capacity, combining premium products, proprietary technologies and a global footprint. Borouge Plc is now part of Borouge International and is expected to benefit from the global footprint, technologies, and product portfolio of the new platform, strengthening Borouge Plc's long-term competitiveness, enhancing geographic diversification and scale to provide a broader base for future value creation, while maintaining a clear commitment to shareholder returns.

Borouge International's North American and European operations benefitted from stronger prices in Q2, demonstrating the benefits of the new globally diversified platform. As the world's fourth-largest polyolefins producer with 13.6 million tonnes of annual production capacity across 30 global manufacturing sites, Borouge International is well positioned to deliver long term growth and value.

Borouge International delivered a strong adjusted EBITDA of $1.8 billion in Q2, demonstrating the resilience of its business model and the immediate benefits of its diversified global footprint, premium product portfolio, and disciplined operational execution.

As part of Borouge International, Borouge Plc's annual dividend intention of 16.2 fils per share remains in place. The timing of the proposed tender offer, which will convert Borouge Plc shares to Borouge Group International AG shares, will align with the new company's future equity raise, to maximise value for all shareholders. The tender offer is expected to take place in 2027, subject to market conditions and approval by the UAE Capital Market Authority.

Outlook

In the second half of 2026, a recovery in utilisation rates will be dependent on the level of free movement of maritime traffic through the Strait of Hormuz, with Borouge production facilities fully positioned for a fast recovery in production and sales volumes, subject to feedstock availability. Average realised pricing is expected to remain elevated in the short term, while logistics costs are expected to remain high. Further guidance will be given as appropriate and as the regional situation develops. Borouge retains significant financial resilience to navigate short term operational disruption.

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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. Since March 2026, Borouge International owns a majority 90% stake in Borouge.

To find out more, visit: borouge.com

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