

Borealis Interim Consolidated Financial Statements

as of June 30, 2024

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Section 125(1)(3) of the Vienna Stock Exchange Act

About Borealis

Our Business

Borealis is one of the world's leading providers of advanced and sustainable polyolefin solutions. In Europe, Borealis is also an innovative leader in polyolefins recycling and a major producer of base chemicals. We leverage our polymer expertise and decades of experience to offer value-adding, innovative and circular material solutions for key industries such as consumer products, energy, healthcare, infrastructure and mobility.

With operations in over 120 countries and head offices in Vienna, Austria, Borealis employs around 6,000 people. In 2023, we generated a net profit of EUR 168 million. OMV, the Austria-based international energy, fuels & feedstock and chemicals & materials company, owns 75% of our shares. The Abu Dhabi National Oil Company (ADNOC), based in the United Arab Emirates (UAE), owns the remaining 25%.

In re-inventing essentials for sustainable living, we build on our commitment to safety, our people, innovation and technology, and performance excellence. We are accelerating the transformation to a circular economy of polyolefins and expanding our geographical footprint to better serve our customers around the globe. Our operations are augmented by two important joint ventures: Borouge (with ADNOC, headquartered in the UAE); and Baystar™ (with TotalEnergies, based in the US).

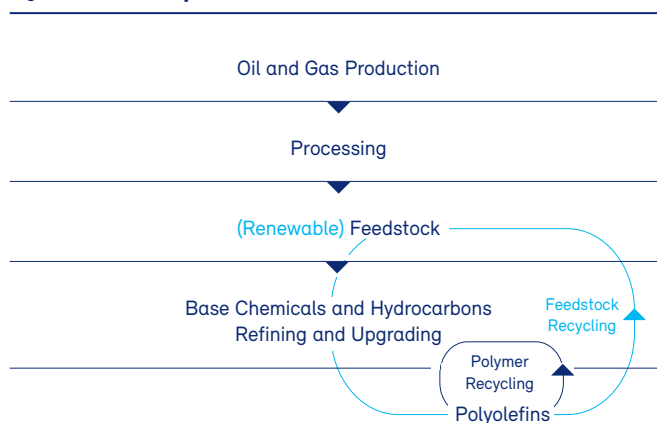
Value creation through innovation is at the core of Borealis' strategy

Borealis continuously invests in its people, its Borstar® and other proprietary technologies and in its working processes, both internally and with external partners. The result is continuous technological improvement.

As a leading innovator in its industries, Borealis continuously identifies and anticipates unmet market needs to consequently develop the corresponding solutions. Using proprietary technologies, innovative tools and leveraging expertise acquired over many years, Borealis unlocks materials' molecular properties and creates tailor-made products.

Borealis enhances this process with in-depth market knowledge, a cross-functional approach and an emphasis on open innovation.

Fig. 1: Chemical production flow



Industry Segments

Borealis clusters its businesses in two business segments: Polyolefins and Base Chemicals.

Polyolefins

The value-adding polyolefin products manufactured by Borealis form the basis of many valuable plastics applications that are an intrinsic part of modern life. Borealis works closely with its customers and industry partners to provide innovative and value-creating plastics solutions in a variety of industries and segments. These solutions make end products safer, lighter, more affordable, durable and circular. In short: they enable more sustainable living.

Circular Economy

Borealis recognizes Circular Economy as imperative across all its industry applications and is dedicated to the entire cascade of circular solutions, including reuse and design for recycling. Borealis also offers solutions produced from (advanced) mechanically recycled feedstock (Borcycle™ M), chemically recycled feedstock (Borcycle™ C) and renewable-based feedstock (Borneewables™). These sustainable solutions embody the aims of our EverMinds™ approach dedicated to promoting and advancing circularity in the industry to ensure the continued success of our customers and partners.

Advanced polyolefin solutions

Consumer Products

With over 50 years of experience in the industry, Borealis is an innovative and reliable supplier of advanced and circular polyolefin plastic materials used in consumer products. Proprietary Borealis Borstar technology enables production of eco-efficient, sustainable and high-performing solutions for flexible and rigid packaging, and for hygiene and filtration applications.

Borcycle M and the ISCC PLUS-certified Borcycle C products based on mechanically and chemically recycled feedstock as well as the ISCC PLUS-certified Bornevables products using renewable-based feedstock meet a growing demand for high-sustainability packaging applications. In addition, via Design for Recycling (DfR), Borealis accelerates the transformation of the plastics industry towards circularity.

All of these innovative solutions designed for eco-efficiency and easy recycling play a significant role also in safeguarding the quality and safety of consumer and industrial products, while also fulfilling demand for enhanced functionality, convenience and sustainability. They protect and preserve, prevent spoilage and minimize waste.

Energy

For over six decades, Borealis has been a leading provider of value-creating polyolefin compounds for the energy industry and a partner of choice for wire and cable customers. Our global presence is assured thanks to our own operations outside Europe, such as Rockport (US), and DYM SOLUTION CO., LTD (South Korea), as well as through our joint ventures Borouge (UAE) and Baystar (US).

The proprietary technologies and advanced material solutions accelerating electrification and the green energy transition include our industry-wide platform Borlink™; the sustainable engineering polymer class Stelora™; the solar brand Quentys™; and our Borclean™ capacitor film resins.

As a reliable partner, Borealis provides high-performance compounds for insulation and protection of land and submarine applications; power transmission and distribution; network and communication cables; energy storage and capacitors. Our Borcycle M, Borcycle C and Bornevables portfolios of ISCC PLUS-certified circular solutions help meet growing industry demand for high-quality and more sustainable cable and capacitor polymers.

Healthcare

As a leading supplier of advanced polyolefins for medical and diagnostic devices and pharmaceutical packaging, Borealis has been a reliable and trusted partner to the industry for over 25 years. The cornerstone of Borealis Healthcare is the Bormed™ Concept, founded on the principles of service, commitment and conformance, with unrivaled regulatory and technical support provided to material engineers to enable innovation.

Medical polyolefins in the Bormed grade portfolio offer superior technical performance, fulfilling the most stringent requirements in terms of safety and quality. As a global supplier, Borealis can ensure long-term supply security.

As a circular economy pioneer, Borealis offers material solutions from its ISCC PLUS-certified Bornevables and Borcycle C grade portfolios to deliver the same high material performance as virgin grades, but with a reduced carbon footprint.

Infrastructure

As a trusted and experienced partner with more than 50 years of experience (since 1967), Borealis offers market-leading polyethylene and polypropylene materials for pipe systems in water and gas distribution, waste water and sewage disposal, plumbing, heating, and industrial, along with multi-layer steel pipe coating solutions for onshore and offshore oil and gas pipelines. With the proprietary Borealis Borstar technology as the main foundation, complimented by selected other processes, Borealis can offer a wide variety of tailored pipe solutions.

Fig. 2: Industries served by Borealis' polyolefins applications



Consumer Products



Energy



Healthcare

With our advanced polyolefins for virgin and circular economy solutions, we serve these industries:



Infrastructure



Mobility



Solutions for Polymers

In addition, Borcycle M and the ISCC PLUS-certified Borcycle C compounds based on mechanically and chemically recycled feedstock as well as the ISCC PLUS-certified Bornewables compounds using renewable-based feedstock meet a growing demand for high-sustainability building and infrastructure pipe polymers.

By offering more durable and reliable as well as circular pipe solutions, Borealis' step-change innovations continue to boost the sustainability of pipe networks by making them safer, leak free, longer lasting and more efficient, with installation costs reduced by up to 60% compared to the traditional pipe material.

Based on Borealis' European assets, its Middle Eastern joint venture Borouge as well as the American joint venture Baystar, Borealis confirms its position as a partner of choice for global pipe customers, helping to meet the growing needs and requirements of the building and infrastructure industry today and in the future.

Mobility

For over 50 years, Borealis has been a leading supplier of innovative polyolefin-based solutions for engineering applications in the mobility industry. Together with our value chain partners around the globe, we are developing solutions for a more sustainable and energy-efficient future.

The proprietary Borstar technology forms the foundation of high-performance, cost-effective and lightweight polypropylene materials that can substitute for conventional materials like metal.

As an alternative to fossil fuel-based polyolefins, our renewable-based feedstock Bornevables and advanced mechanical recycling Borcycle M portfolios can help reduce the carbon footprint of vehicles. Our leading-edge material solutions are found in automotive interior, exterior, e-powertrain and under the hood applications.

Solutions for Polymers

Borealis continually develops novel and performance-enhancing solutions, such as polymer modifiers (plastomers and elastomers), foam solutions and reinforced polyolefins for structural parts. These material solutions may be designed for new or existing applications.

In polymer modifiers, Borealis continues to expand its wide range of attractive solutions. The Queo™ brand helps bridge the performance gap between conventional plastics, such as polyethylene (PE), and conventional elastomers, like ethylene propylene diene monomer. Queo makes it possible to meet or even surpass the most demanding requirements in sealing, flexibility, compatibility and processability.

Borealis' high melt strength (HMS), polypropylene-based foamed products fulfill the varying and sophisticated needs of both converters and consumers in the packaging, automotive and construction industries. For example, foam solutions in packaging offer excellent recyclability, especially when compared to conventional alternatives. Furthermore, HMS polypropylene (PP) foam also offers weight reduction, heat stability (for microwaveable packaging) and good thermal insulation properties.

Borealis' reinforced polyolefins are novel, performance-enhancing material solutions. The wide range of PP compounds are globally available and help contribute to enhanced sustainability, for example, through improved cost and energy efficiency.

Base Chemicals

As the building blocks of the chemical industry, base chemicals are used to manufacture the essential products and applications used by industry and consumers in daily life. Base chemicals are used in diverse sectors, including aviation, mobility, renewable energy, consumer appliances, advanced packaging, healthcare and many others.

Borealis produces a wide range of these base chemicals, including ethylene, propylene, C4 hydrocarbons, hydrogen, phenol and acetone. Its Borvida™ portfolio of sustainable base chemicals produced using non-food waste and residues from biomass and chemically recycled waste enhance the circularity of these essential building blocks. Together with OMV, Borealis is one of the largest olefins producers in Europe. Thanks to its joint ventures with Borouge (UAE) and Baystar (US), Borealis is a sizeable international player in the industry.

The Borealis Base Chemicals business is tasked with sourcing renewable power, natural gas and main utilities (e.g. steam, water and nitrogen) for all its Base Chemicals and Polyolefins production locations in Europe. This integral function plays an important role in enabling Borealis to lower its own emissions and achieve its ambitious sustainability targets.

Olefins and Co-products

Borealis sources feedstock like naphtha, butane, propane and ethane from the oil and gas industry. It uses its olefin units to convert feedstock into the building blocks of the chemical industry: olefins (ethylene and propylene); and C4 hydrocarbons (petrochemical derivatives e.g. butanes, n- and iso-butylene, butadiene), among others.

Ethylene, propylene and C4 base chemicals are produced in steam crackers in Finland and Sweden, and in Abu Dhabi, as part of the Borouge joint venture. An ethane cracker with an annual production capacity of one million metric tons of ethylene commenced operations in 2023 as part of the Baystar joint venture in Texas (US). Propylene and hydrogen are also produced at Borealis' propane dehydrogenation (PDH) plant in Kallo (Belgium). A second PDH plant currently under construction will triple Kallo's propylene capacity once started up.

For the most part, ethylene is captively used for Borealis' polyethylene applications. It is also sold to customers in the acetaldehyde value chain for vinyl acetate monomer.

Propylene is captively used for Borealis' polypropylene applications, and is also sold to customers across several value chains, including acrylonitrile (for ABS, nitrile rubber and plastics); acrylic acid (for superabsorbent fibers such as diapers); butyraldehyde (for solvents, plasticizers, acrylic esters); and propylene oxide (for polyols, polyurethane and polyester resins).

Borealis sources the required feedstock and olefins from its owners, or purchases them on the market. A range of co-products from the steam cracking process are also sold on international markets. These include butadiene, butene raffinate 1, ethyl tertiary butyl ether (ETBE), benzene and pyrolysis gasoline (pygas).

Borealis produces hydrogen in its own PDH plant in Kallo and at its steam crackers in Stenungsund (Sweden) and Porvoo (Finland). As one of nature's essential building blocks, hydrogen combines easily with other elements and molecules. These combinations give rise to many other things, including energy. Hydrogen is, thus, crucial to global decarbonization efforts. It is a viable alternative to conventional fossil-fuel feedstock, and will become a key enabler for sustainable chemicals, such as renewable syngas, or methanol from CO₂.

Phenol and Acetone

In the Nordic and Baltic regions of Europe, Borealis is the leading producer of phenol and acetone. Used in industry as a starting material for plastics, phenol is commonly found in adhesives, construction materials, carpets, mobile phones and household appliances.

The phenol, benzene, cumene and acetone produced by Borealis in Finland are mainly sold to its Northern European industry customers for the manufacture of adhesives, fibers, epoxy resins and polycarbonates. Acetone is frequently used in acrylics, fibers, pharmaceuticals, and in paint solvents. Benzene is often used as a base chemical for other chemical processes, such as cyclohexane for nylon, and styrene for polystyrene.

Circular Base Chemicals

One way in which Borealis is proactively accelerating the transition to a circular economy is through circular base chemicals. These materials lessen our dependence on fossil fuels, drastically lower the environmental footprint of manufactured products, and reduce CO₂ emissions.

The Borvida portfolio comprises Borvida™ B, which are circular base chemicals (such as ethylene, propylene and phenol) made from non-food waste biomass. Borvida™ C materials are made using chemically recycled post-consumer waste. In the future, Borvida™ A will offer sustainable base chemicals derived from atmospheric carbon capture.

In line with the mass balance accounting method, the ISCC PLUS-certified materials in the Borvida portfolio can be tracked, traced and verified across the entire value chain. This ensures circularity from feedstock to end product.

Power, Natural Gas and Utilities

The Borealis Base Chemicals business unit is responsible for sourcing renewable power and natural gas for all European Base Chemicals and Polyolefins production locations, in addition to managing primary utilities. The business unit, thus, plays a crucial role in ensuring that Borealis achieves its ambitious, long-term Energy & Climate goals. These include using an ever higher share of renewable power in its own operations. By 2030, 100% of electricity used in Borealis Polyolefins and Base Chemicals operations should be renewable in origin, thanks to a diverse renewable energy portfolio based on wind, solar and hydropower. Scope 1 and Scope 2 emissions shall be reduced from 5.1 million metric tons per year (from a 2019 baseline) to 2 million metric tons by 2030, with expanded use of renewable power sources making up the majority of Scope 2 emissions reductions.



OUR PURPOSE

Re-inventing essentials for
sustainable living

OUR VISION

Be a global leader in advanced
and sustainable chemicals and
material solutions





Borealis Strategy 2030

GEOGRAPHICAL EXPANSION

Become a fully global partner to our customers

We grow through M&A and selected builds in NAM, Middle East and Asia. We leverage Borouge's market presence for growth in Asia.

TRANSFORMATION

Evolve to fully customer-centric approach to offer advanced and sustainable material solutions

Circular Economy

We lead the transformation to a truly circular economy across all our applications.

Value Add

We invest in compounding and adjacencies to accelerate value creation through innovation.



SUSTAINABILITY

We significantly reduce our CO₂ footprint

STRONG FOUNDATION

Build on safety, people and culture to sustain strong growth

Safety

Goal Zero guides our strategic aspiration to be among the safest companies in the industry.

People

People make it happen. We shape an experience where everyone can perform at their best and make a difference.

Innovation & Technology

Accelerate circularity, drive specialty growth and create more value in licensing and catalyst technology.

Performance Excellence

We focus on excellence across all activities. Utilize technology and digitalization to drive efficiencies.

Our Values

Considering the impact of everything we do.

We show respect, speak up and act responsibly towards each other, our customers and the environment.



Defining tomorrow by welcoming new perspectives today.

We learn by being inclusive, asking questions, sharing our knowledge and having the courage to try new things.



Overcoming obstacles and finding solutions to deliver high performance.

We take ownership, trusting and empowering each other to make bold decisions to deliver safely and at speed.



Financial Statements

Management Report – Half Year Report 2024

Please note that comparatives have been restated. For details, see note 13 in the Notes to the Consolidated Financial Statements. Borealis divested the Borealis nitrogen business unit including fertilizers, technical nitrogen, and melamine products (Borealis NITRO) at the beginning of July 2023; the comparatives in the management report do not include these NITRO figures.

Health and Safety

The Total Recordable Injuries (TRI) rate per million working hours of 4.01 reported at the end of June 2024 exceeds the 3.81 recorded for the same six-month period of the previous year. While 2024 got off to a poor start, with nine recorded injuries in January alone, safety performance improved over subsequent months. The Group's commitment to eliminating accidents and safety incidents altogether – “Zero Harm” – involves a range of measures and activities, including the risk management program “B-Safe” launched in 2022. Its Group-wide roll-out in 2023 included one- or three-day training sessions, depending on the respective role, for 4,000 Borealis employees at head office, on-site production operations, and for Executive Board members.

B-Safe promotes a generally heightened awareness for one's own safety and that of others by taking a proactive approach to avoiding and averting safety incidents. As B-Safe is embedded across Borealis throughout 2024, every location has a tailored plan to target specific risk situations, such as working at heights, on scaffolding, and other potentially hazardous situations. Special attention is being paid to improve the safety record of several compounding and recycling facilities whose safety performance lags behind that of other Borealis polyolefin and base chemicals plants. One fatality did occur in the first six months of 2024, when a driver employed by a subcontractor fell from a silo truck while self loading at the Schwechat (Austria) plant in May. While this regrettable incident is not technically a recordable one, Borealis is conducting an investigation into it in order to obtain insights on how to best prevent such incidents in the future.

Borealis upholds its commitment to ensuring the safety of its employees and maintaining operational stability in the face of growing geopolitical strife. The Group operates no manufacturing facilities in Russia or Ukraine; sales to Russia and Belarus were stopped in early 2022. Like the war in Ukraine, the Gaza conflict has had little direct impact on operations. To date, the loss of shipping capacity due to Houthi rebel attacks on vessels in the Red Sea has also not negatively impacted Borealis. While contingency plans are in place to mitigate possible supply chain disruptions, Borealis has already taken important steps to ensure supply security for its European operations. These include long-term charter agreements for the transportation of feedstocks and liquefied petroleum gas from North America to Borealis crackers in Porvoo (Finland), Stenungsund (Sweden), and the propane dehydrogenation plant in Kallo (Belgium). Supplementing the custom-built Very Large Gas Carrier (VLGC) delivered to Borealis in 2023, a new long-term charter was signed in May 2024 for an icebreaker VLGC to be delivered by mid-2027.

Business Overview

Given the wave of geopolitical turbulence across many parts of the world, the Brent Crude oil price remained relatively stable throughout the first six months of 2024. The oil market got off to a bullish start in January, rising steadily from USD 79/bbl to USD 89/bbl in April 2024. Since then, the risk premium that brought about a price spike in April has been reduced as tensions between Iran and Israel cooled. Despite the OPEC+ production cuts announced in March, China's economic woes, overproduction, and robust stocks put downward pressure on the oil price, which fell below USD 80/bbl in May. In June, prices recovered slightly to USD 83/bbl.

The naphtha price developed in a similar way as oil, with prices climbing from USD 639/metric ton (t) in January to a peak of USD 709/t in March. The combination of lower naphtha demand for gasoline blending in the warmer months and lower crude prices exerted downward pressure, with the price dropping to USD 663/t in June.

Ethylene and propylene contract prices were likewise influenced by the development of oil and naphtha prices, with ethylene rising from EUR 1,185/t in January to EUR 1,260/t in April before falling to EUR 1,220/t in June. The price of propylene rose from EUR 1,050/t in January to EUR 1,145/t in April but dipped to EUR 1,105/t in June. The spread between naphtha and propane, as well as naphtha and butane, remained low from January to March but then widened; this was particularly true for butane due to its reduced blending into the gasoline pool and weaker prices in the US.

Demand for polyolefins increased in the first half of 2024 compared with the fourth quarter of 2023 but stayed at a similar level as January to June of 2023. Economic growth in Europe was tepid and remained more or less unchanged compared with 2023. Inflation rates have cooled and are again approaching the long-term trend of 2%; this has resulted in the easing of interest rates as of June 2024. However, cost-of-living crises continue to negatively impact consumer spending and therefore demand for polyolefins.

From January to March 2024, the security of supply of imported polyolefin material was a central issue due to disruptions in seaborne supply chain markets, mainly due to logistics bottlenecks in the Red Sea and the Panama Canal. Precautionary capacity shutdowns also took place in January in anticipation of severe winter storms on the US Gulf Coast. At the same time, low inventory levels at the start of 2024 led to a greater need to tap domestic supply. As a result, both polyethylene and polypropylene operating rates averaged around 83% in the first half of 2024. Compared to the same period in 2023, polyethylene rates were around 10%, and polypropylene around 5% higher.

After shipping traffic was re-routed around South Africa in April and May, the global container freight market regained capacity, leading to greater availability of imported polyolefins, and particularly polyethylene from the US. While the container freight market started to tighten again in Asia as of June, availability into Europe had not yet been affected. Overall, at 1.9 million metric tons for the period January to June 2024, Borealis Polyolefins sales volumes were 6.4% above the same period in 2023.

Financial Performance

In the first six months of 2024, Borealis reported an operating profit of EUR 218 million, a marked increase from the EUR 109 million reported for the same period in 2023. The improvement in 2024 is attributed to a generally stronger European polyolefins market owing to reduced imports due to loss of Red Sea shipping capacity.

The Borouge net profit contribution to Borealis in the first six months of 2024 increased by 35%, from EUR 135 million in 2023, to EUR 182 million in 2024. The result was driven by higher sales volumes made possible by continued robust production levels, which had been lower in 2023 due to the Borouge 2 plant turnaround.

The Baystar contribution was adversely affected, among other things, by severe weather events (winter freeze) which resulted in extended outages of the ethane cracker in the first quarter of both 2023 and 2024. The Borstar® 3G plant, which was started up in late 2023, continued to ramp up production in the first half of 2024. Costs associated with the ramping up, including the commencement of depreciation for the new investment, negatively impacted its contribution.

In the first six months of 2024, cash flow from operations was EUR 339 million as compared to the EUR 90 million reported in the same period of 2023. Overall business performance was stronger when compared with 2023 based on better financial performance (EBITDA) and improved working capital with a focus on inventory management.

Total investments in tangible and intangible assets amounted to approximately EUR 310 million in the first half of 2024, an increase compared with the EUR 307 million reported in the same period of 2023. In the first six months of 2024, Borealis paid a dividend of EUR 103 million to its shareholders from the 2023 result, as well as an amount of EUR 12 million to ADNOC remaining from the dividend from the 2022 result. Net debt changed from EUR -152 million in December 2023 to EUR -8 million at the end of June 2024, driven by dividends paid out to shareholders, capital injections and loans to Baystar and Borouge, partly offset by dividends received from Borouge as well as an improvement in net cash flows.

In the first half of 2024, Borealis received proceeds from the Borouge dividend (EUR 225 million). Borealis reported capital contributions and financing in Baystar of EUR 92 million and EUR 63 million from the financing of the Borouge 4 expansion project.

The Borealis Group's financial position remains robust. As of the end of June 2024, it reports a very low gearing ratio of 0%; this is compared to the negative gearing ratio of -2% at year-end 2023. The solvency ratio was 68% at the end of June 2024, compared to 68% at the end of 2023. Liquidity reserves, consisting of undrawn committed credit facilities and cash balances, amounted to EUR 3,270 million at the end of June 2024, compared to EUR 3,478 million at year-end 2023.

As of the end of June 2024, total assets and capital employed stood at EUR 13,402 million and EUR 11,469 million, respectively, compared with EUR 13,203 million and EUR 11,317 million at year-end 2023. Total equity increased by EUR 216 million to EUR 9,337 million in the first six months of 2024, primarily due to the improvement of financial results and dividend payments to shareholders.

Borealis Strategy 2030

Expansion and Transformation

Borealis – which commemorated its thirtieth year of operations in March 2024 – is continuing to expand its global presence. Its aim is to be a fully customer-centric provider of advanced and sustainable polymer solutions based on proprietary technologies such as Borstar® and Borstar® Nextension Technology, and on technology brands like Borlink™, the step-change innovation for the power cable industry. Borealis is accelerating the transition to a circular economy of plastics through value chain collaboration based on the recycled and renewable-based polymers in its Borcycle™ and Bornewables™ grade portfolios, and the renewable hydrocarbons in the Borvida™ family of base chemicals.

Two ongoing global expansion projects will help Borealis better serve key sectors such as energy, mobility, consumer products, and infrastructure. First among them is Borouge 4, a USD 6.2 billion facility in Ruwais (UAE) whose construction progress currently stands at around 40%. Once completed, Borouge will have an annual capacity of 6.4 million metric tons. The advanced base chemicals and polyolefins based on Borstar and produced at Borouge 4 will enable Borealis to leverage its proprietary technology and strengthen its position in Asian and Middle Eastern growth markets.

The second growth project is the new world-scale propane dehydrogenation (PDH) plant, whose construction progress stands at 90% at existing Borealis operations in Kallo. The construction is targeted to be completed in the first quarter of 2025 with start-up in the second half of 2025.

Borealis continues to use innovation to drive the circular economy transformation and increase the volume of its circular products and solutions. As an industry front-runner when it comes to the mechanical recycling of plastics, Borealis augmented its existing capacity in Austria (Ecoplast Kunststoffrecycling), Germany (mtm compact and mtm plastics), and Italy (Rialti) by completing the acquisition of an advanced mechanical recycler in Bulgaria (Integra Plastics) at the end of March 2024. In June, Borealis announced the installation of a recycle-based polyolefins compounding line in Belgium which, once operational in the first half of 2025, will use the transformative Borcycle™ M technology to turn mechanically recycled post-consumer waste into high quality rigid polypropylene and polyethylene.

Borealis is also stepping up its efforts in chemical recycling. Having acquired a majority stake in Belgium-based Renasci in 2023, Borealis has access to chemically recycled feedstock for the ISCC-PLUS certified grades in the Borcycle™ C portfolio. A unique collaboration announced in April 2024 between Borealis, OMV, and TOMRA Feedstock will ensure that mixed post-consumer waste destined for landfill is instead sorted by polymer type, then processed by Borealis and OMV using mechanical and chemical recycling processes, respectively, to produce circular products and solutions.

Energy & Climate

At the core of the Borealis Strategy 2030 is the ambition to significantly reduce the Group's CO₂ footprint. In concrete terms, the aim is to reduce Scope 1 and Scope 2 emissions from 5.1 million metric tons per year (from a 2019 baseline) to 2 million metric tons by 2030.¹⁾ Decarbonization efforts center on the use of a higher share of energy from renewable sources: by 2030, 100% of the electricity used in its Polyolefins and Hydrocarbons businesses in Europe should be of renewable origin. Borealis achieved an intermediate Energy & Climate goal earlier than anticipated when it reached a 40% share of renewables in 2023.

Progress has continued in the first half of 2024. Borealis signed two new long-term power purchase agreements (PPA) with Swiss producer Axpo to procure onshore wind power for operations in Sweden and Belgium, bringing the total number of PPAs signed with Axpo alone to six since 2021. As of January 2024, the multinational power company Vattenfall began supplying hydropower to Borealis operations in Stenungsund as part of the first long-term PPA signed by the two partners. In May, Borealis announced that a new ten-year PPA had been agreed with Burgenland Energie, Austria's leading wind and solar energy producer, to supply an annual 70 gigawatt hours (GWh) of wind and solar energy to help power Borealis facilities in Schwechat.

Strong Foundation – Performance Excellence (SFPE)

Implementation remains ongoing for the Strong Foundation – Performance Excellence (SFPE) program, which was launched in 2022 to address and alleviate the severe effects of what has become a prolonged industry downturn. Starting in 2024, this profitability and reliability program now includes dedicated measures to achieve fixed cost savings of EUR 100 million by 2026, and to ensure that these savings are sustained going forward. Overall program results in the first half of 2024 were above target, with integrated margin opportunities and feedstock sourcing having contributed to improved performance versus savings forecasts. Debottlenecking projects came on stream this year, further supporting the reduction of variable costs. The profit and loss statement shows improvements in fixed cost reduction measures; the most significant areas of costs savings were maintenance efficiency, optimization of site services, reductions in third-party warehouse expenses, contractor management, and more favorable contracts. Strict oversight of other areas of discretionary spending has also had a positive impact, leading to the program's integration into standard work processes in order to maintain sustainable and recurring savings.

1) Emission reduction targets calculated based on the 2023 divestment of the Borealis nitrogen business comprising fertilizers, melamine, and technical nitrogen products.

Changes to the Supervisory Board and Executive Board

There were several key changes to the Borealis Supervisory and Executive boards in the first six months of 2024.

Hetal Patel and Raul Prieto were appointed to the Borealis Supervisory Board, replacing Khaled Salmeen and Khaled Al Zaabi. As announced on June 12, 2024, the Borealis Supervisory Board has appointed Stefan Doboczky as new Borealis CEO (effective July 1, 2024). Doboczky replaces Thomas Gangl, whose mandate as CEO of Borealis AG and employment contract was terminated by mutual agreement with the Supervisory Board (effective June 30, 2024). As of February 1, 2024, Craig Arnold has filled the position of Executive Vice President Polyolefins, Circular Economy Solutions and Innovation & Technology previously held by Lucrece Foufopoulos-De Ridder.

Economic Development and Outlook

In the first six months of 2024, Borealis reported meaningful improvements on the prior year's results for the same period in terms of operating profit, cash flow from operations, working capital, and EBITDA. The Borouge contribution also improved compared with the same period in 2023. The SFPE program has been effective in protecting margins in the short term, and in delivering significant fixed-cost savings in both the short and long term. It has thus helped mitigate the most severe effects of the industry downturn. The industry and geopolitical environment is likely to remain difficult for the foreseeable future. The Borealis Group – with its dedication to innovation, global expansion, and transformation to a circular economy – is well prepared to face the challenges.

Vienna, August 22, 2024

Executive Board:

Stefan Doboczky
Chief Executive Officer

Daniel Turnheim
Chief Financial Officer

Wolfram Krenn
Executive Vice President
Base Chemicals & Operations

Philippe Roodhooft
Executive Vice President
Joint Ventures & Growth Projects

Craig Arnold
Executive Vice President
Polyolefins, Circular Economy Solutions
and Innovation & Technology

Interim Consolidated Financial Statements

Interim Consolidated Income Statement

EUR thousand	2024	2023	Note
For the six months ended June 30	unaudited	restated ¹⁾	
Net sales	3,889,891	3,759,878	1, 2
Other operating income	45,556	54,649	11, 13
Total sales and other income	3,935,447	3,814,527	
Production costs	-3,238,477	-3,214,444	13
Gross profit	696,970	600,083	
Sales and distribution costs	-351,995	-355,673	
Administration costs	-122,450	-131,132	
R&D costs	-4,378	-4,449	
Operating profit	218,147	108,829	
Net results of associated companies and joint ventures	101,911	60,145	
Financial income	93,774	67,671	
Financial expenses	-38,928	-55,315	4
Net foreign exchange gains/losses	-9,233	-8,870	
Profit before taxation	365,671	172,460	
Taxes on income	-67,879	-16,615	13
Net profit for the period from continuing operations	297,792	155,845	
Discontinued operation			
Loss (profit) from discontinued operation, net of tax	0	-58,829	4
Net profit for the period	297,792	97,016	
Attributable to:			
Non-controlling interests	888	-4,242	
Equity holders of the parent	296,904	101,258	

1) Comparative information has been restated due to emission rights accounting policy change. For further details, please refer to note 13.

Interim Consolidated Statement of Comprehensive Income

EUR thousand	2024	2023
For the six months ended June 30	unaudited	restated ¹⁾
Net profit for the period	297,792	97,016
Items that may be subsequently reclassified to the income statement		
Net gain/loss on translation of financial statements of foreign operations	55,283	-77,517
Reclassifications to the income statement during the period	0	0
Tax effect recognized in other comprehensive income	0	0
Net gain/loss on long-term loans to foreign operations	-2,091	-5,207
Reclassifications to the income statement during the period	0	0
Tax effect recognized in other comprehensive income	481	1,198
Net gain/loss on loans to hedge investments in foreign operations	-3,376	2,761
Reclassifications to the income statement during the period	0	0
Tax effect recognized in other comprehensive income	776	-635
Fair value adjustments of cash flow hedges	-73,938	-213,540
Reclassifications to the income statement during the period	20,216	-49,686
Tax effect recognized in other comprehensive income	12,356	60,542
Share of other comprehensive income of joint ventures accounted for using the equity method	1,843	1,550
Items that will not be reclassified to the income statement		
Actuarial gains and losses	680	2,606
Tax effect recognized in other comprehensive income	-142	-710
Share of other comprehensive income of joint ventures accounted for using the equity method	185	228
Net income/expense recognized in other comprehensive income	12,273	-278,410
Total comprehensive income	310,065	-181,394
Attributable to:		
Non-controlling interests	-374	-3,698
Equity holders of the parent	310,439	-177,696

1) Comparative information has been restated due to emission rights accounting policy change. For further details, please refer to note 13.

Interim Consolidated Balance Sheet

EUR thousand	30.6.2024	31.12.2023	1.1.2023	Note
	unaudited	restated ¹⁾	restated ¹⁾	
Assets				
Non-current assets				
Intangible assets	571,146	483,147	421,548	3, 13
Property, plant and equipment				3
Production plants	2,043,226	2,130,363	1,854,194	
Machinery and equipment	32,123	33,429	28,192	
Construction in progress	1,726,520	1,516,882	1,277,834	
Total property, plant and equipment	3,801,869	3,680,674	3,160,220	
Right-of-use assets	703,108	662,204	599,136	3
Investments in associated companies and joint ventures	2,438,978	2,479,258	2,796,851	5
Other investments	22,489	23,621	18,459	10
Loans granted	1,021,234	900,915	628,305	10, 12
Other receivables and other assets	97,143	88,012	193,363	10
Deferred tax assets	123,647	144,981	53,767	13
Total non-current assets	8,779,614	8,462,812	7,871,649	
Current assets				
Inventories	1,297,841	1,303,306	1,479,516	7
Receivables				
Trade receivables	822,462	600,266	788,440	10, 12
Income taxes	11,494	7,380	2,965	
Loans granted	0	0	65,712	10, 12
Other receivables and other assets	351,176	481,249	529,288	10, 12, 13
Total receivables and other assets	1,185,132	1,088,895	1,386,405	
Cash and cash equivalents	2,138,947	2,347,631	2,226,207	10
Assets of the disposal group held for sale	0	0	1,341,328	4, 13
Total current assets	4,621,920	4,739,832	6,433,456	
Total assets	13,401,534	13,202,644	14,305,105	

1) Comparative information has been restated due to emission rights accounting policy change. For further details, please refer to note 13.

EUR thousand	30.6.2024	31.12.2023	1.1.2023	Note
	unaudited	restated ¹⁾	restated ¹⁾	
Equity and liabilities				
Equity				
Shareholders' equity				
Share capital and contributions by shareholders	1,599,397	1,599,397	1,599,397	
Reserves	84,617	62,453	410,250	13
Retained earnings	7,646,106	7,452,202	7,674,873	13
Total shareholders' equity	9,330,120	9,114,052	9,684,520	
Non-controlling interests	7,151	7,529	7,122	
Total equity	9,337,271	9,121,581	9,691,642	
Liabilities				
Non-current liabilities				
Loans and borrowings	911,858	1,206,373	1,512,201	9, 10
Lease liabilities	651,225	630,430	563,239	9, 12
Deferred tax liabilities	162,393	192,933	264,714	
Employee benefits	270,700	271,697	276,512	
Provisions	87,491	69,334	61,585	8
Other liabilities	79,483	110,074	36,185	10
Total non-current liabilities	2,163,150	2,480,841	2,714,436	
Current liabilities				
Loans and borrowings	499,014	310,045	41,929	9, 10
Lease liabilities	69,246	48,420	42,635	9, 12
Trade payables	862,014	849,547	862,826	10, 12
Income taxes	28,912	29,066	45,761	
Provisions	31,996	52,546	48,214	8
Contract liabilities	40,143	42,868	50,182	
Other liabilities	369,788	267,730	289,209	10, 12, 13
Liabilities directly related to the disposal group	0	0	518,271	4, 13
Total current liabilities	1,901,113	1,600,222	1,899,027	
Total liabilities	4,064,263	4,081,063	4,613,463	
Total equity and liabilities	13,401,534	13,202,644	14,305,105	

1) Comparative information has been restated due to emission rights accounting policy change. For further details, please refer to note 13.

Interim Consolidated Statement of Changes in Equity

EUR thousand	Share capital and contributions by shareholders	Reserve for actuarial gains/losses recognized in equity	Hedging reserve	Reserve for unrealized exchange gains/losses	Retained earnings	Total attributable to the equity holders of the parent	Non-controlling interests	Total equity
Balance as of December 31, 2023 (audited) (as reported)	1,599,397	-137,171	-15,324	212,758	7,559,146	9,218,806	7,529	9,226,335
Restatement ¹⁾	0	0	0	2,190	-106,944	-104,754	0	-104,754
Balance as of December 31, 2023 (restated) ¹⁾	1,599,397	-137,171	-15,324	214,948	7,452,202	9,114,052	7,529	9,121,581
Net profit for the period	0	0	0	0	296,904	296,904	888	297,792
Other comprehensive income	0	723	-38,423	51,235	0	13,535	-1,262	12,273
Total comprehensive income	0	723	-38,423	51,235	296,904	310,439	-374	310,065
Dividend distribution	0	0	0	0	-103,000	-103,000	-4	-103,004
Reclassifications of cash flow hedges to balance sheet	0	0	8,629	0	0	8,629	0	8,629
Balance as of June 30, 2024 (unaudited)	1,599,397	-136,448	-45,118	266,183	7,646,106	9,330,120	7,151	9,337,271
Balance as of December 31, 2022 (audited) (as reported)	1,599,397	-144,199	250,966	305,927	7,772,773	9,784,864	7,122	9,791,986
Restatement ¹⁾	0	0	0	-2,444	-97,900	-100,344	0	-100,344
Balance as of December 31, 2022 (restated) ¹⁾	1,599,397	-144,199	250,966	303,483	7,674,873	9,684,520	7,122	9,691,642
Net profit for the period	0	0	0	0	101,258	101,258	-4,242	97,016
Other comprehensive income	0	2,124	-202,684	-78,394	0	-278,954	544	-278,410
Total comprehensive income	0	2,124	-202,684	-78,394	101,258	-177,696	-3,698	-181,394
Dividend distribution	0	0	0	0	-400,000	-400,000	-292	-400,292
Changes in the consolidation scope	0	988	0	0	-887	101	39,267	39,368
Reclassifications of cash flow hedges to balance sheet	0	0	19,456	0	0	19,456	0	19,456
Balance as of June 30, 2023 (unaudited) (restated) ¹⁾	1,599,397	-141,087	67,738	225,089	7,375,244	9,126,381	42,399	9,168,780

1) Comparative information has been restated due to emission rights accounting policy change. For further details, please refer to note 13.

Interim Consolidated Cash Flow

EUR thousand	2024	2023	Note
For the six months ended June 30	unaudited	unaudited	
Cash flows from operating activities			
Payments from customers	3,701,596	4,586,502	
Payments to employees and suppliers	-3,443,138	-4,261,693	
Interest received	87,577	29,104	
Interest paid	-24,756	-22,495	
Other financial expenses paid	-15,111	-10,743	
Income taxes received/income taxes paid	32,623	-116,524	
	338,791	204,151	
thereof from discontinued operation	0	114,108	
Cash flows from investing activities			
Investments in property, plant and equipment	-257,532	-338,822	3
Investments in intangible assets	-52,195	-38,382	3
Acquisition of subsidiary, net of cash	-48,526	-8,463	4
Dividends of associated companies and joint ventures and non-consolidated subsidiaries	224,858	230,357	
Capital contributions to and financing and acquisition of associated companies, joint ventures and other investments	-155,001	-207,289	12
Proceeds from disposal of subsidiaries, net of cash disposed	30,000	32,474	4
	-258,396	-330,125	
thereof from discontinued operation	30,000	-70,510	4

EUR thousand	2024	2023	Note
Cash flows from financing activities			
Non-current loans and borrowings obtained	0	20,278	9
Current loans and borrowings obtained	0	4	9
Current loans and borrowings repaid	-141,446	-3,697	9
Principal elements of lease payments	-34,988	-30,280	9
Acquisition of non-controlling interests	0	-126	
Dividends paid to equity holders of the parent	-115,000	-300,000	
Dividends paid to non-controlling interests	-4	-292	
	-291,438	-314,113	
thereof from discontinued operation	0	-3,166	
Net cash flow of the period	-211,043	-440,087	
Cash and cash equivalents as of January 1	2,347,631	2,242,405	
Effect of exchange rate fluctuations on cash held	2,359	-112	
Cash and cash equivalents as of June 30	2,138,947	1,802,206	
thereof reported under Cash and cash equivalents	2,138,947	1,613,887	
thereof reported under Assets of the disposal group held for sale	0	188,319	

Notes to the Interim Consolidated Financial Statements

Reporting Entity

Borealis AG (the Company or Group) is a company domiciled in Austria. The address of the Company's registered office is Trabrennstrasse 6–8, 1020 Vienna, Austria. Borealis is one of the world's leading providers of advanced and sustainable polyolefin solutions. In Europe, Borealis is also an innovative leader in polyolefins recycling and a major producer of base chemicals.

Borealis Reports the Business Result in three Segments:

In the Polyolefins segment, Borealis focuses on the application areas Mobility, Energy, Consumer Products, Infrastructure, Advanced Products, and Business Development.

Base Chemicals essentially includes the following product ranges: Phenol, Acetone, Ethylene, and Propylene.

The third segment "Borealis NITRO" consisting of Fertilizers, Melamine, and Technical Nitrogen Products was sold on July 5, 2023.

Basis of Preparation

The interim consolidated financial statements for the six months ended June 30, 2024, have been prepared in compliance with the International Financial Reporting Standards issued by the IASB as adopted by the EU, IAS 34 for interim financial statements. They 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 of December 31, 2023.

The interim consolidated financial statements for the six months ended June 30, 2024, have not been subject to an external audit or review.

The interim consolidated financial statements are presented in thousands of euros (EUR thousand), rounded to the nearest thousand, so rounding differences may occur.

The change of accounting policy on the presentation of emission rights has been applied retrospectively and is described together with its impact on the financial statements in note 13.

Otherwise, the accounting policies applied in the preparation of the interim consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended December 31, 2023, except for new and amended standards effective as of January 1, 2024.

Amended Standards Adopted by Borealis

Since January 1, 2024, the following amended accounting standards have become effective and been adopted by Borealis, where effective means effective for annual periods beginning on or after that date (as endorsed by the EU). These did not have a material impact on the financial position or performance of the Group:

Standards		IASB effective date	EU effective date
Amended Standards			
IAS 1	Classification of Liabilities as Current or Non-current	January 1, 2024	January 1, 2024
IAS 1	Non-Current Liabilities with Covenants	January 1, 2024	January 1, 2024
IFRS 16	Lease Liability in a Sale and Leaseback	January 1, 2024	January 1, 2024
IAS 7 and IFRS 7	Disclosures: Supplier Finance Arrangements	January 1, 2024	January 1, 2024

1. Segment Reporting

For the six months ended June 30, if not indicated otherwise.

EUR thousand	2024				
	Polyolefins	Base Chemicals	Borealis NITRO ¹⁾	Non-Allocated	Consolidated
Net sales by segment					
Total segment sales	3,059,947	2,426,876	0	92,560	5,579,383
Inter-segment sales	0	-1,689,492	0	0	-1,689,492
	3,059,947	737,384	0	92,560	3,889,891

Prices for Group inter-segment sales are mainly based on monthly market prices for ethylene and propylene contracts.

Segment result					
Operating profit	98,784	137,997	0	-18,634	218,147
Measurement of discontinued operation and result from disposal			0		0
Net results of associated companies and joint ventures	-80,760	548	0	182,123	101,911
Financial result				45,613	45,613
Taxes on income				-67,879	-67,879
Non-controlling interests				-888	-888
Net profit for the year attributable to equity holders of the parent					296,904

EUR thousand	30.6.2024				
	Other information				
Segment assets	4,823,840	3,874,740	0	4,702,954	13,401,534
thereof Austria	2,272,821	1,496,456	0	4,514,772	8,284,049
Segment liabilities	0	0	0	4,064,263	4,064,263

1) Borealis NITRO: Borealis Fertilizers, Melamine, and Technical Nitrogen Products business unit.

Over 90% of the above relate to segment EU countries.

EUR thousand	2023				
	Polyolefins	Base Chemicals	Borealis NITRO ¹⁾	Non-Allocated	Consolidated
Net sales by segment					
Total segment sales	3,065,229	2,295,947	688,404	91,212	6,140,792
Inter-segment sales	0	-1,692,441	0	0	-1,692,441
	3,065,229	603,506	688,404	91,212	4,448,351

Prices for Group inter-segment sales are mainly based on monthly market prices for ethylene and propylene contracts.

Segment result					
Operating profit ²⁾	74,174	86,017	-40,896	-48,209	71,086
Measurement of discontinued operation and result from disposal ²⁾			-59,600		-59,600
Net results of associated companies and joint ventures	-75,337	246	0	135,236	60,145
Financial result				3,821	3,821
Taxes on income ²⁾				21,564	21,564
Non-controlling interests				4,242	4,242
Net profit for the year attributable to equity holders of the parent ²⁾					101,258

EUR thousand	31.12.2023				
Other information					
Segment assets ²⁾	4,776,344	3,677,420	0	4,748,880	13,202,644
thereof Austria ²⁾	2,158,394	1,450,631	0	4,694,012	8,303,037
Segment liabilities ²⁾	0	0	0	4,081,063	4,081,063

1) Borealis NITRO: Borealis Fertilizers, Melamine, and Technical Nitrogen Products business unit. // 2) Comparative information has been restated due to emission rights accounting policy change. For further details, please refer to note 13.

Over 90% of the above relate to segment EU countries.

Reconciliation of reportable segments to interim consolidated income statement EUR thousand	2024	2023 restated
Total revenue for reportable segments	3,889,891	4,448,351
Elimination of discontinued operation	0	-688,473
Net sales	3,889,891	3,759,878
Total profit for reportable segments ¹⁾	296,904	101,258
Non-controlling interests	888	-4,242
Elimination of discontinued operation	0	58,829
Net profit for the period from continuing operations	297,792	155,845

1) Comparative information has been restated due to emission rights accounting policy change. For further details, please refer to note 13.

2. Revenue from Contracts with Customers

For the six months ended June 30

EUR thousand	2024	2023
Revenue from contracts with customers	3,888,869	4,447,074
Revenue from other sources	1,022	1,277
Net sales	3,889,891	4,448,351
Elimination of discontinued operation	0	-688,473
Net sales from continuing operations	3,889,891	3,759,878

Revenue from other sources mainly includes gains/losses for realized cash flow hedges on net sales from foreign exchange forwards. Revenue from other sources relating to the discontinued operation amounted to EUR 0 thousand (first six months of 2023: EUR 1,018 thousand).

In the following table, revenue from contracts with customers is disaggregated by segment. The table also includes a reconciliation of the disaggregated revenue with the Group's reportable segments (see note 1).

EUR thousand	2024				
	Polyolefins	Base Chemicals	Borealis NITRO ¹⁾	Non-Allocated	Consolidated
Revenue from contracts with customers	3,058,928	737,384	0	92,557	3,888,869
Revenue from other sources	1,019	0	0	3	1,022
Net sales (as reported in note 1)	3,059,947	737,384	0	92,560	3,889,891

1) Borealis NITRO: Borealis Fertilizers, Melamine, and Technical Nitrogen Products business unit.

EUR thousand	2023				
	Polyolefins	Base Chemicals	Borealis NITRO ¹⁾	Non-Allocated	Consolidated
Revenue from contracts with customers	3,065,801	603,506	687,296	90,471	4,447,074
Revenue from other sources	-572	0	1,108	741	1,277
Net sales (as reported in note 1)	3,065,229	603,506	688,404	91,212	4,448,351

1) Borealis NITRO: Borealis Fertilizers, Melamine, and Technical Nitrogen Products business unit.

3. Intangible Assets, Property, Plant and Equipment, Right-of-use Assets, and Impairment

Borealis invested EUR 52,196 thousand in intangible assets in the first six months of 2024 (first six months of 2023: EUR 37,821 thousand). Additions arising from internal development amounted to EUR 19,249 thousand (first six months of 2023: EUR 21,193 thousand).

The impairment of intangible assets in the first six months of 2024 for which the carrying amount exceeds the value in use amounted to EUR 1,597 thousand (first six months of 2023: EUR 2,228 thousand).

2023 amounts for Intangible Assets have been restated due to emission rights accounting policy change. For further details, please refer to note 13.

Additions to property, plant and equipment in the first six months of 2024 amounted to EUR 269,351 thousand (first six months of 2023: EUR 263,668 thousand). Moreover, borrowing costs amounting to EUR 10,311 thousand (first six months of 2023: EUR 8,565 thousand) have been capitalized using an average interest rate of 1.52% (first six months of 2023: 1.7%).

Additions comprise major projects advanced in 2024, which are the new, world-scale propane dehydrogenation (PDH) plant at the existing production site in Kallo, Belgium, the Semicon Project in Antwerp, Belgium, which supports growth in the Power Project segment by creating continuous production chains and improving quality control, as well as the new automotive compounding capacity in Schwechat.

Additions to right-of-use assets in the first six months of 2024 amounted to EUR 75,023 thousand (first six months of 2023: EUR 67,979 thousand). Two major assets relate to

the lease of ice-class vessels designed to transport Liquefied Petroleum Gas (LPG) to Borealis' crackers in Europe in the amount of EUR 43,384 thousand.

As of June 30, 2024, Borealis' contractual commitments amounted to EUR 296,167 thousand (December 31, 2023: EUR 205,977 thousand) for the acquisition of property, plant and equipment. This increase results mainly from the new PDH plant in Kallo (Belgium), with capital commitments of EUR 100,293 thousand (December 31, 2023: EUR 37,558 thousand).

As at the reporting date, the Group has lease commitments of EUR 174,309 thousand (December 31, 2023: EUR 90,990 thousand) within the scope of long-term charter and gas storage contracts.

4. Changes in Consolidation Scope

4.1. Sale of Borealis NITRO

The sale of Borealis NITRO was completed on July 5, 2023. Following the completion of the sale, Borealis no longer holds any shares in Borealis NITRO. As of June 30, 2024, the process of agreeing on the final closing accounts (and in consequence the final purchase price) is still ongoing between Borealis AG and AGROFERT, a.s.. The transaction-related agreements stipulate additional payments between buyer and seller during future periods after the completion date, including deferred installments of the purchase price. In the first six months of 2024, Borealis received EUR 30,000 thousand from deferred installments. As of June 30, 2024, related assets amounted to EUR 31,107 thousand and are included under other receivables and other assets (thereof EUR 1,777 thousand non-current). Related liabilities amounted to EUR 28,226 thousand and are included under current other liabilities.

The results of the discontinued operation are shown in the table below:

EUR thousand	2024	2023 restated ¹⁾
For the six months ended June 30		
Total sales	0	688,473
Elimination of inter-segment revenue	0	0
Net sales	0	688,473
Other operating income	0	19,198
Total sales and other income	0	707,671
Total expenses	0	-745,414
Elimination of inter-segment expenses	0	0
Expenses	0	-745,414
Operating (loss) profit	0	-37,743
Financial result	0	335
Measurement of discontinued operation and result from disposal	0	-59,600
Profit (loss) before taxation	0	-97,008
Taxes on income	0	646
Taxes on measurement of discontinued operation	0	37,533
Profit (loss) from discontinued operation, net of tax	0	-58,829
Attributable to:		
Non-controlling interests	0	0
Equity holders of the parent	0	-58,829

1) Comparative information has been restated due to emission rights accounting policy change. For further details, please refer to note 13.

The following assets and liabilities were reclassified as held for sale:

EUR thousand	30.6.2024	30.6.2023 restated ¹⁾	1.1.2023 restated ¹⁾
	Total	Total	Total
Assets			
Non-current assets			
Intangible assets	0	3,620	3,101
Property, plant and equipment	0	647,336	651,874
Right-of-use assets	0	25,168	12,081
Investments in associated companies and joint ventures	0	3,266	4,645
Other investments	0	16,103	15,940
Other receivables and other assets	0	9,133	9,084
Deferred tax assets	0	7,184	5,153
Current assets			
Inventories	0	139,079	307,564
Trade receivables	0	118,053	146,613
Income tax receivables	0	11,159	4,236
Other receivables and other assets	0	122,847	164,839
Cash and cash equivalents	0	188,319	16,198
Assets of the disposal group held for sale	0	1,291,267	1,341,328

1) Comparative information has been restated due to emission rights accounting policy change. For further details, please refer to note 13.

EUR thousand	30.6.2024	30.6.2023 restated ¹⁾	1.1.2023 restated ¹⁾
	Total	Total	Total
Liabilities			
Non-current liabilities			
Lease liabilities	0	6,139	8,001
Deferred tax liabilities	0	27,559	12,632
Employee benefits	0	46,626	48,776
Provisions	0	24,961	21,619
Other liabilities	0	3,987	15,950
Current liabilities			
Lease liabilities	0	3,685	4,720
Trade payables	0	164,099	280,987
Income taxes	0	58,587	57,628
Provisions	0	13,924	18,330
Other liabilities	0	48,253	49,628
Liabilities directly related to the disposal group	0	397,820	518,271

1) Comparative information has been restated due to emission rights accounting policy change. For further details, please refer to note 13.

4.2. Business Combination Rialti

On October 31, 2023, Borealis via Borealis AG, Vienna, Austria, acquired 100% of the shares of Rialti S.p.A., Taino, Italy (Rialti) from Sagittarius Holding S.r.l. (the seller).

Rialti is one of the European market leaders specializing in the production of sustainable polypropylene (PP) compounds with a focus on mechanically recycled PP feedstock from post-industrial and post-consumer waste. With over thirty years' experience, Rialti utilizes its annual capacity of 50 kilotons to make injection molding and extrusion PP compounds with applications in different industries, including automotive, appliances and construction.

The acquisition will bring significant expertise and capacity to Borealis, expanding its PP compounding business and, in particular, increasing its volume of PP compounds based on mechanical recyclates. The improved capacity will strengthen Borealis' specialty and circular portfolios, enabling the Company to meet customer demand for an ever-wider range of sustainable, high-performance solutions.

The acquisition has been accounted for using the acquisition method. The fair value of the acquired assets and liabilities as at the date of acquisition is preliminary in the items tangible and intangible assets as well as loans and borrowings, linked to that also deferred tax assets, and may be adjusted as additional information is obtained.

Assets acquired and liabilities assumed

The fair value of the identifiable assets and liabilities of Rialti as at the date of acquisition were:

EUR thousand	Fair value recognized on acquisition
Assets	
Non-current assets	
Property, plant and equipment	15,161
Intangible assets	8,759
Right-of-use assets	843
Other receivables and other assets	122
Deferred tax assets	52
Current assets	
Inventories	7,296
Trade receivables	13,765
Other receivables and other assets	491
Cash and cash equivalents	10,963
Total assets acquired	57,452
Liabilities	
Non-current liabilities	
Loans and borrowings	1,792
Lease liabilities	852
Employee benefits	1,143
Current liabilities	
Loans and borrowings	1,528
Trade payables	5,845
Income taxes	1,104
Other liabilities	1,212
Total liabilities	13,476
Total identifiable assets fair value	43,976
Total purchase price consideration	68,898
Goodwill arising on acquisition	24,922
Percentage acquired	100%

The total acquisition costs of 100% of the share capital of Rialti comprised an initial cash payment in October 2023 of EUR 56,663 thousand, subsequent cash payments in February and April 2024 of EUR 9,116 thousand, contingent considerations of EUR 3,119 thousand, and costs of EUR 1,194 thousand directly attributable to the acquisition. The cash acquired with this acquisition amounted to EUR 10,963 thousand, resulting in net cash outflow on the acquisition of EUR 45,485 thousand in 2023. The transaction costs have been expensed and are included under administration costs in the income statement and are part of operating cash flows in the statement of cash flows.

Borealis agreed with the seller to transfer additional considerations up to a total maximum amount of EUR 8,238 thousand to the seller if the agreed requirements are met. The release of EUR 5,119 thousand in 2024 resulted in a remaining consideration of EUR 3,119 thousand. As of June 30, 2024, no claims have been made that would indicate a reduction of the remaining consideration.

The goodwill of EUR 24,922 thousand comprises the value of the expected synergies and other benefits from combining the assets and activities of Rialti with those of Borealis and has been allocated to the cash generating unit Polypropylene. None of the recognized goodwill is deductible for income tax purposes.

4.3. Business Combination Integra

On March 28, 2024, Borealis via Borealis AG, Vienna, Austria, acquired 100% of the shares of Integra Plastics AD (after acquisition renamed Integra Plastics AED), Elin Pelin, Bulgaria (Integra) from Betainvest EOOD and Vallenova Limited (the sellers).

Integra operates a modern advanced mechanical recycling plant built in 2019 with state-of-the-art equipment and an annual output capacity of more than 20 kilotons. Integra has the ability to transform post-consumer waste into high-quality polyolefin recyclates suitable for demanding applications.

The acquisition strengthens Borealis' specialty and circular portfolio, enabling the Company to meet growing customer demand for more sustainable solutions. Combining Integra's advanced mechanical recycling expertise and capacity with Borealis' know-how and innovation leadership, contributes considerably to advancing circularity in the plastics industry. The move also represents a further proof point reflecting Borealis' EverMinds™ commitment to accelerate the transition to a truly circular economy.

The acquisition has been accounted for using the acquisition method. The fair value of the acquired assets and liabilities as at the date of acquisition is preliminary and may be adjusted as additional information is obtained.

Assets acquired and liabilities assumed

The preliminary fair value of the identifiable assets and liabilities of Integra as at the date of acquisition were:

EUR thousand	Fair value recognized on acquisition
Assets	
Non-current assets	
Property, plant and equipment	34,309
Deferred tax assets	8
Current assets	
Inventories	3,397
Trade receivables	2,149
Other receivables and other assets	134
Cash and cash equivalents	358
Total assets acquired	40,355
Liabilities	
Current liabilities	
Trade payables	1,903
Other liabilities	1,462
Total liabilities	3,365
Total identifiable assets fair value	36,990
Total purchase price consideration	39,084
Goodwill arising on acquisition	2,094
Percentage acquired	100%

The total acquisition costs of 100% of the share capital of Integra comprised an initial cash payment of EUR 12,434 thousand to the sellers in March 2024, repayment of an external loan of EUR 22,812 thousand and assumption of a former shareholder loan of EUR 4,521 thousand against the same amount, and costs of EUR 802 thousand directly attributable to the acquisition (EUR 134 thousand in 2024). The cash acquired with this acquisition amounted to EUR 358 thousand, resulting in net cash outflow on the acquisition of EUR 39,410 thousand in 2024. The transaction costs have been expensed and are included under administration costs in the income statement and are part of operating cash flows in the statement of cash flows.

Borealis agreed with the sellers to transfer additional considerations up to a total maximum amount of EUR 6,000 thousand to the seller if such amount is not utilized to cover claims under the share purchase agreement. As of June 30, 2024, due to claims notified by Borealis to the sellers, the remaining consideration is valued at EUR 0 thousand.

The goodwill of EUR 2,094 thousand comprises the value of the expected synergies and other benefits from combining

the assets and activities of Integra with those of Borealis and has been allocated to the cash generating unit Recyclates. None of the recognized goodwill is deductible for income tax purposes.

4.4. Other Changes

Apart from the acquisition of Integra in 2024, there were no other changes in subsidiaries during the first six months of 2024. For further information on the Integra business combination, please refer to note 4.3.

5. Investments in Associated Companies and Joint Ventures

The shares in associated companies and joint ventures as of June 30, 2024 are unchanged compared to December 31, 2023.

6. Tax Contingencies

Some Borealis Group companies are currently subject to tax audits performed by their respective tax authorities. Management's opinion is that the Company is in compliance with all applicable regulations.

7. Inventories

EUR thousand	30.6.2024	31.12.2023
Finished products	889,632	887,421
Raw materials and consumables	408,209	415,885
Total	1,297,841	1,303,306

Impairment losses of EUR 13,675 thousand (first six months of 2023: EUR 37,909 thousand) were recognized in the first six months of 2024.

8. Provisions

The Group's provisions consist of provisions for restructuring, decommissioning, legal, environmental, and other provisions. The provisions are generally based on past events and commitments arising therefrom. The timing of cash outflows cannot be determined with certainty for all provisions.

Restructuring

Provisions for restructuring amounted to EUR 1,603 thousand (December 31, 2023: EUR 3,420 thousand) and cover estimated costs for the ongoing restructuring programs.

Decommissioning

Provisions for decommissioning amounted to EUR 55,674 thousand (December 31, 2023: EUR 34,234 thousand) and cover the expected clean-up and dismantling costs for plants located on rented land in Austria, Germany and Belgium. It is expected that EUR 4,751 thousand will be used by 2027, EUR 45,851 thousand by 2052 and EUR 5,072 thousand by 2072.

Legal

Legal provisions amounted to EUR 2,433 thousand (December 31, 2023: EUR 2,936 thousand) and represent litigation provisions in various business areas.

Environmental

Environmental provisions amounted to EUR 24,010 thousand (December 31, 2023: EUR 24,010 thousand) and cover several environmental exposures in the Group. In 2023, an environmental provision of EUR 22,435 thousand was recognized to cover future costs of transport and removal of contaminated soil on the Kallo site.

Other

Other provisions amounted to EUR 35,767 thousand (December 31, 2023: EUR 57,280 thousand) and cover numerous types of obligations, including incentive plans.

9. Loans and Borrowings and Lease Liabilities

The composition of interest-bearing loans and borrowings and lease liabilities (current and non-current debt) as of June 30, 2024 was as follows:

EUR thousand		30.6.2024						
		Term loans	Bond	Utilized uncommitted facilities	Export credits	Total loans and borrowings	Unutilized committed facilities	Lease liabilities
Due								
After	5 years	210,609	0	0	0	210,609	0	476,071
Within	5 years	12,636	0	0	0	12,636	0	23,807
	4 years	272,248	0	0	0	272,248	0	31,435
	3 years	3,749	0	0	0	3,749	1,000,000	53,990
	2 years	113,382	299,234	0	0	412,616	0	65,922
Total non-current debt		612,624	299,234	0	0	911,858	1,000,000	651,225
Total current debt		499,014	0	0	0	499,014	130,811 ¹⁾	69,246
Total debt		1,111,638	299,234	0	0	1,410,872	1,130,811	720,471

1) Borealis maintains EUR 130,811 thousand in export credit facilities (these were undrawn on June 30, 2024). These facilities are economically evergreen in nature but include a one-year notice for cancellation.

The composition of interest-bearing loans and borrowings (current and non-current debt) as of December 31, 2023 was as follows:

EUR thousand		31.12.2023						
Due		Term loans	Bond	Utilized uncommitted facilities	Export credits	Total loans and borrowings	Unutilized committed facilities	Lease liabilities
After	5 years	206,178	0	0	0	206,178	0	480,255
Within	5 years	156,023	0	0	0	156,023	0	25,501
	4 years	124,098	0	0	0	124,098	0	34,644
	3 years	87,627	0	0	0	87,627	1,000,000	43,261
	2 years	333,474	298,973	0	0	632,447	0	46,769
Total non-current debt		907,400	298,973	0	0	1,206,373	1,000,000	630,430
Total current debt		310,041	0	4	0	310,045	130,811 ¹⁾	48,420
Total debt		1,217,441	298,973	4	0	1,516,418	1,130,811	678,850

1) Borealis maintains EUR 130,811 thousand in export credit facilities (these were undrawn on December 31, 2023). These facilities are economically evergreen in nature but include a one-year notice for cancellation.

The Group's financing mainly comprises committed credit lines (largely syndicated), term loans, bonds, private placements and export credits. The loans and borrowings are all measured at amortized cost.

Borealis continues to maintain a strong diversified liquidity position through its EUR 1 billion fully committed Syndicated Revolving Credit Facility (RCF), of which EUR 1 billion

remained undrawn as of the end of June 2024, and by terming out its debt through diverse funding channels. The RCF was refinanced in December 2019 with a five-year tenor with two one-year extension options at lenders' discretion. The second and final RCF extension option was utilized in December 2021 and the new maturity date is now December 19, 2026.

As of June 30, 2024, the Group had total committed credit facilities of EUR 1,130,811 thousand (December 31, 2023: EUR 1,130,811 thousand). Besides the above-mentioned undrawn EUR 1 billion RCF, Borealis had OeKB Export Credit Facilities in the amount of EUR 130,811 thousand (December 31, 2023: EUR 130,811 thousand). These remained undrawn as of June 30, 2024.

In the first six months of 2024, Borealis decreased its debt position by EUR 63,925 thousand, mainly driven by loans and borrowings repayments and partially offset by an increase in lease liabilities. The net debt position, which increased by EUR 144,759 thousand, resulted in a gearing ratio of 0%.

In November 2018, S&P Global Ratings issued a BBB+ rating with a stable outlook for Borealis. This constitutes the first public rating for the Company, which has been successfully active in a wide range of financing markets and instruments over the last ten years and has built up a robust and well-diversified funding portfolio. While Borealis' long-term banking partners and investors have always appreciated the strong credit quality of the Company, the public rating provides a very good additional evaluation basis for all external stakeholders. On February 16, 2024, S&P Global Ratings affirmed Borealis' BBB+ rating with a stable outlook.

Under Borealis' funding strategy, a strongly diversified financing portfolio has been implemented in past years with the aim of maintaining a balanced maturity profile. In addition, Borealis is pursuing a long-term relationship approach with a larger group of international financing institutions that support the Company in funding and risk management transactions.

Based on this, combined with a resilient balance sheet and the strong public rating, Borealis has access to a wide variety of attractive funding instruments (such as bonds, the German Schuldschein, US Private Placement, foreign investment financing, bank loans and other). In order to meet the financing needs in 2024 and beyond, Borealis will continue to explore several suitable financial instruments fitting its strategy.

The total outstanding amount of interest-bearing loans and borrowings excluding lease liabilities as of June 30, 2024, was EUR 1,410,872 thousand (December 31, 2023: EUR 1,516,418 thousand). The vast majority of the underlying loan agreements have financial covenants. Borealis uses two types of covenants, which are based on maintaining gearing and solvency ratios. As of June 30, 2024, Borealis was in compliance with all financial covenants and had significant headroom compared to the thresholds stipulated by the loan agreements.

10. Fair Values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value, if the carrying amount is a reasonable approximation of fair value.

EUR thousand	30.6.2024			31.12.2023 restated		
	Carrying amount	Fair value	Fair value hierarchy level	Carrying amount	Fair value	Fair value hierarchy level
Assets						
Other investments						
Other investments	22,489	22,489	3	23,621	23,621	3
thereof at fair value through profit or loss	17,118			18,250		
thereof at fair value through other comprehensive income	5,371			5,371		
Trade receivables						
Trade receivables	822,462			600,266		
thereof at amortized cost	720,117			581,967		
thereof at fair value through profit or loss	102,345			18,299		
Cash and cash equivalents						
Cash	407,289			403,163		
Other current deposits	1,731,658			1,944,468		
at amortized cost	2,138,947			2,347,631		
Loans granted (current and non-current)						
Loans granted	1,021,234	1,032,252	2	900,915	910,336	2
at amortized cost	1,021,234			900,915		
Other receivables and other assets (current and non-current)						
Marketable securities and bonds	28,105	28,105	1	28,012	28,012	1
at fair value through profit or loss	28,105			28,012		
Derivative financial instruments for which hedge accounting is applied	19,775	19,775	2	49,001	49,001	2
Hedging instruments	19,775			49,001		
Derivative financial instruments for which hedge accounting is not applied	3,952	3,952	2	11,643	11,643	2
at fair value through profit or loss	3,952			11,643		
Deposits and other receivables ¹⁾	237,055			165,806		
thereof at amortized cost	235,278			164,029		
thereof at fair value through profit or loss/other comprehensive income	1,777			1,777		
Other non-financial assets	159,432	n/a	n/a	314,798	n/a	n/a
Total other receivables and other assets (current and non-current)	448,319			569,261		

1) Comparative information has been restated due to emission rights accounting policy change. For further details, please refer to note 13.

EUR thousand	30.6.2024			31.12.2023 restated		
	Carrying amount	Fair value	Fair value hierarchy level	Carrying amount	Fair value	Fair value hierarchy level
Liabilities						
Loans and borrowings (current and non-current)						
Bond	299,234	290,727	1	298,973	290,505	1
Floating rate loans and borrowings	234,856	237,384	2	265,496	266,779	2
Fixed rate loans and borrowings	876,782	814,379	2	951,949	877,763	2
at amortized cost	1,410,872			1,516,418		
Trade payables						
Trade payables	862,014			849,547		
at amortized cost	862,014			849,547		
Other liabilities (current and non-current)						
Derivative financial instruments for which hedge accounting is applied	76,856	76,856	2	63,568	63,568	2
Hedging instruments	76,856			63,568		
Derivative financial instruments for which hedge accounting is not applied	16,008	16,008	2	10,615	10,615	2
at fair value through profit or loss	16,008			10,615		
Contingent consideration	3,119	3,119	3	8,000	8,000	3
Interest accruals on loans and borrowings	8,481			6,690		
Other financial liabilities	147,284			151,955		
at amortized cost	158,884			166,645		
Financial guarantee liabilities	22,887	22,887	2	24,305	24,305	2
Other non-financial liabilities ¹⁾	174,636	n/a	n/a	112,671	n/a	n/a
Total other liabilities (current and non-current)	449,271			377,804		

1) Comparative information has been restated due to emission rights accounting policy change. For further details, please refer to note 13.

The Group measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

Level 1: Quoted market price (unadjusted) in an active market for an identical instrument.

Level 2: Valuation techniques based on observable inputs, either directly or indirectly. This category includes instruments valued using quoted market prices in active markets for similar instruments, quoted prices for identical or similar instruments in less active markets or other valuation techniques where all significant inputs are directly or indirectly observable from market data.

Level 3: Valuation techniques using significant unobservable inputs. This category includes all instruments where the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instruments' valuation. This category includes instruments that are valued based on quoted prices for similar instruments where significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

In the first six months of 2024, no transfers between the different levels of the fair value hierarchy took place.

Other Investments

The equity value of the other investments is assumed to equal other investments' fair value.

The following table presents the changes in other investments (level 3 items):

EUR thousand	2024	2023
Balance as of January 1	23,621	18,459
Investments and acquisitions	0	2,303
Fair value changes recognized in income statement (financial income)	-1,114	2,857
Exchange adjustments	-18	2
Balance as of the reporting date	22,489	23,621

Trade and Other Receivables and Assets

The fair value of trade and other receivables and assets is estimated to equal the nominal values less impairments (= carrying amount).

The carrying amount of deposits and other receivables is not materially different from their fair value.

Loans Granted

The fair value of loans granted is calculated based on the present value of future principal and interest cash flows discounted at the market rate of interest and adjusted for the respective counterparty credit risk as of the reporting date.

Derivatives

The fair value of foreign exchange derivatives is estimated by discounting the difference between the contractual forward price and the current forward price for the residual maturity of the derivative using market rates as of the reporting date.

The fair value of interest rate swaps is estimated by discounting estimated future cash flows based on the terms and maturity of each derivative and using market rates for a hypothetical instrument as of the reporting date. The credit quality of counterparties did not lead to a significant change in the fair values.

The fair value of commodity derivatives is estimated by discounting the difference between the current forward price and the contractual forward price.

Other Non-financial Assets and Liabilities

Other non-financial assets and liabilities are shown solely for reconciliation purposes.

Non-derivative Financial Liabilities

Fair value for non-current and current loans and borrowings is calculated based on the present value of future principal and interest cash flows discounted at the market rate of interest adjusted for Borealis' credit risk as of the reporting date. All fair values are excluding the outstanding interest accruals as of the reporting date.

The fair value of trade and other payables is estimated to equal the carrying amount.

Contingent Consideration

For the acquisition of the additional 48.55% stake in Renasci N.V. on November 30, 2023, a contingent consideration up to EUR 1,693 thousand was agreed based on an earnings target for 2024, 2025, and 2026. According to Borealis' assessment as of June 30, 2024, the earnings target will not be met. Thus, the contingent consideration has been valued at a fair value of EUR 0 thousand (December 31, 2023: EUR 0 thousand).

The fair value of the contingent consideration for the acquisition of Rialti S.p.A. amounts to EUR 3,119 thousand as of June 30, 2024 (December 31, 2023: EUR 8,000 thousand). The actual claims in relation to warranties are the significant valuation input for determining the contingent consideration liability.

The fair value of the contingent consideration for the acquisition of Integra Plastics AED amounts to EUR 0 thousand as of June 30, 2024. For more details, please refer to note 4.3.

11. Other Operating Income

In the first six months of 2024, other operating income consisted mainly of insurance compensations of EUR 23,050 thousand which related entirely to the business interruption at Borouge (first six months of 2023: EUR 7,218 thousand, of which EUR 6,699 thousand related to the business interruption at the Schwechat refinery).

Borouge has concluded an insurance contract for business interruptions exclusively on behalf of Borealis. Contractually, the insurance compensation is directly attributable to Borealis and is therefore recognized in the books of Borealis. It also included gains of EUR 16,624 thousand (first six months of 2023: EUR 27,215 thousand) from foreign currency translation effects related to working capital. The figures in 2023 as reported included the release of the government grants received free of charge for CO₂ emissions. Due to the accounting policy change on emission rights, amounts have been restated. For further details, please refer to note 13.

12. Transactions with Related Parties

EUR thousand	Transaction values for the six months ended June 30		Balance outstanding	
	2024	2023	30.6.2024	31.12.2023
Sales of goods and services to				
Associated companies	3,115	5,044	10,904	11,288
Joint ventures	237,031	297,491	151,622	119,181
Companies with significant influence	0	0	0	0
Other related parties	34,817	39,924	8,412	9,095
Purchases of goods and services from				
Associated companies	47,462	60,803	78	194
Joint ventures	228,346	203,192	121,153	91,289
Companies with significant influence	0	4	0	0
Other related parties	723,471	681,604	128,847	117,198
Others				
Loans granted and related interest – Associated companies	1,357	1,181	53,779	52,492
Loans granted and related interest – Joint ventures	31,399	30,715	975,336	856,122
Financial guarantee receivables – Joint ventures	0	0	22,933	24,191
Financial guarantee liabilities – Joint ventures	0	0	22,887	24,304
Other financial liabilities – Joint ventures	0	0	0	67,873
Lease liabilities and related interest – Parent company	8	10	5,819	6,430
Lease liabilities and related interest – Other related parties	93	110	7,651	10,164
Income taxes receivable and related expense – Parent company	0	11,679	0	41,912
Income taxes liability and related expense – Parent company	52,470	0	61,084	0

Due to the sale of Borealis NITRO at the beginning of July 2023, only transaction values for the first six months from discontinued operation are included in 2023.

On June 30, 2024, undrawn financial commitments of USD 836,000 thousand to Borouge 4 LLC (Borouge 4) stemmed from a shareholder loan agreement (SHL) entered into on February 3, 2023, with Borealis AG as lender and Borouge 4 as borrower to part finance the CAPEX requirements of Borouge 4. USD 232,000 thousand from the USD 1,068,000 thousand commitment have been drawn to date, with a further USD 68,000 thousand drawn in July 2024. The SHL is structured as a facility with a five-year tenor. Borealis retains the right to accelerate the prepayment of the outstanding amounts at the point of reintegration into Borouge PLC. Furthermore, Borealis AG provided a guarantee for the funding of Borouge 4 under the Italian Export Credit Agency agreement. The total guarantee amounts to USD 1,276,000 thousand plus interest (thereof USD 908,000 thousand utilized as at June 30, 2024) which is recognized as a financial liability of EUR 1,020 thousand (December 31, 2023: EUR 988 thousand).

Borealis provided a guarantee for a Revolving Credit Facility (RCF) used by Bayport Polymers LLC (Baystar) as a liquidity instrument to conduct its ordinary course of business. The maximum amount of the credit facility is USD 200,000 thousand, of which 50% (USD 100,000 thousand) is guaranteed by Borealis, while the remaining USD 100,000 thousand is guaranteed by joint venture partner TotalEnergies. As of June 30, 2024, USD 175,000 thousand was utilized (of which USD 87,500 thousand was guaranteed by Borealis).

On April 19, 2022, a loan of USD 650,000 thousand was repaid by Baystar to Borealis. The repayment was financed from the two tranches of senior notes issued in USD in the amount of USD 350,000 thousand and USD 300,000 thousand, which mature in 2027 and 2032 respectively. Borealis provided a parental guarantee of USD 650,000 thousand for the full amount of the senior notes which is recognized as a financial liability of EUR 20,359 thousand (December 31, 2023: EUR 21,690 thousand). Additionally, Borealis provided a parental guarantee for a lease of railcars with maximum exposure of USD 20,700 thousand as at the reporting date (December 31, 2023: USD 22,010 thousand) and recognized a financial liability of EUR 1,508 thousand (December 31, 2023: EUR 1,626 thousand).

As of January 1, 2021, selected Austrian entities of the Borealis Group belong to the OMV tax group and reimburse income tax payments directly to OMV Aktiengesellschaft with income tax liability to the parent company shown under Other current liabilities.

For further information on dividends received from associated companies and joint ventures, please refer to the interim consolidated cash flow statement. For information relating to dividends paid, please refer to the interim consolidated cash flow statement and the statement of changes in equity.

13. Restatement

On January 1, 2024, Borealis changed its accounting policy on emission rights which are received free of charge as a government grant. Previously, Borealis recognized freely allocated certificates as intangible assets at cost, at the spot price on the allocation date and a government grant which was released during the respective financial year. A liability was built up for actual emissions. Based on the revised policy, Borealis recognizes the emission rights it has been granted at zero cost. As a consequence, no government grant is recognized. The liability for the actual emissions made is recognized at zero as long as there are sufficient freely allocated emission rights available. In case the actual emissions made exceed the available freely allocated emission rights, Borealis has to purchase additional emission rights in order to cover the obligation. To cover the obligation for actual emissions made, it is assumed that the freely allocated certificates are used first, followed by those which have already been purchased. A provision will be created in case of a remaining shortfall. The amendments apply retrospectively, hence comparative figures for prior periods have been restated accordingly.

In 2024, the management team assessed the accounting treatment for emission rights within the peer group. Based on this assessment, it was concluded that the net approach provides a more accurate reflection of the economic substance of the transactions involving government grants.

The change in the accounting policy aligns Borealis' accounting policy with that of the peer group and thus enhances the comparability of our financial statements, providing more relevant and reliable information to users.

In addition, the decision was made to align Borealis' accounting policy with that of the parent group OMV to ensure consistency and comparability between OMV group and Borealis group.

The tables below show the line items in both the balance sheet and the income statement that are affected by the policy change:

Balance Sheet – Assets
EUR thousand

	1.1.2023		
	as reported	restatement	restated
Intangible assets	633,950	-212,402	421,548
Deferred tax assets	23,794	29,973	53,767
Other receivables and other assets (current)	545,243	-15,955	529,288
Assets of the disposal group held for sale	1,523,215	-181,887	1,341,328

EUR thousand

	31.12.2023		
	as reported	restatement	restated
Intangible assets	720,792	-237,645	483,147
Deferred tax assets	112,307	32,674	144,981
Other receivables and other assets (current)	485,331	-4,082	481,249

Balance Sheet – Equity and Liabilities
EUR thousand

	1.1.2023		
	as reported	restatement	restated
Reserves	412,694	-2,444	410,250
Retained earnings	7,772,773	-97,900	7,674,873
Other liabilities (current)	387,249	-98,040	289,209
Liabilities directly related to the disposal group	700,158	-181,887	518,271

EUR thousand

	31.12.2023		
	as reported	restatement	restated
Reserves	60,263	2,190	62,453
Retained earnings	7,559,146	-106,944	7,452,202
Other liabilities (current)	372,029	-104,299	267,730

Income Statement
EUR thousand

30.6.2023

	as reported	restatement	restated
Other operating income	86,163	-31,514	54,649
Production costs	-3,246,493	32,049	-3,214,444
Taxes on income	-15,930	-685	-16,615

14. Subsequent Events

There were no significant subsequent events after June 30, 2024.

15. Executive Board and Supervisory Board

Executive Board

Thomas Gangl (Chairperson until June 30, 2024), Stefan Doboczky (Chairperson since July 1, 2024), Daniel Turnheim, Wolfram Krenn, Philippe Roodhooft, Craig Arnold (Member since February 1, 2024)

Supervisory Board

Daniela Vlad (Chairperson), Khaled Salmeen (Vice Chairperson until June 3, 2024), Hetal Patel (member since June 11, 2024, and Vice Chairperson since June 25, 2024); Reinhard Florey, Martijn Arjen van Koten, Khaled Al Zaabi (Member until June 3, 2024), Raul Prieto (member since June 11, 2024)

Vienna, August 22, 2024

Executive Board:

Stefan Doboczky
Chief Executive Officer

Daniel Turnheim
Chief Financial Officer

Wolfram Krenn
Executive Vice President
Base Chemicals & Operations

Philippe Roodhooft
Executive Vice President
Joint Ventures & Growth Projects

Craig Arnold
Executive Vice President
Polyolefins, Circular Economy Solutions
and Innovation & Technology

Statement of the Executive Board according to Section 125(1)(3) of the Vienna Stock Exchange Act

We confirm to the best of our knowledge that the consolidated interim financial statements, prepared in accordance with the rules for interim financial statements set forth in the International Financial Reporting Standards, give a true and fair view of the assets, liabilities, financial position and financial performance of the Group and that the Group Management Report on the first half year provides a true and fair view of important events that have occurred during

the first six months of the financial year and the impact on the interim financial statements as well as the principal risks and uncertainties for the remaining six months of the financial year.

The presented interim financial report has not been subject to an audit or review.

Vienna, August 22, 2024

Executive Board:

Stefan Doboczky
Chief Executive Officer

Daniel Turnheim
Chief Financial Officer

Wolfram Krenn
Executive Vice President
Base Chemicals & Operations

Philippe Roodhooft
Executive Vice President
Joint Ventures & Growth Projects

Craig Arnold
Executive Vice President
Polyolefins, Circular Economy Solutions
and Innovation & Technology

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