

Standalone Annual Report 2024



Keep Discovering



Cover image: In 2024, Borealis celebrated its 30th anniversary. We are proud of our Nordic roots, symbolized by the Northern lights, the Aurora Borealis.

Photo by Johny Goerend on Unsplash

Note on gender inclusive language:

The masculine form partially specified by ESRG and chosen by us always refers to female, male, and diverse persons. To improve accessibility and machine readability, we generally refrain from using plural forms.

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Standalone Financial Report

Management Report as of December 31, 2024

Business Overview

While geopolitical strife led to short-lived spikes in the Brent Crude oil price, the market remained relatively stable throughout 2024, with an average of USD 80/bbl, ending the year at USD 73/bbl, marginally lower than the 2023 average of USD 83/bbl. Despite OPEC+ restraint in postponing output increases until April 2025, and extending production cuts to the end of 2026, production increases in other countries in the face of lagging global demand – especially from China – have intensified price pressures. Core inflation continued to moderate in developed markets, accompanied by the easing of interest rates.

Naphtha prices increased from USD 635/metric ton (t) in December 2023 to a 2024 peak of USD 709/t in March, supported by higher crude prices and increased blending of naphtha into the gasoline pool as the differential between crude and naphtha narrowed. In July, naphtha prices fell to USD 658/t, in line with low seasonal demand from refineries as well as lower crude prices. At year-end, naphtha prices stood at USD 612/t.

Ethylene and propylene contract prices followed a similar development curve as naphtha. Ethylene started the year at EUR 1,185/t and peaked at 1,260/t in April, in line with the naphtha price, and in response to robust demand amid continuing logistics bottlenecks. Ethylene prices hit a low of EUR 1,183/t in October following weaker naphtha prices and the easing of container freight bottlenecks. Prices ended the year at EUR 1,205/t. The price of propylene rose from EUR 1,050/t in January to EUR 1,145/t in April, then subsequently declined to close out the year at EUR 1,075/t.

The polyolefins market in 2024 remained weak by historic levels but showed a marked improvement compared to the unprecedented destocking that occurred in the second half of 2023 across the value chain. From February to September, the European polyolefins market was bolstered due to disruptions to global container shipping, which increased logistics costs and delivery times of imported materials. As these disruptions eased in the last quarter of 2024, European supply increased, with a negative impact on industry profitability.

Global Growth Projects

The global expansion project Borouge 4, a USD 6.2 billion facility currently being built in Ruwais (UAE), has reached a construction progress of around 80%. The start-up of the first unit is scheduled by the end of 2025 with the subsequent units to gradually start-up in 2026. One of the largest industrial projects in the UAE, Borouge 4 will transform Borouge into the world's largest single polyolefin complex by increasing its annual capacity with an additional 1.4 million metric tons of polyethylene. The advanced base chemicals and polyolefins produced at Borouge and based on Borstar® technology will meet robust demand in the region, and drive growth in high-value and more sustainable applications.

The world scale propane dehydrogenation (PDH) plant construction project in Kallo (Belgium) has reached a construction progress of more than 90%. In 2025, the remaining activities will be completed and all systems for the PDH plant will reach full mechanical completion during the year.

Acquisitions

As of March 28, 2024, Borealis AG acquired 100% of Integra Plastics AD shares from Betainvest EOOD and Vallenova Limited. Under the new name Integra Plastics EAD, the company will continue to operate an advanced mechanical recycling plant built in 2019 in Elin Pelin (Bulgaria), which has an annual capacity of over 20,000 metric tons. The acquisition complements Borealis' own recycling expertise and innovation leadership and will thus further accelerate the transition to plastics circularity.

Circular Economy

Transformation is a core element of the Borealis Strategy 2030: Borealis is consolidating its position as a fully customer-centric supplier of sustainable material solutions which add value to society and accelerate the transition to a circular economy. Long an industry front-runner in circularity, Borealis aims to further increase the share of circular products in its overall production output in the coming years. These currently include the recycled and renewable-based polymers in its Borcycle™ C, Borcycle™ M, and Bornewables™ grade portfolios, as well as the renewable hydrocarbons in the Borvida™ family of base chemicals.

Meaningful progress has been made in 2024 toward creating a circular economy based on “reduce, reuse, and recycle” in tandem with design for recyclability, by providing more sustainable material solutions for applications in mobility, infrastructure, energy, healthcare, and consumer products. The scope of use for recycled and renewable-based polymers continues to expand to include the most demanding applications. In March, for example, the US Food and Drug Administration (FDA) issued Letters of No Objection which permit the use of select grades in the Borcycle™ M portfolio in food-grade packaging in countries under its governance.

The acquisition of Integra Plastics EAD, finalized in March 2024, is the most recent step to boost the Group's advanced mechanical recycling output. This effort was further bolstered in June by the installation of a recyclate-based polyolefins compounding line in Beringen (Belgium). Once operational in 2025, this facility will use the continually upgraded Borcycle™ M technology to transform mechanically recycled post-consumer waste into high quality rigid polypropylene and polyethylene. This output is augmented by other mechanical recycling facilities in the Borealis Group, including Italy-based Rialti S.p.A, a leading polypropylene compounder of recyclates used in injection molding and extrusion and acquired by Borealis in 2023; Ecoplast Kunststoffrecycling GmbH in Austria; and mtm compact GmbH and mtm plastics GmbH in Germany.

Chemical recycling processes are essential complements to mechanical recycling. Since acquiring a majority stake in Belgium-based Renasci N.V. in 2023, Borealis enjoys access to chemically recycled feedstock for the ISCC-PLUS certified grades in the Borcycle™ C portfolio. In April 2024, Borealis, OMV, and TOMRA Feedstock announced a long-term, expanded partnership which will ensure that mixed post-consumer waste destined for landfilling is instead sorted by polymer type, then processed by Borealis and OMV using mechanical and chemical processes, respectively, to produce circular products and solutions.

Technological Innovation

Innovation is a pillar of the strong Borealis foundation and drives transformation in all areas of business activity. Ongoing investment in research and development (R&D), open innovation, and value chain collaboration enables Borealis to fulfil its corporate purpose of “Reinventing Essentials for Sustainable Living.” Proprietary technologies like Borstar®, which continues to be developed within the Borstar® Nextension program, form the base for material solutions which help the industry address urgent societal and environmental issues such as decarbonization, the green-energy transition, and waste reduction. Thanks to its suite of technologies, Borealis can continually expand its offer of advanced specialty polyolefins in order to capitalize on the market potential of lucrative niche applications in sectors like renewable energy, mobility, healthcare, consumer packaging, and in the circular sphere.

Several 2024 product launches illustrate how collaboration with value chain partners and other stakeholders continues to facilitate the development of eco-efficient applications across diverse industry sectors. Launched at the WIRE trade fair in April, Borcycle™ ME7153SY, a unique and sustainable cable jacketing solution for low and medium voltage cables, contains 50% post-consumer recycle. A new medium voltage cable insulation grade, Borlink™ LS4301R, offers reduced emissions thanks to a newly optimized base resin and cross-linking agent. In infrastructure, crosslinked pipes (PE-X) produced using the HE1878E-C3 compound show exceptional resistance to the effects of chlorine, provide UV resistance, and achieve the highest Class 5 designation in accordance with the North American ASTM F876 specification standard.

Innovation at Borealis is customer driven and global in scope. Around 600 people are currently employed at one of Borealis’ three innovation hubs: the Innovation Headquarters in Linz (Austria) as well as the innovation centers in Porvoo (Finland) and Stenungsund (Sweden). Borealis also operates Borstar pilot plants for polyethylene in Porvoo, and for polypropylene in both Porvoo and Schwechat (Austria). A pilot facility in Porvoo is augmented by catalyst manufacturing plants in Linz and Porvoo.

Having been ranked as the top Austrian innovator in the European Patent Index 2023, Borealis continues to expand its patent portfolio. In 2024, Borealis filed 121 new priority patent applications at the European Patent Office, versus 128 filed in 2023. As of December 2024, Borealis holds around 8,900 granted patents as well as approximately 3,400 patent applications which are subsumed in approximately 1,600 patent families.

Digital Transformation

The Borealis Group’s Digital Strategy has been designed to support the overarching aims of the Borealis Strategy 2030, and to accelerate the delivery of reliable and innovative digital solutions across all facets of the Group. The Digital Strategy is the catalyst for transformation in circularity, sustainability, customer centricity, and operational efficiency. It encompasses five main clusters: business growth; innovation, data and artificial intelligence (AI); operational excellence; cybersecurity; and people and capabilities. Lighthouse projects have been developed for each of the clusters and are currently in various stages of implementation.

Energy and Climate

Increased greenhouse gas (GHG) emissions are detrimental to the environment and society, having been linked to global warming, extreme weather events, and rising sea levels. The Paris Agreement is among key global efforts to limit the global temperature increase to 1.5° C above

pre-industrial levels. In order to achieve this, the petrochemical industry – like all major sectors – must reduce emissions in its own operations as well as along its value chains.

Borealis is keenly aware of its responsibility to do its part to limit global warming by reducing its direct and indirect GHG emissions, which the Group labels and calculates within the framework of the Greenhouse Gas Protocol: direct GHG emissions (Scope 1); electricity indirect GHG emissions, from purchased energy (Scope 2); and other indirect GHG emissions (Scope 3). This framework guides efforts to mitigate climate change effectively.

Borealis aims to reduce its reported Scope 1 and Scope 2 emissions from 5.1 million metric tons/year (from a 2019 baseline) to 2 million metric tons/year by 2030¹). Decarbonization efforts center on using a higher share of energy from renewable sources, and by implementing energy efficiency projects at its own production locations. The Borealis Strategy 2030 stipulates that by 2030, 100% of the electricity used in its Polyolefins and Base Chemicals production operations in Europe should be of renewable origin. This year, Borealis achieved an intermediate goal earlier than anticipated when it reached a 50% share of renewables by the end of 2024.

This achievement was made possible in part thanks to multiple long-term power purchase agreements (PPA) signed with renewable energy providers in this and previous years. In 2024, Borealis announced four new PPAs with the Swiss producer Axpo, bringing the total number of PPAs signed with Axpo alone to eight since 2021. Two of the 2024 Axpo PPAs procure wind power for Borealis operations in Belgium, while the other two supply wind power to operations in Sweden and Belgium. Borealis also signed a ten-year PPA with Burgenland Energie, Austria's leading wind and solar energy producer, to supply wind power and solar energy to help power Borealis facilities in Schwechat (Austria). At the start of 2024, multinational power company Vattenfall started supplying hydropower to Borealis operations in Stenungsund (Sweden) as part of the first long-term PPA signed with Borealis.

A second cornerstone in the Borealis Group's decarbonization efforts is enhancing the energy efficiency of its own production facilities; the goal is to obtain 10% savings in energy consumption by 2030, working from a 2015 baseline. Scope 1 emission reduction ambitions are reflected in integrated CAPEX portfolio management; a set of energy-efficiency projects have been incorporated in the investment portfolio until 2030. Borealis has also developed a transition plan toward net zero by 2050 for Scope 1 and Scope 2 GHG emissions based on location-specific carbon neutrality blueprints.

One of the 15 different categories of Scope 3 emissions, Scope 3.1, refers specifically to carbon emissions associated with the products and/or services purchased by an organization, often from vendors outside the company's direct control. For the Borealis Group, reducing Scope 3.1 emissions means optimizing feedstock and raw material procurement, and increasing recycling capacity in order to reduce end-of-life impact. To this end, as of 2025, Borealis will evaluate ways in which reporting accuracy for feedstock suppliers can be improved by shifting from industry-averaged to supplier-specific emission factors in instances where such information is available. Doing so would enable the Group to explore opportunities to reduce indirect emissions where technically and economically feasible. Furthermore, once the final chemicals

¹ Taking into account the July 2023 divestment of the Borealis nitrogen business unit, including fertilizers, technical nitrogen, and melamine products (Borealis NITRO); in accordance with the Greenhouse Gas Protocol, this is categorized as a base year emission shift.

sector guidelines have been published by the Science Based Targets initiative (SBTi), Borealis intends to assess the feasibility of setting such targets.

Financial Performance

Borealis AG net profit increased from EUR 319 million in 2023 to EUR 530 million in 2024, driven by improved performance of the Borealis Polyolefins and Base Chemicals businesses; the robust and efficient management of fixed costs; and a higher contribution of net income from dividends received. Yet the year 2024 was also characterized by ongoing market uncertainty; stubborn inflation and high energy costs, particularly in Europe; weak margins; and record polyolefins overcapacity in the face of feeble demand. In 2024, the entity's European business benefited from global shipping disruptions, which led to higher than anticipated polyolefin margins and unexpected commercial opportunities, particularly in the first half of the year.

KPI Overview

	2024 EUR thousand	2023 EUR thousand
Cash flow from operating activities	151,236	395
Cash flow from investing activities	318,974	226,380
Cash flow from financing activities	-1,394,904	-677,190
Net cash flow for the period	-924,694	-450,415
Cash and cash equivalents (including internal bank ¹⁾) as of January 1	1,824,759	2,275,174
Cash and cash equivalents (including internal bank ¹⁾) as of December 31	900,065	1,824,759
Change in cash and cash equivalents (including internal bank ¹⁾)	-924,693	-450,416

1) included in financial statement caption "Accounts payable to affiliated companies"

	2024	2023
Equity ratio ²⁾	83.5%	82.0%
Return on equity ³⁾	4.1%	2.4%
EBIT (in EUR thousand) ⁴⁾	526,322	368,894
Return On Average Capital Employed (ROCE) ⁵⁾	3.8%	2.3%
Gearing ratio ⁶⁾	2.3%	-5.0%

2) Equity divided by Total assets // 3) Net income divided by Total equity // 4) Net income + Taxes on income + Interests and similar expenses + Other interest and similar income // 5) Net income + net interest related to financing – tax effect divided by average capital employed (equity + net debt) // 6) Interest-bearing debt, less cash and cash equivalents, divided by total equity

Review of Results

Sales

Borealis sold 3.46 million metric tons of polyolefins in 2024, around 5% more than the 3.31 million sold in 2023. Demand for polyolefins increased slightly in the first half of 2024, but levels remained virtually unchanged compared to the same period in 2023. Stagnant economic growth in Europe and the damper put on consumer spending by cost-of-living increases could not be offset by lower inflation and lower interest rates, thus negatively affecting polyolefins demand.

Even though demand for consumer products in Europe and the US rose in 2024, underlying demand remains soft. Demand in both the healthcare and consumer appliance sectors is flat as customers navigate protracted market uncertainty. Weak demand in the construction sector in particular has affected Borealis Energy and Infrastructure business areas, yet this was offset by robust demand for selected high voltage applications in Borealis Energy and Mobility, resulting in overall higher volumes to market for most Borealis business areas in 2024.

Borealis Base Chemicals sales increased in 2024 to 1.15 million metric tons from 0.98 million metric tons in 2023. This rise was driven by higher phenol sales owing to larger contractual volumes based on higher demand in Europe and lower natural gas prices. Olefins sales likewise increased in 2024 due to higher Borealis Polyolefins sales and the absence of plant turnarounds such as those which took place in 2023 in Porvoo (Finland) and Kallo (Belgium).

Cost Development

Driven by higher feedstock prices, production costs in 2024 were higher than in 2023; both the elevated naphtha price and the higher LPG ratio contributed to an increase in production costs. This, in addition to higher sales volumes of Polyolefins and Base Chemicals, drove an increase in cost of materials as well as freight cost. Other operating costs decreased in 2024 thanks to strict cost management policies adopted by Borealis in 2024, and despite inflation and the administration of growth projects, refer to chapter '7. Other Operating Expenses' in the notes. In 2024, Borealis costs related to R&D stood at EUR 62 million, compared to EUR 66 million in 2023.

At the end of 2024, the employee headcount of the entity was 373, which is an increase of 9 in comparison to and headcount of 364 in 2023.

Strong Foundation Performance Excellence (SFPE)

The Strong Foundation – Performance Excellence (SFPE) program, launched in 2022 as part of the Borealis 2030 Strategy, has been pivotal in enabling the Group to navigate the prolonged industry downturn. In 2024, SFPE delivered approximately EUR 240 million in sustained EBITDA improvements. Key achievements included product pricing optimization; variable costs reduction through improved feedstock sourcing; and operational efficiency improvements.

As of 2024, SFPE also includes dedicated measures for fixed cost savings. In its first full year of impact, these measures have contributed EUR 50 million in savings for Borealis group, and are thus on track to deliver the targeted EUR 100 million by 2026. The SFPE's holistic approach and rigorous implementation have significantly strengthened Borealis' financial resilience and operational excellence.

Enterprise Risk Management

Borealis has a documented enterprise risk management process which ensures that all parts of the Group routinely identify and assess their risks, and develop and implement appropriate mitigation actions. Risk management contributes to achieving the Group's long-term strategies and short-term goals. Borealis captures emerging risks that may materialize during the business plan period, and strategic risks that may affect the delivery of the Group's long-term strategy. Borealis believes that an effective risk culture makes it harder for an outlier, be it an event or an offender, to put the Group at risk.

In 2024, emphasis in risk management continued to be on balancing the need for growth, profitability, and sustainability. Ongoing turbulence in geopolitics and markets has exposed the fragilities of the global energy system and the obstacles to accelerating the transition to green energy and circularity. In Europe in particular, the industry is confronted with economic uncertainty and an increasingly burdensome regulatory compliance framework. These and other risks in the overall landscape are periodically consolidated, reported, and reviewed.

Borealis distinguishes between various types of risks. The most relevant risk types include, but are not limited to, the following described below.

Strategic risks are often related to unfavorable long-term developments in the market and/or industry; developments related to technology and innovation; changes to the competitive environment; or a threat to the reputation of the Group.

Operational and tactical risks usually refer to unfavorable and unexpected short-term or mid-term developments and include all risks that may have a direct impact on the Group's daily business operations. All operational risks are assessed according to documented guidelines and procedures that are administered by the respective business functions.

A proactive approach to risk prevention management has been implemented in the Operations function, covering risks in the areas of Production; Health, Safety and Environment (HSE); Product Stewardship; Plant Availability; and Quality. The risk management approach also safeguards the Responsible Care® approach toward risks in operations. The standard risk management process includes a common risk matrix and risk registers, built bottom-up from plant to portfolio level, enabling a common risk rating system for the whole of operations.

In accordance with its legal obligations, Borealis assesses and discloses in its non-financial section the potentially negative impact of its activities on the environment and society as well as corresponding mitigation measures. The main risks analyzed include:

- Unplanned emissions from operations that might cause additional emissions to air or soil, water pollution, waste, noise, and other disturbances to the local community.
- Process safety incidents causing the sudden and uncontrolled release of explosive materials and the release of potentially harmful toxins.
- Chemical substances which, if not properly handled and in accordance with their intended use, could negatively impact human health.
- Environmental pollution caused by pellet loss or plastic littering.

Climate-related risks and mitigation actions are specifically analyzed within the framework of European Sustainability Reporting Standards (ESRS) risk assessment. Transition risks include, for example, higher GHG emission prices; increasing operating costs; increasing pressure on

the use of fossil fuel-based feedstock; and a negative industry image. Physical risks are mainly related to potential supply chain disruptions caused by extreme weather events, political unrest, or other factors. At the same time, some risk types associated with climate change also represent opportunities for innovation and growth. For example, the development of new circular and/or renewable-based products and applications; low-emission product portfolio extensions; and value chain and/or stakeholder partnerships that accelerate industry efforts to achieve climate neutrality.

Project-related risks are assessed in the Borealis project approval process. The applicable key risks related to an individual project are assessed. These risks include financial, market, technical, legal, intellectual property, strategic, operational, country-related and political factors. This risk assessment also reflects the probability of project completion within the estimated time frame and forecasted resource requirements, and the likelihood that key project objectives will be achieved. Project-related risks are managed by the respective project manager and reported to the Project Steering Committee.

Financial and market risks may refer to those arising, for instance, from unexpected changes in market supply, demand, commodity prices, services, or financing costs. Risks may also arise from liquidity, interest rates, foreign exchange rates, credit and insurance, the inability of a counterparty to meet a payment or delivery commitment, and may, for example, extend to incorrect assumptions or the inappropriate application of a model. Borealis AG is using financial instruments to address those risks, refer to the notes, chapter '3. Shareholder's Equity and Liabilities', sub-chapter 'Notes to financial instruments'. The Vice President Treasury & Funding and the General Counsel are responsible for reporting and coordinating the management of all financial risks.

Compliance risks involve legal and regulatory risks, codes of conduct (ethics policy), standards, and contracting compliance. Doing business in an ethical manner is vital to the Group's good reputation and continued success. Tactical or generic risks are risks identified as part of standards or compliance. These risks mainly relate to processes or control weaknesses.

Information security risks relate to the confidentiality, integrity, and availability of critical company information. The Vice President Digital Solutions and the General Counsel support line managers with the assessment of information security risks and the development and implementation of risk mitigation actions.

The Executive Board periodically reviews the Group's key risks, defines the Group's risk tolerance levels, monitors the implementation of mitigation actions, and reports the key risks and mitigation steps to the Supervisory Board. The Executive Board safeguards the integration of risk assessment in its strategic planning.

The Supervisory Board is responsible for reviewing the effectiveness of Borealis' risk management practices and processes, risk appetite and tolerance levels, the Group's risk exposure, and the effectiveness of mitigation actions. Some of these responsibilities are delegated to the Audit Committee, a sub-committee of the Supervisory Board.

All Borealis employees are responsible for managing risk within their authority and in their field of work in order to ensure that risk management is properly embedded in the organization and reflected in daily decision-making processes.

Supervisory and Executive Boards

In the first half of the year, Hetal Patel and Raul Prieto were appointed to the Borealis Supervisory Board, succeeding Khaled Salmeen and Khaled Al Zaabi. On November 25, 2024, Mike Baker was appointed to the Supervisory Board, replacing previous member Raul Prieto. With the recent founding of the Borealis AG works council in November 2024, three seats are now officially occupied by the employee representatives Philipp Riesenkampff, Dorothea Wiplinger, and Gernot Baumgaertel. Daniela Vlad has stepped down from the Supervisory Board of Borealis end of February 2025 and Alfred Stern took over her position on March 1, 2025.

As announced on June 12, 2024, the Borealis Supervisory Board appointed Stefan Doboczky as Borealis CEO, effective July 1, 2024. Stefan Doboczky succeeds 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 succeeded Lucrèce Foufopoulos-De Ridder as Executive Vice President Polyolefins, Circular Economy Solutions and Innovation & Technology.

Economic Development and Outlook

Borealis commemorated its thirtieth year of operations in 2024, celebrating a long track record as a polymers innovator and an industry leader in accelerating the transition to plastics circularity. The combination of technological prowess, dedication to creating value for customers, and operational excellence laid the foundation for success in a difficult year. Like the previous year, the year 2024 was marked by geopolitical uncertainty, global polyolefins overcapacity, and slower overall growth in demand for polyolefins. Yet Borealis' financial performance demonstrated clear improvements compared to 2023.

Borealis must draw on its 30-year legacy to adapt to the long-term structural developments facing all industry players. These include transitioning to a circular economy, lowering GHG emissions, and the disruption associated with new technologies and digitalization. European players must strive to remain competitive in the face of deindustrialization and increasingly stringent regulatory requirements. However, Borealis is well placed to successfully manage these challenges thanks to its strong foundation and the agility and dedication of its people.

The improved 2024 safety record shows that progress has been made toward achieving the ultimate goal of "Zero Harm." Safety will remain the top priority in 2025 as Borealis strives to become the industry leader in health, safety, and security in line with its "HSSE 2030" initiative.

Other Information

As a member of the OMV Group, Borealis AG does not prepare a separate non-financial statement at the standalone level in accordance with Section 243b of the Austrian Commercial Code (UGB), as it is included in the non-financial report of OMV AG in accordance with Section 243b (7) UGB. This report was prepared in accordance with the requirements of the Austrian Sustainability and Diversity Improvement Act (NaDiVeG) and in coordination with the European Sustainability Reporting Standards (ESRS), in preparation for the reporting requirement under CSRD. The report is available on the OMV AG website (<https://www.omv.com/en>).

In accordance with Section 267a of the Austrian Commercial Code (UGB), Borealis prepares a non-financial statement as part of the Group Management Report.

Borealis AG has a branch office in Abu Dhabi.

Vienna, March 4, 2025

Executive Board:

signed

Stefan Doboczky
Chief Executive Officer

signed

Daniel Turnheim
Chief Financial Officer

signed

Wolfram Krenn
Executive Vice President
Base Chemicals & Operations

signed

Philippe Roodhooft
Executive Vice President
Joint Ventures & Growth Projects

signed

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

Financial Statements Standalone

Balance Sheet as of December 31, 2024

	31.12.2024 EUR	31.12.2023 TEUR
Assets		
A. Fixed Assets		
I. Intangible assets		
1. Rights and licenses	30,364,120.51	32,452
II. Tangible assets		
1. Office equipment	698,133.68	1,251
2. Construction in progress	143,891.63	310
	842,025.31	1,561
III. Financial assets		
1. Investments in affiliated companies	3,194,911,018.72	3,140,627
2. Loans to affiliated companies	141,216,243.49	122,404
<i>thereof with residual maturity of more than one year</i>	<i>141,216,243.49</i>	<i>118,404</i>
3. Investments in associated companies	5,712,892.28	5,713
4. Loans to associated companies	692,594,432.57	720,781
<i>thereof with residual maturity of more than one year</i>	<i>692,594,432.57</i>	<i>698,917</i>
5. Securities	9,100,237.97	9,018
	4,043,534,825.03	3,998,543
	4,074,740,970.85	4,032,556
B. Current Assets		
I. Inventories		
1. Raw materials and supplies	340,042,814.93	404,911
2. Finished goods and merchandise	785,762,533.20	722,989
	1,125,805,348.13	1,127,900
II. Receivables and other assets		
1. Trade receivables	534,033,931.61	399,514
<i>thereof with residual maturity of more than one year</i>	<i>0.00</i>	<i>0</i>
2. Receivables from affiliated companies	7,786,781,535.04	8,079,030
<i>thereof with residual maturity of more than one year</i>	<i>5,860,023,566.14</i>	<i>6,615,659</i>
3. Receivables from associated companies	580,984,721.58	265,148
<i>thereof with residual maturity of more than one year</i>	<i>428,026,521.19</i>	<i>202,621</i>
4. Other receivables and assets	273,356,897.41	336,253
<i>thereof with residual maturity of more than one year</i>	<i>0.00</i>	<i>0</i>
	9,175,157,085.64	9,079,945
<i>in total thereof with residual maturity of more than one year</i>	<i>6,288,050,087.33</i>	<i>6,818,280</i>
III. Cash and cash equivalents	906,184,663.70	2,002,113
	11,207,147,097.47	12,209,958
C. Prepaid Expenses	12,918,385.58	15,135
D. Deferred Tax Assets	17,600,834.01	17,275
Total Assets	15,312,407,287.91	16,274,924

	31.12.2024 EUR	31.12.2023 TEUR
Shareholders' Equity and Liabilities		
A. Shareholders' Equity		
I. Nominal capital called up and paid in	300,000.00	300
<i>subscribed capital</i>	<i>300,000.00</i>	<i>300</i>
II. Capital reserves		
1. Appropriated	101,604,460.00	101,604
2. Unappropriated	1,539,783,410.00	1,539,783
	1,641,387,870.00	1,641,387
III. Revenue reserves		
1. Legal reserves	30,000.00	30
IV. Retained earnings	11,146,643,088.99	11,697,921
<i>thereof profit carried forward</i>	<i>10,616,770,537.68</i>	<i>11,378,756</i>
	12,788,360,958.99	13,339,638
B. Provisions		
1. Provisions for severance	777,105.67	591
2. Provisions for pensions	16,015,807.00	15,787
3. Other provisions	151,569,896.84	172,183
	168,362,809.51	188,561
C. Liabilities		
1. Bonds	300,000,000.00	300,000
<i>thereof with residual maturity of up to one year</i>	<i>300,000,000.00</i>	<i>0</i>
<i>thereof with residual maturity of more than one year</i>	<i>0.00</i>	<i>300,000</i>
2. Bank loans and overdrafts	904,488,084.90	1,211,224
<i>thereof with residual maturity of up to one year</i>	<i>631,519,851.26</i>	<i>305,846</i>
<i>thereof with residual maturity of more than one year</i>	<i>272,968,233.64</i>	<i>905,378</i>
3. Trade accounts payable	333,017,208.69	328,520
<i>thereof with residual maturity of up to one year</i>	<i>333,017,208.69</i>	<i>328,520</i>
<i>thereof with residual maturity of more than one year</i>	<i>0.00</i>	<i>0</i>
4. Accounts payable to affiliated companies	622,745,924.82	724,899
<i>thereof with residual maturity of up to one year</i>	<i>622,745,924.82</i>	<i>724,899</i>
<i>thereof with residual maturity of more than one year</i>	<i>0.00</i>	<i>0</i>
5. Accounts payable to associated companies	161,969,982.43	146,046
<i>thereof with residual maturity of up to one year</i>	<i>161,969,982.43</i>	<i>146,046</i>
<i>thereof with residual maturity of more than one year</i>	<i>0.00</i>	<i>0</i>
6. Other liabilities	33,462,318.57	36,037
<i>thereof taxes</i>	<i>4,770,846.26</i>	<i>3,777</i>
<i>thereof social security</i>	<i>1,815,873.97</i>	<i>0</i>
<i>thereof with residual maturity of up to one year</i>	<i>30,463,853.13</i>	<i>36,037</i>
<i>thereof with residual maturity of more than one year</i>	<i>2,998,465.44</i>	<i>0</i>
	2,355,683,519.41	2,746,726
<i>in total thereof with residual maturity of up to one year</i>	<i>2,079,716,820.33</i>	<i>1,541,348</i>
<i>in total thereof with residual maturity of more than one year</i>	<i>275,966,699.08</i>	<i>1,205,378</i>
Total Equity and Liabilities	15,312,407,287.91	16,274,925

Income Statement for the Year 2024

	31.12.2024 EUR	31.12.2023 TEUR
1. Sales	7,452,969,818.63	6,684,550
2. Increase or decrease in finished goods	62,773,258.28	-123,233
3. Other operating income		
a) Income from the release of provisions	6,324,000.00	11,319
b) Other income	71,467,343.55	162,345
	77,791,343.55	173,664
4. Cost of materials and purchased services		
a) Cost of materials	-4,960,481,508.39	-4,336,376
b) Cost of purchased services	-1,701,913,590.64	-1,631,122
	-6,662,395,099.03	-5,967,498
5. Personnel expenses		
a) Salaries	-70,676,638.27	-56,214
b) Social contributions	-22,018,041.82	-16,699
<i>thereof pension fund contributions</i>	282,179.69	2,274
<i>aa) thereof expense for severance payments and corporate staff and self employment fund contributions</i>	-3,836,963.72	-1,176
<i>bb) thereof expense for statutory social security and payroll related taxes and contributions</i>	-12,777,355.95	-9,568
	-92,694,680.09	-72,913
6. Amortisation and depreciation of		
a) intangible and tangible assets	-2,751,579.71	-3,150
b) current assets in excess of those normally recognized by the company	-2,500,000.00	-7,500
	-5,251,579.71	-10,650
7. Other operating expenses		
a) Taxes, other than those reported in line item 17	-439.49	0
b) Other expenses	-692,351,459.60	-708,214
	-692,351,899.09	-708,214
8. Subtotal from line 1 to 7 (operating result)	140,841,162.54	-24,294
9. Income from investments	333,621,914.09	169,700
<i>thereof affiliated companies</i>	333,621,914.00	169,700
10. Interest income from long-term loans	75,672,318.62	60,574
<i>thereof affiliated companies</i>	0.00	0
11. Other interest and similar income	292,023,256.39	175,900
<i>thereof affiliated companies</i>	176,005,116.29	93,630
12. Gains on sale and write up of financial assets	19,830,399.60	462,868
13. Expenses arising from financial assets	-43,644,250.51	-299,955
<i>thereof affiliated companies</i>	-43,644,250.51	-299,954
<i>thereof depreciation</i>	-43,644,250.51	-299,954
14. Interest and similar expenses	-228,285,270.05	-222,652
<i>thereof affiliated companies</i>	-53,263,439.00	-46,293
15. Subtotal from line 9 to 14 (financial result)	449,218,368.14	346,435.00

	31.12.2024 EUR	31.12.2023 TEUR
16. Profit before tax (subtotal from line 8 and 15)	590,059,530.68	322,141
17. Taxes on income	-60,186,979.37	-2,977
<i>thereof income from deferred tax assets</i>	<i>325,305.00</i>	<i>11,323</i>
18. Profit after tax	529,872,551.31	319,164
19. Net income for the year	529,872,551.31	319,164
20. Profit carried forward from previous year	10,616,770,537.68	11,378,756
21. Retained earnings	11,146,643,088.99	11,697,921

Notes to the Standalone Financial Statements

1. Accounting and Valuation Policies

The financial statements have been prepared in accordance with the Austrian Commercial Code (“UGB”), Austrian Generally Accepted Accounting Principles and the general standard of presenting a true and fair view of the financial position and financial performance of the entity. The presentation of the financial statements also meets the criteria set out in the Austrian Commercial Code.

The presentation, valuation and disclosure of financial statement items are in line with the Austrian Commercial Code and its special regulations for corporations. The financial statements have been prepared on a going concern basis, and assets and liabilities have been reported using the principle of individual valuation. The financial statements have been compiled according to the principle of completeness. The principle of prudence was taken into account insofar as, in particular, only gains realized at the balance sheet date were accounted for. All recognizable risks and impending losses incurred up to the balance sheet date were included. Estimates are based on prudent judgment. Where there were statistically determined experiences arising from similar facts, those experiences were taken into account for estimates.

Prevailing accounting and valuation principles have been maintained.

Tangible and intangible assets are reported at cost less accumulated depreciation/amortization and impairment losses. Impairments of tangible and intangible assets in excess of scheduled depreciation are recognized as write-downs where impairment is deemed to be permanent.

Financial assets are carried at cost. In the event of sustained and material impairment, a lower fair value is recognized. Fair value is calculated by applying the discounted cash flow model using the weighted average cost of capital of the Company at the time of calculation.

Loans to affiliated companies are reported at cost. In the event of sustained and material impairment, lower values are recognized.

Raw materials and supplies are capitalized at acquisition cost in line with the weighted average price method. Feedstock, polyolefins and olefins are capitalized at acquisition cost in line with the first in, first out (FIFO) method.

Finished goods are stated as the lower of production cost, originating from the Company’s cost accounting, or net sales value. Services not yet invoiced are valued at production cost. Acquisition/production costs are stipulated following the first in, first out (FIFO) method.

Production costs comprise:

- Prime costs
- Special production costs
- Variable factory overheads
- Appropriate portions of variable and fixed overhead costs to the extent that they relate to the period of production

The subsequent valuation of inventories is carried out according to the strict lower of cost or market principle.

Receivables and other assets are reported at nominal value. All recognizable individual risks have been accounted for using a cautious valuation approach. Borealis AG has had its own EU-

ETS account since January 2014. In order to meet the emission rights needs within the Borealis Group, a new structure was implemented. All existing rights were moved to Borealis AG before the end of 2014. The intention is that during the year, only the Borealis AG National Registry account will be administered in order to facilitate trading activities (to be considered as a pool account). Borealis AG is responsible for entities having sufficient emission rights to surrender. New allocations every year and surrendering remains within the scope of the local registry accounts, meaning that posting of the new allocations, amortization of the government grant, and posting of the actual emitted rights together with surrendering remains in the local books. The emission certificates only move between Group members and their registry accounts through sale and purchase transactions, based on a spot price valid on the relevant trading platform on the day of the agreement.

According to AFRAC Position Paper No. 27 dated June 2022², “Accruals for pensions and severance payments, provisions for jubilee bonuses and comparable obligations falling due in the long term under the provision of the Austrian Commercial Code,” and provisions for pensions are calculated actuarially using the projected-unit-credit method and “AVÖ 2018-P” mortality tables. Additionally, the earliest possible date for retirement according to Austrian social insurance legislation is adopted for the calculation. The discount rate used is 3.25% (2023: 3.50%). The discount rate is determined by referring to market rates on the balance sheet date at which high quality corporates are able to borrow capital for the average residual term of the liability. No staff fluctuation deduction is considered. Additionally, an average increase in pension payments of 2.50% (2023: 2.25%) is considered. The interest expenses relating to provisions for pensions along with the effect on changes to discount rates are recorded under the corresponding personnel expense.

Provisions for jubilee bonuses are calculated in accordance with IFRS³ (IAS⁴ 19) using a discount rate of 3.25% (2023: 3.75%). The discount rate is determined by referring to market rates on the balance sheet date. Additionally, a fluctuation deduction of 2.00% (2023: 2.00%) and an average wage and salary increase of 3.75% (2023: 4.00%) are used for the calculations.

The corporate law provision for severance payments was actuarially calculated according to AFRAC Position Paper No. 27 “Accruals for pensions and severance payments, provisions for jubilee bonuses and comparable obligations falling due in the long-term under the provision of the Austrian Commercial Code” (June 2022), using the present value method (IAS 19) based on the mortality tables of the Actuarial Association of Austria (AVÖ 2018-P). The earliest date possible for retirement according to Austrian social insurance legislation is adopted for the calculation. The discount rate (current market interest rate) is 3.00%. A fluctuation deduction of 2.00% and a future salary increase of 3.75% are taken into account.

At year end, all risks recognizable in light of sound commercial judgment and contingent liabilities are provided for, including provisions for impending losses from negative fair values of derivative instruments. Provisions with a residual term of more than one year are discounted using customary market rates.

Liabilities are reported at settlement amount.

² AFRAC: Austrian Financial Reporting and Auditing Committee

³ International Financial Reporting Standards

⁴ International Accounting Standards

The income statement has been prepared using the total expenditure format.

Obligatory disclosures on financial statement items were omitted where there were no corresponding facts.

The financial statements are prepared in EUR (i.e., the reporting currency). Generally, receivables denominated in other currencies are valued at the lower of acquisition rate or the exchange rate prevailing on the balance sheet date, whereas liabilities denominated in foreign currencies are valued at the higher of rate of origin or the exchange rate prevailing on the balance sheet date.

Derivative financial instruments are reported at the lower of acquisition cost or the fair value on the balance sheet date. Provisions for impending losses from outstanding transactions are measured following the imparity principle. Derivative financial instruments are accounted for according to the principle of individual valuation. Since January 1, 2011, due to the implementation of the new AFRAC position paper, derivative financial instruments designated for hedging purposes have been presented and measured as a unit with the underlying transaction. Predominantly, pending transactions and future cash flows are hedged.

The prerequisites for the formation of valuation units are individual risk compensation, matching interest rate maturities and currencies, matching credit ratings, and matching maturities. Hedging cash flows requires the hedge to be highly effective in achieving offsetting changes in cash flows attributable to the hedged risk (risks of transactions being matched by counter-risks of derivatives) during the period for which the hedge is designated.

Hedge accounting requires the entity to assess retrospectively whether the hedge relationship was highly or completely effective during the particular period. Ineffective hedging of designated derivative instruments is recognized in profit or loss via provisions for impending losses.

Hedge accounting requires designated derivatives to form a valuation unit with the hedged transactions or items. Future sales and purchases in a foreign currency whose exchange rate is fully hedged with foreign exchange forwards are valued at the agreed forward exchange rate. In the case of effective hedge relationships of cash flow hedges, the measurement of provisions for impending losses of designated derivatives is based on opposite income-related cash flows of the hedged transaction.

Deferred tax assets are recognized for differences between the carrying amounts of assets, provisions, liabilities, and other deferred items and their tax bases to the extent that it is probable that the differences will be recovered in future periods.

The following affiliated companies signed toll manufacturing contracts with Borealis AG:

- Borealis Polyolefine GmbH, Austria
- Borealis Polymere GmbH, Germany
- Borealis Polymers N.V., Belgium
- Borealis Kallo N.V., Belgium
- Borealis Antwerpen N.V., Belgium
- Borealis Italia S.p.a., Italy
- Borealis AB, Sweden
- Borealis Polymers Oy, Finland
- Borealis Plastomers B.V., Netherlands

Borealis AG supplies all raw materials, consumables and other means of production to the toll manufacturers for the fabrication of finished goods. These finished goods as well as the factors of production thereby remain property of Borealis AG, with end products being marketed by Borealis AG itself and toll manufacturers being remunerated for their services at market rates.

Notes to the Balance Sheet

2. Assets

Fixed Assets

EUR	Acquisition Costs				Balance as of December 31, 2024	Accumulated Amortization/Depreciation				Balance as of December 31, 2024	Carrying Value	
	Balance as of January 1, 2024	Additions	Disposals	Reclassification		Balance as of January 1, 2024	Additions	Disposals	Write-ups		Balance as of December 31, 2023	Balance as of December 31, 2024
Intangible assets												
Rights and licenses	78,232,386.16	31,075.65	-28,371,481.49	0.00	49,891,980.32	-45,780,715.85	-2,118,625.45	28,371,481.49	0.00	-19,527,859.81	32,451,670.31	30,364,120.51
	78,232,386.16	31,075.65	-28,371,481.49	0.00	49,891,980.32	-45,780,715.85	-2,118,625.45	28,371,481.49	0.00	-19,527,859.81	32,451,670.31	30,364,120.51
Tangible assets												
Office equipment	3,471,010.98	0.00	-1,382,029.31	299,642.22	2,388,623.89	-2,220,165.74	-632,954.26	1,162,629.79	0.00	-1,690,490.21	1,250,845.24	698,133.68
Construction in progress	309,662.22	133,871.63	0.00	-299,642.22	143,891.63	0.00	0.00	0.00	0.00	0.00	309,662.22	143,891.63
	3,780,673.20	133,871.63	-1,382,029.31	0.00	2,532,515.52	-2,220,165.74	-632,954.26	1,162,629.79	0.00	-1,690,490.21	1,560,507.46	842,025.31
Financial assets												
Investments in affiliated companies	4,232,611,529.12	79,475,356.75	-47,398.61	0.00	4,312,039,487.26	-1,091,984,218.03	-43,644,250.51	0.00	18,500,000.00	-1,117,128,468.54	3,140,627,311.09	3,194,911,018.72
Loans to affiliated companies	122,403,820.44	22,812,423.05	-4,000,000.00	0.00	141,216,243.49	0.00	0.00	0.00	0.00	0.00	122,403,820.44	141,216,243.49
Investments in associated companies	5,712,893.28	0.00	0.00	0.00	5,712,893.28	-1.00	0.00	0.00	0.00	-1.00	5,712,892.28	5,712,892.28
Loans to associated companies	720,780,524.32	0.00	-28,186,091.75	0.00	692,594,432.57	0.00	0.00	0.00	0.00	0.00	720,780,524.32	692,594,432.57
Securities	9,017,983.00	82,254.97	0.00	0.00	9,100,237.97	0.00	0.00	0.00	0.00	0.00	9,017,983.00	9,100,237.97
	5,090,526,750.16	102,370,034.77	-32,233,490.36	0.00	5,160,663,294.57	-1,091,984,219.03	-43,644,250.51	0.00	18,500,000.00	-1,117,128,469.54	3,998,542,531.13	4,043,534,825.03
Total fixed assets	5,172,539,809.52	102,534,982.05	-61,987,001.16	0.00	5,213,087,790.41	-1,139,985,100.62	-46,395,830.22	29,534,111.28	18,500,000.00	-1,138,346,819.56	4,032,554,708.90	4,074,740,970.85

Intangible Assets

Intangible assets purchased from affiliated companies amount to acquisition costs of EUR 31,278,975.92 (2023: EUR 31,802 thousand).

Amortization/depreciation is calculated on a straight-line basis over an expected useful life of three to nineteen years. In the 2024 financial year, no impairment losses on intangible assets have been recognized (2023: EUR 0 thousand).

Tangible Assets

Depreciation is calculated on a straight-line basis over an expected useful life of three to ten years.

Financial Assets

Investments in affiliated and associated companies are broken down as shown in the following table:

Investments in affiliated companies	Country	City	Investment in %	Proportional equity IFRS 2024 in EUR thousand	Proportional net profit IFRS 2024 in EUR thousand
Borealis Antwerpen N.V.	Belgium	Zwijndrecht	100	14,460	4,180
Borealis Brasil S.A.	Brazil	Itatiba	80	35,794	10,558
Borealis Financial Services N.V.	Belgium	Mechelen	100	214,862	14,677
Borealis France S.A.S.	France	Courbevoie	100	4,123	14,380
Borealis Insurance A/S (captive insurance company)	Denmark	Copenhagen	100	103,828	5,876
BOREALIS ITALIA S.p.A.	Italy	Monza	100	13,391	546
Borealis Kallo N.V.	Belgium	Kallo	100	373,321	20,237
Borealis Plastomers B.V.	Netherlands	Geleen	100	44,247	3,422
Borealis Polymere GmbH	Germany	Burghausen	100	56,907	-6,184
Borealis Polymers N.V.	Belgium	Beringen	100	157,301	10,182
Borealis Polymers Oy	Finland	Porvoo	100	379,960	4,120
Borealis Química España S.A.	Spain	Barcelona	100	1,023	228
Borealis Sverige AB	Sweden	Stenungsund	100	261,768	17,491
Borealis Technology Oy	Finland	Porvoo	100	30	0
BOREALIS UK LTD	UK	Manchester	100	4,973	1,251
Borealis USA Inc.	USA	Houston	100	756,861	-28,683
DYM SOLUTION CO., LTD	South Korea	Cheonan	100	39,933	2,895
Integra Plastics EAD	Bulgaria	Sofia	100	8,317	-1,341
Rialti S.p.A.	Italy	Taino	100	47,766	3,625

Investments in affiliated companies	Country	City	Investment in %	Proportional equity local GAAP 2023 in EUR thousand	Proportional net profit local GAAP 2023 in EUR thousand
Borealis Argentina SRL	Argentina	Buenos Aires	98	30	21
BOREALIS ASIA LIMITED	Hong Kong	Hong Kong	100	797	47
BOREALIS CHEMICALS ZA (PTY) LTD	South Africa	Germiston	100	136	17
Borealis Chile SpA	Chile	Santiago	100	238	111
Borealis Chimie S.A.R.L.	Morocco	Casablanca	100	346	25
Borealis Colombia S.A.S.	Colombia	Bogota	100	98	45
Borealis Denmark ApS	Denmark	Copenhagen	100	136	12
Borealis Digital Studio B.V.	Belgium	Zaventem	100	1,440	342
Borealis México, S.A. de C.V.	Mexico	Mexico City	100	-862	-1,153
Borealis Plásticos, S.A. de C.V.	Mexico	Mexico City	100	1	-23
Borealis Plastik ve Kimyasal Maddeler Ticaret Limited Sirketi	Türkiye	Istanbul	100	444	377
Borealis Poliolefinas da América do Sul Ltda.	Brazil	Itatiba	100	4,050	613
Borealis Polyolefins d.o.o.	Croatia	Zagreb	100	7	3
Borealis Polyolefins S.R.L.	Romania	Bucharest	100	46	18
Borealis Polyolefins s.r.o.	Slovakia	Bratislava	100	11	4
Borealis Polska Sp. z o.o.	Poland	Warsaw	100	426	217
Borealis s.r.o.	Czech Republic	Prague	100	174	39
mtm compact GmbH	Germany	Niedergebra	100	-243	-566
mtm plastics GmbH	Germany	Niedergebra	100	7,606	-7,345

Investments in affiliated companies	Country	City	Investment in %	Proportional preliminary equity local GAAP 2024 in EUR thousand	Proportional preliminary net profit local GAAP 2024 in EUR thousand
Borealis Circular Solutions Holding GmbH	Austria	Vienna	100	1,382	-15,903
Borealis Middle East Holding GmbH	Austria	Vienna	100	1,460,265	433,903
Borealis Polyolefine GmbH	Austria	Schwechat	100	143,418	11,565
Ecoplast Kunststoffrecycling GmbH	Austria	Wildon	100	-2,123	-6,334

Investments in associated companies	Country	City	Investment in %	Proportional preliminary equity local GAAP 2023 in EUR thousand	Proportional preliminary net profit local GAAP 2023 in EUR thousand
C2PAT GmbH	Austria	Vienna	25	11	1
Recelerate GmbH	Germany	Herborn	50	853	-1,498

Investments in associated companies	Country	City	Investment in %	Proportional equity IFRS 2024 in EUR thousand	Proportional net profit IFRS 2024 in EUR thousand
Kilpilahden Voimalaitos Oy	Finland	Porvoo	20	3,269	-1,059

Of the Loans to affiliated companies totaling EUR 141,216,243.49 (2023: EUR 122,404 thousand) all are due in more than five years.

Of the Loans to associated companies totaling EUR 692,594,432.57 (2023: EUR 720,781 thousand), EUR 669,241,429.68 (2023: EUR 698,917 thousand) relates to loans to Bayport Polymers LLC, USA, of which EUR 216,575,223.79 is due in more than five years.

Receivables and other assets

Borealis AG has a factoring program under which the Company sells certain trade receivables to external parties. The Company does not retain any major interest in the trade receivables and thus derecognizes the receivables sold accordingly. Borealis AG continues to administer the relationship with debtors and transfers all receivables collected and previously sold to the purchaser under this program. Several reserves are deducted from the nominal value of the sold receivables and will be released upon transfer of the respective collected receivables to the purchaser. As of December 31, 2024, receivables worth EUR 417,917,742.56 (2023: EUR 406,528 thousand) were sold to the purchaser under the factoring program.

Receivables from affiliated companies are broken down into trade receivables of EUR 74,040,920.92 (2023: EUR 116,360 thousand) and other receivables of EUR 7,712,740,614.12 (2023: EUR 7,962,670 thousand). Most of the other receivables from affiliated companies are from Borealis Middle East Holding GmbH in the amount of EUR 5,854,326,759.31 (2023: EUR 6,288,513 thousand) coming from the sale of Borouge Pte. Ltd. and Abu Dhabi Polymers Company Limited in 2022.

Receivables from associated companies are broken down into trade receivables of EUR 130,378,856.50 (2023: EUR 104,457 thousand) and other receivables of EUR 450,605,865.08 (2023: EUR 160,691 thousand). There is no material income that will affect cash flow after the balance sheet date.

Other receivables and assets comprise purchased emission rights amounting to EUR 164,207,932.20 (2023: EUR 173,207 thousand) and are stated at acquisition cost.

Deferred Tax Assets

Changes in deferred tax assets, broken down into types of temporary differences and unused tax losses carried forward, are reported as follows:

EUR thousand	Fixed assets	Current assets	Unused tax losses carried forward	Provisions	Total
Deferred tax assets as of January 1, 2024	13,218	1,506	0	2,551	17,275
Recognized through profit and loss in 2024	808	-202	0	-281	326
Deferred tax assets as of December 31, 2024	14,026	1,304	0	2,270	17,601

A tax rate of 23% was used to measure the temporary differences. Deferred taxes include long-term temporary differences totaling EUR 10,929,506.58 (2023: EUR 12,874 thousand).

3. Shareholders' Equity and Liabilities

Shareholders' Equity

Nominal and Paid-Up Share Capital

The share capital of Borealis AG (parent company) amounts to EUR 300,000.00 (2023: EUR 300,000.00) and is divided into 300,000 (2023: 300,000) fully paid shares with a par value of EUR 1.00, none of which have special voting rights.

Retained Earnings

Borealis AG intends to pay a dividend of EUR 535,113,000 and to carry forward the remaining balance.

Other Provisions

	2024 EUR	2023 EUR thousand
Provisions for customer rebates and bonuses	57,257,507.79	40,812
Provisions for outstanding invoices	33,487,139.87	39,176
Provisions for employee bonuses	12,751,200.29	6,200
Provisions for long-term incentive plan	5,485,504.85	8,676
Provisions for social fund	5,408,411.39	13,595
Provisions for unused vacation entitlement	4,238,185.44	4,163
Provisions for jubilee bonuses	2,190,171.66	2,060
Provisions for impending losses from uncompleted transactions	391,450.25	10,499
Provisions for accrued interest	0.00	6,684
Other provisions	30,360,325.30	40,320
Total	151,569,896.84	172,183

Liabilities

The maturities of liabilities are broken down in the following table:

EUR	2024	
	Carrying value as of 12/31/2024	Thereof maturity > five years
Bank loans and overdrafts	904,488,084.90	132,955,662.84
Accounts payable to affiliated companies	622,745,924.82	0.00
Trade accounts payable	333,017,208.69	0.00
Bonds	300,000,000.00	0.00
Accounts payable to associated companies	161,969,982.43	0.00
Other liabilities	33,462,318.57	0.00
Total	2,355,683,519.41	132,955,662.84

EUR	2023	
	Carrying value as of 12/31/2023	Thereof maturity > five years
Bank loans and overdrafts	1,211,223,936.23	203,042,679.28
Accounts payable to affiliated companies	724,899,476.59	0.00
Trade accounts payable	328,519,877.97	0.00
Bonds	300,000,000.00	0.00
Accounts payable to associated companies	146,045,656.83	0.00
Other liabilities	36,036,829.61	0.00
Total	2,746,725,777.23	203,042,679.28

Accounts payable to affiliated companies consist of financial payables of EUR 51,124,528.24 (2023: EUR 229,606 thousand) and trade payables of EUR 571,621,396.58 (2023: EUR 495,293 thousand). Accounts payable to associated companies are exclusively trade payables.

Other liabilities do not include any material expenses that will produce an outflow of cash after the balance sheet date.

Obligations From the Use of Fixed Assets Not Stated in the Balance Sheet

EUR thousand	2024	
	Expenses for the next financial year	Expenses for the next five financial years
Obligations from lease agreements	74,653	201,165
Obligations from rental agreements	2,607	1,632
Total	77,260	202,797

Notes to Financial Instruments

According to the financial policy of the Borealis Group, inter alia, derivative instruments are designated to hedge relationships in order to reduce the risks of operating, finance, and investment activities, i.e. risks of foreign exchange rates, interest rates, and commodity prices. Therefore, Borealis AG uses foreign exchange forwards, interest rate swaps, cross currency interest rate swaps and commodity derivatives (feedstock, electricity, and natural gas).

Financial risk management is centralized in the Treasury and Funding department, where foreign exchange risks in conjunction with short-term cash flows are hedged and limits for long-term foreign exchange exposures are set. The majority of borrowings are based on fixed interest rates. The portion of borrowings that is based on variable interest rates is transformed into fixed interest rates using interest rate swaps.

Part of the forecast feedstock purchases and finished goods sales is hedged by feedstock swaps. Commodity price risks are managed by feedstock traders and monitored by Trade Support and Risk Management. Forecast energy purchases are hedged using electricity and natural gas swaps.

At the balance sheet date, financial instruments are broken down as follows and reported in the respective balance sheet items:

Derivatives	2024					Balance sheet item
	Nominal value		Fair value EUR thousand		Carrying value EUR thousand	
	Unit	Positive	Negative			
Foreign exchange forwards	199,000	USD thousand	0	-9,768	0	
	1,582,000	SEK thousand	1,170	-853	0	
thereof valuation unit with hedged transaction	199,000	USD thousand	0	-9,768	0	
	1,582,000	SEK thousand	1,170	-853	0	
Interest rate swaps	0	EUR thousand	0	0	0	
	0	USD thousand	0	0	0	
thereof valuation unit with hedged transaction	0	EUR thousand	0	0	0	
	0	USD thousand	0	0	0	
Foreign exchange contracts	0	GBP thousand	0	0	0	
	0	JPY thousand	0	0	0	
thereof valuation unit with hedged transaction	0	GBP thousand	0	0	0	
	0	JPY thousand	0	0	0	
Commodity derivatives	703,877	metric tons	21,897	-1,541	-391	other provisions
	4,281	GWh	16,186	-47,586	0	
thereof valuation unit with hedged transaction	629,925	metric tons	21,150	-1,149	0	
	4,281	GWh	16,186	-47,586	0	

Derivatives	2023					Balance sheet item
	Nominal value		Fair value EUR thousand		Carrying value EUR thousand	
		Unit	Positive	Negative		
Foreign exchange forwards	174,100	USD thousand	3,070	-68	0	
	1,441,000	SEK thousand	6,847	0	0	
thereof valuation unit with hedged transaction	174,100	USD thousand	3,070	-68	0	
	1,441,000	SEK thousand	6,847	0	0	
Interest rate swaps	0	EUR thousand	0	0	0	
	110,000	USD thousand	2,911	0	0	
thereof valuation unit with hedged transaction	0	EUR thousand	0	0	0	
	110,000	USD thousand	2,911	0	0	
Foreign exchange contracts	0	GBP thousand	0	0	-10,499	other provisions
	5,000,000	JPY thousand	0	-10,499	0	
thereof valuation unit with hedged transaction	0	GBP thousand	0	0	0	
	0	JPY thousand	0	0	0	
Commodity derivatives	747,711	metric tons	24,901	-4,694	0	
	4,221	GWh	3,070	-68	0	
thereof valuation unit with hedged transaction	596,323	metric tons	24,901	-4,694	0	
	4,221	GWh	3,070	-68	0	

The fair value of foreign exchange forwards corresponds to the quoted market price on the balance sheet date, i.e., the present value of the quoted forward price. The fair value of interest rate swaps corresponds to the calculated amount the Group would receive or pay in the event of closing the position on the balance sheet date, with current interest rates taken into account. The fair value of commodity derivatives corresponds to the market price quoted at the balance sheet date.

Impending losses from negative fair values of derivative instruments, not presented as valuation units, have been provided for in provisions amounting to EUR 391,450.25 thousand (2023: EUR 10,499 thousand) as at the balance sheet date.

Foreign exchange forwards mature at an average of six months, where all contracts existing as at the balance sheet date mature by the end of 2025 at the latest. As at the balance sheet date, Borealis AG had no outstanding interest rate derivatives or cross currency interest rate swaps.

As at the balance sheet date, Borealis AG had commodity derivatives transactions to hedge the price of raw materials maturing at an average of five months and to hedge the price of energy and gas maturing at an average of 23 months. Commodity derivatives mature no later than 2027.

Provisions for impending losses are accrued for foreign exchange forwards and commodity derivatives, respectively, in the event that those pending transactions show a negative fair value on the balance sheet date and are not designated as hedging instruments. Foreign exchange forwards and commodity derivatives, respectively, which show a positive fair value on the balance sheet date and are not designated as hedging instruments, are not capitalized. Interest

rate swaps for hedging interest-bearing loans are not capitalized as they are deemed to form a valuation unit with the underlying loan. The parameters of the hedged item and the hedging instrument, which determine the extent of the change in value, are identical but opposite (critical terms match). Accordingly, the hedging relationship is considered effective and does not exhibit any ineffectiveness.

Expenses and income from derivative instruments not used to hedge relationships are generally disclosed in the profit and loss items as other operating expenses and other operating income, respectively. Equally, results from derivative instruments related to financing or financial investments are generally disclosed in the financial result. Where derivatives are designated as hedging instruments, the results achieved are disclosed in the same profit and loss items as the results of the hedged transaction.

The hedge effectiveness of all existing hedges is assessed prospectively using the critical-term-match method. The retrospective assessment uses the cumulative dollar-offset-method. For a hedge to be classified as highly effective, the actual results of the hedge (retrospective hedge effectiveness assessment) have to be within a range of 80% to 125%. The effectiveness tests of hedging relationships showed that there was no ineffectiveness as at December 31, 2024.

Contingent Liabilities

Borealis AG assumed bank guarantees amounting to EUR 2,486 thousand (2023: EUR 3,116 thousand). In addition, Borealis AG provides three parental guarantees, which are treated as contingent liabilities, to Baystar in the amount of EUR 726,394 thousand (2023: EUR 698,456 thousand).

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 1,048,352 thousand utilized as of December 31, 2024).

4. Notes to the income Statement

Sales and Cost of Materials

Sales and cost of materials relate to the sale of products from the Borealis Group, predominantly to external customers.

EUR thousand	Sales by market and business areas 2024			
	Polyolefins	Base Chemicals	Other	Total
EU countries	4,155,303	832,227	532,360	5,519,890
Non-EU countries	675,101	199,021	35,333	909,455
Total Europe	4,830,404	1,031,248	567,693	6,429,345
Asia	299,826	5	771	300,602
Africa	221,847	0	0	221,847
North America	163,737	6,425	2,480	172,642
South America	146,855	171	0	147,026
Middle East (excl. UAE)	36,777	0	0	36,777
United Arab Emirates	19,824	0	123,464	143,288
Australia, New Zealand	1,442	0	0	1,442
Total	5,720,712	1,037,849	694,408	7,452,969

EUR thousand	Sales by market and business areas 2023			
	Polyolefins	Base Chemicals	Other	Total
EU countries	3,786,656	879,974	200,075	4,866,705
Non-EU countries	592,020	148,200	67,765	807,985
Total Europe	4,378,676	1,028,174	267,840	5,674,690
Asia	325,180	4,394	0	329,574
Africa	223,561	0	0	223,561
North America	132,082	35,844	2,238	170,164
South America	124,200	54	0	124,254
Middle East (excl. UAE)	39,414	0	112,168	151,582
United Arab Emirates	8,859	0	16	8,875
Australia, New Zealand	1,848	4	0	1,852
Total	5,233,820	1,068,470	382,262	6,684,552

Other Operating Income

In the 2024 financial year, insurance compensation of EUR 23,211,523.32 (2023: EUR 6,699 thousand) for business interruptions is included in the remaining other operating income.

Personnel Expenses

In the 2024 financial year, the average number of employees was 368 (2023: 351). Exclusively white-collar workers are employed.

Severance payments, pension fund, and corporate staff and self-employment fund contributions are broken down as follows:

	2024 EUR	2023 EUR thousand
Executive Board	554,421.42	613
Managerial employees	924,616.41	933
Other employees	55,958.26	1,859
Total	1,534,996.09	3,405

Voluntary severance payments amounted to EUR 331,944.01 (2023: EUR 228 thousand) and are broken down as follows:

	2024 EUR	2023 EUR thousand
Executive Board	0.00	0
Managerial employees	0.00	228
Other employees	331,944.01	0
Total	331,944.01	228

Other Operating Expenses

	2024 EUR	2023 EUR thousand
Freight	369,794,291.12	356,900
Research and development costs	62,327,480.12	66,205
Result from foreign exchange translations	37,951,932.21	0
Storage	35,032,031.22	32,611
Insurance	26,081,886.61	27,325
Consulting services	19,750,373.43	44,672
Royalties	15,721,120.97	16,236
Marketing	13,189,268.07	13,142
Commission	12,384,276.08	13,177
Derivatives	5,161,304.18	68,503
Rents	4,437,926.43	4,620
Travel expenses	2,157,947.35	2,168
Training, seminars	2,141,310.98	4,962
Sundry	86,220,750.32	57,693
Total	692,351,899.09	708,214

Audit Expenses

	2024 EUR	2023 EUR thousand
Audits of statutory national and consolidated financial statements	435,000.00	404
Other assurance services	191,000.00	194
Other services	0.00	1
Total	626,000.00	599

Financial Result

The financial result is broken down as follows:

	2024 EUR	2023 EUR thousand
Income from investments		
Borealis Polymers N.V., Belgium	270,000,000.00	0
Borealis Polyolefine GmbH, Austria	19,999,968.93	12,000
Borealis Sverige AB, Sweden	17,358,850.84	0
Borealis Polymere GmbH, Germany	11,117,000.00	10,875
Borealis Brasil S.A., Brazil	10,106,787.86	4,422
Borealis Italia S.p.A., Italy	5,000,000.00	1,100
Borealis s.r.o., Czech Republic	39,306.46	41
Borealis L.A.T GmbH, Austria	0.00	97,732
Borealis AB Stenungsund, Sweden	0.00	26,011
Borealis Polymers Oy, Finland	0.00	17,148
Borealis RUS LLC, Russia	0.00	190
Borealis Plastik ve Kimyasal Maddeler Ticaret Limited Şirketi, Türkiye	0.00	181
	333,621,914.09	169,700
Interest income from long-term loans		
Bayport Polymers LLC, USA	61,006,976.25	59,095
Kilpilahden Voimalaitos Oy, Finland	1,489,392.72	1,391
Other	13,175,949.65	88
	75,672,318.62	60,574
Other interest and similar income		
Interest income from intercompany financing	135,041,866.43	102,209
Result from foreign exchange translations	85,917,160.76	6,830
Interest from bank accounts	68,729,984.04	64,889
Other	2,334,245.16	1,972
	292,023,256.39	175,900

	2024 EUR	2023 EUR thousand
Gains on sale and from the write-up of financial assets		
Write-up of affiliated companies	18,500,000.00	168,000
Gain on sale of shares in affiliated companies	1,330,399.23	294,403
Write-up of securities	0.37	107
Other write-up of investments	0.00	358
	19,830,399.60	462,868
Expenses arising from financial assets		
Impairment of Borealis Circular Solutions Holding GmbH	15,900,000.00	63,750
Impairment of mtm compact GmbH	4,164,250.51	0

Impairment of mtm plastics GmbH	9,310,000.00	24,378
Impairment of Ecoplast GmbH	14,270,000.00	0
Impairment of Borealis France S.A.S., Courbevoie, France	0.00	209,813
Impairment of Rosier S.A., Moustier, Belgium	0.00	1,726
Other	0.00	288
	43,644,250.51	299,955
Interest and similar expenses		
Result from foreign exchange translations	125,527,537.80	121,276
Interest expenses from intercompany financing	53,263,439.36	41,984
Interest charged by banks	31,781,044.63	36,955
Interest and similar expenses arising from interest rate swaps and FX hedges	-1,135,330.49	8,964
Interest and other expenses in the context of forfeiting	18,143,358.64	1,227
Other	705,220.11	12,247
	228,285,270.05	222,653
Financial Result	449,218,368.14	346,434

Due to a sustainable value recovery in the financial year 2024 there was a write-up on affiliated companies on the shares of Borealis Polymers Oy, Finland, as well as Borealis UK Ltd.:

Therefore two historical impairments were partially reversed.

Because of an unfavorable economic development, the shares in Borealis Circular Solutions Holding GmbH, Ecoplast GmbH, mtm Plastics GmbH, and mtm Compact GmbH had to be impaired.

Taxes on Income

Since the 2021 financial year, the Company has been a member of a tax group in line with Section 9 of the Corporate Income Tax Act ("KStG"), with OMV Aktiengesellschaft as the group parent. According to the tax group agreement, if the income derived by the Company during a financial year is positive, the Company has to make a tax compensation payment for this financial year to the group parent. In the event of a negative tax result, the parent company does not have to pay any tax compensations. Negative tax results are carried forward by the group parent and will be deducted from positive tax results of the group member in the future.

With the exception of deferred taxes, the tax expenses stated in the income statement results entirely from the tax group and therefore represent a tax allocation.

The tax rate applied is 23% (2023: 24%).

In December 2023, the Government of Austria, where the ultimate parent company of the Group is incorporated, enacted the Pillar Two legislation (Mindestbesteuerungsgesetz) effective from January 1, 2024. Under this legislation, Group companies are subject to Pillar Two income taxes on profits that are taxed at an effective tax rate of less than 15%. Certain subsidiaries of the Group are subject to a qualified domestic minimum tax in the countries where Pillar Two rules were transposed into national law.

The Group has performed a preliminary calculation of transitional safe harbors for Pillar Two purposes. Based on the preliminary safe harbours calculation and the detailed Pillar Two calculation for those jurisdictions not qualifying for the safe harbors, no material exposure to Pillar Two income taxes is expected.

Significant Events After the Balance Sheet Date

On March 3, 2025, OMV and ADNOC reached an agreement on the key commercial terms for combining their polyolefins businesses. This agreement involves the creation of a new, jointly controlled joint venture company, Borouge Group International, which will combine Borealis and Borouge. The joint venture aims to serve as a platform for potential growth acquisitions in the polyolefins sector. Additionally, the joint venture company will acquire all shares in NOVA Chemicals from Nova Chemicals Holding GmbH, a subsidiary of Mubadala Investment Company PJSC. The acquisition is subject to regulatory and other conditions. OMV and ADNOC will each hold equal shares and joint control of the joint venture company. OMV will make a capital injection of EUR 1.608 billion, adjusted for dividends paid until the transaction's completion, expected in 2026. The joint venture company will be listed on the Abu Dhabi Securities Exchange, with a potential future listing on the Vienna Stock Exchange, and will be headquartered in Austria. This subsequent event is expected to have a significant impact on Borealis, as it will be part of the newly formed joint venture, Borouge Group International, and will benefit from potential growth opportunities and synergies within the polyolefins sector. As of the date of these financial statements, the financial impact for Borealis on this change cannot be estimated yet.

Other Information

The total remuneration received by Executive Board members amounted to EUR 6,463 thousand (2023: EUR 8,194 thousand):

- Active Board members: EUR 3,631 thousand (2023: EUR 6,498 thousand)
- Former Board members: EUR 2,832 thousand (2023: EUR 1,696 thousand)

along with additional payments into pension funds amounting to EUR 457 thousand (2023: EUR 488 thousand).

Active members of the Supervisory Board received remuneration totaling EUR 856 thousand (2023: EUR 856 thousand). Members of the Company Boards have not been granted any advances, loans, or guarantees.

The consolidated financial statements have been prepared in compliance with the International Financial Reporting Standards issued by the IASB as adopted by the EU and additional Austrian disclosure requirements. The consolidated financial statements are filed under No. 269858a in the Commercial Register in Vienna.

Borealis AG is included in the consolidated financial statements of OMV Aktiengesellschaft, Vienna, Austria.

Borealis AG is a large joint stock corporation pursuant to Section 221 of the Austrian Commercial Code.

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 until February 28, 2025), Alfred Stern (Chairperson since March 1, 2025), 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 Felipe Prieto Suastegui (Member from June 11, 2024 until November 24, 2024), Michael James Baker (Member since November 25, 2024), Nikolai Philipp Wolfgang Riesenkampff (delegated by the Works Council, since November 20, 2024), Dorothea Wiplinger (delegated by the Works Council, since November 20, 2024), Gernot Baumgaertel (delegated by the Works Council, since November 20, 2024)

Vienna, March 4, 2025

Executive Board:

signed

Stefan Doboczky
Chief Executive Officer

signed

Daniel Turnheim
Chief Financial Officer

signed

Wolfram Krenn
Executive Vice President
Base Chemicals & Operations

signed

Philippe Roodhooft
Executive Vice President
Joint Ventures & Growth Projects

signed

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

Statement of the Executive Board According to Section 124(1)(3) of the Vienna Stock Exchange Act

We confirm to the best of our knowledge that the standalone financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the parent company of the Group as required by the applicable accounting standards and that the Management Report gives a true and fair view of the development and performance of the business and the position of the Company, together with a description of the principal risks and uncertainties the Company faces.

Vienna, March 4, 2025

Executive Board:

signed

Stefan Doboczky
Chief Executive Officer

signed

Daniel Turnheim
Chief Financial Officer

signed

Wolfram Krenn
Executive Vice President
Base Chemicals & Operations

signed

Philippe Roodhooft
Executive Vice President
Joint Ventures & Growth Projects

signed

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

Auditor's Report – Financial Statements

Report on the Financial Statements

Audit Opinion

We have audited the financial statements of

**Borealis AG,
Vienna, Austria,**

which comprise the Balance Sheet as at December 31, 2024, the Income Statement for the year then ended, and the Notes.

In our opinion, the financial statements comply with the legal requirements and present fairly, in all material respects, the financial position of the Company as at December 31, 2024 and its financial performance for the year then ended, in accordance with Austrian Generally Accepted Accounting Principles and other legal or regulatory requirements.

Basis for our Opinion

We conducted our audit in accordance with Regulation (EU) No. 537/2014 („AP Regulation“) and Austrian Standards on Auditing. These standards require the audit to be conducted in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the „Auditor's Responsibilities“ section of our report. We are independent of the Company, in accordance with Austrian company law and professional regulations, and we have fulfilled our other responsibilities under those relevant ethical requirements. We believe that the audit evidence we have obtained up to the date of the auditor's report is sufficient and appropriate to provide a basis for our audit opinion on this date. Our liability as auditors is guided under Section 275 UGB.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements. These matters were addressed in the context of our audit of the financial statements as a whole, however, we do not provide a separate opinion thereon.

Recoverability of shares in affiliated companies and loans to affiliated & associated companies

Refer to notes 1 „Accounting and valuation policies“, 2 „Assets“ and 4 „Notes to the income Statement: Financial Result“.

Risk for the Financial Statements

The carrying value of shares in affiliated companies amounts to EUR 3,195 million as of December 31, 2024, in particular after an impairment loss incurred in the amount of EUR 44 million in 2024. The carrying value of loans to affiliated & associated companies amounts to EUR 906 million as of December 31, 2024.

The carrying amount of shares in affiliated companies as at December 31, 2024 include the following companies that operate in the recyclates sector

- Integra Plastics AD
- Ecoplast Kunststoffrecycling GmbH
- mtm plastics GmbH

- mtm compact GmbH
- Borealis Circular Solutions Holding GmbH

In addition, the carrying amount includes Borealis USA Inc. which, as a holding company, that bundles several American companies of Borealis AG (the largest operating company included in the sub-group is Bayport Polymers LLC).

The other companies shown under shares in affiliated companies are mainly companies that are not subject to any significant valuation risk due to contractual arrangements with the parent company or due to economic circumstances (positive results in the past and corresponding planning).

Loans to affiliated and associated companies mainly comprise Borealis USA Inc. and Bayport Polymers LLC (holding company of this company: Borealis USA Inc.).

An impairment trigger analysis is carried out annually for all shares in affiliated companies. In this analysis, the carrying amount is compared with the proportionate equity („static analysis“). An impairment test is carried out in the event of an equity gap of companies that are not held risk-free through corresponding contracts.

The significant shares in and loans to affiliated and associated companies are subject to an impairment assessment on each balance sheet date to identify impairment triggers. If necessary, impairment calculations are carried out. The results of these calculations are highly dependent on estimates of future cash flows assumptions as well as assumptions for determining discount rates.

There is a risk for the financial statements that the valuation of shares in and loans to affiliated and associated companies is misstated.

Our Response

We assessed the recoverability of the shares in and loans to affiliated companies, as well as loans to associated companies as follows:

- We examined the impairment assessment process conducted by management.
- We assessed the appropriateness of the “Impairment-Trigger-Analysis” as well as the valuation methods used for the impairment calculations.
- We agreed the future cash flows included in the impairment calculations with the mid-term planning, that has been presented to the supervisory board.
- We discussed the key assumptions of the impairment tests, in particular the forecast sales volumes and the industry margins, in detail with the responsible employees and compared expectations regarding future developments with the estimates used by the company.
- With the assistance of our valuation specialists we assessed the appropriateness of the assumptions used to determine the discount rates by comparing them with market and industry-specific benchmarks.
- We verified the mathematical accuracy of the impairment calculations.
- We assessed the adequacy of the disclosures in the financial statements.

Other Information

Management is responsible for other information. Other information is all information provided in the annual report, other than the financial statements, the management report and the auditor’s report.

Our opinion on the financial statements does not cover other information and we do not provide any kind of assurance thereon.

In conjunction with our audit, it is our responsibility to read this other information and to assess whether, based on knowledge gained during our audit, it contains any material inconsistencies with the financial statements or any apparent material misstatement of fact.

If we conclude that there is a material misstatement of fact in other information, we must report that fact. We have nothing to report in this regard.

Responsibilities of Management and the Audit Committee for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Austrian Generally Accepted Accounting Principles and other legal or regulatory requirements and for such internal controls as management determines are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Management is also responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The audit committee is responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our audit opinion. Reasonable assurance represents a high level of assurance, but provides no guarantee that an audit conducted in accordance with AP Regulation and Austrian Standards on Auditing (and therefore ISAs), will always detect a material misstatement, if any. Misstatements may result from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with AP Regulation and Austrian Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit.

Moreover:

- We identify and assess the risks of material misstatements in the financial statements, whether due to fraud or error, we design and perform audit procedures responsive to those risks and obtain sufficient and appropriate audit evidence to serve as a basis for our audit opinion. The risk of not detecting material misstatements resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- We conclude on the appropriateness of management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our audit report to the respective note in the financial statements. If such disclosures are not appropriate, we will modify our audit opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- We evaluate the overall presentation, structure and content of the financial statements, including the notes, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- We communicate with the audit committee regarding, amongst other matters, the planned scope and timing of our audit as well as significant findings, including any significant deficiencies in internal control that we identify during our audit.
- We communicate to the audit committee that we have complied with the relevant professional requirements in respect of our independence, that we will report any relationships and other events that could reasonably affect our independence and, where appropriate, the related safeguards.
- From the matters communicated with the audit committee, we determine those matters that were of most significance in the audit i.e. key audit matters. We describe these key audit matters in our auditor’s report unless laws or other legal regulations preclude public disclosure about the matter or when in very rare cases, we determine that a matter should not be included in our audit report because the negative consequences of doing so would reasonably be expected to outweigh the public benefits of such communication.

Report on Other Legal Requirements

Management Report

In accordance with Austrian company law, the management report is to be audited as to whether it is consistent with the financial statements and prepared in accordance with legal requirements.

Management is responsible for the preparation of the management report in accordance with Austrian company law and other legal or regulatory requirements.

We have conducted our audit in accordance with generally accepted standards on the audit of management reports.

Opinion

In our opinion, the management report is consistent with the financial statements and has been prepared in accordance with legal requirements. The disclosures pursuant to Section 243a UGB are appropriate.

Statement

Based on our knowledge gained in the course of the audit of the financial statements and our understanding of the Company and its environment, we did not note any material misstatements in the management report.

Additional Information in accordance with Article 10 AP Regulation

We were elected as auditors at the Annual General Meeting on May 3, 2024 and were appointed by the supervisory board on May 13, 2024 to audit the financial statements of Company for the financial year ending on December 31, 2024.

We have been auditors of the Company since the financial statements at December 31, 2023.

We declare that our opinion expressed in the „Report on the Financial Statements“ section of our report is consistent with our additional report to the audit committee, in accordance with Article 11 AP Regulation.

We declare that we have not provided any prohibited non-audit services (Article 5 Paragraph 1 AP Regulation) and that we have ensured our independence throughout the course of the audit, from the audited Company.

Engagement Partner

The engagement partner is Mr. Karl Braun.

Vienna, March 4, 2025

KPMG Austria GmbH
Wirtschaftsprüfungs- und Steuerberatungsgesellschaft

signed

Karl Braun
Wirtschaftsprüfer
(Austrian Chartered Accountant)

This report is a translation of the original report in German, which is solely valid. The financial statements, together with our auditor's opinion, may only be published if the financial statements and the management report are identical with the audited version attached to this report. Section 281 Paragraph 2 UGB (Austrian Commercial Code) applies.

IMPRINT

This report is available in English and German. The original version was written in English. Both documents are available online and can be downloaded from www.borealisgroup.com.

Trademark information:

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