

Half-Year Financial Report 2025

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Management Report – Half Year Report

Health and Safety

The Total Recordable Injuries (TRI) rate per million working hours of 4.04 reported for the first six months of 2025 is a slight increase on the previous year's rate of 4.01 for the same period. The markedly better safety performance in the second quarter of 2025 offset the poorer performance in the first three months of the year.

In 2025, Borealis is striving to improve its overall health and safety performance in line with its commitment to be an industry leader in safety culture. The range of activities and measures driving the “B-Safe” journey since 2022 are intended to embed safety fundamentals at the Group's smaller locations, and to identify and address especially prevalent and trending risk areas across the Group. Site-specific safety plans are adjusted annually based on priority. They include clear-cut plans for risk reduction in activities such as working at heights, with heavy machinery, on scaffolding, and for operating vehicles and other high-risk activities. Employees and contractors alike receive training at safety centers to ensure awareness of, and adherence to, the Group's “Life Saving Rules.” Knowledge of these rules is in fact one of the key performance indicators (KPIs) which are currently measured. Borealis pays particular attention to improving safety performance in its smaller compounding and recycling facilities, where there is a higher level of interaction between people and machines.

There have been no major process safety incidents to date in 2025. Nonetheless, Borealis is also focusing on improving process safety in its high-risk assets (e.g., integrated base chemicals and polyolefin production locations) after analyzing trends of near-miss and no-impact events since 2023. The safety plan developed accordingly stresses safety leadership, operational discipline, maintenance discipline, and safe isolation.

Business Overview

Benchmark crude oil prices were volatile in the first six months of 2025 amid ongoing geopolitical strife and heightened economic uncertainty in the face of impending global trade conflicts. The Brent crude oil price rallied early to hit a peak in January at USD 78/bbl before easing to USD 75/bbl in February, as demand turned bearish with escalating tariff wars and the unpredictability of the Trump administration's trade policy. Prices continued to drop throughout March, sinking to USD 68/bbl in April as US tariffs negatively impacted demand. A temporary pause to the tariffs sparked optimism and an upward price momentum which, however, was short-lived. Prices sank in May, bottoming out at USD 62/bbl before rebounding slightly, even as OPEC+ announced increased output hikes into May and June.

Naphtha prices followed a similar trend as crude oil, but with less volatility. Prices began at USD 650/t in January, peaking in February at USD 654/t. Gains otherwise won due to higher demand stimulated by winter gasoline blending were capped by weak steam cracker margins and growing liquified petroleum gas (LPG) substitution. Lower seasonal demand, combined with tumbling crude prices and a weak petrochemical market, dragged naphtha prices down to USD 610/t in March and USD 547/t in April. Prices rebounded slightly in mid-May before falling to a six-month low of just under USD 532/t at the beginning of June.

Ethylene and propylene markets reflected upstream trends but were shaped by specific supply dynamics and weak downstream demand. Ethylene climbed from EUR 1,205/t in January to EUR 1,260/t in March, supported by tightening supply from planned and unplanned outages. Prices subsequently returned to EUR 1,205/t in April as cracker units came back online and demand remained soft, but dropped in May to EUR 1,135/t. Propylene prices followed a similar path, rising from EUR 1,075/t in January to EUR 1,135/t in March on tight supply and modest restocking. Cheaper naphtha and weak market fundamentals, combined with persistent uncertainty around trade flows and global demand, caused prices to fall in April to EUR 1,080/t, hitting a low of EUR 1,015/t in May. In June, both ethylene and propylene rolled over, ethylene to EUR 1,135/t and propylene to EUR 1,015/t.

The European polyolefins market has remained subdued, weighed down by weak macroeconomic sentiment, policy uncertainty, and cautious buying behavior. Unease about potential EU tariffs on US imports has further dampened market sentiment. Demand remained stable when compared to the first half of 2024, yet was constrained by persistent cost-of-living concerns. Operating rates improved, yet production volumes declined due to planned and unplanned outages. As logistics constraints eased, import volumes increased accordingly. European polypropylene operating rates remained stable at 83% in the first half of 2025, nearly unchanged versus the same period in 2024. Driven in large part by capacity rationalization, polyethylene operating rates rose to 81%, up from 74% for the same period of the previous year.

Borealis delivered a satisfying operational and commercial performance in the first half of 2025, achieving 2.15 million metric tons in sales volumes in the first half of 2025, a notable 13% increase over the same period in 2024. This growth highlights the business's strong market position, unwavering customer demand, and the success of its commercial and overall string asset operability even amid a challenging external environment.

Escalating global trade tensions originating in US trade and foreign policy have contributed to a more cautious outlook. During the second quarter of 2025, commodity prices – including those of crude oil, olefins, and polyolefins – were buffeted by the on-again, off-again threat of US tariffs, and complicated trade negotiations. Currency volatility remains a serious challenge. Simmering conflict between Israel and Iran, along with renewed attacks by Houthis, may lead to new logistic bottlenecks if operations in the Red Sea or the Strait of Hormuz are disrupted. Taken together, these factors will continue to weigh heavily on market sentiment across the value chain.

Financial Performance

Please note that as of March 2025, following the announcement of the binding agreement to merge Borealis and Borouge to form Borouge Group International, Borealis will no longer report Borouge results as part of Borealis' equity accounted investments, as these have since been, and will continue to be, classified as assets held for sale. For this reason, consolidated income statement have been restated to reflect this development.

In the first six months of 2025, Borealis reported an operating profit of EUR 58 million, a clear drop from the EUR 218 million reported for the same period in 2024. The decrease in 2025 is to a large extent driven by the devaluation of inventory lead by a decrease in monomer prices in the European polyolefins market thus increasing production cost, coupled with the impairment of tangible assets. These market-driven headwinds outweighed a solid business performance, highlighted by a 13% increase in polyolefin sales volumes, a clear indication of sustained customer demand compared to the same period in 2024.

At EUR -93 million, the Baystar contribution is lower in the first six months of 2025 than in the comparable period in 2024 (EUR -77 million). The Baystar contribution was affected by market volatility following the US tariff announcement, which led to uncertainty and restraint by market participants and resulted in softer demand and lower market prices in the first half of 2025. The planned cracker maintenance shutdown in the first quarter was completed as scheduled, and operations have continued steadily, allowing Baystar to capture some benefit from integrated ethane-to-polyethylene economics. Although operations at the Borstar® 3G plant have stabilized and production volumes reached record levels, the broader economic slowdown and tariff-related uncertainties have added pressure to the Baystar joint venture's financial outlook.

In the first six months of 2025, cash flows from operating activities reached EUR 194 million, compared to EUR 339 million in the same period of 2024. This year-on-year difference was primarily driven by one-off net cash inflow related to taxes in 2024 compared to a tax outflow in 2025 alongside less cash inflow from interest.

Total investments in tangible and intangible assets amounted to approximately EUR 402 million in the first half of 2025, an increase compared to the approximate EUR 310 million reported in the same period of 2024. In the first six months of 2025, Borealis paid a dividend of EUR 535 million to its shareholders from the 2024 result. Borealis' net debt moved from EUR 946 million in December 2024 to EUR 908 million at the end of June 2025. The difference is mainly due to the externalization of the Baystar loan, dividends received from Borouge, which were partly offset by dividends paid out to shareholders and loans to Borouge.

In the first half of 2025, Borealis received EUR 207 million in proceeds from the Borouge dividend. Borealis reported capital contributions and further subsidies (EUR 90 million) to support the financing of the Borouge 4 expansion project. A positive contribution of EUR 656 million related to the externalization of the Baystar loan was also reported.

The Borealis Group's financial position remains robust. As of the end of June 2025, it reported a very healthy gearing ratio of 11% (in line with the 11% reported at year-end 2024), driven by EUR 535 million in dividend payments to shareholders in May 2025. The solvency ratio was 69% at the end of June 2025, compared to 67% at the end of 2024. Liquidity reserves, consisting of undrawn committed credit facilities and cash balances, amounted to EUR 1,770 million at the end of June 2025, compared to EUR 2,086 million at the end of December 2024.

As of the end of June 2025, total assets and capital employed stood at EUR 11,588 million and EUR 9,031 million, respectively, compared with EUR 12,705 million and EUR 9,647 million, at year-end 2024. Total equity decreased by EUR 578 million to EUR 8,123 million in the first six months of 2025, primarily due to the dividend payments to shareholders offset against the improvement of financial results.

Borealis Strategy 2030

Borealis used the occasion of its thirtieth year of operations in 2024 to update and adjust its corporate strategy to become even more customer focused: “We4Customers”, in place since 2025, is built on the shared purpose of the OMV Group, “Reinventing Essentials for Sustainable Living”. The strategy guides Borealis as it endeavors to create value for its customers, and positively impact society, by way of its advanced and sustainable polymer solutions based on proprietary technologies such as Borstar® and Borstar® Nextension Technology, and on technology brands like Borlink™, the step-change innovation for the power cable industry. “We4Customers” incorporates four interlocking focus areas: sustainability, innovative solutions, efficiency, and peace of mind for customers. As a trusted and reliable partner, Borealis is driving the transition to plastics circularity through value chain collaboration based on the recycled and renewable-based polymers in its Borcycle™ and Bornewables™ grade portfolios, and the renewable hydrocarbons in the Borvida™ family of base chemicals.

Expansion and Transformation

Several expansion projects are enabling Borealis to better serve key sectors such as energy, mobility, consumer products, and infrastructure.

The largest among them is Borouge 4, a USD 6.2 billion facility in Ruwais (UAE) whose construction progress currently stands close to 90%. Once completed, Borouge will have an annual capacity of 6.4 million metric tons. The advanced base chemicals and polyolefins based on Borstar® and produced at Borouge 4 will enable Borouge Group International to leverage proprietary technologies and strengthen its position in global growth markets.¹

Another growth project is the new world-scale propane dehydrogenation (PDH) plant at existing Borealis operations in Kallo (Belgium). In 2025, the remaining construction activities will be completed and all systems for the PDH plant will reach full mechanical completion.

In May, Borealis and Borouge announced the significant expansion of global production capacity for cross-linked polyethylene (XLPE) and semiconductive (semicon) compounds. Two major projects demonstrate their joint “Building for the Future” commitment: a 100,000 metric ton XLPE expansion at Borouge 4 (to be completed by the end of 2025); and the recently completed major upgrade of the existing Borealis semicon asset in Antwerp (Belgium) to meet surging demand for compounds used in high-end cable applications.

Borealis also announced in May that it is investing over EUR 100 million in a new, High Melt Strength polypropylene (HMS PP) line for its Burghausen (Germany) plant. Upon start-up in the second half of 2026, the new line will triple production output of recyclable HMS PP used in high-performance and lightweight foam solutions.

¹ In the course of the Borouge Group International merger, 100% of shares held by Borealis in the Borouge 4 facility will be transferred to shareholders.

Energy & Climate

“Enabling Sustainability” is one goal contained in the Borealis strategy. The Group’s own decarbonization efforts are integral to reaching it. Borealis intends to reduce its reported combined Scope 1 (direct GHG emissions) and Scope 2 (electricity indirect GHG emissions) from 5.1 million metric tons/year (from a 2019 baseline) to around 2 million metric tons/year by 2030.² By around 2050, Borealis aims to be climate-neutral in both Scope 1 and Scope 2 emissions.³ The energy efficiency measures implemented at its own production facilities in the first half of 2025 alone have resulted in carbon dioxide equivalent (CO₂e) savings of 3,287 metric tons equivalent (tons CO₂e) and final energy savings of 21,727 megawatt hours (MWh sec).⁴

Borealis has set ambitious goals with regard to the share of renewable energy used in its own production operations. It is well on its way to using a 100% share of renewable electricity in its Polyolefins and Base Chemicals production in Europe by around 2050, having surpassed the 50% milestone in 2024, earlier than planned. Multiple power purchase agreements (PPA) signed with renewable energy providers in previous years have sped progress. In January, Borealis signed a new long-term PPA which will supply an annual 120 gigawatt hours (GWh) of renewable wind energy to supply power to operations in Belgium.

To reduce Scope 3 emissions (carbon emissions associated with the products and/or services purchased from vendors outside the company’s direct control), Borealis is optimizing procurement of feedstocks and raw materials as well as increasing its recycling capacity to minimize end-of-life impacts. Having already identified which value chains contribute most to such emissions, the Scope 3 emissions roadmap currently being drafted contains clear targets for emissions reduction.

Divestments

Borealis reached an agreement on April 22, 2025 to sell its 100% stake in mtm compact GmbH, based in Fürstenwalde (Germany), to SEPA Engineering GmbH, based in Vienna (Austria). The transaction was closed at the end of May. The decision was made to divest mtm compact, which processes end-of-life mixed post-consumer plastic waste for incineration in steel plants, due to lack of alignment with the current Borealis strategic focus.

² Excluding emissions of leased ships. Emission reduction targets calculated based on the 2023 divestment of the Borealis nitrogen business comprising fertilizers, melamine, and technical nitrogen products.

³ Calculated using a market-based approach and following the Greenhouse Gas (GHG) Protocol.

⁴ Expressed as primary energy rather than energy used in standard production operations.

Change of Business Structure and Board Composition

As announced on March 3, 2025, OMV and ADNOC signed a binding agreement to combine Borealis and Borouge into Borouge Group International. The two partners also agreed to acquire Nova Chemicals, a North America based polyolefin producer. The merger and acquisition are expected to close simultaneously in the first quarter of 2026, subject to regulatory approvals and other customer conditions. In preparation for the merger, the current business structure of Borealis as an Aktiengesellschaft (AG) was changed to a limited liability company, or Gesellschaft mit beschränkter Haftung (GmbH).

OMV announced on May 20, 2025 that Alfred Stern, Chief Executive Officer of OMV Aktiengesellschaft, Chairman of the OMV Executive Board, and Chairman of the Borealis Supervisory Board, will not seek reappointment as OMV CEO once his current term expires on August 31, 2026. More information about succession planning will be released in due course.

Economic Development and Outlook

The market volatility originating in the current US administration's erratic trade and tariff policies has generated extreme uncertainty for countries and companies alike. An industry environment in flux presents both challenges and opportunities, and Borealis is well positioned to overcome the former while seizing the latter. Its focus on high-end, specialty applications and investments in downstream expansion will boost market share in more lucrative segments in energy, mobility, and infrastructure, among other sectors. Its innovation prowess will enable it to capitalize on market opportunities, in particular in the circular sphere, to create value for its customers and to drive plastics circularity in the near and mid-term.

Vienna, July 29, 2025

Executive Board:

signed

Stefan Doboczky
Chief Executive Officer

signed

Daniel Turnheim
Chief Financial Officer

signed

Wolfram Krenn
Executive Vice President
Operations

signed

Philippe Roodhooft
Executive Vice President
Joint Ventures

signed

Craig Arnold
Executive Vice President
Polyolefins, Circular Economy Solutions
and Base Chemicals

Condensed Interim Consolidated Financial Statements

Consolidated Income Statement

EUR thousand	2025	2024 ¹⁾	Note
For the six months ended June 30	unaudited	unaudited	
Net sales	4,165,482	3,889,891	1, 2
Other operating income	46,002	45,556	11
Total sales and other income	4,211,484	3,935,447	
Production costs	-3,621,287	-3,238,477	
Gross profit	590,197	696,970	
Sales and distribution costs	-418,456	-351,995	
Administration costs	-109,389	-122,450	
R&D costs	-4,197	-4,378	
Operating profit	58,155	218,147	
Net results of associated companies and joint ventures ¹⁾	-93,621	-80,212	5
Financial income ¹⁾	48,005	88,357	5
Financial expenses	-37,244	-38,928	
Net foreign exchange gains/losses ¹⁾	45,089	-15,109	5
Profit before tax	20,384	172,255	
Taxes on income ¹⁾	-35,955	-65,282	5
Net profit for the period from continuing operations	-15,571	106,973	
Discontinued operation			
Profit from discontinued operation, net of tax ¹⁾	225,586	190,819	5
Net profit for the period	210,015	297,792	
Attributable to:			
Non-controlling interests	1,079	888	
Equity holders of the parent	208,936	296,904	

¹⁾ Comparative information has been restated due to discontinued operation Borouge. For further details, please refer to note 5 Investments in Associated Companies and Joint Ventures.

Consolidated Statement of Comprehensive Income

EUR thousand	2025	2024
For the six months ended June 30	unaudited	unaudited
Net profit for the period	210,015	297,792
Items that may be subsequently reclassified to the income statement		
Net gain/loss on translation of financial statements of foreign operations	-265,913	55,283
Reclassifications to the income statement during the period	0	0
Tax effect recognized in other comprehensive income	0	0
Net gain/loss on long-term loans to foreign operations	2,447	-2,091
Reclassifications to the income statement during the period	0	0
Tax effect recognized in other comprehensive income	-563	481
Net gain/loss on loans to hedge investments in foreign operations	7,761	-3,376
Reclassifications to the income statement during the period	0	0
Tax effect recognized in other comprehensive income	-1,785	776
Fair value adjustments of cash flow hedges	-8,253	-73,938
Reclassifications to the income statement during the period	13,910	20,216
Tax effect recognized in other comprehensive income	-1,301	12,356
Share of other comprehensive income of joint ventures accounted for using the equity method	1,168	1,843
Items that will not be reclassified to the income statement		
Actuarial gains and losses	-932	680
Tax effect recognized in other comprehensive income	203	-142
Share of other comprehensive income of joint ventures accounted for using the equity method	-13	185
Net income/expense recognized in other comprehensive income	-253,271	12,273
Total comprehensive income	-43,256	310,065
Attributable to:		
Non-controlling interests	1,073	-374
Equity holders of the parent	-44,329	310,439

Consolidated Balance Sheet

EUR thousand	30.6.2025	31.12.2024	Note
	unaudited	audited	
Assets			
Non-current assets			
Intangible assets	571,371	551,315	3
Property, plant and equipment			3
Production plants	2,069,369	2,145,133	
Machinery and equipment	33,068	33,238	
Construction in progress	2,152,555	1,880,909	
Total property, plant and equipment	4,254,992	4,059,280	
Right-of-use assets	701,422	720,308	3
Investments in associated companies and joint ventures	356,001	2,431,191	5
Other investments	24,207	21,994	10
Loans granted	99,034	1,246,676	10, 12
Other receivables and other assets	107,965	101,711	10
Deferred tax assets	128,299	120,040	
Total non-current assets	6,243,291	9,252,515	
Current assets			
Inventories	1,234,561	1,320,322	7
Receivables			
Trade receivables	852,905	777,853	10, 12
Income taxes	5,961	3,663	
Other receivables and other assets	322,562	322,287	10, 12
Total receivables and other assets	1,181,428	1,103,803	
Cash and cash equivalents	711,776	1,028,011	10
Assets of the disposal group held for sale	2,216,741	0	5
Total current assets	5,344,506	3,452,136	
Total assets	11,587,797	12,704,651	

EUR thousand	30.6.2025	31.12.2024	Note
	unaudited	audited	
Equity and liabilities			
Equity			
Shareholders' equity			
Share capital and contributions by shareholders	1,599,397	1,599,397	
Reserves	-91,085	162,111	
Retained earnings	6,607,990	6,934,167	
Total shareholders' equity	8,116,302	8,695,675	
Non-controlling interests	6,609	5,536	
Total equity	8,122,911	8,701,211	
Liabilities			
Non-current liabilities			
Loans and borrowings	483,755	588,068	9, 10
Lease liabilities	640,700	671,325	9, 12
Deferred tax liabilities	179,975	187,560	
Employee benefits	276,349	275,587	
Provisions	81,847	75,511	8
Other liabilities	79,859	61,005	10
Total non-current liabilities	1,742,485	1,859,056	
Current liabilities			
Loans and borrowings	410,526	634,205	9, 10
Lease liabilities	84,796	80,358	9, 12
Trade payables	814,256	909,687	10, 12
Income taxes	38,248	36,999	
Provisions	54,352	103,800	8
Contract liabilities	43,344	60,709	
Other liabilities	275,948	318,626	10, 12
Liabilities directly related to the disposal group	931	0	5
Total current liabilities	1,722,401	2,144,384	
Total liabilities	3,464,886	4,003,440	
Total equity and liabilities	11,587,797	12,704,651	

Consolidated Statement of Changes in Equity

EUR thousand	Share capital and contributions by shareholders	Reserve for actuarial gains/losses recognized in equity	Hedging reserve	Reserve for unrealized exchange gains/losses	Retained earnings	Total attributable to the equity holders of the parent	Non-controlling interests	Total equity
Balance as of December 31, 2024 (audited) (as reported)	1,599,397	-143,115	-18,133	323,359	6,934,167	8,695,675	5,536	8,701,211
Net profit for the period	0	0	0	0	208,936	208,936	1,079	210,015
Other comprehensive income	0	-742	4,361	-256,884	0	-253,265	-6	-253,271
Total comprehensive income	0	-742	4,361	-256,884	208,936	-44,329	1,073	-43,256
Dividend distribution	0	0	0	0	-535,113	-535,113	0	-535,113
Reclassifications of cash flow hedges to balance sheet	0	0	69	0	0	69	0	69
Balance as of June 30, 2025 (unaudited)	1,599,397	-143,857	-13,703	66,475	6,607,990	8,116,302	6,609	8,122,911
Balance as of December 31, 2023 (audited)	1,599,397	-137,171	-15,324	214,948	7,452,202	9,114,052	7,529	9,121,581
Net profit for the period	0	0	0	0	296,904	296,904	888	297,792
Other comprehensive income	0	723	-38,423	51,235	0	13,535	-1,262	12,273
Total comprehensive income	0	723	-38,423	51,235	296,904	310,439	-374	310,065
Dividend distribution	0	0	0	0	-103,000	-103,000	-4	-103,004
Reclassifications of cash flow hedges to balance sheet	0	0	8,629	0	0	8,629	0	8,629
Balance as of June 30, 2024 (unaudited)	1,599,397	-136,448	-45,118	266,183	7,646,106	9,330,120	7,151	9,337,271

Consolidated Cash Flow

EUR thousand	2025	2024	Note
For the six months ended June 30	unaudited	unaudited	
Net profit for the year	210,015	297,792	
Depreciation, amortization and impairments	236,926	198,081	
Taxes on income	25,442	67,879	
Result from disposal of fixed assets	1,878	317	
Net results of associated companies and joint ventures	47,468	-101,911	5
Financial result	-224,770	-45,613	
Interest paid	-18,286	-24,756	
Interest received	43,006	87,577	
Income taxes paid / Income taxes received	-102,698	32,623	
Other changes	-36,654	-23,656	
Other working capital	56,590	33,637	
Change in inventories	76,691	8,974	
Change in trade receivables	-71,273	-188,295	
Change in trade liabilities	-50,490	-3,551	
Cash flows from operating activities	193,845	339,098	
<i>Thereof from discontinued operation, Borealis NITRO disposal group</i>	<i>0</i>	<i>0</i>	
<i>Thereof from discontinued operation, Borouge disposal group</i>	<i>0</i>	<i>0</i>	
Investments in property, plant and equipment	-359,109	-257,532	3
Investments in intangible assets	-43,238	-52,195	3
Acquisitions of subsidiaries, net of cash	-1,119	-48,526	4
Dividends of associated companies and joint ventures and non-consolidated subsidiaries	207,492	224,858	
Capital contributions to and financing and acquisition of associated companies and joint ventures	-89,644	-155,001	12
Repayments of financing by associated companies and joint ventures	656,228	0	12
Proceeds from disposal of subsidiaries, net of cash disposed	953	30,000	4
Cash outflows in relation to other financial assets	-2,850	-10,549	
Cash inflows in relation to other financial assets	2,718	10,242	
Cash flows from investing activities	371,431	-258,703	
<i>Thereof from discontinued operation, Borealis NITRO disposal group</i>	<i>403</i>	<i>30,000</i>	
<i>Thereof from discontinued operation, Borouge disposal group</i>	<i>117,646</i>	<i>192,222</i>	

EUR thousand	2025	2024	Note
Current loans and borrowings repaid	-302,710	-141,446	9
Principal elements of lease payments	-43,545	-34,988	9
Dividends paid to equity holders of the parent	-535,113	-115,000	
Dividends paid to non-controlling interests	0	-4	
Cash flows from financing activities	-881,368	-291,438	
<i>Thereof from discontinued operation, Borealis NITRO disposal group</i>	<i>0</i>	<i>0</i>	
<i>Thereof from discontinued operation, Borouge disposal group</i>	<i>0</i>	<i>0</i>	
Net cash flow of the period	-316,092	-211,043	
Cash and cash equivalents as of January 1	1,028,011	2,347,631	
Effect of exchange rate fluctuations on cash held	-143	2,359	
Cash and cash equivalents as of June 30	711,776	2,138,947	

The presentation of Consolidated Cash Flow was changed from direct method to indirect method starting from the year ended December 31, 2024.

Notes to the Condensed Interim Consolidated Financial Statements

Reporting Entity

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

Borealis AG has been transformed into a limited liability company, Borealis GmbH, with effect as of June 13, 2025, following changes in the Company's ownership structure.

As part of the changes in the shareholder structure of Borealis GmbH (formerly Borealis AG), a downstream merger of OMV Borealis Holding GmbH into Borealis AG became effective on April 16, 2025. In addition, the shares previously held by OMV Aktiengesellschaft were transferred to OMV Downstream GmbH, with the transfer becoming effective as of April 24, 2025.

Borealis Reports the Business Result in three Segments:

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

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

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

Basis of Preparation

The condensed interim consolidated financial statements for the six months ended June 30, 2025, have been prepared in compliance with the International Financial Reporting Standards issued by the IASB as adopted by the EU, IAS 34 for interim financial statements. They do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Group's annual consolidated financial statements as of December 31, 2024.

The condensed interim consolidated financial statements for the six months ended June 30, 2025, have not been subject to an external audit or review.

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

Otherwise, the accounting policies applied in the preparation of the condensed interim consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended December 31, 2024, except for new and amended standards effective as of January 1, 2025.

New and Amended Standards Adopted by Borealis

Since January 1, 2025, the following amended accounting standards have become effective and been adopted by Borealis, where effective means effective for annual periods beginning on or after that date (as endorsed by the EU). These did not have a material impact on the financial position or performance of the Group:

Standards		IASB effective date	EU effective date
Amended Standards			
IAS 21	The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability	January 1, 2025	January 1, 2025

1. Segment Reporting

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

EUR thousand	2025				
	Polyolefins	Base Chemicals	Borealis NITRO	Non-Allocated ¹⁾	Consolidated
Net sales by segment					
Total segment sales	3,320,682	2,474,629	0	87,590	5,882,901
Inter-segment sales	0	-1,717,419	0	0	-1,717,419
	3,320,682	757,210	0	87,590	4,165,482

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

Segment result					
Operating profit	46,864	52,424	0	-41,133	58,155
Net results of associated companies and joint ventures	-93,816	195	0	46,153	-47,468
Financial result				224,770	224,770
Taxes on income				-25,442	-25,442
Non-controlling interests				-1,079	-1,079
Net profit for the year attributable to equity holders of the parent					208,936

EUR thousand	30.6.2025				
Other information					
Segment assets	4,614,327	4,233,062	0	2,740,408	11,587,797
thereof Austria	2,279,926	1,419,441	0	2,677,752	6,377,119
thereof Belgium	683,884	1,918,923	0	14,397	2,617,204
Segment liabilities	0	0	0	3,464,886	3,464,886

1) Discontinued operation Borouge is included in the segment 'Non-Allocated'. For further details, please refer to note 5 Investments in Associated Companies and Joint Ventures.

Over 90% of the above segments assets are related to EU countries.

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

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

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

EUR thousand	31.12.2024				
Other information					
Segment assets	4,588,416	4,048,534	0	4,067,701	12,704,651
thereof Austria	2,262,844	1,471,638	0	3,902,286	7,636,768
thereof Belgium	600,734	1,721,126	0	74,793	2,396,653
Segment liabilities	0	0	0	4,003,440	4,003,440

1) Discontinued operation Borouge is included in the segment 'Non-Allocated'. For further details, please refer to note 5 Investments in Associated Companies and Joint Ventures.

Over 90% of the above segments assets are related to EU countries.

Reconciliation of reportable segments to the consolidated income statement

EUR thousand	2025	2024
Total profit for reportable segments	208,936	296,904
Non-controlling interests	1,079	888
Elimination of discontinued operation ¹⁾	-225,586	-190,819
Net profit for the year from continuing operations	-15,571	106,973

1) Comparative information has been restated due to discontinued operation Borouge. For further details, please refer to note 5 Investments in Associated Companies and Joint Ventures.

2. Revenue from Contracts with Customers

For the six months ended June 30

EUR thousand	2025	2024
Revenue from contracts with customers	4,166,324	3,888,869
Revenue from other sources	-842	1,022
Net sales	4,165,482	3,889,891

Revenue from other sources mainly includes gains/losses for realized cash flow hedges on net sales from foreign exchange forwards. The negative revenue from other sources for the first six months of 2025 is due to losses for realized cash flow hedges on net sales from foreign exchange forwards of EUR 1,874 thousand.

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

EUR thousand	2025				
	Polyolefins	Base Chemicals	Borealis NITRO	Non-Allocated	Consolidated
Revenue from contracts with customers	3,321,942	757,210	0	87,172	4,166,324
Revenue from other sources	-1,260	0	0	418	-842
Net sales (as reported in note 1)	3,320,682	757,210	0	87,590	4,165,482

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

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

Borealis invested EUR 103,206 thousand in intangible assets in the first six months of 2025 (first six months of 2024: EUR 52,196 thousand). Additions arising from internal development amounted to EUR 15,114 thousand (first six months of 2024: EUR 19,249 thousand).

The impairment of intangible assets in the first six months of 2025 for which the carrying amount exceeds the value in use amounted to EUR 4,926 thousand (first six months of 2024: EUR 1,597 thousand).

The impairment of tangible assets for the first six months of 2025 includes an adjustment to the Renasci CGU in the amount of EUR 16,976 thousand as the determined recoverable amount was below its carrying amount.

Additions to property, plant and equipment in the first six months of 2025 amounted to EUR 318,574 thousand (first six months of 2024: EUR 269,351 thousand). Moreover, borrowing

costs amounting to EUR 9,370 thousand (first six months of 2025: EUR 10,311 thousand) have been capitalized using an average interest rate of 1.8% (first six months of 2024: 1.5%).

Additions comprise major projects advanced in 2025, which are the new, world-scale propane dehydrogenation (PDH) plant at the existing production site in Kallo, Belgium, the new automotive compounding capacity in Schwechat, and a project in Stenungsund (Sweden) which aims to concentrate all European XLPE manufacturing on two parallel closed trains in order to remove key risks from reactor to end product and ensure availability of the product for the power cable industry.

Additions to right-of-use assets in the first six months of 2025 amounted to EUR 27,850 thousand (first six months of 2024: EUR 75,023 thousand). Additions to major assets relate to the leasing contracts for hydrocarbons logistics and storage infrastructure connected with the new PDH plant in Kallo, Belgium, in the amount of EUR 16,917 thousand.

As of June 30, 2025, Borealis' contractual commitments amounted to EUR 468,273 thousand (December 31, 2024: EUR 378,678 thousand) for the acquisition of property, plant and equipment. This increase results mainly from the new PDH plant in Kallo (Belgium), with capital commitments of EUR 111,639 thousand (December 31, 2024: EUR 112,263 thousand).

As at the reporting date, the Group has lease commitments of EUR 118,141 thousand (December 31, 2024: EUR 133,277 thousand) within the scope of long-term charter contracts.

4. Changes in Consolidation Scope

4.1. Business Combination Integra

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

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

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

The acquisition has been accounted for using the acquisition method.

Assets acquired and liabilities assumed

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

EUR thousand	Fair value recognized on acquisition
Assets	
Non-current assets	
Property, plant and equipment	34,309
Deferred tax assets	8
Current assets	
Inventories	3,397
Trade receivables	2,149
Other receivables and other assets	134
Cash and cash equivalents	358
Total assets acquired	40,355
Liabilities	
Current liabilities	
Trade payables	880
Provisions	1,023
Other liabilities	1,462
Total liabilities	3,365
Total identifiable assets fair value	36,990
Total purchase price consideration	46,716
Goodwill arising on acquisition	9,726
Percentage acquired	100%

The total acquisition costs of 100% of the share capital of Integra comprised an initial cash payment of EUR 12,434 thousand to the sellers in March 2024, repayment of an external loan of EUR 22,812 thousand and assumption of a former shareholder loan of EUR 4,521 thousand against the same amount, and costs of EUR 947 thousand directly attributable to the acquisition (EUR 38 thousand in 2025). The cash acquired with this acquisition amounted to EUR 358 thousand, resulting in net cash outflow on the acquisition of EUR 39,410 thousand in 2024. The transaction costs have been expensed and are included under administration costs in the income statement and are part of operating cash flows in the statement of cash flows.

Borealis agreed with the sellers to transfer additional considerations up to a total maximum amount of EUR 6,000 thousand to the sellers if such amount is not utilized to cover claims under the share purchase agreement. As of June 30, 2025, the remaining consideration is valued at EUR 6,000 thousand.

The goodwill of EUR 9,726 thousand comprises the value of the expected synergies and other benefits from combining the assets and activities of Integra with those of Borealis and has been allocated to the cash generating unit Recyclates. None of the recognized goodwill is deductible for income tax purposes.

4.2. Sale of mtm compact GmbH

On April 22, 2025, Borealis and Sepa Engineering GmbH entered into a binding agreement regarding the acquisition of Borealis' shares in mtm compact GmbH (mtm compact). Effective May 30, 2025, Borealis has divested its 100% stake in mtm compact.

Related to the preparation of the closing accounts and the determination of the final purchase price, losses of EUR 1,759 thousand on the disposal of mtm compact's assets and liabilities were recognized as part of production costs during the first six months of 2025.

The purchase price includes a payment of EUR 802 thousand at closing and a deferred amount of EUR 400 thousand, recognized as other current receivables.

The following table shows the effect of the mtm compact disposal on the Group's financial position.

EUR thousand	30.6.2025
For the six months ended June 30	
Property, plant and equipment	-1,657
Inventories	-212
Trade receivables	-596
Other current receivables and other current assets	-45
Cash and cash equivalents	-252
Trade payables	44
Other current liabilities	137
Net assets and liabilities	-2,581
Consideration received, satisfied in cash	802
Cash and cash equivalents disposed of	-252
Net cash inflows	550

4.3. Other Changes

In the first six months, Borealis AG changed its legal form from AG to GmbH. Furthermore, OMV Borealis Holding GmbH, a shareholder of Borealis AG (now Borealis GmbH), was merged into Borealis GmbH. For further details on these changes see section "Reporting Entity".

Borealis Bono Holdings LLC was merged into Borealis USA Inc. on March, 31 2025.

Furthermore, Borealis Digital Studio B.V. merged into Borealis Polymers N.V. on June 30, 2025

For further information on the sale of mtm compact GmbH please refer to note 4.2.

5. Investments in Associated Companies and Joint Ventures

Discontinued Operation Borouge

On March 3, 2025, OMV and ADNOC signed a binding agreement foreseeing a combination of Borealis and Borouge under a new, jointly controlled joint venture company Borouge Group International. As part of this arrangement, Borealis commenced the process of divesting its shares in Borouge PLC, Borouge Pte. and Borouge 4 LLC. The closing of the transaction is expected to be completed within one year. In addition to the Borouge entities' equity shares, the disposal group includes the shareholder loan to Borouge 4 LLC and a financial guarantee liability, which were together reclassified to assets and liabilities held for sale as of March 3, 2025, in accordance with IFRS 5 (Borouge disposal group). Following this reclassification, these investments are no longer accounted for under the equity method, in line with IFRS 5 requirements.

The Group assessed the disposal group and concluded that the Borouge entities represent a separate major line of business and geographical area of operations. Consequently, the results of Borouge disposal group are presented as a discontinued operation in the consolidated financial statements.

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

EUR thousand	2025	2024
Net results of associated companies and joint ventures	46,153	182,123
Financial result	168,920	11,293
Profit before taxation	215,073	193,416
Taxes on income	10,513	-2,597
Profit from discontinued operation, net of tax	225,586	190,819
Attributable to:		
Equity holders of the parent	225,586	190,819

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

EUR thousand	30.6.2025
Assets	
Non-current assets	
Investments in associated companies and joint ventures	1,737,465
Loans granted	469,526
Other receivables and other assets	9,750
Assets of the disposal group held for sale	2,216,741

EUR thousand	30.6.2025
Liabilities	
Non-current liabilities	
Other liabilities	931
Liabilities directly related to the disposal group	931

Other changes

The shares in BlueAlp Holding B.V. were impaired in the first six months of 2025 by EUR 17,139 thousand as the determined recoverable amount was below the carrying amount of the investment measured according to equity method.

6. Tax Contingencies

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

7. Inventories

EUR thousand	30.6.2025	31.12.2024
Finished products	864,821	958,628
Raw materials and consumables	369,740	361,694
Total	1,234,561	1,320,322

Impairment losses of EUR 9,416 thousand (first six months of 2024: EUR 13,675 thousand) were recognized in the first six months of 2025.

8. Provisions

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

Restructuring

Provisions for restructuring amounted to EUR 3,079 thousand (December 31, 2024: EUR 4,222 thousand) and cover estimated costs for the ongoing restructuring programs.

Decommissioning

Provisions for decommissioning amounted to EUR 67,220 thousand (December 31, 2024: EUR 62,174 thousand) and cover the expected clean-up and dismantling costs for plants located on rented land in Austria, Germany and Belgium. It is expected that EUR 5,347 thousand will be used by 2027, EUR 56,706 thousand by 2052 and EUR 5,167 thousand by 2073.

Legal

Legal provisions amounted to EUR 2,037 thousand (December 31, 2024: EUR 2,145 thousand) and represent litigation provisions in various business areas.

Environmental

Environmental provisions amounted to EUR 3,075 thousand (December 31, 2024: EUR 13,389 thousand) and cover several environmental exposures in the Group.

Other

Other provisions amounted to EUR 60,788 thousand (December 31, 2024: EUR 97,381 thousand) and cover numerous types of obligations, including incentive plans.

9. Loans and Borrowings and Lease Liabilities

The composition of interest-bearing loans and borrowings and lease liabilities (current and non-current debt) as of June 30, 2025, was as follows:

EUR thousand		30.6.2025						
Due		Term loans	Bond	Utilized uncommitted facilities	Export credits	Total loans and borrowings	Unutilized committed facilities	Lease liabilities
After	5 years	119,387	0	0	0	119,387	0	488,904
Within	5 years	78,033	0	0	0	78,033	0	23,234
	4 years	12,618	0	0	0	12,618	0	26,979
	3 years	270,578	0	0	0	270,578	0	37,191
	2 years	3,139	0	0	0	3,139	1,000,000	64,392
Total non-current debt		483,755	0	0	0	483,755	1,000,000	640,700
Total current debt		110,526	300,000	0	0	410,526	58,138 ¹⁾	84,796
Total debt		594,281	300,000	0	0	894,281	1,058,138	725,496

1) Borealis maintains EUR 58,138 thousand in export credit facilities (these were undrawn on June 30, 2025). These facilities are economically evergreen in nature but include one year's notice for cancellation.

The composition of interest-bearing loans and borrowings and lease liabilities (current and non-current debt) as of December 31, 2024, was as follows:

EUR thousand		31.12.2024						
Due		Term loans	Bond	Utilized uncommitted facilities	Export credits	Total loans and borrowings	Unutilized committed facilities	Lease liabilities
After	5 years	133,204	0	0	0	133,204	0	492,700
Within	5 years	93,002	0	0	0	93,002	0	23,967
	4 years	153,480	0	0	0	153,480	0	29,354
	3 years	122,847	0	0	0	122,847	0	50,551
	2 years	85,535	0	0	0	85,535	1,000,000	74,753
Total non-current debt		588,068	0	0	0	588,068	1,000,000	671,325
Total current debt		334,205	300,000	0	0	634,205	58,138 ¹⁾	80,358
Total debt		922,273	300,000	0	0	1,222,273	1,058,138	751,683

1) Borealis maintains EUR 58,138 thousand in export credit facilities (these were undrawn on December 31, 2024). These facilities are economically evergreen in nature but include one year's notice for cancellation.

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

Borealis continues to maintain a strong diversified liquidity position through its EUR 1 billion fully committed Syndicated Revolving Credit Facility (RCF), of which EUR 1 billion remained undrawn as of the end of June 2025, and by terming out its debt through diverse funding channels. The RCF was refinanced in December 2019 with a five-year tenor with two one-year extension options at lenders' discretion. The second and final RCF extension option was utilized in December 2021 and the new maturity date is now December 19, 2026.

As of June 30, 2025, the Group had total committed credit facilities of EUR 1,058,138 thousand (December 31, 2024: EUR 1,058,138 thousand). Besides the above-mentioned undrawn EUR 1 billion RCF, Borealis had OeKB Export Credit Facilities in the amount of EUR 58,138 thousand (December 31, 2024: EUR 58,138 thousand). These remained undrawn as of June 30, 2025.

In the first six months of 2025, Borealis decreased its debt position by EUR 354,179 thousand, mainly driven by loans and borrowings repayments. The net debt position, which decreased by EUR 37,944 thousand, resulted in a gearing ratio of 11%.

In November 2018, S&P Global Ratings issued a BBB+ rating with a stable outlook for Borealis. This constitutes the first public rating for the Company, which has been successfully active in a wide range of financing markets and instruments over the last ten years and has built up a robust and well-diversified funding portfolio. While Borealis' long-term banking partners and investors have always appreciated the strong credit quality of the Company, the public rating provides a very good additional evaluation basis for all external stakeholders. On March 21, 2025, S&P Global Ratings affirmed Borealis' BBB+ rating and revised the outlook to positive on the announced merger with Borouge and the Nova acquisition.

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

Based on this, combined with a resilient balance sheet and the strong public rating, Borealis has access to a wide variety of attractive funding instruments (such as bonds, the German Schuldschein, US Private Placement, foreign investment financing, bank loans and other). In order to meet the financing needs in 2025 and beyond, Borealis will continue to explore several suitable financial instruments fitting its strategy.

The total outstanding amount of interest-bearing loans and borrowings excluding lease liabilities as of June 30, 2025, was EUR 894,281 thousand (December 31, 2024: EUR 1,222,273 thousand). The vast majority of the underlying loan agreements have financial covenants. Borealis uses two types of covenants, which are based on maintaining gearing and solvency ratios. As of June 30, 2025, Borealis was in compliance with all material financial covenants and maintained significant headroom compared to the thresholds stipulated by the loan agreements. One minor exception did not materially impact the Group's overall covenant position.

10. Fair Values

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

EUR thousand	30.6.2025			31.12.2024		
	Carrying amount	Fair value	Fair value hierarchy level	Carrying amount	Fair value	Fair value hierarchy level
Assets						
Other investments						
Other investments	24,207	24,207	3	21,994	21,994	3
thereof at fair value through profit or loss	18,836			16,623		
thereof at fair value through other comprehensive income	5,371			5,371		
Trade receivables						
Trade receivables	852,905			777,853		
thereof at amortized cost	773,652			703,011		
thereof at fair value through profit or loss	79,253			74,842		
Cash and cash equivalents						
Cash	211,122			193,249		
Other current deposits	500,654			834,762		
at amortized cost	711,776			1,028,011		
Loans granted (current and non-current)						
Loans granted	99,034	96,457	2	1,246,676	1,262,264	2
at amortized cost	99,034			1,246,676		
Other receivables and other assets (current and non-current)						
Marketable securities and bonds	29,325	29,325	1	29,039	29,039	1
at fair value through profit or loss	29,325			29,039		
Derivative financial instruments for which hedge accounting is applied	35,119	35,119	2	38,506	38,506	2
Hedging instruments	35,119			38,506		
Derivative financial instruments for which hedge accounting is not applied	9,743	9,743	2	777	777	2
at fair value through profit or loss	9,743			777		
Deposits and other receivables	170,562			170,399		
thereof at amortized cost	168,785			168,622		
thereof at fair value through profit or loss	1,777			1,777		
Other non-financial assets	185,778	n/a	n/a	185,277	n/a	n/a
Total other receivables and other assets (current and non-current)	430,527			423,998		

EUR thousand	30.6.2025			31.12.2024		
	Carrying amount	Fair value	Fair value hierarchy level	Carrying amount	Fair value	Fair value hierarchy level
Liabilities						
Loans and borrowings (current and non-current)						
Bond	300,000	299,208	1	300,000	296,259	1
Floating rate loans and borrowings	41,100	41,264	2	42,811	43,080	2
Fixed rate loans and borrowings	553,181	527,809	2	879,462	840,136	2
at amortized cost	894,281			1,222,273		
Trade payables						
Trade payables	814,256			909,687		
at amortized cost	814,256			909,687		
Other liabilities (current and non-current)						
Derivative financial instruments for which hedge accounting is applied	50,223	50,223	2	59,356	59,356	2
Hedging instruments	50,223			59,356		
Derivative financial instruments for which hedge accounting is not applied	9,597	9,597	2	10,104	10,104	2
at fair value through profit or loss	9,597			10,104		
Contingent consideration	8,000	8,000	3	3,119	3,119	3
Interest accruals on loans and borrowings	5,848			3,863		
Other financial liabilities	118,488			113,358		
at amortized cost	132,336			120,340		
Financial guarantee liabilities	42,006	42,006	2	21,276	21,276	2
Other non-financial liabilities	121,645	n/a	n/a	168,555	n/a	n/a
Total other liabilities (current and non-current)	355,807			379,631		

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

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

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

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

In the first six months of 2025, no transfers between the different levels of the fair value hierarchy took place.

Other Investments

The equity value of the other investments is assumed to equal other investments' fair value. If the equity decreases (increases), the fair value decreases (increases) accordingly.

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

EUR thousand	2025	2024
Balance as of January 1	21,994	23,621
Disposal due to the liquidation of the company	0	-770
Fair value changes recognized in income statement (financial income/expenses)	2,191	-832
Exchange adjustments	22	-25
Balance as of the reporting date	24,207	21,994

Trade and Other Receivables and Other Assets

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

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

Loans Granted

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

Derivatives

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

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

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

Other Non-financial Assets and Liabilities

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

Non-derivative Financial Liabilities

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

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

Contingent Consideration

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

The fair value of the contingent consideration for the acquisition of Rialti amounts to EUR 2,000 thousand as of June 30, 2025 (December 31, 2024: EUR 3,119 thousand). The actual claims in relation to warranties are the significant valuation input for determining the contingent consideration liability.

The fair value of the contingent consideration for the acquisition of Integra Plastics EAD amounts to EUR 6,000 thousand as of June 30, 2025 (December 31, 2024: EUR 0 thousand). For more details, please refer to note 4.1.

11. Other Operating Income

In the first six months of 2025, other operating income consisted mainly of gains from foreign currency translation effects related to working capital in the amount of EUR 37,932 thousand (first six months of 2024: EUR 16,624 thousand). Insurance compensation of EUR 0 thousand (first six months of 2024: EUR 23,050 thousand related to the business interruption at Borouge) was recognized during the period.

12. Transactions with Related Parties

EUR thousand	Transaction values for the six months ended June 30		Balance outstanding	
	2025	2024	30.6.2025	31.12.2024
Sales of goods and services to				
Associated companies	2,677	3,115	10,089	12,383
Joint ventures	307,668	237,031	133,859	140,614
Other related parties	31,843	34,817	8,275	6,559
thereof OMV subsidiaries	31,713	34,718	8,234	6,524
Purchases of goods and services from				
Associated companies	64,191	47,462	0	0
Joint ventures	305,688	228,346	130,439	146,727
Other related parties	704,688	723,471	128,861	134,841
thereof OMV subsidiaries	701,439	719,198	123,815	132,307
Others				
Loans granted and related interest – Associated companies	1,425	1,357	56,599	55,181
Loans granted and related interest – Joint ventures	39,227	31,399	523,421	1,204,590
Financial guarantee receivables – Joint ventures	416	531	42,750	21,199
Financial guarantee liabilities – Joint ventures	3,005	3,146	42,937	21,276
Lease liabilities and related interest – Parent company	4	8	3,684	5,011
Lease liabilities and related interest – Other related parties	64	93	5,184	7,741
Income taxes liability and related expense – Parent company	24,359	52,470	5,645	57,662

The amounts shown in the table include transaction values and the balance outstanding from discontinued operation. For further details about the discontinued operation Borouge, please refer to note 5 Investments in Associated Companies and Joint Ventures.

Sales to associated companies and joint ventures mainly include sales of finished goods and services. Transactions with joint ventures further include the granting of licenses for the use of Group technologies. Contract assets with Borouge PLC amounting to EUR 7,407 thousand (December 31, 2024: EUR 8,356 thousand with Abu Dhabi Polymers Company Limited) are included in the balance outstanding. Also included in the balance outstanding from associated companies are prepayments to Kilpilahden Voimalaitos Oy (KPP) of EUR 9,265 thousand (December 31, 2024: EUR 9,705 thousand). While purchases from joint ventures in 2024 mainly include purchases of finished goods produced by Borouge and sold in Europe, the increase in

purchases from Bayport Polymers LLC (Baystar) seen in the second half of 2024 is continuing in 2025. Purchases from other related parties mainly relate to purchases of feedstock and utilities from OMV group companies. Receivables from and payables to related parties are included in trade receivables/payables.

Lease liabilities and related interest from the parent company represent rental of office facilities in Vienna from OMV Aktiengesellschaft. Lease liabilities and related interest from other related parties relate to rented land and infrastructure from OMV Deutschland Operations GmbH & Co KG and OMV Deutschland GmbH. Loans granted, including interest receivables, to joint ventures amounting to EUR 523,421 thousand (December 31, 2024: EUR 1,204,590 thousand) were outstanding from Baystar and Borouge 4 LLC (Borouge 4).

All transactions with related parties were conducted on an arm's length basis.

On June 30, 2025, undrawn financial commitments of USD 543,200 thousand (December 31, 2024: USD 639,200 thousand) to Borouge 4 stemmed from a shareholder loan agreement (SHL) entered into on February 3, 2023, with Borealis AG (now Borealis GmbH) as lender and Borouge 4 as borrower to part finance the CAPEX requirements of Borouge 4.

USD 524,800 thousand from the USD 1,068,000 thousand commitment have been drawn to date. The SHL is structured as a facility with a five-year tenor. Borealis retains the right to accelerate the prepayment of the outstanding amounts at the point of reintegration into Borouge PLC. Furthermore, Borealis GmbH 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 1,150,031 thousand utilized as of June 30, 2025) which is recognized as a financial liability of EUR 931 thousand (December 31, 2024: EUR 1,051 thousand).

Borealis provided a guarantee for a Revolving Credit Facility (RCF) used by Baystar as a liquidity instrument to conduct its ordinary course of business. The maximum amount of the credit facility is USD 300,000 thousand, of which 50% (USD 150,000 thousand) is guaranteed by Borealis, while the remaining USD 150,000 thousand is guaranteed by joint venture partner TotalEnergies. As of June 30, 2025, Baystar's RCF was utilized at USD 260,000 thousand (of which USD 130,000 thousand was guaranteed by Borealis).

On April 19, 2022, a loan of USD 650,000 thousand was repaid by Baystar to Borealis. The repayment was financed from the two tranches of senior notes issued in USD in the amount of USD 350,000 thousand and USD 300,000 thousand, which mature in 2027 and 2032 respectively. Borealis provided a parental guarantee of USD 650,000 thousand for the full amount of the senior notes, which is recognized as a financial liability of EUR 14,735 thousand (December 31, 2024: EUR 18,836 thousand).

On June 10, 2025, a loan of USD 750,000 thousand was repaid by Baystar to Borealis which completed the externalization of the member loans. The repayment was financed via a syndicated Baystar senior term loan facility in the amount of USD 750,000 thousand with three tranches up to nine years, guaranteed by Borealis for the full amount, which is recognized as a financial liability of EUR 26,040 thousand.

Additionally, Borealis provided a parental guarantee for a lease of railcars with maximum exposure of USD 18,580 thousand as of the reporting date (December 31, 2024: USD 19,651 thousand) and recognized a financial liability of EUR 1,231 thousand (December 31, 2024: EUR 1,389 thousand).

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

13. Subsequent Events

There were no significant subsequent events after June 30, 2025.

14. Executive Board and Supervisory Board

Executive Board

Stefan Doboczky (Chairperson)

Daniel Turnheim

Wolfram Krenn

Philippe Roodhooft

Craig Arnold

Supervisory Board

Daniela Vlad (Chairperson until February 28, 2025)

Alfred Stern (Chairperson since March 1, 2025)

Hetal Patel (Vice Chairperson)

Reinhard Florey

Martijn Arjen van Koten

Michael James Baker

Nikolai Philipp Wolfgang Riesenkampff (delegated by the Works Council)

Dorothea Wiplinger (delegated by the Works Council)

Gernot Baumgaertel (delegated by the Works Council)

Vienna, July 29, 2025

Executive Board:

signed

Stefan Doboczky
Chief Executive Officer

signed

Daniel Turnheim
Chief Financial Officer

signed

Wolfram Krenn
Executive Vice President
Operations

signed

Philippe Roodhooft
Executive Vice President
Joint Ventures

signed

Craig Arnold
Executive Vice President
Polyolefins, Circular Economy Solutions
and Base Chemicals

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

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

The presented Half-Year Financial Report has not been subject to an audit or review.

Vienna, July 29, 2025

Executive Board:

signed

Stefan Doboczky
Chief Executive Officer

signed

Daniel Turnheim
Chief Financial Officer

signed

Wolfram Krenn
Executive Vice President
Operations

signed

Philippe Roodhooft
Executive Vice President
Joint Ventures

signed

Craig Arnold
Executive Vice President
Polyolefins, Circular Economy Solutions
and Base Chemicals

Note on gender inclusive language:

The masculine form partially specified by ESRS 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.

IMPRINT

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