

Borealis Interim Consolidated Financial Statements

as of 30 June 2022

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Gender Disclaimer

For reasons of better readability and easier comprehension, the male form used refers equally to all gender identities (without any judgemental distinction).

About Borealis

Our Business

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

In re-inventing essentials for sustainable living, we build on our commitment to safety, our people, innovation and technology, and performance excellence. We are accelerating the transformation to a circular economy of polyofines as well as base chemicals and expanding our geographical footprint to better serve our customers around the globe.

With head offices in Vienna, Austria, we employ 6,900 employees and operate in over 120 countries. In 2021, we generated total sales ¹⁾ of EUR 12.3 billion and a net profit of EUR 1,396 million. OMV, the Austria-based international oil and gas company, owns 75% of our shares, while the remaining 25% is owned by a holding company of the Abu Dhabi-based Mubadala. We supply services and products to customers around the globe through Borealis and two important joint ventures: Borouge (with the Abu Dhabi National Oil Company, or ADNOC, based in UAE); and Baystar™ (with TotalEnergies, based in the US).

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

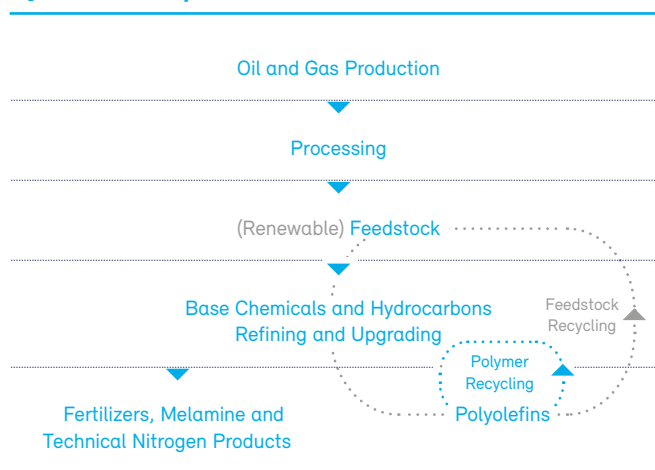
Borealis continuously invests in its people, its Borstar® and other proprietary technologies and in its working processes, both internally and with external partners. The result is continuous technological improvement.

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

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

1) Total net sales of Borealis and pro-rata sales of at equity-consolidated companies.

Fig. 1: Chemical production flow



Industry Segments

Borealis clusters its businesses in three industry segments: Polyolefins, Base Chemicals and Fertilizers, Melamine and Technical Nitrogen Products.

Polyolefins

The value-adding polyolefin products manufactured by Borealis form the basis of many valuable plastics applications that are an intrinsic part of modern life. Advanced Borealis polyolefins have a role to play in saving energy along the value chain and promoting more efficient use of natural resources. Borealis works closely with its customers and industry partners to provide innovative and value-creating plastics solutions in a variety of industries and segments. These solutions make end products safer, lighter and more affordable and easier to recycle. In short: they enable more sustainable living.

Borealis offers advanced polyolefins for virgin and circular economy solutions, servicing these industries: Consumer Products, Energy, Healthcare, Infrastructure and Mobility.

Advanced polyolefins for virgin and circular economy solutions Polymer Solutions

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

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

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

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

Circular Economy Solutions

Borealis Circular Economy Solutions is dedicated to discovering new opportunities for long-term business growth, primarily in the areas of mechanical recycling, chemical recycling (in collaboration with Borealis partners – OMV and Renasci), reuse, renewable feedstock and design for recyclability (DfR).

Over recent years, mechanical recycling has proven to be effective and it will likely remain the eco-efficient method of choice in the foreseeable future when implementing the principles of the circular economy. The circular economy opens up new ways to re-invent the economy in the interest of preserving natural capital and minimising waste. Another important aspect of eco-efficient waste stream management is DfR, which incorporates recycling principles into the design process itself, in order to achieve optimised circulation of material for recycling and reuse. To this end, Borealis is collaborating with value chain partners – designers, retailers, packaging producers and brand owners – to develop material solutions and concepts to improve end-of-life recyclability and the performance properties of recycle material.

Industries served with these advanced polyolefin solutions

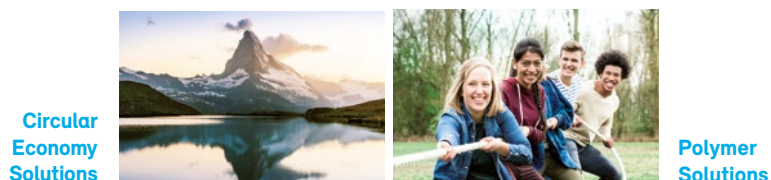
Consumer Products

With over 50 years' experience in the industry, Borealis is an innovative and reliable supplier of superior polyolefin plastic materials used in advanced packaging, fibre and appliances.

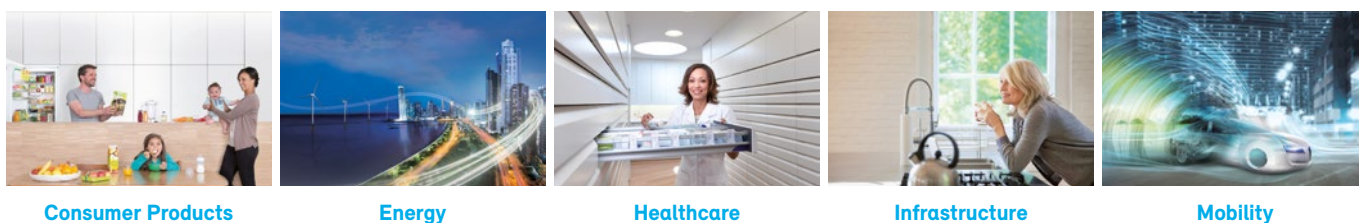
Value-added packaging and fibre innovations play a role in safeguarding the quality and safety of consumer and industrial products, and also fulfil demand for enhanced functionality and convenience. Plastic food packaging, for example, helps protect and preserve food from farm to fork. Spoilage is avoided thanks to efficient filling systems and leak-resistant packaging. Food stays fresh longer and less must be thrown away. In addition, the consumer has a wider range of choices when it comes to convenient and appealing packaging formats.

Superior and proprietary Borealis technologies, such as Borstar™, also make advanced applications possible in flexible packaging (including lamination film, shrink film and stand-up pouches); rigid packaging (caps and closures, bottles, thin wall and transport packaging); and non-woven and technical fibres (filtration systems, hygiene products and technical textiles).

Fig. 2: Industries served by Borealis' polyolefins applications



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



Advanced PP solutions offered by Borealis make white goods (such as washing machines, refrigerators, air conditioning units and more) and small appliances (such as toasters, ventilators and power tools) lighter yet more robust, and more energy efficient yet visually appealing.

Energy

Borealis is a leading provider of polyolefin compounds for the global energy industry. Step-change innovations based on the Borlink™ technology make electricity power grids more robust and reliable, eliminate wastage and help transport energy from renewable sources more efficiently and over longer distances. The broad range of sophisticated solutions includes extra high, high and medium voltage solutions for energy transmission, and low voltage solutions for energy distribution cable applications.

Safer wires and cables for the solar, mobility and construction industries are made possible by unique Borealis polymer manufacturing technologies. Borealis also has a proven track record of innovation in the area of flame retardant cables for these industries. Borealis offers a comprehensive range of communication cable solutions for advanced data, copper multipair, fibre optic and coaxial cables, all of which enhance the efficiency of data and communication networks.

Leading Borealis PP material solutions are used to produce capacitor film products. Meeting exceptional cleanliness standards, these materials help achieve outstanding electrical properties. Their consistent processing behaviour enables the production of extremely thin films.

Unique polymer and manufacturing technologies using Borlink, Visico™/Ambicat™, Borstar and Casico™ allow Borealis to offer innovative compounds tailored to specific customer needs.

With the launch of the new flagship solar brand Quentys™ in 2017, Borealis moved into the global solar industry. Pioneering new products based on Quentys are making solar energy more effective, affordable and long-lasting. For example, Borealis polyolefin encapsulant films improve the operational reliability of photovoltaic modules throughout the product lifetime. This results in better cost efficiency and thus greater viability for solar power.

Healthcare

Borealis offers reliable solutions that add value to healthcare, thanks to an impressive track record in Value Creation through Innovation and close cooperation with customers.

The growing Bormed™ polyolefins portfolio offers superior technical performance for medical devices, pharmaceuticals and diagnostic packaging. Borealis' innovations help make healthcare packaging and medical devices safer and more affordable, while improving usability – a key criterion in today's ageing society.

Healthcare products that have been enhanced by advanced polyolefins made by Borealis include, among others: medical devices, medical pouches, sachets, syringes, insulin injection devices, unbreakable transparent bottles and single-dose eye drop dispensers.

Importantly, as a global supplier, Borealis can ensure security of supply and provide technical support tailored to the specific and stringent requirements of the market.

Infrastructure

A trusted partner to the pipe industry for over 50 years, Borealis supplies advanced polyolefin pipe system materials to a wide range of infrastructure projects around the world. By offering more durable and reliable pipes, Borealis' step-change innovations continue to boost the sustainability of pipe networks by making them safer and more efficient. These improved networks also help eliminate wastage and loss, while at the same time offering energy savings.

Water and sanitation systems can be made more efficient and reliable by using proprietary Borealis materials. For example, when compared to conventional materials, modern PE systems reduce water losses by a factor of eight. Trenchless technology reduces installation costs by up to 60%.

Using its proprietary Borstar technology as a base, Borealis offers pipes used in many different industries: water and gas supply, waste water, drainage and sewage disposal and plumbing and heating.

For the oil and gas industry, Borealis provides reliable and high-quality solutions from one end of the pipeline to the other, including multi-layer coating solutions for onshore and offshore oil and gas pipelines.

Mobility

Borealis is a leading supplier of innovative polyolefin plastic materials for engineering applications in the mobility industry segment.

Proprietary Borealis technologies are lighter weight replacement solutions for conventional materials such as metal, rubber and engineering polymers. Borealis' material solutions help facilitate lightweight construction and thus play an important role in reducing carbon emissions. For instance, over the lifespan of an automotive application like a bumper, eight kilogrammes (kg) of carbon emissions can be avoided by using one kg of PP compounds. Borealis grades with post-consumer recycled (PCR) plastics content meet growing industry and end-user demand for high-quality materials that make better use of the planet's resources. By combining PCR and virgin material to produce high-end grades of consistent quality, fewer resources are used and less waste is generated over the lifetime of the product.

Borealis offers these leading-edge, lightweight polyolefins for a wide range of exterior, interior and under-the-bonnet applications, including bumpers, body panels, dashboards, door claddings, central consoles, pedal housings, cooling systems, battery trays and semi-structural body parts. Working closely with key value chain partners, Borealis continually develops novel materials for specific composite applications, such as structural carriers.

Base Chemicals

Hydrocarbons & Energy

Borealis produces a wide range of products for use in numerous industries, including phenol, acetone, ethylene and propylene. Borealis sources various feedstock, such as naphtha, butane, propane and ethane from the oil and gas industry. Through its olefin units, it converts these into the building blocks of the chemical industry: ethylene, propylene and C4 hydrocarbons (petrochemical derivatives consisting of butanes, butylenes and butadienes), among others. Steam crackers in Finland, Sweden and Abu Dhabi – the latter operated by Borouge – produce ethylene, propylene and C4 hydrocarbons, while propylene is also produced in a propane dehydrogenation plant in Kallo, Belgium. Feedstock and other olefins required for Borealis and Borouge polyolefin plants are either sourced from its owners or purchased on the market. A range of co-products from the steam cracking process, including butadiene, butene compounds and pygas, are also sold on international markets.

Phenol, benzene, cumene and acetone are produced in Finland and sold mainly to the adhesive, fibre, epoxy resin and polycarbonate industries. In the Nordic and Baltic regions, Borealis is the leading producer of phenol, which is used in adhesives, construction materials, carpets, CDs, DVDs, mobile phones and household appliances. Acetone is commonly used in solvents for paints, acrylics, fibres and pharmaceuticals.

In line with its ambition to proactively drive the transition to a circular economy, Borealis has also started to process renewable and chemically recycled feedstock.

Fertilizers, Melamine and Technical Nitrogen Products

Borealis produces and then distributes and supplies around five million tonnes of fertilizers and technical nitrogen products each year via its Borealis L.A.T distribution network. This comprises more than 60 warehouses across Europe and has an inventory capacity of over 700,000 tonnes.

Fertilizers

Efficient and effective use of fertilizers has become more essential than ever. The world's population is expected to rise from today's 7.6 billion to over 9.6 billion by 2050, and an increasing number of people will live in densely populated urban areas. As incomes in emerging nations rise, more meat is consumed and more grain must be produced to feed livestock. Biofuels also generate demand for increased yields. Because space for agricultural expansion is limited, yields must be optimised. At the same time, in many nations there is a heightened awareness of the need to promote fertilizers with low carbon footprints, maintain healthy soil environments and reduce run-off from fields.

The product portfolio comprises nitrogenous fertilizers, compound NPK fertilizers and speciality fertilizers with various formulas of primary and secondary nutrients as well as oligo elements. Non-European markets are serviced mainly via the Borealis Rosier distribution network.

Melamine

Borealis produces melamine at its plants in Linz, Austria, and at its facility in Piesteritz, Germany. Converted from natural gas, melamine has become an essential material for the global production of synthetic resins. Around 80% of Borealis' melamine production is destined for the wood-based panel industry, for example for decorative surface coatings of wood-based materials. Melamine also plays an important role in the manufacture of everyday objects used in the kitchen or around the house, for example, as one component used to make handles for pots and pans.

Technical Nitrogen Products

A broad range of technical nitrogen product solutions is derived from the raw materials urea, ammonia, ammonium nitrate and nitric acid.

AdBlue®

AdBlue, a high-purity aqueous urea solution, is used as a NO_x reduction agent for trucks, buses, tractors, construction machinery and diesel passenger cars.

Ammonia

A compound of nitrogen and hydrogen, ammonia has many uses: as a precursor or intermediate product in the production of nitrogenous materials; as a refrigerant in cooling systems; as a NO_x reduction agent; and as a hardening agent for metal surfaces.

Urea

Urea is a synthetically produced organic compound of ammonia and carbon dioxide. It is utilised in the production of melamine and the glues used in particle boards, but also as a raw material for resins and as a NO_x reduction agent.



OUR PURPOSE

Re-inventing essentials for
sustainable living

OUR VISION

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





Borealis Strategy 2030

GEOGRAPHICAL EXPANSION

Become a fully global partner to our customers

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

TRANSFORMATION

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

Circular Economy

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

Value Add

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



SUSTAINABILITY

We significantly reduce our CO₂ footprint

STRONG FOUNDATION

Build on safety, people and culture to sustain strong growth

Safety

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

People

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

Innovation & Technology

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

Performance Excellence

We focus on excellence across all activities. Utilise technology and digitalisation to drive efficiencies.

Our Values

RESPONSIBLE

... is just a theory until you put it into action.

- We strive for zero incidents in health and safety.
- We consider our local and global responsibility for the environment in our decisions.
- We do business according to high ethical standards and lead by example.



RESPECT

... is just a word until you live its meaning.

- We trust and involve people and communicate openly, respectfully and in a timely manner.
- We collaborate, support and help each other to develop for the best of Borealis.
- We build on diversity for better results as “One Company”.





EXCEED

... is just a goal until it becomes your path.

- We win through excellence and deliver beyond expectations.
- We commit to making joint decisions and follow through.
- We give feedback and make “Connect-Learn-Implement” and “Continuous Improvement” a natural way of working.



NIMBLICITY™

... is just a concept until you make it your routine.

- We are fit, fast and flexible and seek smart and simple solutions.
- We encourage decisions at all levels of the organisation to increase ownership and speed to realisation.
- We welcome change and manage it to shape our future.

Financial Statements

Management Report – Half Year Report 2022

We draw attention to the fact that comparatives have been restated, for details see the Restatement section in the notes to the interim consolidated financial statements. All amounts in the management report are not considering the reclassification of the discontinued operation and related balances held for sale.

During the first six months of 2022, the Total Recordable Injury Rate per million working hours (TRIR) stood at 2.8. This is a deterioration of 0.2 versus the 2.6 recorded in the same period in 2021 and a worsening of 0.5 compared to the full year 2021 result. The ratio reflects 30 incidents in which individuals were injured as well as one fatal accident in Grandpuits, France. Borealis expresses its deepest regret for this tragic fatality and the other unfortunate incidents. The Borealis dedication to safety first, embodied by its “Goal Zero” aim to eliminate accidents and incidents altogether, means that it must step up its efforts to improve safety among its employees and contractors in order to reach this goal. Therefore, Borealis has already initiated additional measures to improve safety performance.

As the coronavirus becomes endemic, protective measures have been relaxed. Yet Borealis remains vigilant in order to combat the spread of new COVID variants. Should circumstances require, Borealis is prepared to reinstate the measures that have proven effective in protecting the health of its employees, contractors and business partners. These include physical distancing, the wearing of face masks and other personal protective equipment, use of protective barriers and overall heightened attention to cleaning and hygiene.

With regard to the war in Ukraine, the Borealis Executive Board and senior management have taken concrete measures in response to the present geopolitical situation. Borealis does not operate production facilities in Russia or Ukraine and employs only a limited number of persons in Russia. The Group’s key priority is to ensure the safety of our people while doing the utmost to maintain business continuity. Borealis has reassessed its business transactions with Russia in light of international sanctions and other applicable laws. Sales to Russia and Belarus have ceased, with volumes directed to Western Europe instead. While operations at all Borealis production sites have continued uninterrupted, there are contingency plans in place to mitigate possible supply disruptions. Measures are being implemented on an ongoing basis to ensure the stability of procurement of materials for all Borealis production sites. We remain in close, direct contact with our suppliers and customers and update them regularly on relevant developments.

Starting in December of 2021, the price of oil rose steadily from USD 75/bbl to USD 112/bbl in March 2022, following the start of the war in Ukraine. After a short drop to USD 106/bbl in April, the oil price surged to USD 118/bbl in June 2022.

Naphtha developed at the beginning of the year in a similar vein as the oil price, increasing from USD 698/t in December 2021 to USD 996/t in March 2022, but then falling to USD 803/t by June. Ethylene and propylene contract prices have been influenced by the development of oil and naphtha prices, with ethylene rising from EUR 1,273/t in January to EUR 1,665/t in April and dropping to EUR 1,595/t in June. The price of propylene rose from EUR 1,288/t in January 2022 to EUR 1,675/t in April, ending at EUR 1,600/t in June. The spread between naphtha and propane widened during the first months of 2022, but butane continued to be priced at only a small discount compared to naphtha.

In the first half of 2022, demand for polyolefins softened. This was due to multiple factors, including the incipient economic slowdown and rising inflation in countries around the globe. Additionally, the limited availability of semiconductor chips, particularly in the automotive industry, has slowed production and as a result demand for polymers. At 1.9 million tonnes in the first six months of 2022, Borealis Polyolefins sales volumes were 6% below the same period in 2021.

Within the Borealis NITRO segment, Fertilizers sales volumes¹⁾ of 1.6 million tonnes in the first half of 2022 were at a comparable level as in the same period in 2021. NITRO's melamine sales volumes decreased from 76 kt in the first half year 2021 to 60 kt in the same period of 2022 due to reduced demand following the 2021 peak.

In the first six months of 2022, Borealis achieved an operating profit of EUR 936 million. This compares to EUR 723 million in the first six months of 2021. The increase is mainly due to an exceptional fertilizer market environment, as product prices outperformed even the surging natural gas prices. Moreover, operating profit was supported by a consistently healthy integrated polyolefins market environment.

Borouge's net profit contribution to Borealis in the first six months of 2022 was somewhat lower than in the previous year as higher sales volumes driven by the ramp up of the new PP5 plant, improved price levels in Asia and a positive impact from a weaker EUR/USD exchange rate were more than offset by a one-off pension adjustment recognised in Borealis in the first six months of 2022.

Baystar's net profit contribution to Borealis in the first half of 2022 remained below the contribution in the same period of 2021 as higher sales volumes were more than offset by lower sales prices and preparation costs for the additional capacity in relation to ongoing investments.

Borealis benefitted from the successful Borouge initial public offering (IPO) in June 2022 as well as the improved binding offer received for the divestment of the NITRO segment, leading to a partial unwinding of the impairment recognised in relation to the NITRO assets in 2021. This resulted in a net profit of EUR 1,828 million for the first six months of 2022, an increase of EUR 1,007 million compared to the EUR 821 million earned in the first half of 2021.

Cash flow from operations for the first six months of 2022 was EUR 110 million versus the EUR 464 million for the same period in 2021. The strong profit contribution from business performance was partially offset by a negative working capital development due to the substantially higher price environment. Additionally, in the first half of 2022, income tax of EUR 325 million was paid (first six months of 2021: income tax of EUR 47 million).

Overall, investments in tangible and intangible assets reached EUR 336 million in the first half of 2022, a level exceeding the EUR 292 million in 2021. In the first half year of 2022, Borealis paid a EUR 698 million dividend to its shareholders based on the 2021 result. In the first six months of 2022, Borealis' net debt decreased by EUR 52 million, as the EUR 745 million proceeds from the Borouge IPO, the partial externalisation of the intercompany financing of the joint venture Baystar™ in the amount of EUR 602 million, dividends received from Borouge and the strong cash flow from operations were to a large extent offset by investment activities including a capitalized lease contract (IFRS 16) in relation to the PDH project in Kallo, higher working capital needs and dividends paid to Borealis shareholders.

1) The Company's share in fertilizer production sites in the Netherlands and Belgium (Rosier) is not included in the current divestment process for the nitrogen business unit. Figures have been shifted from the Borealis NITRO segment to Non-Allocated and the comparable period has been adjusted accordingly.

Borealis' financial position remains very strong, with a gearing of 2% at the end of June 2022. This represents a decrease of 1 percentage point since December 2021. Borealis remains well below the target gearing range of 35% to 65%. The solvency ratio was 64% at the end of June 2022, compared to 62% at the end of 2021. Liquidity reserves, composed of undrawn committed credit facilities and cash balances, amounted to EUR 3,244 million at the end of June 2022, compared to EUR 2,717 million at year-end 2021.

At the end of June 2022, total assets and capital employed stood at EUR 15,070 million and EUR 12,042 million, respectively, compared to EUR 12,985 million and EUR 9,936 million at year-end 2021. Total equity increased by EUR 1,632 million to EUR 9,803 million in the first six months of 2022, mainly as a result of the strong business performance in the first six months of the year, yet was partially offset by the dividend paid to shareholders.

As announced in the Combined Annual Report 2021 published in March, several changes to the Borealis Supervisory Board took effect as of 10 February 2022. Alvin Teh joined the Supervisory Board, succeeding Musabbeh Al Kaabi; Saeed Al Mazrouei was newly appointed as Vice Chairman of the Supervisory Board.

Borouge, the strategic joint venture founded by Borealis and Abu Dhabi National Oil Company (ADNOC) in 1998, became the largest-ever IPO in Abu Dhabi when it was listed on the Abu Dhabi Securities Exchange (ADX) on 3 June 2022. The IPO offered 10% of Borouge's total issued share capital and raised over USD 2.0 billion in gross proceeds. It drew USD 83 billion in orders and was oversubscribed by nearly 42 times in aggregate.

The divestment process of the Borealis nitrogen business unit, including fertilizers, technical nitrogen and melamine products, commenced in February 2021. A binding offer received from EuroChem in February 2022 was declined in March after assessing developments resulting from the war in Ukraine and related sanctions. Borealis announced in June that it had received a binding offer from Czech-based AGROFERT that valued the business on an enterprise value basis at EUR 810 million. Pending regulatory approvals, and subject to customary closing conditions, the deal is expected to be completed in the second half of 2022.

In April, ADNOC announced that it will acquire the 25% share in Borealis currently held by Mubadala Investment Company. While still subject to regulatory approvals and closing conditions, the acquisition deepens ADNOC's existing relationship with Borealis and augments its current drive to extend its global footprint to thriving chemical and petrochemical markets in North America and Europe.

Borealis is committed to executing its growth projects to better serve its global customers by expanding production capacity of advanced and sustainable chemicals and material solutions, and by gaining closer geographic proximity to markets and customers. Important project milestones were reached in the first half of 2022. The groundbreaking ceremony for Borouge 4, a new USD 6.2 billion facility within the Borouge complex in Ruwais (UAE), took place in February 2022. Borouge 4 will contribute to meeting growing polymer demand in the Middle East and Asia and will also supply feedstock to the TA'ZIZ Industrial Chemicals Zone in Ruwais. February also saw the successful start-up of PP5, the fifth Borouge polypropylene (PP) unit. Total Borouge PP capacity has now been boosted by more than 25%. By leveraging the proprietary Borstar® technology, the new PP5 unit can deliver higher quantities of more sustainable and recyclable polymer-based material solutions for the packaging, consumer goods, pipe and infrastructure industries, among others.

Borealis recently announced the successful start-up of the new ethane cracker at its Baystar joint venture with TotalEnergies in Port Arthur, Texas. The one million tonnes of ethylene produced each year will be used as feedstock for Baystar's existing polyethylene (PE) units. It will also supply the new, 625,000 metric-tonne-per-year Borstar PE unit currently under construction, which is expected to start up by the end of 2022. By bringing Borstar to North America within the framework of this partnership, Borealis is set to grow its polymers business in North America in a significant way.

Construction at the new world scale propane dehydrogenation plant (PDH) located at the Company's existing site in Kallo, Belgium made progress during the first half of 2022. However, we recently became aware that one of the contractors we engaged may not, according to our current assessment, have adhered to the employment conditions required by law for its workers. As a result, we suspended this contractor in July and subsequently terminated the contract in August. We also suspended work at the entire site to reach maximum assurance that all engaged contractors operate according to legal requirements. At this moment it is not clear what the implications are. Borealis has zero tolerance for non-compliance in all aspects of its operations and will do its utmost by putting additional controls in place for its contractors to avoid such incidents in the future.

The recently unveiled Borealis Strategy 2030 – a strategic evolution centred on sustainability – includes ambitious new targets for both decarbonisation and the volume growth of circular economy products and solutions in the Borealis Polyolefins and Hydrocarbons businesses. Building on the strong Borealis foundation of dedication to safety first, its people, innovation and technology, and performance excellence, Borealis is accelerating the ongoing transformation towards the circular economy. Underlying the Borealis Strategy 2030 is an evolved purpose, "Re-inventing Essentials for Sustainable Living".

As Borealis puts the circular economy at the centre of its growth ambitions, it aims to increase the global volume of the circular products and solutions it produces to 1.8 million tonnes by 2030. This is a significant increase over today's European volumes of around 100 thousand tonnes. Drawing on its Value Creation through Innovation mindset, Borealis is building on The Borneables™ portfolio of premium circular polyolefins based on renewably-sourced feedstocks; and on its proprietary and transformative Borcycle™ technology, which gives polyolefin-based, post-consumer waste a new life. Borcycle is also integral to a new entity co-established in May with waste management experts Reclay Group in Germany: Recelerate GmbH, which intends to close the loop on plastic circularity by ensuring that more post-consumer, light-packaging waste is recycled into new plastic materials. In June, Borealis also announced the launch of Borvida™, a range of sustainable base chemicals produced using non-food waste biomass.

Borealis aims to reduce its Scope 1 and Scope 2 emissions from 5.1 million tonnes per year (baseline of 2019) to 2 million tonnes by 2030. To do so, it is using a larger share of electricity obtained from renewable sources in its own operations. By 2030, 100% of the electricity used in the Polyolefins and Hydrocarbons businesses should be of renewable origin. The long-term power purchase agreement (PPA) signed in February 2022 with Fortum to use wind to help power its operations in Finland will reduce Scope 2 emissions at this location by 28 thousand tonnes/year. Borealis is also erecting more photovoltaic (PV) arrays to power portions of its own operations, such as in Linz (Austria), where Borealis and energy company VERBUND commissioned one of the province's largest rooftop PV arrays in May 2022. The reduction target also includes the announced divestment of the Borealis nitrogen business, which comprises fertilizers, technical nitrogen and melamine.

Borealis is currently exploring the viability of carbon capture and storage, most specifically as part of the Antwerp@C project, which joins leading chemical and energy companies in an effort to halve CO₂ emissions originating in the Port of Antwerp by 2030. Engineering studies are currently underway to gauge the viability of the planned common CO₂ infrastructure.

The Borealis Executive Board and its senior management are very proud of the outstanding result posted in the first six months of 2022. While both the integrated polyolefins and fertilizer markets showed very strong performances in the first half of the year, prices are expected to gradually decline in a weakening market environment in the second half of 2022. However, as a reliable and trusted partner for its customers and the entire value chain, Borealis is well positioned to deal with market-related and other challenges. The Company's top priority, however, is still to operate safely and ensure that all people working for and at Borealis and its subcontractors can do this safely from a health perspective and while also adhering to the highest ethical standards.

Vienna, 22 August 2022

Executive Board:

Thomas Gangl m.p.
Chief Executive Officer

Mark Tonkens m.p.
Chief Financial Officer

Wolfram Krenn m.p.

Philippe Roodhooft m.p.

Lucrèce De Ridder m.p.

Interim Consolidated Financial Statements

Interim Consolidated Income Statement

EUR thousand	2022	2021	Note
For the six months ended 30 June	unaudited	restated ¹⁾	
Net sales ¹⁾	5,098,063	4,009,100	1, 2
Other operating income ¹⁾	143,288	47,902	11
Total sales and other income ¹⁾	5,241,351	4,057,002	
Production costs	-4,106,788	-2,965,815	
Gross profit ¹⁾	1,134,563	1,091,187	
Sales and distribution costs	-349,459	-281,757	
Administration costs	-112,524	-107,546	
R&D costs	-7,788	-6,835	
Operating profit	664,792	695,049	
Net results of associated companies and joint ventures	255,612	289,030	
Gain from disposal of equity-accounted investments	604,171	0	5
Financial income	21,478	20,090	
Financial expenses ¹⁾	-21,388	-21,761	
Net foreign exchange gains/losses ¹⁾	99,110	3,542	
Profit before taxation	1,623,775	985,950	
Taxes on income	-203,248	-181,881	
Net profit for the period from continuing operations	1,420,527	804,069	
Discontinued operation			
Profit from discontinued operation, net of tax	407,329	16,947	4
Net profit for the period	1,827,856	821,016	
Attributable to:			
Non-controlling interests	-226	-150	
Equity holders of the parent	1,828,082	821,166	

1) 2021 amounts for line items marked with footnote ¹⁾ have been restated. For further details, please refer to the Restatement section.

Interim Consolidated Statement of Comprehensive Income

EUR thousand	2022	2021
For the six months ended 30 June	unaudited	unaudited
Net profit for the period	1,827,856	821,016
Items that may be reclassified subsequently to the income statement		
Net gain/loss on translation of financial statements of foreign operations	218,729	113,282
Reclassifications to the income statement during the period	-42,744	0
Tax effect recognised in other comprehensive income	0	0
Net gain/loss on long-term loans to foreign operations	-17,240	-756
Reclassifications to the income statement during the period	0	0
Tax effect recognised in other comprehensive income	3,965	189
Net gain/loss on loans to hedge investments in foreign operations	-4,362	-5,732
Reclassifications to the income statement during the period	3,009	0
Tax effect recognised in other comprehensive income	311	1,433
Fair value adjustments of cash flow hedges	419,642	62,836
Reclassifications to the income statement during the period	-136,484	-15,949
Tax effect recognised in other comprehensive income	-65,126	-11,722
Share of other comprehensive income of associates accounted for using the equity method	0	-368
Items that will not be reclassified to the income statement		
Actuarial gains and losses	123,412	23,288
Tax effect recognised in other comprehensive income	-24,775	-5,118
Share of other comprehensive income of associates accounted for using the equity method	0	-194
Net income/expense recognised in other comprehensive income	478,337	161,189
Total comprehensive income	2,306,193	982,205
Attributable to:		
Non-controlling interests	737	283
Equity holders of the parent	2,305,456	981,922

Interim Consolidated Balance Sheet

EUR thousand	30.6.2022	31.12.2021	Note
	unaudited	audited	
Assets			
Non-current assets			
Intangible assets	599,826	658,643	3
Property, plant and equipment			3
Production plants	1,851,754	1,977,253	
Machinery and equipment	28,011	30,392	
Construction in progress	1,155,370	936,278	
Total property, plant and equipment	3,035,135	2,943,923	
Right-of-use assets	609,829	160,553	
Investments in associated companies and joint ventures	2,692,392	2,526,406	5
Other investments	19,638	18,355	10
Loans granted	557,363	1,015,018	10, 12
Other receivables and other assets	265,935	139,931	10
Deferred tax assets	12,629	59,544	
Total non-current assets	7,792,747	7,522,373	
Current assets			
Inventories	1,710,990	1,267,480	7
Receivables			
Trade receivables	1,207,939	1,113,786	10, 12
Income taxes	16,954	69,944	
Loans granted	55,977	0	10, 12
Other receivables and other assets	804,785	649,171	10
Total receivables and other assets	2,085,655	1,832,901	
Cash and cash equivalents	2,067,643	1,540,973	10
Assets of the disposal group held for sale	1,413,092	821,003	4
Total current assets	7,277,380	5,462,357	
Total assets	15,070,127	12,984,730	

Interim Consolidated Balance Sheet

EUR thousand	30.6.2022	31.12.2021	Note
	unaudited	audited	
Equity and liabilities			
Equity			
Shareholders' equity			
Share capital and contributions by shareholders	1,599,397	1,599,397	
Reserves	705,755	203,645	
Retained earnings	7,502,175	6,372,494	
Total shareholders' equity	9,807,327	8,175,536	
Non-controlling interests	-4,318	-4,251	
Total equity	9,803,009	8,171,285	
Liabilities			
Non-current liabilities			
Loans and borrowings	1,562,763	1,526,278	9, 10
Lease liabilities	570,170	134,084	9, 12
Deferred tax liabilities	283,120	178,166	
Employee benefits	287,321	415,839	
Provisions	59,183	64,647	8
Other liabilities	41,441	13,494	10
Total non-current liabilities	2,803,998	2,332,508	
Current liabilities			
Loans and borrowings	63,549	73,633	9, 10
Lease liabilities	42,822	30,682	9, 12
Trade payables	1,046,873	1,016,936	10, 12
Income taxes	53,281	44,760	
Provisions	52,058	69,546	8
Contract liabilities	37,603	54,997	
Other liabilities	485,806	599,086	10
Liabilities directly related to the disposal group	681,128	591,297	4
Total current liabilities	2,463,120	2,480,937	
Total liabilities	5,267,118	4,813,445	
Total equity and liabilities	15,070,127	12,984,730	

Interim Consolidated Statement of Changes in Equity

EUR thousand	Share capital ¹⁾ and contributions by shareholders	Reserve for actuarial gains/losses recognised in equity	Hedging reserve	Reserve for unrealised exchange gains/losses	Retained earnings	Total attributable to the equity holders of the parent	Non-controlling interests	Total equity
Balance as of 31 December 2021 (audited)	1,599,397	-255,699	227,023	232,321	6,372,494	8,175,536	-4,251	8,171,285
Net profit for the period	0	0	0	0	1,828,082	1,828,082	-226	1,827,856
Other comprehensive income	0	98,637	218,032	160,705	0	477,374	963	478,337
Total comprehensive income	0	98,637	218,032	160,705	1,828,082	2,305,456	737	2,306,193
Dividend payments	0	0	0	0	-698,000	-698,000	-351	-698,351
Changes in the consolidation scope	0	0	0	0	-25	-25	-453	-478
Reclassifications of cash flow hedges to balance sheet	0	0	24,360	0	0	24,360	0	24,360
Reclassifications within Equity	0	376	0	0	-376	0	0	0
Balance as of 30 June 2022 (unaudited)	1,599,397	-156,686	469,415	393,026	7,502,175	9,807,327	-4,318	9,803,009
Balance as of 31 December 2020 (audited)	1,599,397	-253,065	-5,731	-40,435	5,117,066	6,417,232	8,993	6,426,225
Net profit for the period	0	0	0	0	821,166	821,166	-150	821,016
Other comprehensive income	0	17,976	35,165	107,615	0	160,756	433	161,189
Total comprehensive income	0	17,976	35,165	107,615	821,166	981,922	283	982,205
Dividend payments	0	0	0	0	-150,000	-150,000	0	-150,000
Reclassifications of cash flow hedges to balance sheet	0	0	29,235	0	0	29,235	0	29,235
Balance as of 30 June 2021 (unaudited)	1,599,397	-235,089	58,669	67,180	5,788,232	7,278,389	9,276	7,287,665

1) Share capital of Borealis AG (parent company) amounts to EUR 300,000.00 (31 December 2021: EUR 300,000.00).

A dividend of EUR 698,351 thousand was paid in 2022 from the 2021 result.

The cumulative amount recognised in other comprehensive income from the disposal group as of 30 June 2022 is EUR -28,531 thousand (31 December 2021: EUR -27,999 thousand), thereof EUR -875 thousand (31 December 2021: EUR -891 thousand) relates to items that may be reclassified subsequently to the income statement.

Interim Consolidated Cash Flow

EUR thousand	2022	2021	Note
For the six months ended 30 June	unaudited	unaudited	
Cash flows from operating activities			
Payments from customers	6,287,447	4,174,387	
Payments to employees and suppliers	-5,845,005	-3,661,332	
Interest received	9,364	12,466	
Interest paid	-16,305	-16,408	
Other financial expenses paid	-683	1,699	
Income taxes paid	-324,786	-46,935	
	110,032	463,877	
thereof from discontinued operation	79,882	-17,192	
Cash flows from investing activities			
Investments in property, plant and equipment	-310,977	-262,322	3
Investments in intangible assets	-25,300	-29,519	3
Dividends of associated companies and joint ventures and non-consolidated subsidiaries	474,035	329,788	
Capital contributions to and financing and acquisition of associated companies and joint ventures	-419,369	-221,401	5
Repayments of financing by joint ventures	601,685	0	12
Proceeds from disposal of shares in joint ventures	745,068	0	5
	1,065,142	-183,454	
thereof from discontinued operation	-30,278	-46,279	
Cash flows from financing activities			
Non-current loans and borrowings obtained	355	150,000	9
Current loans and borrowings obtained	118	7,149	9
Current loans and borrowings repaid	-15,974	-128,435	9
Principal elements of lease payments	-30,472	-19,712	9
Acquisition of non-controlling interests	-478	0	
Dividends paid to equity holders of the parent	-698,000	-150,000	
Dividends paid to non-controlling interests	-351	0	
	-744,802	-140,998	
thereof from discontinued operation	0	-35,433	
Net cash flow of the period	430,372	139,425	
Cash and cash equivalents as of 1 January	1,551,487	83,404	
Effect of exchange rate fluctuations on cash held	95,666	-62	
Cash and cash equivalents as of 30 June	2,077,525	222,767	
thereof reported under Cash and cash equivalents	2,067,643	215,177	
thereof reported under Assets of the disposal group held for sale	9,882	7,590	

Notes to the Interim Consolidated Financial Statements

Reporting Entity

Borealis AG (the Company or Group) is a company domiciled in Austria. The address of the Company's registered office is Trabrennstrasse 6–8, 1020 Vienna, Austria. Borealis is one of the world's leading providers of advanced and circular polyolefin solutions and a European market leader in base chemicals, fertilizers and the mechanical recycling of plastics.

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 is Borealis NITRO consisting of Fertilizers, Melamine and Technical Nitrogen Products.

Basis of Preparation

The interim consolidated financial statements for the six months ended 30 June 2022 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 31 December 2021.

The interim consolidated financial statements for the six months ended 30 June 2022 have not been subject to an external audit or review.

The interim consolidated financial statements are presented in thousand Euro (EUR thousand), rounded to the nearest thousand, hence rounding differences may arise.

The accounting policies applied in the preparation of the interim consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2021, except for new and amended standards effective as of 1 January 2022.

Revenue Recognition

All transactions that are not representative of sales revenues are presented under Other operating income.

Consequently, certain comparative amounts in the interim consolidated income statement have been restated (see the Restatement section).

Financial Income/Expenses and Net Foreign Exchange Gains/Losses

Interest income and expenses are included in the income statement using the effective interest rate at the amounts relating to the financial year. Financial income/expenses also include borrowing costs and costs incurred on finance leases.

Net foreign exchange gains/losses include realised and unrealised gains and losses from exchange and price adjustments of financial instruments, investments and items in foreign currencies not related to working capital.

New and Amended Standards Adopted by Borealis

Since 1 January 2022, the following accounting standards have become effective and have 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 37	Onerous Contracts – Cost of Fulfilling a Contract	1 January 2022	1 January 2022
IFRS 1, IFRS 9, IFRS 16 and IAS 41	Annual Improvements to IFRS Standards 2018–2020	1 January 2022	1 January 2022
IAS 16	Proceeds before Intended Use	1 January 2022	1 January 2022
IFRS 3	References to the Conceptual Framework	1 January 2022	1 January 2022

Restatement

The comparatives of the interim consolidated income statement have been restated for the following items:

Other Operating Income

In the course of the accounting corrections in 2021, a new line item "Other operating income" was introduced in the consolidated income statement. All transactions that are not representative of sales revenues are presented here. Foreign exchange gains related to working capital as well as items that were previously shown as other income, such as income from insurance settlements of EUR 22,171 thousand for the year 2021 are also presented here. Furthermore, revenues from re-invoicing of seconded employees are included in this line item.

Foreign Exchange (FX) Gains and Losses

From 2021 onwards, foreign exchange gains and losses related to working capital are presented in the income statement under operating profit (other operating income and production costs). There are no changes for those exchange adjustments that are recognised in other comprehensive income.

Net foreign exchange gains/losses related to realised and unrealised gains and losses from exchange and price adjustments of financial instruments, investments and items in foreign currencies not related to working capital are presented as a separate line in the income statement from 2022 onwards.

The comparatives of the interim consolidated income statement have been restated accordingly:

Interim Consolidated Income Statement For the six months ended 30 June	2021 as reported	Correction		2021 restated
		FX	Introduction of line item Other operating income	
EUR thousand				
Net sales	4,034,809	-14,295	-11,414	4,009,100
Other operating income	0	14,295	33,607	47,902
Total sales and other income	4,034,809	0	22,193	4,057,002
Gross profit	1,068,994	0	22,193	1,091,187
Other income	22,193	0	-22,193	0
Operating profit	695,049	0	0	695,049
Financial expenses	-18,219	-3,542	0	-21,761
Net foreign exchange gains/losses	0	3,542	0	3,542
Profit before taxation	985,950	0	0	985,950

1. Segment Reporting

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

EUR thousand	Polyolefins		Base Chemicals ²⁾	
	2022	2021	2022	2021
Net sales by segment				
Total segment sales ¹⁾	3,932,283	3,210,322	3,291,857	2,235,681
Inter-segment sales	0	0	-2,370,142	-1,608,836
	3,932,283	3,210,322	921,715	626,845

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

Segment result				
Operating profit	547,673	616,664	152,712	173,397
Measurement of discontinued operation				
Net results of associated companies and joint ventures	-2,994	7,610	196	216
Gain from disposal of equity-accounted investments				
Financial result				
Taxes on income				
Non-controlling interests				
Net profit for the period attributable to equity holders of the parent				

EUR thousand	30.6.2022	31.12.2021	30.6.2022	31.12.2021
Other information				
Segment assets	5,385,888	4,713,053	3,801,576	2,960,293
thereof Austria	2,041,121	2,359,649	855,347	1,273,059
Segment liabilities	0	0	0	0

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

1) 2021 amounts for line items marked with footnote ¹⁾ have been restated. For further details, please refer to the Restatement section. // 2) 2021 amounts for net sales of Base Chemicals and Non-Allocated have been restated. Net sales of EUR 22,338 thousand have been reclassified from Base Chemicals to Non-Allocated. // 3) Borealis NITRO: Borealis Fertilizers, Melamine and Technical Nitrogen Products business unit excluding Rosier. // 4) 2021 amounts of Borealis NITRO and Non-Allocated have been restated. Net sales of Rosier of EUR 112,720 thousand and operating loss of Rosier of EUR 3,635 thousand have been reclassified from Borealis NITRO to Non-Allocated.

	Borealis NITRO ³⁾⁴⁾		Non-Allocated ²⁾⁴⁾		Consolidated	
	2022	2021	2022	2021	2022	2021
	1,280,718	490,033	244,183	172,362	8,749,041	6,108,398
	0	0	0	0	-2,370,142	-1,608,836
	1,280,718	490,033	244,183	172,362	6,378,899	4,499,562
	256,108	23,671	-20,466	-90,734	936,027	722,998
	266,344	0			266,344	0
	0	220	258,410	281,204	255,612	289,250
			604,171	0	604,171	0
			99,524	81	99,524	81
			-333,822	-191,313	-333,822	-191,313
			226	150	226	150
					1,828,082	821,166
	30.6.2022	31.12.2021	30.6.2022	31.12.2021	30.6.2022	31.12.2021
	844,122	491,776	5,038,541	4,819,521	15,070,127	12,984,730
	472,585	208,696	3,739,922	4,348,205	7,108,975	8,189,609
	0	0	5,267,118	4,813,446	5,267,118	4,813,445

Reconciliation of reportable segments to interim consolidated income statement EUR thousand	2022	2021
Total revenue for reportable segments ¹⁾	6,378,899	4,499,562
Elimination of discontinued operation ¹⁾	-1,280,836	-490,461
Net sales ¹⁾	5,098,063	4,009,100
Total profit for reportable segments	1,828,082	821,166
Non-controlling interests	-226	-150
Elimination of discontinued operation	-407,329	-16,947
Net profit for the period from continuing operations	1,420,527	804,069

1) 2021 amounts for line items marked with footnote ¹⁾ have been restated. For further details, please refer to the Restatement section.

2. Revenue from Contracts with Customers

For the six months ended 30 June

EUR thousand	2022	2021
Revenue from contracts with customers ¹⁾	6,383,469	4,493,977
Revenue from other sources ¹⁾	-4,570	5,585
Net sales from continuing and discontinued operations	6,378,899	4,499,562

1) 2021 amounts for line items marked with footnote ¹⁾ have been restated. For further details, please refer to the Restatement section.

Revenue from other sources mainly includes gains/losses for realised cash flow hedges on net sales from foreign exchange forwards. The negative revenue from other sources for the first six months of 2022 is due to losses for realised cash flow hedges on net sales from foreign exchange forwards amounting to EUR 6,615 thousand. Revenue from other sources relating to the discontinued

operation amounted to EUR 1,179 thousand (first six months of 2021: EUR 3,658 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	2022				
	Polyolefins	Base Chemicals	Borealis NITRO ²⁾	Non-Allocated	Consolidated
Revenue from contracts with customers	3,938,093	921,715	1,279,541	244,120	6,383,469
Revenue from other sources	-5,810	0	1,177	63	-4,570
Net sales (as reported in note 1)	3,932,283	921,715	1,280,718	244,183	6,378,899

EUR thousand	2021				
	Polyolefins	Base Chemicals ³⁾	Borealis NITRO ²⁾⁴⁾	Non-Allocated ³⁾⁴⁾	Consolidated
Revenue from contracts with customers ¹⁾	3,206,744	626,161	487,914	173,158	4,493,977
Revenue from other sources ¹⁾	3,578	684	2,119	-796	5,585
Net sales (as reported in note 1)	3,210,322	626,845	490,033	172,362	4,499,562

1) 2021 amounts for line items marked with footnote ¹⁾ have been restated. For further details, please refer to the Restatement section. // 2) Borealis NITRO: Borealis Fertilizers, Melamine and Technical Nitrogen Products business unit excluding Rosier. // 3) 2021 amounts for net sales of Base Chemicals and Non-Allocated have been restated. Net sales of EUR 22,338 thousand have been reclassified from Base Chemicals to Non-Allocated. // 4) 2021 amounts of Borealis NITRO and Non-Allocated have been restated. Net sales of Rosier of EUR 112,720 thousand have been reclassified from Borealis NITRO to Non-Allocated.

3. Intangible Assets and Property, Plant and Equipment and Impairment

Borealis invested EUR 24,793 thousand into intangible assets in the first six months of 2022 (first six months of 2021: EUR 29,616 thousand). Additions arising from internal development amounted to EUR 12,983 thousand (first six months of 2021: EUR 17,039 thousand). Intangible assets received by way of government grants as allowances for emissions (EU Emissions Trading System) amounted to EUR 57,169 thousand for the year 2022. Additionally, pending allowances for the year 2021 amounting to EUR 85,680 thousand were received during the first six months of 2022. This was in addition to the previous year's free allocation of EUR 197,079 thousand which had already been received in the second half of 2021. The emissions of the year 2021 were settled in April 2022.

The impairment of intangible assets in the first six months of 2022 for which the carrying amount exceeds the value in use amounted to EUR 3,991 thousand (first six months of 2021: EUR 4,326 thousand).

Additions to property, plant and equipment in the first six months of 2022 amounted to EUR 252,569 thousand (first six months of 2021: EUR 250,540 thousand). Moreover, borrowing costs amounting to EUR 7,242 thousand (first six months of 2021: EUR 4,049 thousand) have been capitalised using an average interest rate of 1.7% (first six months of 2021: 1.7%).

Major projects advanced in the first six months of 2022 are the new, world-scale propane dehydrogenation (PDH) plant and the debottlenecking of a PP-plant both situated at the existing production site in Kallo, Belgium, the upgrade and revamp of four cracker furnaces as well as the site turnaround both in Stenungsund, Sweden.

As of 30 June 2022, Borealis' contractual commitments amounted to EUR 192,017 thousand (31 December 2021: EUR 149,998 thousand) for the acquisition of property, plant and equipment. This increase results mainly from the upgrade of compounding assets in Antwerp, Belgium, with capital commitments of EUR 33,449 thousand (31 December 2021: EUR 17,957 thousand).

4. Discontinued Operation

Borealis plans the sale of the nitrogen business unit including fertilizers, technical nitrogen and melamine products. This led to the reclassification of the disposal group to assets and liabilities held for sale as of 31 March 2021 without having an impact on the income statement at that time. The Group analysed the component held for sale and determined that this represents a separate major line of business and is therefore reported as a discontinued operation. The Company's share in fertilizer production sites in the Netherlands and Belgium ("Rosier") is presently not being considered as part of the potential sales process, and its assets and related liabilities do not belong to the disposal group held for sale.

The disposal group was re-measured at the lower of its carrying amount and fair value less cost of disposal as of 30 June 2022 resulting in the recognition of a write-up of EUR 266,344 thousand which has been included under discontinued operation in the income statement. The re-measurement gain has been applied to increase the carrying amount of property, plant and equipment within the disposal group.

The non-recurring fair value measurement for the disposal group of EUR 745,580 thousand (before costs to sell of EUR 13,616 thousand) has been categorised as a Level 3 fair value and was based on the binding offer from AGROFERT, a.s. for the acquisition of the disposal group received on 2 June 2022. The offer values the business on an enterprise value basis at EUR 810,000 thousand.

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

EUR thousand	2022	2021
For the six months ended 30 June		
Total sales	1,294,922	498,514
Elimination of inter-segment revenue	-14,086	-8,053
Net sales	1,280,836	490,461
Other operating income	115,792	2,686
Total sales and other income	1,396,628	493,147
Total expenses	-1,139,479	-473,251
Elimination of inter-segment expenses	14,086	8,053
Expenses	-1,125,393	-465,198
Operating profit	271,235	27,949
Net results of associated companies and joint ventures	0	220
Financial result	324	-1,790
Measurement of discontinued operation	266,344	0
Profit before taxation	537,903	26,379
Taxes on income	-59,535	-9,432
Taxes on measurement of discontinued operation	-71,039	0
Profit from discontinued operation, net of tax	407,329	16,947
Attributable to:		
Non-controlling interests	0	0
Equity holders of the parent	407,329	16,947

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

EUR thousand	30.6.2022	31.12.2021
Assets		
Non-current assets		
Intangible assets	136,253	1,056
Property, plant and equipment	543,739	243,752
Right-of-use assets	8,975	9,181
Investments in associated companies and joint ventures	4,645	6,023
Other investments	15,981	15,844
Other receivables and other assets	9,674	10,055
Deferred tax assets	3,854	736
Current assets		
Inventories	258,794	221,385
Trade receivables	263,261	221,199
Income tax receivables	196	0
Other receivables and other assets	157,838	81,258
Cash and cash equivalents	9,882	10,514
Assets of the disposal group held for sale	1,413,092	821,003

EUR thousand	30.6.2022	31.12.2021
Liabilities		
Non-current liabilities		
Lease liabilities	4,754	4,500
Deferred tax liabilities	6,794	3,027
Employee benefits	61,852	62,165
Provisions	20,030	20,822
Other liabilities	15,390	30,235
Current liabilities		
Lease liabilities	4,461	5,029
Trade payables	282,845	292,206
Income taxes	62,506	17,438
Provisions	6,080	7,765
Other liabilities	216,416	148,110
Liabilities directly related to the disposal group	681,128	591,297

5. Investments in Associated Companies, Joint Ventures and Subsidiaries

Joint Ventures

Following changes to Borealis' investment into joint ventures during the first six months of 2022:

Name of company	Registered office	Type of change	Effective date
Borouge 4 LLC	Abu Dhabi	Initial Consolidation	11 March 2022
RecycleMe Plastics GmbH ¹⁾	Herborn	Initial Consolidation	19 April 2022
Borouge PLC	Abu Dhabi	Initial Consolidation	28 April 2022
Abu Dhabi Polymers Company Limited ²⁾	Abu Dhabi	Deconsolidated	1 June 2022
Borouge Pte. Ltd. ³⁾	Singapore	Partial Disposal	1 June 2022

1) Renamed Recelerate GmbH // 2) Shares transferred into Borouge PLC before the ADX listing. ADX listing changed Borealis' share in Abu Dhabi Polymers Company Limited through the shareholding in Borouge PLC from 40% to 36%. // 3) Shares partly transferred into Borouge PLC before the ADX listing. ADX listing changed Borealis' share in Borouge Pte. Ltd. from 49.15% to 45.76% (thereof 15.25% direct share and 30.51% through shareholding in Borouge PLC).

On 3 June 2022, Borouge PLC successfully listed on ADX, the Abu Dhabi Securities Exchange. Based on the final offer price of AED 2.45 per share, the Initial Public Offering (IPO) has raised gross proceeds of EUR 1.9 billion for the offering of 10% of the company's total issued share capital. Based on the IPO, the shareholding in Borouge PLC has changed to Borealis owning a 36% stake in Borouge PLC and Abu Dhabi National Oil Company owning 54% respectively. Borouge PLC continues to be accounted for as a joint venture. This transaction led to a net gain of EUR 604,171 thousand which is stated in the line "Gain from disposal of equity-accounted investments" in the consolidated income statement and also includes FX recycling effects. Borealis' share of the proceeds of EUR 745,068 thousand are included in the line "Proceeds from disposal of shares in joint ventures" in the cash flow from investing activities. The Borouge 4 project, which is currently being executed, was not part of the offering. It is intended to re-contribute Borouge 4 into Borouge PLC at a later point in time.

Subsidiaries

Borealis Polyolefins d.o.o., a company based in Zagreb, Croatia, was incorporated on 21 February 2022. Furthermore, Borealis Polyolefins S.R.L., with its registered office in Bucharest, Romania was incorporated on 18 March 2022. These 100% subsidiaries are not consolidated due to immateriality.

Following the acquisition of 0.88% of the shares in DYM Solution Co. Ltd during the first six months of 2022, Borealis has a 99.59% shareholding.

Eifanes Beteiligungsverwaltungs GmbH located in Vienna, Austria was acquired on 9 March 2022. This 100% subsidiary was renamed Borealis Middle East Holding GmbH as of 31 March 2022 and is the holding company for Borealis' investments into the Borouge companies.

6. Tax Contingencies

Some Borealis Group companies have appealed against certain tax audit reassessments and it is uncertain whether those appeals will be successful. Management's opinion is that the Company is in compliance with all applicable regulations.

7. Inventories

EUR thousand	30.6.2022	31.12.2021
Finished products	1,173,588	916,936
Raw materials and consumables	537,402	350,544
Total	1,710,990	1,267,480

Impairment costs of EUR 23,967 thousand (first six months 2021: EUR 11,551 thousand) were recognised in the first six months of 2022.

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 191 thousand (31 December 2021: EUR 198 thousand) and cover estimated costs for the ongoing restructuring programmes.

Decommissioning

Provisions for decommissioning amounted to EUR 49,029 thousand (31 December 2021: EUR 55,764 thousand) and cover the expected clean-up and dismantling costs for plants located on rented land in Germany, Belgium and the Netherlands. It is expected that EUR 20,000 thousand will be used over the next 12 months, EUR 4,851 thousand will be used by 2027 and EUR 24,178 thousand by 2049.

Legal

Legal provisions amounted to EUR 3,811 thousand (31 December 2021: EUR 3,691 thousand) and represent litigation provisions in various business areas.

Environmental

Environmental provisions amounted to EUR 1,034 thousand (31 December 2021: EUR 1,034 thousand) and cover several environmental exposures in the Group.

Other

Other provisions amounted to EUR 57,176 thousand (31 December 2021: EUR 73,506 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 30 June 2022 was as follows:

EUR thousand		30.6.2022						
Due		Term loans	Bond	Utilised uncommitted facilities	Export credits	Total loans and borrowings	Unutilised committed facilities	Lease liabilities
After	5 years	484,773				484,773		438,495
Within	5 years	2,647				2,647	1,000,000	25,507
	4 years	114,142	298,205			412,347		32,284
	3 years	506,310				506,310		35,358
	2 years	156,686				156,686		38,526
Total non-current debt		1,264,558	298,205	0	0	1,562,763	1,000,000	570,170
Total current debt		63,431	0	118	0	63,549	166,011 ¹⁾	42,822
Total debt		1,327,989	298,205	118	0	1,626,312	1,166,011	612,992

1) Borealis maintains EUR 166,011 thousand in export credit facilities (these were undrawn as of 30 June 2022). These facilities are economically evergreen in nature, but include a one year notice for cancellation.

The composition of interest-bearing loans and borrowings (current and non-current debt) as of 31 December 2021 was as follows:

EUR thousand		31.12.2021						
Due		Term loans	Bond	Utilised uncommitted facilities	Export credits	Total loans and borrowings	Unutilised committed facilities	Lease liabilities
After	5 years	471,272				471,272		66,228
Within	5 years	83,564				83,564	1,000,000	12,962
	4 years	327,612	297,955			625,567		15,052
	3 years	307,911				307,911		17,067
	2 years	37,964				37,964		22,775
Total non-current debt		1,228,323	297,955	0	0	1,526,278	1,000,000	134,084
Total current debt		73,511	0	122	0	73,633	166,011 ¹⁾	30,682
Total debt		1,301,834	297,955	122	0	1,599,911	1,166,011	164,766

1) Borealis maintains EUR 166,011 thousand in export credit facilities (these were undrawn as of 31 December 2021). These facilities are economically evergreen in nature, but include a one year notice for cancellation.

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

Borealis continues to maintain a strong diversified liquidity position through its EUR 1 billion fully committed Syndicated Revolving Credit Facility (RCF), of which EUR 1 billion remained undrawn as of the end of June 2022, 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 utilised in December 2021 and the new maturity date is now 19 December 2026.

As of 30 June 2022, the Group had total committed credit facilities of EUR 1,166,011 thousand (31 December 2021: EUR 1,166,011 thousand). Besides the above-mentioned undrawn EUR 1 billion RCF, Borealis had OeKB Export Credit Facilities in the amount of EUR 166,011 thousand (31 December 2021: EUR 166,011 thousand). These were undrawn as of 30 June 2022.

In the first six months of 2022, Borealis increased its debt position by EUR 474,627 thousand, mainly driven by an increase in non-current lease liabilities. The net debt position which decreased by EUR 51,725 thousand resulted in a gearing ratio of 2%. The net debt and resulting gearing ratio includes interest-bearing debt reclassified as liabilities associated with assets held for sale and includes cash and cash equivalents that were reclassified as assets held for sale.

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 18 November 2021, S&P Global Ratings affirmed Borealis' BBB+ rating with a stable outlook.

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

Based on this, combined with a resilient balance sheet and the strong public rating, Borealis has access to a wide variety of attractive funding instruments (such as bonds, the German Schuldschein, US Private Placement, foreign investment financing, bank loans and other). In order to meet the financing needs in 2022 and beyond, Borealis will continue to explore several suitable financial instruments fitting its strategy.

Some loan agreements have financial covenants based on maintaining certain gearing and solvency ratios. As of 30 June 2022, Borealis was in compliance with all financial covenants stipulated by the loan agreements.

10. Fair Values

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

EUR thousand	30.6.2022			31.12.2021		
	Carrying amount	Fair value	Fair value hierarchy level	Carrying amount	Fair value	Fair value hierarchy level
Assets						
Other investments						
Other investments	19,638	19,638	3	18,355	18,355	3
thereof at fair value through profit or loss	16,570			15,287		
thereof at fair value through other comprehensive income	3,068			3,068		
Trade receivables						
Trade receivables	1,207,939			1,113,786		
thereof at amortised cost	816,586			880,557		
thereof at fair value through profit or loss	391,353			233,229		
Cash and cash equivalents						
Cash	283,155			161,342		
Other current deposits	1,784,488			1,379,631		
at amortised cost	2,067,643			1,540,973		
Loans granted (current and non-current)						
Loans granted	613,340	614,825	2	1,015,018	1,017,414	2
at amortised cost	613,340			1,015,018		
Other receivables and other assets (current and non-current)						
Marketable securities and bonds	27,317	27,317	1	29,521	29,521	1
at fair value through profit or loss	27,317			29,521		
Derivative financial instruments for which hedge accounting is applied	677,329	677,329	2	375,501	375,501	2
Hedging instruments	677,329			375,501		
Derivative financial instruments for which hedge accounting is not applied	14,664	14,664	2	3,476	3,476	2
at fair value through profit or loss	14,664			3,476		
Deposits and other receivables	137,747			171,133		
at amortised cost	137,747			171,133		
Other non-financial assets	213,663	n/a	n/a	209,471	n/a	n/a
Total other receivables and other assets (current and non-current)	1,070,720			789,102		

EUR thousand	30.6.2022			31.12.2021		
	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	298,205	294,237	1	297,955	316,932	1
Floating rate loans and borrowings	285,494	283,116	2	285,992	286,645	2
Fixed rate loans and borrowings	1,042,613	965,322	2	1,015,964	1,050,893	2
at amortised cost	1,626,312			1,599,911		
Trade payables						
Trade payables	1,046,873			1,016,936		
at amortised cost	1,046,873			1,016,936		
Other liabilities (current and non-current)						
Derivative financial instruments for which hedge accounting is applied	59,838	59,838	2	74,547	74,547	2
Hedging instruments	59,838			74,547		
Derivative financial instruments for which hedge accounting is not applied	10,475	10,475	2	11,304	11,304	2
at fair value through profit or loss	10,475			11,304		
Interest accruals on loans and borrowings	7,830			5,945		
Other financial liabilities	108,125			78,947		
at amortised cost	115,955			84,892		
Financial guarantee liabilities	30,307	30,307	2	0		
Other non-financial liabilities	310,672	n/a	n/a	441,837	n/a	n/a
Total other liabilities (current and non-current)	527,247			612,580		

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 2022, no transfers between the different levels of the fair value hierarchy took place.

Other Investments

Other investments consist mainly of subsidiaries, which are not consolidated on materiality basis. 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	2022	2021
Balance as of 1 January	18,355	31,443
Investments and acquisitions	56	3,068
Reclassification to assets of the disposal group held for sale	0	-18,052
Fair value changes recognised in income statement (financial income/expenses)	1,266	1,914
Exchange adjustments	-39	-18
Balance as of the reporting date	19,638	18,355

Trade and Other Receivables and Assets

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

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

Loans Granted

The fair value of loans granted is calculated based on the present value of future principal and interest cash flows discounted at the market rate of interest 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.

For further information on financial guarantee liabilities, please refer to note 12.

Contingent Consideration

For the acquisition of the remaining 50% of Novealis in 2020, a contingent consideration up to EUR 10,150 thousand was agreed based on an earnings target for 2022. 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 (31 December 2021: EUR 0 thousand).

11. Other Operating Income

In the first six months of 2022, other operating income consisted mainly of intangible assets received by way of government grants as allowances for emissions (EU Emissions Trading System) of EUR 85,848 thousand (first six months 2021: EUR 0 thousand). In the first six months of 2021, compensation for property damage and business interruption relating to the incident that occurred

on 9 May 2020 at the cracker in Stenungsund, Sweden, amounting to EUR 22,171 thousand was recognised here. Furthermore, gains from foreign currency translation effects related to working capital amounting to EUR 46,129 thousand (first six months 2021: EUR 14,295 thousand) are also included. The remainder of other operating income is mainly related to re-invoicing of seconded employees.

12. Transactions with Related Parties

EUR thousand	Transaction values for the six months ended 30 June		Balance outstanding	
	2022	2021	30.6.2022	31.12.2021
Sales of goods and services to				
Associated companies	6,635	189,205	30,103	142,997
Joint ventures	311,771	18,235	159,968	8,416
Companies with significant influence	5,248	6,928	3,043	4,124
Other related parties	64,594	27,299	9,701	14,724
Purchases of goods and services from				
Associated companies	46,959	266,469	328	108,052
Joint ventures	234,904	2,872	111,113	40
Companies with significant influence	27,349	37,497	4,822	5,757
Other related parties	1,206,660	741,089	163,444	245,707
Others				
Loans granted and related interest – Associated companies	696	552	56,595	29,778
Loans granted and related interest – Joint ventures	13,922	12,339	558,527	987,143
Financial guarantee receivables – Joint ventures	0	0	30,835	0
Financial guarantee liabilities – Joint ventures	0	0	30,307	0
Lease liabilities and related interest – Other related parties	146	158	21,251	14,511
Income taxes liability and related expense – Parent company	255,054	190,731	199,626	282,363

The amounts shown in the table include transaction values and the balance outstanding from discontinued operation.

Due to revised control assessment as part of the financial restructuring for the preparation of the initial public offering of Borouge PLC, transactions and balances with all Borouge entities are shown under "Joint ventures" in 2022, whereas both the transaction values in the first six months of 2021 and the outstanding balances as at year-end 2021 are shown under "Associated companies".

Borealis has a commitment to grant a loan to Baystar with a total value of EUR 1,347,839 thousand (31 December 2021: EUR 1,236,093 thousand). By 30 June 2022, Baystar had already drawn EUR 1,185,022 thousand (31 December 2021: EUR 985,240 thousand), of which EUR 601,685 thousand was repaid in April 2022 on the basis of issuing two tranches of senior notes to external investors. Borealis provided a parental guarantee of USD 650,000 thousand for the full amount of the senior notes. The commitment is available until the cracker and Borstar® unit are in service or 10 June 2023, whatever occurs first. On the reporting date, the Group also had financing commitments to KPP amounting to EUR 6,333 thousand (31 December 2021: EUR 15,733 thousand). KPP's entitlements are dependent on the fulfilment of specific events, as defined in the underlying contracts.

As of 30 June 2022, Renasci N.V. has been pledged to provide Borealis with the intellectual property rights in the amount of EUR 26,400 thousand within the scope of the convertible loan agreement.

Starting from 1 January 2021, Austrian Borealis group entities belong to the Austrian OMV tax group and tax charges resulting from tax allocation agreements are settled with OMV Aktiengesellschaft. Hence, income tax liabilities to the parent company are shown under Other current liabilities.

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

13. Subsequent Events

On 28 July 2022, Borealis accepted the binding offer from AGROFERT, a.s. for the acquisition of Borealis' nitrogen business including fertilizers, melamine and technical nitrogen products, which was received on 2 June 2022, after the mandatory information and consultation procedures with employee representatives were finalized. On the same date, both companies entered into an agreement to sell and transfer all shares in the legal entities included in the scope of the transaction. The transaction itself remains subject to certain closing conditions and regulatory approvals, with closing currently expected for the second half of 2022.

The Company's share in fertilizer production sites in the Netherlands and Belgium ("Rosier"), which is not presently being considered as part of the potential sales process, increased from 77.47% to 98.09% after Borealis contributed in total EUR 55 million capital in kind into Rosier S.A. on 29 July 2022. Subsequently, Borealis intends to launch a squeeze-out offer for Rosier S.A. at a price of EUR 20 per share, in accordance with the Belgian Royal Decree on Public Squeeze-Out Offers.

14. Executive Board and Supervisory Board

Executive Board

Thomas Gangl (Chairman), Mark Tonkens, Wolfram Krenn, Philippe Roodhooft, Lucrece De Ridder

Supervisory Board

Alfred Stern (Chairman), Musabbeh Al Kaabi (Vice Chairman until 9 February 2022), Saeed Al Mazrouei (Vice Chairman since 10 February 2022), Reinhard Florey, Martijn Arjen van Koten, Alvin Teh (Member since 10 February 2022)

Vienna, 22 August 2022

Executive Board:

Thomas Gangl m.p.
Chief Executive Officer

Mark Tonkens m.p.
Chief Financial Officer

Wolfram Krenn m.p.

Philippe Roodhooft m.p.

Lucrece De Ridder m.p.

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

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

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

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

Vienna, 22 August 2022

Executive Board:

Thomas Gangl m.p.

Chairman of the Executive Board

Mark Tonkens m.p.

Member of the Executive Board

Wolfram Krenn m.p.

Member of the Executive Board

Philippe Roodhooft m.p.

Member of the Executive Board

Lucrece De Ridder m.p.

Member of the Executive Board

Trademark information:

Borstar is a registered trademark of the Borealis Group.
Ambicat, Baystar, Borlink, Bormed, Casico, Quentys,
Queo and Visico are trademarks of the Borealis Group.
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Chemistry Industry Association of Canada.

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