

Solid performance in first quarter of 2020 despite looming impact of COVID-19 and falling oil prices

- Lower Q1 profit versus 2019 mainly attributable to lower result from Borouge due to weak market conditions in Asia
- Demand for innovative Borealis polyolefins remains robust in many product segments
- Resilience programme launched to maintain solid financial position in face of uncertain global market outlook
- Negative impact of coronavirus pandemic and falling oil prices on financial results likely to be greater in subsequent quarters

| Key figures and ratios | | Q1 2020 | Q1 2019 | Q4 2019 | FY 2019 |
|---|-------------|------------|------------|------------|------------|
| Net Sales | EUR million | 1,963 | 2,143 | 1,858 | 8,103 |
| Total Sales* | EUR million | 2,309 | 2,543 | 2,246 | 9,768 |
| Net Profit | EUR million | 151 | 200 | 138 | 872 |
| Reduction / (increase) in net interest-bearing debt | EUR million | (116) | (429) | (212) | (241) |
| Gearing | % | 26% | 28% | | 24% |

* Net sales of Borealis plus pro-rata sales of at equity consolidated companies

Borealis announces a net profit of EUR 151 million for the first quarter of 2020, compared to EUR 200 million in the same quarter of 2019. The contribution from Borouge in the first quarter of 2020 deteriorated versus the same period in 2019, as an already low polyolefin price environment in Asia was further impacted by the coronavirus pandemic and falling oil prices. The drop in profit compared to the first quarter of 2019 was also due to lower European integrated polyolefin results. At the same time, the contribution from the Fertilizer business improved compared to the first quarter of 2019 thanks to increased sales volumes and lower gas prices. In the first quarter of 2020, net debt increased by EUR 116 million, due largely to the payment of a EUR 300 million final dividend over 2019 to Borealis

shareholders. The cash inflow from the business result and dividends from Borouge enabled Borealis to maintain a strong financial position, with a gearing of 26% at the end of the first quarter of 2020.

Review and Outlook

“Towards the end of the first quarter of 2020, the European polyolefins industry environment began to feel the effects of the COVID-19 pandemic and lower oil prices. For the second quarter in particular we expect a challenging market environment due to the continued negative impact of both COVID-19 and record low oil prices,” comments Alfred Stern, Borealis CEO. “At the same time, demand remains solid in many product segments. The current crisis demonstrates just how critical our products are – not only for numerous industry sectors, but for human health and safety, too. At this point in time, all our production locations and warehouses are maintaining operations to secure supply of these products.”

“To ensure that we maintain our strong financial position despite the uncertain outlook for the global economy in the mid-term, Borealis has launched a resilience programme with focus on reduction of cost and investments and builds on previously existing initiatives. Borealis is well positioned to remain a strong partner for our customers and all other stakeholders during these exceptionally challenging times.”

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Borealis is a leading provider of innovative solutions in the fields of polyolefins, base chemicals, fertilizers and melamine. With its head office in Vienna, Austria, the company currently has more than 6,900 employees and operates in over 120 countries. Borealis generated EUR 8.1 billion in sales revenue and a net profit of EUR 872 million in 2019. Mubadala, through its holding company, owns 64% of the company, with the remaining 36% belonging to Austria-based OMV, an integrated, international oil and gas company. Borealis provides services and products to customers globally, in collaboration with Borouge, a joint venture with the Abu Dhabi National Oil Company (ADNOC) and with Baystar™, a joint venture with Total and NOVA Chemicals in Texas, USA. www.borealisgroup.com
