

Welcome to the world of Borealis

Muoviyhdistys – kiertotalous webinaari
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Keep Discovering

Borealis Group Strategy 2035

The new strategy is built on three key pillars

Life demands progress – We are re-inventing for more sustainable living

Geographical expansion

Leverage core to become fully global partner to customers for high-value material solutions

North America

Grow through M&A or selected build projects to strengthen the global footprint

MEA

Build on ADNOC partnership to capture further growth with assets in Abu Dhabi and in Asia

Transformation

Evolve to fully customer-centric approach to offer sustainable high-value and circular material solutions

Circular Economy

Lead the transformation to a truly circular economy across all applications

Value Add

Acquire adjacencies to complement and accelerate value creation through innovation

Leading from the core

Build on safety, values and culture to sustain strong integrated margins in high-value polyolefin solutions

Sustainability

Improving environmental footprint and sustainable use of resources in areas where we operate

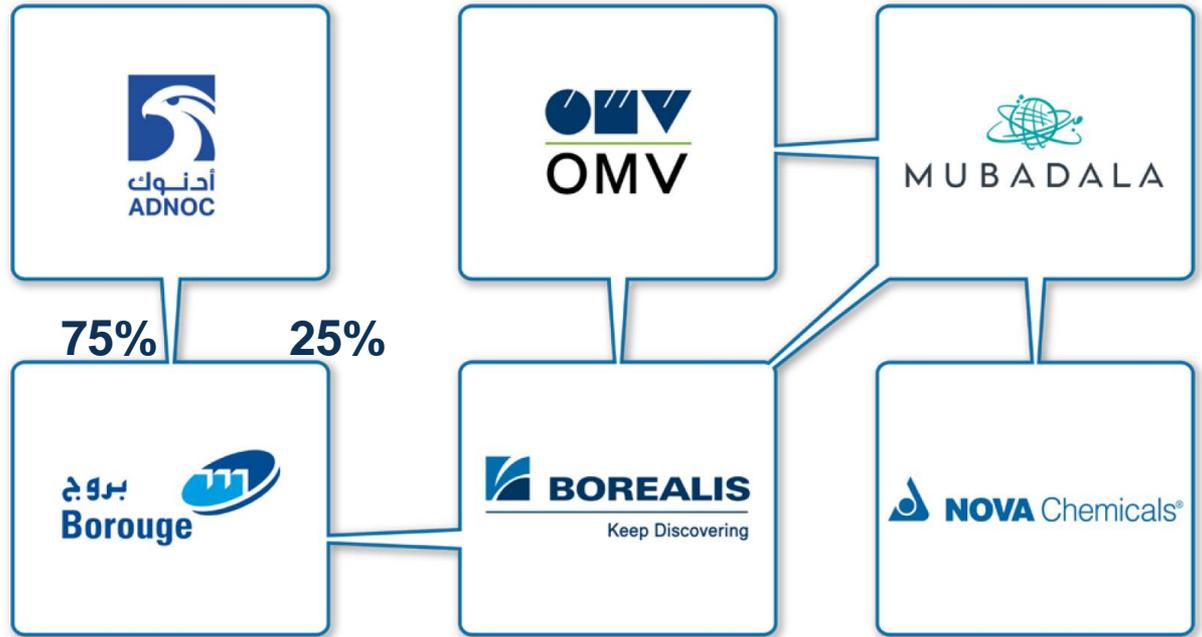
People

Drive impactful leadership in a high-performing, diverse and mobile organisation and a purposeful work place

Excellence

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

Borealis ownership structure - Change



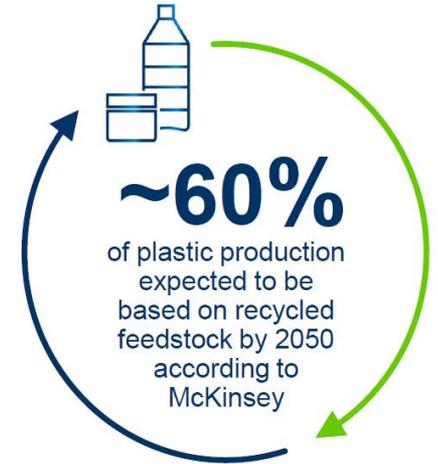
Strategic rationale – OMV repositions in a low-carbon world



CEO Rainer Seele:

*“We will change our portfolio
towards products that are
demanded in a low-carbon
world ...*

*... and, we want to become a
leading player in circular
economy”*





The Group's past performance puts us in a good position for continued growth

	2016	2017	2018	2019	2020
Net Sales (EUR million)	7,218	7,564	8,337	8,103	6,818
Total Sales* (EUR million)	8,768	9,069	9,937	9,768	8,476
Net Profit (EUR million)	1,107	1,095	906	872	589
Reduction/(increase) in net interest-bearing debt (EUR million)	445	(140)	(515)	(241)	(264)
Gearing (%)	10	12	20	24	29
ROCE (%)	16	15	13	11	8

* Net Sales of Borealis plus Pro-Rata Sales at equity consolidated companies

Borealis current investment projects



Belgium – new PDH¹ plant in Kallo, located in proximity to port of Antwerp

- ▶ Cost advantaged feedstock: propane
- ▶ 750 kt p.a. PDH plant
- ▶ In execution; start-up 2022
- ▶ Investment EUR ~1 bn



Texas (US) – Baystar JV with Total

- ▶ 1,000 kt p.a ethane cracker; in execution; start-up 2020
- ▶ 625 kt p.a. Borstar[®] PE plant; start-up 2021
- ▶ Investment (50%^{2,3}): USD ~2 bn, thereof USD ~0.7 bn paid



Abu Dhabi – Borouge

- ▶ **New Borstar[®] PP plant at Borouge 3 (PP5)**
 - ▶ Capacity: 480 kt p.a.
 - ▶ Expected start-up in 2021
 - ▶ Investments (40%): USD ~0.2 bn
- ▶ **Borouge 4 (FEED)**
 - ▶ 1,800 kt p.a. cracker

Thomas Gangl appointed Borealis CEO as of April 2021



“By appointing Thomas Gangl we have succeeded in gaining an exceptional manager and expert from among our own ranks to take the helm of Borealis.

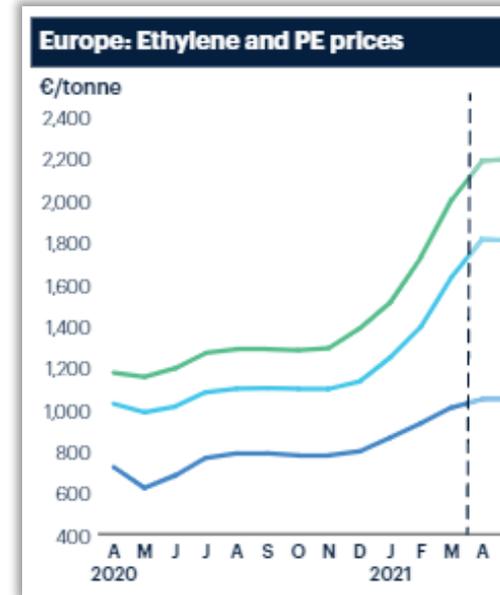
In recent years, Thomas Gangl has not only played a significant part in shaping the refining and petrochemicals business in the OMV Group but was also responsible for establishing chemical recycling and thereby laying the foundation for our future circular economy,” comments Rainer Seele, Chairman of the Supervisory Board of Borealis AG and CEO of OMV.

Market update



Main reasons for tight supply

1. Low European prices throughout 2020 meant imports were low, exports high, **leading to low stocks** that have not been replenished
2. The **US big freeze** meant even less possibility of imports, but more exports were possible
3. **Transport issues from Asia** continue to affect potential imports to Europe
4. The current price gap between Asia and Europe is huge, but the risk of product arriving in two months' time is too much for some, although some **fresh imports are realistically expected end June/July**
5. The **planned cracker turnaround season in Europe in Q2** maintaining tension on upstream propylene and ethylene



— Ethylene contract FD NWE
— HDPE domestic FD EU
— LDPE domestic FD EU

Borealis circular PO product portfolio

Expanding for a unique offering in collaboration with selected Partners

Recyclates



Mechanical Recycling

Granulates that deliver primarily dark colours
With challenges in odour and impurities

Commercial

Borcycle™ M



Advanced Mechanical Recycling

Recyclates and compounds that overcome challenges of state of the art recyclates:
Light colours
Reduced odour
Impurities

First generation Launched

Bornewables™



Renewables-based POs

Virgin equivalent
Pressure - DW

In Commercial Launch

Borcycle™ C



Chemical Recycling

Virgin equivalent
Pressure - DW

First generation demonstration

Non-virgin like / non-pressure, non-DW

virgin like / Pressure Pipe – Drinking Water

End 2019 Borealis announced strategic co-operation to produce renewable feedstock based Polypropylene at its Belgian locations

Generations of biomass

~~**First**
Oils from the food supply chain~~

Second
Oils from waste and residue streams

Third
Oils from algae, human waste

**HVO
bio-diesel**



2nd generation feedstock currently best meets triple bottom line principle

- Significantly reduced Global Warming Potential
- Not competing with food crops & palm oil free
- Reduces fossil depletion and is fully recyclable
- Ensures same product properties and consumer safety



- ✓ Credible certification for a sustainable bioeconomy
- ✓ Entire value chain approach
- ✓ On – pack communication options

October 2019

Borealis and Neste begin strategic co-operation

Borealis to produce renewable polypropylene using Neste's renewable propane by end of 2019

Borealis explores future recycling technologies which add value to the Triple Bottom Line People, Planet and Profit

PCR compounds
Bio based PP ex Kallo / Beringen
Chemical Recycling - project ReOil

OMV and Borealis advance the chemical recycling of post-consumer plastics

- The OMV Schwechat Refinery in Austria operates integrated petrochemical production facilities and supplies Borealis with petrochemical feedstock
- OMV and Borealis are exploring the potential for synergies in the OMV ReOil innovation project
- Plastic waste is recycled into synthetic crude in the OMV ReOil pilot plant and reused in the refinery



OMV ReOil Pilot Plant © OMV



Thank you