

Vienna, Austria | 13 March 2020

Announcement according to art. 5(2) law on financial reporting enforcement (Rechnungslegungs-Kontrollgesetz)

This announcement is a translation from the original German version, which is solely valid.

The interim consolidated financial statements as of 30 June 2018 were misstated due to the following reasons:

Error on IAS 36 Impairment of non-financial assets

As of 30 June 2018, an indication according to IAS 36.12 (g) in conjunction with IAS 36.14 (b) existed that the CGU "Fertilizer & Melamine" to which goodwill has been allocated may be impaired. The Group estimated the value in use according to IAS 36 as of 30 June 2018.

The estimation was based on a „light update“ of the Business Plan, for which only the planned cash flows for 2018 and 2019 were revised downwards. The planned cash flows from 2020 onwards and in particular the cash flows from the terminal value, which have a material impact on the value-in-use, have not been adjusted to the changed economic environment.

Contrary to IAS 36.33 (a), the cash flow projections when measuring the value in use as of 30 June 2018 have not been based on reasonable and supportable assumptions that represent management's best estimate of the range of economic conditions that will exist over the remaining useful life of the asset. The recoverability of the goodwill allocated to the CGU "Fertilizer & Melamine" amounting to EUR 47.4 mio could therefore not be substantiated as of 30 June 2018.

As of 31 December 2018 the value in use of the CGU "Fertilizer & Melamine" was measured again and an impairment amounting to EUR 83.9 mio was recognized. Thus, the allocated goodwill was fully impaired. As there was no significant deterioration in the market situation in the second half of the year 2018 compared to the first six months of 2018, it is reasonably certain that the impairment of the CGU "Fertilizer & Melamine" recognized as of 31 December 2018 should have been recognized as of 30 June 2018 in a similar amount.

END

For further information, please contact:

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Borealis is a leading provider of innovative solutions in the fields of polyolefins, base chemicals and fertilizers. 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
