

# EARNINGS CONFERENCE CALL 4Q22 & 2022

MARCH 23, 2023



PUBLIC

## FORWARD-LOOKING STATEMENTS

This presentation includes forward-looking statements. These forward-looking statements represent not solely historical data, but also reflect the goals and expectations of Braskem's management. The terms "anticipate," "believe," "expect," "foresee," "intend," "plan," "estimate," "project," "aim" and similar terms are used to indicate forward-looking statements. Although we believe these forward-looking statements are based on reasonable assumptions, they are subject to various risks and uncertainties, many of which beyond the Company's control, and are prepared using the information currently available to Braskem. There is no guarantee that the events, trends or expected results will actually occur.

This presentation was updated as of December 31, 2022, and Braskem does not assume any obligation to update it in light of new information and/or future developments.

Braskem undertakes no liability for transactions or investment decisions made based on the information in this presentation.

# Main highlights of the Company in 4Q22 and 2022



## Consolidated Highlights

Historical record of **Green PE sales volume** in 2022

Expansion of current **green ethylene capacity by 30%** with **physical progress of 86%** by Dec/22



**144% increase** in sales of products with **recycled** content

Ethane import terminal in Mexico with **physical progress of 25%** by Dec/22



Increase of **+7 p.p.** in the **utilization rate of Braskem Idesa** in 2022 vs 2021



In 2022, we achieved **~31%** of our 2030 sustainable development commitments<sup>1</sup>



**153 social actions** performed that benefited **more than 610,000 people globally**, including PSIs<sup>2</sup>, donations, emergency campaigns and volunteer work



## Financial Highlights

### Recurring EBITDA

**(US\$ 32 MM)**  
in 4Q22

**US\$2,060 MM**  
in 2022

### Cash Generation

**R\$155 MM<sup>3</sup>**  
~US\$30 MM<sup>3</sup>  
In 4Q22

**R\$3,273 MM<sup>3</sup>**  
~US\$654 MM<sup>3</sup>  
in 2022

Free cash flow  
yield of 18%<sup>4</sup>  
in 2022

Corporate leverage  
of **2.42x<sup>5</sup>**

Very long  
debt maturity profile  
with average term of  
**~13 years**

**Strong liquidity position**,  
sufficient to cover all liabilities  
coming due in the  
**next ~5 years**

**Investment grade by  
agencies**

**S&P Global**  
Ratings

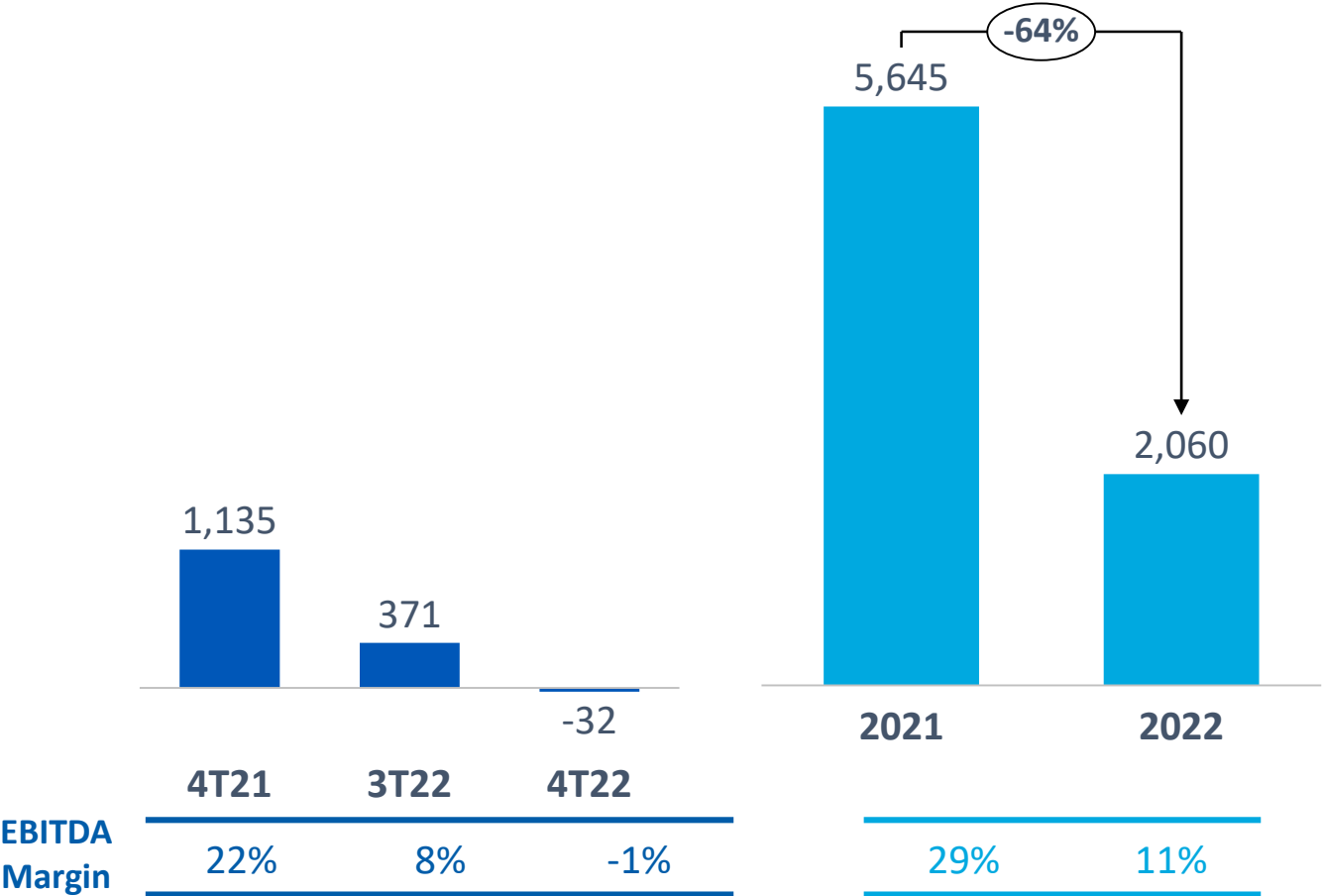
**FitchRatings**

Source: Braskem | Note (1): Disregards the Water Security Indicator, as the base year is under evaluation, as well as the commitment to Operational Eco-efficiency, as ambitions are being defined. Note (2): Private Social Investment; Note (3) Considers payments related to the geological event in Alagoas, which totaled R\$767 million in 4Q22 and R\$ 2,743 million in 2022. Note (4): Based on cash generation in U.S. dollars in the last 12 months divided by the Company's market capitalization at the end of the year; Note (5): Excludes Braskem Idesa's debt and considers Recurring EBITDA in the last 12 months.

# Highlights 4Q22 & 2022 | Consolidated EBITDA

## Recurring EBITDA – 4Q22 & 2022

(US\$ million)



### Comments:

In 4Q22, the Company's Recurring EBITDA was US\$ -32 million, mainly explained by:

- i. lower petrochemical spreads in the international market
- ii. lower sales volume of resins and main chemicals in Brazil, PP in Europe, and PE in Mexico
- iii. seasonal updates of provisions, with no impact on cash generation, in the amount of ~US\$47 million
- iv. appreciation of the Brazilian real against the U.S. dollar by 6% between the periods

In 2022, the Company's Recurring EBITDA was US\$2,060 million, mainly explained by:

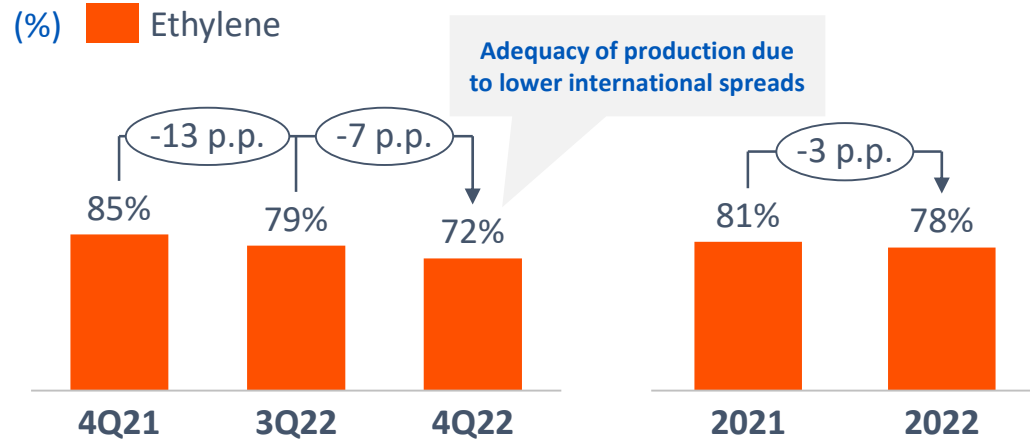
- i. lower spreads of PP, PE, and PVC in the international market
- ii. lower sales volume of main chemicals in the Brazil segment and PP in the US and Europe
- iii. of the accounting effect of realization of inventories<sup>1</sup> in the net amount of US\$ 84 million

Source: Braskem | Note (1): Accounting effect from the realization of inventories in accordance with accounting standard CPC 16 (Correlation to International Accounting Standards – IAS 2).

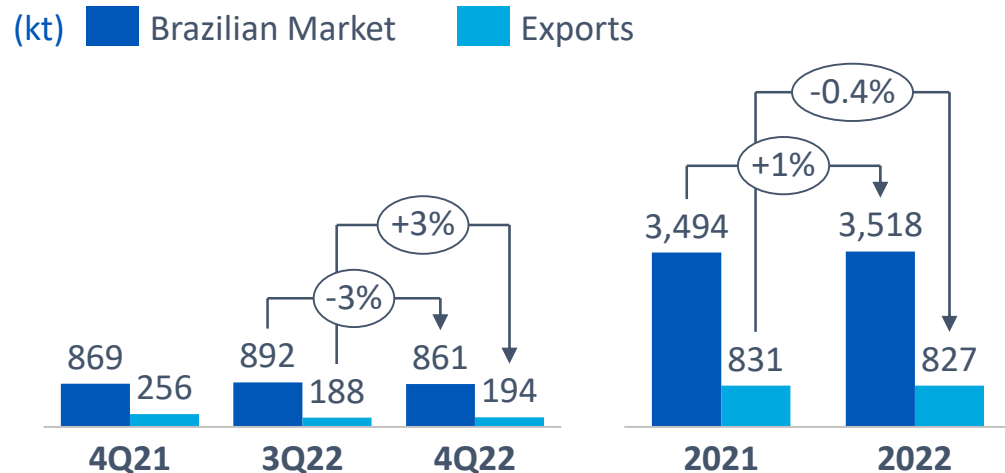


## Operational

### Utilization Rate of Petrochemical Complexes

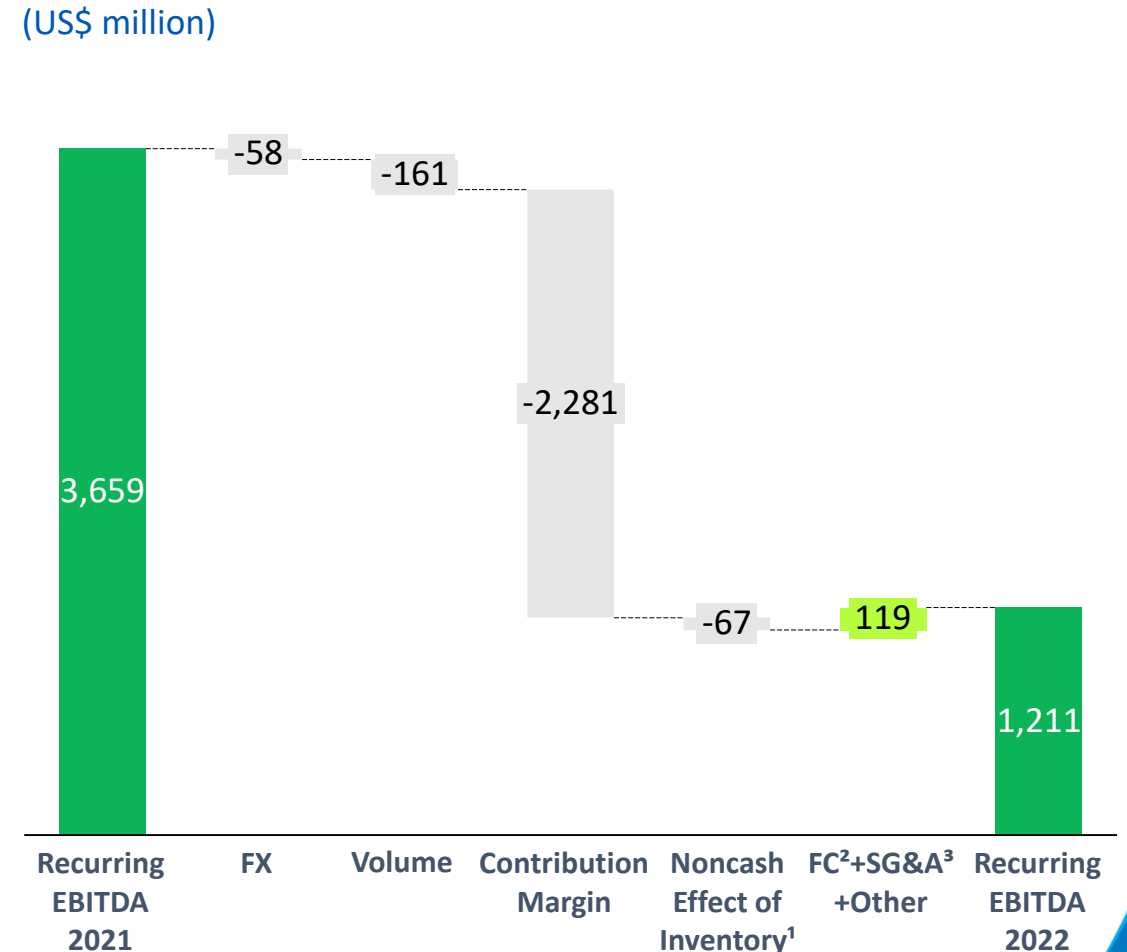


### Resin Sales (PE+PP+PVC)



## Financial

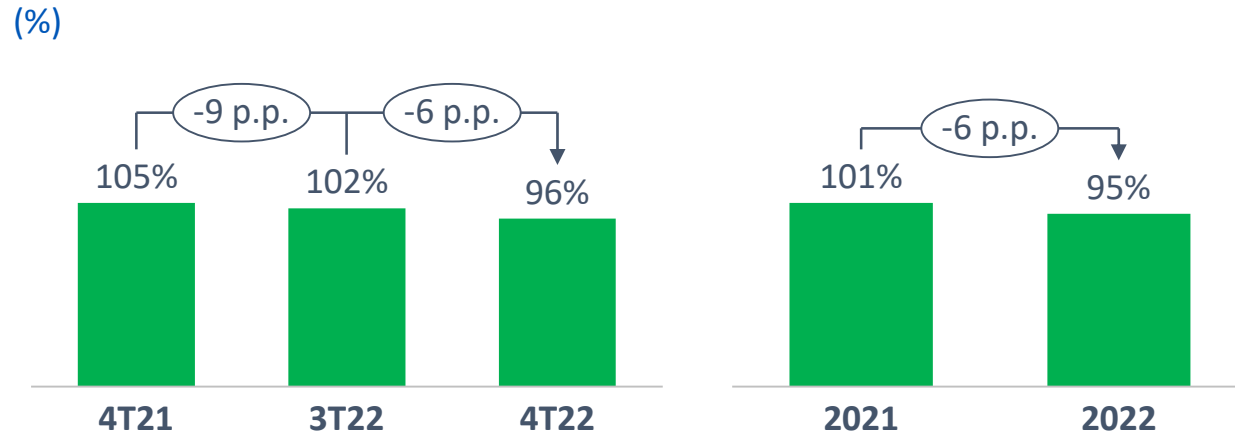
### Recurring EBITDA Bridge



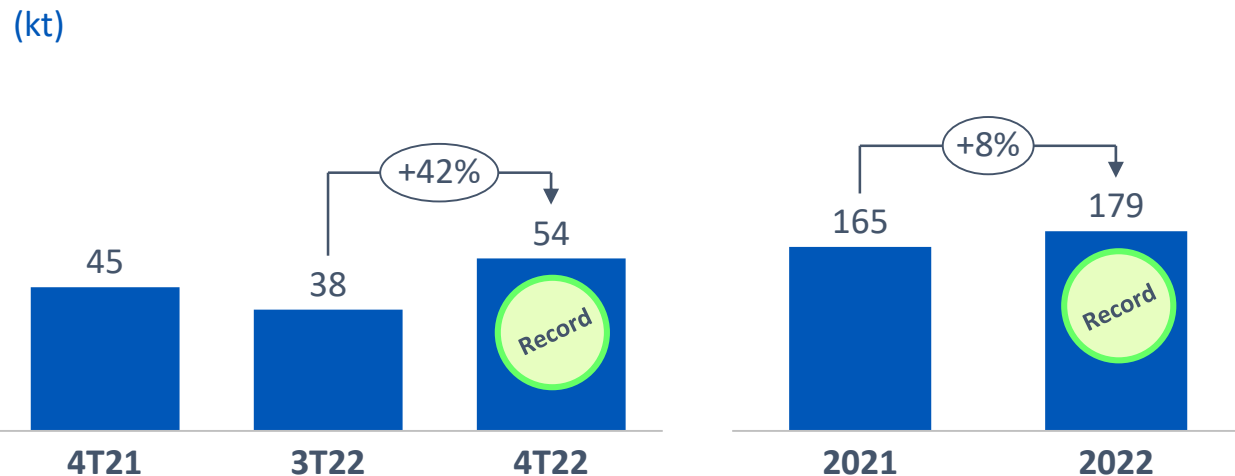
Source: Braskem | Note (1): Accounting effect from the realization of inventories in accordance with accounting standard CPC 16 (Correlation to International Accounting Standards – IAS 2).  
 Note (2): FC: Fixed Costs. Note (3) SG&A: Selling, General & Administrative Expenses.

## Operational

### Green Ethylene Utilization Rate



### Green PE sales



Source: Braskem

### Main characteristics of Braskem's Green PE

Green PE is a differentiated product with unique characteristics in the global petrochemical industry

- **Renewable feedstock**, produced by ethanol made from Brazilian sugarcane
- Product with a **negative carbon footprint**
- **Same properties and applications** as fossil PE, with **100% recyclability**
- **+ than 12 years of established industrial operation**
- **ISCC** (*International Sustainability & Carbon Certification*) **certified product** since 2011, **ensuring the international standard of sustainability**
- Applied by **+180 brands** in **over 40 countries**

**Braskem is a pioneer and the world leader in the production of biopolymers**

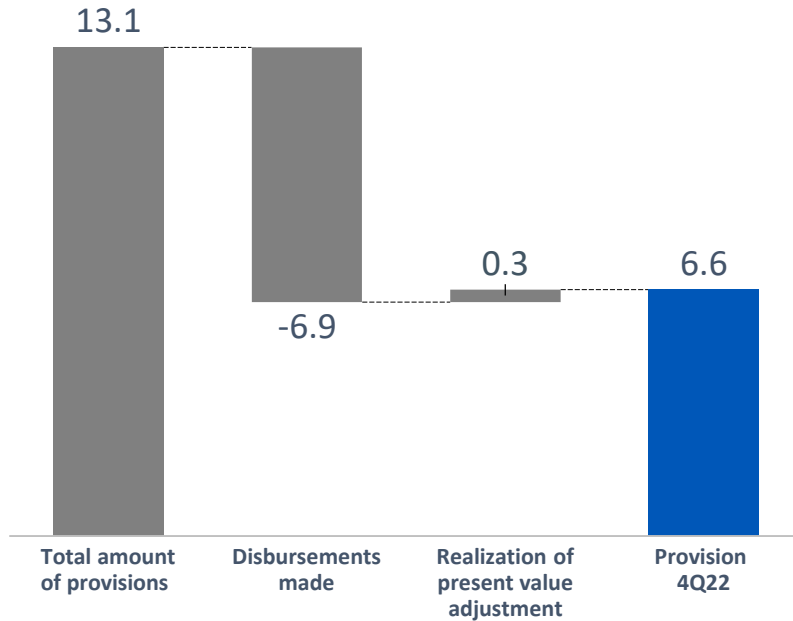
# Geological event in Alagoas (1/2) - Financial Update



## Total amount of provisions<sup>1</sup>

(R\$ billion)

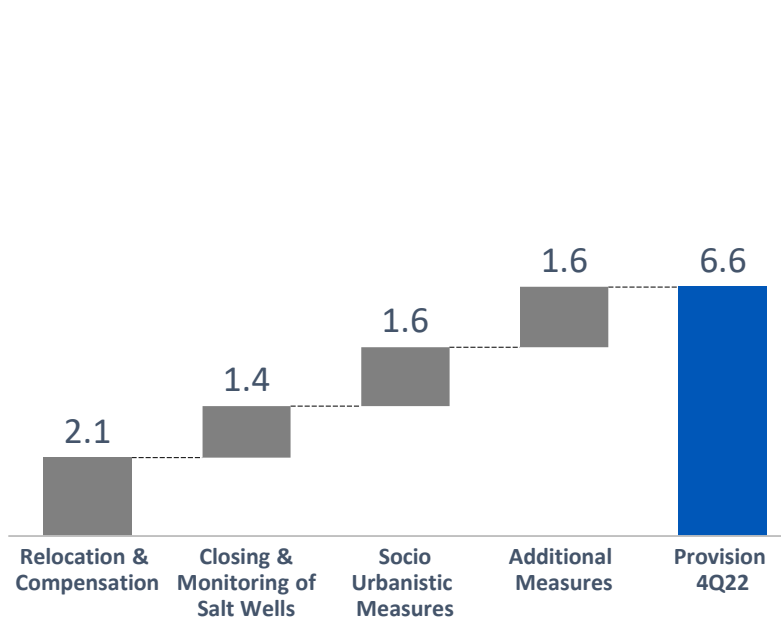
The total amount of provisions is R\$13.1 billion, of which R\$6.9 billion has already been disbursed, considering the realization of the PVA of R\$0.3 billion...



## Balance of provisions in 4Q22

(R\$ billion)

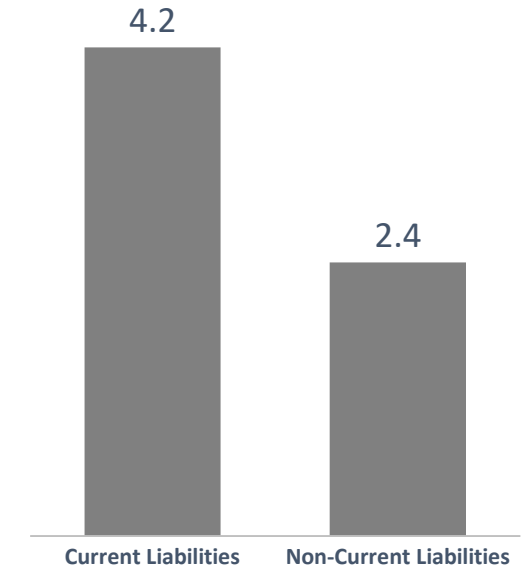
...in 4Q22, the balance of provisions related to the geological event in Alagoas was around R\$6.6<sup>2</sup> billion...



## Disbursement Schedule

(R\$ billion)

...with approximately 64% recorded under Current Liabilities and 36% recorded under Non-Current Liabilities



**The Company cannot eliminate future developments related to the matter or its associated expenses, and the costs to be incurred by Braskem may differ from its estimates or accrued amounts**

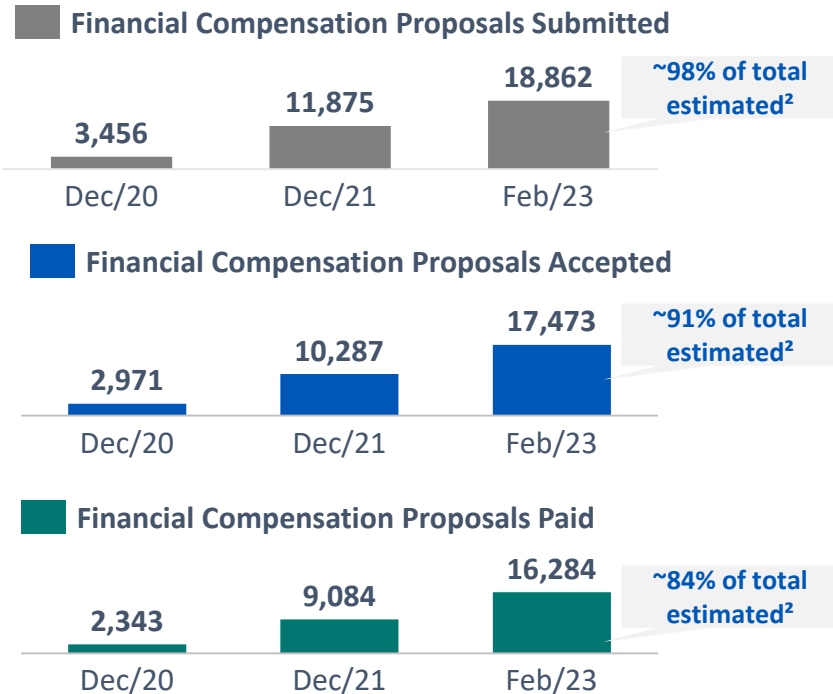
Source: Braskem | Note (1): The total amount of provisions related to the geological event of Alagoas is R\$13.1 billion, of which R\$6.9 billion have already been disbursed and with realization of the AVP (adjustment to present value) of R\$0.3 billion. Note (2): The net balance of provisions, at the end of September/22, was approximately R\$7.2 billion, and at the end of December/22 it was R\$6.6 billion.

# Geological event in Alagoas (2/2) – Progress on Work Fronts



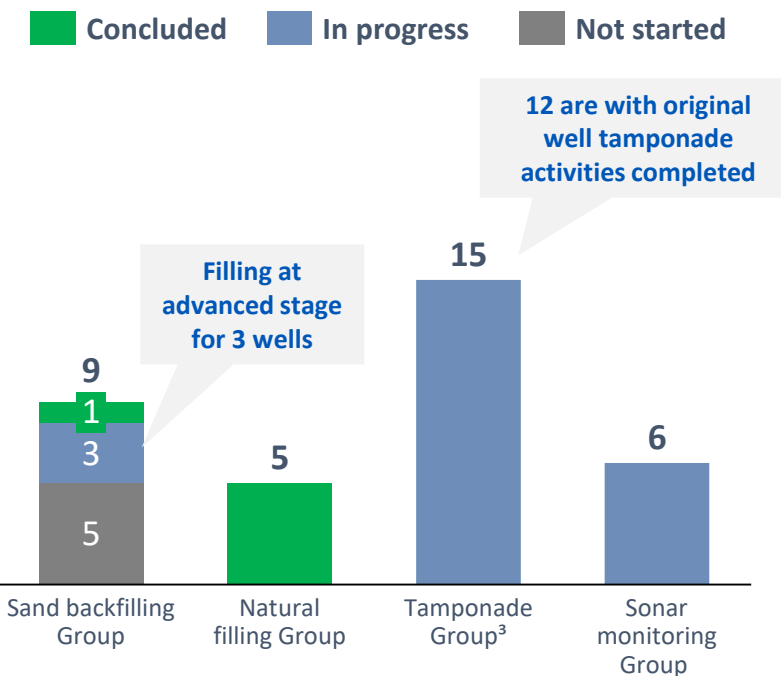
## Relocation & Compensation - PCF<sup>1</sup>

(Status in 02/28/23)



## Closing & Monitoring of Wells

(Status in 02/28/23)



## Socio-urbanistic & Environmental Measures

(Status in 02/28/23)

- All 11 Urban Mobility actions are in progress, 8 of them already have executive projects concluded and 3 are already in the construction phase.
- Conclusion of the demolition process at Mutange Slope and progress in the remaining stabilization activities on the Slope
- Progress in the initiatives established in the Term of Agreement for the adoption of requalification actions in the Flexais region

- The acceptance rate of compensation proposals was 99.6% on Feb/23, in line with the previous periods
- Reallocation program to residents ~99% executed on feb/23

Of the 35 wells, 9 are in the Sand backfilling Group, with 1 already concluded and 3 in an advanced stage of filling. Of the other 26 wells, 5 are concluded and the remaining 21 are within the schedule approved by the ANM

Activities related to socio-urbanistic measures are concentrated on (i) urban mobility, (ii) social compensation, and (iii) actions in the vacant areas

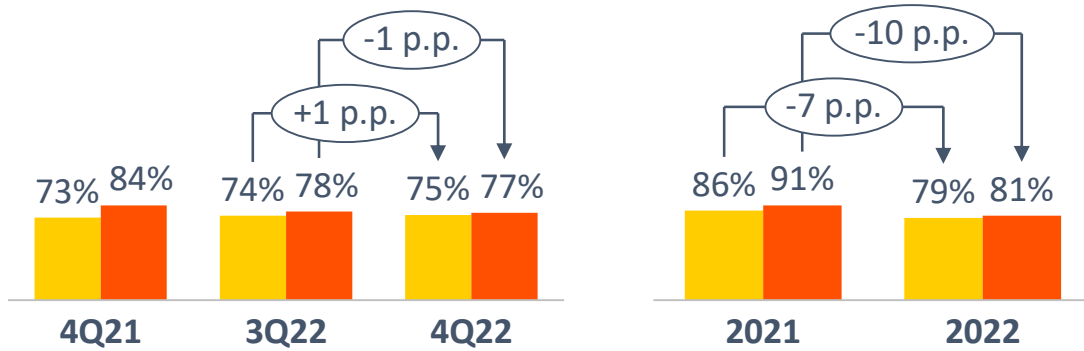




## Operational

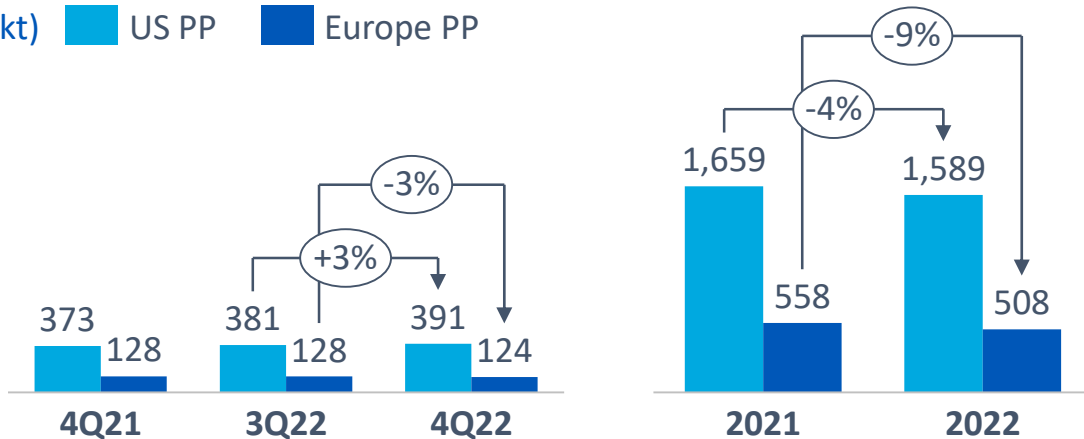
### Utilization rate of PP plants

(%) ■ US PP ■ Europe PP



### PP sales

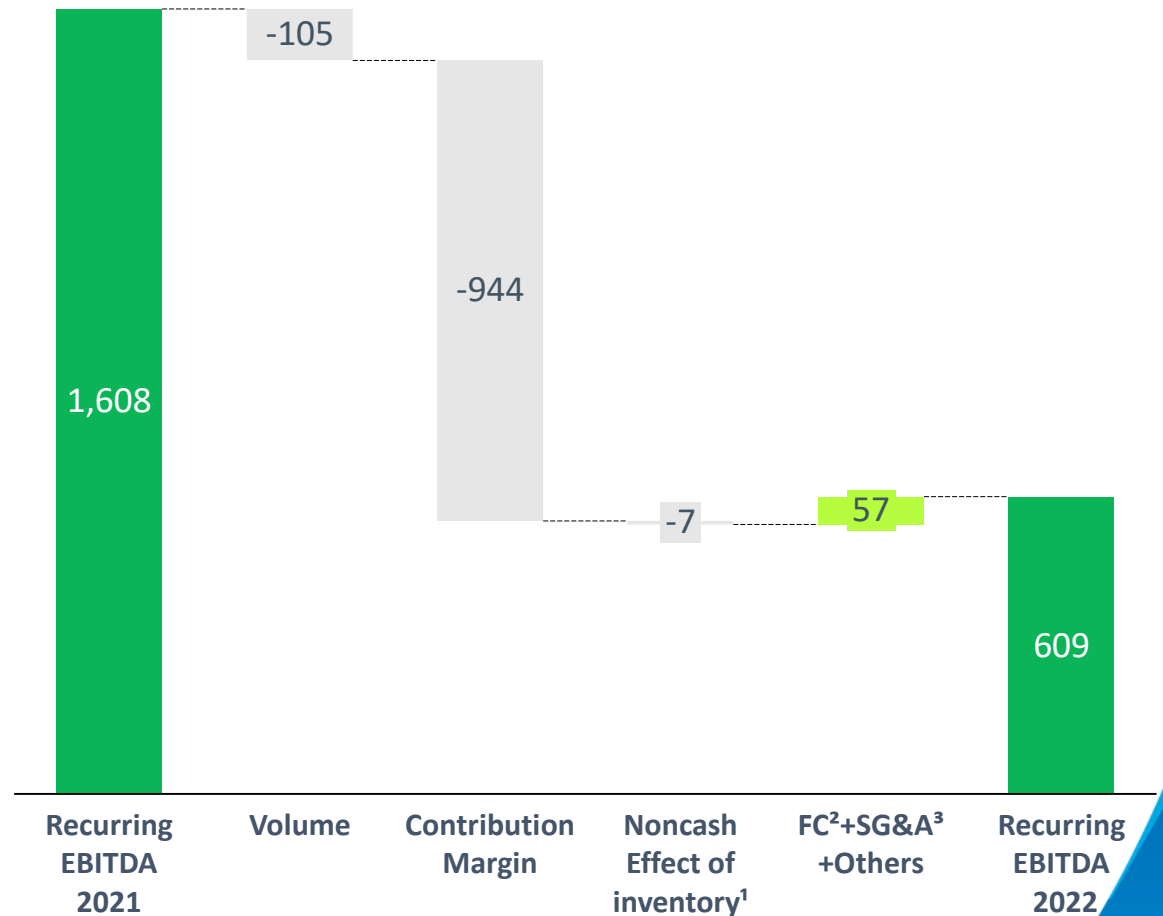
(kt) ■ US PP ■ Europe PP



## Financial

### Recurring EBITDA bridge

(US\$ million)

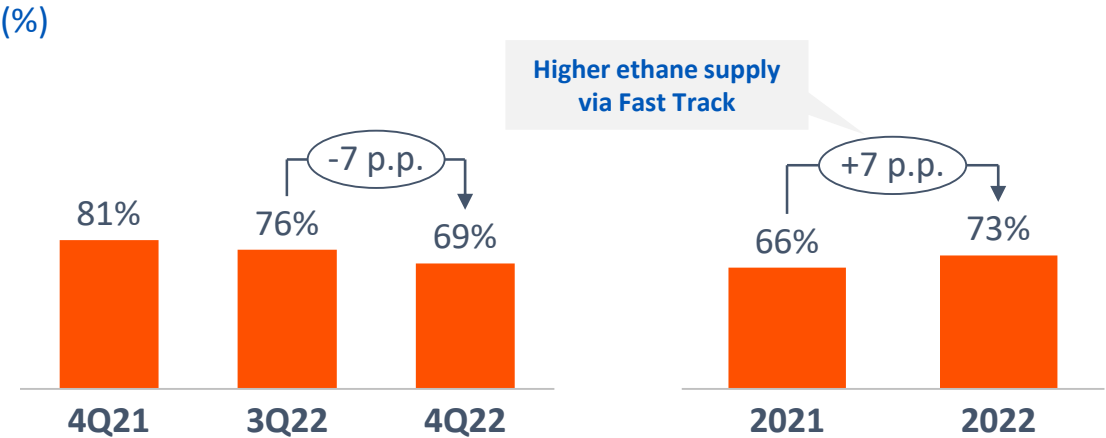


Source: Braskem | Note (1): Accounting effect from the realization of inventories in accordance with accounting standard CPC 16 (Correlation to International Accounting Standards – IAS 2).  
 Note (2): FC: Fixed Costs. Note (3) SG&A: Selling, General & Administrative Expenses.

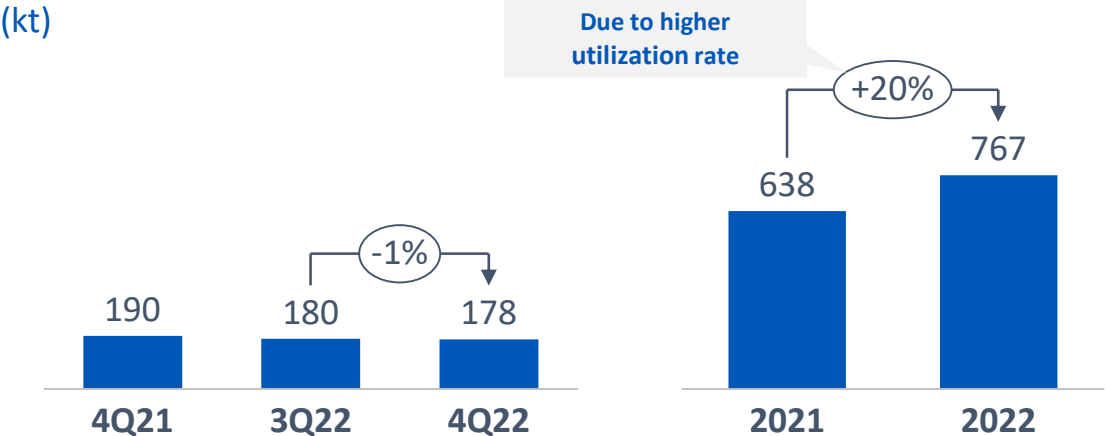


## Operational

### Capacity Utilization of PE plants

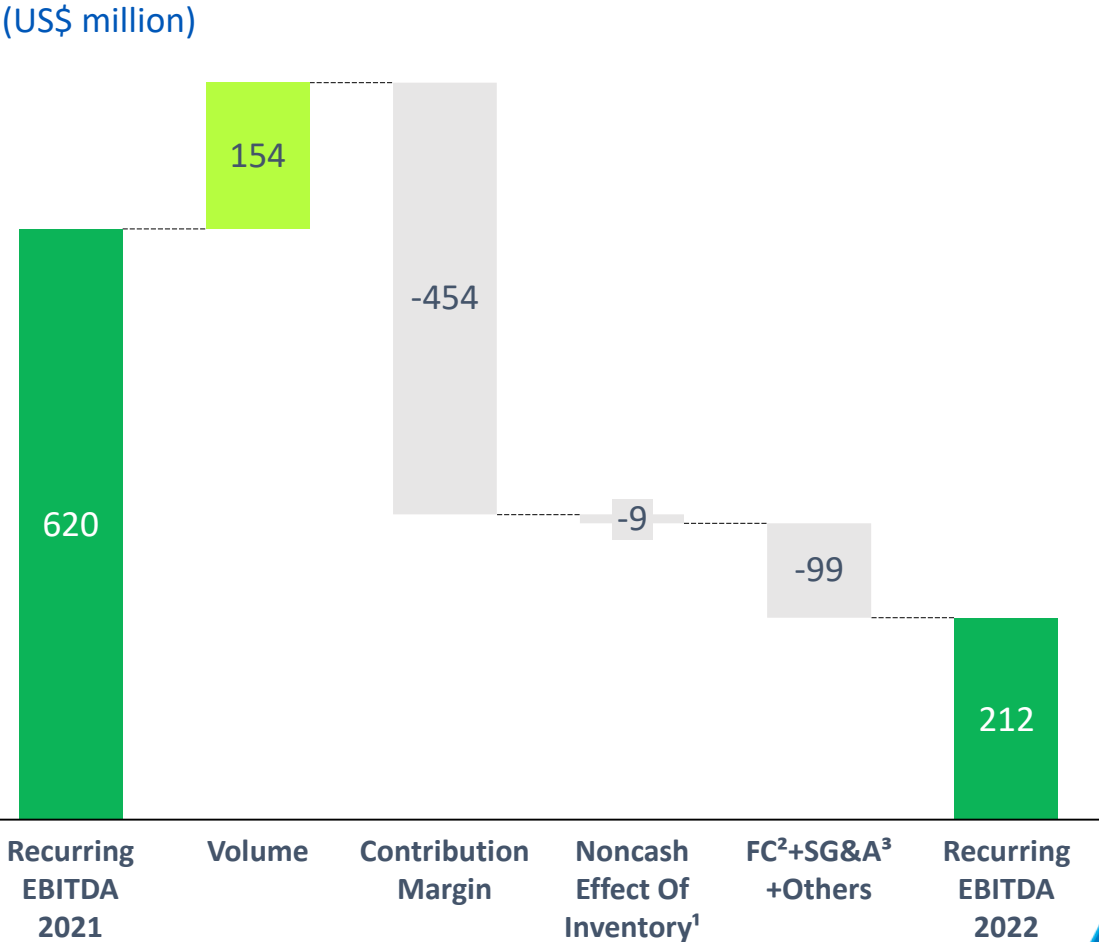


### PE sales



## Financial

### Recurring EBITDA bridge

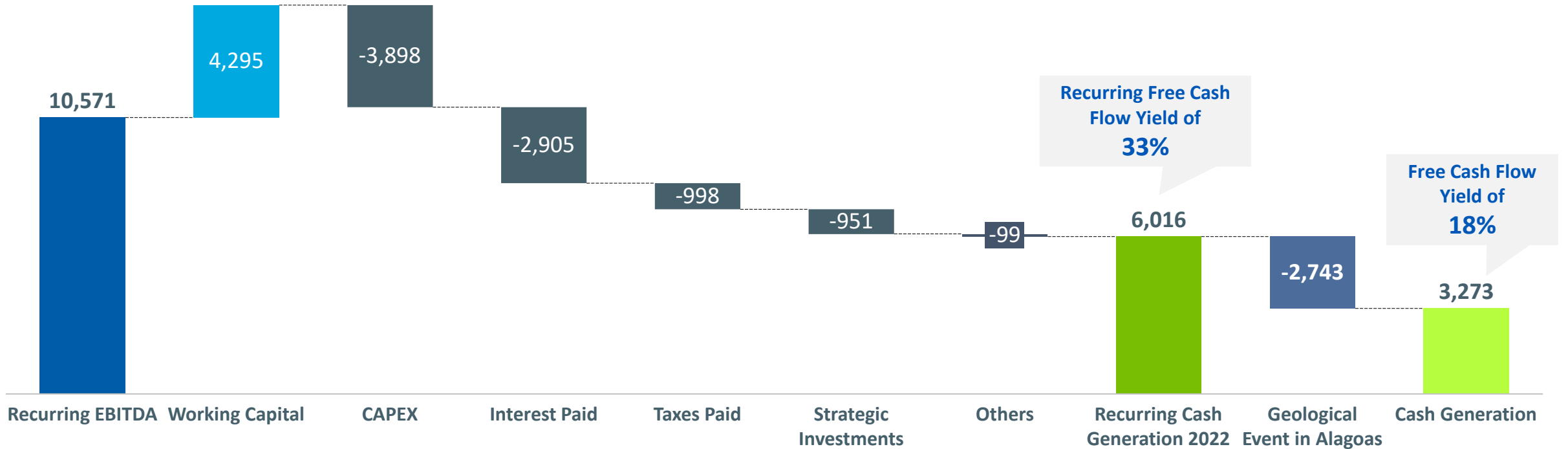


Source: Braskem | Note (1): Accounting effect from the realization of inventories in accordance with accounting standard CPC 16 (Correlation to International Accounting Standards – IAS 2). Note (2): FC: Fixed Costs. Note (3) SG&A: Selling, General & Administrative Expenses.

# Highlights 4Q22 & 2022 | Consolidated Cash Flow

## Cash Generation in 2022

(R\$ million)

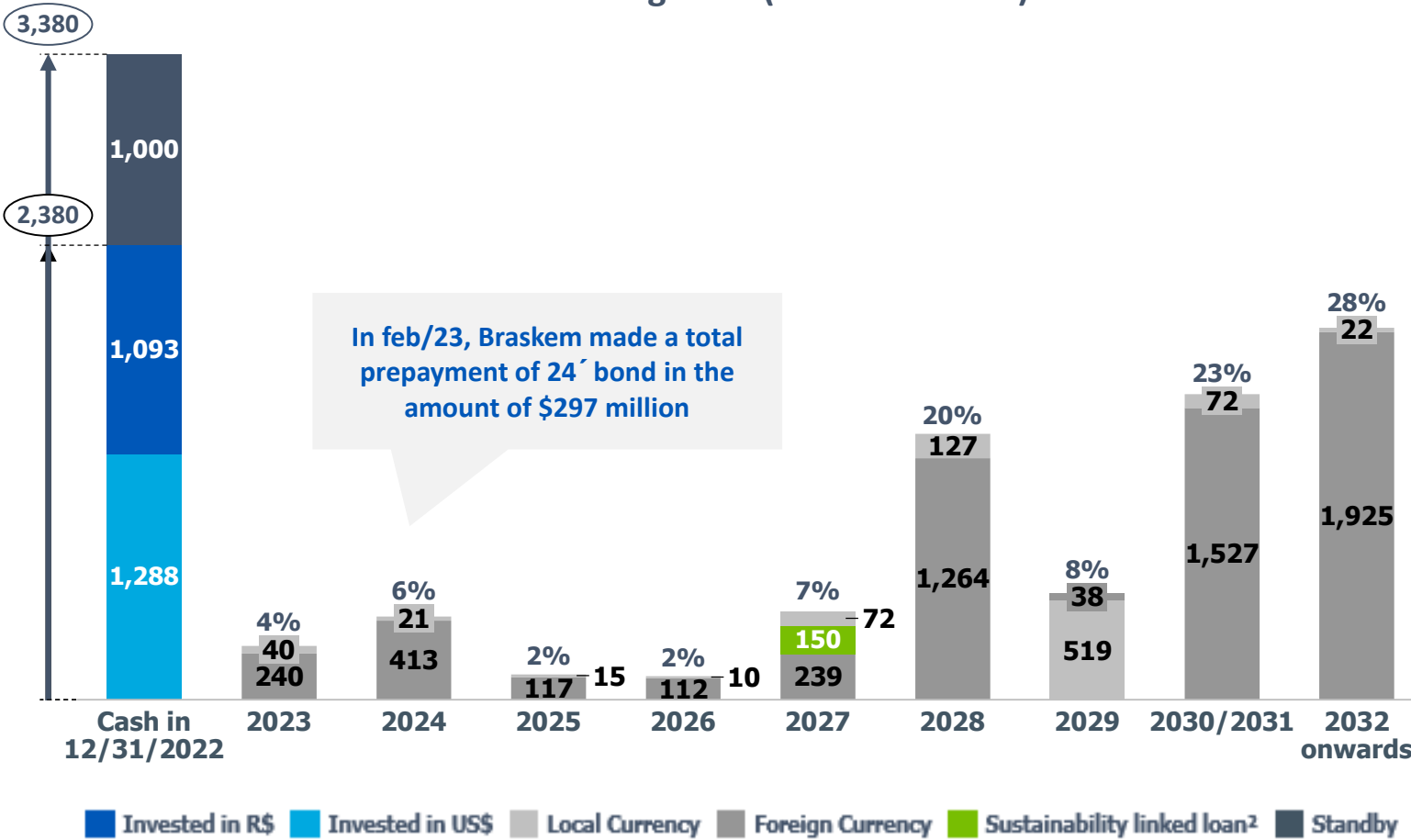


Braskem reinforces its commitment with discipline in efficient capital allocation for consistent cash generation through the petrochemical cycle

# Highlights 4Q22 & 2022 | Corporate Debt Profile

## Debt Profile (US\$ million) 12/31/2022<sup>(1)</sup>

Strong liquidity position, with most liabilities maturing in long term (51% after 2030)



### Debt Indicators:

- Leverage: 2.42x
- Sufficient liquidity to cover liabilities coming due in next 60 months<sup>3</sup>
- Average debt term of around 13.4 years
- Weighted average cost of debt is FX variation + 5.7%<sup>4</sup>

### Conservative Principles:

- Net Debt in USD as a hedge to natural exposure of the business to international prices
- Transparent dividend policy
- Concentration of funding in capital markets
- In February/23, Braskem concluded the issuance of a bond in the international market in the amount of US\$1.0 billion, with maturity in 2033 and interest of 7.25% p.a.

Agency	Rating	Outlook	Date
S&P	BBB-	Stable	12/14/2022
Fitch	BBB-	Stable	01/31/2023
Moody's	Ba1	Stable	07/12/2021


INVESTMENT GRADE

INVESTMENT GRADE

Source: Braskem | Note (1): Excludes the amount of R\$34 million allocated to the Financial Compensation and Support for Relocation Program in Alagoas and the debt at Braskem Idesa; Note (2): Sustainability-Linked Loan – liabilities linked to sustainability goal (higher sales volume of I'm green™ bio-based Green PE); Note (3): Excludes Standby Credit Line – Revolving Credit Facility of US\$1.0 billion maturing in 2026; Note (4): Excludes Braskem Idesa's debt.


# The update of Braskem's global strategy for 2030 will enable the sustainable growth of the business with value creation for shareholders

## STRATEGIC PILLARS AND THEIR AMBITIONS




### Productivity and Competitiveness

Drive toward top quartile of the global cash cost curve, focusing on decarbonization initiatives and high value investments




### Sustainability

Be a reference in the chemical and plastics industry in sustainable development globally



### Growth and Diversification


Increase global diversification in feedstocks and bio-based and circular products



### Innovation


Deliver high value sustainable solutions through chemical and plastic innovation

## GROWTH AVENUES




### Traditional Business

- Grow existing businesses through selective investments, including productivity and competitiveness improvements
- Decarbonize existing assets
- Commitment to achieve carbon neutrality by 2050 and reduce scope 1 and 2 emissions by 15% by 2030



### Bio-based


- Grow in bio-based resins and chemical products
- Increase the use of renewable feedstocks
- Commitment to expand the production capacity of green products to 1MMt by 2030



### Recycling


- Grow in circular products (mechanical recycling)
- Increase the use of circular raw feedstock (advanced recycling)
- Commitment to growing to 1MMt of resins and chemical products with recycled content by 2030

## FOUNDATION




### Safety

Safe operations as **PERMANENT AND NON-NEGOTIABLE VALUE**



### People

A **human-centered company** that promotes diversity, inclusion and human rights



### Governance

**Governance and compliance** in line with **best global market practices**



### Shareholders Value Creation

- Continue to balance our capital allocation, returning value to shareholders over the cycle while investing in our business and its growth opportunities, generating positive impact for all stakeholders


Source: Braskem. Note: Execution and achievement of the sustainable macro objectives within the currently projected costs and expected timeframes are also subject to risks and uncertainties which include, but are not limited to: advancement, availability, development and affordability of technology necessary to achieve these commitments.

# The company's traditional business will grow through selective high value-added investments, with improvements in competitiveness and a focus on decarbonization

## GROWTH AVENUES

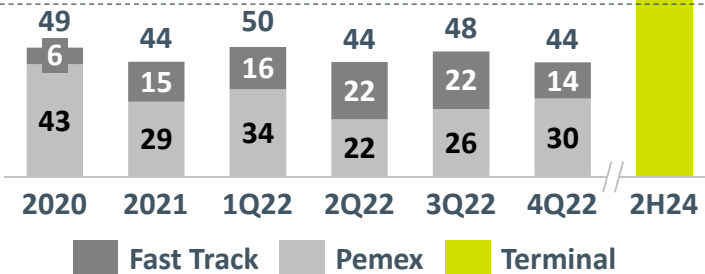
### Tradicional Business

#### Ethane Import Terminal

- ▶ JV between Braskem Idesa and  Advorio, each with a 50% stake
  - Supply capacity of ~80,000 ethane barrels per day (120% of current needs)
  - Capex of ~US\$ 446 million<sup>1</sup>
  - Expected start in the 2nd half of 2024
  - Construction started on July 2022, with physical progress of 25% until Dez/22

#### Supply of raw materials of Braskem Idesa (kbpd)

100% of raw material requirement = 66 kbpd

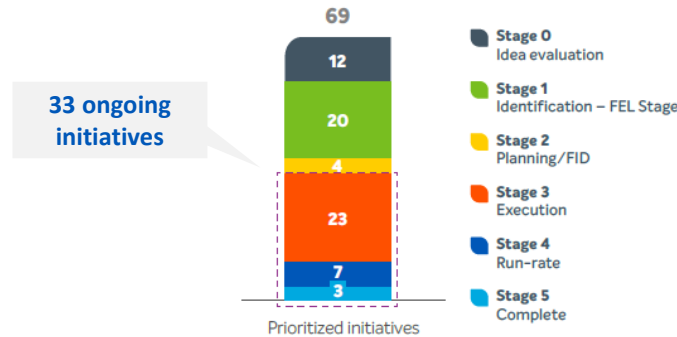


#### Industrial Decarbonization Program

- ▶ The Industrial Decarbonization Program prioritized initiatives that will allow the achievement of the emission reduction commitment for 2030 with positive NPV


#### Initiatives prioritized by stage

Number of initiatives (#)



- ▶ The program is part of our governance strategy for our **commitment to fight climate change**

#### Transform for Value

- ▶ Global efficiency program to accelerate improvement initiatives in different areas of the company 
- ▶ The program is **redrawing the end-to-end process structure**, generating value through process optimization

Pace to capture in 2022

▶ US\$353 MM/year<sup>2</sup>

- ▶ ~1/3 of this value is associated with Digital Transformation, with the relevant use of digital technologies e.g., automation and instrumentation, new software and systems, advanced analytics, machine learning, and cloud services, among others

Source: Braskem | Note: Execution and achievement of the sustainable macro objectives within the currently projected costs and expected timeframes are also subject to risks and uncertainties which include, but are not limited to: advancement, availability, development and affordability of technology necessary to achieve these commitments | Note (1): Doesn't include Value Added Tax (VAT) amounts; Note (2): Considering only initiatives in stage 4 (Run-rate), when the measurement of gains may vary according to the progress of actions, and stage 5 (Concluded), after stabilization and/or internal audit.

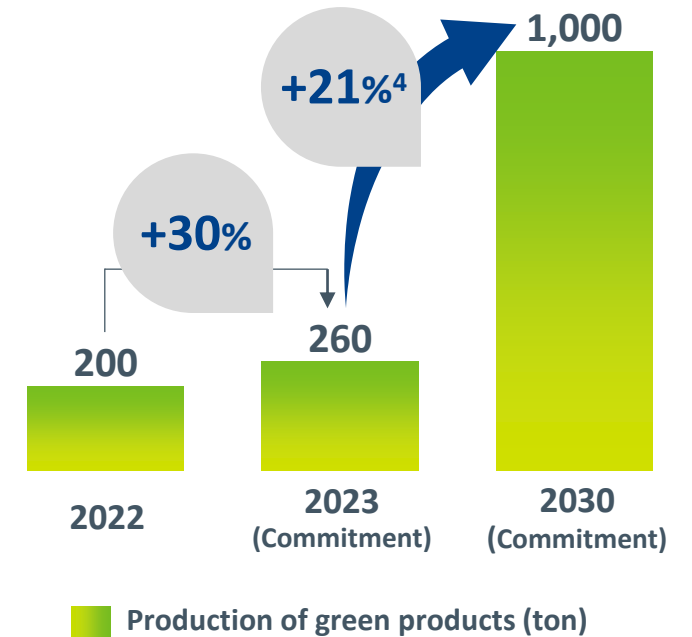
# Our strategy seeks to grow our portfolio of bio-based products and expand the use of renewable raw materials through strategic and financial partnerships

## GROWTH AVENUES



### Bio-based

<p><b>DBN<sup>1</sup> of the current green ethylene plant</b></p>	<p>Expansion of current green ethylene production capacity in Triunfo, Rio Grande do Sul</p>	<p>➤ <b>+ 60 kta<sup>2</sup></b> in green ethylene production</p>
<p><b>Studies for green ethylene production in Thailand</b> MOU<sup>3</sup> with </p>	<p>MOU<sup>3</sup> for the feasibility assessment to jointly invest in a new green ethylene plant in Thailand</p>	<p>➤ <b>up to + 200 kta</b> in green ethylene production</p>
<p><b>sustained</b> bioglycols Joint-venture with </p>	<p>Production and commercialization of monoethylene glycol from renewable feedstock (bioMEG), conditioned to technology approval</p>	<p>➤ <b>up to +700 kta</b> in bioMEG production</p>
<p><b>Licensing of green ethylene technology</b> Partnership with </p>	<p>Partnership to develop and license Braskem's technology to produce green ethylene</p>	
<p><b>Studies to produce green PP in the USA</b></p>	<p>Studies to evaluate investment in the production of the world's first bio-based PP on an industrial scale in the United States</p>	



Source: Braskem | Note: Execution and achievement of the sustainable macro objectives within the currently projected costs and expected timeframes are also subject to risks and uncertainties which include, but are not limited to: advancement, availability, development and affordability of technology necessary to achieve these commitments | Note (1): DBN = Debottlenecking; Note (2): kta = kilotons per annum; Note (3): MOU = Memorandum of understanding; Note (4): Consider the compound annual growth rate (CAGR).

# Sales of 54,000 tons, an increase of 144%, of products with recycled content, in addition to several partnerships signed for the development of new technologies

## GROWTH AVENUES



### Recycling

Recycling action fronts

Sustainable product portfolio

**40** grades of post-consumer recycled resins in our portfolio

**54kt** Sales in 2022

144% increase compared to 2021

Portfolio in partnership with:

Technology development

Partnerships targeting new technologies

Environmental education and consumer engagement

**33,5kt** of recovered plastic in 2022

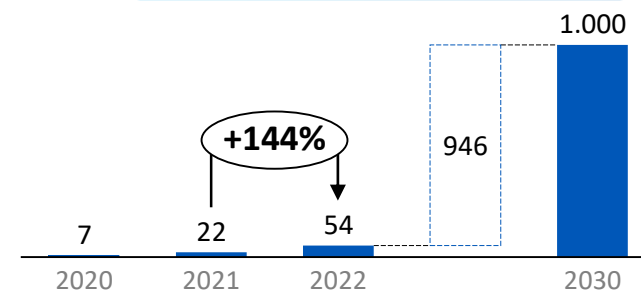
156% increase compared to 2021

Circular design of applications

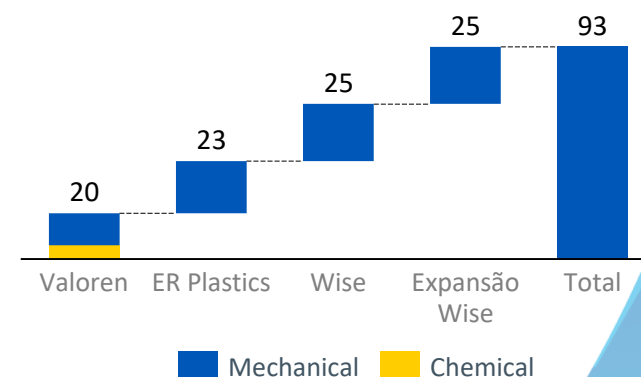
Inauguration of **Cazoolo**, the first packaging development center for circular economy in Brazil

**CAZOLO**  
empowered by Braskem

SALE OF PRODUCT WITH RECYCLABLE CONTENT - (KT)



PLANNED PRODUCTION CAPACITY – (KT)



Source: Braskem | Note: Note: Execution and achievement of the sustainable macro objectives within the currently projected costs and expected timeframes are also subject to risks and uncertainties which include, but are not limited to: advancement, availability, development and affordability of technology necessary to achieve these commitments.

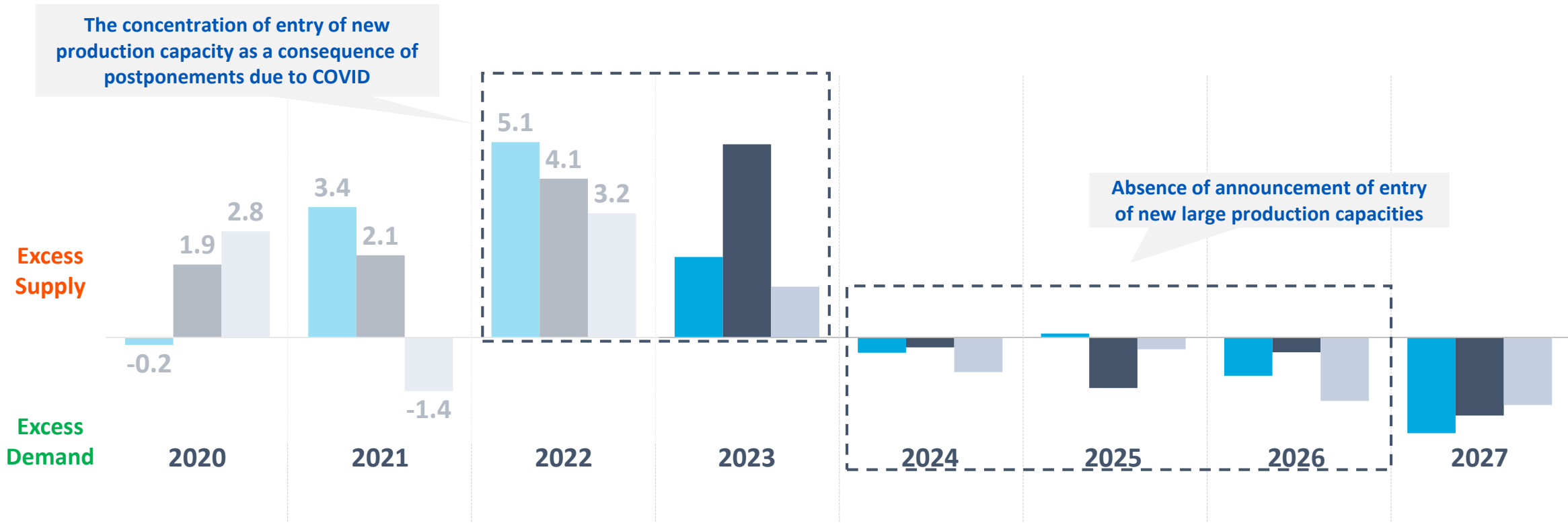


# The expectation of a recovery trajectory for the Petrochemical Cycle in the coming years is a consequence of the petrochemical industry's fundamentals

## Fundamentals of Supply and Demand

(New Capacities - Demand growth) (MMt)

Global PE Global PP Global PVC



Global economic growth is an important factor for resin demand growth and can positively impact resin demand in the short to medium term

Source: Braskem's Global Market Intelligence.

# We established corporate initiatives to improve our cash generation during the petrochemical down cycle

## Initiatives with impact on EBITDA

1	<b>Revenue</b>	Optimization of global commercial management
2	<b>Fixed and Variable cost</b>	Optimization of global fixed and variable cost management in a transversal way, with corporate goals for all members
3	<b>Programa Transform For Value</b>	Move forward with Transform For Value program initiatives in all 5 pipelines (continuous improvement, transformation office, digital center, competitiveness and productivity investments, and energy)

## Impact in 2023<sup>1</sup>

~US\$100 MM  
(recurrent)

~US\$100 MM

~US\$150 MM  
(recurrent)

**Total** ~US\$350 MM

## Initiatives with impact on cash generation

1	<b>Working Capital</b>	Optimization of working capital management throughout the integrated operations planning cycle
2	<b>Capex</b>	Optimization in the investment process for the corporate Capex, without impacting the maintenance Capex and asset reliability
3	<b>Non-recurring monetization</b>	Cash generation through non-recurring monetization in the year 2023

## Impact in 2023<sup>1</sup>

~US\$200 MM

~US\$200 MM<sup>2</sup>

~US\$100-200 MM

**Total** ~US\$500-600 MM

# Braskem Outlook | 4Q22 vs. 1Q23



**Brazil**



**United States**



**Europe**



**Mexico**

**Utilization Rate<sup>1</sup>**

Expectation of higher ethylene production

Expectation of higher PP production

PP production expected to increase

PE production expected to remain stable

**Sales Volume<sup>1</sup>**

Resin sales expected to increase

PP sales expected to remain stable

Expectation of higher PP sales volume

Expectation of higher PE sales volume

**Petrochemical Spreads<sup>2</sup>**

Better spreads for resins (PP, PE and PVC) and lower spreads for main chemicals

Lower PP-Propylene spreads expected in USA

PP-Propylene spreads in Europe should remain stable

Higher PE-Ethane spreads in North America

Increase

Stable

Decrease

Note (1): Braskem Outlook; Note (2): Forecasts of external consulting firms.

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Braskem

# Our priorities for 2023



Optimize asset operation and focus on cost discipline



Implement **financial preservation** initiatives, with a focus on **creating value for shareholders**



**Prioritize, selectively, investments** related to eliminating plastic waste and combating climate change, and **focus on initiatives related to social responsibility and human rights**



Amplify **strategic innovation** and **digital transformation**



**Advance on all action fronts related to the geological event in Alagoas**, fulfilling the commitments established in agreements

**SAFE OPERATIONS** are and always will be the focus of Braskem's operations, as a **PERMANENT AND NONNEGOTIABLE VALUE OF OUR STRATEGY**

# EARNINGS CONFERENCE CALL 4Q22 & 2022

MARCH 23, 2023

## Investor Relations Department

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