

Braskem Polyethylene (PE) Plant in Cubatão, São Paulo - Brazil

EARNINGS CONFERENCE CALL 1Q22

MAY 12, 2022

Braskem 



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 and are prepared using the information currently available to Braskem.

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

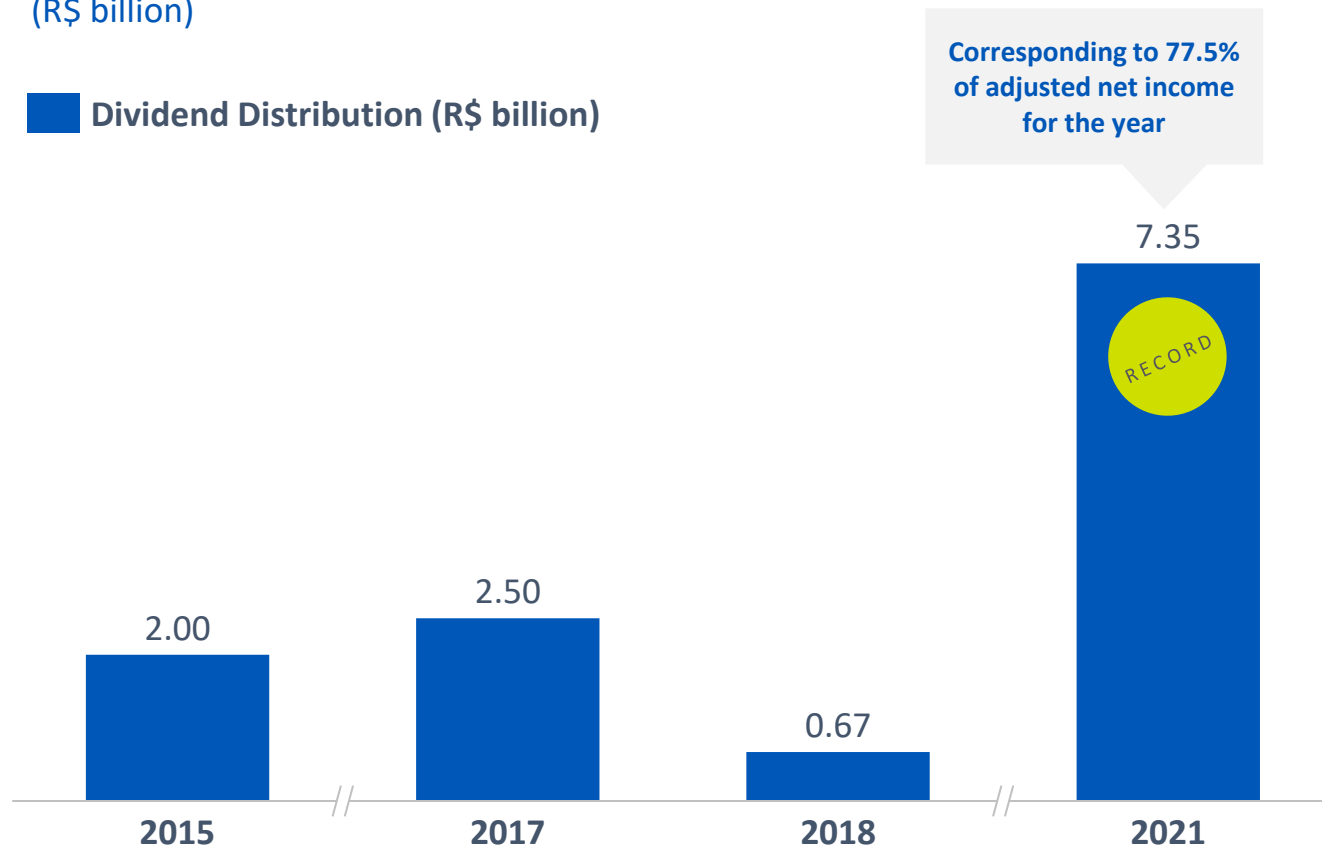
Braskem undertakes no liability for transactions or investment decisions made based on the information in this presentation.

Return for Shareholders: Dividend distribution of R\$7.35 billion for fiscal year 2021

Dividend Distribution¹ - 2015-2021

(R\$ billion)

■ Dividend Distribution (R\$ billion)



Comments:

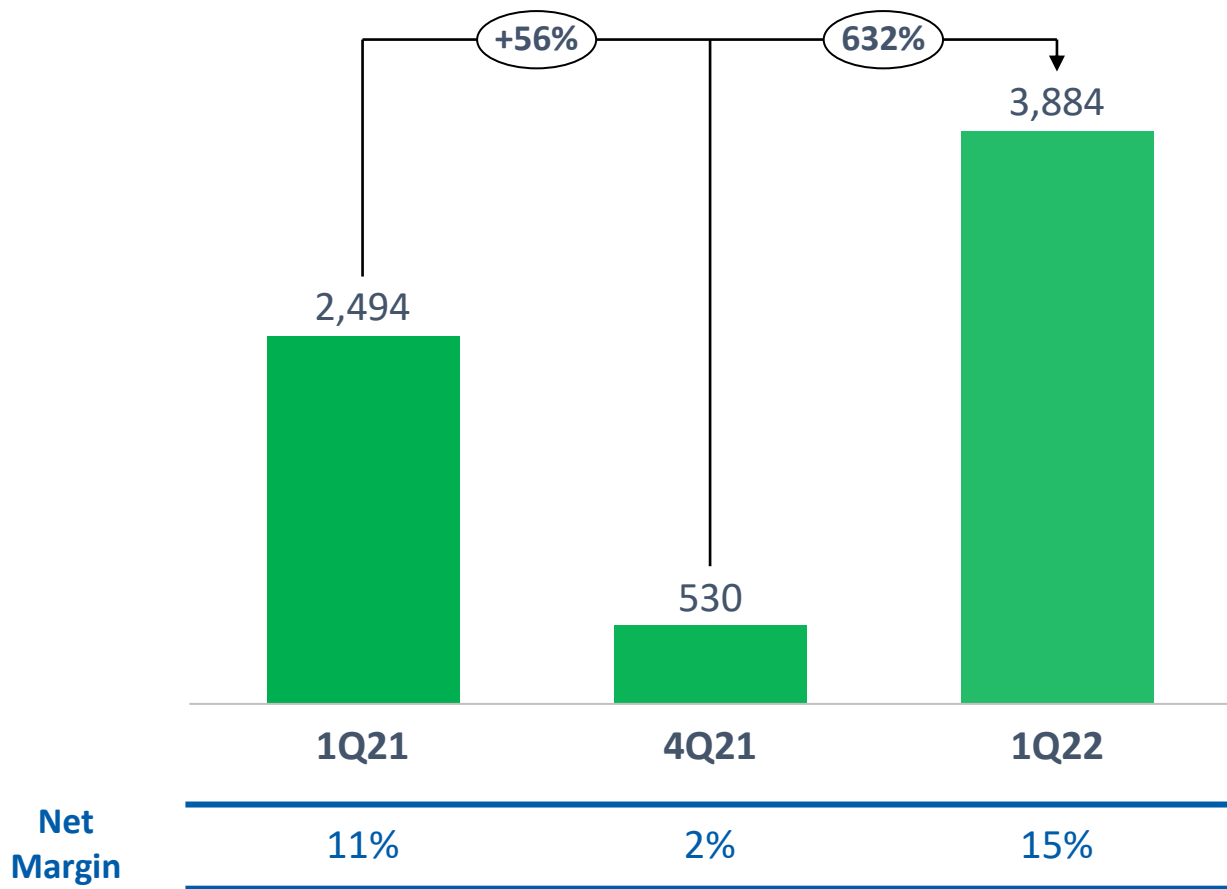
- Braskem remains committed to returning value to shareholders through dividend distribution
- So, based on the results of 2021, the Company distributed **R\$7.35² billion dividends**, representing:
 - 77.5% of adjusted net income for the year
 - R\$9.24 per common share and class “A” preferred share

Braskem has a transparent Dividend Policy that establishes guidelines for determining the distribution of dividends in compliance with or exceeding the applicable legislation and regulations

1Q22 Highlights | Braskem Consolidated (1/2)

Net Income - 1Q22

(R\$ million)



Comments:

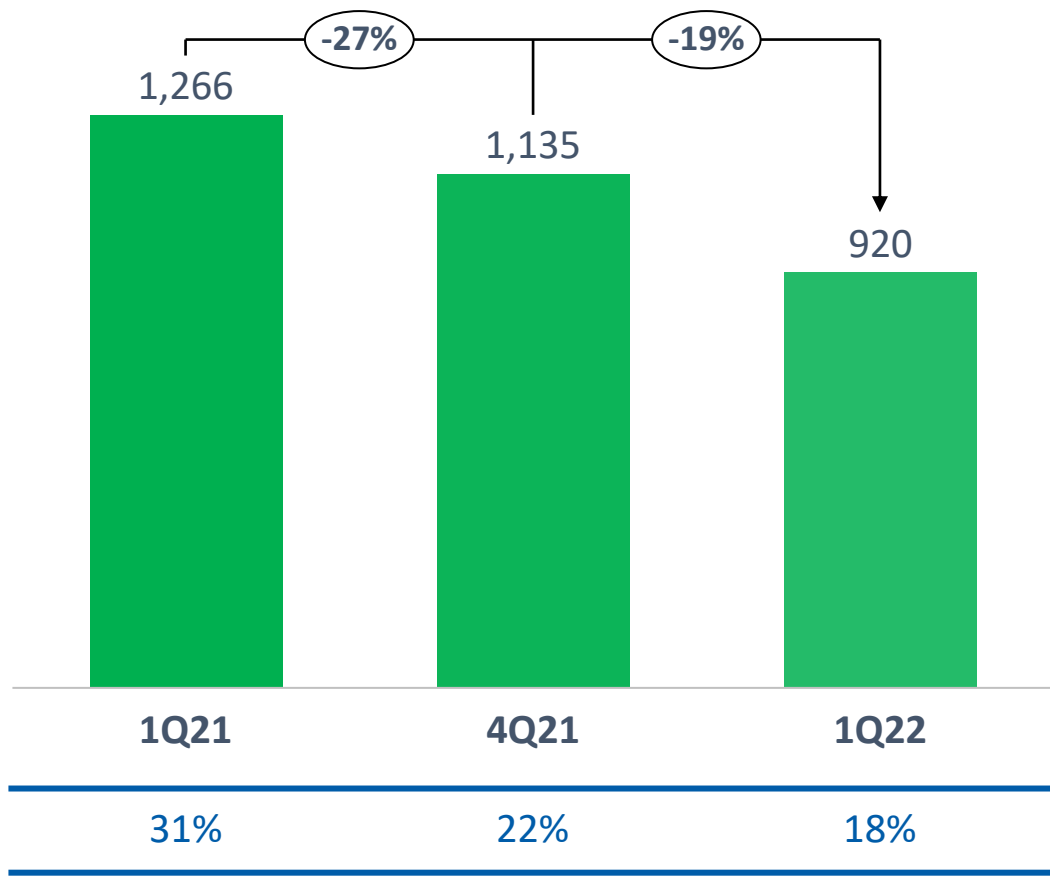
- In 1Q22, the Company recorded a Net Income of **R\$3.9 billion**, representing R\$4.88 per common share and class “A” preferred share¹
- Additionally, the Company’s net margin in the period was 15%
- Lastly, note that Braskem has a **transparent dividend policy** and that a potential proposal for the distribution complementary dividends will take into consideration the leverage ratio (in dollars and without considering Braskem Idesa), and this ratio should not exceed 2.5 times in the current or next two years

Source: Braskem. Note (1): For the class “B” preferred shares, the amount is R\$0.61 per share.

1Q22 Highlights | Braskem Consolidated (2/2)

Recurring EBITDA - 1Q22

(US\$ million)



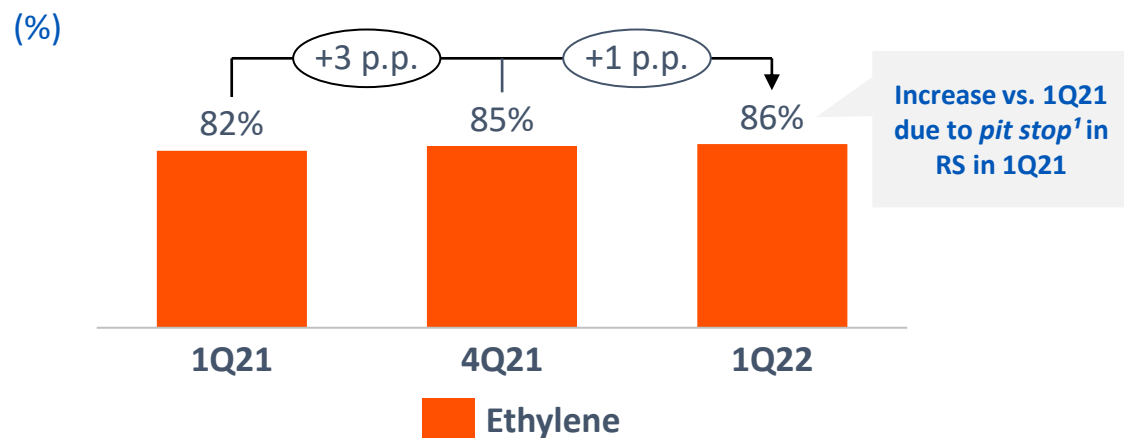
Comments:

- In 1Q22, the Company's Recurring EBITDA was US\$920 million, down 19% on 4Q21, mainly due to:
 - i. the expected normalization of international spreads for main chemicals and resins in Brazil, for PP in USA and Europe and for PE in Mexico
 - ii. lower sales volume of main chemicals and resins from segment Brazil
 - iii. 6.3% appreciation in BRL vs. USD
- In BRL, the Recurring EBITDA was R\$4.8 billion, down 23% and 30% from 4Q21 and 1Q21, respectively, due to BRL appreciation vs. USD

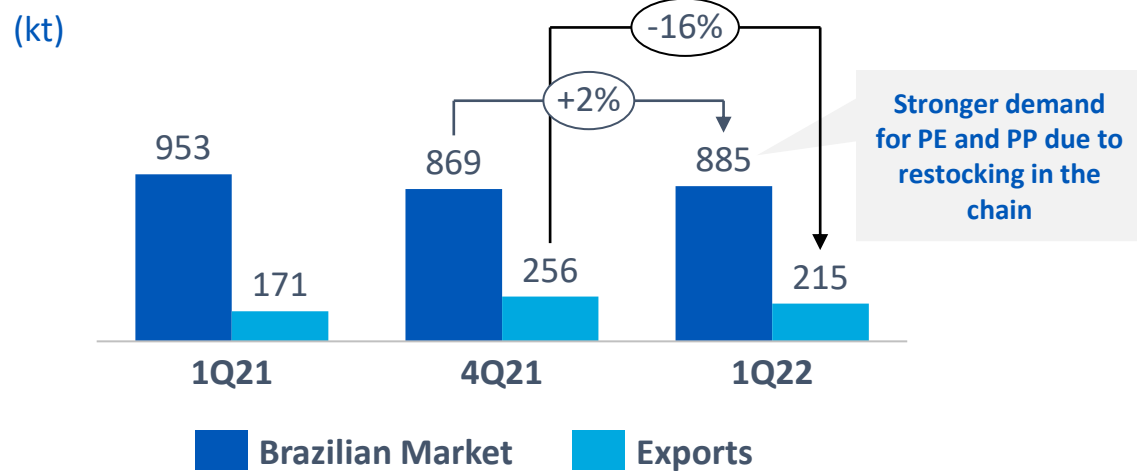


Operational

Utilization Rate of Petrochemical Crackers

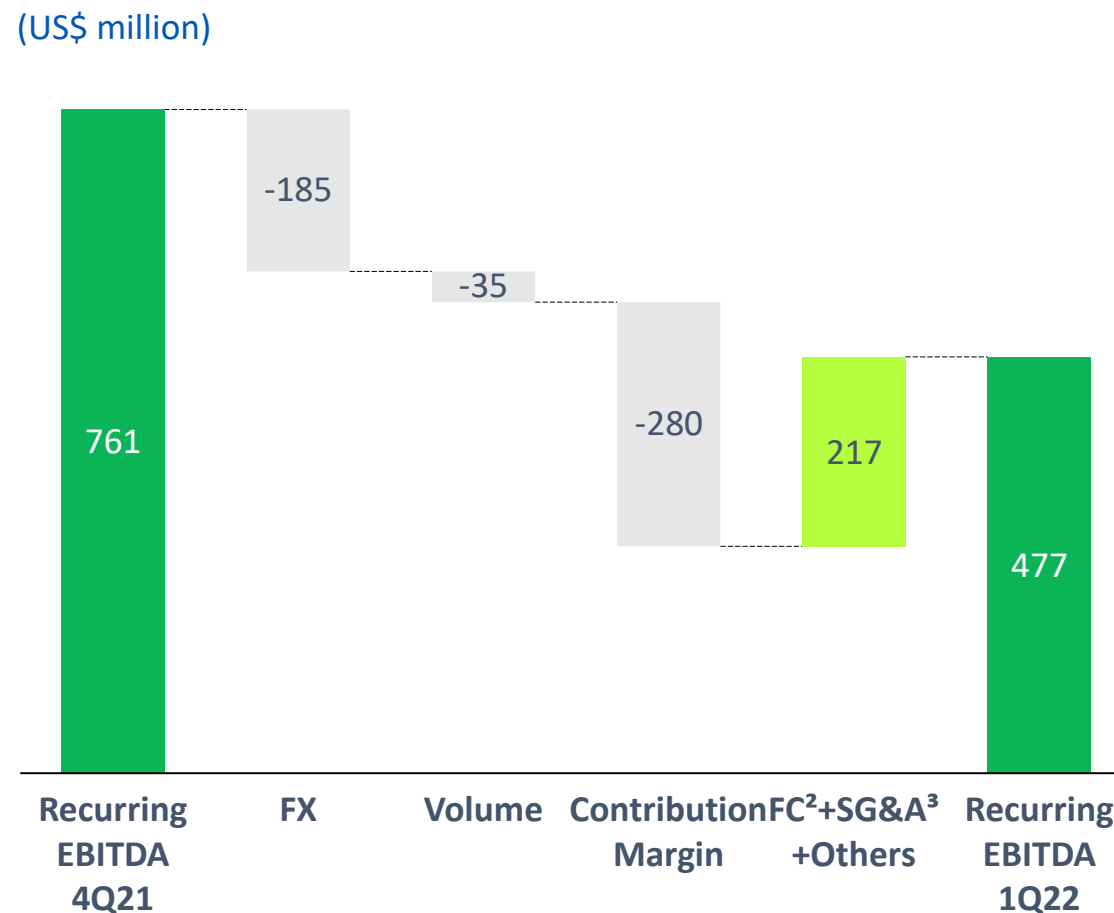


Resin Sales (PE+PP+PVC)



Financial

Recurring EBITDA Bridge



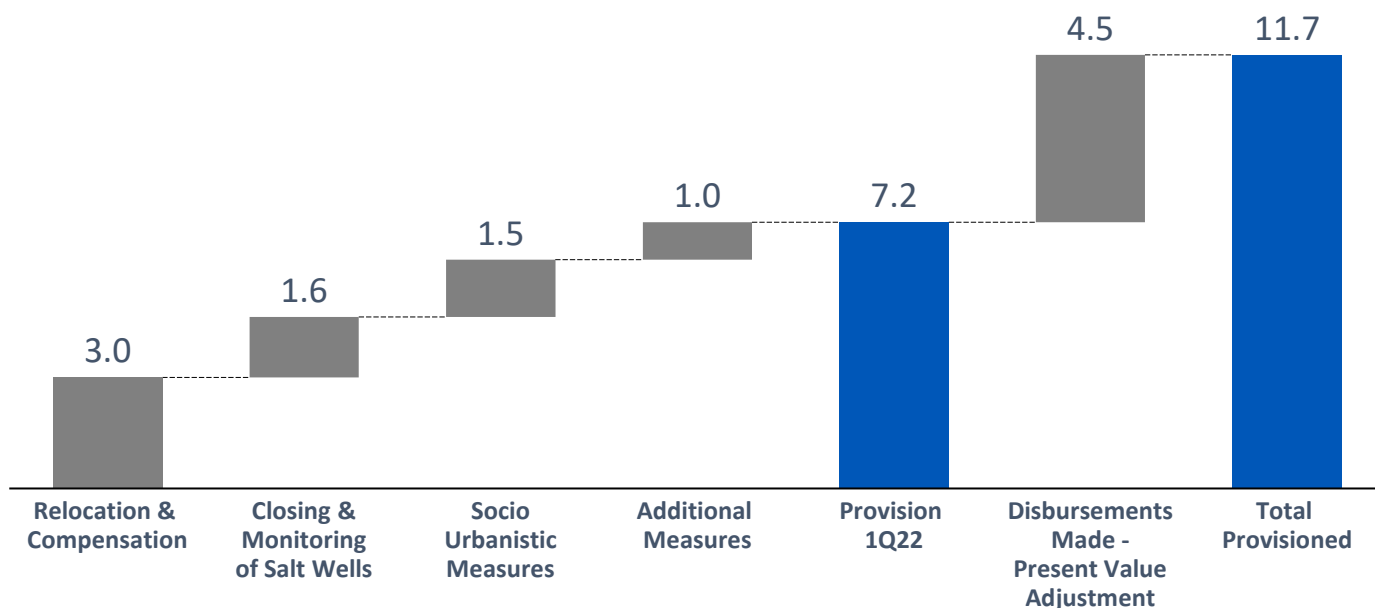
Geological event in Alagoas (1/2) - Provisions



Financial Impact - Balance of provisions in 1Q22

(R\$ billion)

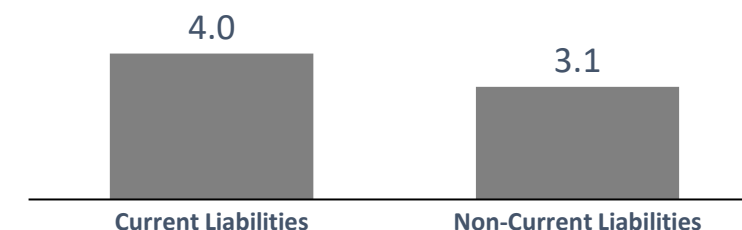
In 1Q22, the balance of provisions related to the geological event in Alagoas was around R\$7.2² billion...



Disbursement Schedule

(R\$ billion)

...with 56% recorded under Current Liabilities and 44% under Non-Current Liabilities



The Company cannot predict with certainty future developments in respect of this matter or its related expenses, and the costs to be incurred by the Company may be different than currently estimated or provisioned

Source: Braskem. Note (1): Total amount of provisions for the geological event in Alagoas is R\$11.7 billion, R\$4.8 billion of which already has been disbursed and R\$0.2 billion corresponds to present value adjustment.
Note (2): Net balance of provisions at end-December 2021 of around R\$7.7 billion decreased to R\$7.2 billion at end-March 2022

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

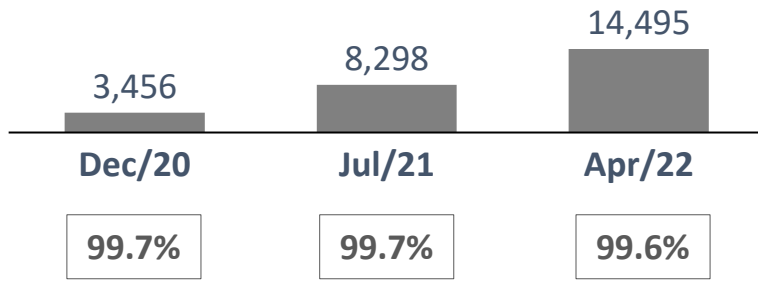


Relocation & Compensation – PCF¹

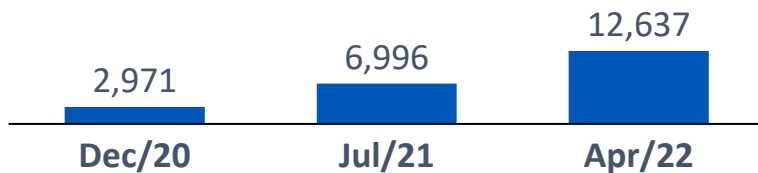
(Status as of April 30, 2022)

■ Financial Compensation Proposals Submitted

□ Acceptance Index for Proposals Submitted



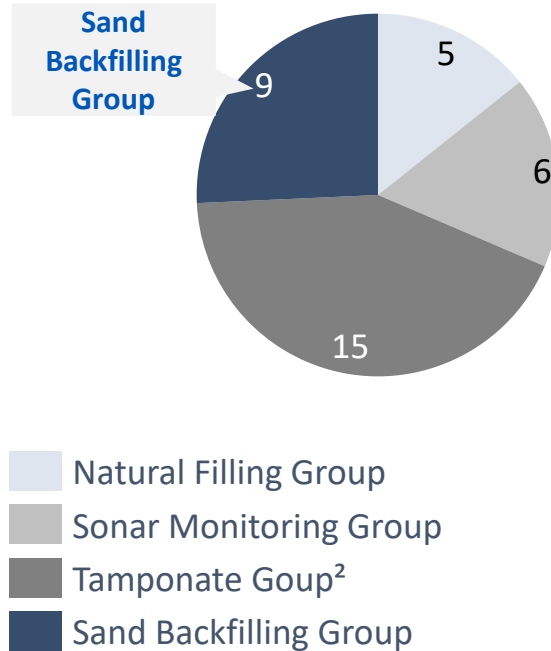
■ Financial Compensation Proposals Accepted



Braskem continued to make progress on its relocation and financial compensation of families in high-risk districts of Maceió

Closing & Monitoring of Wells

(Status as of April 30, 2022)



Of the 35 wells, 9 belong to the Sand Backfilling Group and the closing of 3 of them is in progress, with progress of 51.3% of cavities 7 and 19, and 35.2% of cavity 17

Socio Urbanistic Measures

(i) Urban Mobility:

- Defining and detailing of 11 mobility actions, which were approved by Municipality of Maceió

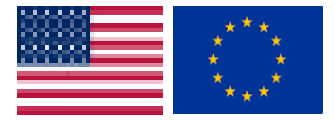
(ii) Social Compensation:

- Meetings held with Municipal Government of Maceió to discuss priority topics

(iii) Relocated areas:

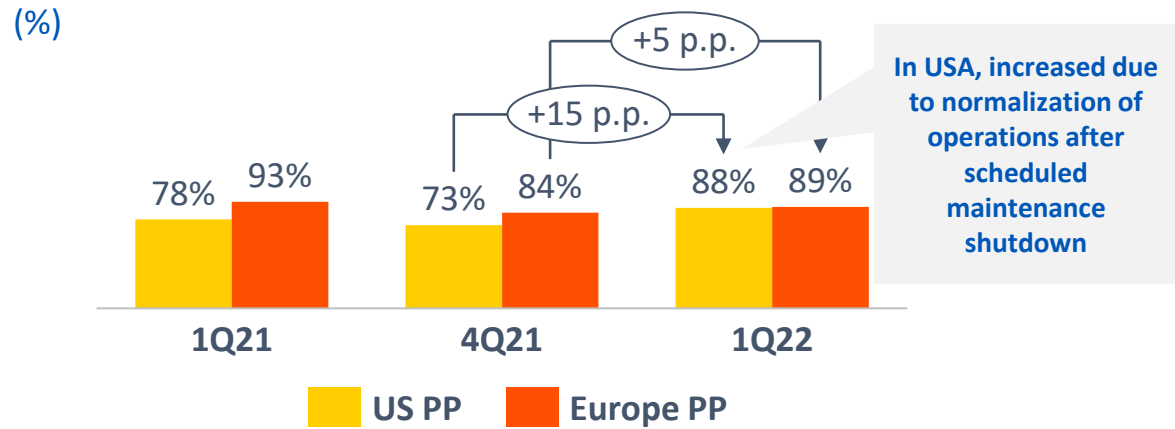
- Activities related to demolition of Mutange Slope are ongoing

The activities related to socio urbanistic measures are concentrated in (i) Urban Mobility, (ii) Social Compensation and (iii) actions in the relocated areas

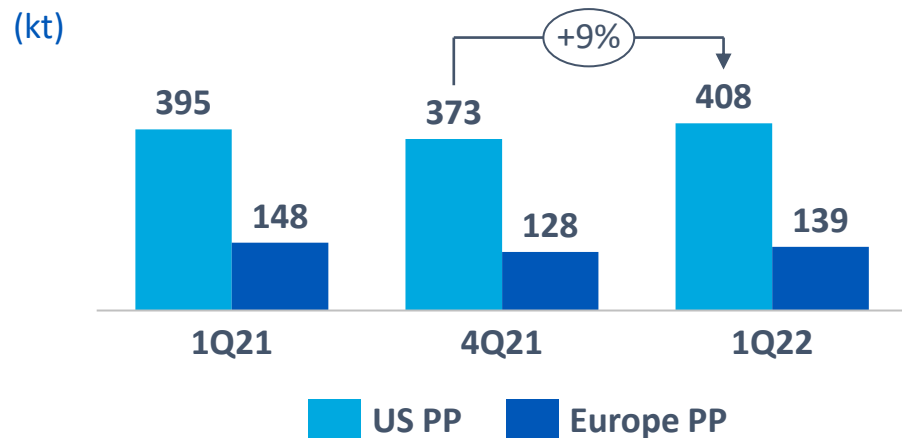


Operational

Utilization Rate of PP Plants

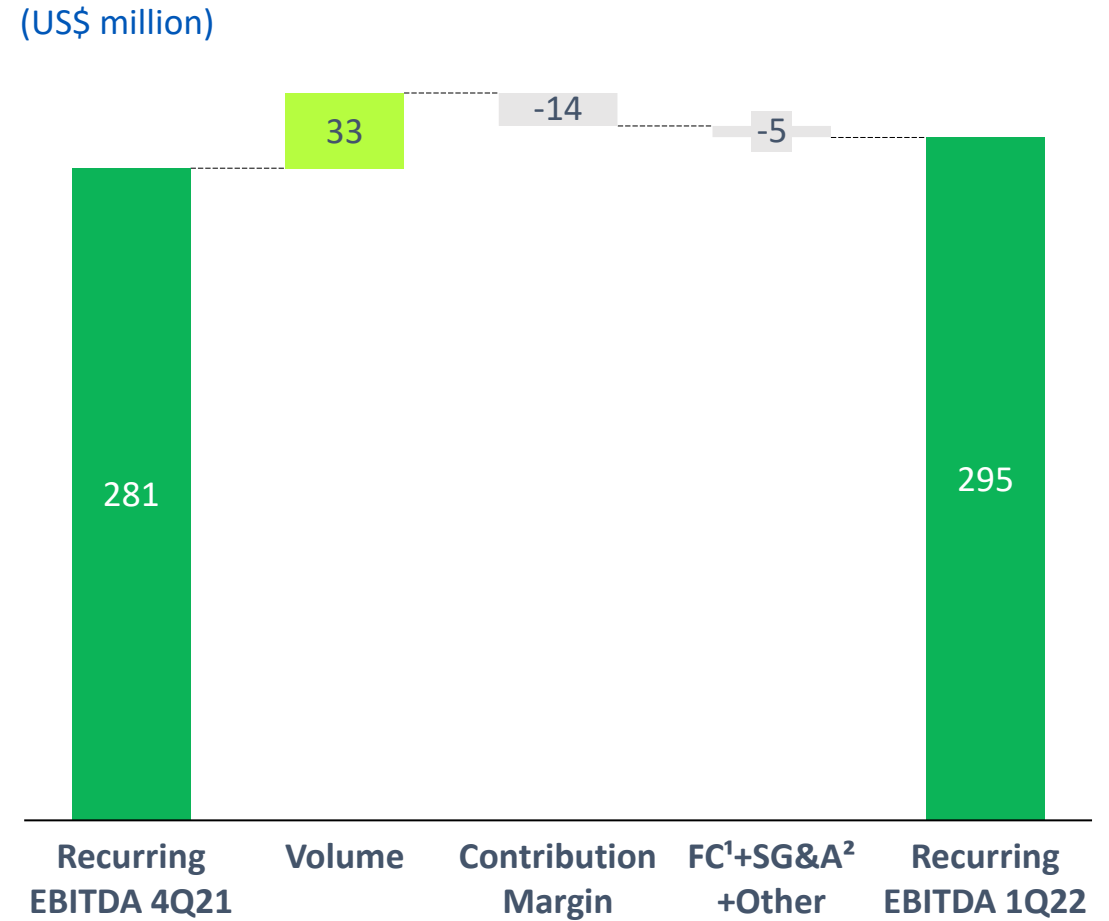


PP Sales



Financial

Recurring EBITDA Bridge

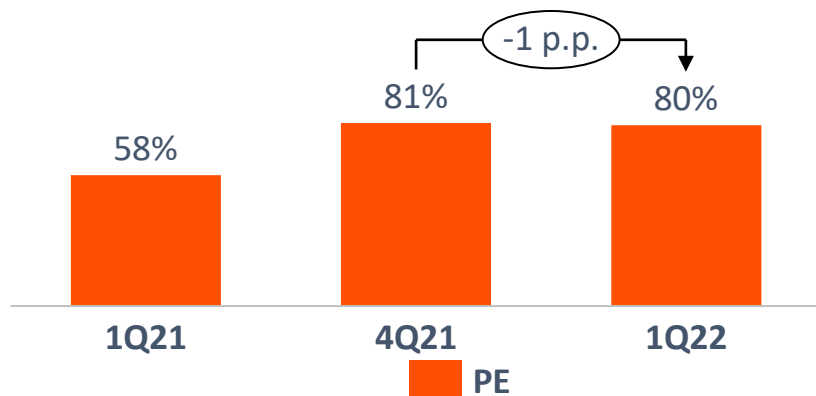




Operational

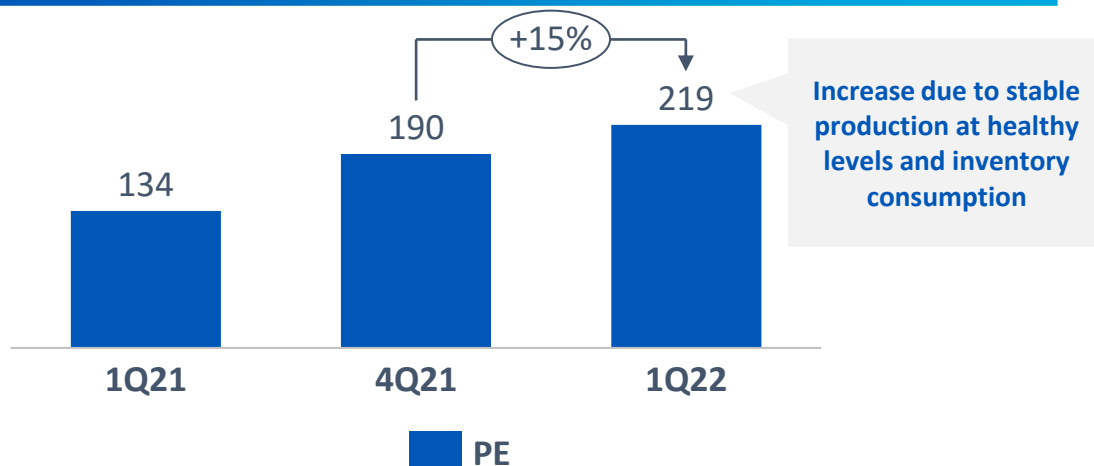
Utilization Rate of PE Plants

(%)



PE sales

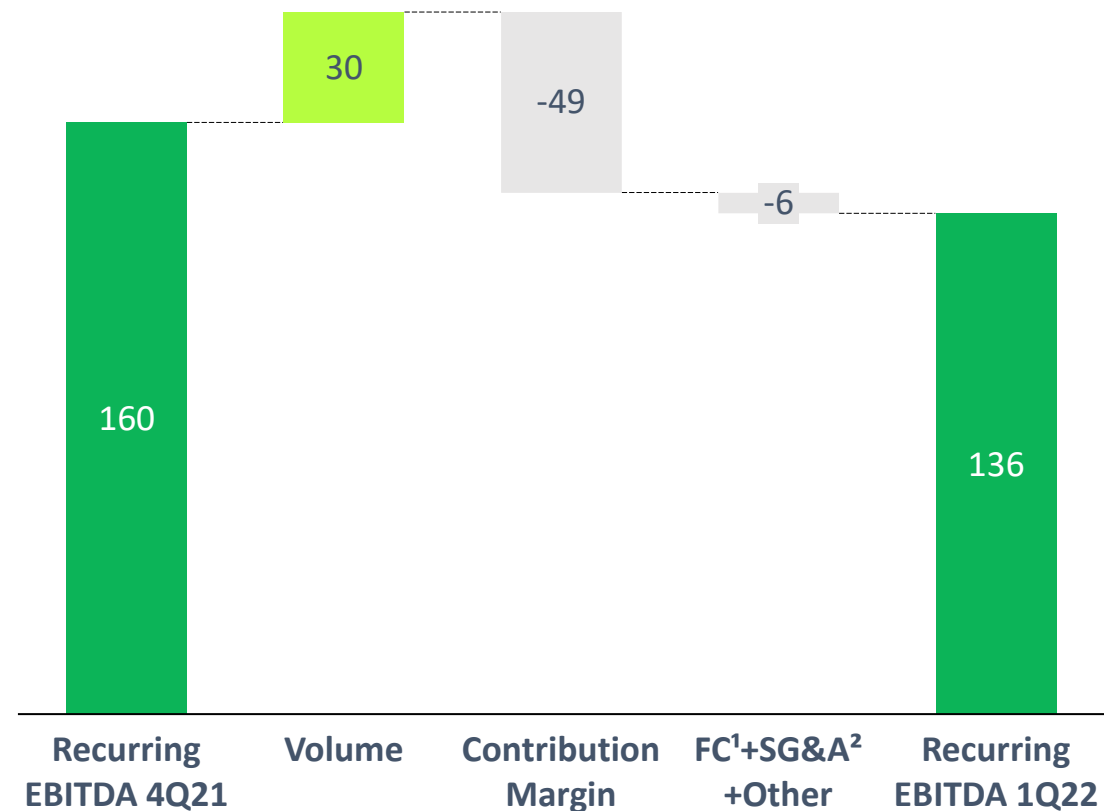
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Financial

Recurring EBITDA Bridge

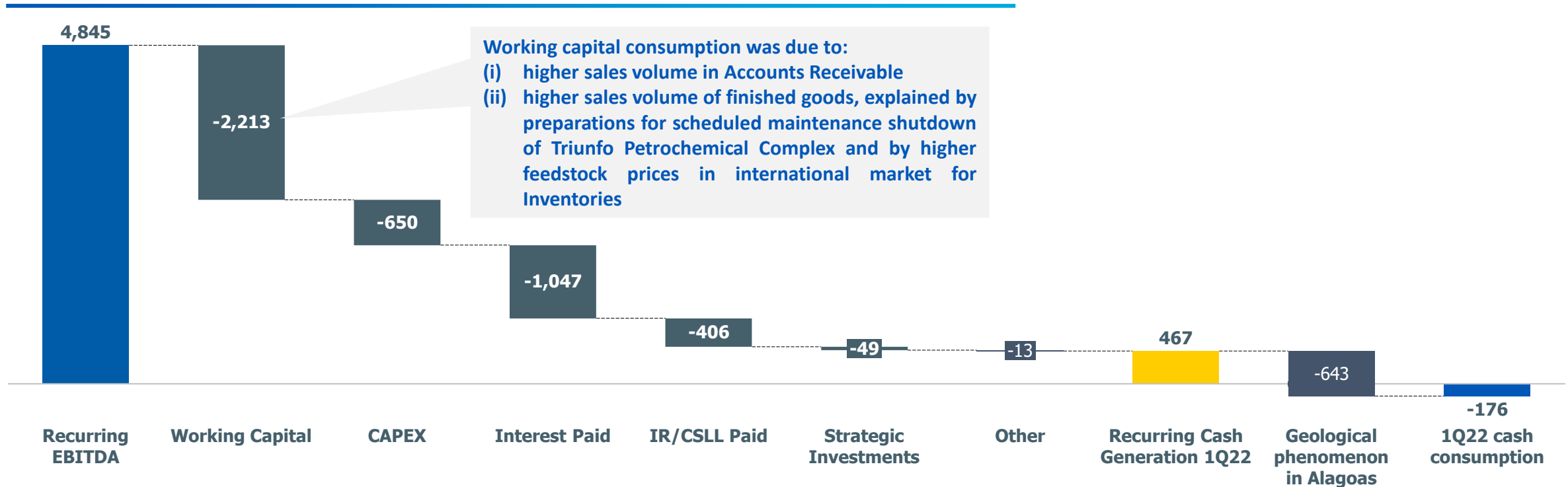
(US\$ million)



Source: Braskem. Note (1): FC: Fixed Costs. Note (2): SG&A: Selling, General & Administrative Expenses.

Recurring cash generation was R\$467 million, excluding disbursements related to the geological event in Alagoas

Cash Generation (R\$ million) – 1Q22



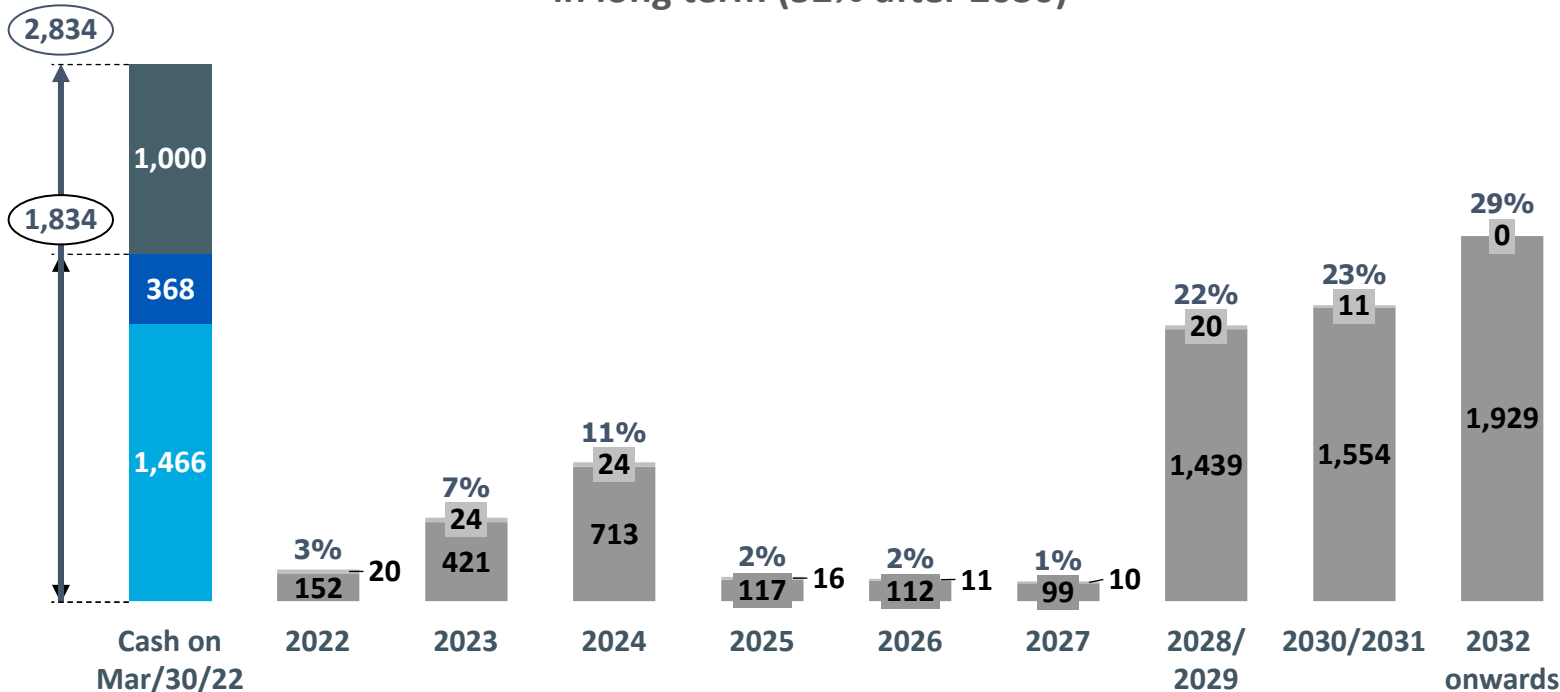
Comments:

- **Recurring cash generation in 1Q22 was R\$467 million**, explained mainly by: (i) Recurring EBITDA in quarter (ii) monetization of PIS/COFINS credits of R\$559 million
- These positive impacts were offset mainly by: (i) negative variation in working capital; (ii) payment of interest in quarter; (iii) payment of IR/CSLL; and (iv) consumption of Company's operating and strategic capex
- Adding the **payments related to the geological event in Alagoas, there was R\$176 million cash consumption** in 1Q22

Maintenance of very long debt maturity profile

Debt Profile (US\$ million) Mar/31, 2022⁽¹⁾

Strong liquidity position, with most liabilities maturing in long term (52% after 2030)



(1) Excludes (i) Braskem Idesa, (ii) R\$0.5 billion allocated to Financial Compensation and Support for Relocation Program in Alagoas and (iii) R\$1.1 billion related to preliminary injunction to exclude ICMS tax incentives and benefits

Invested in R\$ Invested in US\$ Local Currency Foreign Currency Stand-by

Debt Indicators

- Sufficient liquidity to cover liabilities coming due in next **69 months**¹
- Average debt term of **14 years**
- Weighted average cost of debt of FX variation + **5.3%**

Conservative Principles

- Net Debt in USD as hedge to natural exposure of business to international prices
- Transparent dividend policy
- Concentration of funding in capital markets

Corporate Credit Risk – Global Scale

Agency	Rating	Outlook	Date
S&P	BBB-	Stable	09/02/2021
Fitch	BBB-	Stable	12/21/2021
Moody's	Ba1	Stable	07/12/2021

Braskem continued to present solid credit metrics and a low corporate leverage ratio in the quarter

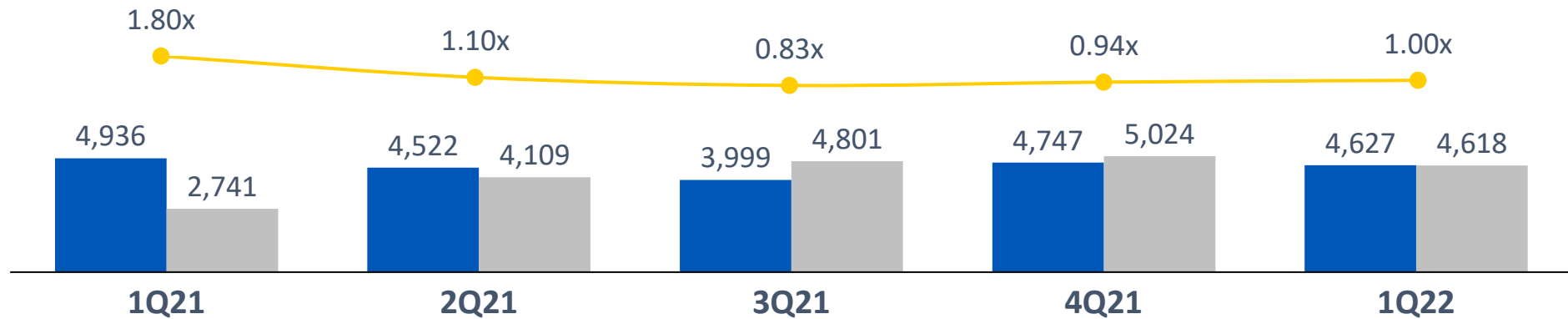
Adjusted Net Debt/Recurring EBITDA (LTM)¹

(US\$ million)

—●— Corporate Leverage (Ex-Braskem Idesa)

■ Adjusted Net Debt (ex-Braskem Idesa)

■ Recurring EBITDA (LTM³)



Gross Debt
(US\$ billion)

7.4

6.8

6.3

6.3

6.6

Debt due in 2030
onwards (%)

49%

50%

55%

54%

52%

Liquidity for Covering
Debt (Months)

79

78

75

72

69

Average Debt Term
(Years)

14

14

15

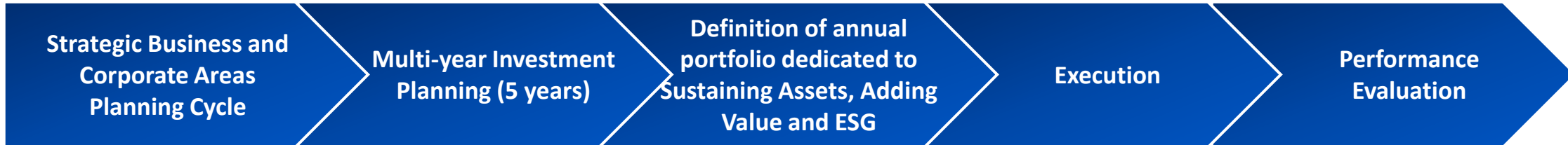
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Braskem reiterates that it maintains a robust cash position and very long debt maturity profile and is committed to efficient capital allocation and cost discipline

ESG: Braskem's new Investment Policy considers the potential impact associated with CO2 emissions

Braskem's Investment Cycle occurs annually and follows the process below:



One of the main changes in policy is clearly defining the concept of sustaining ESG assets:



ESG Criteria:

- **Environmental (E):** initiatives focused on decarbonization via reducing GHG1 and CO2e, adaptation to climate change, Circular Economy via recycling, use of renewable feedstock, Water Safety and Eco-efficiency
- **Social (S):** actions to mitigate Socio-environmental Risks and issues involving human rights
- **Governance (G):** improve governance processes, including, but not limited to, enhancing management and decision-making processes

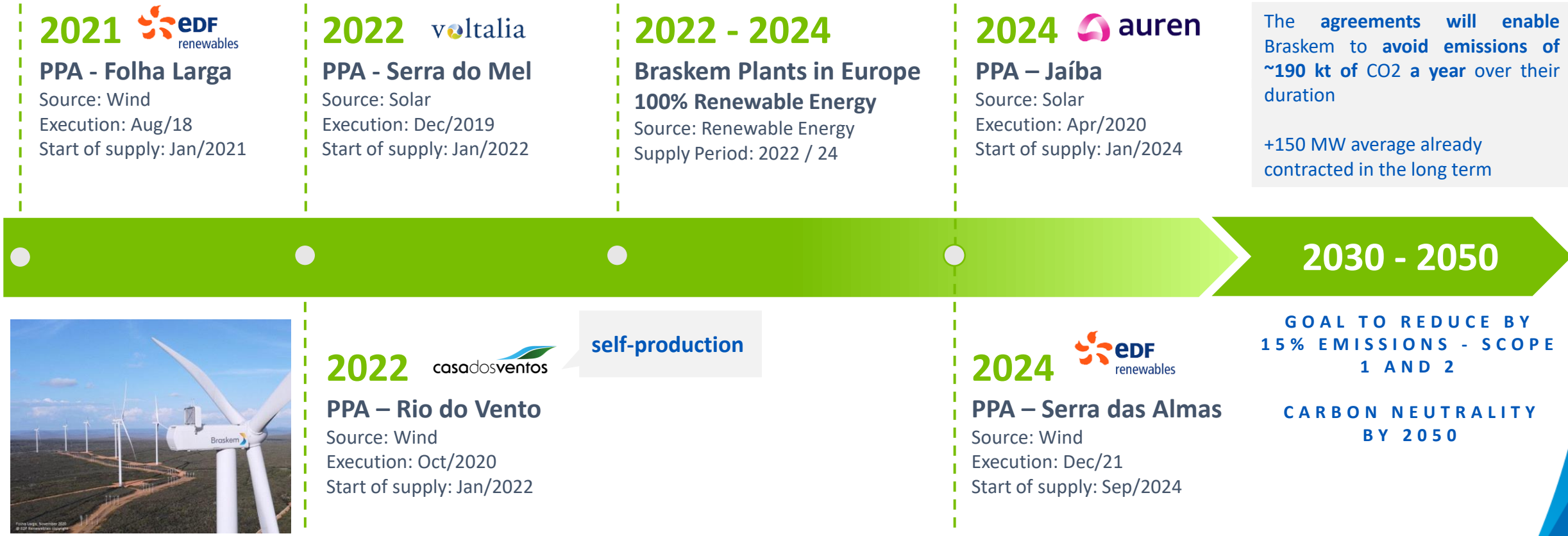
Assessing Investments:

- All projects, when applicable, **consider the potential impact (benefit or cost) associated with CO2e emissions.** The calculation results in a NPVCO2, which considers carbon pricing and is updated periodically by the Sustainable Development team

Investments in ESG criteria should be selected globally and support long-term goals in sustainable development and the respective commitments of the Company²

ESG: long-term renewable energy purchase agreements will support Braskem to reach its GHG¹ reduction targets by 2030

----- We already are receiving energy under these agreements



These agreements are aligned with the Company's Macro Goals for Combating Climate Change, associated with reducing by 15% Co2 emissions under scopes 1 and 2

Source: Braskem. Note (1): GHG: Greenhouse Gases

ESG: Execution of cooperation agreement with Sojitz to produce and market bio-MEG and bio-MPG

Key information on JV

- 1 Project**
 - To set up a joint venture (“JV”) to produce and market bio-MEG (monoethylene glycol) and bio-MPG (monopropylene glycol), conditioned on the conclusion of technology development
- 2 Bio-MEG**
 - MEG is the feedstock for PET (polyethylene terephthalate) and an essential feedstock in sectors such as textiles and packaging, especially beverage bottles
- 3 Technological partnership**
 - Technology to be developed by the JV will count on the support and expertise of Danish-based Haldor Topsoe¹
- 4 Investment Plan**
 - The business plan of the JV includes construction of three industrial plants in the first phase of investments, subject to conclusion of technology development
- 5 Market**
 - According to external consultancies, the global MEG market accounted for approximately US\$25.0 billion in 2021 and is basically supplied by fossil feedstock



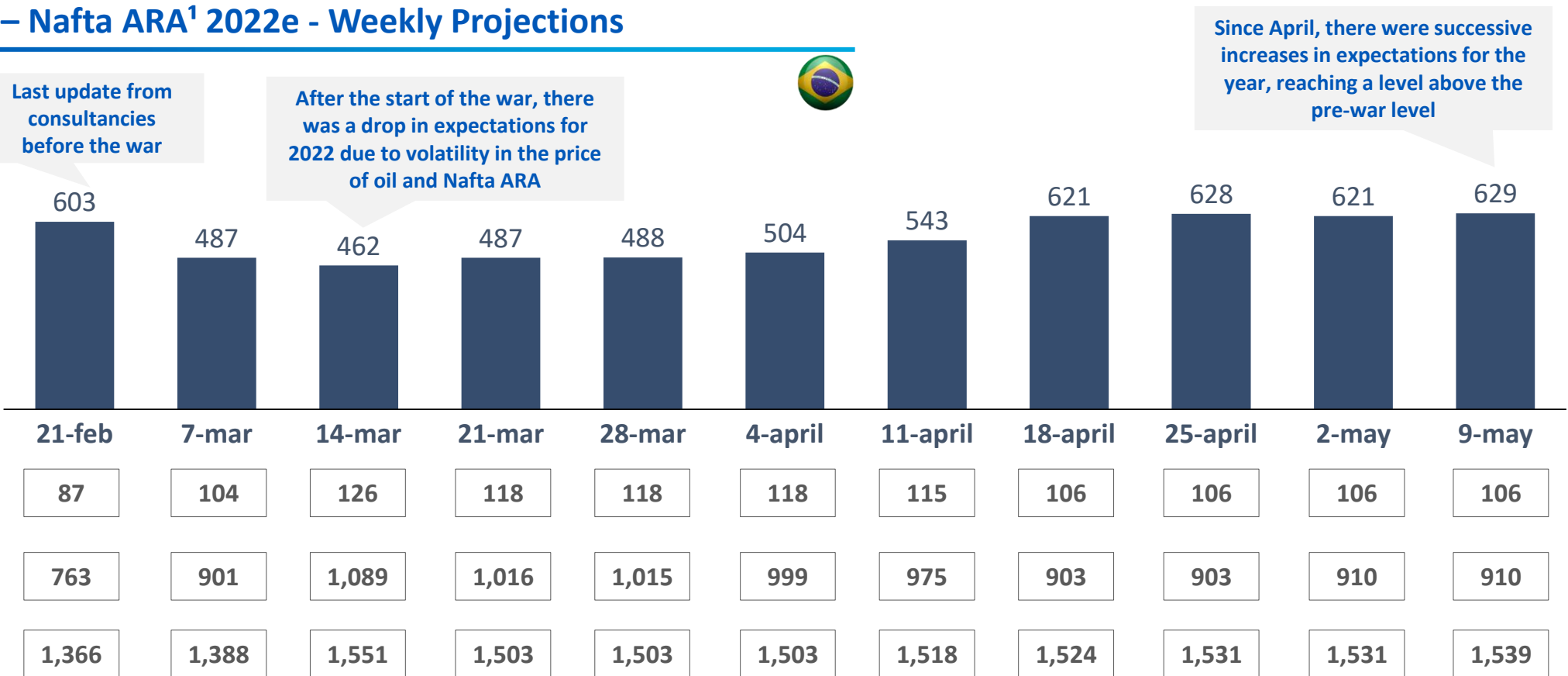
The partnership with Sojitz is aligned with Braskem's following goals: (i) carbon neutrality by 2050; (ii) geographic and industrial diversification; (iii) consolidation of global leadership in biopolymers to meet clients' needs; and (iv) development of sustainable solutions in the Circular Economy

Note (1): Since 2019, Haldor Topsoe has put into production a demonstration unit to validate the main phases of the pioneering technology to transform renewable raw materials such as dextrose or sucrose into bio-MEG

The expectation for PE-Naphtha ARA spreads for 2022 are already at levels above pre-war Russia and Ukraine

Spread US PE – Nafta ARA¹ 2022e - Weekly Projections

(\$/ton)



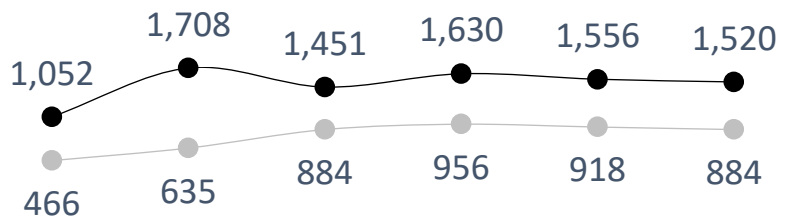
The beginning of 2022 was marked by geopolitical tensions, which brought a lot of volatility to the petrochemical scenario; However, it is important to highlight that, due to the strategy of diversification of raw materials and geographies that Braskem has implemented in the last decade, the Company has become a more resilient company to these market variations

Note (1) External Consultancies.

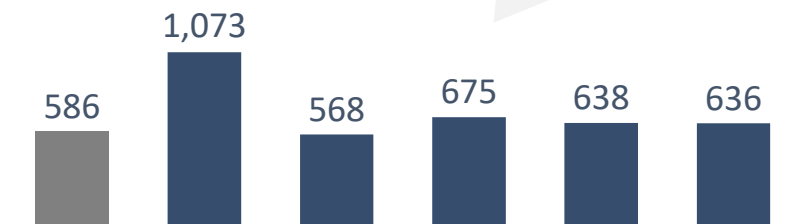
Petrochemical Scenario 2022

US PE – ARA Naphtha Spread¹

(\$/ton)



Level above historical average

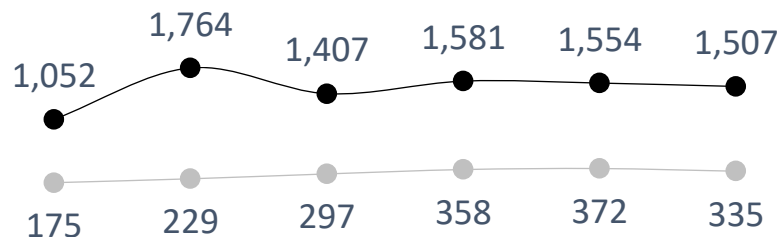


● USG PE - Brazil Mix² ● ARA Naphtha

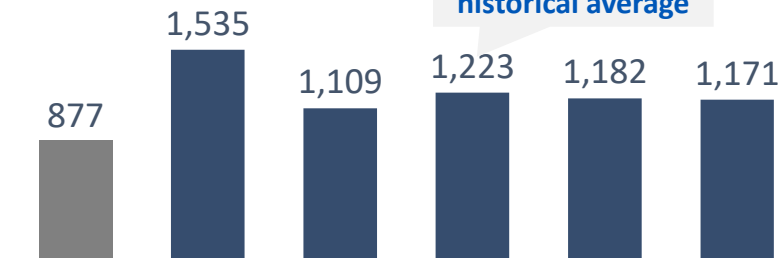
■ Spread

US PE – US Ethane Spread¹

(\$/ton)



Level above historical average

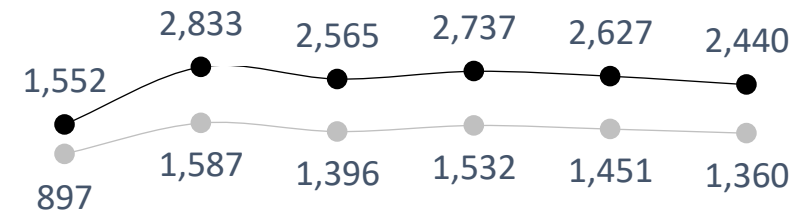


● USG - Mexico PE Mix³ ● USG Ethane

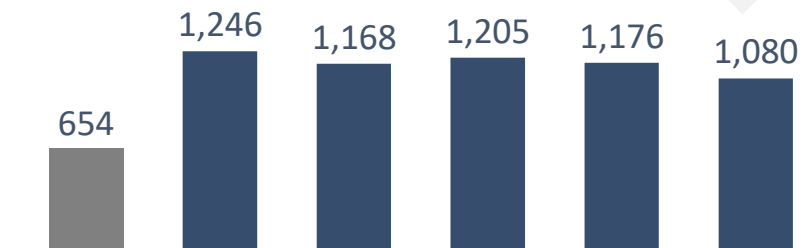
■ Spread

US PP – US Propylene Spread¹

(\$/ton)



Level above upcycle



● US PP ● US Propylene

■ Spread

Based on latest forecasts by external consulting firms, PE (naphtha-based and gas-based) and PP-Propylene spreads in the USA in 2022 should remain above the recent historical average (2016-20)

Note (1) External Consultancies. Note (2): Brazil USG PE Mix = 0.3*US LDPE + 0.3*US LLDPE + 0.4*US HDPE. Note (3): Mexico USG PE Mix = 0.286*US LDPE + 0.714*US HDPE.

Braskem Outlook | 2Q22 vs. 1Q22



Brazil



United States



Europe



Mexico

Utilization Rate¹

Expectation of lower ethylene production due to scheduled maintenance shutdown at petrochemical complex in RS in 2T22

Expectation of lower PP production due to scheduled maintenance shutdown in the region

PP production expected to remain stable in relation to previous quarter

Expectation of higher production due to higher feedstock imports from United States (Fast Track)

Sales Volume¹

Expectation of higher resin sales volume, mainly due to better demand in Brazil

PP sales expected to remain stable, despite lower production in the quarter

PP sales expected to remain stable, due to availability of a similar product

PE sales expected to remain stable, despite higher production in the quarter

Petrochemical Spreads²

Better spreads for PE and lower spreads for PP and PVC. PE and PVC spreads should remain at levels above recent historical average (2016-20)

US PP-Propylene spreads should remain at levels above the recent historical average (2016-20)

Lower PP-Propylene in Europe due to impacts from the war on feedstock prices in the region

Higher PE-Ethane spreads, remaining at levels above recent historical average (2016-20)

Increase

Stable

Decrease

Note (1): Braskem Outlook. Note (2): Forecasts of External Consultancies.

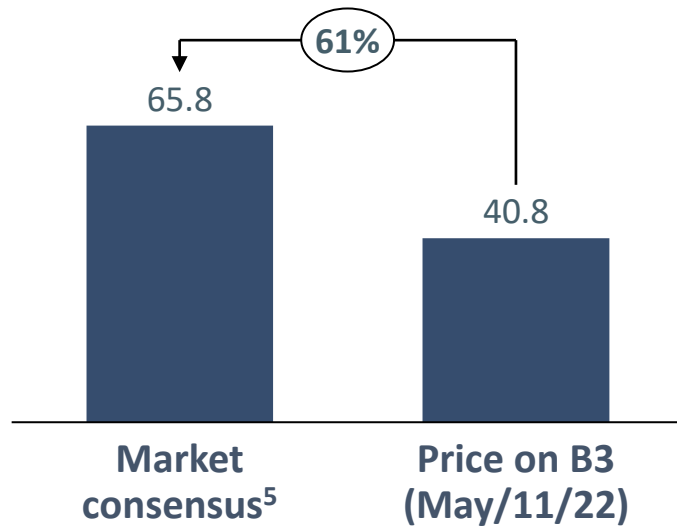
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Braskem

Braskem remains an interesting investment opportunity in the global petrochemical industry

Consensus vs. Actual Price on B3

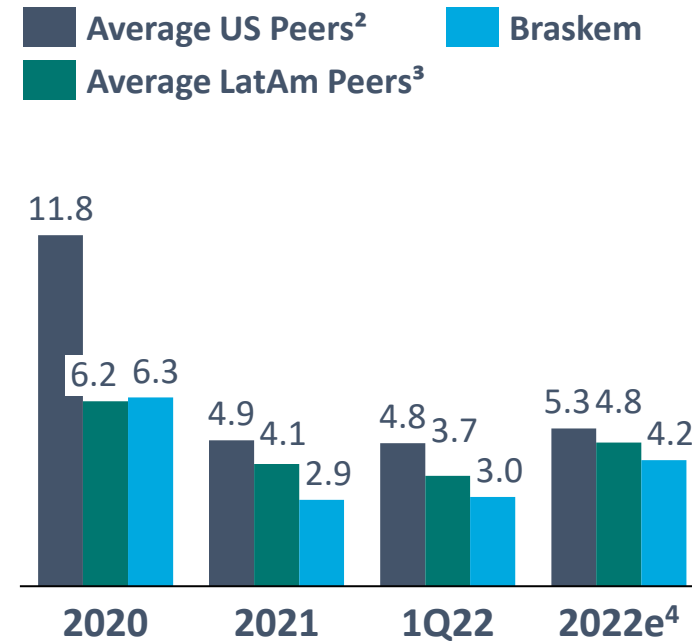
(BRKM5)



Market consensus points to target price of R\$65.8/share, 61% above current level

Valuation by Multiple

(EV/Recurring EBITDA LTM¹)



A lower multiple could indicate that a stock is an interesting investment opportunity

Why invest in Braskem?

- **Global company:** with industrial units in Brazil, United States, Mexico and Germany and a global sales network with offices in the Americas, Europe and Asia
- **Leader in the markets where we operate:** World's 6th largest thermoplastic resin producer, Americas' leading thermoplastic resin producer and largest producer of PP in USA and PE in Mexico
- **Concrete contributions to sustainable development:** Leading company in biopolymers and committed to Carbon Neutral Circular Economy and ESG principles
- **Robust financial strategy:** Strong liquidity position, with most liabilities maturing in long term and consistent operating cash generation
- **Risk Management as part of corporate strategy:** Strategy to diversify feedstock and geographic profile to increase profitability and mitigate risks, while creating a natural hedge against local currency depreciation

Source: Braskem and Bloomberg Terminal. Note (1): Last 12 months. Note (2): LyondellBasell, Dow and Westlake. Note (3): Alpek and Orbia. Note (4): Considers Bloomberg Terminal's estimated market multiple. Note (5): Based on target prices of following institutions: Bradesco BBI, Scotiabank, Santander, HSBC, Banco do Brasil, Citi, BTG, Alembic, JP Morgan, Suno Research, Safra, Bank of America and UBS.

Our main goals for 2022

Strategic Pillars

 **Productivity and Competitiveness**



 **Sustainability**




 **Diversification**



 **People, Governance and Reputation**



 **Capital Allocation**



Goals for 2022:

- Capture value through initiatives related to **Transform for Value program**, reaching recurring gains of US\$302 million/year¹

- Intensify actions in **recycling**, expand **renewables** and **reduce carbon footprint**

- Start construction of **Ethane Import Terminal in Mexico** and define potential partner
- Advance in feasibility studies for investing with SCG Chemicals in a **new green ethylene plant in Thailand**

- Make progress on all action fronts related to **geological event in Alagoas**
- Make progress on studies for potential migration to **Novo Mercado** segment

- Return value to shareholders via **dividend distributions**
- Maintain **investment grade rating**

Safe operations are and always will be a focus of Braskem's operations, as a **PERMANENT AND NONNEGOTIABLE VALUE**

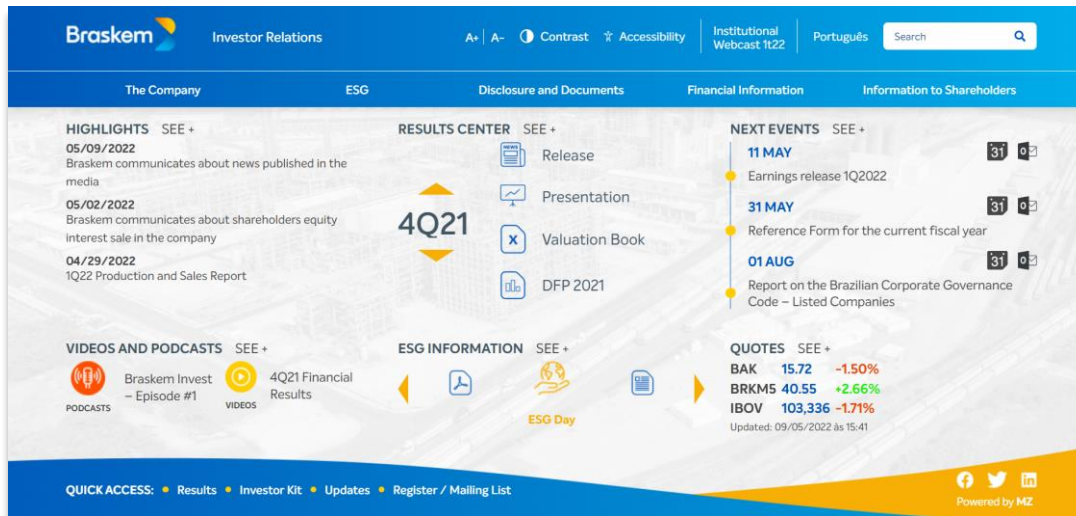
Source: Braskem: Note (1): Includes only initiatives in stage 4 (Run-rate), when the measurement of gains may vary according to the progress of actions, and stage 5 (Concluded), after stabilization and/or internal audit.

Lastly, we created new communication channels: New Investor Relations website and Podcast

NEW IR WEBSITE

The **new website** was created to share clearly, reliably and practically important information such as financial indicators, ESG actions and presentations, as well as Braskem's other performance highlights

Go to: <https://www.braskem-ri.com.br/>



BRASKEM INVEST

We also created **Braskem Invest**, a podcast about investments to cover our actions related to strategic pillars and offer analyses and visions on the company and financial markets

Go to:



EARNINGS CONFERENCE CALL 1Q22

MAY 12, 2022

Investor Relations

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