



**International Conference Call**  
**4Q24 Earnings Results Transcription**  
**Braskem S/A (BRKM5 BZ)**  
**February 27<sup>th</sup>, 2025**

**Operator:** Good morning, everyone and thank you for waiting. Welcome to BRASKEM'S 4th quarter of 2024 and year of 2024 results conference call. With us here today we have Mr. Roberto Ramos – Braskem's CEO, Mr. Felipe Jens – Braskem's CFO and Mrs. Rosana Avolio – Investor Relations, Strategic Planning and Corporate Market Intelligence Director.

We inform you that this event is being recorded. The presentation will be held in Portuguese, with simultaneous translation into English. All participants can choose which language to listen to and see the presentation, using the “show captions” and “view options” buttons, respectively. After BRASKEM remarks, there will be a question and answer session. At that time further instructions will be given.

Informamos que este evento está sendo gravado. A apresentação será realizada em português, com tradução simultânea para o inglês. Todos os participantes podem escolher qual idioma ouvir e ver a apresentação, através dos botões “Interpretação” e “Opções de visualização”, respectivamente.

The audio of this event will be available on the Investor Relations website after it ends. We remind you that participants will be able to register questions for BRASKEM, which will be answered after the end of the conference, by the IR department.

Before proceeding, we would like to clarify that any statements that may be made during this conference call, regarding BRASKEM's business prospects, projections, operational and financial goals, constitute beliefs and assumptions of the Company's Management, as well as information currently available to BRASKEM. Future considerations are not a guarantee of performance and involve risks, uncertainties and assumptions, as they refer to future events and, therefore, depend on circumstances that may or may not occur.

Investors and analysts should understand that general conditions, industry conditions and other operational factors may affect BRASKEM's future results, and may lead to results that differ materially from those expressed in such future conditions.

Now, I'll turn the conference over to Rosana Avolio – Investor Relations, Strategic Planning and Corporate Market Intelligence Director. Mrs. Avolio, you may begin your presentation.

**Rosana Avolio:** Good morning, ladies and gentlemen. Thank you all for participating in Braskem's conference call, where we will discuss the results for the fourth quarter and the year 2024.

According to the agenda on slide number 3, we will begin with the company's main financial highlights for the period, which can be found on slide number 4.

In the fourth quarter of 2024, the main spreads on the international market fell in relation to the previous quarter, especially the reduction in the spreads for pe and main chemicals, impacting on the company's results, which at the end of the period had a consolidated recurring EBITDA of US\$102 MM, with operating cash generation of US\$204 MM and recurring cash generation of US\$45 MM.

During the year, the global geopolitical scenario, mainly associated with the conflicts in the red sea, had an impact on the level of resin sea freight, resulting in higher spreads, especially for polyethylene. In addition, the higher volume of polyethylene sales in México and the main chemicals in Brazil contributed to consolidated EBITDA for the year of US\$ 1.1 bi, 46% higher than in 2023. As a result, operating cash generation was approximately US\$ 788 MM in the period, while in the year we had cash consumption of US\$ 91 MM.

With regard to indebtedness, the company's profile remained very long, with an average term of around 9 years, and with more than 68% of corporate debt maturing after 2030.

In addition, Braskem's cash position ended 2024 at US\$ 2.4 billion, sufficient to cover debt maturities over the next 47 months, without considering the available international revolving credit line of US\$ 1 billion maturing in december 2026.

Due to the better recurring EBITDA, the company's leverage was approximately 7.42x, a reduction of 0.7x compared to the previous quarter.

Moving on to the next slide, i'll comment on the company's main operating results for the quarter.

In 2024, the average global accident frequency rate was 0.91 events per million hours worked, a reduction of 16% compared to 2023, demonstrating the company's non-negotiable commitment to the safety of its members and its operations.

In line with the strategy of optimizing and transforming the company's assets, capex disbursed during the year was 40% lower than the average of the last five years.

With regard to operating performance, the company's utilization rates were higher in 2024 in Brazil, mainly due to the normalization of operations after the scheduled maintenance shutdown at the feedstock petrochemical plant in Bahia in the fourth quarter of 2023 (4Q23), and in México, given the higher supply of feedstock in the year. It's worth noting that México ended 2024 (two thousand and twenty-four) with the highest production volume in the segment since 2017.

In the United States and Europe segment, the lower production in the year is explained by scheduled and unscheduled maintenance shutdowns at the polypropylene plants in both regions.

Lastly, the higher utilization rates in the Brazil and México segments contributed to the higher sales volume achieved in the year, with an increase in the sales volume of main chemicals in the Brazilian market, and of total green polyethylene, registering an all-time



annual sales record for the bio-based resin. In México, better operating performance contributed to a 5% (five percent) increase in sales volume in 2024.

Moving on to the next slide.

In the next few slides i will present the performance of the company's segments, starting with the Brazil segment.

With regard to operating performance in the fourth quarter, the average utilization rate of the petrochemical plants was lower compared to the third quarter in 3 p.p, mainly due to the following factors: By adapting production to the seasonality of the period; Due to operational instability in Rio Grande do Sul and maintenance shutdowns at the company's PVC plant in Bahia; and In addition to the shutdown of a Brazilian supplier, which impacted the availability of feedstock for the Rio de Janeiro operation.

When comparing 2024 with 2023, the utilization rate remained at the same level.

Sales volume in the Brazilian market was lower in the quarter by 7%, impacted by lower demand in the period, while year-on-year sales remained in line.

Regarding the result for the year, the recurring EBITDA for this segment was US\$889 million, an increase of 101% over the previous year. The result was positively impacted by (i) the higher sales volume of main chemicals in the Brazilian market, (ii) the higher spreads in the international resins and main chemicals market, and (iii) the depreciation of the average real in the period against the dollar, since the segment's revenues are linked to international references in dollars, while part of its cost structure is in reais.

Moving on to the next slide.

As for green ethylene operations, operational instability at the Rio Grande do Sul petrochemical plant had an impact on the utilization rate, which ended the quarter at 77%, 18 p.p. lower than in the third quarter. In the year, the average utilization rate was higher by 7 p.p., mainly due to the normalization of ethanol supply, which had been impacted at the end of 2023 by weather conditions in the region.

In contrast to the volume produced, sales of green polyethylene increased by 24% in the quarter, mainly due to higher demand in Europe and asia. In this sense, annual sales of resins from renewable sources increased by 23%, reaching an all-time record in terms of volume sold, with around 191 kt sold in the year.

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In the United States and Europe segment, the utilization rate in the last quarter was 9 p.p. lower than in 3Q24, mainly due to the scheduled shutdowns in the European plants and the adjustment of production in the United States in the face of seasonality.

Due to lower demand in the quarter, the volume of pp sold was 10% lower than in the previous quarter. Following the same rationale, accumulated sales for the year were also lower compared to 2023 by 7%.

In this scenario, the segment's recurring EBITDA in 2024 was US\$ 177 million, 34% lower than in 2023.

Moving on to the next slide, where we'll talk about the México segment.

Operations in the segment were better both in the quarter and in the year 2024, compared to the respective previous periods. The greater supply of feedstock was the main factor behind the higher utilization rate, which ended the year at 78%, recording the highest annual volume produced since 2017. In line with the higher utilization, polyethylene sales recorded an increase of 5% in the year, but in the quarter, the 6% reduction is mainly explained by the seasonality of the period and the process of restocking in the chain.

As a result, mainly (i) of the increase in the volume of pe sales, due to export opportunities; and (ii) of the 17% increase in the polyethylene spread on the international market given the lower price of ethane, recurring EBITDA for the year was US\$ 208 million, 106% higher than the result for 2023.

Moving on to the next slide, we will begin the discussion on the company's consolidated financial performance.

With regard to the company's consolidated EBITDA, the result for the year was 46% higher than in 2023, as a result of higher spreads in the international market, especially in polyethylene in Brazil and México, and in the main chemicals in Brazil.

In addition, the higher volume of sales in Brazil, in main chemicals, and in México, in polyethylene, contributed to the result. In addition, the actions implemented with a focus on the company's financial preservation had a positive impact on the result, including the commercial strategy of prioritizing and optimizing sales and the reduction of around US\$82 million in general and administrative expenses in the company's reportable segments.

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In 2024, the company had an operating cash generation of approximately R\$4.1 billion, mainly due to the 54% increase in consolidated recurring EBITDA in reais; the 31% reduction in operating capex, with no impact on the reliability and safety of operations, and; the lower disbursement on strategic investments, through the strong prioritization of investments made in the year.

Recurring cash consumption of R\$499 million was mainly impacted by the increase in interest payments related to the issuance of debt securities on the international market; and by the variation in working capital.

Considering Alagoas' disbursements, which were 4% lower in the year, the company had a cash consumption of around R\$3 billion.

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At the end of 2024 (two thousand and twenty-four), Braskem ex-Braskem idesa's net debt stood at US\$ 6.3 billion, maintaining an elongated profile, with an average term of around 9 years (nine years), with 68% of the debts concentrated as of 2030.

The company's liquidity level is sufficient to cover its obligations for the next 47 months.

Corporate leverage ended the year at 7.42x, a 0.7x reduction compared to the previous year.

It is worth noting that, in line with the strategy of maintaining financial health, Braskem issued debt securities in the amount of US\$850 million in october 2024, maturing in 2034. In addition, the company partially repurchased its hybrid bond maturing in 2081, using US\$ 369 million of the funds obtained from the aforementioned issue.

Lastly, the company maintained its bb+ rating in the credit risk assessment of the fitch and S&P rating agencies.

Moving on to slide 14, i will comment on the main updates from Alagoas during the period.

On the salt cavity closure front, a new recommendation from the technical consultancy hired by the company considers that once the current filling plan has been completed, it is recommended to fill the cavities that are currently pressurized. To this end, the company increased its provision by R\$1.3 billion, of which R\$1.2 billion was earmarked for measures to fill in the eleven salt cavities that are currently part of the tamponing and pressurization group with solid material.

In this way, provision is made for actions to ensure that the 35 cavities reach a maintenance-free state in the long term. These actions for definitive closure, in case they be necessary, are scheduled to begin in 2027, with execution over several years or even decades.

Therefore, for this front, R\$ 5.6 billion have been provisioned so far, with R\$ 3.1 billion already disbursed and R\$ 2.6 billion in balance at the end of 2024.

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At the end of 2024, the total provision for the Alagoas event was around R\$17.7 billion, of which around R\$12 billion had already been disbursed and approximately R\$750 million had been recorded in other obligations payable.

In addition, around R\$ 600 MM was recorded as a realization of the adjustment to present value. As a result, the total provisioned balance at the end of the fourth quarter of 2024 was R\$5.6 billion.

Moving on to the next slide, i will comment on the progress made in 2024 in the company's strategy within the priorities agreed for the year 2024.

During 2024, important progress was made on the agreed priorities.

In Maceió, updating the provision in order to include the actions, if necessary, that ensure that the 35 cavities reach a maintenance-free state in the long term, represented an important stage in the cavity closure plan. Additionally, in the financial compensation and relocation support program, around 99.9% of the proposals were submitted. In this way, the case of Maceió is moving forward on all fronts, and the company remains focused on completing the commitments it has made.

As for the optimization of its assets, Braskem constantly evaluates value levers for its assets, as was the case in the process of selling control of cetrel. In addition, in 2024 actions were taken to optimize costs and the reliability of its feedstock, such as an increasing presence in the maritime sector.

With regard to financial resilience actions, a positive impact of around US\$196 million in EBITDA and around US\$470 million in cash generation was achieved during the year. The initiatives were divided into 5 fronts of action that relied on the constant engagement of various teams, such as commercial, tax, treasury, among all the members who individually collaborated to optimize the company's costs.

With regard to the competitiveness agenda for Brazilian industry, the approval of the increase in the import tax rate in Brazil and the announcement of *reiq investimentos*, which provides incentives for projects to increase capacity in industry, represented a considerable step forward in the defense of Brazilian competitiveness.

In terms of investment strategy, the company has considerably prioritized its investments, focusing on value agendas for bio-based growth avenues, such as the inauguration of the new renewables laboratory in the United States, and the hiring of Toyo Engineering to continue advancing the project for Braskem Siam's new green ethylene capacity in Thailand.

Finally, in México, construction of the ethane terminal is nearing completion, and at the end of december 2024 physical progress had reached 94%.

This concludes the overview of the results for 2024 and, starting with the next slide, we will present the outlook for the coming year, beginning with expectations regarding the company's operating scenario and the petrochemical scenario.

In terms of operations, all of the company's segments are expected to show higher utilization rates in the first quarter of 2025, either due to the absence of planned operational events, the adjustment to the higher expected sales volume or the stable supply of feedstock. In Brazil, the growth in resin sales will be supported by increased demand from the consumer goods and retail sectors, which are resuming stock building after the end of the year. The other segments are preparing for an increase in demand due to the seasonal nature of the period.

As for the scenario of international spreads, the first quarter and the year 2025 will continue to be challenged by the prolonged downward cycle due to the entry of new capacity that oversupplies the market. In the quarter, the expectation of higher pe prices,

due to higher demand at the start of the year, coupled with the still low level of ethane, favored the spreads of base gas operations in México and Brazil. On the other hand, the pp market continues to be challenged by the current level of propylene prices due to the maintenance season at PDHs, units that produce propylene on purpose, in the United States and Europe.

Finally, the year 2025 (two thousand and twenty-five), according to external consultants, tends to show spreads in line with 2024. The expectation of an improvement in global demand, influenced by possible resolutions to geopolitical conflicts, could partially reverse this scenario, in addition to an increase in the rationalization of less competitive capacities, which could lead to an improvement in global utilization rates and, consequently, spreads.

Moving on to the next slide.

Lastly, I'll comment on the company's strategic direction for the coming years.

With regard to the company's strategic direction for the coming years, Braskem will focus on 3 main pillars of action, namely our foundation, resilience, financial health, and defense of the Brazilian chemical industry and our transformation.

Regarding the foundation, safety, people and culture and governance actions will continue to be structural parts of the company's strategy, and excellence in performance and process simplification will be continuously demanded and recognized.

On the resilience and financial health front, the focus will be on tactical initiatives to mitigate the impact of the petrochemical downturn.

In this sense, the balance between prioritizing expenses and strategic initiatives, optimizing sales and raw materials, and promoting institutional initiatives and defending the Brazilian chemical industry, will be essential for the company to continue to face the challenges of the prolonged downturn.

In addition, we are reassessing and prioritizing our assets and investments, both operational and strategic, in order to optimize capital allocation and cash generation. We will implement actions to sustain the current business and focus on building the Braskem of the future.

We will maximize the use of gas as a feedstock in our operations, allowing for greater efficiency and competitiveness.

Finally, we will seek to accelerate the growth of the green business, leveraging Braskem's competitive advantages of market knowledge, access to feedstock, technology and leadership by moving forward with the execution of the potential investment in Thailand and the development of the product portfolio.

These actions are essential for the perpetuity of the business and fundamental for the recovery of the Brazilian chemical and petrochemical industry.



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In line with the strategy of transforming the business by increasing the use of ethane in its feedstock matrix in order to make the Brazilian chemical industry more competitive, we announced that the board of directors has approved the start of the project to increase the capacity of its petrochemical plant in Rio de Janeiro by 220,000 tons of ethylene per year, and equivalent volumes of polyethylene, authorizing the contracting of conceptual and basic engineering studies for an amount of approximately 233 million reais.

To make the project viable, the company will sign a long-term ethane supply contract with petrobras and will seek to use the resources provided for under the special regime for the chemical industry ("reiq investimentos"), which provides for a presumed credit of 1.5% of PIS/COFINS for investments in expanding the installed capacity of the Brazilian chemical industry.

Moving on to the final slide.

Closing the presentation, the company's priorities for 2025 will have 4 main focuses: moving forward with the implementation of asset transformation initiatives; implementing contingency initiatives for the petrochemical cycle, with a focus on financial preservation and cash generation; fostering the competitiveness agenda of the Brazilian chemical industry, seeking measures that guarantee competitive equality and continuing to fulfill the commitments established in the agreements signed in Maceió. Our priority is always to act safely to preserve the health of our members and communities, which is a non-negotiable value for the company.

Finally, we conclude the presentation of Braskem's results for the fourth quarter and the year 2024 (two thousand and twenty-four).

Thank you very much for your attention, we will now begin the question-and-answer session.

### **Question-and-Answer Session**

**Operator:** Ladies and gentlemen, we will now begin the Question-and-Answer session. If you have a question, please click the raise hand button, or submit it via the Q&A window. To remove the question from the queue, please click the lower hand button, or signal in the Q&A window.

Our first/next question comes from Nicolas Barros with Bank of America.

**Nicolas Barros, with Bank of America:** Good morning, everyone. Can you hear me?

**Rosana Avolio:** Yes.

**Nicolas Barros:** All right. Good morning. I have two questions. It's been roughly four months since we started implementing the higher import taxes. So how do you see the



competitive scenario with respect to imports? You really emphasized that the strategy would be to retake market share and margins. So I'd like to confirm whether from your point of view in terms of market share and participation you have been able to recover that.

And secondly, what about capacity across the sector as a whole? I think that is the main difference when we talk to you and the expectations for a CMA. I would like to understand what you expect the prices to be in the midterm vis-à-vis the CMA? Could you talk about margins, utilization rates, especially compared to Europe? And what do you forecast to be the results for the numbers for the coming years? Thank you.

**Roberto Ramos:** Rosana, do you want to take this one?

**Rosana Avolio:** Good morning, Nicholas. Good morning, everyone. I'm going to touch upon your point, your question, very briefly. So this balance between market share and the price policy that can ensure the quality of the Brazilian chemical industry, which is something very important for the Company.

After we say this increase from 2.6 to 20% for the resin produced by the Company, there was an exchange rate that depreciated. I would like to remind you that the revenues are linked to the dollar and the structure in Brazil is associated with real. So this exchange rate helps us. We always look at the profitability and the cash flow.

Yes, Nicolas, we saw an effect that can be a cause of the effects. And we'd like to remind you that demand in the 4Q, not only in Brazil, but across the world, is a demand that has an importance seasonality. So when we see this increase in the tariff, this increase so we have to protect and ensure this balance because we're talking about suppliers that come from different parts of the world with competitive prices. And this is something that is going to materialize in 2025.

When you're talking about the rationalization of the sector, to put into a context, this is something that can improve the spread, in fact. In our presentation for the call of results, we are experiencing a more elongated cycle. So the global market, when you compare to previous periods, we see that the global demand grows less than in the past. And this is something that we saw in the spreads that were under pressure in more elongated periods. And the producers who have more competitive raw materials have a higher competitiveness than other ones such as nafta in China.

In terms of rationalization, I would say that we are considering the global offer, and I would make a balance of the global offer because both for PP and PE in the past four years we saw that there is a backlog due to the need for the balance that amounts to nearly 4 billion tons, and this would help balance this in the world.

So external consulting firms consider in the price curve only the capacity that had been confirmed by the producers. I'm going to give you an example. A consultancy which is very renowned and used, they said that polyethylene for 2025 is considering a closure of less than 200 million tons. And when do we define our premises? When we consider

the global market considering all the markets that bring in a very important intelligence to the Company, in fact, we evaluate what are the costs of global producers, and we are aware that the Chinese producer may have a different indicator that's not only economic, and this is what we believe.

And we believe that there is a difference of nearly 30% because we consider to have a hypothetical rationalization. And if we look further into the future, as for polyethylene, the external consultant brings a rationalization of 3 million tons. So we believe that it tends to be 8. So that rectified the way of thinking if you consider what's happening at the global petrochemicals, and there is a natural region that we look at that would pose more risks in terms of profitability, which is Europe, considering the energy costs in Europe, and also Asia. China is being treated in a different way based on what I mentioned.

Anyhow, we are going to see a cycle, a low-level cycle with spreads improving its margin. And since we do not control this rationalization across the world, we are going to continue the resiliency strategy and do more with what we have. And with this cash generation, we want to make it stronger, make it more robust in the short term to accelerate our transformation. And this can ensure the perpetuity of our business. Okay, Rosana, thank you very much.

**Nicolas Barros:** Okay, Rosana. Thank you very much. And best of luck, Felipe.

**Felipe Jens:** All right, thank you, Nicolas.

**Henrique Peres, with BTG Pactual:** Hi everyone. Good morning. Can you hear me?

**Felipe Jens:** Yes.

**Henrique Peres:** I have two questions. The first is about logistics, optimizations, and the Company fleet. You recently acquired your first vessel, what gains do you see from this new ship that you added to your fleet? And to what extent do you intend to expand? How many vessels do you intend to add to the fleet? And how much would that cost over the coming years?

And the second question is, is there any update in regard to the due diligence processes that the Company had been involved in last year? Anything linked to M&As or shareholder exchanges that you could comment on? Thank you.

**Felipe Jens:** Hi, Henrique. Good morning. Thanks for your questions. I'll start with the second one and I'll pass the first one to Rosana later to discuss the ships and the project that Braskem has with regard to these ships, not just for ethene but also for nafta and others as well. This will improve our competitiveness overall.

With regard to the shareholder process, specifically Novonor, this is a topic that we do not get involved in. We've mentioned this on a number of occasions. This really is an agenda that is handled exclusively, solely by the shareholders. Our role at Braskem is when we are called on, we answer the due diligence for everyone who is an interested party. There are a number of different questions and processes with regard to the due

diligence that were done, especially over the year of 2023 and part of 24. At the time, this was much less intense than the first half of the year.

So that's what we know, we have not received any other requests for answers, relevant requests, and so we are currently focusing on Braskem and its challenges as was very aptly put by Rosana and the transformations that the Company has become engaged in to change its financial status for the next quarter.

Rosana?

**Rosana Avolio:** Yes. Thank you, Felipe. Only to provide you a context in relation to Braskem Trading & Shipping that is based in Europe and Asia. It's located in one of the main port areas in the world, which is in Amsterdam and Antwerp, and it has access, easy access to several suppliers, and this unit has been gaining importance in the value creation of Braskem, we have been reporting at recurring dimensions because this is responsible for the exports of raw materials, and I'm going soon to answer your question.

This is favoring not only Braskem, but as Braskem Idesa. The first vessel that we announced is going to bring a lot of value to the Company. We're talking about a dedicated ethane transport and there's another vessel that is going to be ready the middle of this year that will ensure operational balance of Idesa, and it's very competitive, it's based in an area of polyethylene. So, the restriction has always been the provision of raw materials. We were very successful when we negotiated our contract with Pemex, construction of the terminal that is likely to start its operation in the second half of this year.

So we have the terminal of Braskem Idesa that will provide what we need in terms of ethene and we also understand that this is aligned with the purpose of the Company and the gas base is going to be expanded. The ships are dedicated to Braskem Idesa and in fact they are going to be used between México, and this is operated by Brazil Trading & Shipping in a special system that will bring cost-related benefits to Braskem Idesa. And this is also applicable to Braskem because we are talking about nafta ships today, considering the full load.

So this is what I'm going to consider in the information I'm going to provide. It's been considering 70% of what we need. So this will bring an operating balance and stability. So nafta ships are being built in this format, and the next year they're going to start operation, that will bring an important benefit for us. Of course, considering the current freight, we understand that there are natural volatilities of the freight, as we have seen in the past few years, but I would say that since we are considering different ships, we are going to reach US\$ 50-80 million along the time considering the references that we have of the current market and the public expectations that we have in relation to the market.

**Roberto Ramos:** I'd just like to add, Henrique, that the fact that we own the ships, they were leased technically, so do own them. I mean, we have control over them. Transportation of liquid ethane can only be done on 12 ships around the world. There only exist 12 ethane loading ships around the world. So, we may have the liquid ethane,

maybe the US or Argentina, you have demand for liquid ethane, we clearly have that demand here in Brazil but transporting that ethane by sea will depend necessarily on the existence of ships.

So having a ship of our own reduces that dependency that we have and gives us efficiency to transport that material to our units.

**Henrique Peres:** Perfect. Thank you. Thank you.

**Pedro Gama, with Citi:** First, I'd like to wish Roberto and Felipe a successful journey. I have a pair of questions. First, it's about CAPEX and then it's about operations. Your 2025 CAPEX is very similar to 24's, so I'd like to understand what is included in that, because historically, the Company's maintenance CAPEX is around US\$ 500-600 million a year. I'd like to understand whether you expect that to be maintained for 25, or that will be delayed or postponed.

And next, about your strategic positioning, you mentioned the switch to gas and fly to green. The switch to gas, how do you see that moving forward? And also on the topic of Rosana's answer just now, the terminal should enter operation soon. Considering the current petrochemical market, how much improvement do you expect to see in the Mexican numbers in 2025 and for 2026 with the terminal operating 100% of the time? Thank you.

**Rosana Avolio:** I'm going to answer your question about CAPEX and operations and then I'll turn the floor over to you so that you can talk about the strategic direction. Thank you, Pedro, for the question. So let's separate some information. We announced CAPEX for 2025 considering the capital budget of 484 ex-Braskem Idesa and 400 for maintenance, which is in line with what we had in 2025, US\$ 4 million that we consider to be strategic in a practical definition in Company, which is related to a land in the central of Rio de Janeiro. And the US\$ 80 million are those which have been approved, considering the REIQ investments context that we have recently announced, an event that we had in the south of the country.

So US\$ 80 million in projects for a value creation. In other words, we are going to generate positive cash flow at the end of 2026, beginning of 2027. It is in the CAPEX, but as a reminder, since we are going to use the fiscal credit as a funding for REIQ investment, it does not have an impact on the cash generation. So we come to that amount that had been announced for 2025.

In relation to planned shutdowns, you are right when you say that if we consider a more elongated history of the Company, our maintenance CAPEX stands at 550, rounded number, of course. In fact, the planned shutdown is in the center of Rio de Janeiro, and we have been doing some bid-stop exercises, and we needed to have this optimization. And this optimization of the CAPEX is one of the drivers that we are going to use for the optimization of the cash that we have been announcing to the market.

Of course, this is very important information without putting the safety, which is a non-negotiable value for the Company. This is non-negotiable, and we're going to prioritize this, and we're going to provide some light, and we're going to enhance the values that generate more cash to the Company. So this is the exercise that we have been doing, and we are going to continue doing this.

In relation to Braskem Idesa and your question, yes, as I said before, we have the expectation that the terminal will start up in the beginning of 2025, 2H25, and this is going to be a very significant year for Idesa because we are going to have the first major shut down for maintenance. Of course, a planned shutdown for a petrochemical complex, where it's going to be stopped for about 40 or 45 days, has an impact on the operation, of course. So 2024 was a year of big highlights in terms of production, and in the release of results we mentioned this. Our expectation is that, as you can also see in the presentation, that even with this planned shutdown, we are going to have an increase in the operating rate.

In terms of 2026, the focus is to run at full speed. It's a new asset, new technology, and it's the best operating asset of Braskem because it is ethane-based, 100%. As I mentioned about the dedicated logistics, considering this liquidity that we see in the world, so the total focus of the Company is to run at full speed, and at the proper moment, as I said before, as the terminal would allow for that, we are going to look for expanding the plant to 10 to 15% with low CAPEX.

The Braskem Idesa plant that dates back 15 years ago, was made to accept some level of expansion. So, we have already mentioned the fixed cost, we already have decided what the logistics is going to be, so 2026 we're going to run at full speed, and 2027 we're going to expand to that.

I'm going to pass the floor to Roberto.

**Felipe Jens:** I just want to add, actually, before I pass the mic to Roberto and to mention something you brought up and the Company's transformation, what we called switch to gas and the fly up, these are two of the components of the Company's transformation that begin today with our new cycle with Roberto that is being approved by our Board, and our fight to be competitive, as well as our work with ABIQUIM, so this is essentially the tripod of our transformation journey that begins here at Braskem.

With regard to the switch to gas program and also fly up to green and the new projects that deals US\$ 82 million – I have been earmarked this year as Rosana mentioned – we are working to build resources not just with the REIQ investments, but also with regard to making our assets generate cash for the Company and our financing so that we can obtain important financing sources such as development lines to expand our Brazilian capacity such as the BNDES here in Brazil, as well as international sources that understand the importance, especially of green projects and lines in the long term with lower spreads that can be structured through project financing and other mechanisms vis-à-vis how our assets and future cash flow will be allocated.

This an extremely important asset that we are working on now at the start of the year with this journey and these projects and the potential to increase the Company's cash generation potential and our transformation will make us less susceptible and less volatile to supply and demand, and as a result prices and spreads of fossil components. Remember that green has proven and continues to prove to be strongly disconnected from these fluctuations.

So this is part of the strategy of the journey that begins now. Roberto, please.

**Roberto Ramos:** Absolutely. I think you both have already said enough. But just to add, our primary priority in our switch to gas is recognizing that nafta, which was the petrochemical input, our excellence, has been involved in the creation of the two Brazilian petrochemical sources, Copene and Copesul by cracking nafta and generating not just ethylene and polypropylene for polymerization, a number of other processes, the aromatics, benzene, toluene, natural gas, and others that, in turn, were processed or industrialized by other downstream industries.

So what happened was that nafta, which was responsible for 75% of all polymers and plastics produced in the world, lost space, especially for ethane. After the increase in the scale of exploration of the shale gas reserves in the US, as well as the gas reserves in the Middle East, especially in Qatar. This provided an alternative input, ethane, which after being cracked, cannot produce all the products that nafta can, but which is much more competitive. One ton of ethane costs US\$ 200 per ton, and nafta costs US\$ 650 a ton.

So if you process ethane, you have a competitive advantage, which is something like 70% of production costs and nafta producers cannot make up for that with the revenue of what they call the co-products, the aromatics, benzene, ethene and others. So today, if your industry is based on nafta, unless you're in China – China has a logic all its own, not necessarily the same as ours, their valuation manuals are different from ours –, but if you have a nafta-based center, you need to try to reduce your nafta content and try to start processing gas as well in as much as your equipment allows it.

We are doing that in our plant in Bahia. We're doing that in some of the ovens using hybrid, such as 90-10%, and our goal is to increase that to have 20% ethane and 80% nafta, thereby consequently gaining lots of competitiveness derived there from. In addition, some of our ovens in the South can also crack propane, which is the case of the Rio de Janeiro one. They can crack a mixture of ethane and propane. But in the south, some others can process propane as well, and we are searching for alternatives to buy propane in the south and use in our furnaces there in the south.

But there's a lot of competitive advantage there. It's less obvious and less evident when you process ethane, but it allows you to expand the percentage of gas that you use in your nafta mix. We, in the future, could increase that maybe up to 40% or even more. So our switch to gas is one step, it's a step forward in our cruise flight, which is to make Braskem a green Company. We are a global leader, we have a comparative advantage



because of Brazilian ethanol compared, for instance, to US-based ethanol and therefore the future of Braskem.

And here I'm talking about the future maybe 10 years from now. We are increasingly going to be a Company where fossil inputs and materials are not as representative, not because they decrease, but because they were gradually replaced in terms of percentage by non-fossil ones.

And what Roberto said also, these are different products, they follow a different market logic. If you buy green polyethylene, you do not also buy fossil polyethylene. They are not the same buyers. And if you do buy it and use it for, let's say, quote-unquote, non-noble purposes, they don't want to buy green polyethylene because they're not willing to pay for that price. So there are two different dynamics. While the first, that is the fossil resins, are subjected to supply and demand, traditional supply and demand, and in this case specifically a very lengthy low cycle, we do not forecast its reversal at least until the end of the decade. On the other hand, green resin follows a different logic there is growing demand and there is only one supply, which is ours.

So that is our future. However to get there we need to de-leverage the Company by generating cash in the fossil field with adaptations to the market and we are going to process gas everywhere we can. And in that progress and that journey, we have some low hanging fruits which are obvious improvements the expansion in Rio de Janeiro, which we announced today, and the expansion in México. These two can add almost 400,000 tons of green ethane and consequently green polyethylene with a comparative advantage compared to the alternative which would be to do the same using nafta.

**Pedro Gama:** All right, that was very clear, thank you.

## FINAL REMARKS

**Operator:** This concludes today's question and answer session. I would like to turn the call over to Mr. Roberto Ramos for his final remarks. You may proceed, sir.

**Roberto Ramos:** Thank you very much. I'd like to thank you all for being here. And I'd like to say that we want to make this channel of communications all that much closer and provide information to the market.

We are going to organize a roadshow in April where we will offer more details as soon as we have the approvals that we need. We want to make it very clear that Braskem has a strategy that, in our opinion, this strategy has been very well defined. It's important to say that this strategy was not conceived of by a consultant; it was conceived of in-house by countless studies that Braskem has carried out over the years with regard to the transformations that needed to be done.

And if there's anything that was missing, it was a little bit of priorities and resolve to put all of these plans into operation. And I think that we have successfully done that. And also a sense of urgency so that we can make the most of the REIQ benefit until that REIQ incentive is replaced by something else.





So we can finance many of our investments, and all of them are transformational through funding created by REIQ, and so we cannot waste time, and we are going to implement all of these projects in a fast track regime where we strive to implement tasks in an overlapping manner such as basic engineering, detailed engineering, supply engineering, construction, and all of these are going to overlap by approximately one-third, thereby reducing the implementation time from these investments, which would normally be three to four years, we'll reduce it down to two to three years, and thereby improve our results and create a much clearer and more solid future for the Company.

So thank you all once again. We are always available. We always love to listen to you. We'll be with you in our next earnings call in April. Thanks a lot. Take care!

**Operator:** That concludes Braskem's video conference for today. Thank you for your participation and have a good day everyone.