



**International Conference Call
1Q25 Earnings Results Transcription
Braskem S/A (BRKM5 BZ)
May 12th, 2025**

Operator: Good morning everyone and thank you for waiting. Welcome to BRASKEM'S 1st quarter of 2025 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.

Agora, informarei essas mesmas instruções em português.

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. We would like to thank you all for participating in Braskem's earnings conference call for the first quarter of 2025.

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



In the first quarter of 2025, the operations of Braskem's petrochemical plants presented a better performance than in the last quarter of 2024. All segments showed a higher utilization rate in the period while the high level of operational safety was maintained, resulting in an average global accident frequency rate of 0.92 events per million hours worked, in line with the best market references.

In parallel, the Company presented a consolidated recurring EBITDA of US\$ 224 MM, 121% higher compared to 4Q24, in addition, the net profit attributable to shareholders was US\$ 113 MM. Contributing to this result were the greater spreads of PE and chemicals in the international market, and the greater sales of chemicals in the foreign market and of PP in the United States & Europe segment.

Regarding debt, the Company's profile remained quite elongated, with an average term of around 9 years, and with more than 68% of corporate debt maturing from 2030.

In addition, Braskem's cash position ended the first quarter of 2025 at US\$2.0 billion, sufficient to cover debt maturities over the next 33 months, without considering the available international revolving credit line of US\$1 billion maturing in December 2026.

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

The petrochemical plants in the Brazil segment showed an increased average utilization rate compared to the fourth quarter of 2024 by 4 p.p., with emphasis on the inventory management carried out at the gas-based plant in Rio de Janeiro, in anticipation of the scheduled shutdown of this plant due to take place in 3Q25.

In terms of sales, the volume sold on the domestic market remained in line with the previous quarter, impacted by increased PE and PP sales, offset by decreased PVC sales.

Regarding the quarter's results, the segment's recurring EBITDA was US\$199 million, an increase of 76% in the previous quarter. The result was mainly positively impacted, (i) by the segment's increased contribution margin, mainly due to the higher spreads of PE and main chemicals on the international market; and (ii) by reducing fixed costs and other expenses in the period.

Moving on to the next slide.

In the first quarter of 2025, green ethylene operations increased when compared to the last quarter of 2024, resulting in an increase of 10 p.p. in the plant's utilization rate. The normalization of operations after the unscheduled shutdown of the Rio Grande do Sul plant in the previous quarter contributed to this result. On the other hand, Green PE sales were impacted by decreased demand due to the Chinese New Year.



In addition to operational performance, two important milestones were celebrated in the company's renewables segment. Firstly, the green ethylene capacity in Triunfo (Rio Grande do Sul) was revised to 270 thousand tons a year, since industrial tests proved the production of 15 thousand tons a year more than forecast in the expansion project completed in 2023.

In addition, we celebrated 15 years of the I'm green bio-based portfolio, which includes a variety of solutions produced from a renewable source, sugar cane, which has the property of capturing CO₂ from the atmosphere. These solutions play a significant role in facilitating our customers' sustainability journey, without the need to invest in new technologies.

These achievements reinforce our leadership position in biopolymers, in line with our sustainability strategy and Goals.

Moving on to the next slide.

The performance of the United States and Europe segment was better than in 4Q24. With regard to the utilization rate, the increase of 13 p.p. was the result of the normalization of the plants in Europe after maintenance shutdowns in the previous quarter and the adjustment of production in the United States to meet higher demand.

In this sense, the volume of PP sold was 11% higher than in the previous quarter.

In this scenario, the segment's recurring EBITDA was US\$20 million, mainly as a result of the increased sales volume and the revenue obtained from the sale of logistics wagons in the United States.

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

Regarding its operation, the increased supply of ethane, mainly through the Fast Track solution, resulted in an increase in the utilization rate of 2.p.p. in the quarter. On the other hand, inventory management in anticipation of the general maintenance shutdown of the petrochemical complex that will occur in 2Q25, contributed to the volume of polyethylene sold being 5% lower.

Despite the decreased sales volume, the higher spread of ethane-based Polyethylene and lower fixed costs and expenses, positively impacted the segment, ending the quarter with a recurring EBITDA of US\$37 million, 6% higher than the result of 4Q24.

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With great celebration, Braskem Idesa inaugurated the ethane import terminal in Mexico last week, through the subsidiary Terminal Químico Puerto México, a joint venture between Braskem Idesa and Advario. The Terminal has the capacity to receive and store 54 thousand tons and transport 80 thousand barrels of ethane per day, guaranteeing the necessary feedstock and Braskem's full operational capacity in the region.



In line with this Goal, Braskem, through its subsidiary Braskem Trading & Shipping (BT&S), has two ethane transportation vessels dedicated to operations in Mexico, contributing to a reduction in logistical costs, lower CO₂ emissions, around 40% less than the industry average, and a full supply of Feedstock.

The terminal also supports Braskem Idesa in its long-term growth strategy, ensuring a diversified supply of feedstock to enable future expansions of up to 25% percent of current capacity.

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Moving on to the next chapter, where I will discuss the Company's consolidated results.

Regarding the Company's consolidated EBITDA, the quarter's result was 121% higher than that of 4Q24, with an improvement in the margin of 4 percentage points. As mentioned previously, the higher polyethylene and chemical spreads on the international market, as a result of the lower supply of resin in the American market and the volatility in feedstock costs, a reflection of geopolitical uncertainties, had a positive impact on EBITDA.

The increased volume of sales in Brazil, in exports of main chemicals, and in the United States and Europe, in PP, contributed to the result. In addition, the actions implemented with a focus on the Company's financial preservation had a positive impact on the quarter and will be detailed in the last chapter of the presentation.

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At the end of the first quarter of 2025, the Company had an operating cash consumption of approximately R\$936 million reais, explained mainly by the negative variation in working capital, due mainly to the management of Feedstock and finished product inventories as a result of scheduled shutdowns in the period.

Recurring cash consumption of R\$2.4 billion was mainly impacted by the half-yearly interest payments on the company's debt securities, which are concentrated in the 1st and 3rd quarters of the year.

Considering Alagoas' disbursements, which were 65% lower than the previous quarter, the company had a cash consumption of around R\$2.7 billion billion reais.

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Braskem ended the first quarter of the year maintaining an elongated profile of its ex-Braskem Idesa corporate debt, with an average term of around 9 years, and 68% of the debt concentrated as of 2030. The company continually analyzes the market in search of the most competitive opportunities for maintaining its debt profile

Considering the Company's level of liquidity, the available cash of US\$2 billion is sufficient to cover its obligations for the next 33 months, without taking into account the international credit line available in the amount of US\$1 billion.



In conclusion, corporate leverage stood at 7.92x at the end of the first quarter of 2025.

Moving on to slide 15, I will comment on the main updates from Alagoas during the period.

By the end of March 2025, all the work fronts in Maceió had progressed according to plan.

On the Relocation and Compensation front, the percentage of execution of the residents' relocation program reached 99.9%, considering that the entire risk area defined by civil defense in 2020 was cleared.

Regarding the proposals related to the financial compensation and relocation support program, more than 99.9% of the estimated proposals have already been submitted, of which around 99.5% have already been accepted and around 99.2% have already been paid.

On the salt cavity closure and monitoring front, as announced in 2024, provision has been made for actions, if necessary, to ensure that the 35 cavities reach a maintenance-free state in the long term, suitable for the definitive closure of the field. These actions for definitive closure, should they be necessary, are scheduled to begin in 2027, with execution over several years or even decades.

Of the 35 cavities, 18 will be filled primarily with solid material, 6 of which have already been completed. In addition, 11 cavities that remain in the salt layer and are suitable for pressurization are in the group of recommendations for long-term filling with solid material considered by the company following a technical note issued by a specialist consultancy. The other 6 cavities were filled naturally, with 5 already confirmed and 1 in the process of being confirmed.

In relation to the financial provision, the total provision for the Alagoas event was around R\$17.6 billion, of which around R\$12.8 billion have already been disbursed and approximately R\$431 million have been recorded in other obligations payable.

In addition, around R\$637 MM was recorded as a realization of the adjustment to present value. As a result, the total provisioned balance at the end of the first quarter of 2025 (two thousand and twenty-five) was R\$5.1 billion, 9% lower than the balance at the end of 4Q24.

Following our agenda, onto slide 16.

This concludes with the overview of the results for the first quarter of 2025 and we will now present the outlook for the next quarter at.

The company's operating scenario will be mixed in the second quarter, with the expectation of greater use of Brazil's petrochemical plants in anticipation of the planned maintenance shutdown in Rio de Janeiro, scheduled to begin in the third quarter of the year. On the other hand, the segment in the United States and Europe is expected to



remain stable, due to a balance between increased production in the United States and lower production in Europe, impacted by decreased Feedstock supplies. Mexico, for its part, will begin a general maintenance shutdown of its complex, scheduled to last 45 days.

Lower production in Mexico should affect sales in the region, while the expectation for the other segments is for increased volumes sold in the period.

As for international spreads, the second quarter of the year will continue to be challenging due to the prolonged downturn in the international market and the possible impacts of the new tariff scenario. The expectation of lower naphtha prices could positively influence resin spreads in Brazil, leading to an increase in the next quarter. On the other hand, with the current increase in ethane prices, the gas-based PE spread could be negatively impacted, while the polypropylene market remains challenging, maintaining the levels seen in the first quarter.

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Given the growing scenario of geopolitical and tariff uncertainty, important competitive advantages position Braskem to face possible impacts. Firstly, the Company prioritizes serving the domestic market, where there is still a large portion of demand to be reached. Additionally, the geographic diversification and scale of its production give Braskem leadership in the regions where it operates. Finally, the Company is a pioneer and leader in the production of biopolymers, solutions that are not affected by the traditional petrochemical scenario, which provides greater resilience during periods of down cycle.

The combination of these competitive advantages will be fundamental for Braskem to navigate the uncertainties of the current scenario.

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Next, we will explore the strategic direction of the company and its main initiatives.

Regarding the company's strategic direction, Braskem is focused on two main pillars of action: Resilience and financial health, and Transformation.

On the Resilience and financial health front, the focus will be on tactical initiatives that mitigate the impact of the petrochemical downturn, with a focus on maximizing cash Generation.

On the Transformation front, we will implement actions to sustain the current business while continuing to focus on building the Braskem of the future. To this end, we are re-evaluating and prioritizing our assets and investments in order to optimize capital allocation and generate additional cash flow.

These actions are essential for creating value for our shareholders, for the perpetuity of the business and fundamental for the recovery of the Brazilian chemical and petrochemical industry.



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Faced with the prolonged downturn in the petrochemical industry, Braskem has implemented initiatives on three main fronts, seeking to increase the company's value capture and resilience.

In this sense, the continuous reduction of CAPEX for operational and strategic investments was carried out, reaching the lowest amount of CAPEX in history with the expectation of 2025. As additional levers, the prioritization of projects and the evaluation of assets continue to be part of the company's goals, which will use the funds approved through REIQ Investimentos to carry out projects to expand installed capacity.

In parallel, measures to reduce fixed and variable costs are continually being implemented, such as initiatives in the areas of logistics and supplies, including the renegotiation of Feedstock contracts.

In conclusion, Braskem considers it essential to continue supporting institutional initiatives and defending the Brazilian chemical industry. To this end, the company will support initiatives such as maintaining the import tax, expanding the Special Regime for the Chemical Industry ("REIQ"), among others, which will support Brazil's quest for competitive equality in relation to other economies.

Combining these three main fronts, the expected value capture per year will be between 500 thousand to 700 thousand million dollars.

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In this context and considering the current assets, three priorities were defined for Braskem's Transformation.

Firstly, the company is focused on the continuous optimization of its naphtha-based assets, maximizing the utilization rates of the most competitive production lines while evaluating the hibernation of the least competitive production lines globally.

At the same time, we are seeking to make the expansion of our gas-based assets viable. This includes using REIQ Investimentos to increase the capacity of the Rio de Janeiro petrochemical complex and unlocking the supply of ethane to the complex in Mexico, in order to guarantee full coverage of its feedstock needs and enable an increase in the plant's capacity. These two achievements exemplify what the company intends to achieve in its other assets, increasing the flexibility of Feedstock and ensuring the operational stability of its plants, with the Goal of increasing the competitiveness of its assets.

Lastly, in line with our goal of expanding bioproduct production to 1 million tons by 2030, we are implementing initiatives to selectively migrate to green production. Considering the current initiatives, in the last quarter we had a review of ethylene capacity, and in the



short term, we will have important advances, such as the expectation of a Final investment decision for Braskem Siam, our future green ethylene plant in Thailand, for the second half of 2025 and for Sustainea, our JV with Sojitz, during 2026. These partnerships are examples of alternative investment models that we will actively seek to implement priority projects.

Combining the efforts of the 3 priorities, the company is seeking to generate value of US\$600 million by 2030 in EBITDA growth.

Finally, we conclude the presentation of Braskem's results for the first quarter of 2025.

Thank you very much for your attention, we'll start the Q&A session soon.

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 Gabriel Barra with Citi.

Gabriel Barra, Citi: Good morning, everyone. Thanks for taking my questions. I've got two of them. Rosana actually talked about this extensively, but I'd like to get more of your opinion about what's going on with regard to the tariff war and the new chapter now.

Over the weekend and this morning, we have a new agreement between China and the US. So looking at the whole puzzle in a macro view, since the Company has so many different geographies where it operates, and we could say four continents, or three continents, I'd like to hear your opinion on these new advances, these new developments, and now what changes with this weekend's news in terms of spreads, productivity, and everything else we can think about in terms of Brazil and the impact of the context of import tariffs?

And my other question, on the topic of the last slide where you mentioned US\$600 million and capturing value through different initiatives, especially with the change to now focusing on gas, I would like more details about that. What is the total capex for that plan? Could you give us a timeline as well? How much do you forecast that we will be capturing, especially in terms of KPIs as well? That would be very interesting. Thanks, those are my questions.

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

Rosana Avolio: Thank you, Roberto. Good morning, everyone. Thank you very much for the question, Gabriel, in relation to the tariff war, yes, you're right when you say that. We had some updates on the weekend, but so far, we imagine that we could see the

polypropylene spreads reporting important increases considering the main feedstock for the production, 25% of propylene production in China comes from feedstock that comes from the United States, so we would imagine that cash costs would increase and the prices, therefore, of polypropylene would also increase.

There's also the ethane part, that part of the feedstock comes from the United States. And that could also have some leftovers, so as to say, that we refer to the ethene in the United States that would favor the Company somehow. This is one of the beauties of the diversification that we have at our Company, not at the geographical level, but also in relation to product portfolio.

There was also a concern of sectors which are connected to the GDP at the global level that would be an impact on the global activities. The GDP of the United States and China combined is nearly 40% of the global GDP. So since we have this retreat, we were talking about tariffs of 145% being reduced to 30 and 10%.

So we have this uncertainties in terms of impact and economic growth. And considering all the discussions that we have been observing, considering the market and the likelihood of a recession. So this all becomes less uncertain, considering the plastic demand, of course, is very linked to the increase in the global GDP. So combined with the earnings result and this update, so when we saw all this news, we see all this favorable impact.

And in relation to our main differentiator, this is not only a matter of geographic diversification, but especially the leadership that we have. If you consider the world nowadays tends to be less globalized and more divided into economic blocks, for sure, if you are a leader where you operate, and the main focus of the Company in Brazil has always been meeting the domestic market, and this is a strength for the Company without any doubt, so we're not only talking about this, but it's a diversification combined with the leadership that we have, especially in the United States, in Mexico and in Brazil and also in the Americas.

Really, in relation to your second question about the US\$600 million as a potential value creation, as I presented in my talk, so there is a flexibilization of gas-based activities. We cannot forget that in 2017 we had a project, and we have a center of operations in Bahia in the northeastern of Brazil, and we have an option, I can produce ethene or naphtha. So we have this resilience. So we are going after this resilience in order to improve the flexibility in Bahia.

In the south of Brazil, we also have opportunities with Argentina, propane, and even the expansion of Rio de Janeiro, which is a project that has been in our pipeline for a while, with Rota 3 of Petrobras, which will make it become a reality. But when you ask about CAPEX, when we're talking about, especially, Brazil, we are going to maximize the use of resources by using the REIQ Investimentos. REIQ Investimentos is a fiscal credit of 1.5% in the Company's revenue and this is conditioned to a project of cap increase. So, at the end of the day, in terms of cash flow, this wouldn't have an impact because there we have, on the other hand, an increase in revenue.



In relation to the growth of the green portfolio, Gabriel, I'm going to mention what was the expansion that we had recently. We used to have a capacity so far of 200,000 tons. We increased to 260 tons and considering all the expertise and the operational efficiency of the operating teams, we'll be able to run that plant at a higher capacity, namely 270 tons. And if we're saying that, if I consider all the projects that we have, Thailand or maybe a project that we want to build in the future, because we want to have this biochemical industry for the future, and Brazil will have a special way of looking at the Company's transformation.

So let's think about 1 billion tons is our goal. We have about 300,000, and green ethane, about 500 tons, so that would amount to 800,000 tons using the expansion that was related to the project that we had in the south of Brazil. Thank you, Gabriel.

Felipe Jens: Just to add, Gabriel, because what Rosana said is very on point, but just to add, we have mentioned this last time we were here talking about strategic guidance and results for the end of 2024, and with our directives specifically Fly Up to Green, and looking at what we have in Rio Grande do Sul, and the expansion of other sites as well for feedstock from sugarcane, both in Brazil and Thailand, as well as in the United States, all of these points together can create a Company, let's call it Green Co., where we will perform all this expansion of the petrochemical initiatives from Braskem that will be called Braskem Green in the future.

This is being aligned with a number of different investors that are interested in this capacity. And the funding for that, to answer your question in addition to what Rosana just said, would also come from capital inputs, inflows from investors that go not just to the Company but also to the project in Thailand, in the US and in Brazil as well. And lastly, other funding sources that we would use under the same structure as we did when we created the project in Mexico using a non-recourse funding so that we could use it without having too much of an impact on the Company's leverage.

Gabriel Barra: All right, thank you, Felipe and Rosana.

Tasso Vasconcelos, UBS: Hi, good afternoon. Thanks for taking my questions. I have two, actually I have one follow-up and another question about CAPEX. Roberto, I'd like to touch on the comments about the down and low cycles and initiatives to mitigate those effects and reduce cash burn. We know that some units operate at lower margins and some even potentially in the negative and we know that Rosana already mentioned this, but I'd like to go back and better understand how you view the potential to close certain capacities and what the order of preference would be in what regions and maybe what products.

And at the same time, how have your discussions been going with the government to try to claim back some benefits from the past such as REIQ and also the Presiq benefit and maybe delaying or even reducing the export tariffs that was something you achieved a few months ago?



And also my next question to follow up on the CAPEX, you mentioned the graph showing the drop in CAPEX over the past few years. I'd like to understand if that level of CAPEX that you are looking at for 25 is sustainable for 2026 and also for 2027 in the event that this down scenario persists over these two years. And what about catch-up, catching up during these years? Thank you.

Roberto Ramos: All right, Tasso, I'll begin with that one then. The fact that we are running our centers and sites for PE, PP, and PVC at reduced capacities allows us to expand and prolong these sites. Usually, they would run for five years at 90% capacity. Today, they're running at 70% capacity. This means that we have less wear and tear on the machines and so we can extend up to eight years is what we've seen in Brazil.

The Mexico plant is coming up to nine years now running non-stop without any maintenance downtime. So spacing out the downtime allows us to naturally have a lower CAPEX, its consequence thereof.

We're being very objective as to how we titrate production. When we look at our capital budget, our projects over the year, we rank these projects by a number of different methods. Firstly, by tier, by VPL. Here at Braskem, we have an indicator that we created, no one's ever written about that; it's VPL over VPI. So a present value over the investment value. These investments take a number of years to come to fruition, maybe two or three years, but there's an aspect that's important, which is materiality.

So in a situation where we sacrifice cash, such as we are now, it's only natural for you to direct your investments to those that produce not necessarily the highest tier, but rather the greatest contribution in cash generation, instant generation. So it's a concept that links projects to the Company's EBITDA capacity or to the Company's assets. In other words, we really are ceasing to engage in some projects that may have good results, but that don't necessarily increase our cash generation and consequently don't necessarily improve the Company's situation overall.

We need to look at whether this is structural or specific. And at the time, it is currently specific. This will occur until we recover a healthier cash situation. So I would not perpetuate US\$400 million of CAPEX over the next few coming years because we're certainly going to see different things. I'm not talking about new structural projects but normal projects. We will continue to invest in the future and it's going to be at higher levels, at higher volumes. But US\$400 million is a healthy amount for us to invest and direct to projects that have the greatest capacity of having the biggest impact on our results.

With regard to the tariffs, our view has always been that these tariff fights, these imbroglios, may lead to, at some point, the different parties being involved therein. We always knew that some kind of an agreement would be reached and what we saw this past weekend certainly meets that. The several days that we've seen, the month that we've seen of tariff fights, we could say that it can be described as a sort of give and take. And our knowledge, we know, we are confident that neither the US nor China wants

to see both economies plummeting. And in Trump one, what we saw is that the US and China did reach an agreement.

So what we're mostly concerned about is China imposing tariffs on ethane coming from the US and vice versa. China imports 18 million tons of ethane from the US per year. It is not yet self-sufficient in PE. It also imports PE from the US and if, let's say, it needed to retaliate and impose 125% tariffs on that imported ethane, then PE production in China would be severely harmed.

Now, the Chinese government did not impose that 125% tariff. So after a small initial hiccup and a pause to it and see what happens, we see that now that industry is resuming exuberantly.

Now with regard to polypropylene, the Chinese government did not announce that it would not impose the 125% tariffs. Now I imagine that given this weekend's discussion, things are going to progress such that these tariffs will not occur. Because we know that China imports roughly 100 million tons of PP per year and certainly it has a surplus of PP, and it exports that to many countries, including here in Brazil. And so therefore after this fencing fight between the countries, we believe that the effect on the competitiveness of the different actors is going to exist in the different margins. So someone who's competitive may become less competitive, and someone who is not currently competitive may come to be a little bit more competitive.

I think the major players who feel the impact are going to be the European installations, the European sites, because they will need to coexist with a structural change, and specifically a marked increase in the cost of energy in Europe. And this is structural, it is not specific.

I think the biggest losers in all of this, after the end of the day, after things have settled down, is going to be Europe and not Brazil, not China, and not the US. I think I was able to answer broadly.

Tasso Vasconcelos: Just to follow-up, what about the closing of capacity in Europe? Would that be a priority for you over the closure in Brazil or the US?

Roberto Ramos: Well, we don't have any plans to increase capacity in Europe, but rather we will keep our business there, always striving for the best feedstocks and best materials.

I'll answer your other question too on that note. Before we think about closing capacity, we will always first try to alter the mix of feedstock. That's structural. This holds for the case of the replacements, the substitutions that we're doing in Brazil that Rosana mentioned, replacing naphtha with ethane. So we're working at 10% levels in Bahia, we're experimenting with up to 30%. In the south, one of our plants can process propane, so we will seek out propane, whether that's from Brazil or imported from Argentina through Lagoa dos Patos, from the former Copesul organization.

But we're not ruling out the seeking of feedstock from Bahia. We may reduce the use of naphtha in Bahia and start consuming ethanol. We can build a dehydration plant in Bahia so that we can work with that feedstock. So closing a plant is always the last case scenario. We're always going to start thinking about different alternative feedstocks. That's always what we want. We don't want to change our installed capacity. Instead, we will first try to make investments that will allow us to either replace feedstock or have two sources of feedstock.

For instance, today, given the comparative advantage, it's beneficial to use ethane. But in the future, let's say that given the electrification process of the different modes of transportation, we reduce the use of gasoline, this may cause a surplus of gasoline, which is the cousin of naphtha. So that could lead to a drop in naphtha prices. And so that could mean that naphtha will be more competitive in the future than it is today.

And if our sites can have a different breadth of options to choose from, then that will allow us to capitalize on these possibilities. Above all, creating flexibility and switching our feedstocks are certainly our priorities in order to bring more flexibility to our asset. And the last case scenario is always going to be closing down a site that cannot become more competitive through options one and two.

Tasso Vasconcelos: Thank you, that was very clear.

Luiz Carvalho, BTG: Hi Roberto, hi Felipe, hi Rosana, good to talk to all of you. Thanks for taking my questions. I have two questions as well. The first, I know we've discussed spreads extensively and competitiveness as well, but I'd like to get your take over the past few years about the fact that Braskem, when we look at the cost curve in the industry, Braskem has lost competitiveness due to several reasons, including Alagoas, also combined with the downward cycle. This partially complicated the Company's efforts. Maybe also with the introduction of other players in Asia that are gas-based.

So could you please add a little bit more context to what you've already said? And with regard to the Company's position in the global cost curves, so how do you believe that Braskem today finds itself overall?

And the second question is with regard to leverage. I believe the Company has done great work over the past two years to extend the debt profile. Braskem does have a leverage problem, but it does not have a liquidity problem. But we start to see this delay in the cycle's reversion as a potential liquidity problem. So there is a short-term cash situation, but there's also a standby issue that could be very relevant for 2027.

So I wonder if this standby has some kind of cover, let's say, if it goes past a certain level, that funding would not be available. How do you see that liquidity status for the Company?

Felipe Jens: Hi Luiz. Good afternoon. This is Felipe. I'll take your second question first with regard to leverage. And I'll leave the competitiveness matter to Roberto, he can highlight all of the work that has been done in that regard in positioning the Company and really



touches on everything we've been saying about the transformation plan that really aims to transform Braskem and make it increasingly more competitive.

So, with regard to leverage, your assessment is correct when you say that the Company currently has a high level of leverage, largely as a result of things that occurred in the past and debt that we took on in order to meet our different obligations. And that's also why when we think about competitiveness and the transformation plan we effectively create value for the Company so that Braskem can meet every one of its obligations.

I would say that we have shorter term measures given that all of this CAPEX and transformations they all take some more time to really materialize and for that economic value to be converted into financial value. So we have been working on competitiveness as Roberto explained in a lot of detail in the Brazilian industry. Every improvement that we perceive and that we receive. So import tariffs, anti-dumping, REIQ, investments. And in the future, I mean, this is an agenda that has started with Presiq, but in all terms, this brings a lot of freedom to our Company's cash flow.

Now, this line of credit is available to the Company, it can be withdrawn, so to speak. We did make a withdrawal during the pandemic. We know that often there's some kind of condition tied to these incentives, but at different critical moments we did use these possibilities and fix the problems and life goes on.

So with regard to competitiveness and how we intend to leverage the Company, well, initially, by expanding our EBITDA so that we can effectively reduce leverage and meet our obligations. We persist in our strategy over the past few years. I'm referring to liability management. When we see opportunities and when we see that the market offers price and liquidity, then we work on liability management to keep postponing the coming to terms of these different instruments to the longer term, to the medium and long term, and at that point, we also do some kind of non-material collection fundraising so that we can capitalize on these opportunities.

So using cash to capture value and not necessarily to pay previous debts and thereby expand the Company. Roberto, do you want to talk about competitiveness?

Rosana Avolio: Thank you, Felipe. Thank you, Luiz for the question. Talking about competitiveness today and going back to what happened in the past few years, first, I'm going to talk about the ethane global cost curve. We have production of ethane in Brazil and Mexico. Our position used to be very competitive, and we had this elongated low cycle and what changed was the oversupply that came especially from the United States and the America petrochemical basis, as Roberto mentioned, is more competitive when compared to Brazil.

Brazil has a potential of increasing the competitiveness considering the availability of ethane in Brazil, but so far, the base of feedstock in the United States is more competitive. And this wave was combined with an oversupply, a wave that came from China, which is, in terms of direction, more focused on meeting the internal demand or even related to the creation of jobs and the increased GDP.

Why is it important to mention that? Because when I talk about the capacity curve in the United States, I say that, yes, these were pressured. But when I talk about the China capacity, because this is what's likely to continue up to 2030, this has not put any pressure on the Company's curve.

And let's look at our asset base. We have four assets, one of them is substantially focused on naphtha in the south, the Rio Polymers, in Rio de Janeiro, especially propane, and in São Paulo, ABC region, we have a combination between naphtha and HLR that brings some competitiveness and Bahia, that I mentioned previously. It has a flexibilization, we have options to use either ethane or naphtha as part of our production of ethane.

So why am I saying those details individually? Because at the end of the day, our decision in sales and production is the combined aspects of the Brazilian reality. When I look at the cash costs of Brazil in a combined way, of course, we receive some pressure because of the United States, but we are in the third or fourth quartile in the consolidated result. We are not very happy with all the results, as Roberto said. This is why it is so important to have an initiative such as the flexibilization, because we are going to have an option.

So I'm going to use naphtha when it's more competitive, as we had in one-off situations, when petrochemical has some more advantages. So we have this positive credit and we're going to be looking at that. But we believe that naphtha is going to continue to be more competitive in the long run.

But regardless of whether we are right or whether the consultancy Company made the right decision, we have this balance in terms of naphtha. As I was saying is the following, regardless of what future will bring in terms of stability or instability and future demand, we have to find a better balance with flexibility and that is translated into resiliency in our results, and this will bring more resilience when we generate EBITDA for the Company.

And from the viewpoint of the necessary resources for this transformation to materialize, especially in Brazil, we are going to have more leverage with the programs that we have to incentivize the chemical and petrochemical industries in Brazil, whose purpose is to reduce this competitive gap compared to the other economies, considering that our sector dynamics is global. It's not limited to Brazil. So it's very important to preserve this competitiveness in the Brazilian industry.

Luiz Carvalho: Excellent. Thank you.

Roberto Ramos: Let me just add my two cents to what Rosana and Felipe said. It's true that our crackers are distributed among the cash cost curve. The Mexico cracker is in the first quartile, it's one of our most modern installations with 100% ethane. And now that the terminal was inaugurated last week, we are now going to receive enough ethane to fill our plants at lower cost than we had been paying in our Fast Track project to compensate for the fact that Pemex had never sent us the volume of gas that we had contracted from them.

The Rio project is in the second quartile, but the expansion of the Rio project is going to reduce the cost per produced ton. In other words, by adding two new furnaces, we are going to increase to 700,000 tons a year. We're also going to gain competitiveness in the current 560,000 tons a year in the existing furnaces. Of course, the bigger your production, the lower your production cost per ton.

Now, the crackers that are naphtha-based in Rio Grande do Sul and Bahia for those we will seek to replace the feedstock as we were discussing. For example, in Rio Grande do Sul we are negotiating with Petrobras to start running the Rio cracker with 100% ethane because today, as you know, it's 50% ethane, 50% propane. When we do that, we not only improve our cost per ton in Rio de Janeiro, but we also make more feedstock available for Rio Grande do Sul so that we can replace the feedstock there. It's a win-win, we win in Rio de Janeiro, and we win in Porto Alegre because we will now be able to process propane and not naphtha there.

And in Bahia, we are closer to the fourth quartile, far from the curve. We will increase the ethane participation in addition to naphtha so that we can bring those crackers back to the third quartile. And if need be, we'll replace our feedstocks. So we will stop cracking naphtha, and we'll start dehydrating ethanol to produce ethene and from there green polyethylene.

In other words, all of the plates are spinning and we're trying to attack the ones that have started slowing down.

Now with regard to liability management, as Felipe mentioned, we must remember that Braskem had an effect, an extraordinary geological event that caught us right at a downward cycle. I am referring to the costs pertaining to stabilizing the salt cavities in Maceio. When we compare Braskem and our competitors, they didn't have a US\$3 billion bill to pay, which we're paying.

And in terms of our bottom line, this is a liability that does not yet have a corresponding asset. And that's also something we're studying. So Braskem's situation was heavily impacted because of the fact that we had a rise in obligations and liabilities to pay, but the bill was only really shown us very recently.

Luiz Carvalho: Thank you. Thank you, all of you.

Rodrigo Almeida, Santander: Hi, good afternoon, everyone. I have a few questions. I'd like to explore the Brazilian situation a little bit and try to understand with regard to the import tariffs, how you have seen the impact of those tariffs here in Brazil? We know that imports are still high, but I think that in your release, you were able to claim a little bit of market share. So could you talk a little bit about that, please?

And also touch on Mexico as well. How have the recent spread pricing changes impacted the cost of products, especially Brazilian and Mexican PE?

And another question about the import terminal in Mexico, could you please help us understand the pricing structure for feedstocks? Do you bring them from the US?

Felipe Jens: Rodrigo? Hello?

Felipe Jens: I don't know if he can hear you.

Rosana Avolio: Let me send a message to him, to check if he can hear what we're saying.

I would like to ask you to wait, bear with me while I check this out.

So, let's wait for Rodrigo to reconnect. Meanwhile, let's move on to the next question, please.

Regis Cardoso, XP Investimentos: Hi, everyone. Good afternoon, Roberto, Felipe and Rosana. Thanks for this space. I have a quick question and then another one. With regard to the petrochemical cycle and spreads, I'd like to flip the question around and ask the other way around. I imagine that you have put lots of thought into this. What would be the required level of spreads for different grades, let's say, different financial comfort levels? Let's say, are there any targets for net debt/EBITDA? What would that spread need to be or what level of spreads would we need to have in order to pay all of our debt and have neutral cash after paying Alagoas?

I'll leave the open question for you to answer in the most convenient way after your analysis. But above all, instead of trying to predict what the petrochemical cycle is going to be, I'd like to know what it needs to be.

And the other question, I'd like to understand the dynamics between Presiq and REIQ. I was reading the official terms. REIQ is part of Presiq, but Presiq adds some additional benefits, but there's a limitation, a yearly limitation. But I don't fully understand how that is distributed between the different players in the industry. So could you just explain a little bit about the importance of REIQ and Preziq, and also your forecast for a timeline? And do we have an expectation, a forecast for financial impact?

And a third question, there was a significant burn of inventory. Was that due to a reversal in Q4? Can we expect some of that to come back in the next quarter?

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

Rosana Avolio: Sure. I'm going to change the order a little bit. First, I'm going to talk about the inventories and then we move on to a more conceptual level and talking about the agendas for the protection of the chemical industry in Brazil.

In relation to inventory levels, there was a consumption of R\$1 million of finished products, which are the inventory in transit. For this quarter, as an example, 50% of the feedstock comes imported through Braskem Trading & Shipping. But let me focus on the finished product. We increased this inventory level a little bit since we are going to have an important planned stoppage in the petrochemical of Rio de Janeiro, and I'm also going to link to what Robert answered in the previous question, mentioning the importance of this asset to Brazil because it's the most competitive asset for the Company.



And by the way, this effect can also be observed in the cash flow in Mexico, which is also a very competitive asset because we are going to have the first planned stoppage for the polymers and also in Mexico. And these were the main effects in relation to the inventory consumption that you asked.

In relation to Presiq and REIQ, at the end of the day, we are a participant of this agenda. It's an agenda that has been led by Abiquim, which is the Brazilian Association of Brazilian Chemical Industry, and it's important to understand the context that the chemical industry in Brazil is going through.

If we look at the operational rate of the industry, it's probably one of the lowest levels in history due to competitors or Brazil cost, or maybe competition come from different regions. I may mention the situation of the industry as a whole. So REIQ and Presiq are there to bring this competitiveness of the Brazilian chemical industry, or chemical sector to answer more broadly, is totally global, globalized. There's no dynamics for the Brazilian market. There is rather a global dynamics that is seen from the point of view of cost and we see what the price that is being applicable.

So these are fronts that have been led by Abiquim for a while, and Braskem and the Brazilian chemical industry would account for, I don't know the exact number, but it accounts for 11% of the industrial share of Brazil. And it's very structuring. And REIQ and Presiq would meet the needs of this gap in competitiveness in Brazil.

REIQ is a special regime of the Brazilian industry, chemical industry. It's related to the purchase of feedstock, both in Brazil and from abroad. So when products are being purchased, we have a broader way to look at that. And we have this affected in the Brazil cost when we compare to the other elements. REIQ was created in 2013, the rate at the time when it was created was 1.20 at the time, and this was related to cost Brazil and there was a threat from the American producer, such as shale gas, it would have to look at regions which are closer, such as Brazil. And REIQ in 2013 estimated the reduction in time, because we would have conditions to make investments in Brazil, and we have feedstock in a competitive manner available in Brazil.

So those arguments are even valid today. And a bit more depreciated when I say that shale gas is no longer a threat, but it's a reality, as Roberto mentioned before, considering the exports from the United States. So, REIQ is addressed, and the PIS COFINS taxes no longer exist after the tax reform. So what we have is an expansion of this REIQ tax to 8,25 when it was first created, and as of 2027, there is the concept of financial credit since we no longer have PIS COFINS taxes. It's a way to ensure the competitiveness of the chemical and petrochemical in Brazil that in the past few years for different reasons, maybe the competition from China or other factors, to ensure the competitiveness of the Brazilian chemical industry, which is a sector which is very important to the structure of Brazil.

When you talk about the spreads, the cycles, what I can say is the following. Braskem is part of a sector that involves cycles, that has the foundation of global dynamics at play. So dynamics is global, it's not only Brazilian, it's totally global. And we define our leverage

ratio levels, our indebtedness levels, considering what would be the average for the cycle.

So this is what I'm going to consider in relation to your question. Let's say net debt of the Company ex-Braskem Idesa, so when I talk about credit, I'm referring to ex-Braskem Idesa, it was 6.6. and if we consider the cycle, the historical cycles, the normal would be US\$2.5 billion. And assuming that today, as a reference, we have a net debt EBITDA of 2.5 times, if we consider US\$2.5 billion of EBITDA, which would be the low range in the historical levels, it would be US\$6.2. So our net debt is, nowadays, completely aligned with what would be a normalized cycle.

So answering your question, when do you believe that these normal levels will be reached? So this is the major question. So today, when we consider that no rationalization is important of the industry, because this is something we cannot control. Of course, we haven't observed major companies at the global level announcing hibernations and closures of plants, but considering the increased level of demand, which is less intensive when we consider the historical levels, we see that the cycle resumption will take about three and four years. Again, not considering any important rationalization way of looking at that.

When I look at a regular normal result, considering the low levels, I will take as a reference 2019, which was the first year where we have a low cycle. And the business of green businesses, the business proposal of the green aspect was not very clear, so the result was much lower. Today, the contribution is much more important nowadays. And after 2019, we started a new plant at the United States. So this amount that would be considered to be normal would be close to US\$2 billion. And that would reach cash break-even level, which would be something normal for the lower cycle and a lower leverage ratio between 3 and 3.5 times.

Regis Cardoso: Perfect, Rosana, thank you.

Rodrigo Almeida, Santander: Good afternoon, everyone. Once again, I'll restart because I don't know if I was able to get my question across. My first question is, vis-à-vis the import tariffs in Brazil over the past few months, have you seen any impact on market share? I'd like to hear your take on that.

And also, I'd like to understand how shipping prices have impacted the status of Mexican products here in Brazil and in Mexico.

And my second question is about the import terminal in Mexico. Could you tell us a little bit about how that has impacted your feedstocks? Is there any mid-to-the-long-term forecast, contracts, and volumes? It would be very good to understand how that project is coming along.

Felipe Jens: Sure, I'll begin, Rodrigo, and then Rosana, you can come in talking about the import tariffs. Because overall, yes, we already do see an impact, but we can give more detail.

With regard to Mexico and our transformation plan, we've been performing, as we've also been discussing, an internal project to purchase these vessels through a leasing contract to carry out ethane and also in the future naphtha contracts. In Mexico, the first vessel arrived in February of 2025, and the second vessel is scheduled to arrive in Q2 of 2025. So that answers precisely your question. That's the backdrop to this program that's called Seas of the Future. This has been approved by the Administration Board a little bit more than a year ago, forecasting that these spreads would be increasingly higher as a result of the lower availability of vessels of that category around the world.

So we are well-positioned there. We have started reaping these rewards by reducing the amount that we pay. Of course, we still pay a little bit because we don't have all of the necessary shipping capacity, but we have improved that. It is improving and it's going to have a significant impact.

With regard to your second question and the strategy to purchase ethane from the US, as you know, one of the companies in our group is Braskem Trading & Shipping (BTS), located in the Netherlands, and they have a trade desk focused specifically on these operations, so that includes spot and short-term contracts and also mid and long-term contracts. All of that is held within that cell that houses our knowledge that we call BTS.

They are contracted by Braskem Idesa to manage the purchase of feedstock in the best possible way, in the most optimized way, and combining a short, medium, and long-term portfolio.

Rô, could you tell us a little bit about import tariffs?

Rosana Avolio: Yes, of course. A reminder, in relation to Mexico, all the operations have started, it was a very important investment that will ensure operational availability and imports more than we need. So at the end of the transformation, we are going to evaluate a possible expansion at the right moment.

Only a reminder, we have a planned maintenance shutdown, as I mentioned before, the first one since we started the project. So about 40 or 45 days, it's going to stop for a while, we have been building the inventory, but when we talk about running at 100%, this would happen after 2026 only.

Your question in relation to freight price, for different reasons, we saw along the time, the past few years, we saw logistics disruption. Most of them come from the Red Sea conflict that was supporting the freight, Brazil, Asia, more than normal levels. What we have been observing the past few months, and we also heard some news of possible truce in the region on the part of the United States, so we had been observing the normal situation in relation to those spreads.

So, Rodrigo, that import parity that we mentioned that had this positive effect, because without a doubt, if our client is importing, the freight would be paid, and we have been observing this normal levels being materialized that had brought some positive results last year.

In terms of market share, of course, we have been observing this. And my answer is considering that we were expecting what would be the market share of the Company, considering our commercial strategy that we have adopted, and as a reminder that our focus is to meet the Brazilian market, the domestic market. When we talk about the Brazilian production, this is the major focus of the Company at all times, this is the natural choice for the Company.

But when I compare the goals that we had, we observed that the market share was a bit higher than we had for the year. It's difficult if the effect was a market share because there's uncertainties, there are different demands, many variables, FX variations, but we can say that we have been very successful, especially because, in fact, we want to be the client's natural choice and the commercial team has been working very hard on this to meet our Brazilian clients the best possible way.

Rodrigo Almeida: Great. Thank you, Rosana. Thanks, everyone.

Roberto Ramos: Please, let me just butt in for a moment, because I want to add something to answer Rodrigo. I'd like to suggest that all of you, when you think about our Switch To Gas and Fly Up to Green strategy, it's a feedstock replacement strategy. We'll replace naphtha with gas initially, and then we'll replace naphtha with ethanol, and then in the future, we'll also replace gas with ethanol. In other words, Braskem is not interested in expanding its naphtha processing capacity.

In theory, if someone were to offer us more naphtha to build another battery of crackers, naphtha-based crackers, we would say "thank you, but no, thank you". Our first primary focus is on increasing our gas processing, whether that's replacing naphtha with gas or creating additional gas capacity.

As Rosana mentioned, our Mexico terminal is going to allow us to store 88,000 barrels per day of liquid ethane, and our processing capacity for a full plant is 66,000 barrels a day, so that means we have a surplus of 14,000 barrels a day to store liquid ethane. This would allow us to bring the Mexico plant to over a million tons a year. 1.6 million if we were to cap everything out at 100%.

Certainly, we would need to build another polyethylene plant in that hypothesis. And in Rio, we also have a lot of production and storage. Our first focus is on increasing gas, proportionately reducing naphtha, and in the future, which for me is the future of Braskem, is to progressively convert away from ethanol because it's a chemical, no longer petrochemical, but just chemical feedstock that will give way to the industry of the future.

Leonardo Marcondes, Bank of America: Hi, thanks for taking my question. Many of them have been answered already, so I just have a few, mostly focusing on the US and Europe. We saw a negative margin and one of the explanations for that was the drop in polypropylene prices. And in this quarter the price of propylene rose, and we also saw a relatively low margin compared to other quarters.

So I'm wondering, could you give us a little bit of context about the effect during the quarter? Because it would be very interesting for us to better understand the effects of the dynamics of polypropylene on the results in this segment. Thank you.

Roberto Ramos: Do you want to start? And I'll add on, Rosana?

Rosana Avolio: Thank you, Leo, for the question. You're right when you say that we came from US\$10,000 million and this semester it was US\$20,000 million. We have some non-recurring effect, but your question in relation to propane will be answered looking at the United States. Considering the materiality because the production capacity is higher in the United States and the propane dynamics has a positive and negative effect. This is what I'm going to explain.

In the United States we are the largest producer of polypropylene and therefore we are the major purchasers of propane, and as a result, we have long-term agreements and many agreements whose source of feedstock is different from the refinery, from a petrochemical complex or from a propane dehydrogenator. And the flexibility, which is one of the major differentiators that we have, we have virtual integration. Since we have different sources, we have a level of integration. So this is what I refer to as virtual integration.

When the propane price increases, which is the main feedstock of polypropylene, I have more flexibility when I purchase feedstock considering all the assesses and the cost for polymerization and everything else.

Why do we not see this effect so much since the propane increased? Because along the quarter we had some planned shutdowns and some unplanned shutdowns from some of our suppliers. So this flexibilization was limited if we consider those planned and unplanned shutdowns that we had along the quarter.

So at the end of the day, whenever propane increases, we expect to have an even more positive result considering the difference that we have in the United States associated with the flexibilization of supply and sources of feedstock as well.

Roberto Ramos: I'd just like to add, the sources of propylene are essentially from refineries, from naphtha cracking or from dehydrogenating propane. The major growth of the supply of propylene in the US came from new propane dehydrogenation plants. Actually, the plant that we built in La Porte was to consume feedstock coming in from dehydrogenation units. These plants are difficult to run. There are people who can run them very well and other people who really have a hard time.

So you've got an offer of propylene that is very variable due to the effectiveness of the dehydrogenation plants. When it comes to using the propylene, we use it to create polypropylene, we also use it for the whole acrylate chain, and you can also use it to alkylate different products. So if you reduce the use of gasoline in the US, you're going to have less feedstock, less propylene, because you will use that feedstock to produce the gas that is used. As a result, you'll have a drop in the price of propylene in the US



and more competitiveness in propylene production there, and we have our assets there and we will always value and prioritize our assets.

So we have a very large propylene plant in the US and I'm confident that there we can increase the production of polypropylene. Recently, we took upon ourselves a challenge of increasing our production capacity, which may even surpass the installed capacity because there's always a little bit of headroom for any of these plants.

So our challenge is going to be on demand, to have sufficient demand for us to increase production, which is always the case in an industry like ours. The more you increase production capacity and production itself, the lower costs we will have because indirect costs are better absorbed and so you become more competitive and more profitable.

Leonardo Marcondes: Thank you. That's very clear. Thank you.

Operator: We end now the Q&A session. Braskem's video conference has come to an end. We would like to thank everyone and have a good afternoon, everyone.