

Unigel Participações S.A.

**Individual and Consolidated Interim
Financial Statements
September 30, 2021**

Contents

| | |
|--|------------------|
| <u>Earnings release</u> | <u>03</u> |
| <u>Independent auditors' report on review of individual and consolidated interim financial statements.....</u> | <u>27</u> |
| <u>Statements of financial position as of september 30, 2021 and december 31, 2020.....</u> | <u>29</u> |
| <u>Statements of income for three and nine month periods ended september 30, 2021 and 2020.....</u> | <u>31</u> |
| <u>Statements of comprehensive income for the three and nine month periods ended september 30, 2021 and 2020.....</u> | <u>32</u> |
| <u>Statements of changes in shareholder's equity nine month periods ended september 30, 2020.....</u> | <u>33</u> |
| <u>Statements of changes in shareholder's equity nine month periods ended september 30, 2021.....</u> | <u>34</u> |
| <u>Statements of cash flows for the nine-month periods ended september 30, 2021 and 2020</u> | <u>35</u> |
| <u>Statements of added value for the nine-month periods ended september 30, 2021 and 2020</u> | <u>36</u> |
| <u>Notes to the interim financial statements</u> | <u>37</u> |



Earnings Release 3Q21

WITH START OF AGRO OPERATIONS, UNIGEL DOUBLES ITS CONSOLIDATED EARNINGS IN THE THIRD QUARTER OF 2021, COMPARED TO SAME PERIOD LAST YEAR

Year to date, company achieves net revenue of R\$5.2 billion (+143% YoY) and Adjusted EBITDA of R\$1.2 billion (+264% YoY)

São Paulo, November 10, 2021 – On this date, Unigel Participações S.A. (“Unigel”) discloses its quarterly earnings in the third quarter of 2021 (3Q21). Except as otherwise specified, all operating and financial information reported herein relating to 3Q2021 earnings is denominated in Brazilian reais, pursuant to Technical Pronouncement CPC 21 (R1) – Interim Financial Statements, standard accounting practice in Brazil, and the International Financial Reporting Standards (IFRS), and should be read in conjunction with the financial statements for the fiscal year ended December 31, 2020. In addition, the operating and financial information set out in this earnings release is subject to rounding, and the total amounts stated in tables and charts may therefore differ from the direct numerical aggregation of the preceding numbers. Moreover, all amounts stated in US dollars were converted by the monthly average exchange rates (earnings and cash flow statements) or the end-of-period exchange rate (balance sheet). This report makes comparisons based on data relating to the third quarter of 2021 (“3Q21”), third quarter of 2020 (“3Q20”), second quarter of 2021 (“2Q21”), and nine months year-to-date 2021 (“9M21”) and 2020 (“9M20”).

Third Quarter 2021 (3Q21)

| Net Revenue | Adjusted EBITDA | Net Income |
|-----------------------------|----------------------------|---------------------------|
| R\$ 1.92 Billion | R\$ 301 Million | R\$ 41 Million |
| +107% a/a | +94% a/a | +17% a/a |

Nine Months YTD 2021 (9M21)

| Net Revenue | Adjusted EBITDA | Net Income |
|-----------------------------|-----------------------------|----------------------------|
| R\$ 5.18 Billion | R\$ 1.16 Billion | R\$ 749 Million |
| +143% a/a | +263% a/a | +458% a/a |

1. Management Commentary

In the third quarter of 2021, Unigel continued to focus on outperforming its pre-pandemic track record. With the first period of significant contribution from its Agro division, Unigel ended the quarter with R\$1.9 billion in net revenue and a R\$301 million adjusted EBITDA, up 107% and 94% YoY, respectively.

The start of operations of the nitrogen fertilizer plant in Camaçari (BA) in July 2021 completed the ramp-up process for Unigel Agro, the new business unit created after the lease of two Petrobras facilities — one in Camaçari and the other in Laranjeiras (SE). After a short stabilization period, both plants have been operating at full capacity since August. As a result, our urea sales volume jumped from 78,000 tonnes in 2Q21, when the Laranjeiras (SE) plant started up, to 163,000 tonnes in 3Q21, a 110% QoQ growth. This volume is expected to increase further in the fourth quarter, as that will be the first quarter with both plants fully operational during the entire period.

In our Styrenics and Acrylics business segments, after seeing large international spreads in the first half of the year — partially on account of unexpected circumstances such as Winter Storm Uri in the Gulf of Mexico and supply shocks upon the resumption of global petrochemical activities post-pandemic — the international spreads for our main products decreased in 3Q21 to below historic average levels (considering period between Jan/19 and Jun/21). Within that context, a number of maintenance shutdowns that had already been planned for this year were lumped into this quarter — particularly at our Styrenics and acrylonitrile plants in the state of Bahia. The earnings effects of these shutdowns were mitigated through inventory management and product imports to ensure adequate supply in the market.

Investments and Cash Generation

Unigel's net cash from operating activities was R\$644 million at 9M21, an 126% YoY growth driven mainly by strong operating profits during this period. This growth was partially mitigated by working capital expenditures in the first half of the year driven primarily by the start of our Agro operation, higher prices and exchange rates, and management of working capital financial costs. Cash from operating activities in 3Q21 was R\$306 million, up 147% YoY.

Year-to-date CAPEX investments were R\$681 million, most of it associated with the ramp-up for Unigel Agro's two fertilizer plants. After a more capital-intensive first half of the year (R\$500 million at 6M21), investment volume retreated to R\$181 million in 3Q21, most of it going into completing the necessary investments at our fertilizer plant in Camaçari (BA) and scheduled maintenance downtime at our Styrenics and

acrylonitrile plants. In addition, in 3Q21 we completed the construction of an acetonitrile purification plant intended to add value to our product and secure higher margins.

With the completion of these projects, we foresee a significantly lower investment volume in the final quarter of the year, focusing mainly on plant maintenance initiatives.

Finally, Unigel ended the third quarter with a cash position of R\$760 million (approximately US\$140 million), and our net debt/EBITDA ratio retreated to 1.60x. Both parameters underline Unigel's commitment to maintaining a conservative financial management policy, while simultaneously delivering strategic growth projects like Unigel Agro.

Outlook

The last quarter of the year begins marked by an energy crisis in different regions of the world, resulting in a sharp rise in the prices of coal, oil and natural gas in global markets.

For Unigel Agro, the rise in international natural gas prices has been accompanied by an increase in urea and ammonia prices, which should result in higher spreads in 4Q21 compared to previous quarters. On the cost side, our gas supply contract with Petrobras is referenced to the Brent oil barrel, which rose relatively less than the natural gas benchmarks. On the price side, unscheduled plant shutdowns in Europe (many due to strong regional cost pressure) and Chinese government restrictions on fertilizer exports resulted in reduced supply in the global urea and ammonia market.

In the Styrenics and Acrylics segments, the increase in the oil and natural gas prices had limited impact in on our businesses. Based on specialists' price forecasts, we expect an increase of spreads for our main products in the 4Q21 compared to the previous quarter, bringing both segments to normalized margins levels.

In this sense, we are optimistic that we will be able to, once again, deliver results significantly above pre-pandemic levels in the 4Q21, especially supported by the strengthening of the Agro segment, with increased spreads and a full quarter with both plants operating.

Environmental, Social and Governance (ESG)

In the third quarter, Unigel announced an agreement with Casa dos Ventos that will secure a supply of wind power for many of our operations starting in 2024. We also entered into partnerships with Electrolux and Termotécnica for the use of polystyrene containing our Ecogel® post-consumer recycled material in the manufacture of refrigerator interiors, e.g., shelving and drawers.

Progress is ongoing on many initiatives kicked off throughout the year. In recent months, we also advanced further in our preparation of an executive agenda of ESG targets and commitments for the coming years, with expected completion in early 2022. Finally, the Portuguese- and English-language editions of the Unigel Sustainability Report 2020 are now available on our Investor Relations website.

Casa dos Ventos Agreement

In September, Unigel entered into a long-term agreement with Casa dos Ventos to secure renewable energy for some of our operations. Under the 20-year agreement, Unigel will also have the possibility to become a self-generating partner in Babilônia Sul Wind Farm Complex, which is currently undergoing implementation in the state of Bahia. The complex will have a total installed output capacity of 360 MW and will supply power to multiple companies starting in 2024.

Unigel's partnership with Casa dos Ventos will also avoid almost 200,000 tonnes of CO₂ emissions per year, according to the energy company estimates. The extended term of the agreement underlines the companies' commitment not only to decarbonize the chemical industry but also to expand the share of renewables in the energy mix.

Partnership with Electrolux and Termotécnica

Unigel has secured a partnership with Electrolux and Termotécnica for the use of ECOGEL® in the manufacture of refrigerator parts for the Swedish multinational.

At present, Unigel already supplies polystyrene to both companies. Termotécnica uses it as a raw material in the manufacture of EPS packaging products. Electrolux uses the material to produce a variety of parts for refrigerator interiors, including shelving and storage compartments. Termotécnica also supplies Electrolux with EPS packaging products to ensure adequate packing for refrigerators.

Now, the three companies will work together to close production cycles and make material circularity happen in practice. Termotécnica, which already has a robust post-consumer polystyrene recycling program in place, collects EPS packaging and transforms it into a new material called REPOR. Unigel will use REPOR as a raw material in ECOGEL®. This means that the material initially used as refrigerator packaging will be reinserted in the production chain and transformed into durable parts, which will then be incorporated into refrigerator manufacturing by Electrolux.

2. Consolidated Earnings

| Consolidated Income Statement R\$ million | Quarter | | | | | Year-to-date | | |
|--|--------------|--------------|--------------|------------|--------------|--------------|--------------|--------------|
| | Δ (%) QoQ | 2Q21 | 3Q21 | 3Q20 | Δ (%) YoY | 9M21 | 9M20 | Δ (%) YoY |
| Net revenue | 0% | 1,923 | 1,921 | 927 | 107% | 5,182 | 2,135 | 143% |
| Cost of goods sold | 14% | (1,432) | (1,627) | (795) | 105% | (4,036) | (1,902) | 112% |
| Gross profit | -40% | 491 | 294 | 133 | 121% | 1,146 | 233 | 392% |
| Gross margin | -10p.p. | 25.5% | 15.3% | 14.3% | 01p.p. | 22.1% | 10.9% | 11p.p. |
| Sales, general and adm. (SG&A) expenses | 2% | (48) | (49) | (42) | 17% | (137) | (108) | 27% |
| Other operating income (expenses) | -100% | 241 | (1) | 3 | -133% | 242 | 2 | 12000% |
| Operating income (expenses) | -64% | 684 | 245 | 94 | 161% | 1,251 | 128 | 877% |
| Net financial results | -1219% | 16 | (179) | (61) | 193% | (286) | (354) | -19% |
| Income tax and social contribution | -83% | (145) | (25) | 2 | -1350% | (215) | 17 | -1365% |
| Net income | -93% | 555 | 41 | 35 | 17% | 749 | (209) | 458% |
| Net revenue (US\$ million) | 1% | 362 | 367 | 172 | 113% | 975 | 426 | 129% |

Net Revenue

Unigel's consolidated 9M21 net revenue was R\$5.18 billion, a 143% YoY increase driven mainly by increased sales volumes and higher prices for our main products. Revenue growth was observed across all segments, with YoY increases of 106% in Styrenics, 106% in Acrylics, and 943% in Agro. It is worth mentioning that 2020 was affected by downtime at our plants related to the pandemic crisis.

Quarterly net revenue was R\$1.92 billion, up 107% YoY, highlighting the Agro segment's ammonia and urea operations. Consolidated net revenue remained stable quarter on quarter, but there were changes to the sales mix, with a strong increase in Agro sales offsetting a decline in revenue from Styrenics and Acrylics.

Cost of Goods Sold (COGS) and Gross Margin

Unigel's consolidated COGS at 9M21 was R\$4.04 billion, a 112% YoY rise driven primarily by increases in sales volumes and higher prices for our main raw materials. Unigel's consolidated gross profit was R\$1.15 billion, a 392% YoY rise on account of (i) increased sales volumes, explained mainly by downtime at our plants during the first wave of the pandemic in 2Q20; (ii) higher international spreads, especially in the first half of 2021, with the rise in price of our main products outpacing that of our raw materials; and (iii) start of Unigel Agro operations in 2Q21. The resulting consolidated gross margin was 22.1% at 9M21, up 11.2 p.p. YoY.

Unigel's total quarterly COGS was R\$1.63 billion, a 105% growth when compared to 3Q20, explained primarily by the same drivers set out in the year-to-date comparison. Quarter on quarter growth was 14%, explained primarily by higher international prices for the company's main raw materials, in conjunction with the ramp-up of our Agro operation. Gross profit reached R\$294 million in 3Q21 with a gross margin of 15.3%, reflecting the positive impact of Unigel Agro start-up on quarterly earnings (23.4% margin) counterposed by the reduction of spreads in the Styrenics and Acrylics segments (gross margins of 9.8% and 12.3% in 3Q21, respectively).

Sales, General, and Administrative Expenses (SG&A)

Nine-month YTD sales, general, and administrative expenses (SG&A) were R\$137 million, a 27% YoY increase driven primarily by (i) higher expenditure by our Mexican operations due to the appreciation of the US dollar.

In the quarterly comparison, Unigel's SG&A was R\$49 million, up 17% compared to 3Q20, for the same reasons mentioned in the semiannual comparison. Compared to 2Q21, the expenses were practically stable.

The strong increase in our net revenue— a result of operational excellence and strong demand for our products — also helped dilute our SG&A expenses. At 9M21, Unigel's SG&A expenses represented 2.6% of net revenue, down 2.4 p.p. YoY.

Other Operating Revenue (Expenses)

Other Operating Revenue (Expenses) amounted R\$ 242 million in the 9M21, mainly explained by a revenue of R\$243 million reported in the 2Q21, related to the Federal Supreme Court (STF) decision to exclude the ICMS value-added tax from the calculation basis for PIS/COFINS taxation. Further details on that decision are provided in Explanatory Note 8 to the financial information dated September 30, 2021.

Adjusted EBITDA and EBITDA Margin

| Adjusted EBITDA Calculation R\$ million | Quarter | | | | | Year-to-date | | |
|--|--------------|------------|------------|------------|--------------|--------------|--------------|--------------|
| | Δ (%) QoQ | 2Q21 | 3Q21 | 3Q20 | Δ (%) YoY | 9M21 | 9M20 | Δ (%) YoY |
| Net income | -93% | 555 | 41 | 35 | 17% | 749 | (209) | 458% |
| Income tax and social contribution | -83% | 145 | 25 | (2) | 1350% | 215 | (17) | 1365% |
| Net financial results | 1219% | (16) | 179 | 61 | 193% | 286 | 354 | -19% |
| Depreciation and amortization | 12% | 50 | 56 | 51 | 10% | 152 | 144 | 6% |
| EBITDA | -59% | 734 | 300 | 145 | 107% | 1,403 | 271 | 418% |
| <i>EBITDA Margin</i> | -23p.p. | 38.2% | 15.6% | 15.6% | 00p.p. | 27.1% | 12.7% | 14p.p. |
| (Losses) Gains in the sale of assets | - | 0 | (0) | 0 | - | (0) | 1 | -100% |
| Operational shutdown | - | 1 | 1 | 10 | -90% | 3 | 47 | -94% |
| Recovery of ICMS on PIS/COFINS base | -100% | (240) | - | - | - | (240) | - | -100% |
| Restructuring - indemnities | - | - | - | 0 | - | - | 1 | -100% |
| Adjusted EBITDA | -39% | 495 | 301 | 155 | 94% | 1,165 | 321 | 263% |
| <i>Adjusted EBITDA margin</i> | -10p.p. | 25.7% | 15.7% | 16.7% | -01p.p. | 22.5% | 15.0% | 07p.p. |
| Adjusted EBITDA (US\$ million) | -38% | 93 | 58 | 29 | 100% | 218 | 63 | 246% |

Unigel's 9M21 consolidated adjusted EBITDA was R\$1.17 billion, +263% YoY, with relevant growth across all business segments. In this comparison, the main drivers of growth were (i) increased sales volumes, explained primarily by the plant shutdowns in 2Q20 during the first wave of the pandemic; (ii) higher international spreads, especially in the first half of 2021; and (iii) start of Agro operations in 2Q21. Our consolidated adjusted EBITDA margin at 9M21 was 22.5%, 7.5 p.p. higher than in the previous year.

The adjusted EBITDA for 3Q21 was R\$301 million, +94% YoY, mainly on account of the Agro operation ramp-up. The EBITDA margin was 15.7%, practically in line with the level reported for the same period last year (16.7%). Noting that Unigel reported a record-breaking quarterly EBITDA in 2Q21, the company's 3Q21 EBITDA was 39% lower QoQ, impacted mainly by the narrowing of international spreads in the Styrenics and Acrylics segments, partially offset by our strong growth in sales and Agro earnings.

Financial Results

| Net Financial Result <i>R\$ million</i> | Quarter | | | | | Year-to-date | | |
|--|---------------|--------------|--------------|-------------|--------------|--------------|--------------|--------------|
| | Δ (%) QoQ | 2Q21 | 3Q21 | 3Q20 | Δ (%) YoY | 9M21 | 9M20 | Δ (%) YoY |
| Financial income | -100% | 16 | 0 | 4 | -100% | 19 | 31 | -39% |
| Interest on financial assets | -100% | 5 | 0 | 1 | -100% | 7 | 3 | 133% |
| Interest compulsory loans to Eletrobras | 0% | - | - | - | 0% | - | 23 | -100% |
| Update on PIS/COFINS credit | 100% | - | 11 | - | 100% | 11 | - | 100% |
| Other financial income | -100% | 11 | 0 | 4 | -100% | 1 | 5 | -80% |
| Financial expenses | -2% | (110) | (108) | (96) | 13% | (313) | (261) | 20% |
| Financial interest | 5% | (86) | (91) | (66) | 24% | (255) | (189) | 24% |
| Discounts granted to clients | 0% | (3) | (3) | (7) | -57% | (8) | (19) | 53% |
| Lease liability interest | 13% | (8) | (9) | (5) | 80% | (24) | (13) | 85% |
| Taxes and fees on financial income | 118% | (11) | 2 | (6) | 133% | (11) | (19) | -42% |
| Other financial expenses | 250% | (2) | (7) | (12) | -42% | (14) | (22) | -36% |
| Net Financial Result | 14% | (94) | (107) | (91) | 18% | (294) | (230) | 28% |
| Foreign exchange variation, net | -165% | 110 | (72) | 31 | -332% | 7 | (124) | 106% |
| Net Financial Result | -1219% | 16 | (179) | (61) | 193% | (286) | (354) | -19% |

Unigel's financial results before exchange variation were a R\$294 million expense at 9M21, a 28% YoY rise explained primarily by higher interest expenses on loans related to the US\$110 million raised by the company in 1Q20 when Unigel's 2026 Bond Offering was reopened.

In the quarterly comparison, the company's financial results before exchange variation were a R\$107 million expense in 3Q21, up 24% YoY, also explained by the new bond issue earlier in the year. Quarter on quarter, our financial results remained practically stable.

3. Cash Flow

| Operating Cash Flow - Management <i>R\$ million</i> | Quarter | | | | | Year-to-date | | |
|--|--------------|-------|-------|------|--------------|--------------|-------|--------------|
| | Δ (%) QoQ | 2Q21 | 3Q21 | 3Q20 | Δ (%) YoY | 9M21 | 9M20 | Δ (%) YoY |
| Adjusted EBITDA | -39% | 495 | 301 | 155 | 94% | 1,165 | 321 | 263% |
| Non-recurring and/or non-cash items | -142% | 19 | (8) | 9 | -189% | 12 | (23) | -152% |
| (=) EBITDA "Cash" | -43% | 514 | 293 | 164 | 79% | 1,177 | 298 | 295% |
| Income tax and social contribution | -83% | (145) | (25) | 2 | -1350% | (215) | 17 | -1365% |
| Changes on working capital | -42% | 118 | 62 | (25) | -348% | (279) | 52 | -637% |
| Net financial result | -1219% | 16 | (179) | (61) | 193% | (286) | (354) | -19% |
| Non-cash adjustments - Net financial result | -3300% | (5) | 160 | 45 | 256% | 253 | 272 | -7% |
| Operating cash flow | -38% | 498 | 311 | 124 | 151% | 649 | 285 | 128% |
| Income tax paid | -79% | (131) | (27) | (9) | 200% | (171) | (119) | 44% |
| Interest paid on loans | -70% | (46) | (14) | - | -100% | (83) | - | -100% |
| Cash generated by operating activities | -15% | 320 | 271 | 115 | 136% | 395 | 166 | 138% |

| Cash Flow Statement <i>R\$ million</i> | Quarter | | | | | Year-to-date | | |
|---|--------------|-------|-------|------|--------------|--------------|-------|--------------|
| | Δ (%) QoQ | 2Q21 | 3Q21 | 3Q20 | Δ (%) YoY | 9M21 | 9M20 | Δ (%) YoY |
| Cash generated by operating activities | -15% | 320 | 271 | 115 | 136% | 395 | 166 | 138% |
| Cash flow from investment activities | -31% | (274) | (188) | (48) | 292% | (706) | (124) | 469% |
| Cash flow from financing activities | -96% | (80) | (3) | 155 | -102% | 436 | 113 | 286% |
| Currency translation adjustment (CTA) | -157% | (14) | 8 | 3 | 167% | 11 | 49 | -78% |
| Increase (decrease) in cash & cash equivalents | -281% | (48) | 87 | 226 | -62% | 136 | 204 | -100% |

Net Cash from Operating Activities

Consolidated operating cash flow was R\$395 million at 9M21, a 138% YoY increase driven mainly by a strong operating profit as reflected in the 263% growth in our adjusted EBITDA. The counteracting forces to that growth were mainly tax payments resulting from the increase in operating profit, in addition to working capital investments explained by: (i) maximization of production operations with consequent increases in volume; (ii) higher international prices for our main products and raw materials; (iii) depreciation of the Brazilian real against the US dollar; and (iv) start of Unigel Agro operations requiring initial composition of inventory and accounts receivable.

Net Cash Used in Investing Activities

Unigel's net cash flow used in investing activities was an outlay of R\$706 million, explained by expenditures to acquire fixed assets and intangible assets (CAPEX) mostly related to investments made in the start-up of our Agro operations in the states of Sergipe and Bahia. After a more capital-intensive first half of the year (R\$500 million at 6M21), investment volume retreated to R\$181 million in 3Q21, most of it going into completing the necessary investments at our fertilizer plant in Camaçari (BA) and scheduled maintenance downtime at our Styrenics and acrylonitrile plants. In addition, in 3Q21 we completed the construction of an acetonitrile purification plant intended to add value to our product and secure higher margins.

With the completion of these projects, we foresee a significantly lower investment volume in the final quarter of the year, focusing mainly on plant maintenance initiatives.

Net Cash from Financing Activities

Unigel's net cash from financing activities was an income of R\$436 million at 9M21, driven mainly by the US\$110 million raised by the reopening of our 2026 bond offering. The proceeds from that bond issue were used to refinance short-term debt, pre-pay the outstanding balance of our 2024 bond, and support the necessary investments to start Unigel Agro operations.

Translation Adjustments

Effect generated by currency conversions from the interim financial statements of our subsidiaries in Mexico and Luxembourg.

4. Debt and Leverage

| Net Debt and Leverage millions R\$ / US\$ | In Millions of Reais | | | In Millions of Dollars | | |
|--|----------------------|--------------|---------------|------------------------|--------------|---------------|
| | Sep-21 | Dec-20 | Δ (%) | Sep-21 | Dec-20 | Δ (%) |
| Current | 455 | 403 | 13% | 84 | 77 | 9% |
| Non-current | 2,887 | 2,198 | 31% | 531 | 423 | 26% |
| Gross Debt | 3,343 | 2,600 | 29% | 615 | 500 | 23% |
| (-) Cash & Equivalents | (760) | (624) | 22% | (140) | (120) | 17% |
| (-) Swap Accrual | (344) | (217) | 59% | (63) | (42) | 50% |
| Net Debt | 2,238 | 1,760 | 27% | 412 | 339 | 22% |
| (/) Adjusted EBITDA (LTM) | 1,396 | 551 | 153% | 261 | 106 | 146% |
| (=) Financial Leverage | 1.60x | 3.19x | -1.59x | 1.58x | 3.20x | -1.62x |

Unigel's net debt was R\$2.24 billion as of September 30, 2021, up 27% compared to December 31, 2020, explained by the US\$110 million raised in 1Q21 with the reopening of our 2026 bond offering, with a part of the proceeds going into working capital investments in CAPEX, primarily related to Agro.

In terms of leverage, the 153% growth in adjusted EBITDA over the past 12 months outpaced the increase in net debt, causing leverage to fall to 1.60x as of September 2021.

To mitigate the high volatility of foreign exchange rates in Brazil, our foreign exchange hedging strategy protects 100% of our 2026 bond issue (principal and at maturity in 2026 only), subject to the following terms:

- i. US\$200 million swap contract with lower bound 4.15 R\$/US\$; higher bound 5.60 R\$/US\$; and financial cost 100% of the CDI rate minus 3.05%;
- ii. US\$110 million swap contract with lower bound 5.40 R\$/US\$; higher bound 8.00 R\$/US\$; and financial cost 63% of the CDI rate;
- iii. Two swap contracts totaling US\$220 million with lower bound 5.00 R\$/US\$; higher bound 7.50 R\$/US\$; and financial cost 60.8% of the CDI rate.

5. Styrenics



Paints and Coatings
(Styrene Monomer)



Plastics – ABS and SAN
(Styrene Monomer)



Disposables
(Polystyrene)



Consumer Durables
(Polystyrene)



Pulp and Paper Industry
(Latex)

| Styrenics Sales Volumes <i>in metric tons (t)</i> | Quarter | | | | | Year-to-date | | |
|--|--------------|---------------|---------------|---------------|--------------|----------------|----------------|--------------|
| | Δ (%) QoQ | 2Q21 | 3Q21 | 3Q20 | Δ (%) YoY | 9M21 | 9M20 | Δ (%) YoY |
| Brazil | 0% | 70,149 | 69,910 | 77,498 | -10% | 224,269 | 187,098 | 20% |
| Styrene | -3% | 30,327 | 29,291 | 34,435 | -15% | 92,874 | 79,544 | 17% |
| Polystyrene | 2% | 30,270 | 30,939 | 35,269 | -12% | 102,503 | 85,275 | 20% |
| Latex | 1% | 9,552 | 9,680 | 7,794 | 24% | 28,892 | 22,279 | 30% |
| Overseas | -30% | 14,289 | 9,997 | 11,880 | -16% | 32,624 | 28,101 | 16% |
| Styrene | -100% | 329 | - | - | 0% | 818 | - | 100% |
| Polystyrene | -30% | 13,660 | 9,552 | 11,763 | -19% | 30,827 | 27,705 | 11% |
| Latex | 49% | 300 | 446 | 117 | 281% | 979 | 396 | 147% |
| Total | -5% | 84,438 | 79,907 | 89,378 | -11% | 256,893 | 215,199 | 19% |

Note: Does not include intra-group transactions and does not include styrene monomer used in polystyrene and latex production

| International Price References <i>(US\$/t)</i> | Quarter | | | | | Year-to-date | | |
|---|--------------|-------|-------|------|--------------|--------------|------|--------------|
| | Δ (%) QoQ | 2Q21 | 3Q21 | 3Q20 | Δ (%) YoY | 9M21 | 9M20 | Δ (%) YoY |
| Raw Materials | | | | | | | | |
| Benzene ¹ | 4% | 1,027 | 1,069 | 389 | 175% | 926 | 536 | 73% |
| Ethylene ² | 8% | 1,241 | 1,335 | 856 | 56% | 1,207 | 918 | 31% |
| Raw Material Mix ³ | 5% | 1,080 | 1,136 | 506 | 125% | 997 | 631 | 58% |
| Products | | | | | | | | |
| Styrene ⁴ | -21% | 1,560 | 1,229 | 592 | 108% | 1,273 | 642 | 98% |
| Polystyrene ⁵ | -5% | 1,493 | 1,423 | 942 | 51% | 1,435 | 967 | 48% |
| Spreads | | | | | | | | |
| Styrene | -81% | 479 | 93 | 87 | -7% | 276 | 11 | -2409% |
| Polystyrene | -31% | 413 | 287 | 436 | -34% | 438 | 336 | 30% |

(1) IHS - Benzene | Contract-Market Domestic | FOB US Gulf Coast | (n-1)

(2) IHS - Ethylene | Contract-Market Pipeline | Delivered W. Europe | (n-1)

(3) Mix Matéria-prima | 25% Ethylene + 75% Benzene

(4) IHS - Styrene | Spot | FOB US Gulf Coast | (n-1)

(5) IHS - Polystyrene (PS) | Spot | CFR Hong Kong | (n-1)

| Styrenics Results <i>R\$ million</i> | Quarter | | | | | Year-to-date | | |
|---|---------------------|------------|------------|------------|---------------------|--------------|--------------|---------------------|
| | Δ (%) QoQ | 2Q21 | 3Q21 | 3Q20 | Δ (%) YoY | 9M21 | 9M20 | Δ (%) YoY |
| Net revenue | -17% | 882 | 729 | 465 | 57% | 2,328 | 1,130 | 106% |
| Cost of goods sold | 12% | (589) | (657) | (386) | 70% | (1,748) | (1,011) | 73% |
| Gross profit | -75% | 293 | 72 | 79 | -9% | 580 | 119 | 387% |
| Gross margin | -23p.p. | 33.2% | 9.8% | 17.0% | -07p.p. | 24.9% | 10.5% | 14p.p. |
| Sales, general and adm. (SG&A) expenses | -25% | (16) | (12) | (12) | - | (35) | (24) | 46% |
| Other operating income (expenses) | -101% | 181 | (1) | 0 | -100% | 179 | (1) | 18000% |
| Operating income (expenses) | -87% | 458 | 59 | 68 | -13% | 724 | 94 | 670% |
| Depreciation and amortization | 19% | 16 | 19 | 18 | 6% | 50 | 52 | -4% |
| EBITDA | -84% | 474 | 78 | 86 | -9% | 774 | 145 | 434% |
| (Losses) Gains in the sale of assets | - | 0 | (0) | 0 | - | (0) | 1 | -100% |
| Operational shutdown | - | 0 | 0 | 0 | - | 1 | 14 | -93% |
| Recovery of ICMS on PIS/COFINS base | -100% | (178) | - | - | - | (178) | - | -100% |
| Restructuring - indemnities | - | - | - | 0 | - | - | 0 | - |
| Adjusted EBITDA | -74% | 296 | 78 | 86 | -9% | 597 | 160 | 273% |
| Adjusted EBITDA margin | -23p.p. | 33.5% | 10.7% | 18.5% | -08p.p. | 25.6% | 14.2% | 11p.p. |
| Net revenue (US\$ million) | -16% | 166 | 140 | 87 | 61% | 436 | 228 | 91% |
| Adjusted EBITDA (US\$ million) | -73% | 55 | 15 | 16 | -6% | 111 | 32 | 247% |

Net Revenue

Unigel's net revenue from Styrenics was R\$2.33 billion at 9M21, a 106% YoY growth driven primarily by (i) higher international prices for styrene (+98% YoY) and polystyrene (+48% YoY); and (ii) 19% growth in total tonnage sold by the segment, noting that 2Q20 was the most heavily impacted by the COVID-19 pandemic, leading to temporary shutdowns at some of our facilities.

Net revenue for this quarter was R\$729 million, +57% YoY on account of higher international price levels when these periods are compared, seeing as the sales volume in 3Q21 was 11% lower YoY. Compared to 2Q21, net revenue was 17% lower on account of lower international prices and a slight decline in sales volume.

Cost of Goods Sold (COGS) and Gross Margin

Our COGS for Styrenics was R\$1.75 billion at 9M21, a 73% YoY growth influenced by the increased SM and PS sales volumes mentioned above, combined with 73% and 31% increase in prices for benzene and ethene, respectively. Revenue growth outpaced the growth in costs, driving a 14.4 p.p. growth in our gross margin for Styrenics, from 10.5%

at 9M20 to 24.9% at 9M21. The segment's gross profit was R\$580 million, almost 5 times the figure reported for 9M20 (R\$119 million).

The COGS for this quarter was R\$657 million, a 70% YoY growth driven primarily by higher prices for the raw materials benzene (+175% YoY) and ethene (+56% YoY). Raw material prices also rose quarter on quarter, albeit at a lesser scale. However, the price retreat for this segment's main products between 2Q21 and 3Q21 caused our gross margin to decline from 33.2% (2Q21) to 9.8% (3Q21), resulting in a gross profit of R\$72 million this quarter.

Sales, General, and Administrative Expenses (SG&A)

Unigel's sales, general, and administrative expenses for the Styrenics segment were R\$35 million at 9M21, a 46% YoY growth. This variation is explained by the pandemic-related extraordinary events that took place in 2Q20, including wage cuts and reduced work hours for employees working from home during the pandemic. Also, by opting into the Brazilian government's job protection programs, we were able to reduce payments made during that period.

In the quarterly comparison, the total SG&A was R\$12 million, in line with the figure reported for 3Q20 and 25% lower than in the previous quarter.

Adjusted EBITDA and EBITDA Margin

In conclusion, the adjusted EBITDA for Styrenics was R\$597 million at 9M21, a 273% YoY growth driven by two main factors: (i) 19% increase in total sales volume; and (ii) significant increases in international spreads.

The total Styrenics EBITDA for this quarter was R\$78 million, down 9% YoY and 74% QoQ, driven by the reduction in sales volume and, especially, the narrowing of international spreads in this quarter as a result of normalization after the extraordinary spreads observed during the second half of 2021.

6. Acrylics



| Acrylics Sales Volume in metric tons (t) | Quarter | | | | | Year-to-date | | |
|--|--------------|---------------|---------------|---------------|--------------|----------------|---------------|--------------|
| | Δ (%) QoQ | 2Q21 | 3Q21 | 3Q20 | Δ (%) YoY | 9M21 | 9M20 | Δ (%) YoY |
| Brazil | -6% | 9,780 | 9,189 | 9,734 | -6% | 28,627 | 24,844 | 15% |
| Nitriles ⁽¹⁾ | -5% | 2,369 | 2,241 | 2,566 | -13% | 7,044 | 6,525 | 8% |
| Methacrylates ⁽²⁾ | -11% | 3,950 | 3,513 | 3,916 | -10% | 11,082 | 8,840 | 25% |
| Sodium cyanide ⁽³⁾ | -1% | 3,461 | 3,435 | 3,252 | 6% | 10,501 | 9,479 | 11% |
| Overseas | -24% | 37,649 | 28,431 | 22,098 | 29% | 89,046 | 50,088 | 78% |
| Nitriles ⁽¹⁾ | -42% | 26,483 | 15,449 | 13,245 | 17% | 55,331 | 20,888 | 165% |
| Methacrylates ⁽²⁾ | 13% | 6,054 | 6,866 | 2,517 | 173% | 16,684 | 11,517 | 45% |
| Sodium cyanide ⁽³⁾ | 120% | 800 | 1,760 | 1,100 | 60% | 3,940 | 3,640 | 8% |
| Acrylic Sheets ⁽⁴⁾ | 1% | 4,311 | 4,356 | 5,235 | -17% | 13,091 | 14,042 | -7% |
| Total | -21% | 47,428 | 37,620 | 31,831 | 18% | 117,673 | 74,932 | 57% |

Notes: Does not consider intra-group transactions.

⁽¹⁾ Includes Acrylonitrile and Acetonitrile sales. Does not consider sales by the Brazilian operation for resale by Mexico.

⁽²⁾ Includes Methyl Methacrylate, Ethyl Methacrylate, and Methacrylic Acid sales. Does not consider sales by the Brazilian operation for resale by Mexico.

⁽³⁾ Includes sales of Sodium Cyanide (solid and solution).

⁽⁴⁾ Includes Acrylic Sheets operation in Mexico only.

| International Price References (US\$/t) | Quarter | | | | | Year-to-date | | |
|--|--------------|-------|-------|-------|--------------|--------------|-------|--------------|
| | Δ (%) QoQ | 2Q21 | 3Q21 | 3Q20 | Δ (%) YoY | 9M21 | 9M20 | Δ (%) YoY |
| Raw Materials | | | | | | | | |
| Propylene ¹ | 20% | 1,448 | 1,742 | 698 | 150% | 1,547 | 669 | 131% |
| Acetone ² | -33% | 1,114 | 743 | 865 | -14% | 935 | 718 | 30% |
| Products | | | | | | | | |
| Acrylonitrile ⁴ | -16% | 2,709 | 2,267 | 958 | 137% | 2,288 | 1,133 | 102% |
| MMA ⁵ | -28% | 2,607 | 1,890 | 1,537 | 23% | 2,204 | 1,475 | 49% |
| Spreads | | | | | | | | |
| Acrylonitrile | -58% | 1,261 | 525 | 260 | 102% | 741 | 465 | 59% |
| MMA | -23% | 1,494 | 1,147 | 672 | 71% | 1,269 | 758 | 67% |

⁽¹⁾ Fonte: IHS - Propylene | Contract-Benchmark Stream Value | Delivered United States | (n-1)

⁽²⁾ Fonte: IHS - Acetone | Spot | Northeast Asia CRF Asia/China MP | (n-1)

⁽⁴⁾ Fonte: IHS - Acrylonitrile | Spot Import, Average (High; Low) | CFR Far East | (n)

⁽⁵⁾ Fonte: IHS - MMA Spot - Average (Northeast Asia; West Europe) | (n)

| Acrylics Results R\$ million | Quarter | | | | | Year-to-date | | |
|---|--------------|------------|------------|------------|--------------|--------------|------------|--------------|
| | Δ (%) QoQ | 2Q21 | 3Q21 | 3Q20 | Δ (%) YoY | 9M21 | 9M20 | Δ (%) YoY |
| Net revenue | -24% | 839 | 637 | 424 | 50% | 2,038 | 913 | 123% |
| Cost of goods sold | -20% | (695) | (559) | (373) | 50% | (1,678) | (797) | 111% |
| Gross profit | -46% | 145 | 78 | 51 | 53% | 360 | 116 | 210% |
| Gross margin | -05p.p. | 17.2% | 12.3% | 12.0% | 00p.p. | 17.7% | 12.7% | 05p.p. |
| Sales, general and adm. (SG&A) expenses | 14% | (22) | (25) | (22) | 14% | (76) | (64) | 19% |
| Other operating income (expenses) | -98% | 58 | 1 | 3 | -67% | 64 | 3 | 2033% |
| Operating income (expenses) | -70% | 181 | 54 | 32 | 69% | 348 | 55 | 533% |
| Depreciation and amortization | - | 24 | 24 | 25 | -4% | 70 | 71 | -1% |
| EBITDA | -62% | 205 | 78 | 57 | 37% | 418 | 126 | 232% |
| (Losses) Gains in the sale of assets | - | 0 | 0 | 0 | - | 0 | 0 | - |
| Operational shutdown | 100% | 0 | 1 | 9 | -89% | 1 | 33 | -97% |
| Recovery of ICMS on PIS/COFINS base | -100% | (60) | - | - | - | (60) | - | -100% |
| Restructuring - indemnities | - | - | - | - | - | - | 0 | - |
| Adjusted EBITDA | -46% | 145 | 79 | 67 | 18% | 359 | 160 | 124% |
| Adjusted EBITDA margin | -05p.p. | 17.3% | 12.4% | 15.7% | -03p.p. | 17.6% | 17.5% | 00p.p. |
| Net revenue (US\$ million) | -23% | 158 | 122 | 79 | 54% | 382 | 179 | 113% |
| Adjusted EBITDA (US\$ million) | -44% | 27 | 15 | 12 | 25% | 67 | 31 | 116% |

Net Revenue

Total net revenue for the Acrylics segment was R\$2.04 billion at 9M21, up 123% YoY, primarily on account of (i) 57% increase in consolidated sales volume due to operation uptime, given that the acrylonitrile plant was shut down in March 2020 as a result of the COVID-19 pandemic; (ii) higher international prices for our main products (+102% YoY for acrylonitrile and +49% YoY for MMA); and (iii) commercial opportunities on the export market created in the first half of the year as a result of a generalized supply shortage on the international market, caused by Winter Storm Uri in Texas (USA).

Our quarterly net revenue from Acrylics was R\$637 million, +50% YoY, also driven by an increase in sales volume (+18% YoY) and higher international prices for acrylonitrile and MMA (+137% and +23%, respectively). In a QoQ comparison, net revenue was 24% lower this quarter on account of a reduction in acrylonitrile sales volume due to a maintenance shutdown at the plant, as well as lower international prices for our main products during this period.

Cost of Goods Sold (COGS) and Gross Margin

Unigel's COGS for Acrylics was R\$1.69 billion at 9M21, up 111% YoY due mainly to an increase in sales volumes, especially for acrylonitrile, but also influenced by higher international prices for the main raw materials. Higher spreads, resulting from product prices outpacing increase in raw material cost, , drove our 9M21 gross margin to 17.7% (+5.0 p.p. YoY) and generating a gross profit of R\$360 million (+210% YoY).

The quarter's total COGS for Acrylics was R\$559 million, +50% YoY, also driven mainly by the increase in acrylonitrile sales volume and higher international prices. The 20% QoQ decline was due to lower sales volumes. Our total gross profit from Acrylics was R\$78 million, up 53% YoY and down 46% QoQ.

Sales, General, and Administrative Expenses (SG&A)

Sales, general, and administrative expenses were R\$76 million at 9M21, a 19% increase compared to 9M20, influenced primarily by two localized factors related to our operations in Mexico: (i) exchange variation on dollar-denominated fixed costs; and (ii) reallocation of expenses related to the methacrylates and sulfuric acid plants, which were idle throughout 2020. As a result, basic maintenance expenditures related to these plants, previously booked as COGS, had to be reallocated to administrative expenses.






In the quarterly comparison, SG&A expenses for Acrylics were R\$25 million, a 14% growth compared to 3Q20 and 2Q21, for the same reasons given in the year-to-date comparison.

Adjusted EBITDA and EBITDA Margin

In conclusion, our adjusted EBITDA for Acrylics was R\$359 million at 9M21, up 124% YoY, primarily on account of the increase in sales volumes resulting from improved efficiency of our plants in the state of Bahia versus their low performance in 2Q20, when the COVID-19 pandemic in Brazil compelled us to partially shut down operations.

The quarterly adjusted EBITDA was R\$79 million, up 18% YoY on account of larger spreads than in 3Q20 and down 42% QoQ on account of lower acrylonitrile volumes and narrower spreads after the peak observed in 2Q21.

7. Agro

| | | | | | | | | | |
|---|---|--|---|---|--------------|--------------|---------|--------------|------|
|  |  |  |  |  | | | | | |
| Fertilizers | Plywood | Agribusiness | Tanning | Lab Supplies and Chemicals | | | | | |
| (Ammonium Sulfate and Urea) | (Urea) | (Urea) | (Ammonium Sulfate) | (Ammonia and Ammonium Sulfate) | | | | | |
| Agro Sales Volume <i>in metric tons (t)</i> | Quarter | | | | | Year-to-date | | | |
| | Δ (%) QoQ | 2Q21 | 3Q21 | 3Q20 | Δ (%) YoY | 9M21 | 9M20 | Δ (%) YoY | |
| | Brazil | 86% | 118,538 | 220,924 | 35,216 | 527% | 378,814 | 91,404 | 314% |
| | Urea | 110% | 77,639 | 163,156 | - | 100% | 240,795 | - | 100% |
| | Ammonium sulfate | 27% | 33,604 | 42,835 | 35,216 | 22% | 112,639 | 91,404 | 23% |
| | Ammonia ⁽¹⁾ | 64% | 7,295 | 11,934 | - | 100% | 22,381 | - | 100% |
| | DEF | 100% | - | 2,999 | - | 100% | 2,999 | - | 100% |
| | Overseas | 100% | - | 11,000 | - | 100% | 11,000 | - | 100% |
| | Ammonia | 100% | - | 11,000 | - | 100% | 11,000 | - | 100% |
| | Total | 96% | 118,538 | 231,924 | 35,216 | 559% | 389,814 | 91,404 | 326% |

Note: Does not consider intra-group transactions.

| Agro Results | Quarter | | | | | Year-to-date | | |
|---|--------------|------------|------------|------------|--------------|--------------|------------|--------------|
| R\$ million | Δ (%) QoQ | 2Q21 | 3Q21 | 3Q20 | Δ (%) YoY | 9M21 | 9M20 | Δ (%) YoY |
| Net revenue | 138% | 260 | 619 | 38 | 1529% | 960 | 92 | 943% |
| Cost of goods sold | 129% | (207) | (474) | (35) | 1254% | (755) | (93) | 712% |
| Gross profit | 174% | 53 | 145 | 2 | 7150% | 205 | (1) | 20600% |
| Gross margin | 03p.p. | 20.5% | 23.4% | 5.8% | 18p.p. | 21.4% | -1.6% | 23p.p. |
| Sales, general and adm. (SG&A) expenses | 80% | (5) | (9) | (3) | 200% | (15) | (7) | 114% |
| Other operating income (expenses) | - | (0) | (0) | (0) | - | (0) | 1 | -100% |
| Operating income (expenses) | 176% | 49 | 135 | (1) | 13600% | 190 | (7) | 2814% |
| Depreciation and amortization | 22% | 9 | 11 | 6 | 83% | 28 | 16 | 75% |
| EBITDA | 156% | 57 | 146 | 5 | 2820% | 219 | 9 | 2333% |
| (Losses) Gains in the sale of assets | - | - | - | - | - | - | - | - |
| Operational shutdown | - | - | - | - | - | - | - | - |
| Recovery of ICMS on PIS/COFINS base | - | - | - | - | - | - | - | - |
| Restructuring - indemnities | - | - | - | - | - | - | - | - |
| Adjusted EBITDA | 156% | 57 | 146 | 5 | 2820% | 219 | 9 | 2333% |
| Adjusted EBITDA margin | 02p.p. | 22.1% | 23.7% | 13.6% | 10p.p. | 22.8% | 9.8% | 13p.p. |
| Net revenue (US\$ million) | 136% | 50 | 118 | 7 | 1586% | 183 | 18 | 917% |
| Adjusted EBITDA (US\$ million) | 155% | 11 | 28 | 1 | 2700% | 42 | 2 | 2000% |

Net Revenue

In 2020, Unigel's Agro segment was limited to the production of ammonium sulfate extracted from the Acrylics' production chain. Operations in Laranjeiras (SE) started up in 2Q21, stabilizing in May. Operations in Camaçari (BA) started up in 3Q21, stabilizing in August. As a result, our R\$619 million net revenue from this segment in 3Q21 was a significant increase in comparison to the previous quarter (R\$260 million) and 3Q20 (R\$38 million). Net revenue at 9M21 was R\$960 million, as compared to only R\$92 million at 9M20.

Cost of Goods Sold (COGS) and Gross Margin

Our Agro segment's total cost of goods sold was R\$755 million at 9M21, resulting in a gross margin of 21.4% for the period, compared to negative 1.6% gross margin at 9M20. The COGS for 3Q21 was R\$474 million, resulting in a gross margin of 23.4%, up 2.9 p.p. QoQ.

Sales, General, and Administrative Expenses (SG&A)

Sales, general, and administrative expenses were R\$15 million at 9M21, up 114% YoY, primarily on account of the strengthening of our commercial team and greater allocation of administrative expenses due to the operation's growth.

Adjusted EBITDA and EBITDA Margin

The Agro segment's adjusted EBITDA was R\$219 million at 9M21, far above the R\$9 million reported at 9M20. The year-to-date EBITDA margin is 22.8%, up 12.9 p.p. YoY.

The segment's quarterly EBITDA was R\$146 million, substantially higher than the levels reported for 2Q21 (R\$57 million) and 3Q20 (R\$5 million). The segment's quarterly EBITDA margin was 23.7%, up 1.6 p.p. QoQ and up 9.7 p.p. YoY.

EXHIBIT I CONSOLIDATED BALANCE SHEET

| Assets | | | |
|--|--------------|--------------|--------------|
| R\$ millions | Sep/21 | Dec/21 | Δ (%) YoY |
| Cash and cash equivalents | 760 | 624 | 22% |
| Accounts receivable | 522 | 208 | 151% |
| Inventories | 733 | 369 | 99% |
| Taxes recoverable | 170 | 142 | 20% |
| Advances to suppliers | 84 | 47 | 79% |
| Derivatives | 70 | 49 | 43% |
| Other current assets | 28 | 20 | 40% |
| Total Current Assets | 2,367 | 1,459 | 62% |
| Deferred taxes | 479 | 603 | -21% |
| Judicial deposits | 16 | 16 | 0% |
| Derivatives | 126 | 87 | 45% |
| Other non-current assets | 270 | 26 | 938% |
| Right-of-use asset | 342 | 356 | -4% |
| Property, plant & equipment and intangible | 1,951 | 1,370 | 42% |
| Total Non-Current Assets | 3,184 | 2,457 | 30% |
| TOTAL ASSETS | 5,551 | 3,917 | 42% |
| Liabilities | | | |
| R\$ millions | Sep/21 | Dec/21 | Δ (%) YoY |
| Loans and financing | 455 | 403 | 13% |
| Suppliers | 630 | 375 | 68% |
| Lease liability | 90 | 80 | 13% |
| Taxes payable | 45 | 38 | 18% |
| Advances from clients | 83 | 83 | 0% |
| Derivatives | 167 | 0 | 100% |
| Other current liabilities | 135 | 115 | 17% |
| Total Current Liabilities | 1,606 | 1,093 | 47% |
| Loans and financing | 2,887 | 2,198 | 31% |
| Lease liability | 289 | 309 | -6% |
| Taxes payable | 50 | 90 | -44% |
| Deferred taxes | 117 | 117 | 0% |
| Post-employment benefits | 41 | 39 | 5% |
| Provision for contingencies | 9 | 12 | -25% |
| Other non-current liabilities | 0 | 0 | 0% |
| Total Non-Current Liabilities | 3,395 | 2,766 | 23% |
| Capital | 276 | 276 | 0% |
| Other comprehensive income | -488 | -231 | 111% |
| Profit reserves | 3 | 12 | -75% |
| Retained earnings (losses) | 758 | 0 | 100% |
| Shareholders' equity | 550 | 57 | 865% |
| TOTAL LIABILITIES | 5,551 | 3,917 | 42% |

EXHIBIT II

CONSOLIDATED STATEMENT OF INCOME

| Consolidated Income Statement <i>R\$ million</i> | Quarter | | | | | Year-to-date | | |
|---|---------------------|---------|---------|-------|---------------------|--------------|---------|---------------------|
| | Δ (%) QoQ | 2Q21 | 3Q21 | 3Q20 | Δ (%) YoY | 9M21 | 9M20 | Δ (%) YoY |
| Net revenue | 0% | 1,923 | 1,921 | 927 | 107% | 5,182 | 2,135 | 143% |
| Cost of goods sold | 14% | (1,432) | (1,627) | (795) | 105% | (4,036) | (1,902) | 112% |
| Gross profit | -40% | 491 | 294 | 133 | 121% | 1,146 | 233 | 392% |
| <i>Gross margin</i> | -10p.p. | 25.5% | 15.3% | 14.3% | 01p.p. | 22.1% | 10.9% | 11p.p. |
| Sales, general and adm. (SG&A) expenses | 2% | (48) | (49) | (42) | 17% | (137) | (108) | 27% |
| Other operating income (expenses) | -100% | 241 | (1) | 3 | -133% | 242 | 2 | 12000% |
| Operating income (expenses) | -64% | 684 | 245 | 94 | 161% | 1,251 | 128 | 877% |
| Net financial results | -1219% | 16 | (179) | (61) | 193% | (286) | (354) | -19% |
| Income tax and social contribution | -83% | (145) | (25) | 2 | -1350% | (215) | 17 | -1365% |
| Net income | -93% | 555 | 41 | 35 | 17% | 749 | (209) | 458% |
| <i>Net revenue (US\$ million)</i> | 1% | 362 | 367 | 172 | 113% | 975 | 426 | 129% |

EXHIBIT III CONSOLIDATED CASH FLOW

| Cash Flow Statement R\$ millions | Quarter | | | | | Year-to-date | | |
|---|--------------|--------------|--------------|-------------|--------------|--------------|--------------|--------------|
| | Δ (%) QoQ | 2Q21 | 3Q21 | 3Q20 | Δ (%) YoY | 9M21 | 9M20 | Δ (%) YoY |
| Net income (loss) for the year | -93% | 555 | 41 | 35 | 17% | 749 | (209) | 458% |
| Adjustments due to: | 374% | (80) | 219 | 104 | 111% | 296 | 393 | -25% |
| Depreciation and amortization | 12% | 50 | 56 | 51 | 10% | 152 | 144 | 6% |
| Lease liabilities interest | 13% | 8 | 9 | 5 | 80% | 24 | 13 | 85% |
| Provision for civil, tax and labor risks | -25% | 4 | 3 | 20 | -85% | 8 | 23 | -65% |
| Allowance for credit loss on trade receivables | -100% | 4 | (0) | 1 | -100% | 4 | 1 | 300% |
| Accrual (reversal) of inventories losses | -183% | 12 | (10) | (2) | 400% | 3 | 2 | 50% |
| Deferred taxes | -89% | 96 | 11 | (11) | 200% | 117 | (50) | 334% |
| Derivatives | -118% | 103 | (19) | (47) | -60% | (49) | (289) | -83% |
| Interest and foreign exchange variation of loans | 259% | (106) | 169 | 59 | 186% | 285 | 545 | -48% |
| Interest on tax installments | 0% | 0 | 0 | 3 | -100% | 1 | 3 | -67% |
| (Gain) loss on sale of fixed assets | 0% | 0 | (0) | 0 | 0% | (0) | 1 | -100% |
| ICMS (VAT) on the Pis and Cofins calculation | -100% | (240) | - | - | 0% | (240) | - | -100% |
| Compulsory loan – Eletrobrás | 0% | - | - | 28 | -100% | - | - | 0% |
| Interest on suppliers | 0% | 1 | 1 | (4) | 125% | 2 | - | 100% |
| Update on PIS/COFINS credits | -100% | (11) | - | - | 0% | (11) | - | -100% |
| Adjusted net income (loss) for the year | -45% | 475 | 260 | 139 | 87% | 1,045 | 183 | 471% |
| Changes in assets and liabilities: | 132% | 22 | 51 | (15) | 440% | (396) | 102 | -488% |
| Trade accounts receivable | 107% | (102) | 7 | (79) | 109% | (300) | (93) | 223% |
| Inventories | -36% | (134) | (86) | 26 | -431% | (361) | 28 | -1389% |
| Suppliers | -64% | 175 | 63 | 7 | 800% | 248 | 108 | 130% |
| Taxes (net, recoverable - payables) | 0% | 18 | 18 | 7 | 157% | 37 | 27 | 37% |
| Contractual credits | 950% | (10) | 85 | - | 100% | (1) | - | -100% |
| Others (net, credits - payables) | -149% | 75 | (37) | 25 | -248% | (20) | 33 | -161% |
| Operating cash flow | -38% | 498 | 311 | 124 | 151% | 649 | 285 | 128% |
| Interest paid on loans | -79% | (131) | (27) | (9) | 200% | (171) | (119) | 44% |
| Income tax paid | -70% | (46) | (14) | - | -100% | (83) | - | -100% |
| Cash generated by operating activities | -15% | 320 | 271 | 115 | 136% | 395 | 166 | 138% |
| Cash flow from investment activities | -31% | (274) | (188) | (48) | 292% | (706) | (124) | 469% |
| Acquisition of PP&E and intangibles | -29% | (256) | (181) | (49) | 269% | (681) | (114) | 497% |
| Proceeds from sale of fixed assets | 400% | (1) | 3 | (0) | 100% | 5 | (0) | 100% |
| Repayments to related parties cash pooling | -50% | (20) | (10) | 1 | -1100% | (30) | (9) | 233% |
| Premiums payable | -100% | 3 | - | - | 0% | - | - | 0% |
| Cash generation after investment activities | 80% | 46 | 83 | 68 | 22% | (312) | 42 | -843% |
| Cash flow from financing activities | -96% | (80) | (3) | 155 | -102% | 436 | 113 | 286% |
| Proceeds from loans and financing | 93% | 151 | 291 | 187 | 56% | 1,119 | 242 | 362% |
| Derivatives | 55% | (183) | (283) | (8) | 3438% | (588) | (64) | 819% |
| Lease liabilities | 139% | (36) | 14 | - | 100% | (22) | (6) | 267% |
| Payments of loans | 0% | (25) | (25) | (24) | 4% | (74) | (58) | 28% |
| Increase (decrease) in cash & cash equivalents | 335% | (34) | 80 | 223 | -64% | 125 | 155 | -19% |
| Cash position at the beginning of the period | -7% | 721 | 673 | 360 | 87% | 624 | 382 | 63% |
| Currency translation adjustment (CTA) | 157% | (14) | 8 | 3 | 167% | 11 | 49 | -78% |
| Cash position at the end of the period | 13% | 673 | 760 | 586 | 30% | 760 | 586 | 30% |

Independent Auditors

In compliance with CVM Instruction No. 381/2003 and Circular Letter SNC/SEP No. 01/2007, the Company informs that, during 2021, KPMG Auditores Independentes Ltda. performed independent audit services related to the quarterly financial information of 2021.

The Company's policy with its independent auditors, with regard to the provision of services not related to the independent audit, is based on principles that preserve the auditor's independence. These principles are based on the fact that the auditor should not audit his own work, nor exercise managerial functions or even advocate for his client. During the period ended September 30, 2021, KPMG Auditores Independentes Ltda., provided independent audit services to the Company. In the period ended September 30, 2021, no services other than those related to external audit were contracted.



KPMG Auditores Independentes Ltda.
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Independent Auditors' Report on Review of Individual and Consolidated Interim Financial Statements

**To the Shareholders, Directors and Management of
Unigel Participações S.A.**
São Paulo - SP

Introduction

We have reviewed the accompanying individual and consolidated interim financial information of Unigel Participações S.A. ("The Company"), contained in the Quarterly Financial Information – ITR Form for the quarter ended as of September 30, 2021, comprising the balance sheets, as of September 30, 2021 and related statements of income, of comprehensive income, for the three and nine-months period ended, the statements of changes in equity and cash flows for the nine-months period then ended, including the explanatory notes.

Management is responsible for the preparation of the individual and consolidated interim financial information in accordance with CPC 21 (R1) and IAS 34 – Interim Financial Reporting, issued by the International Accounting Standards Board (IASB), such as for the presentation of these information in a manner consistent with the standards issued by the Brazilian Securities and Exchange Commission (CVM), applicable to the preparation of the Quarterly Financial Information (ITR). Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of review

We conducted our review in accordance with Brazilian and International Standards on Review Engagements (NBC TR 2410 - Review of Interim Financial Information Performed by the Independent Auditor of the Entity, and ISRE 2410 - Review of Interim Financial Information Performed by the Independent Auditor of the Entity, respectively). A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

**Conclusion on the individual and consolidated interim financial information**

Based on our review, nothing has come to our attention that causes us to believe that the individual and consolidated interim financial information included in the Quarterly Financial Information (ITR) referred to above was not prepared, in all material respects, in accordance with CPC 21 (R1) and IAS 34, issued by IASB, applicable to the preparation of Quarterly Financial Information (ITR) and presented in accordance with the standards issued by the Brazilian Securities and Exchange Commission (CVM).

Other matters - Statements of value added

The individual and consolidated statements of value added for the nine-month period ended September 30, 2021, prepared under the responsibility of Company's management and presented as supplementary information for IAS 34, were subjected to review procedures performed in connection with the review of the individual and consolidated interim financial statements of the Company. To form our conclusion, we evaluated whether these statements reconciled with the interim financial statements and accounting records, as applicable, and whether their form and content are in accordance with the criteria defined in Technical Pronouncement CPC 09 - Statement of Value Added. Based on our review, nothing has come to our attention that causes us to believe that the these individual and consolidated statements of value added, were not prepared, in all material respects, consistently with the individual and consolidated interim financial statements taken as a whole.

São Paulo, November 10, 2021

KPMG Auditores Independentes Ltda.
CRC 2SP014428/O-6
Original report in Portuguese signed by
Wagner Petelin
Contador CRC 1SP142133/O-7

Statements of financial position as of September 30, 2021 and December 31, 2020

| Assets | Note | Parent company | | Consolidated | |
|--------------------------------------|------|----------------|------------|--------------|------------|
| | | 9/30/2021 | 12/31/2020 | 9/30/2021 | 12/31/2020 |
| Current assets | | | | | |
| Cash and cash equivalents | 4 | 228 | 120 | 759,940 | 624,039 |
| Trade accounts receivable | 5 | - | - | 521,814 | 207,865 |
| Inventories | 6 | - | - | 732,508 | 369,490 |
| Related parties | 7 | - | 4 | - | - |
| Dividends receivable | 7 | 4,218 | 4,218 | - | - |
| Income and social contribution taxes | - | 186 | 186 | 38,654 | 25,938 |
| Recoverable taxes | 8 | 42 | 34 | 131,269 | 115,764 |
| Prepaid expenses | - | 215 | 324 | 17,802 | 8,023 |
| Advances to suppliers | - | 87 | 137 | 84,195 | 47,109 |
| Operations with derivatives | 28 | - | - | 70,032 | 48,628 |
| Contractual credits | 24,2 | - | - | 2,312 | 1,555 |
| Other receivables | - | 210 | 215 | 8,327 | 10,750 |
| Total current assets | | 5,186 | 5,238 | 2,366,853 | 1,459,161 |
| Non-current assets | | | | | |
| Related parties | 7 | 4,545 | 1,445 | 1,402 | - |
| Income and social contribution taxes | - | - | - | 93 | - |
| Recoverable taxes | 8 | - | - | 233,480 | 5,157 |
| Deferred taxes | 9 | - | - | 478,853 | 602,875 |
| Judicial deposits | 17 | - | - | 16,209 | 16,170 |
| Operations with derivatives | 28 | - | - | 126,112 | 86,659 |
| Contractual credits | 24,2 | - | - | 3,359 | 3,359 |
| Other receivables | - | 12,277 | 4,195 | 31,351 | 19,520 |
| Investment properties | - | 6,300 | 6,300 | 10,300 | 10,300 |
| Investments | 10 | 2,061,583 | 1,555,034 | - | - |
| Property, plant and equipment | 11 | 3,357 | 7,499 | 1,922,374 | 1,349,317 |
| Right-of-use assets | 12 | 2,706 | 7,524 | 341,880 | 355,993 |
| Intangible assets | - | 6,061 | 3,027 | 18,515 | 8,035 |
| Total non-current assets | | 2,096,829 | 1,585,024 | 3,183,928 | 2,457,385 |
| Total assets | | 2,102,015 | 1,590,262 | 5,550,781 | 3,916,546 |

See the accompanying notes to the individual and consolidated interim financial statements.

Unigel Participações S.A.
Interim financial statements
Period ended September 30, 2021
In thousands of Reais

| Liabilities | Note | Parent company | | Consolidated | |
|---|------|------------------|------------------|------------------|------------------|
| | | 9/30/2021 | 12/31/2020 | 9/30/2021 | 12/31/2020 |
| Current liabilities | | | | | |
| Loans and financing | 13 | 185 | 170 | 455,313 | 402,667 |
| Suppliers | 14 | 877 | 2,052 | 630,210 | 374,619 |
| Lease liabilities | 12 | 2,036 | 5,243 | 89,928 | 79,659 |
| Income and social contribution taxes | - | 9 | 9 | 5,684 | 1,197 |
| Dividends payable | 7 | - | 19,938 | - | 19,938 |
| Related parties | 7 | 79 | 53 | - | - |
| Taxes payable | 15 | 79 | 80 | 39,698 | 36,680 |
| Salaries and social security charges | - | - | 180 | 44,320 | 34,111 |
| Advances from clientes | - | - | - | 83,417 | 83,008 |
| Operations with derivatives | 28 | - | - | 167,288 | - |
| Other provisions | - | - | - | 79,531 | 57,169 |
| Other accounts payable | - | 145 | 192 | 10,936 | 4,246 |
| Total current liabilities | | 3,410 | 27,917 | 1,606,325 | 1,093,294 |
| Non-current liabilities | | | | | |
| Loans and financing | 13 | 434 | 574 | 2,887,306 | 2,197,712 |
| Lease liabilities | 12 | 2,887 | 3,322 | 289,135 | 308,867 |
| Related parties | 7 | 1,428,291 | 1,383,813 | - | - |
| Taxes payable | 15 | - | - | 49,831 | 90,421 |
| Deferred taxes | 9 | 117,137 | 117,137 | 117,137 | 117,137 |
| Post-employment benefits | 16 | - | - | 41,486 | 39,285 |
| Provision for civil, tax and labor risks | 17 | - | 16 | 9,330 | 11,988 |
| Other accounts payable | - | - | - | 375 | 359 |
| Total non-current liabilities | | 1,548,749 | 1,504,862 | 3,394,600 | 2,765,769 |
| Shareholders' equity | 18 | | | | |
| Capital | - | 276,185 | 276,185 | 276,185 | 276,185 |
| Profit reserves | - | 3,092 | 12,130 | 3,092 | 12,130 |
| Equity valuation adjustments | - | (487,873) | (230,832) | (487,873) | (230,832) |
| Accumulated profits | - | 758,452 | - | 758,452 | - |
| Total shareholders' equity | | 549,856 | 57,483 | 549,856 | 57,483 |
| Total liabilities and shareholders' equity | | 2,102,015 | 1,590,262 | 5,550,781 | 3,916,546 |

See the accompanying notes to the individual and consolidated interim financial statements.

Statements of income for three and nine month periods ended September 30, 2021 and 2020

| | Note | Parent company | | | | Consolidated | | | |
|--|------|---------------------------|----------------|--------------------------|------------------|---------------------------|--------------------|--------------------------|--------------------|
| | | Three-month period ended: | | Nine-month period ended: | | Three-month period ended: | | Nine-month period ended: | |
| | | 9/30/2021 | 9/30/2020 | 9/30/2021 | 9/30/2020 | 9/30/2021 | 9/30/2020 | 9/30/2021 | 9/30/2020 |
| Net revenue | 19 | - | - | - | - | 1,921,341 | 927,185 | 5,181,822 | 2,134,983 |
| Cost of goods sold | 20 | - | - | - | - | (1,626,880) | (794,673) | (4,036,157) | (1,901,797) |
| Gross profit | | - | - | - | - | 294,461 | 132,512 | 1,145,665 | 233,186 |
| Sales expenses | 20 | - | - | - | - | (13,681) | (6,738) | (34,323) | (18,685) |
| Administrative and general expenses | 20 | (1,300) | (1,871) | (4,583) | (4,028) | (35,291) | (34,083) | (99,383) | (88,278) |
| Allowance (reversals) for credit loss on trade receivables | 5 | - | - | - | - | 10 | (1,103) | (3,596) | (539) |
| Other (expenses) income, net | 21 | (60) | 80 | 48 | 253 | (667) | 3,329 | 242,221 | 1,964 |
| Operating profit | | (1,360) | (1,791) | (4,535) | (3,775) | (49,629) | (38,595) | 104,919 | (105,538) |
| Income (loss) on subsidiaries results | 10 | 42,135 | 36,866 | 754,546 | (201,123) | - | - | - | - |
| Income before net financial expenses and taxes | | 40,775 | 35,075 | 750,011 | (204,898) | 244,832 | 93,917 | 1,250,584 | 127,648 |
| Financial income | 22 | - | 129 | - | 267 | 435 | 4,484 | 19,002 | 31,466 |
| Financial expenses | 22 | (77) | (358) | (603) | (4,721) | (179,547) | (65,082) | (305,366) | (385,769) |
| Net financial income (expenses) | | (77) | (229) | (603) | (4,454) | (179,112) | (60,598) | (286,364) | (354,303) |
| Income (loss) before income and social contribution taxes | | 40,698 | 34,846 | 749,408 | (209,352) | 65,720 | 33,319 | 964,220 | (226,655) |
| Current Income Tax and Social Contribution | 9 | - | - | - | - | (14,197) | (9,195) | (98,101) | (32,414) |
| Deferred Income Tax and Social Contribution | 9 | - | - | - | - | (10,825) | 10,722 | (116,711) | 49,717 |
| Income and social contribution taxes | | - | - | - | - | (25,022) | 1,527 | (214,812) | 17,303 |
| Net income (loss) for the period | | 40,698 | 34,846 | 749,408 | (209,352) | 40,698 | 34,846 | 749,408 | (209,352) |
| Income (loss) per Thousand shares - basic and diluted – Reais | 27 | | | | | 0.09820 | 0.08410 | 1.80890 | (0.50530) |
| Number of weighted average shares outstanding during the period | | | | | | 414,297,488 | 414,297,488 | 414,297,488 | 414,297,488 |

See the accompanying notes to the individual and consolidated interim financial statements.

Statements of comprehensive income for the three and nine month periods ended September 30, 2021 and 2020

| | Parent company | | | | Consolidated | | | |
|--|---------------------------|-----------------|--------------------------|------------------|---------------------------|-----------------|--------------------------|------------------|
| | Three-month period ended: | | Nine-month period ended: | | Three-month period ended: | | Nine-month period ended: | |
| | 9/30/2021 | 9/30/2020 | 9/30/2021 | 9/30/2020 | 9/30/2021 | 9/30/2020 | 9/30/2021 | 9/30/2020 |
| Net income (loss) for the period | 40,698 | 34,846 | 749,408 | (209,352) | 40,698 | 34,846 | 749,408 | (209,352) |
| Other comprehensive income | | | | | | | | |
| Items that are or may be reclassified subsequently to profit or loss | | | | | | | | |
| Foreign operations - exchange differences on translation | 63,202 | 45,621 | 33,540 | 179,863 | 63,202 | 45,621 | 33,540 | 179,863 |
| Unrealized gain (losses) on cash flow hedge | (234,571) | (106,501) | (281,537) | (549,049) | (234,571) | (106,501) | (281,537) | (549,049) |
| Total comprehensive income | <u>(130,671)</u> | <u>(26,034)</u> | <u>501,411</u> | <u>(578,538)</u> | <u>(130,671)</u> | <u>(26,034)</u> | <u>501,411</u> | <u>(578,538)</u> |

See the accompanying notes to the individual and consolidated interim financial statements.

Statements of changes in shareholder's equity nine month periods ended September 30, 2020

| | Profit reserves | | | Equity valuation adjustments | Accumulated Loss | Total |
|--|-----------------|---------------|----------------|------------------------------|------------------|-----------|
| | Capital | Legal reserve | Profit reserve | | | |
| Balances at December 31, 2019 | 276,185 | 2,458 | 104,270 | (16,194) | - | 366,719 |
| Loss for the period | - | - | - | - | (209,352) | (209,352) |
| Property, plant and equipment deemed cost depreciation and write-off, net of tax effects | - | - | - | (12,977) | 12,977 | - |
| Other comprehensive income | | | | | | |
| Foreign operations - exchange differences on translation | - | - | - | 179,863 | - | 179,863 |
| Unrealized gain (losses) on cash flow hedge (net of taxes) | - | - | - | (549,049) | - | (549,049) |
| Distributions: | | | | | | |
| Additional dividends approved (Note 18,4) | - | - | (104,270) | - | - | (104,270) |
| Balances at September 30, 2020 | 276,185 | 2,458 | - | (398,357) | (196,375) | (316,089) |

See the accompanying notes to the individual and consolidated interim financial statements.

Statements of changes in shareholder's equity nine month periods ended September 30, 2021

| | <u>Profit reserves</u> | | | Equity | Accumulated | |
|---|------------------------|----------------------|-----------------------|------------------------------|----------------|----------------|
| | <u>Capital</u> | <u>Legal reserve</u> | <u>Profit reserve</u> | <u>valuation adjustments</u> | <u>Loss</u> | <u>Total</u> |
| Balances at December 31, 2019 | <u>276,185</u> | <u>3,092</u> | <u>9,038</u> | <u>(230,832)</u> | <u>-</u> | <u>57,483</u> |
| Profit for the period | - | - | - | - | 749,408 | 749,408 |
| Property, plant and equipment deemed cost depreciation and write-off, | | | | | | |
| net of tax effects | - | - | - | (9,044) | 9,044 | - |
| Other comprehensive income | | | | | | |
| Foreign operations - exchange differences on translation | - | - | - | 33,540 | - | 33,540 |
| Unrealized gain (losses) on cash flow hedge (net of taxes) | - | - | - | (281,537) | - | (281,537) |
| Distributions: | | | | | | |
| Additional dividends approved (Note 18,4) | - | - | (9,038) | - | - | (9,038) |
| Balances at September 30, 2021 | <u>276,185</u> | <u>3,092</u> | <u>-</u> | <u>(487,873)</u> | <u>758,452</u> | <u>549,856</u> |

See the accompanying notes to the individual and consolidated interim financial statements.

Statements of cash flows for the nine-month periods ended September 30, 2021 and 2020

| | Note | Parent company | | Consolidated | |
|--|------|--------------------------|-----------------|--------------------------|------------------|
| | | Nine-month period ended: | | Nine-month period ended: | |
| | | 9/30/2021 | 9/30/2020 | 9/30/2021 | 9/30/2020 |
| Cash flow from operating activities | | | | | |
| Net income (loss) for the period | | 749,408 | (209,352) | 749,408 | (209,352) |
| Adjustments due to: | | | | | |
| Depreciation and amortization | 19 | 4,581 | 3,981 | 152,272 | 143,780 |
| Lease liabilities interest | 12 | 394 | 534 | 24,455 | 13,085 |
| Provision for civil, tax and labor risks | 17 | (16) | - | 7,705 | 22,626 |
| Accrual (reversal) of losses and obsolescence of inventories | 6 | - | - | 3,195 | 2,279 |
| Deferred taxes | 9 | - | - | 116,711 | (49,717) |
| Allowance (reversals) for credit loss on trade receivables | 5 | - | - | 3,596 | 539 |
| Result of operations with derivatives | 22 | - | - | (49,081) | (289,166) |
| Interest and foreign exchange variation | 22 | 58 | 71 | 285,136 | 545,395 |
| Interest on tax installments | 22 | - | - | 1,284 | 3,024 |
| (Gain) loss on sale of property, plant and equipment | 21 | - | 9 | (57) | 703 |
| Share profit of equity-accounted in investes | 10 | (754,546) | 201,123 | - | - |
| Gain on the exclusion of ICMS (VAT) on the basis of PIS and COFINS | 21 | - | - | (240,325) | - |
| Suppliers' interest | 22 | - | - | 1,734 | - |
| Interest on PIS/COFINS credits | 22 | - | - | (10,617) | - |
| | | (121) | (3,634) | 1,045,416 | 183,196 |
| Changes in assets and liabilities: | | | | | |
| Trade accounts receivable | 5 | - | - | (299,628) | (92,571) |
| Inventories | 6 | - | - | (360,632) | 27,534 |
| Taxes and contributions recoverable | 8 | - | (67) | (20,612) | (13,264) |
| Contractual credits | 24,2 | - | - | (757) | - |
| Other short and long term assets | - | (7,967) | (1,187) | (55,757) | 23,213 |
| Suppliers | 14 | (1,181) | (84) | 247,613 | 107,853 |
| Taxes and contributions payable | 15 | 40 | (30) | 57,941 | 39,786 |
| Other short and long term liabilities | - | (227) | 1,026 | 35,669 | 9,298 |
| Cash from operations | | (9,456) | (3,976) | 649,253 | 285,045 |
| Interest paid on loans and financing | 13 | (58) | (183) | (170,924) | (119,495) |
| Income and social contribution taxes paid | - | - | - | (83,479) | - |
| Net cash from operating activities | | (9,514) | (4,159) | 394,850 | 165,550 |
| Cash flow from investing activities | | | | | |
| Acquisition of property, plant and equipment and intangible assets | 11 | (377) | (2,632) | (681,038) | (114,372) |
| Proceeds from sale of fixed assets and equipment | 11 | - | - | 4,951 | (353) |
| Repayments to related parties cash pooling | 7 | (3,096) | 29,834 | (30,378) | (9,086) |
| Net cash used in investment activities | | (3,473) | 27,202 | (706,465) | (123,811) |
| Cash flow from financing activities | | | | | |
| Proceeds from loans and financing | 13 | - | - | 1,119,243 | 241,751 |
| Loan and financing payments | 13 | (125) | - | (587,629) | (64,434) |
| Derivatives payments | - | - | - | (21,513) | (6,347) |
| Lease payments | 12 | (2,282) | (3,080) | (73,853) | (57,692) |
| Proceeds from related parties cash pooling | 7 | 15,502 | (15,055) | - | - |
| Net cash (used in) from financing activities | | 13,095 | (18,135) | 436,248 | 113,278 |
| (Decrease) Increase in cash and cash equivalents | | 108 | 4,908 | 124,633 | 155,017 |
| Statement of changes in cash and cash equivalents | | | | | |
| Cash and cash equivalents 1 January | 4 | 120 | 12,445 | 624,039 | 382,252 |
| Effect of movements in Exchange rates on cash held | - | - | - | 11,268 | 48,577 |
| Cash and cash equivalents 30 September | 4 | 228 | 17,353 | 759,940 | 585,846 |

See the accompanying notes to the individual and consolidated interim financial statements.

Statements of added value for the nine-month periods ended September 30, 2021 and 2020

| | Parent company | | Consolidated | |
|---|---------------------------------|------------------|---------------------------------|--------------------|
| | Nine-month period ended: | | Nine-month period ended: | |
| | 9/30/2021 | 9/30/2020 | 9/30/2021 | 9/30/2020 |
| Revenues | 48 | - | 5,997,296 | 2,410,963 |
| Sales of goods, products and services | - | - | 5,757,928 | 2,411,502 |
| Other income | 48 | - | 242,964 | - |
| Allowance (reversals) for credit loss on trade receivables | - | - | (3,596) | (539) |
| Inputs acquired from third parties (includes: icms, ipi, pis and cofins) | (2) | 206 | (4,399,076) | (1,969,253) |
| Cost of goods and services sold | - | - | (4,049,961) | (1,671,592) |
| Materials, energy, outsourced services and other | - | (47) | (195,431) | (196,566) |
| (Loss)/Recovery of asset values | - | - | 57 | (703) |
| Other | (2) | 253 | (153,741) | (100,392) |
| Gross added value | 46 | 206 | 1,598,220 | 441,710 |
| Depreciation, amortization and depletion | (1,517) | (974) | (98,225) | (95,130) |
| Right-of-use assets depreciation | (3,064) | (3,007) | (54,047) | (48,650) |
| | (4,581) | (3,981) | (152,272) | (143,780) |
| Net added value produced by the entity | (4,535) | (3,775) | 1,445,948 | 297,930 |
| Added value received as transfer | 754,546 | (200,856) | 19,002 | 31,466 |
| Equity in net income of subsidiaries | 754,546 | (201,123) | - | - |
| Financial revenues | - | 267 | 19,002 | 31,466 |
| Total added value payable | 750,011 | (204,631) | 1,464,950 | 329,396 |
| Distribution of added value | 750,011 | (204,631) | 1,464,950 | 329,396 |
| Personnel | - | - | 215,064 | 156,724 |
| Direct remuneration | - | - | 93,966 | 89,090 |
| Benefits | - | - | 38,757 | 23,415 |
| F.G.T.S | - | - | 5,403 | 3,416 |
| Other | - | - | 76,938 | 40,803 |
| Taxes, duties and contributions | 187 | - | 207,621 | 9,994 |
| Federal | 187 | - | 219,853 | 31,982 |
| State | - | - | (12,283) | (22,042) |
| Municipal | - | - | 51 | 54 |
| Third-party capital remuneration | 416 | 4,721 | 292,857 | 372,030 |
| Interest | 22 | 4,187 | 256,561 | 349,713 |
| Rents | 394 | 534 | 24,455 | 13,085 |
| Other revenues | - | - | 11,841 | 9,232 |
| Remuneration of own capital | 749,408 | (209,352) | 749,408 | (209,352) |
| Net income (loss) for the period | 749,408 | (209,352) | 749,408 | (209,352) |

See the accompanying notes to the individual and consolidated interim financial statements.

Notes to the interim financial statements

(In thousands of Reais, unless otherwise indicated)

1. Reporting entity

Unigel Participações S.A. (“Unigel” or the “Company”) is a privately-held company, located at Avenida Engenheiro Luís Carlos Berrini, no. 105, 11^o floor, District Brooklin, in the city and the state of São Paulo. These consolidated interim financial statements comprise the Company and its subsidiaries (together referred as “Group”).

Unigel acts as a holding company of subsidiaries engaged in the manufacturing, trading, import and export of chemical products in the acrylics and styrenics value chains. It also provides advisory services for the management of controllership, financial, legal, planning, people management and information technology of its subsidiaries. The Company is a member of the Unigel Group which was founded in 1964.

On September 30, 2021 the Group comprises of the following subsidiaries:

| Companies | Country | % of equity | | Main products |
|---|------------|-------------|------------|--|
| | | 9/30/2021 | 12/31/2020 | |
| Proquigel Química S.A. | Brazil | 99.9% | 99.9% | Methyl and ethyl methacrylate, methyl and ethyl acrylate, sodium and potassium cyanide, ammonium sulfate, glacial methacryl acid, urea and ARLA. |
| Unigel Distribuidora Ltda. | Brazil | 99.9% | 99.9% | Distributor of company's products. |
| Unigel Luxembourg S.A. | Luxembourg | 99.9% | 99.9% | Asset management |
| Unigel Comercializadora de Energia Elétrica S.A. | Brazil | 99.9% | 99.9% | Trader of energy. |
| Unigel Plásticos S.A. | Brazil | 99.9% | 99.9% | Acrylic sheets and resins. |
| Companhia Brasileira de Estireno e subsidiárias: | Brazil | 99.9% | 99.9% | Styrene, polystyrene, toluene, latex, acrylonitrile, hydrocyanic acid, acetonitrile and, acetone cyanohydrin. |
| Unigel Inc. | USA | 99.9% | 99.9% | Distributor of company's products. |
| Plastiglás de México, S.A. de C.V. | Mexico | 99.9% | 99.9% | Acrylic sheets and resins, resale of polycarbonate sheets. |
| Unigel Holdings, S.A. de C. V. e subsidiárias: | Mexico | 99.9% | 99.9% | Holding. |
| Unigel Acrílicos, S.A. de C.V. | Mexico | 99.9% | 99.9% | Metil e etil metacrilatos, metil e etil acrilatos, cianeto de sódio e potássio, e sulfato de amônia. |
| Metacril, S.A. de C.V. | Mexico | 99.9% | 99.9% | Rendering of services to third parties. |
| Distribuidora de Productos Plastiglas, S.A. de C.V. | Mexico | 99.9% | 99.9% | Distributor of company's products. |

1.1. Corporate movements

The corporate composition of the Group has not changed in relation to December 31, 2020.

1.2. Operational

In the third quarter of 2021, Unigel can count for the first time with the relevant contribution of the Agro segment and ended the quarter with net income of R\$1.9 billion.

The startup of the nitrogen fertilizer plant in Camaçari (BA), in July 2021, concluded the ramp-up process of Unigel Agro, a new business unit created after the leasing of two Petrobras units – one in Camaçari, the other in Laranjeiras (SE). The two plants have been operating at full capacity since August of this year.

In the styrenics and acrylics businesses, after a first half of very high international spreads, partially due to unexpected effects – winter storm Uri in the US Gulf region and supply shocks still due to the resumption of the post-pandemic global petrochemicals, In the third quarter, there was a normalization of these margins in relation to the main products sold by the Group.

To date, increases in oil and natural gas prices have not had a material impact on the styrenics and acrylics businesses. To acrylonitrile, whose spread increased sharply in October compared to previous months.

At Unigel Agro, the rise in the international price of natural gas (the main raw material in the fertilizer business) had no direct impact on costs, since the reference for adjusting the prices of this input is Brent oil, which rose relatively less, however, resulted in an increase in margins, as there was an increase in the global prices of the products sold, in particular, ammonia and urea.

1.3. Renewable energy partnership

In September, Unigel signed a long-term contract with Casa dos Ventos to guarantee renewable energy for part of its operations. Under the 20-year contract, Unigel will still have the possibility of becoming a self-producer. The park will have, in its entirety, 360 MW of installed power and will supply energy to several companies as of 2024.

The partnership signed with Casa dos Ventos will also avoid the annual emission of almost 200 thousand tons of CO₂ per year. The long term of the contract signed evidences the companies' commitment not only to decarbonizing the production of chemicals, but also to the expansion of the renewable matrix.

1.4. Partnership in the implementation of a product recycling project

Unigel signed a partnership with the companies Electrolux and Termotécnica for use in the manufacture of refrigerator parts for the Swedish multinational. of a new polystyrene resin, called ECOGEL®, which is produced with a portion of recyclable products in its composition.

Today, Unigel already supplies polystyrene to these two partner companies. For Termotécnica, polystyrene is a raw material used in the manufacture of EPS packaging. For Electrolux, polystyrene is used in the manufacture of various parts for the interior of refrigerators, such as shelves, drawers, among others. In addition, Termotécnica supplies EPS packaging for the proper packaging of Electrolux refrigerators.

Now, the three companies have teamed up to close the production cycles and make the material circularity happen in practice. Initially, Termotécnica, which already has a robust post-consumer polystyrene recycling program, collects EPS packaging and transforms it into a new material, REPO. Next, Unigela will use REPO as a raw material for the production of ECOGEL® polystyrene. Finally, ECOGEL® will be supplied to Electrolux for use in the manufacture of certain parts inside refrigerators, as detailed above. In this way, the material initially used as packaging for refrigerators returns to the production chain and becomes durable parts that will be incorporated into the production of new Electrolux refrigerators.

1.5. Status of the COVID-19 pandemic

The Company and its subsidiaries continue to monitor the developments of the COVID-19 pandemic and, with the support of a specific multidisciplinary crisis management committee to address the issue, continues to implement actions in line with WHO guidelines, highlighting the following aspects:

1.5.1. Beware of employees

The segment in which the Group operates is considered essential and, therefore, its operations have not been interrupted and is in compliance with the provisions of Municipal and State legislation in the locations where its industrial parks are located. In the administrative premises, activities were gradually returned to employees who have been vaccinated with the 2nd dose against COVID-19 for more than 14 days and who were under the Home Office system.

1.5.2. Economic-financial impacts

The Company has already surpassed the most significant impacts caused by COVID-19 and no risks that could affect the Group's operational continuity were identified. Unigel has the capacity to manage its cash in order to meet all its commitments, however, due to the uncertainty regarding the duration of the COVID-19 pandemic, the analyzes are periodically revised to reflect any changes in the economic scenario and any impacts in operations.

Among the various initiatives that were adopted with the objective of preserving cash and liquidity, the monitoring of managerial cash flow scenarios is still in effect, in order to facilitate decision-making and anticipation of actions to avoid/mitigate adverse impacts. So far, no problems that would impact liquidity or that would generate breach of the Company's covenants have been identified.

2. Preparation basis

The individual and consolidated interim financial information, identified as "Company" and "Consolidated" respectively, were prepared in accordance with Technical Pronouncement CPC 21 - Interim Financial Statements and with the international standard IAS 34 - Interim Financial Reporting, issued by the International Accounting Standards Board – IASB, as well as the Rules issued by the Brazilian Securities Commission ("CVM").

These individual and consolidated interim financial statements were authorized for the issuance by management on November 10, 2021.

All relevant assessments of the individual and consolidated interim financial information, and only them, are being evidenced and correspond to those used by Management in its management.

There was no change in the measurement basis, functional and presentation currency, nor in the use of estimates and judgments, compared to that presented in the financial statements for the year ended December 31, 2020, disclosed on March 9, 2021.

Therefore, these individual and consolidated interim financial information should be read together with the financial statements for that year.

3. Use of judgements and estimatives

In preparing these individual and consolidated interim financial statements, management has made judgements, estimates and assumptions that affect the application of the Group's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognized prospectively.

4. Cash and cash equivalents

The Group cash equivalents consists of Brazilian Bank Deposit Certificates (CDB) for the Companies located in Brazil and Overnight money for companies located in Mexico and Luxembourg. Both can be redeemed immediately without change in its value.

| | Parent company | | Consolidated | |
|---|-----------------------|-------------------|---------------------|-------------------|
| | 9/30/2021 | 12/31/2020 | 9/30/2021 | 12/31/2020 |
| Cash in banks in Reais | 228 | 120 | 75,729 | 40,013 |
| Cash in banks in Dollars | - | - | 418,366 | 280,237 |
| Bank deposit certificates ⁽¹⁾ | - | - | 230,037 | 281,963 |
| Short term investments in foreign currency ⁽²⁾ | - | - | 35,808 | 21,826 |
| | 228 | 120 | 759,940 | 624,039 |

- (1) Investments in Bank Deposit Certificates (CDB) include interest at an average rate of 99.50% (99% on December 31, 2020), Interbank Deposit Certificate (CDI) rate.
- (2) Overnight money market investments in Mexican pesos include interest at an average rate of 3.6% p.a. (7.15% p.a. on December 31, 2020) per annum.

The credit rating of the banks which hold the cash and cash equivalents are disclosed in the note 24.3 - Risk management framework.

5. Trade accounts receivable

| | Consolidated | |
|--------------------------|---------------------|-------------------|
| | 9/30/2021 | 12/31/2020 |
| Domestic | 344,322 | 115,390 |
| Foreign | 216,681 | 131,570 |
| Related Parties (Note 7) | 8,320 | 3,996 |
| | 569,323 | 250,956 |
| Estimated credit loss | (47,509) | (43,091) |
| | 521,814 | 207,865 |

Estimated credit loss on accounts receivable: refers to the estimated loss for the duration of the contract, unless there is a guarantee or, in the view of the Group's credit committee, there is an expectation of recovery of the amount. The title is permanently written off when there is no expectation of recovery.

The maturities of trade accounts receivable are distributed as follow:

| | Consolidated | |
|------------------------|---------------------|-------------------|
| | 9/30/2021 | 12/31/2020 |
| Current | 478,385 | 182,642 |
| Overdue | | |
| Between 1 and 30 days | 39,301 | 15,315 |
| Between 31 and 60 days | 3,305 | 5,116 |
| Between 61 and 90 days | 811 | 706 |
| Over 91 days | 47,521 | 47,177 |
| Total | 569,323 | 250,956 |

The maturities of trade accounts receivable are distributed as follow:

| | Consolidated | |
|--|---------------------|-------------------|
| | 9/30/2021 | 12/31/2020 |
| Balance at January 1 | (43,091) | (37,349) |
| Additions | (3,596) | (1,115) |
| Write-offs | 192 | 207 |
| Reversals | - | 551 |
| Foreign exchange variation | (1,046) | (5,024) |
| Translation adjustments - foreign subsidiaries | 32 | (361) |
| Total balance | (47,509) | (43,091) |

For more details related to our expected credit loss see note 24.3 - Risk management framework.

6. Inventories

| | Consolidated | |
|-----------------------------------|---------------------|-------------------|
| | 9/30/2021 | 12/31/2020 |
| Finished goods | 349,272 | 132,020 |
| Work in progress | 10,414 | 5,230 |
| Raw materials | 138,091 | 107,660 |
| Secondary materials | 58,936 | 29,542 |
| Storeroom | 95,686 | 72,482 |
| Inventories in transit | 9,673 | 188 |
| Inventories held by third parties | 70,436 | 22,368 |
| | 732,508 | 369,490 |

Inventory items are stated at cost or their net realizable value, whichever is less, however, only finished products have a provision for losses. During the period ended September 30, 2021, the amount of R\$ 2,187 (R\$ 3,636 on December 31, 2020) was recognized as a reduction in inventories in the result, in cost of sales.

The changes in allowances for obsolescence/net realizable value are as follows:

| | Consolidated | |
|--|---------------------|-------------------|
| | 9/30/2021 | 12/31/2020 |
| Balance at January 1 | (3,636) | (2,132) |
| Additions | (3,195) | (4,053) |
| Write-offs | 4,166 | 2,684 |
| Translation adjustments – foreign subsidiaries | 478 | (135) |
| Total balance | (2,187) | (3,636) |

In the periods presented, there was no stock pledged as collateral for loans and financing.

7. Related parties

7.1 Balances sheets

| Parent company | | | |
|---------------------------------------|--------------------------------|--------------------------------|--------------------------------|
| 9/30/2021 | | | |
| Assets | | Liabilities | |
| Current | Non-current | Current | Non-current |
| Dividends | Current account ⁽²⁾ | Current account ⁽²⁾ | Current account ⁽²⁾ |
| Cigel Participações Ltda. | - | 1,574 | - |
| Unigel Plásticos S.A. | 4,218 | 2,524 | - |
| Companhia Brasileira de Estireno S.A. | - | - | (1,051,193) |
| Proquigel Química S.A. | - | 2 | (341,956) |
| Unigel Distribuidora S.A. | - | 5 | (35,142) |
| Plastiglas de Mexico S.A. de C.V. | - | 440 | - |
| Other | - | (53) | - |
| 4,218 | 4,545 | (79) | (1,428,291) |

| Parent company | | | | | |
|---------------------------------------|--------------------------|--------------------------------|--------------------------|--------------------------------|--------------------------------|
| 12/31/2020 | | | | | |
| Assets | | | Liabilities | | |
| Current | Non-current | Current | Non-current | | |
| Current account ⁽²⁾ | Dividends ⁽¹⁾ | Current account ⁽²⁾ | Dividends ⁽¹⁾ | Current account ⁽²⁾ | Current account ⁽²⁾ |
| Cigel Participações Ltda. | - | - | (19,938) | - | - |
| Unigel Plásticos S.A. | 4,218 | 1,268 | - | - | - |
| Companhia Brasileira de Estireno S.A. | - | - | - | (1,007,021) | - |
| Proquigel Química S.A. | - | - | - | (340,281) | - |
| Unigel Distribuidora S.A. | 4 | - | - | (36,511) | - |
| Other | - | 177 | (53) | - | - |
| 4 | 4,218 | 1,445 | (53) | (19,938) | (1,383,813) |

Unigel Participações S.A.
Interim financial statements
Period ended September 30, 2021

| Consolidated | | | | |
|---|------------------|-----------------|--------------|--|
| 9/30/2021 | | | | |
| Assets | | | Liabilities | |
| Current | | Non-current | Current | |
| Revenues | Service Purchase | Current account | Suppliers | |
| Cigel Participações S.A. | - | 1,398 | - | |
| Transportadora Unigel Ltda. | - | 4 | - | |
| CPE - Compostos Plásticos de Engenharia Ltda. | 8,320 | - | - | |
| Ergotrans Participações Ltda. | - | - | (209) | |
| | 25,204 | - | | |
| 8,320 | 25,204 | 1,402 | (209) | |

| Consolidated | | | | |
|---|------------------|---------------------------|--------------|--|
| 12/31/2020 | | | | |
| Assets | | | Liabilities | |
| Current | | Current | Current | |
| Revenues | Service Purchase | Dividendos ⁽¹⁾ | Suppliers | |
| Cigel Participações S.A. | - | (19,938) | - | |
| Transportadora Unigel Ltda. | - | - | - | |
| CPE - Compostos Plásticos de Engenharia Ltda. | 3,996 | - | - | |
| Ergotrans Participações Ltda. | - | - | (393) | |
| | 13,794 | - | | |
| 3,996 | 13,794 | (19,938) | (393) | |

- (1) Dividends expected to be paid in 12 months according to cash availability.
- (2) The amounts classified as current account refer to cash transactions between Group companies supported by contracts with an indefinite validity period, or with automatic renewal, and are called "Current Account Contracts". In these contracts, the parties have established that there will be no interest charges or a deadline for returning the amounts. Accordingly, as these are transactions between related parties, with no provision for repayment or settlement, the Group classified these amounts in the long term.

The balances shown in accounts receivable refer to sales of products to related parties and the balances are referenced in Note 5 - accounts receivable, as well as the amounts shown in suppliers refer to the purchase of services, also from parties related, are highlighted in note 14.

7.2 Transactions between companies of the same economic group

| Consolidated | | | | |
|----------------------------------|----------------|--------------------|------------------|-----------|
| Amount transacted | | | | |
| Revenues | | Purchases | | |
| 9/30/2021 | 9/30/2020 | 9/30/2021 | 9/30/2020 | |
| Companhia Brasileira de Estireno | 776,686 | 111,053 | (708,375) | (119,381) |
| Unigel Acrilicos S.A. de C.V | 7,224 | 4,222 | - | - |
| Unigel Distribuidora Ltda. | 655,907 | 101,950 | (606,211) | (62,193) |
| Unigel Plasticos S.A. | 41,262 | 35,144 | (23,718) | (8,958) |
| Proquigel Química S.A. | 52,483 | 17,890 | (195,258) | (79,727) |
| 1,533,562 | 270,259 | (1,533,562) | (270,259) | |

The transactions between companies of the same economic group are shown below. Within the context of the Unigel Group, the transactions presented below are not eliminated in the result and consolidated balance sheet as they are related companies.

| | Consolidated | | | |
|---|--------------------------|------------------|------------------|------------------|
| | Amount transacted | | | |
| | Revenues | | Purchases | |
| | 9/30/2021 | 9/30/2020 | 9/30/2021 | 9/30/2020 |
| CPE - Compostos Plásticos de Engenharia Ltda. | 47,532 | 34,100 | - | (20,767) |
| Ergotrans Participações Ltda. | - | - | (37,139) | (1,183) |
| | 47,532 | 34,100 | (37,139) | (21,950) |

Additionally, the Company appropriated interest expenses on loans from related parties in the amount of R\$ 176,102 as of September 30, 2021 (R\$ 148,174 as of September 30, 2020). These loans from related parties were carried out under similar market conditions for interest and terms. All interest appropriated was eliminated in the consolidation process.

| | Consolidated | |
|---------------------------------------|---------------------|------------------|
| | 9/30/2021 | 9/30/2020 |
| Companhia Brasileira de Estireno S.A. | 91,821 | 73,421 |
| Proquigel Química S.A. | 73,475 | 74,753 |
| Unigel Plásticos S.A. | 5,403 | - |
| Unigel Distribuidora S.A. | 5,403 | - |
| | 176,102 | 148,174 |

7.3 Transaction with key management

The aggregate value of transactions related to key management compensation were as follows:

| | Consolidated | |
|----------------------------|---------------------------------|------------------|
| | Nine-month period ended: | |
| | 9/30/2021 | 9/30/2020 |
| Income and social charges | 11,469 | 6,427 |
| Bonuses and social charges | 876 | 530 |
| Short-term benefits | 12,345 | 6,957 |
| Indirect benefits | 373 | 235 |
| | 12,718 | 7,192 |

The Group considered as key management personnel: (i) Statutory officers and (ii) Members of the Board of Directors.

8. Recoverable taxes

| | Consolidated | |
|--|---------------------|-------------------|
| | 9/30/2021 | 12/31/2020 |
| ICMS exclusion PIS/COFINS ⁽¹⁾ | 225,782 | - |
| ICMS ⁽²⁾ | 27,757 | 21,143 |
| ICMS on property, plant and equipment ⁽³⁾ | 11,437 | 7,238 |
| IPI | 4,053 | 5,414 |
| INSS | 4,766 | 4,851 |
| PIS ⁽⁴⁾ | 13,455 | 8,038 |
| COFINS ⁽⁴⁾ | 20,912 | 23,052 |
| REINTEGRA | 14,874 | 14,442 |
| Recoverable VAT | 30,733 | 31,352 |
| Other | 10,980 | 5,391 |
| | 364,749 | 120,921 |
| Current | 131,269 | 115,764 |
| Non-current ⁽¹⁾⁽³⁾ | 233,480 | 5,157 |

- (1) On May 14, 2021, the Federal Supreme Court (STF), through the judgment of motion for clarification filed by the Union, established the understanding that the ICMS to be excluded from the PIS and COFINS calculation basis is the value highlighted in the invoice. In addition, it was also decided on the modulation of the effects of this decision with general repercussion from March 15, 2017, except for the legal or administrative actions filed until this date. In summary, taxpayers who have not claimed the refund of the amounts so far, will be entitled to calculate and receive credits from the date of modulation, that is, March 15, 2017. Taxpayers who have challenged the said exclusion in court will have right to return the last 5 years from the filing date of the action. The Group filed a lawsuit on March 7, 2017, and obtained an injunction authorizing the aforementioned exclusion on May 5, 2017, based on the value of ICMS highlighted in the invoices. Management chose to exercise its right prospectively, that is, from the date of the injunction granted until the final judgment of the points under discussion. With the decision of the STF, established herein, the Company confirmed the understanding adopted in the exclusion of ICMS in the calculation basis of PIS and COFINS referring to the amounts highlighted in the invoices and that there is, therefore, no adjustment to be recognized in the financial statements issued so far, however, the right to return the amounts referring to the 5 years prior to the filing of the lawsuit was assured, that is, credits from April 2012 to March 2017, which are accounted for in that item. The amounts recognized as overpayment were updated by SELIC at the time of recognition.
- (2) Accumulated ICMS (state VAT) credits, those credits are originated from the purchase of raw material. The Group use those credits considering several possibilities, such as: intercompany transactions based on different VAT rates (among different States of Union), buy raw materials with drawback exemption and monetization of the credits to deal with third parties.
- (3) Those Property, plant & equipment credits can only be used for a period of 48 to 60 months, and are classified as current and non-current accordingly.
- (4) The PIS and COFINS credits of the Group companies come, basically, from export operations, that is, the company acquires raw materials with taxes (credit) and has a relevant portion of its sales destined for export without these taxes. taxes (debit), thus generating credit balances. The Group's management and lawyers assess that receiving those credits in a cash has a high chance of success. During 2021. The Group received R\$ 2,807 (R\$ 3,376 on December 31, 2020) on PIS and Cofins credits based on the *portaria* 348/2010 "Linha Rápida". The Company subsidiaries calculated credits from the exclusion of ICMS from the basis of calculation of PIS and COFINS in 2017. The Group recognized the credits after the final and definite supreme court decision with general repercussion. The Company subsidiaries kept taking those credits monthly using the same calculation methodology used to determine the tax dispute gain (i.e. the credits are calculated based on the ICMS presented in the invoice).

9. Income and social contribution taxes

The deferred income and social contribution taxes are recognized to reflect future tax effects attributable to temporary differences between the tax bases of assets and liabilities and their book values, and to tax loss carryforwards.

The roll forward of deferred income and social contribution taxes is presented below:

Unigel Participações S.A.
Interim financial statements
Period ended September 30, 2021

| | Consolidated | | | | | | |
|--|------------------|------------------|----------------|------------------|---------------|---------------|------------------|
| | 9/30/2021 | Income (loss) | OCI | 12/31/2020 | Income (loss) | OCI | 01/01/2020 |
| Assets | | | | | | | |
| Amounts recognized in OCI | | | | | | | |
| Pension plan | 3,436 | - | - | 3,436 | - | - | 3,436 |
| Unrealized foreign currency exchange variation | 45,821 | - | - | 45,821 | 163 | 45,658 | - |
| Hedge accounting – Mark to market | 29,069 | - | - | 29,069 | (1,130) | 30,199 | |
| Amounts recognized in statement of profit | | | | | | | |
| Estimated credit loss | 10,188 | - | - | 10,188 | - | - | 10,188 |
| Provision for contingencies | 11,243 | - | - | 11,243 | 1 | - | 11,242 |
| Provision for loss on investment | 443 | - | - | 443 | - | - | 443 |
| Unrealized exchange rate change | 83,250 | - | - | 83,250 | 64,318 | - | 18,932 |
| Tax loss carryforwards | 431,005 | (53,481) | (9,974) | 494,460 | 10,768 | (9,340) | 493,032 |
| Provision for realization of inventories | 287 | - | - | 287 | - | - | 287 |
| Unrealized gains on inventories | 132 | - | - | 132 | 94 | - | 38 |
| Provision of freights | 4,805 | - | - | 4,805 | 30 | - | 4,775 |
| Derivatives | (44,197) | - | - | (44,197) | (49,034) | - | 4,837 |
| Foreign operations | 22,204 | 4,925 | - | 17,279 | 10,188 | 1,669 | 5,422 |
| Other provisions | 12,710 | (1,097) | 2,663 | 11,144 | 1,415 | - | 9,729 |
| | <u>610,396</u> | <u>(49,653)</u> | <u>(7,311)</u> | <u>667,360</u> | <u>36,813</u> | <u>68,186</u> | <u>562,361</u> |
| Liabilities | | | | | | | |
| Amounts recognized in OCI | | | | | | | |
| Deemed cost | (55,495) | 8,540 | - | (64,035) | 12,505 | - | (76,540) |
| Amounts recognized in statement of profit | | | | | | | |
| Other | 2,114 | 450 | - | 1,664 | (542) | - | 2,206 |
| ICMS exclusion PIS/COFINS | (76,048) | (76,048) | - | - | - | - | - |
| Fair value – investment properties | (2,087) | - | - | (2,087) | - | - | (2,087) |
| Deferred gain on equity transaction ⁽¹⁾ | (117,164) | - | - | (117,164) | - | - | (117,164) |
| | (248,680) | (67,058) | - | (181,622) | 11,963 | - | (193,585) |
| Net deferred tax asset (liability) | <u>361,716</u> | <u>(116,711)</u> | <u>(7,311)</u> | <u>485,738</u> | <u>48,776</u> | <u>68,186</u> | <u>368,776</u> |
| Deferred tax assets | 478,853 | | | 602,875 | | | 484,645 |
| Deferred tax liabilities | <u>(117,137)</u> | | | <u>(117,137)</u> | | | <u>(115,869)</u> |
| Net deferred tax asset (liability) | <u>361,716</u> | | | <u>485,738</u> | | | <u>368,776</u> |

The reconciliation between the tax expense as calculated by the combined statutory rates and the income and social contribution tax expense charged to net income is presented below:

| | Consolidated | |
|---|---------------------|------------------|
| | 9/30/2021 | 9/30/2020 |
| Income (Loss) before income and social contribution taxes | 964,220 | (226,655) |
| Statutory rate | 34% | 34% |
| Income and social contribution tax benefit at the combined statutory rates | (327,835) | 77,063 |
| Additions: | | |
| Non-deductible expenses | (1,810) | (1,164) |
| Hedge accounting - realization of exchange variation | (3,055) | - |
| Non-deductible interest - Thin capitalization | (24,281) | - |
| Differences on universal bases - companies abroad | - | (25,078) |
| Exclusions: | | |
| Tax benefits - Reintegra (Note 25.4) | 472 | 166 |
| Tax benefits - Desenvolve (Note 25.1) | 39,655 | 17,460 |
| Differences on universal bases - companies abroad | 21,710 | - |
| Permanent differences abroad | 97 | - |
| | (295,047) | 68,447 |
| Effective rate | 31% | 30% |
| Other adjustments: | | |
| Unrecognized tax losses carryforwards ⁽¹⁾ | (3,460) | (20,972) |
| Tax losses from previous years recognized in the period | 822 | - |
| Unrecognized temporary differences | 15,930 | (30,172) |
| Tax incentive – SUDENE (Note 25.2) | 66,943 | - |
| Income tax and social contribution in income for the period | (214,812) | 17,303 |
| Current | (98,101) | (32,414) |
| Deferred | (116,711) | 49,717 |

- (1) These balances are related to the historical tax losses of Group companies that, according to current projections, do not, at the moment, indicate sufficient taxable income to offset the tax losses not recognized in a medium-term horizon. The total balance of tax losses, negative calculation base and temporary differences not recognized until September 30, 2021 is presented below.

| | Consolidated | |
|----------------------------------|---------------------|-------------------|
| | 9/30/2021 | 12/31/2020 |
| Tax loss | 126,501 | 123,202 |
| Temporary additions (exclusions) | 76,229 | 201,236 |
| | 202,730 | 324,438 |

9.1.1 Realization of deferred tax assets

Unrecognized tax losses from prior periods are recognized when there is convincing evidence that the Group will have means to realize those tax losses.

Below we show the expected realization year by year, for the entire reasonable period of realization:

| | |
|------------|-----------------------|
| 2021 | 26,541 |
| 2022 | 113,111 |
| 2023 | 81,184 |
| 2024 | 46,036 |
| 2025 | 42,520 |
| 2026 | 43,761 |
| After 2027 | <u>77,852</u> |
| | <u>431,005</u> |

10. Investments

10.1.1 Changes in balances investments

| | Companhia Brasileira de Estireno | Proquigel Química S.A. | Unigel Luxemburgo S.A. | Unigel Distribuidora Ltda. | Unigel Plásticos S.A. | Unigel Com. de Energia S.A. | Total |
|---|----------------------------------|------------------------|------------------------|----------------------------|-----------------------|-----------------------------|-------------------------|
| Balance on December 31, 2020 | <u>1,314,854</u> | <u>90,142</u> | <u>87,310</u> | <u>46,098</u> | <u>15,630</u> | <u>1,000</u> | <u>1,555,034</u> |
| Share profit of equity-accounted investes | 611,956 | 126,404 | 32,807 | 2,731 | (19,352) | - | 754,546 |
| Cash flow hedge | (199,400) | (101,078) | - | 8,855 | 10,086 | - | (281,537) |
| Accumulated conversion adjustment | 26,414 | - | 7,126 | - | - | - | 33,540 |
| Balance on September 30, 2021 | <u>1,753,824</u> | <u>115,468</u> | <u>127,243</u> | <u>57,684</u> | <u>6,364</u> | <u>1,000</u> | <u>2,061,583</u> |

| | Companhia Brasileira de Estireno | Proquigel Química S.A. | Unigel Luxemburgo S.A. | Unigel Distribuidora Ltda. | Unigel Plásticos S.A. | Unigel Com. de Energia S.A. | Total |
|---|----------------------------------|------------------------|------------------------|----------------------------|-----------------------|-----------------------------|-------------------------|
| Balance on December 31, 2019 | <u>1,335,947</u> | <u>286,839</u> | <u>44,017</u> | <u>52,017</u> | <u>23,695</u> | <u>-</u> | <u>1,742,515</u> |
| Share profit of equity-accounted investes | (109,111) | (54,924) | (27,974) | (4,897) | (4,217) | - | (201,123) |
| Cash flow hedge | (303,661) | (246,629) | - | - | 1,241 | - | (549,049) |
| Capital contribution | - | - | - | - | - | 100 | 100 |
| Accumulated conversion adjustment | 176,825 | - | 3,038 | - | - | - | 179,863 |
| Balance on September 30, 2020 | <u>1,100,000</u> | <u>(14,714)</u> | <u>19,081</u> | <u>47,120</u> | <u>20,719</u> | <u>100</u> | <u>1,172,306</u> |
| Assets | | | | | | | 1,187,020 |
| Liabilities | | | | | | | (14,714) |
| Balance on September 30, 2020 | | | | | | | <u>1,172,306</u> |

10.1.2 Capital composition

| | Companhia Brasileira de Estireno | | Proquigel Química S.A. | | Unigel Luxemburgo S.A. | | Unigel Distribuidora Ltda. | | Unigel Plásticos S.A. | | Unigel Com. de Energia S.A. | |
|--|---|-------------------|-------------------------------|-------------------|-------------------------------|-------------------|-----------------------------------|-------------------|------------------------------|-------------------|------------------------------------|-------------------|
| | 9/30/2021 | 12/31/2020 | 9/30/2021 | 12/31/2020 | 9/30/2021 | 12/31/2020 | 9/30/2021 | 12/31/2020 | 9/30/2021 | 12/31/2020 | 9/30/2021 | 12/31/2020 |
| Capital | 629,291 | 629,291 | 459,636 | 459,636 | 127 | 121 | 62,372 | 62,372 | 98,831 | 98,831 | 1,000 | 1,000 |
| Equity | 1,756,916 | 1,314,854 | 115,468 | 90,142 | 127,243 | 87,310 | 57,684 | 46,098 | 6,294 | 15,749 | 1,000 | 1,000 |
| Equity interest percentage | 99.99% | 99.99% | 99.99% | 99.99% | 99.99% | 99.99% | 99.99% | 99.99% | 99.99% | 99.99% | 99.99% | 99.99% |
| Loss in inventories | (3,092) | - | - | - | - | - | - | - | 70 | (119) | - | - |
| Adjusted equity | 1,753,824 | 1,314,854 | 115,468 | 90,142 | 127,243 | 87,310 | 57,684 | 46,098 | 6,364 | 15,630 | 1,000 | 1,000 |
| Loss in inventories | (2,846) | - | - | - | - | - | - | - | (112) | (119) | - | - |
| Net income (loss) | 614,802 | 45,823 | 126,404 | (63,888) | 32,807 | 39,766 | 2,731 | (5,919) | (19,240) | (9,176) | - | - |
| Equity interest percentage | 99.99% | 99.99% | 99.99% | 99.99% | 99.99% | 99.99% | 99.99% | 99.99% | 99.99% | 99.99% | 99.99% | 99.99% |
| Share profit of equity-accounted investes | 611,956 | 45,823 | 126,404 | (63,888) | 32,807 | 39,766 | 2,731 | (5,919) | (19,352) | (9,295) | - | - |

11. Property, plant and equipment

| | Consolidated | | | | | | | | | | | |
|--------------------------|--------------|-------------------------|-----------------------------------|---------|--------------|----------|------------------------|--------------|-----------------------|-----------------------|-------------------|-----------|
| | | Machinery and equipment | Facilities, tools and instruments | Land | IT equipment | Vehicles | Furniture and fixtures | Improvements | Replacement materials | Advances to suppliers | Works in progress | Total |
| Cost | Buildings | | | | | | | | | | | |
| Balance on 12/31/2019 | 213,728 | 1,251,402 | 844,992 | 111,923 | 22,803 | 2,349 | 10,461 | 28,326 | 2,491 | 4,881 | 193,802 | 2,687,158 |
| Additions | - | 808 | - | - | - | 284 | - | - | - | 1,279 | 220,785 | 223,156 |
| Write-offs | (60) | (316) | (301) | - | - | (287) | (1) | - | - | - | (5,548) | (6,513) |
| Transfers ⁽¹⁾ | - | 110,295 | 19,285 | - | 6,125 | 149 | 5,963 | 6,282 | - | (2,159) | (146,917) | (977) |
| Exchange rate | 10,879 | 59,137 | 681 | 2,385 | 1,897 | 119 | 255 | - | - | - | 7,778 | 83,131 |
| Balance on 12/31/2020 | 224,547 | 1,421,326 | 864,657 | 114,308 | 30,825 | 2,614 | 16,678 | 34,608 | 2,491 | 4,001 | 269,900 | 2,985,955 |
| Additions | - | - | 629 | 121 | 298 | - | 7 | - | - | 11,808 | 655,944 | 668,807 |
| Write-offs | (326) | (417) | (488) | - | (72) | (1,445) | - | - | - | - | (4,085) | (6,833) |
| Transfers ⁽¹⁾ | 11,089 | 109,295 | 583,638 | - | 1,645 | (1,802) | 19,744 | 2,199 | - | (11,681) | (718,410) | (4,283) |
| Exchange rate | 2,650 | 13,208 | (2,529) | 377 | 425 | 1,473 | 55 | - | - | - | 1,921 | 17,580 |
| Balance on 9/30/2021 | 237,960 | 1,543,412 | 1,445,907 | 114,806 | 33,121 | 840 | 36,484 | 36,807 | 2,491 | 4,128 | 205,270 | 3,661,226 |

| | | Machinery and equipment | Facilities, tools and instruments | Land | IT equipment | Vehicles | Furniture and fixtures | Improvements | Replacement materials | Advances to suppliers | Works in progress | Total |
|---|------------|-------------------------|-----------------------------------|---------|--------------|-------------|------------------------|--------------|-----------------------|-----------------------|-------------------|-------------|
| Accumulated depreciation | Buildings | | | | | | | | | | | |
| Average annual rates (%) | 5.19% p.a. | 7.21% p.a. | 6.64% p.a. | - | 2.60% p.a. | 16.55% p.a. | 2.51% p.a. | 3.95% p.a. | 7.75% p.a. | - | - | - |
| Balance on 12/31/2019 | (126,555) | (878,258) | (470,999) | - | (16,839) | (1,870) | (8,105) | (5,105) | (2,317) | - | - | (1,510,048) |
| Additions | (8,783) | (48,463) | (35,717) | - | (313) | (206) | (300) | (5) | (56) | - | - | (93,843) |
| Write-offs | 58 | 290 | 38 | - | - | - | 1 | - | - | - | - | 387 |
| Transfers | - | (2,606) | 1,640 | - | 1,010 | - | (167) | 123 | - | - | - | - |
| Exchange rate | (5,730) | (25,680) | (207) | - | (1,334) | (56) | (127) | - | - | - | - | (33,134) |
| Balance on 12/31/2020 | (141,010) | (954,717) | (505,245) | - | (17,476) | (2,132) | (8,698) | (4,987) | (2,373) | - | - | (1,636,638) |
| Additions | (6,555) | (52,124) | (35,096) | - | (826) | (139) | (951) | (879) | (26) | - | - | (96,596) |
| Write-offs | 300 | - | 228 | - | 40 | 1,371 | - | - | - | - | - | 1,939 |
| Transfers | 1,161 | 3,182 | (4,590) | - | (36) | 1,431 | (1,129) | (19) | - | - | - | - |
| Exchange rate | (1,265) | (5,892) | 1,111 | - | (291) | (1,198) | (22) | - | - | - | - | (7,557) |
| Balance on 9/30/2021 | (147,369) | (1,009,551) | (543,592) | - | (18,589) | (667) | (10,800) | (5,885) | (2,399) | - | - | (1,738,852) |
| Property, plant and equipment net balance on 12/31/2019 | 87,173 | 373,144 | 373,993 | 111,923 | 5,964 | 479 | 2,356 | 23,221 | 174 | 4,881 | 193,802 | 1,177,110 |
| Property, plant and equipment net balance on 12/31/2020 | 83,537 | 466,609 | 359,412 | 114,308 | 13,349 | 482 | 7,980 | 29,621 | 118 | 4,001 | 269,900 | 1,349,317 |
| Property, plant and equipment net balance on 9/30/2021 | 90,591 | 533,861 | 902,315 | 114,806 | 14,532 | 173 | 25,684 | 30,922 | 92 | 4,128 | 205,270 | 1,922,374 |

(1) The remaining amount in transfers are related to intangible assets and the offsetting of advance to suppliers and suppliers.

11.1.1 Impairment test

In 2021, the extruded sheet plant of Unigel Plásticos, located in Candeias, was reactivated and sales projections ruled out any possibility of impairment regarding the Group's total assets.

In 2020, Unigel Plásticos' extruded sheet plant, located in Candeias (BA), which had its production halted, was reactivated.

Part of the Group's fixed assets are pledged as collateral in sundry loan operations. For further details, see Note 26 - Collaterals and Sureties.

12. Leases

12.1 Right-of-use lease

| | Consolidated | | | |
|--------------------------------------|-------------------|----------------------|---------------|----------------|
| | Industrial plants | Tanks and warehouses | Other | Total |
| Balance on January 1, 2020 | 77,610 | 98,737 | 9,975 | 186,322 |
| Additions ⁽¹⁾ | 197,469 | 2,613 | 16,408 | 216,490 |
| Write-offs | - | - | (759) | (759) |
| Transfers | 6,622 | (6,622) | - | - |
| Exchange rate | - | - | 2,239 | 2,239 |
| Depreciation | (9,225) | (28,743) | (10,331) | (48,299) |
| Balance on December 31, 2020 | 272,476 | 65,985 | 17,532 | 355,993 |
| Additions ⁽²⁾ | 19,124 | 6,709 | 14,063 | 39,896 |
| Transfers | 336 | (545) | 209 | - |
| Exchange rate | - | - | 38 | 38 |
| Depreciation | (21,621) | (22,169) | (10,257) | (54,047) |
| Balance on September 30, 2021 | 270,315 | 49,980 | 21,585 | 341,880 |

(1) The additions are due to the contractual renewals of the São José dos Campos and latex plants.

(2) Additions refer substantially to contractual remeasurements.

12.2 Lease liability

| | Consolidated | | | |
|--------------------------------------|-------------------|----------------------|-----------------|------------------|
| | Industrial plants | Tanks and warehouses | Other | Total |
| Balance on January 1, 2020 | (91,848) | (107,106) | (15,053) | (214,007) |
| Additions ⁽¹⁾ | (197,469) | (2,613) | (16,408) | (216,490) |
| Interest | (26,196) | (6,611) | (736) | (33,543) |
| Transfer | (9,389) | 6,479 | 2,910 | - |
| Exchange rate | - | - | (2,376) | (2,376) |
| Payments | 31,860 | 33,066 | 12,964 | 77,890 |
| Balance on December 31, 2020 | (293,042) | (76,785) | (18,699) | (388,526) |
| Additions ⁽²⁾ | (19,124) | (6,709) | (14,063) | (39,896) |
| Interest | (17,367) | (6,773) | (315) | (24,455) |
| Transfer | (185) | 276 | (91) | - |
| Exchange rate | - | - | (39) | (39) |
| Payments | 33,852 | 30,896 | 9,105 | 73,853 |
| Balance on September 30, 2021 | (295,866) | (59,095) | (24,102) | (379,063) |

- (1) The additions are due to the contractual renewals of the São José dos Campos and latex plants.
(2) Additions refer substantially to contractual remeasurements.

| | Consolidated | |
|-------------------|------------------|------------------|
| | 9/30/2021 | 12/31/2020 |
| Lease liabilities | | |
| Current | (89,928) | (79,659) |
| Non-current | (289,135) | (308,867) |
| | (379,063) | (388,526) |

12.3 Installments in their future value by maturity

The breakdown of the installments in their future value by maturity is as follows:

| | 9/30/2021 | | | |
|---------------|-------------------|----------------------|--------------|----------------|
| | Industrial plants | Tanks and warehouses | Other | Total |
| Up to 1 Year | 42,905 | 39,353 | 2,150 | 84,408 |
| 2 to 5 years | 252,160 | 24,169 | 1,435 | 277,764 |
| After 5 years | 191,851 | - | - | 191,851 |
| | 486,916 | 63,522 | 3,585 | 554,023 |

| | 12/31/2020 | | | |
|---------------|-------------------|----------------------|--------------|----------------|
| | Industrial plants | Tanks and warehouses | Other | Total |
| Up to 1 Year | 40,589 | 35,239 | 4,933 | 80,761 |
| 2 to 5 years | 156,515 | 49,859 | 4,927 | 211,301 |
| After 5 years | 306,923 | - | - | 306,923 |
| | 504,027 | 85,098 | 9,860 | 598,985 |

13.Loans and financing

| | | | Consolidated | | | |
|-----------|-----------------|-----------------|--------------|-----------------------------|------------|-----------------------------|
| | | | 9/30/2021 | | 12/31/2020 | |
| Currency | Type | Index | Amount | Average effective rate p.a. | Amount | Average effective rate p.a. |
| BRL | Financing | IPCA | - | - | 50,464 | 4.16% |
| | | Fixed rate | 619 | 11.55% | 1,925 | 4.46% |
| | Working capital | Fixed rate | 169,961 | 12.68% | 110,763 | 12.00% |
| | | CDI | - | - | 95,824 | 7.90% |
| Total BRL | | | 170,580 | | 258,976 | |
| USD | Financing | Fixed rate | 2,893,319 | 8.75% | 2,101,822 | 8.77% |
| | | Working capital | 121,533 | 4.81% | 87,441 | 3.91% |
| | | Libor | 157,187 | 2.95% | 148,945 | 3.31% |
| | | Total USD | | | 3,172,039 | |
| Peso | Working capital | Fixed rate | - | - | 3,195 | 8.45% |
| | | | 3,342,619 | 8.53% | 2,600,379 | 8.29% |
| | | Current | 455,313 | | 402,667 | |
| | | Non-current | 2,887,306 | | 2,197,712 | |

13.1 Roll forward of Loans and financing

| | Consolidated | |
|---|------------------|------------------|
| | 9/30/2021 | 9/30/2020 |
| January 1 | 2,600,379 | 1,784,474 |
| Proceeds from loans and financing ⁽¹⁾⁽²⁾ | 1,119,243 | 241,751 |
| Interest expense | 234,158 | 168,215 |
| Foreign exchange gains (losses), net P&L | 142,363 | 356,651 |
| Foreign exchange gains (losses), net OCI | (24,992) | 346,585 |
| Repayments - principal amount | (587,629) | (64,434) |
| Interest paid | (170,924) | (119,495) |
| Transaction costs | 21,072 | 20,529 |
| Currency translation adjustments | 8,949 | 16,196 |
| Final balance | 3,342,619 | 2,750,472 |

- (1) In the first quarter of 2021 the Group concluded the 2026 bond retap in the amount of US\$ 110 million. The retap was concluded at a rate of 7.329% p.a, and the funds raised were used to refinance short-term debts and for financial purposes. general corporate.
- (2) In the third quarter of 2021, the Group concluded the raising of R\$95,000 in working capital through the parent company Proquigel Química SA. The loan is guaranteed by trade notes in the amount of R\$ 42,500, has a term of 12 months and bears charges linked to CDI plus a pre-fixed installment. In the same period, the Group also concluded the raising of R\$ 50,000 in working capital, R\$25,000 of which through its subsidiary Proquigel Química S.A., and R\$ 25,000 through Companhia Brasileira de Estireno. The loan is guaranteed by assets linked to a mortgage: firstly to

the contract with Proquigel Química S.A., and secondly to the contract with Companhia Brasileira de Estireno, the property called Parque Industrial, owned by Unigel Plásticos S.A., valued at R\$ 31,380.

13.2 Disbursement schedule

| Year | Consolidated | | | | | |
|-------|------------------|--------------------------------|--------------------|------------------|--------------------------------|--------------------|
| | 9/30/2021 | | | 12/31/2020 | | |
| | Payments | Transaction costs amortization | Accounting Balance | Payments | Transaction costs amortization | Accounting Balance |
| 2022 | 31,725 | (28,762) | 2,963 | 33,448 | (27,091) | 6,357 |
| 2023 | 73,918 | (22,972) | 50,946 | 70,626 | (27,091) | 43,535 |
| 2024 | 13,776 | (23,035) | (9,259) | 39,799 | (27,165) | 12,634 |
| 2025 | 3 | (22,972) | (22,969) | - | (27,091) | (27,091) |
| After | | | | | | |
| 2026 | 2,882,870 | (17,245) | 2,865,625 | 2,182,614 | (20,337) | 2,162,277 |
| | 3,002,292 | (114,986) | 2,887,306 | 2,326,487 | (128,775) | 2,197,712 |

13.3 Guarantees

The Group made available as collateral part of its property, plant and equipment and accounts receivable, as disclosed in Note 26 – Commitments and guarantees.

13.4 Covenants

Certain of the Company's debt obligations include financial debt covenants calculated based on the annual and interim financial statements.

The Group met all the minimum financial ratios for compliance.

14. Suppliers

| | Parent company | | Consolidated | |
|---------------------------------|----------------|--------------|----------------|----------------|
| | 9/30/2021 | 12/31/2020 | 9/30/2021 | 12/31/2020 |
| Raw materials and services | 845 | 2,052 | 341,539 | 207,226 |
| Property, plant and equipment | 32 | - | 13,937 | 11,741 |
| Domestic | 877 | 2,052 | 355,476 | 218,967 |
| Raw materials and services | - | - | 274,275 | 154,448 |
| Property, plant and equipment | - | - | 250 | 811 |
| Foreign | - | - | 274,525 | 155,259 |
| Related parties (Note 7) | - | - | 209 | 393 |
| | 877 | 2,052 | 630,210 | 374,619 |

15. Taxes payable

| | Consolidated | |
|---|---------------------|-------------------|
| | 9/30/2021 | 12/31/2020 |
| ICMS | 6,742 | 8,106 |
| IPI | 41 | 12,491 |
| CSLL, PIS and COFINS | 7,673 | 16,586 |
| REFIS - Law No, 11,941/09 ⁽¹⁾ | 12,011 | 13,409 |
| REFIS - Law No, 13,043/14 ⁽²⁾ | 9,530 | 10,314 |
| Tax settlement programs - PRT and PERT ⁽³⁾ | 28,313 | 33,190 |
| Payment in installments to the state ⁽⁴⁾ | 13,257 | 18,724 |
| Municipal installments | - | 1,116 |
| Federal ordinary payments in installments | 4,764 | 5,574 |
| Taxes on foreign subsidiaries | 2,372 | 3,097 |
| Other | 4,826 | 4,494 |
| | 89,529 | 127,101 |
| Current | 39,698 | 36,680 |
| Non-current | 49,831 | 90,421 |

- (1) In November 2009, the Management approved the adhesion to the Tax Reduction and Payment Scheduling Program in conformity with Law No. 11941/09.
- (2) In November 2014, the Group joined the program for federal debt reduction and payment in installments in accordance with Law no. 13.043/14 (Refis da Copa).
- (3) In 2017, the Group joined the tax regularization program – PRT and the special tax regularization program – PERT. These programs were created pursuant to Provisional Measures 766, 780 and 783 of 2017, respectively, which allowed the settlement of certain federal tax debts, at the administrative as well as judicial level, using tax losses and negative calculation basis of social contribution.
- (4) In April 2017, the Group joined the Program for of State São Paulo Tax Regularization (“PEP”). PEP was a program created by law and allowed the installment of taxes overdue after reducing the overdue amount using accumulated tax losses. The amount of tax liability was R\$ 20,522 and the impact in the statement of profit was an expense in the amount of R\$ 4,737.

16. Post-employment benefits

a) Post-employment benefits

Companhia Brasileira de Estireno recognizes a provision for post-employment benefit related to the payment of 100% of the health care plan granted to retirees until the year 2010.

The amounts related to these benefits, including the net expenses generated, were calculated in valuations conducted by independent actuaries as shown below:

| | Consolidated | |
|---|---------------------|-------------------|
| | 9/30/2021 | 12/31/2020 |
| Amount of actuarial obligation at the beginning of the year | 39,285 | 32,285 |
| Cost of current service | - | 2,865 |
| Interest on actuarial obligation | - | 2,134 |
| Exchange variation | 2,201 | - |
| Benefits paid in the year | - | (1,440) |
| Loss in the actuarial obligations | - | 3,441 |
| | 41,486 | 39,285 |

16.1 Actuarial assumptions

The actuarial assumptions used in the assessment of benefits in the year 2020 are described below:

Economic Actuarial assumptions

| | |
|--|--------------------------------------|
| Expected inflation rate | 3.20% p.a. |
| Increase in medical costs due to inflation | 3.75% p.a. |
| | According to the age: |
| | - below 24 years old: 1.25% |
| | - between 25 and 54 years old: 2.75% |
| | - between 55 and 79 years old: 4.75% |
| | - above 80 years old: 2.25% |
| Increase in medical costs due to aging | |

Biometric actuarial premises

| | |
|---------------------------------------|---|
| General mortality | AT-2000 |
| Disabled mortality | RP-2000 Disabled, when available |
| Disabled entry | Álvaro Vindas, when available |
| Turnover rate | 15% / (time of service + 1), for the benefits of health |
| | 0%, for the rest of benefits assessed |
| Permanence in plan after retirement | 25%, for the benefit of indirect subsidy of health plan |
| Eligibility to retirement | BD 55 years old and 10 years benefit plan |
| Direct costing - Collective agreement | 55 years old and 10 years in company |
| Indirect costing | Active 100% married with wife 2 years younger |
| Family composition | Benefited - real composition informed |

16.2 Sensitivity analysis on actuarial premises

| | Consolidated |
|--|---------------------|
| | 12/31/2020 |
| Effects on the defined obligation liability | |
| Discount rate - variation of -0.5% on nominal rate | 2,467 |
| Discount rate - variation of +0.5% on nominal rate | (2,218) |

17. Judicial deposits, Provision for civil, tax and labor risks

The Company and its subsidiaries are parties to administrative and legal proceedings arising from the normal course of their operations. These processes involve labor, tax, environmental and civil matters. Based on the information and evaluations of its internal and external legal advisors, Management measured and recognized provisions for contingencies in an estimated amount of the value of the obligation and which reflect the likely expected outflow of resources.

17.1 Judicial deposits

The Group recorded an amount of R\$16,209 (R\$16,170 on December 31, 2020) in judicial deposits substantially linked to tax proceedings.

17.2 Provision for civil, tax and labor risks

In 2021, provisions for probable contingencies were recognized in the amount of R\$ 9,330 (R\$11,988 on December 31, 2020), and are detailed below:

| | Consolidated | | |
|--------------------------------------|--------------|--------------|---------------|
| | Labor (i) | Federal (ii) | Total |
| Balance January 1, 2020 | 1,723 | 6,152 | 7,875 |
| Additions of new processes | 2,841 | 29,001 | 31,842 |
| Write-off by payments | (688) | (27,041) | (27,729) |
| Balance on December 31, 2020 | 3,876 | 8,112 | 11,988 |
| Additions of new processes | 1,628 | 6,077 | 7,705 |
| Write-off by payments | (2,603) | (7,760) | (10,363) |
| Balance on September 30, 2021 | 2,901 | 6,429 | 9,330 |

(i) Labor

The labor lawsuits represent labor claims of various natures (payment of overtime, unhealthy conditions and hazardous work, and severance pay) and which are in different procedural stages.

(ii) Federal

Tax provisions substantially refer to disputes relating to ICMS, IPI, social security contributions, offsetting of PIS and COFINS credits and the levying of PIS and COFINS on other revenues.

17.3 Proceedings assessed as possible risk of loss

The Group is party to other proceedings for which Management, based on the assessment of its internal and external legal advisors, deemed the risk of loss to be possible. The obligations arising from these proceedings are considered as contingent liabilities, since it is not probable that an outflow of resources that incorporate economic benefits will be required to settle the obligation. The nature of the main contingent liabilities are:

| | Consolidated | |
|---------------------|---------------------|-------------------|
| | 9/30/2021 | 12/31/2020 |
| Labor (i) | 23,623 | 16,889 |
| Federal (ii) | 556,211 | 977,788 |
| Environmental (iii) | 50,719 | 47,584 |
| Civil (iv) | 33,878 | 7,893 |
| | 664,431 | 1,050,154 |

(i) Labor

On September 30, 2021, the Group were party to approximately 187 (289 on December 31, 2020) labor proceedings. The Group have made no provision for cases in which, in the opinion of external counsel and Group management, have classified the risk of loss as possible involving an estimated amount of R\$ 23,623 (R\$ 16,889 on December 31, 2020). In general terms, labor claims relate to disputes regarding overtime, severance, liability involving outsourced service providers, and certain union disputes regarding the implementation of collective workplace rules, among others.

Among these legal proceedings are labor disputes involving unions. The Group most significant union-related claim, we, along with other petrochemical companies in Bahia, are an intervening party to a dispute between SINDIQUÍMICA (an employees' union entity) and SINPEQ (an employers' union entity).

(ii) Federal

The Group is a defendant in tax proceedings issued by the Secretary of Finance of the State of São Paulo – SEFAZ SP. Such assessments are intended to disregard certain ICMS tax credits required on transactions involving goods and services arising from interstate operations between establishments located in the states of Bahia, Rio Grande do Sul and Pernambuco. The state of São Paulo argued that these states granted tax benefits without entering into agreements with CONFAZ and, therefore, they were unconstitutional. However, Supplementary Law No. 160/2017 and ICMS Agreement No. 190/2017 were approved, which authorized and regulated, respectively, the remission of tax credits in question. In compliance with the requirement of the Complementary Law and the ICMS Agreement, the State of São Paulo published Joint Resolution No. 01/2019 regulating the procedures for recognizing the remission of said credits. Thus, the contingency in the amount of R\$ 110,246 was classified as possible (R\$ 443,175 on December 31, 2020).

The decrease in the amounts in the period refers to a Tax Assessment Notice that aimed to collect ICMS arising from the disallowance of credits in the amount of R\$ 412,610, referring to interstate purchase transactions originating in the state of Bahia. According to the São Paulo tax authorities, the credits were undue since the sender took advantage of DESENVOLVE, a tax benefit granted by the state of Bahia without CONFAZ's approval. However, with the enactment

of Complementary Law 160/2017 - which provided for the amnesty of debts arising from these operations -, as well as the ICMS Agreement 190/2017 - which delimited the procedure for requesting validation before the state Finance Departments -, the Companhia Brasileira de Estireno presented its “Request for Recognition of ICMS Credits” before SEFAZ-SP, which accepted it in full to extinguish the debt subject to the AIIM under discussion. This request was granted on August 23, 2021.

In addition to the aforementioned proceedings, the Group is a party to other tax proceedings classified as possible by its legal advisors according to previous Supreme Court decisions and understands that the results will be favorable as a result of current case law, and the most relevant ones involve the following:

- Tax benefits considered as grants to investments granted by the state of Bahia to reduce the IRPJ / CSLL calculation base - R\$ 77,157 (R\$ 73,525 on December 31, 2020);
- Charge of PIS and COFINS (Social Contribution) on discounts applied to customers - R\$ 30,600 (R\$ 30,877 on December 31, 2020);
- Discussion on tax credits IRPJ and CSLL, PIS and COFINS (Social Contributions) applied to offset the final value owed to the Federal Government - R\$ 96,287 (R\$ 95,865 on December 31, 2020);
- Collection of the ICMS tax on drawback, negotiation and determination of tax benefits - R\$ 17,243 (R\$ 19,075 on December 31, 2020);
- ICMS infraction notice for undue credit in the following situations: i) bookkeeping of tax documents referring to non-taxed operations, related to the receipt of goods for the specific purpose of export; and ii) unproven operations, return of goods sent for packaging and fine due to the issuance of invoices that do not correspond to the departure of goods from the establishment - R\$63,566 (R\$60,573 on December 31, 2020);
- Requests for refund of negative balance of IRPJ and negative CSLL calculation base calculated and offset with various debts – R\$15,749 (R\$54,103 on December 31, 2020);
- Infraction notices drawn up after an inspection procedure, carried out to analyze the requests for reimbursement of credits from the PIS and COFINS contribution, calculated as a result of the non-cumulative system - R\$ 5,241 (R\$ 3,287 on December 31, 2020) and;
- Other contingencies of a miscellaneous nature with amounts pulverized in the amount of R\$ 140,122 (R\$193,308 in December 2020).

(iii) Environmental

On September 30, 2021, the Group was party to 40 (28 on December 31, 2020), environmental proceedings. The Group has made no provisions for cases in which, based on the opinion of external counsel and management, they have classified the risk of loss as possible involving R\$ 50,719 (R\$ 47,584 as of December 31 2020). Below are presented the most relevant cases:

- Together with approximately 200 other companies, the Group is a co-ruler in a collective action brought by the Association of Residents of the Jardim Cristal and Jardim Marambaia neighborhoods. The plaintiffs allege that a company called Recobem was hired to recycle co-products from the paint industry and instead illegally discarded the materials in the State of Paraná. The Group was named runner because one of the barrels that were allegedly illegally discarded had one of its logos. The Company has been contesting this claim, as the barrel did not contain any material that the Group uses or produces. The Court of First Instance partially

upheld the motion and ordered certain defendants, including Proquigel, to indemnify the plaintiff in the amount of R\$2,805, such that the amount involved for Proquigel is R\$ 924 (R\$100 on December 31st 2020).

- Furthermore, the Group is a defendant in class action suits filed by the Bahia Fishermen's Federation seeking indemnification due to the alleged release of chemicals above the parameters allowed by environmental legislation (Conama Resolution 357/2005) that occurred in 2009, which resulted in the interruption of its fishing activities in Estuário Rio São Paulo and Todos os Santos Bay. Based on the opinions of technical experts and legal advisors, the substance found in the São Paulo River does not belong to the Group's product portfolio. The proceeding is considered as possible in terms of loss, in the amount of R\$ 48,106 (R\$ 44,757 on December 31, 2020).
- Other contingencies of a diverse nature and pulverized amounts total the amount of R\$ 1,689 (R\$2,727 on December 31, 2020).
- The Group is a defendant, along with 23 other companies, in another class-action public civil action filed by the Public Ministry of the State of São Paulo. The plaintiff seeks compensation for environmental damage caused in Serra do Mar due to the defendants' chemical activities in the area. On March 18, 2021, an agreement was reached on the case, with the Group being responsible for 3.17% of the indemnity amount, which is equivalent to R\$4,456. In September 2021, the Group was reimbursed by Bayer in 50% of this amount, totaling the amount of R\$2,228 its actual share. Currently, the process is awaited extinction.
- The Group is also a defendant in administrative proceedings in progress before INEMA, whose objects involve compliance with the conditions provided for in environmental licenses.

(iv) Civil

On September 30, 2021, the Group was party to 14 (5 on December 31, 2020), civil proceedings, representing a total estimated loss of R\$ 33,878 (R\$ 7,893 on December 31, 2020).

- The Group is a defendant in a civil claim filed by N.C. S/C Ltda., a minority shareholder of Polo. The plaintiff seeks to withdraw from Polo and receive damages due to the fact that the majority shareholders of Polo - including Unigel - allegedly tried to impose the change of its corporate type to become a corporation with authorized capital and removed the plaintiff from Polo's administration, facts which, according to N.C. S/C, prompted their intention to discontinue their investment at Polo. The Group were partially unsuccessful at the trial court level, and the appeal to the Court of Appeals of the State of São Paulo (Tribunal de Justiça de São Paulo) was also partially unsuccessful. The Group were ordered to pay the plaintiff damages, however, the Group are disputing the amount of damages due. Based on the opinion of external counsel and management, the Group classified the chance of loss in this claim as possible.

18. Shareholders' equity

18.1 Capital

The capital on September 30, 2021 is R\$276,185 (R\$276,185 on December 31, 2020), comprising 414,297,488 registered common shares, with no par value.

18.2 Profit reserve

The Profit Reserve includes the following reserves:

- Legal reserve, which is set up annually by 5% of net income for the year, up to a limit of 20% of the Company's capital.
- Profit reserve to be allocated, which is composed of the balance of profits remaining after the constitution of a legal reserve and the distribution of mandatory minimum dividends not yet allocated for other purposes.

18.3 Equity valuation adjustments

The equity valuation adjustments includes the following reserves:

- The fair value reserve comprises the fair value adjustments from investment properties.
- The hedging reserve comprises the effective portion of the cumulative net change in the fair value of hedging instruments used in cash flow hedges pending subsequent recognition in profit or loss as the hedged cash flows or items affect profit or loss.
- Remeasurements of defined benefit liability/asset comprises the effects of the actuarial gains and losses related to the post-employment benefits.
- The translation reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign operations.
- Reserve for deemed cost: in the context of First-time Adoption of IFRS in Brazil as of January 1, 2010, the Group has applied this exemption property, plant or equipment, to be measured at its fair value at the date of transition, and for that fair value to be used as the deemed cost of the item going forward.

18.4 Dividends

The Group's bylaws determine the distribution of a mandatory minimum dividend of 25% of the income for the year, adjusted in accordance with the law. There was no change in the dividend policy due to the adoption of deemed cost.

Dividends were calculated as follows:

| | |
|--|----------------|
| Loss for the year 12/31/2020 | (6,985) |
| Property, plant and equipment deemed cost depreciation and write-off, net of tax effects | 19,670 |
| Formation of legal reserve (5% of net income for the year) | (634) |
| Balance of Net Profit for the Year (basic for minimum mandatory dividends) | 12,051 |
| Mandatory minimum dividends (25%) | (3,013) |
| Adjusted net income balance to be allocated | (9,038) |

The Annual General Meeting (AGM) held on June 25, 2021 approved the distribution of additional dividends in the amount of R\$9,038, as shown in the statement of changes in equity.

In September 2020, additional dividends were approved referring to the year's results of 2019 in the amount of R\$ 104,270. These dividends were offset with credits with the shareholder in the amount of R\$ 69,367, with the remaining balance for payment in 12 months upon availability of cash.

19. Net revenue

19.1 Reconciliation between gross revenue and net revenue

| | Consolidated | | | |
|---------------------------------|---------------------------|------------------|--------------------------|------------------|
| | Three-month period ended: | | Nine-month period ended: | |
| | 9/30/2021 | 9/30/2020 | 9/30/2021 | 9/30/2020 |
| Gross revenue | | | | |
| Sale of products | 1,582,251 | 751,625 | 4,118,121 | 1,731,077 |
| Related parties (Note 7) | 11,964 | 14,436 | 47,532 | 34,100 |
| Sale of goods – Domestic | 1,594,215 | 766,061 | 4,165,653 | 1,765,177 |
| Sale of products | 540,772 | 278,393 | 1,618,428 | 656,593 |
| Sale of goods – Foreign | 540,772 | 278,393 | 1,618,428 | 656,593 |
| Gross revenue | 2,134,987 | 1,044,454 | 5,784,081 | 2,421,770 |
| Deductions | | | | |
| Tax on sales | (203,975) | (115,344) | (576,106) | (276,519) |
| Returns and discounts | (9,671) | (1,925) | (26,153) | (10,268) |
| | (213,646) | (117,269) | (602,259) | (286,787) |
| Net Revenue | 1,921,341 | 927,185 | 5,181,822 | 2,134,983 |

There is no client alone that represents more than 10% of the Group's net sales.

19.2 Disaggregation of revenue from contracts with customers

The Group generates revenue from sales of styrenics, acrylics and agro.

In the table below, revenues from contracts with customers are broken down by geographic market and by market segment (Note 23.2 - Information on reported segments).

19.3 Primary geographical markets

| | Consolidated | | | | | | | | | |
|--------------------------|----------------------------------|------------------|------------------|------------------|------------------|------------------|---------------------|------------------|------------------|------------------|
| | Three-month period ended: | | | | | | | | | |
| | Acrylics | | Styrenics | | Agro | | Eliminations | | Total | |
| | 9/30/2021 | 9/30/2020 | 9/30/2021 | 9/30/2020 | 9/30/2021 | 9/30/2020 | 9/30/2021 | 9/30/2020 | 9/30/2021 | 9/30/2020 |
| Brazil | 243,763 | 205,690 | 630,331 | 405,556 | 572,186 | 37,660 | (63,573) | - | 1,382,707 | 648,906 |
| Mexico | 142,663 | 66,492 | 1,876 | 2,969 | - | - | - | - | 144,539 | 69,461 |
| USA and Canada | 108,898 | 81,645 | 19,839 | 17,619 | - | - | - | - | 128,737 | 99,264 |
| Asia | 54,581 | 25,877 | - | - | - | - | - | - | 54,581 | 25,877 |
| Europe | 56,973 | 11,484 | 5,749 | 2,745 | - | - | - | - | 62,722 | 14,229 |
| Middle East | - | 17,844 | 901 | 2,710 | - | - | - | - | 901 | 20,554 |
| Latin America | 20,960 | 10,216 | 53,627 | 30,421 | 46,775 | - | - | - | 121,362 | 40,637 |
| Africa | 8,929 | 4,795 | 16,863 | 3,462 | - | - | - | - | 25,792 | 8,257 |
| Total net revenue | 636,767 | 424,043 | 729,186 | 465,482 | 618,961 | 37,660 | (63,573) | - | 1,921,341 | 927,185 |

| | Consolidated | | | | | | | | | |
|--------------------------|---------------------------------|------------------|------------------|------------------|------------------|------------------|---------------------|------------------|------------------|------------------|
| | Nine-month period ended: | | | | | | | | | |
| | Acrylics | | Styrenics | | Agro | | Eliminations | | Total | |
| | 9/30/2021 | 9/30/2020 | 9/30/2021 | 9/30/2020 | 9/30/2021 | 9/30/2020 | 9/30/2021 | 9/30/2020 | 9/30/2021 | 9/30/2020 |
| Brazil | 797,076 | 407,363 | 2,003,961 | 980,037 | 913,198 | 91,868 | (143,845) | - | 3,570,390 | 1,479,268 |
| Mexico | 537,529 | 158,671 | 6,730 | 6,956 | - | - | - | - | 544,259 | 165,627 |
| USA and Canada | 351,764 | 207,989 | 47,919 | 48,489 | - | - | - | - | 399,683 | 256,478 |
| Asia | 61,214 | 44,242 | - | - | - | - | - | - | 61,214 | 44,242 |
| Europe | 151,144 | 23,358 | 10,346 | 3,281 | - | - | - | - | 161,490 | 26,639 |
| Middle East | 50,389 | 21,618 | 1,435 | 2,710 | - | - | - | - | 51,824 | 24,328 |
| Latin America | 72,364 | 32,994 | 213,229 | 80,987 | 46,775 | - | - | - | 332,368 | 113,981 |
| Africa | 16,649 | 17,100 | 43,945 | 7,320 | - | - | - | - | 60,594 | 24,420 |
| Total net revenue | 2,038,129 | 913,335 | 2,327,565 | 1,129,780 | 959,973 | 91,868 | (143,845) | - | 5,181,822 | 2,134,983 |

The totality of the Group's revenues is recognized at a specific point in time.

20. Expenses by nature

| | Consolidated | | | |
|--|---------------------------|-------------------------|---------------------------|---------------------------|
| | Three-month period ended: | | Nine-month period ended: | |
| | 9/30/2021 | 9/30/2020 | 9/30/2021 | 9/30/2020 |
| Classified by function: | | | | |
| Cost of goods sold | (1,626,880) | (794,673) | (4,036,157) | (1,901,797) |
| Sales expense | (13,681) | (6,738) | (34,323) | (18,685) |
| Administrative and general expenses | (35,291) | (34,083) | (99,383) | (88,278) |
| | <u>(1,675,852)</u> | <u>(835,494)</u> | <u>(4,169,863)</u> | <u>(2,008,760)</u> |
| Classified by nature: | | | | |
| Raw materials and materials for use and consumption ⁽¹⁾ | (1,380,202) | (603,379) | (3,414,612) | (1,401,611) |
| Personnel expenses | (77,692) | (40,991) | (243,826) | (155,705) |
| Outsourced services | (49,753) | (24,288) | (90,644) | (58,583) |
| Restructuring – indemnities | (1,111) | (9,869) | (2,926) | (47,357) |
| Tax expenses – contingencies | (2,569) | (13,211) | (7,705) | (22,626) |
| Depreciation of right-of-use assets | (19,825) | (22,056) | (54,047) | (48,650) |
| Depreciation and amortization | (35,776) | (28,870) | (98,225) | (95,130) |
| Freights and demurrage | (38,716) | (21,953) | (104,787) | (79,264) |
| Logistical expenses | (54,326) | (52,299) | (142,310) | (96,617) |
| Other expenses | (15,882) | (18,578) | (10,780) | (3,217) |
| | <u>(1,675,852)</u> | <u>(835,494)</u> | <u>(4,169,863)</u> | <u>(2,008,760)</u> |

- (1) In 2020 our operations were impacted by the COVID-19 pandemic crisis, especially in the 2Q2020. In this context, we classified as “Expenses related to the pandemic” expenses related to modification made in our plants in order to prevent contamination, donations made to vulnerable communities and public hospitals, as well as fixed costs related to plants shut-down during and due to the pandemic crisis. These expenses were classified as “Cost of goods sold” in the amount of R\$ 2,406 (R\$ 48,811 as of September 30, 2020).

21. Other operating income (expenses)

| | Consolidated | | | |
|---|---------------------------|--------------|--------------------------|--------------|
| | Three-month period ended: | | Nine-month period ended: | |
| | 9/30/2021 | 9/30/2020 | 9/30/2021 | 9/30/2020 |
| ICMS exclusion PIS/ COFINS ⁽¹⁾ (Note 11) | - | - | 240,325 | - |
| Waste | - | - | - | (5,253) |
| Insurance indemnity ⁽³⁾ | 265 | 72 | 417 | (105) |
| Eletrobras ⁽⁴⁾ | - | - | 2,222 | 2,529 |
| Gains (losses) in the sale of assets, and assets held for sale | - | - | - | 4,581 |
| Plant stop | 107 | (53) | 57 | (703) |
| Temporary shutdown of plants and exceptional expenses ⁽²⁾ | (163) | (207) | (547) | (570) |
| Other (expenses) income | (876) | 3,517 | (253) | 1,485 |
| | (667) | 3,329 | 242,221 | 1,964 |

- (1) On May 14, 2021, the Federal Supreme Court (STF), through the judgment of motions for clarification filed by the Union, established the understanding that the ICMS to be excluded from the PIS and COFINS calculation basis is the amount highlighted in the invoice. In addition, it was also decided on the modulation of the effects of this decision with general repercussion from March 15, 2017, except for the legal or administrative actions filed until this date. In summary, taxpayers who have not claimed the refund of the amounts so far, will be entitled to calculate and receive credits from the date of modulation, that is, March 15, 2017. Taxpayers who have challenged the said exclusion in court will have right to return the last 5 years from the filing date of the action. The Company filed a lawsuit on March 15, 2017, and obtained an injunction authorizing said exclusion on May 5, 2017, based on the ICMS amount highlighted in the invoices. Management chose to exercise its right prospectively, that is, from the date of the injunction granted until the final judgment of the points under discussion. With the decision of the STF, established herein, the Company confirmed the understanding adopted in the exclusion of ICMS in the calculation basis of PIS and COFINS referring to the amounts highlighted in the invoices.
- (2) Due to the effects of the COVID-19 pandemic, the Unigel Group began in March 2020 a process to reduce production in Mexico as a way to compensate for the worldwide retraction in demand, in addition to internal and external distribution difficulties. These downsizing processes present miscellaneous expenses for the Group, which are presented under the headings highlighted as "Temporary plant shutdown and exceptional expenses", where the expenses related to the shutdown of certain plants and costs and expenses related to general and administrative expenses were classified.
- (3) Amount of insurance claim received in 2020 and 2021 arising from an accident that occurred at the Proquigel plant in 2019.
- (4) The subsidiaries Proquigel and Companhia Brasileira de Estireno had amounts receivable from Eletrobras that were under judicial discussion regarding the calculation methodology for updating the amounts. The Group obtained a favorable decision in the 1st quarter of 2020. Therefore, the updated amounts were recorded, while the differences on the calculation basis were considered in other revenues and the differences from the monetary updating of amounts were considered in financial income (loss). The amounts were received in the third quarter of 2020.

22. Net finance expenses

| | Consolidated | | | |
|--|---------------------------|-----------------|--------------------------|------------------|
| | Three-month period ended: | | Nine-month period ended: | |
| | 9/30/2021 | 9/30/2020 | 9/30/2021 | 9/30/2020 |
| Interest on financial assets at FVTPL | 181 | 861 | 7,327 | 3,054 |
| Interest income on loans and receivables | 119 | 3,619 | 344 | 3,918 |
| Discounts from suppliers | 59 | (12) | 503 | 272 |
| Eletrobras credits interest ⁽¹⁾ | - | - | - | 23,632 |
| Update on PIS/COFINS credit | - | - | 10,617 | - |
| Other | 76 | 16 | 211 | 590 |
| Finance income | 435 | 4,484 | 19,002 | 31,466 |
| Interest expense | (90,784) | (65,699) | (255,230) | (188,744) |
| Discounts granted to customers | (3,154) | (6,849) | (8,395) | (18,711) |
| Lease liabilities interest | (8,521) | (5,233) | (24,455) | (13,085) |
| Taxes on financial income and bank fees | (1,119) | (5,708) | (11,079) | (18,722) |
| Suppliers' interest | (708) | (6,263) | (1,734) | (9,940) |
| Derivatives – Fair value adjustment | 18,658 | 18,586 | 49,081 | (2,638) |
| Exchange and currency variations | (50,148) | 9,037 | (4,584) | (123,477) |
| Swap accrual | (40,279) | 3,125 | (37,129) | 1,805 |
| Other | (3,492) | (6,078) | (11,841) | (12,257) |
| Finance expenses | (179,547) | (65,082) | (305,366) | (385,769) |
| Net finance expenses | (179,112) | (60,598) | (286,364) | (354,303) |

- (1) In 2020, the Group recorded revenue arising from the updating of Eletrobrás credits accounted for after a favorable court decision. For more details, see explanatory note 21 – Other operating income (expenses).

23. Segment information

23.1 Segment reporting

The Group is a producer of intermediate chemicals operating in the 2nd generation of the petrochemical industry chain. In general terms, the Group purchases basic petrochemical products, processes them and transforms them into intermediate and final chemicals which are supplied to producers or distributors.

Until December 31, 2020, the Acrylics segment also included a fertilizer operation, which consisted mainly of the production and sale of Ammonium Sulfate obtained as a co-product of the Acrylics production chain. As of January 2021, this operation is reported along with a new segment, called Agro, as detailed below

As of 2021, the Group also became a representative producer of nitrogen fertilizers in Brazil due to the start of production of plants leased from Petrobras (former FAFENs) in Sergipe and Bahia. This new segment is called “Agro”. In summary, the Group acquires certain basic raw materials, in particular natural gas and converts them into ammonium sulphate, urea and Automotive Liquid Nitrogen Oxide Reducing Agent (ALNORA), in addition to the purchase and resale of ammonia. Fertilizer operations formerly classified as acrylics were reclassified as agro for all periods presented.

The Executive Board (the main manager of operations) assesses the performance of the businesses separately by their strategic divisions (styrenics, acrylics and agribusiness). These segments are managed separately as they require different technologies and different marketing strategies.

The following summary describes the operations of each segment:

- **Acrylics:** Our Acrylics business mainly consists of the production and sale of acrylonitrile, methacrylates (MMA, EMA and GMAA), acrylic sheets and resins and sodium cyanide. Our acrylic products are mainly sold to chemical manufacturers and converters in various sectors. economy, with emphasis on civil construction, automotive, mining, electronics, textiles, among others.
- **Styrenics:** The Styrenics segment mainly consists of the production and sale of styrene, polystyrene and latex, which are mainly used in the production of household appliances, electronics, construction materials and for the packaging and plastic disposable segment. Our styrenic products are also sold to chemical manufacturers and converters.
- **Agro:** This segment consists mainly of the production and sale of ammonium sulphate, urea and ARLA and the purchase and resale of ammonia, which are mainly directed to the agribusiness market, and, to a lesser extent, to manufacturers and converters of chemical products.

The Group’s chief executive officer reviews the internal management reports of each division at monthly basis. Corporate headquarters carry out functions in treasury, legal, accounting,

information systems and human resources areas. Corporate activity is not an operation segment because it is not business activity from which the Group earn revenues, but are included for internal reporting purposes only.

The information about geographic segregation of revenue is presented in note 19 – Net revenue.

23.2 Information regarding reportable segments

Information related to each reportable segment is set out below. Segment profit before tax is used to measure performance because management believes that this information is the most relevant in evaluating the results of the respective segments relative to other entities that operate in the same industries. The Group decision maker, does not analyze net assets, by segment, to take strategic decisions.

Unigel Participações S.A.
Interim financial statements
Period ended September 30, 2021

| Consolidated | | | | | | | |
|--|---------------|---------------|---------------------|------------------------------|------------------|--------------|----------------|
| Three-month period ended: | | | | | | | |
| | Acrylics | Styrenics | Agro ⁽¹⁾ | Total of reportable segments | Corporate unit | Eliminations | Total |
| | 9/30/2021 | 9/30/2021 | 9/30/2021 | 9/30/2021 | 9/30/2021 | 9/30/2021 | 9/30/2021 |
| Net revenue | 636,767 | 729,186 | 618,961 | 1,984,914 | - | (63,573) | 1,921,341 |
| Cost of goods sold | (558,614) | (657,423) | (474,416) | (1,690,453) | - | 63,573 | (1,626,880) |
| Gross Profit | 78,153 | 71,763 | 144,545 | 294,461 | - | - | 294,461 |
| Expenses with sales, general and distribution | (24,704) | (11,834) | (9,057) | (45,595) | (3,367) | - | (48,962) |
| Other (expenses) income, net | 619 | (1,219) | (4) | (604) | (63) | - | (667) |
| Operating Profit | 54,068 | 58,710 | 135,484 | 248,262 | (3,430) | - | 244,832 |
| Net financial expenses | - | - | - | - | (179,112) | - | (179,112) |
| Profit (loss) before income and social contribution taxes | 54,068 | 58,710 | 135,484 | 248,262 | (182,542) | - | 65,720 |

| Consolidated | | | | | | | |
|--|---------------|---------------|---------------------|------------------------------|-----------------|--------------|----------------|
| Three-month period ended: | | | | | | | |
| | Acrylics | Styrenics | Agro ⁽¹⁾ | Total of reportable segments | Corporate unit | Eliminations | Total |
| | 9/30/2020 | 9/30/2020 | 9/30/2020 | 9/30/2020 | 9/30/2020 | 9/30/2020 | 9/30/2020 |
| Net revenue | 424,043 | 465,482 | 37,660 | 927,185 | - | - | 927,185 |
| Cost of goods sold | (373,002) | (386,197) | (35,474) | (794,673) | - | - | (794,673) |
| Gross Profit | 51,041 | 79,285 | 2,186 | 132,512 | - | - | 132,512 |
| Expenses with sales, general and distribution | (21,999) | (11,726) | (3,065) | (36,790) | (5,134) | - | (41,924) |
| Other (expenses) income, net | 3,250 | 37 | (3) | 3,284 | 45 | - | 3,329 |
| Operating Profit | 32,292 | 67,596 | (882) | 99,006 | (5,089) | - | 93,917 |
| Net financial expenses | - | - | - | - | (60,598) | - | (60,598) |
| Profit (loss) before income and social contribution taxes | 32,292 | 67,596 | (882) | 99,006 | (65,687) | - | 33,319 |

Unigel Participações S.A.

*Interim financial statements
Period ended September 30, 2021*

| Consolidated | | | | | | | |
|--|----------------|----------------|---------------------|------------------------------|------------------|--------------|------------------|
| Nine-month period ended: | | | | | | | |
| | Acrylics | Styrenics | Agro ⁽¹⁾ | Total of reportable segments | Corporate unit | Eliminations | Total |
| | 9/30/2021 | 9/30/2021 | 9/30/2021 | 9/30/2021 | 9/30/2021 | 9/30/2021 | 9/30/2021 |
| Net revenue | 2,038,129 | 2,327,565 | 959,973 | 5,325,667 | - | (143,845) | 5,181,822 |
| Cost of goods sold | (1,677,882) | (1,747,584) | (754,536) | (4,180,002) | - | 143,845 | (4,036,157) |
| Gross Profit | 360,247 | 579,981 | 205,437 | 1,145,665 | - | - | 1,145,665 |
| Expenses with sales, general and distribution | (75,915) | (35,476) | (15,365) | (126,756) | (10,546) | - | (137,302) |
| Other (expenses) income, net | 63,602 | 179,500 | (10) | 243,092 | (871) | - | 242,221 |
| Operating Profit | 347,934 | 724,005 | 190,062 | 1,262,001 | (11,417) | - | 1,250,584 |
| Net financial expenses | - | - | - | - | (286,364) | - | (286,364) |
| Profit (loss) before income and social contribution taxes | 347,934 | 724,005 | 190,062 | 1,262,001 | (297,781) | - | 964,220 |

| Consolidated | | | | | | | |
|--|----------------|----------------|---------------------|------------------------------|------------------|--------------|------------------|
| Nine-month period ended: | | | | | | | |
| | Acrylics | Styrenics | Agro ⁽¹⁾ | Total of reportable segments | Corporate unit | Eliminations | Total |
| | 9/30/2020 | 9/30/2020 | 9/30/2020 | 9/30/2020 | 9/30/2020 | 9/30/2020 | 9/30/2020 |
| Net revenue | 913,335 | 1,129,780 | 91,868 | 2,134,983 | - | - | 2,134,983 |
| Cost of goods sold | (797,246) | (1,011,220) | (93,331) | (1,901,797) | - | - | (1,901,797) |
| Gross Profit | 116,089 | 118,560 | (1,463) | 233,186 | - | - | 233,186 |
| Expenses with sales, general and distribution | (63,710) | (23,585) | (6,722) | (94,017) | (13,485) | - | (107,502) |
| Other (expenses) income, net | 2,814 | (1,351) | 750 | 2,213 | (249) | - | 1,964 |
| Operating Profit | 55,193 | 93,624 | (7,435) | 141,382 | (13,734) | - | 127,648 |
| Net financial expenses | - | - | - | - | (354,303) | - | (354,303) |
| Profit (loss) before income and social contribution taxes | 55,193 | 93,624 | (7,435) | 141,382 | (368,037) | - | (226,655) |

- (1) As a result of the start of leasing operations for the FAFEN plants in 2020 in the period of three and six months ended September 30, 2021 (see note 12), the Group changed its internal organization and the composition of its segments, which resulted in a change in reportable segments. Accordingly, the Group restated the information for the segments previously reported for the three- and six-month period ended September 30, 2020.

24. Financial instruments

The following table shows the carrying amount and fair values of financial assets and financial liabilities, including their values in fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

| | Note | Parent company | | | | Consolidated | | | |
|-------------------------------|------|----------------|--------------|--------------|--------------|----------------|----------------|----------------|----------------|
| | | 9/30/2021 | | 12/31/2020 | | 9/30/2021 | | 12/31/2020 | |
| | | Book value | Fair Value | Book value | Fair value | Book value | Fair value | Book value | Fair value |
| Assets | | | | | | | | | |
| <u>FVTPL</u> | | | | | | | | | |
| Short term investments | 4 | - | - | - | - | 265,845 | 265,845 | 303,789 | 303,789 |
| Derivatives ⁽¹⁾ | 28 | - | - | - | - | 70,032 | 70,032 | 48,628 | 48,628 |
| Embedded derivatives | 28 | - | - | - | - | 126,112 | 126,112 | 86,659 | 86,659 |
| Contractual credits | 24.2 | - | - | - | - | 5,671 | 5,671 | 4,914 | 4,914 |
| Other receivables | - | - | - | - | - | 8,620 | 8,620 | 7,087 | 7,087 |
| | | - | - | - | - | 476,280 | 476,280 | 451,077 | 451,077 |
| <u>Amortized cost</u> | | | | | | | | | |
| Trade accounts receivable | 5 | - | - | - | - | 521,814 | 521,814 | 207,865 | 207,865 |
| Dividends payable | 7 | 4,218 | 4,218 | 4,218 | 4,218 | - | - | - | - |
| Related parties | 7 | 4,545 | 4,545 | 1,449 | 1,449 | - | - | - | - |
| | | 8,763 | 8,763 | 5,667 | 5,667 | 521,814 | 521,814 | 207,865 | 207,865 |
| Total financial assets | | 8,763 | 8,763 | 5,667 | 5,667 | 998,094 | 998,094 | 658,942 | 658,942 |

- (1) Discounted cash flows: the future cash flows are estimated by using contractual interest rates for fixed contracts and with the risk-free interest rate curve at the contractual percentage converted by the last PTAX for the positions in dollar. Those estimated future cash flows are discounted by the respective curves (cupom cambial for foreign currency and Brazilian risk-free for local currency (Reais) adjusted by credit risk from the counterpart.

Unigel Participações S.A.

*Interim financial statements
Period ended September 30, 2021*

| | Note | Parent company | | | | Consolidated | | | |
|------------------------------------|------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| | | 9/30/2021 | | 12/31/2020 | | 9/30/2021 | | 12/31/2020 | |
| | | Book value | Fair value | Book value | Fair value | Book value | Fair value | Book value | Fair value |
| Liabilities | | | | | | | | | |
| <u>FVTPL</u> | | | | | | | | | |
| Derivatives ⁽¹⁾ | 28 | - | - | - | - | (167,288) | (167,288) | - | - |
| | | - | - | - | - | (167,288) | (167,288) | - | - |
| <u>Amortized cost</u> | | | | | | | | | |
| Suppliers | 14 | (903) | (903) | (2,052) | (2,052) | (630,210) | (630,210) | (374,619) | (374,619) |
| Loans and financing | 13 | (619) | (619) | (744) | (744) | (3,342,619) | (3,744,659) | (2,600,379) | (2,914,180) |
| Dividends payable | 7 | - | - | (19,938) | (19,938) | - | - | (19,938) | (19,938) |
| Related parties | 7 | (1,428,344) | (1,428,344) | (1,383,866) | (1,383,866) | - | - | - | - |
| Other liabilities | - | (145) | (145) | (192) | (192) | (11,311) | (11,311) | (4,605) | (4,605) |
| | | (1,430,011) | (1,430,011) | (1,406,792) | (1,406,792) | (3,984,140) | (4,386,180) | (2,999,541) | (3,313,342) |
| Total financial liabilities | | (1,430,011) | (1,430,011) | (1,406,792) | (1,406,792) | (4,151,428) | (4,553,468) | (2,999,541) | (3,313,342) |

- (1) Discounted cash flows: the future cash flows are estimated by using contractual interest rates for fixed contracts and with the risk-free interest rate curve at the contractual percentage converted by the last PTAX for the positions in dollar. Those estimated future cash flows are discounted by the respective curves (cupom cambial for foreign currency and Brazilian risk-free for local currency (Reais) adjusted by credit risk from the counterpart.

24.1 Calculation of fair value

24.1.1 Short-term investment

(i) Hierarchy of fair value

Level 2: inputs which are observable for assets or liabilities, directly (prices) or indirectly (derived from prices).

(ii) Valuation technique

Short-term investments have their fair value calculated by discounted cash flows. Future cash flows are estimated using contractual interest rates for fixed-rate contracts and with the risk-free interest curve based on the contractual percentage converted by the last PTAX to dollar positions, these estimated future cash flows are discounted by the respective curves (foreign currency coupon and CDIXPré risk-free for local currency).

(iii) Significant unobservable inputs and their relationship to fair value

The estimated fair value increases (decreases) if the risk-adjusted discount rate is lower (higher).

24.1.2 Derivatives and embedded derivatives

(i) Hierarchy of fair value

Level 2: inputs which are observable for assets or liabilities, directly (prices) or indirectly (derived from prices).

(ii) Valuation technique

Derivatives and embedded derivatives have their fair value calculated by discounted cash flows. Future cash flows are estimated using contractual interest rates for fixed-rate contracts and with the risk-free interest curve based on the contractual percentage converted by the last PTAX to dollar positions, these estimated future cash flows are discounted by the respective curves (foreign exchange coupon for foreign currency and Brazilian currency without risk for local currency), the Group calculates the fair value of options embedded in swaps (barriers) and debt contracts based on the Black & Scholes model, considering the term of exercise of the option, discount rate (cost of carry), strike price, current price and market volatility for the price. The resulting amount of the model is converted from Dollars to Reais using the closing PTAX of the base date of the financial statement.

(iii) Significant unobservable inputs and their relationship to fair value

The estimated fair value increases (decreases) if the risk-adjusted discount rate is lower (higher), The fair value increases or decreases with volatility, depending on the nature of the option (call or put).

24.1.3 Other receivables

(i) Hierarchy of fair value

Level 2: inputs, except quoted prices included in level 1, which are observable for assets or liabilities, directly (prices) or indirectly (derived from prices).

(ii) Valuation technique

Third party analysis on the counterparty's recoverable amount.

(iii) Significant unobservable inputs and their relationship to fair value

The higher the recoverable amount, the higher the fair value.

24.2 Contratual credits

Eventually the Group needs to make deposits linked to guarantee operations for the supply of goods and services. These deposits are made in cash, eventually returning to the Group's companies with the entire amount being transferred to the Group's cash. The classification of these contractual credits is made outside the group of cash and cash equivalents since their redemption depends on other factors to occur and, therefore, is not immediate. The Group updates the amount in a timely manner against profit or loss in accordance with contractual rates. The recognized amounts are R\$ 5,671 (R\$ 4,914 on December 31, 2020).

24.3 Risk management framework

The Group's board of directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The board of directors has established the risk management committee, which is responsible for developing and monitoring the Group's risk management policies. The committee reports regularly to the board of directors on its activities.

The Group's risk management policies are established to identify and analyze the risks faced by the Group, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

24.3.1 Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers and cash equivalents investments.

| | Note | Parent company | | Consolidated | |
|----------------------------|------|----------------|--------------|------------------|------------------|
| | | 9/30/2021 | 12/31/2020 | 9/30/2021 | 12/31/2020 |
| Cash and cash equivalents | 4 | 228 | 120 | 759,940 | 624,039 |
| Trade accounts receivables | 5 | - | - | 569,323 | 250,956 |
| Derivative transactions | 28 | - | - | 196,144 | 135,287 |
| Contratual credits | 24.2 | - | - | 5,671 | 4,914 |
| Other | | 12,487 | 4,410 | 39,678 | 30,270 |
| | | <u>12,715</u> | <u>4,530</u> | <u>1,570,756</u> | <u>1,045,466</u> |

The carrying amount of financial assets represents the maximum credit exposure.

(i) *Cash and cash equivalents*

These amounts are maintained in banks and financial institutions that are rated between B + and AA +, according to the rating agencies Standard & Poors and Fitch (hereinafter referred to as rating agencies).

(ii) *Derivatives*

Derivatives have been set with banks with credit ratings superior as AA+ as rated per Standard & Poor's and Fitch Ratings.

(iii) *Credit risk exposure*

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry and country in which customers operate.

The risk management committee has established sale limits for each customer. Any sales exceeding those limits require approval from the risk management committee. The Group limits its exposure to credit risk from trade receivables by establishing a maximum payment period of one and three months for individual and corporate customers respectively.

More than 50% of the Group's customers have been transacting with the Group for over ten years, and no impairment loss has been recognized against these customers. In monitoring customer credit risk, customers are grouped according to their credit characteristics, including whether they are an individual or a legal entity, whether they are a manufacturer or individual customer, their geographic location, industry, trade history with the Group and existence of previous financial difficulties.

There are sales subject to collateral, so that in the event of non-payment the Group may have a secured claim.

Exposure to credit risk of accounts receivable by segment and market (note 5):

Unigel Participações S.A.

Interim financial statements
Period ended September 30, 2021

| | Consolidated | | | | | | | |
|-----------------------------|---------------------|-------------------|------------------|-------------------|------------------|-------------------|------------------|-------------------|
| | Acrylics | | Styrenics | | Agro | | Total | |
| | 9/30/2021 | 12/31/2020 | 9/30/2021 | 12/31/2020 | 9/30/2021 | 12/31/2020 | 9/30/2021 | 12/31/2020 |
| Domestic | 111,271 | 49,652 | 125,990 | 40,620 | 107,060 | 23,047 | 344,321 | 113,319 |
| Foreign | 144,808 | 95,813 | 71,874 | 35,757 | - | - | 216,682 | 131,570 |
| Related parties (Note 7) | - | - | 8,320 | 6,067 | - | - | 8,320 | 6,067 |
| | 256,079 | 145,465 | 206,184 | 82,444 | 107,060 | 23,047 | 569,323 | 250,956 |

The Group establishes a provision for impairment that represents the estimate of losses incurred in relation to accounts receivable from customers.

Appropriation ranges of estimated credit loss, according to aging, segment and market

| | Current | 1-30 | 31-60 | 61-90 |
|------------------|--------------|--------------|--------------|--------------|
| Acrylics | 0.57% | 0.57% | 0.69% | 0.85% |
| Foreign market | 0.00% | 0.00% | 0.00% | 0.00% |
| Domestic market | 1.14% | 1.14% | 1.37% | 1.70% |
| Styrenics | 0.03% | 0.03% | 0.03% | 0.03% |
| Foreign market | 0.00% | 0.00% | 0.00% | 0.00% |
| Domestic market | 0.05% | 0.06% | 0.06% | 0.06% |
| Agro | 0.57% | 0.57% | 0.69% | 0.85% |
| Foreign market | 0.00% | 0.00% | 0.00% | 0.00% |
| Domestic market | 1.14% | 1.14% | 1.37% | 1.70% |

The appropriation ranges for estimated credit loss in the Agro segment currently follow the estimates of the acrylic segment.

The expected losses by segment are shown below:

| | Consolidated | | | |
|------------------------|---------------------|------------------|----------------|----------------|
| | 9/30/2021 | | | |
| | Acrylucs | Styrenics | Agro | Total |
| Current | 217,768 | 158,932 | 101,685 | 478,385 |
| Between 1 and 30 days | 30,585 | 6,764 | 1,952 | 39,301 |
| Between 31 and 60 days | 1,991 | 1,314 | - | 3,305 |
| Between 61 and 90 days | 620 | 191 | - | 811 |
| Over 91 days | 5,115 | 38,983 | 3,423 | 47,521 |
| | 256,079 | 206,184 | 107,060 | 569,323 |

24.3.2 Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group aims to maintain the level of its cash and cash equivalents and other highly investments at an amount in excess of expected cash outflows on current financial liabilities. The Group also monitors the level of expected cash inflows on trade accounts receivables together with expected cash outflows on trade and other payables.

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include contractual interest payments:

| Non-derivative financial liabilities | Note | Consolidated | | | | |
|--------------------------------------|------|-----------------|-----------------|-----------------|---------------------|------------------------|
| | | 9/30/2021 | | | | |
| | | 01 to 12 months | 13 to 24 months | 25 to 36 months | More than 36 months | Contractual commitment |
| Loans and financing | 13 | 126,126 | 252,252 | 252,252 | 3,639,638 | 4,270,268 |
| Suppliers | 14 | 630,210 | - | - | - | 630,210 |
| Other accounts payables | - | 10,936 | 375 | - | - | 11,311 |
| | | <u>767,272</u> | <u>252,627</u> | <u>252,252</u> | <u>3,639,638</u> | <u>4,911,789</u> |

| Non-derivative financial liabilities | Note | Consolidated | | | | |
|--------------------------------------|------|-----------------|-----------------|-----------------|---------------------|------------------------|
| | | 12/31/2020 | | | | |
| | | 01 to 12 months | 13 to 24 months | 25 to 36 months | More than 36 months | Contractual commitment |
| Loans and financing | 13 | 571,249 | 223,536 | 391,261 | 2,441,988 | 3,628,034 |
| Suppliers | 14 | 374,619 | - | - | - | 374,619 |
| Other accounts payables | - | 4,246 | 359 | - | - | 4,605 |
| | | <u>950,114</u> | <u>223,895</u> | <u>391,261</u> | <u>2,441,988</u> | <u>4,007,258</u> |

The interest payments on variable interest rate loans and financing in the table above reflect market forward interest rates at the reporting date and these amounts may change as market interest rates change.

As disclosed in Note 13 - Loans and financing, the Group has secured bank loans that contains loans covenants. A future breach of covenant may require the Group to repay the loan earlier than indicated in the above table. Under the agreement, the covenant is monitored on a regular basis by the treasury department and regularly reported to management to ensure compliance with the agreement. The Group is in compliance with the financial covenants as of the reporting date.

24.3.3 Market risk

Market risk is the risk that changes in market prices - such as foreign exchange rates, interest rates and equity prices - will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing returns.,

24.3.4 Currency risk

The Group is exposed to currency risk to the extent that there is a mismatch between the currencies in which sales, purchases and loans and financing are denominated and the respective functional currencies of Group companies. The functional currency of Group is the Brazilian Real (BRL).

Generally, loans and financing are denominated in currencies that match the cash flows generated by the underlying operations of the Group - primarily US Dollars, but also Brazilian Reals. In addition, interest on loans and financing is denominated in the currency of the borrowing. This provides an economic hedge without derivatives being entered into and therefore hedge accounting (see note 24.4).

For the Bond transaction, denominated in US dollars, the Group uses cash flow swaps with barriers to protect part of the exchange risk.

In relation to other monetary assets and liabilities, denominated in foreign currencies, the Group's policy is to ensure that its net exposure is maintained at an acceptable level, buying or selling foreign currencies at specific rates, when necessary, to resolve short-term imbalances.

The summary quantitative data about the group's exposure to currency risk as reported to the management of the Group with the last business day conversion rate as reported by the Brazilian Central Bank (Bacen), as follows:

| | Note | 9/30/2021 | | | 12/31/2020 | | |
|--|------|------------------|-----------------|----------------|--------------------|------------------|---------------|
| | | BRL | USD | MXM | BRL | USD | MXM |
| Exchange rates | | 1.0000 | 5.4394 | 0.2644 | 1.0000 | 5.1967 | 0.2610 |
| Interest earning bank deposits in foreign currency – MXN | 4 | 35,808 | - | 135,431 | 21,826 | - | 83,625 |
| Cash in US Dollars | 4 | 418,366 | 76,914 | - | 280,237 | 53,926 | - |
| Accounts receivable – Foreign | 5 | 216,681 | 39,835 | - | 131,570 | 25,318 | - |
| Loans and financing – USD | 13 | (3,172,039) | (583,160) | - | (2,338,208) | (449,941) | - |
| Loans and financing – MXN | 13 | - | - | - | (3,195) | - | (12,241) |
| Derivatives – USD Foreign Exchange Swaps ⁽¹⁾ | - | 1,087,880 | 200,000 | - | 1,039,340 | 200,000 | - |
| Derivatives – USD Foreign Exchange Swaps ⁽²⁾ | - | 598,334 | 110,000 | - | - | - | - |
| Derivatives – USD Foreign Exchange Swaps ⁽³⁾ | - | 598,334 | 110,000 | - | - | - | - |
| Suppliers | 14 | (274,525) | (50,470) | - | (154,448) | (29,720) | - |
| Net exposure | | (491,161) | (96,881) | 135,431 | (1,022,878) | (200,417) | 71,384 |

(1) Foreign exchange swaps with a notional value of US\$ 200 million with barriers between R\$ 4.15 and R\$ 5.60;

(2) Foreign exchange swaps with a notional value of US\$ 110 million with barriers between R\$ 5.40 and R\$ 8.00;

(3) Foreign exchange swaps with a notional value of US\$ 110 million with barriers between R\$ 5.00 and R\$ 7.50.

(i) *Sensitivity analysis*

A reasonably possible strengthening (weakening) of the USD against BRL at September 30, 2021 would have affected the measurement of financial instruments denominated in a foreign currency and affected equity and profit by the amounts shown below. The Group applied those changes in all financial instruments in USD and verified the increase of the net exposure in Reais and the increase in the foreign exchange expenses. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

| Consolidated | | | | |
|--------------------------|--------------------------------------|--------------------|--|--------------------|
| 9/30/2021 | | | | |
| | Scenarios of USD appreciation | | Scenarios of Mexican (Pesos) depreciation | |
| | BRL | USD | BRL | MXM |
| Conversion rate | 1.0000 | 5.4394 | 1.0000 | 0.2644 |
| Net exposure | (526,969) | (96,881) | 35,808 | 135,431 |
| | Possível +25% | Remoto +50% | Possível -25% | Remoto -50% |
| | 6.7993 | 8.1591 | 0.1983 | 0.1322 |
| Net exposure (scenarios) | (658,723) | (1,374,783) | 26,856 | 17,904 |
| Effect | (131,754) | (883,622) | (8,952) | (17,904) |

| Consolidated | | | | |
|--------------------------|--------------------------------------|--------------------|--|--------------------|
| 12/31/2020 | | | | |
| | Scenarios of USD appreciation | | Scenarios of Mexican (Pesos) depreciation | |
| | BRL | USD | BRL | USD |
| Conversion rate | 1.0000 | 5.1967 | 1.0000 | 0.2610 |
| Net exposure | (1,041,507) | (200,417) | 18,631 | 71,384 |
| | Possível +25% | Remoto +50% | Possível -25% | Remoto -50% |
| | 6.4959 | 7.7951 | 0.1958 | 0.1305 |
| Net exposure (scenarios) | (1,301,889) | (1,562,271) | 13,977 | 9,316 |
| Effect | (260,382) | (520,764) | (4,654) | (9,315) |

24.3.5 Interest rate risk

The Group adopts a policy of ensuring that part of its interest rate risk exposure is at a fixed rate. This is achieved partly by entering into fixed-rate instruments and partly by loans and financing at a floating rate.

The interest rate profile of the Group's interest-bearing financial instruments as reported to the management of the Group is as follows:

| | Consolidated | |
|----------------------------------|---------------------|-------------------|
| | 9/30/2021 | 12/31/2020 |
| Fixed rate instruments | | |
| Financial liabilities | (3,185,432) | (2,295,177) |
| Variable-rate instruments | | |
| Financial assets | 265,845 | 303,789 |
| Financial liabilities | (157,187) | (295,233) |

(i) Sensitivity analysis

Financial instruments, including non-derivatives, are exposed to changes in fair value as the result of fluctuation of foreign exchange rates. The evaluations of the sensitivity of the financial instruments to its variables are presented below:

The Group selected two market risks that can most strongly affect the value of the financial instruments held thereby, such as: (1) changes in the Libor rate and (2) changes in the CDI rate.

The possible and remote scenarios consider changes from 25% to 50%, respectively, related to relevant risk variable in relation to the base rate.

Sensitivity analysis of rate variations:

| | Consolidated | | | | Consolidated | | | |
|--|---------------------------------|------------------------|-------------------------------|------------------------|---------------------------------|------------------------|-------------------------------|------------------------|
| | 9/30/2021 | | | | 12/31/2020 | | | |
| | Scenarios of Libor appreciation | | Scenarios of CDI appreciation | | Scenarios of Libor appreciation | | Scenarios of CDI appreciation | |
| | Libor | | CDI | | Libor | | CDI | |
| Libor Rate | 0.0410% | | 3.0075% | | 0.3400% | | 2.7500% | |
| Loans and financing (effect in financial position) | (157,187) | | - | | (148,945) | | (95,824) | |
| Effect in the statement of profit | (64) | | - | | (506) | | (2,635) | |
| | Possible +25% | Remote +50% | Possible +25% | Remote +50% | Possible +25% | Remote +50% | Possible +25% | Remote +50% |
| | 0.0513% | 0.06015% | 3.7594% | 4.5113% | 0.4250% | 0.5100% | 3.4375% | 4.1250% |
| Loans and financing (effect in financial position) | (157,268) | (157,284) | - | - | (149,079) | (149,199) | (99,118) | (99,777) |
| Effect in the statement of profit | (81) | (97) | - | - | (640) | (760) | (4,394) | (3,953) |

24.4 Assets and liabilities designated as cash flow hedges

The Group has elected to maintain the hedge accounting model of IAS 39.

24.4.1 Loans and financing – foreign exchange

The following table indicates the periods in which the cash flows associated with cash flow hedges are expected to occur and the carrying amounts of the related hedging instruments.

| | 9/30/2021 | | 12/31/2020 | |
|------------------------|--------------------------------|-----------------------------------|--------------------------------|-----------------------------------|
| | Assets - trade working capital | Liabilities - loans and financing | Assets - trade working capital | Liabilities - loans and financing |
| Carrying amount | 521,814 | (473,962) | 207,865 | (2,318,598) |
| 1-12 months | 49,257 | (49,257) | 241,046 | (241,046) |
| 13-24 months | 58,672 | (58,672) | 239,642 | (239,642) |
| 25-26 months | 108,077 | (108,077) | 523,868 | (523,868) |
| Over 36 months | 257,956 | (257,956) | 1,314,042 | (1,314,042) |
| | 473,962 | (473,962) | 2,318,598 | (2,318,598) |

24.4.2 Cash flow hedge - Bond and Swaps

The Group contracted derivative financial instruments to hedge pre-fixed interest and exchange variation on its issuance of Bonds abroad. Both instruments mature in 2026. The following shows the reconciliation of accrual amounts and Fair Value (FV) of the contracted derivatives recorded in the Group's balance sheet:

| | Consolidated | | | | | |
|--------------------|-----------------|-------------------------------|-------------------|----------------|-------------------------------|-------------------|
| | 9/30/2021 | | | 12/31/2020 | | |
| | <i>Accrual</i> | Fair Value adjustments | Fair value | <i>Accrual</i> | Fair Value adjustments | Fair value |
| Swap | (18,805) | (152,894) | (171,699) | 3,320 | 45,308 | 48,628 |
| Current | (18,805) | (152,894) | (171,699) | 3,320 | 45,308 | 48,628 |
| Swap | 363,049 | (363,049) | - | 213,463 | (213,463) | - |
| Non-Current | 363,049 | (363,049) | - | 213,463 | (213,463) | - |
| Derivatives | 344,244 | (515,943) | (171,699) | 216,783 | (168,155) | 48,628 |

Relationship of the derivative with the Bond is shown below:

| Instrument | Currency | Index | Principal/ Nocional (USD) | Principal/ Nocional (BRL) | Exchange variation |
|---------------------------------|----------|-------|------------------------------|------------------------------|-----------------------|
| Loan | USD | | (420,000) | (1,894,000) | (390,548) |
| Bond | USD | | 420,000 | 2,280,214 | 306,214 |
| Swaps – long position | BRL | CDI | (420,000) | (1,974,000) | - |
| Loan + Current Swaps | | | (420,000) | (1,894,000) | (84,334) |
| Swaps settled | USD | | 200,000 | 830,000 | 80,000 |
| Loan + Total Swaps | | | (420,000) | (1,894,000) | (4,334) |

The cash flow of both instruments have the same due dates.

The Company has designated a cash flow hedge for this operation having as hedging instrument the derivatives contracted and as the object of hedge the bond issued by the Company. This hedge accounting establishes the accounting of the effective portion of the unrealized fair value adjustment of the derivative in other comprehensive income. As of September 30, 2021, the amount recorded in shareholders' equity, net of taxes, was R\$ 515,745 (R\$ 167,956 on December 31, 2020), net of tax effects.

24.4.3 Cash flow hedge – Options Brent

The Group has contracted derivative financial instruments to protect projected purchases of Natural Gas in the Agro segment, which is priced in dollars linked to the dollar price of the Brent oil barrel. The object of the hedge is the highly probable transactions for the purchase of Natural Gas and the hedging instrument is Brent's call options month by month according to the projection of purchases. This strategy means that almost all purchases of Natural Gas are protected from increases in the price of a barrel of Brent. Because protection instruments are options, if the dollar price falls in Brent barrel, the Group benefits from the reduction, if the price rises, the Group is protected.

The premiums of the contracted options are in reais and have a maturity close to the date of exercise of the options, thus they were classified in the item "Premiums of options payable". However, the Group believes that for a better balance of its operations and exposures to foreign currency, the premium should be in dollars. In order to have the equivalent effect of a US dollar transaction, the Group contracted currency term derivatives (Non-deliverable forward or NDF) in the same volume as the premiums to be paid.

The two hedge structures, therefore, aim to protect Natural Gas costs and balance the Group's foreign exchange exposures, however, have a source of accounting asymmetry, since projections of highly probable purchase transactions are only accounted for when they occur effectively and premiums payable are recorded at amortized cost, while derivative hedging instruments are recorded at fair value. Accordingly, and in order to eliminate the accounting asymmetry of the adjustments to fair value of derivative hedging instruments, the Group opted to establish a cash flow hedge structure for the strategy. Accordingly, adjustments to the fair value of derivatives, insofar as the hedge structure is effective, are accounted for in the balance sheet accounts against equity accounts, in other comprehensive income.

Below we demonstrate the protected flows:

| Month | Protected Brent Volume |
|---------------|---------------------------|
| October/2021 | 210,000 |
| November/2021 | 210,000 |
| December/2021 | 210,000 |

24.4.4 Cash flow hedge – Options Henry Hub

The Group contracted derivative financial instruments to protect the projected purchases of Natural Gas in the Agro segment, whose price in dollars is linked to the price in dollars of Henry Hub. The object of the hedge is the highly probable Natural Gas purchase transactions and the hedge instrument is Henry Hub's call options month by month according to the purchase projection. This strategy ensures that almost all Natural Gas purchases linked to Henry Hub are protected from price increases. Because hedging instruments are options, if the price in dollars of Henry Hub falls, the Group benefits from the reduction, if there is an increase in the price, the Group is protected.

The contracted option premiums are in reais and have maturities close to the exercise dates of the options and, therefore, were classified under “Option premiums payable”. However, the Group believes that for a better balance of its operations and exposures to foreign currency, the premium should be in dollars. In order to have the equivalent effect of a transaction in US dollars, the Group contracted forward currency derivatives (Non-deliverable forward or NDF) in the same volume as the premiums to be paid.

The two hedge structures, therefore, aim to protect the costs of Natural Gas and balance the Group's currency exposures, however, they have a source of accounting asymmetry, since the projections of highly probable purchase transactions are only accounted for when they occur effectively and option premiums payable are accounted for at amortized cost, while hedging instrument derivatives are accounted for at fair value. Therefore, and to eliminate the accounting asymmetry of the fair value adjustments of the hedging instrument derivatives, the Group opted to establish a cash flow hedge structure for the strategy. Therefore, adjustments to the fair value of derivatives, to the extent that the hedging structure is effective, are accounted for in the balance sheet accounts against the equity accounts, in other comprehensive income.

| Mês | Volume MMBTU Protegido |
|----------------|-------------------------------|
| January/2022 | 2,294,000 |
| February/2022 | 2,072,000 |
| March/2022 | 2,294,000 |
| April/2022 | 2,220,000 |
| May/2022 | 2,294,000 |
| June/2022 | 2,220,000 |
| July/2022 | 2,294,000 |
| August/2022 | 2,294,000 |
| September/2022 | 2,220,000 |
| October/2022 | 2,294,000 |
| November/2022 | 2,220,000 |
| December/2022 | 2,294,000 |

24.4.5 Cash flow hedge – other comprehensive income and statement of income effects

(i) Loans and financing – foreign exchange

| | 9/30/2021 | | 12/31/2020 | |
|-------------------------------------|------------------|----------------------|-------------------|----------------------|
| | OCI | Income (loss) | OCI | Income (loss) |
| Exchange-rate change of liabilities | 24,992 | (142,363) | (224,624) | (70,047) |
| Deferred taxes | - | - | 36,318 | - |
| | 24,992 | (142,363) | (188,306) | (70,047) |

(ii) Bond and swap

| | Note | 9/30/2021 | | 12/31/2020 | |
|---|-------------|------------------|----------------------|-------------------|----------------------|
| | | OCI | Income (loss) | OCI | Income (loss) |
| Exchange-rate change of loans and financing | 24,4 | - | (149,586) | - | (209,340) |
| Swap exchange-rate | 24,4 | - | 149,586 | - | 209,340 |
| Swap interest | 22 | - | 8,151 | - | 5,216 |
| Swap fair value adjustment | 24,4 e 22 | (347,788) | - | (164,275) | (26,332) |
| Deferred taxes | 24,4 | - | - | 30,199 | 1,130 |
| | | (347,788) | 8,151 | (134,076) | (19,986) |

(iii) *Brends options*

| | Consolidated | |
|----------------------------------|-----------------|---------------|
| | 9/30/2021 | |
| | OCI | Income (loss) |
| Exchange variation of NDF (USD) | - | 6,731 |
| NDF fair value adjustment | 2,320 | - |
| Adjustment of fair value options | (76,807) | - |
| | (74,487) | 6,731 |

24.5 Capital management

The Group maintains a capital management policy aimed at the balance between its own capital (capital transfers and profit retention) and the capital of third parties that the Group raises to finance its operations. In order to mitigate any liquidity risks and maintain a weighted average cost of capital at adequate levels, the Group permanently monitors the results generated by this choice through its degree of indebtedness based on the calculation of Net Debt / Adjusted Ebtida Ratio (Earnings before taxes adjusted by financial result and depreciation).

25. Government grants and assistance**25.1 State tax incentive - Desenvolve**

The Group is granted with tax benefits under the Program for Industrial Development and Economic Integration of the State of Bahia of the state of Bahia - DESENVOLVE, that will remain effective until April 2026. This tax incentive is associated with the styrene production chain. The Group benefits of a grace period of up to 72 (seventy-two) months. In case of advanced payments, the Group is eligible for a discount up to 81% (eighty-one percent) of the ICMS monthly debit balance.

On September 30, 2021, the Group obtained a benefit of R\$ 116,631 (R\$ 51,353 on September 30, 2020).

25.2 PSDI State Tax Incentive - Sergipano Industrial Development Program

Proquigel is entitled to tax benefit under the Sergipano Industrial Development Program – PSDI until April 2030, associated with the fertilizer production chain (Agro segment). The Company benefits from a deferral in imports of raw materials and goods for fixed assets, as well as exemption from the payment of the ICMS rate differential on interstate acquisitions of new capital goods. In addition, the benefit allows the Company to collect the percentage equivalent to 6.2% of the ICMS due in the month. As of September 30, 2021, the Group has not yet started to use this benefit.

25.3 Federal tax incentive - Exploration profit

Pursuant to Legal Reports issued by Superintendency for the Development of Northeastern Brazil (Superintendência do Desenvolvimento do Nordeste - SUDENE), the Group is entitled to reduce by 75% the income tax on income (loss) from operations of Companhia Brasileira de Estireno (as a successor by merger of Acrinor) located in Camaçari/BA and Proquigel until the fiscal year 2027 and on income (loss) of Unigel Plásticos S.A. until the fiscal year 2020. The Unigel Plásticos S.A. benefit is being renovated with the tax authority. The request is being made to be retroactive to January 1st, 2021.

On September 30, 2021 the subsidiary Companhia Brasileira de Estireno had a benefit of R\$ 28,567 while the subsidiary Proquigel Química S/A had a benefit of R\$ 38,376 (On September 30, 2020, no Group company used the benefit for are calculating tax losses).

25.4 Exports tax incentive – Reintegra

By the law 13.043/14 – Reintegra, the Group receives tax credits when it exports internally manufactured goods, which may be offset against other federal taxes.

On September 30, 2021, the Group benefited in R\$ 1.387 (R\$ 487 on September 30, 2020) through the Companies Acrinor, Proquigel, Companhia Brasileira Estireno and Unigel Plásticos.

25.5 Special Regime for the Chemical Industry - REIQ

The Special Regime for the Chemical Industry was instituted in 2013 by the Federal Government of Brazil and aims to recover and maintain the competitiveness of the 1st and 2nd generation national petrochemical industries. In this context, the Group benefits from tax exemption on PIS and COFINS for the purchase of certain raw materials imported or supplied by the 1st generation of the Brazilian petrochemical industry.

In the year ended September 30, 2021, the Group recorded a credit of R\$ 56,451 (R\$ 24,447 on September 30, 2020), which is recorded as a cost reduction in the item “cost of products sold” in the income statement.

26. Commitments and guarantees

The Group has assets given as guarantee for credit operations with third parties in the estimated amount of R\$ 151,215 on September 30, 2021, this amount reduced as a result of the settlement of the operation of BOND 2024 and, consequent release of guarantees (R\$ 1,088.123 on December 31, 2020), consisting substantially of real estate. Additionally, the parent company is the guarantor of operations of other Group companies. The parent company has sureties in the amount of R\$ 121,897 (R\$ 406,522 on December 31, 2020).

27. Earnings per share

27.1 Basic

The basic earnings per share was calculated based on the Group’s income(loss) for the period and respective average number of common share outstanding in these periods, as per the table below:

| | Consolidated | | | |
|---|---------------------------|----------------|--------------------------|------------------|
| | Three-month period ended: | | Nine-month period ended: | |
| | 9/30/2021 | 9/30/2020 | 9/30/2021 | 9/30/2020 |
| Profit (loss) attributable to controlling shareholders | 40,698 | 34,846 | 749,408 | (209,352) |
| Weighted average quantity of common shares issued | 414,297,488 | 414,297,488 | 414,297,488 | 414,297,488 |
| Profit (loss) per lot of one thousand shares - R\$ | 0.09820 | 0.08410 | 1.80890 | (0.50530) |

27.2 Diluted

Diluted earnings per share is calculated by adjusting to weighted average quantity of outstanding common shares, assuming full conversion of all shares that would result in dilution. The Group has no dilutive instruments, and therefore basic and diluted earnings per share are the same.

28. Derivative transactions

The Group maintains derivative financial instruments to hedge its exposures to the risks of changes in foreign currency and interest rates.

| | Consolidated | | |
|---------------------------------------|----------------|------------------|----------------|
| | 9/30/2021 | | 12/31/2020 |
| | Assets | Liabilities | Assets |
| <i>Cross currency swaps</i> | - | (171,699) | 48,628 |
| <i>Options - Commodities</i> | 70,032 | - | - |
| <i>NDFs</i> | - | 4,411 | - |
| <i>Embedded derivatives – Options</i> | 126,112 | - | 86,659 |
| | 196,144 | (167,288) | 135,287 |

Embedded derivatives are separated from their master contracts and recorded separately if the master contract is not a financial asset and certain criteria are met.

28.1 Embedded derivatives

28.1.1 Bond make-whole redemption call options

The Group's notes have make-whole redemption call options. The Group may redeem the notes in whole or in part from time to time, at the following redemption prices (expressed as a percentage of the principal amount), plus accrued and unpaid interest:

| Period | Redemption price |
|---------------------|------------------|
| 2022 | 104.375% |
| 2023 | 102.188% |
| 2024 | 101.094% |
| 2025 and thereafter | 100.000% |

Those call options represent a right to acquire Group debt at a given price, are separable from the main contract and are considered embedded derivatives.

Since those options are valid for the entire period (i.e. from 2022 to 2023) the Group calculate those derivatives fair values as american options with the redemption price as the strike price.

The fair value of those embedded derivatives was R\$ 126,112 (R\$ 86,659 on December 31, 2020).

29. Transactions not involving cash

On September 30, 2021, the main transactions that did not involve cash in the Consolidated were:

- (i) Variations from property, plant and equipment suppliers in the amount of R\$1,635 (R\$ 3,345 on September 30, 2020);
- (ii) Additions of the right of use asset against the lease liability in the amount of R\$ 39,896 (R\$ 131,202 on September 30, 2020).

30. Subsequent events

New fundraising

On October 18, 2021, the subsidiary Proquigel Química S/A., concluded the funding of R\$ 95,000 through a 15-month export credit certificate from Caixa Econômica Federal (CEF). The amount was used to support and enable the export of products by the company.

On October 27, 2021, the subsidiary Proquigel Química S/A., also raised the amount of R\$ 25,000 with a term of one year through a bank credit note from Banco do Nordeste do Brasil (BNB), making available 50% of the amount in receivables as Warranty. The amounts raised are being used to finance the Company's exports.

* * *

Roberto Noronha Santos
Chief Executive Officer

Daniel Zilberknop

Chief Financial Officer

Daniel Scarmeloti da Fonseca
Controllership Director - CRC 1SP 219,079/O-4

Marcio Scatigno
Controller - CRC 1SP 218,247/O-7