

Braskem's PP plant in Schkopau, Germany

EARNINGS CONFERENCE CALL 2Q21

AUGUST 5, 2021

Braskem 





FORWARD-LOOKING STATEMENTS

This presentation includes forward-looking statements. These forward-looking statements are not solely historical data, but rather reflect the targets and expectations of Braskem's management. The terms "anticipate," "believe," "expect," "foresee," "intend," "plan," "estimate," "project," "aim" and similar terms are used to indicate forward-looking statements. Although we believe these forward-looking statements are based on reasonable assumptions, they are subject to various risks and uncertainties and are prepared using the information currently available to Braskem.

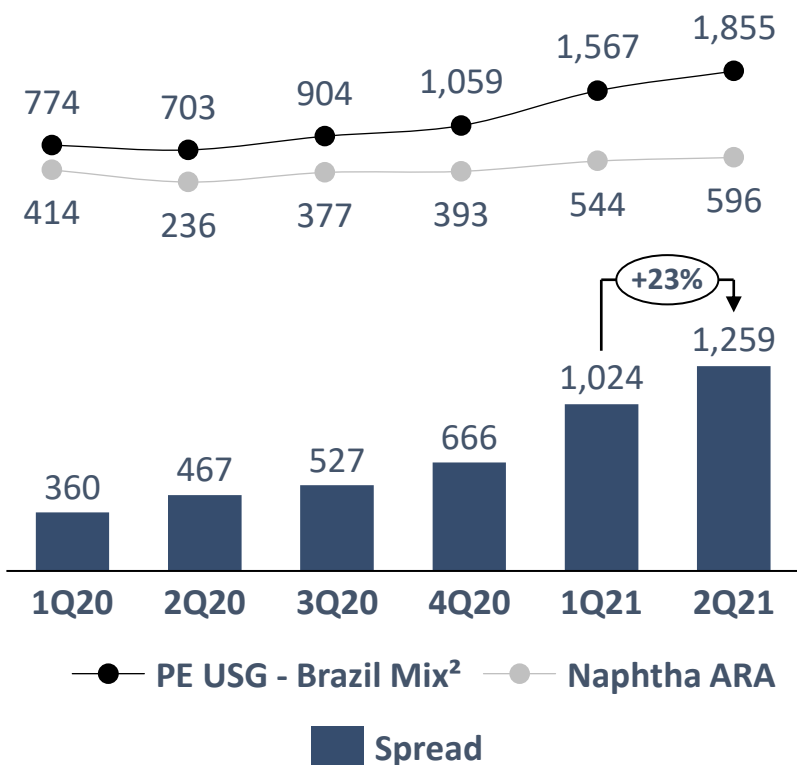
This presentation was updated as of June 30, 2021, and Braskem does not assume any obligation to update it in light of new information or future developments.

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

The international petrochemical scenario continued to be favorable in the quarter

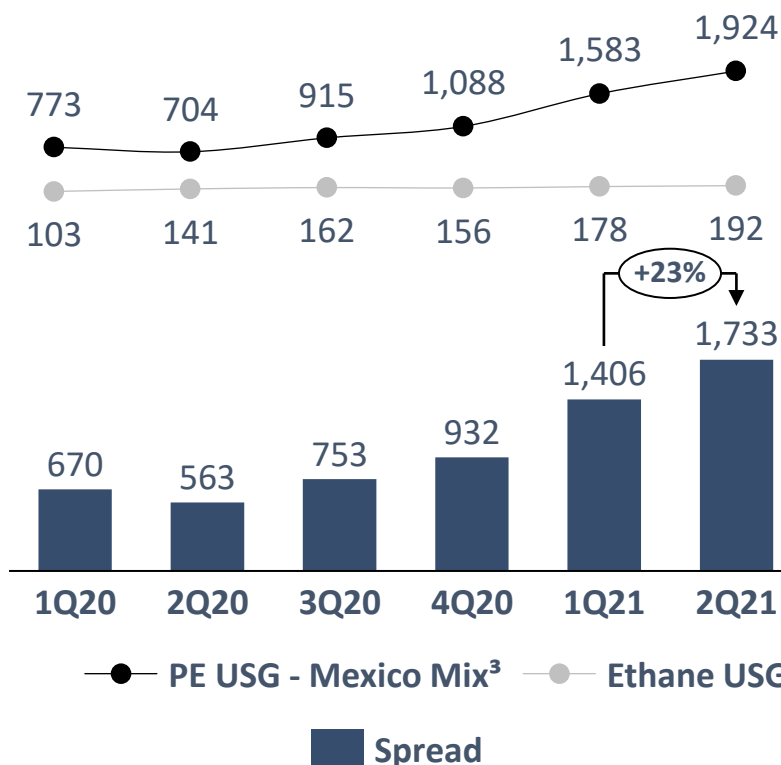
PE US – Naphtha ARA Spread¹

(\$/ton)



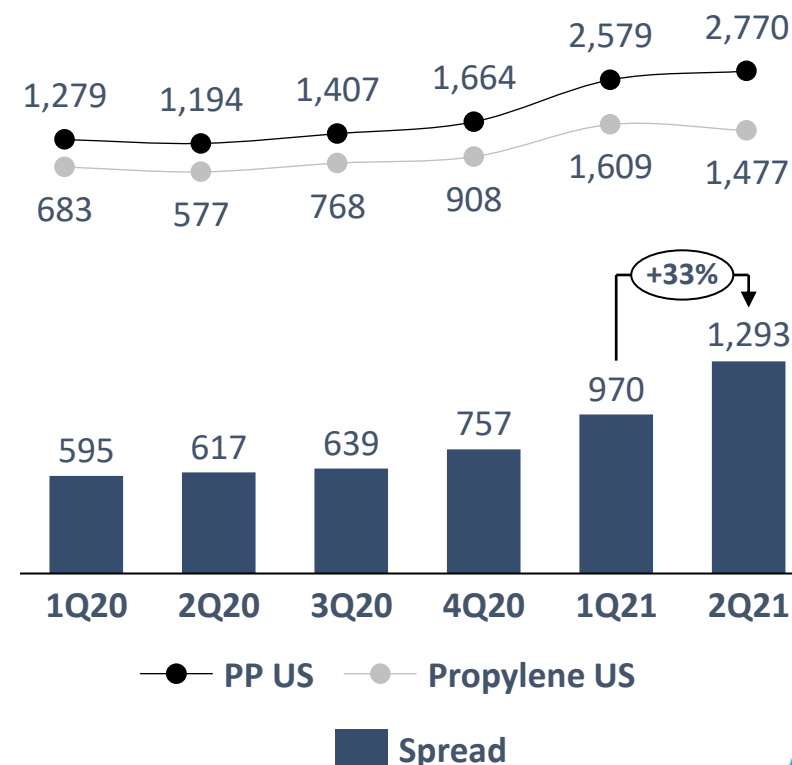
PE US – Ethane US Spread¹

(\$/ton)



PP US – Propylene US Spread¹

(\$/ton)



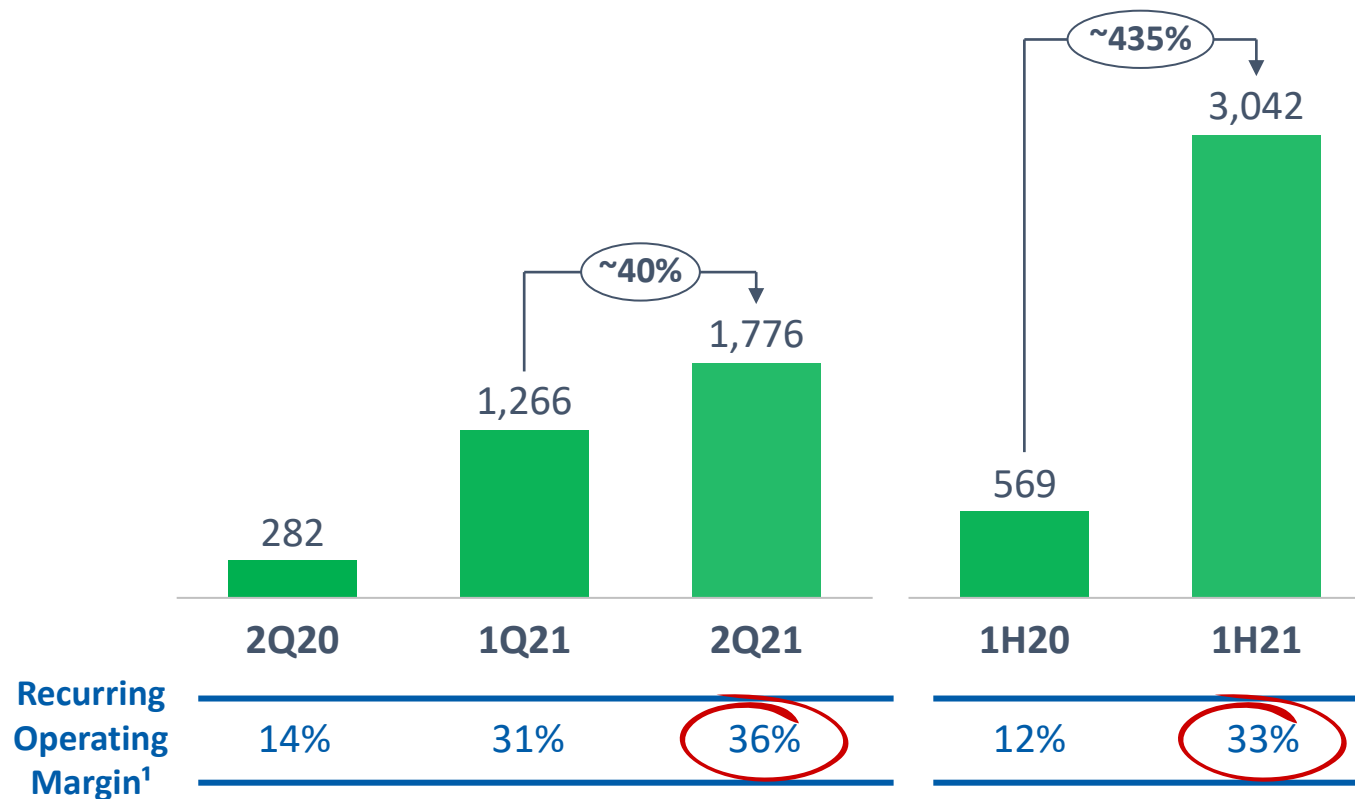
In 2Q21, petrochemical spreads continued to widen, supported mainly by healthy demand and the weaker-than-expected recovery in the supply of PE and PP in the USA after the impacts of Winter Storm Uri on the U.S. Gulf Coast

2Q21 Highlights | Braskem Consolidated (1/2)

Recurring Operating Result - 2Q21 & 1H21

(US\$ million)

Profitability improves in 2Q21 and 1H21, as shown by the higher recurring operating margin in the period



Comments:

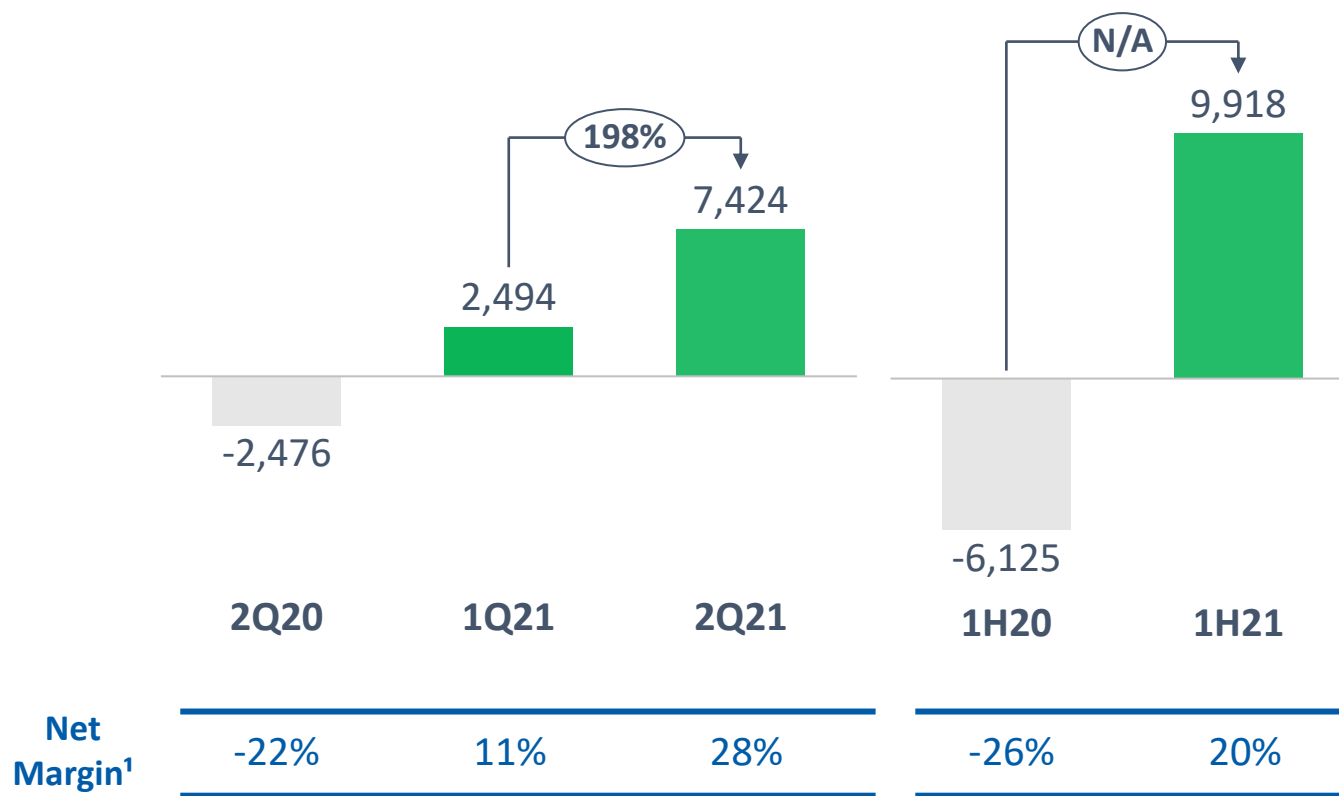
- In 2Q21, recurring Operating Result was US\$1,776 million, up 40% on 1Q21, mainly due to:
 - i. better international spreads for PE, PVC and main chemicals in Brazil, for PP in the USA and Europe and for PE in Mexico
 - ii. higher sales volumes of PP in the USA and of PE in Mexico
- Compared to 2Q20, recurring Operating Result in USD advanced 530%, due to:
 - i. better international spreads for main chemicals in Brazil and for resins in all regions
 - ii. higher sales volumes of resins and main chemicals in Brazil and of PP in the USA and Europe

2Q21 Highlights | Braskem Consolidated (2/2)

Net Income - 2Q21 & 1H21

(R\$ million)

Positive net margin in 2021, after reporting a net loss in the prior year



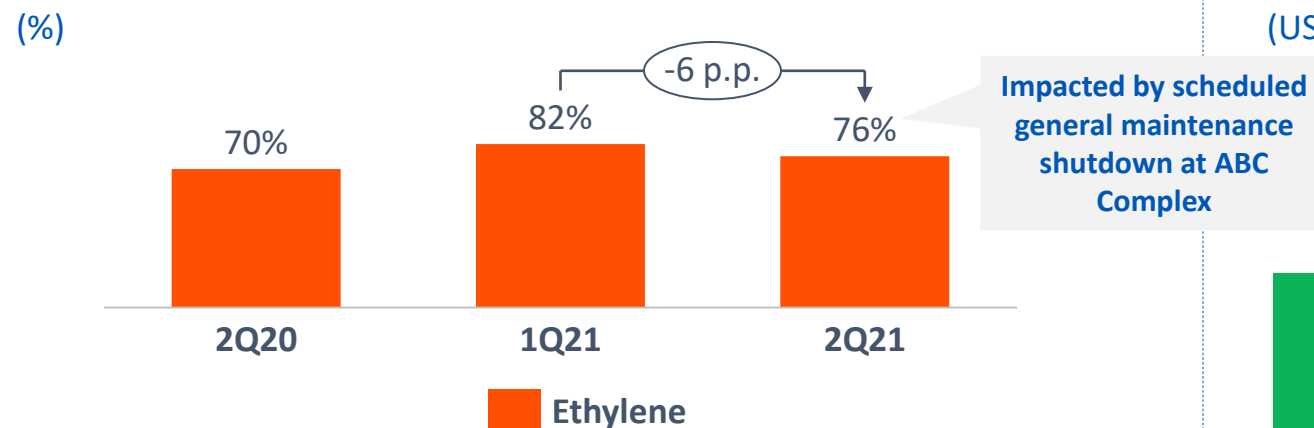
Comments:

- In 2Q21, **Net Income was R\$7,424 million**, up 198% from 1Q21, corresponding to R\$12.47 per common share and class "A" preferred share²
- In 1H21, **Net Income was R\$9,918 million**
- As of Dec/20, Braskem reported an **Accumulated Loss of R\$4,530 million**; as of Jun/21, it had reversed the Accumulated Losses and reported **Accumulated Profits of R\$5,403 million**

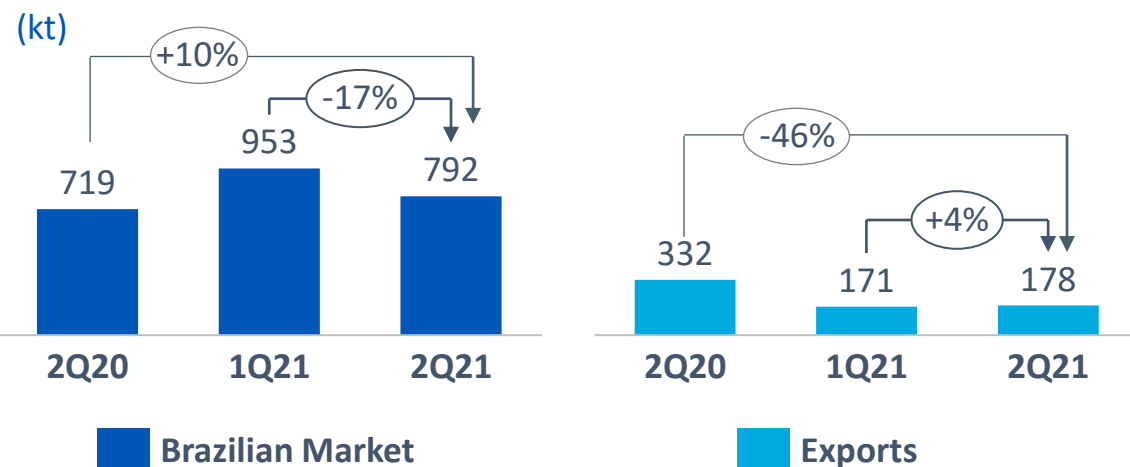


Operational

Utilization Rate of Petrochemical Crackers

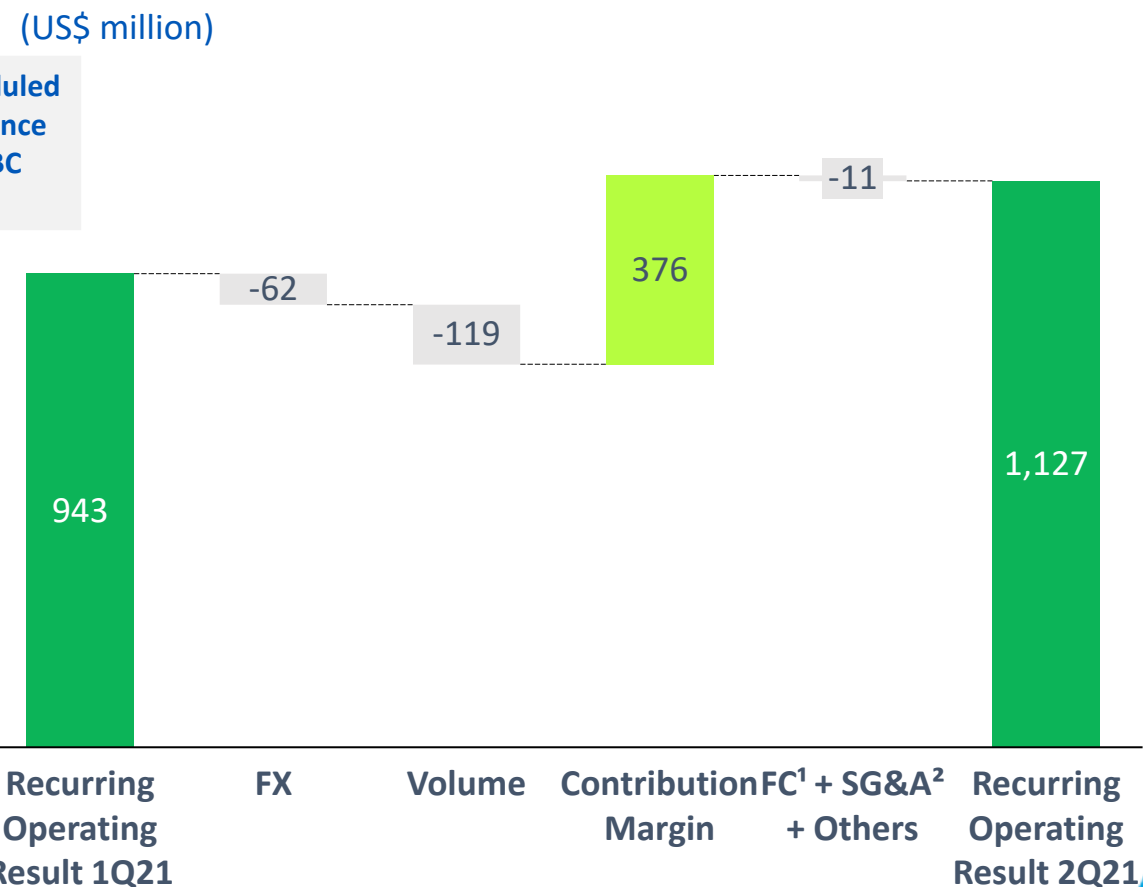


Resin Sales (PE+PP+PVC)



Financial

Recurring Operating Result BRIDGE



Update on Special Regime for the Chemical Industry (REIQ)



REIQ – Reduction in PIS/Cofins tax rates

(%)

Period	REIQ
Until Jun/21	3.65%
Until Dec/21	2.92%
2022	2.19%
2023	1.46%
2024	0.73%
2025	Total extinction

Comments:

- On July 15, the President of the Republic sanctioned the proposed text by the National Congress in the Conversion Law Project no 12/2021, arising from the approved modifications of Provisional Measure 1,034/2021, **that provides for a gradual reduction in Special Regime for the Chemical Industry (REIQ)** over four years, with it extinguished as of January 1, 2025, being it converted into Federal Law 14,183/2021
- The gradual reduction of REIQ will be as the table shown on the left

REIQ was created to boost greater competitiveness for the Brazil's chemicals industry by lowering the PIS/Cofins tax rates levied on purchases of basic petrochemical feedstocks

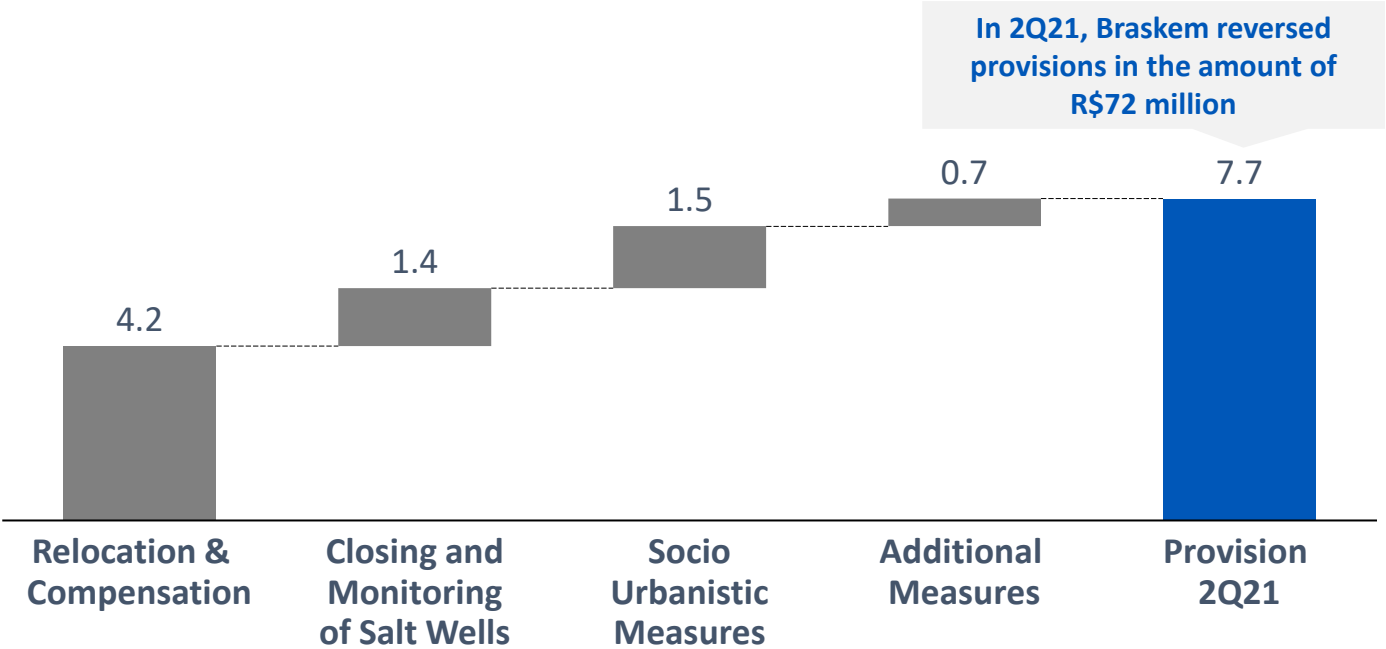
Update on geological event in Alagoas - Financial Impact



Financial Impact¹ - Balance of provisions in 2Q21

(R\$ billion)

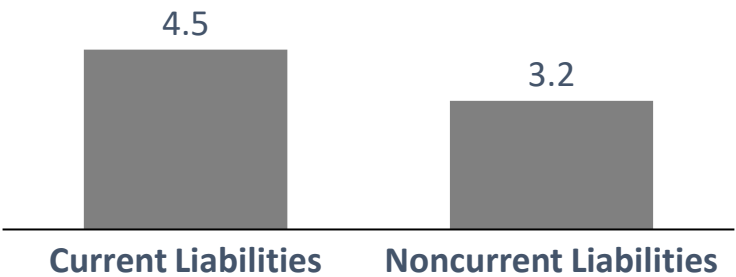
In 2Q21, the balance of provisions related to the geological event in Alagoas was around R\$7.7 billion...



Disbursement Schedule

(R\$ billion)

...of which around 58% was recorded under Current Liabilities and 42% under Noncurrent Liabilities



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

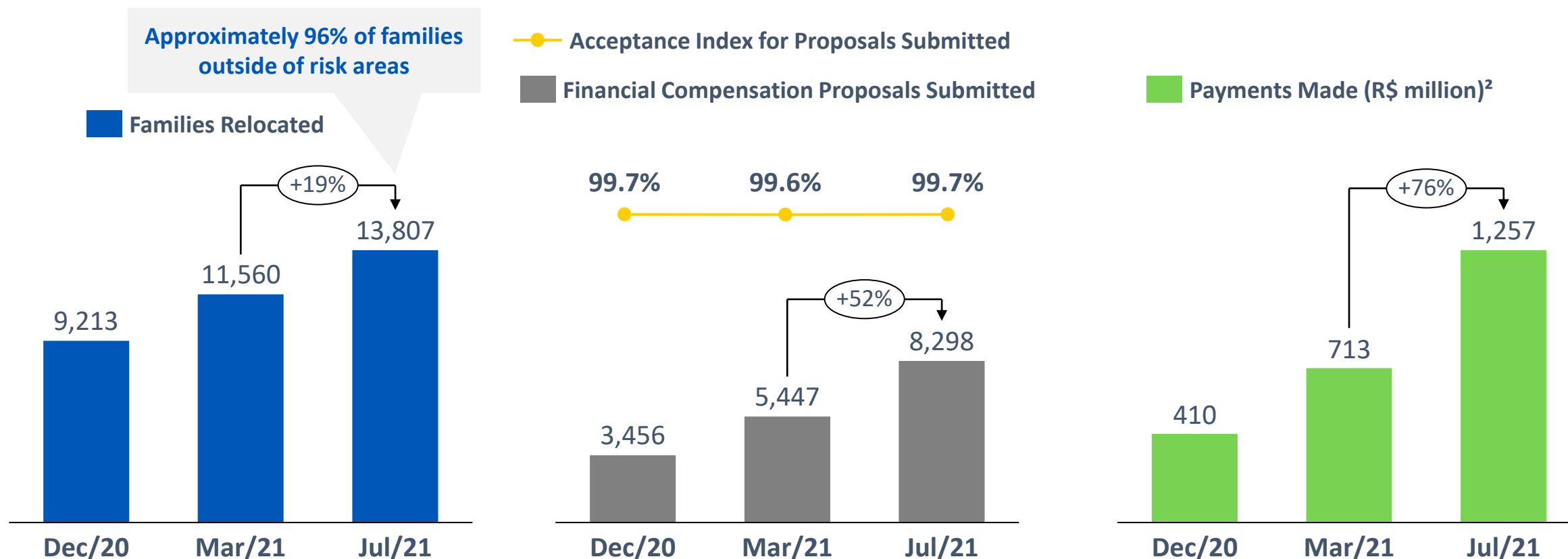
Source: Braskem. Note (1): The total amount of provisions related to the geological event in Alagoas is R\$10.2 billion, and at the end of March/21, the balance of provisions was approximately R\$8.5 billion.

Update on geological event in Alagoas - Advances in PCF¹



Update of PCF¹ as of July 31, 2021

Status in
07/31/2021

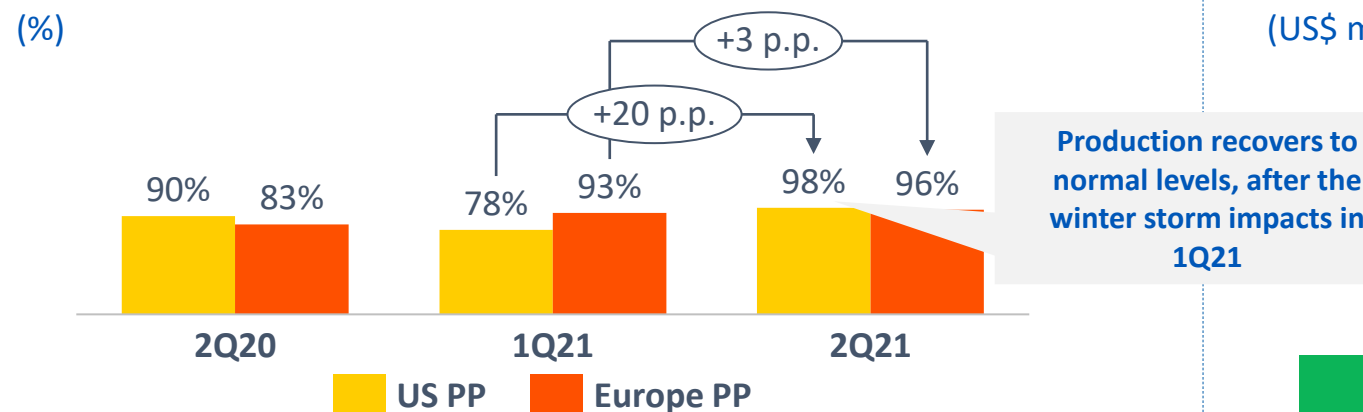


Braskem continued to make progress with the process of relocation and financial compensation of families located in neighborhoods in risk areas in Maceió

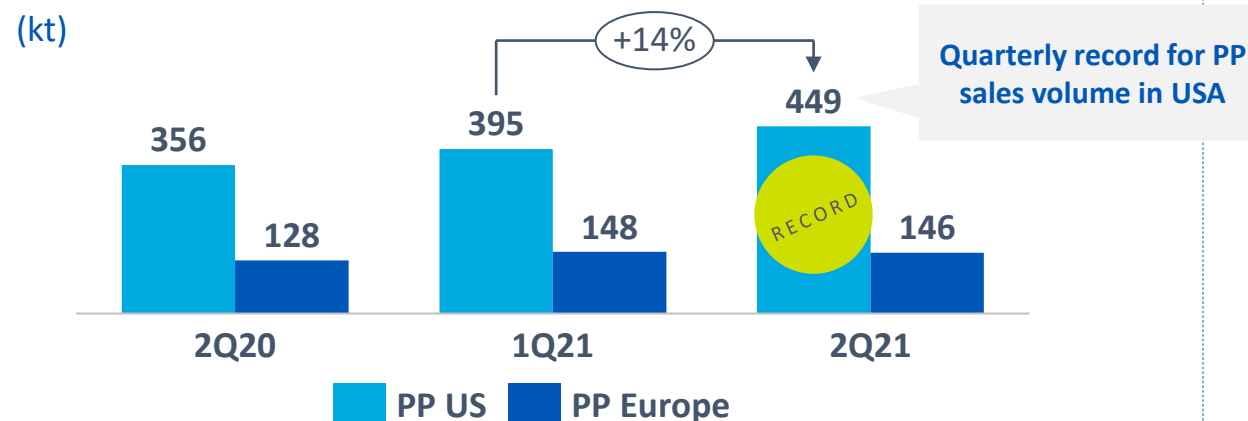


Operational

Utilization Rate of PP Plants

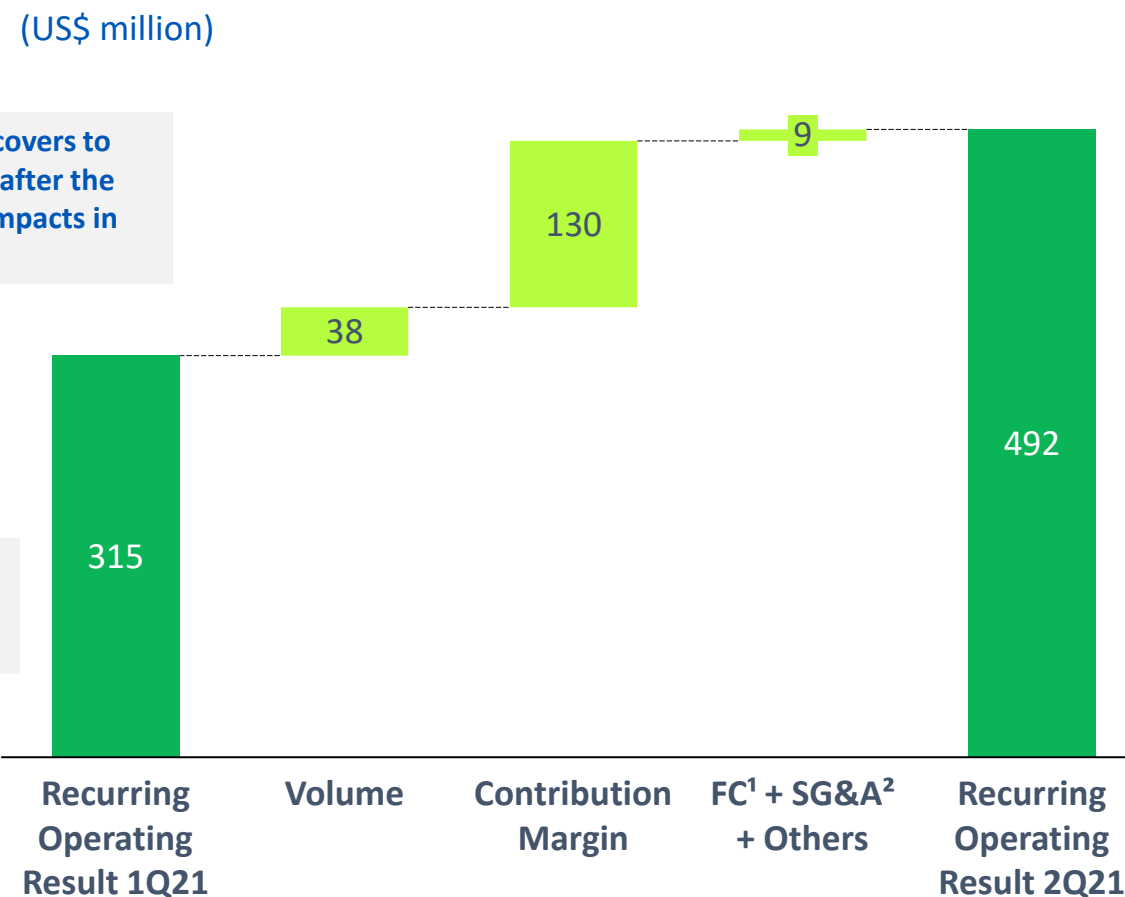


PP Sales



Financial

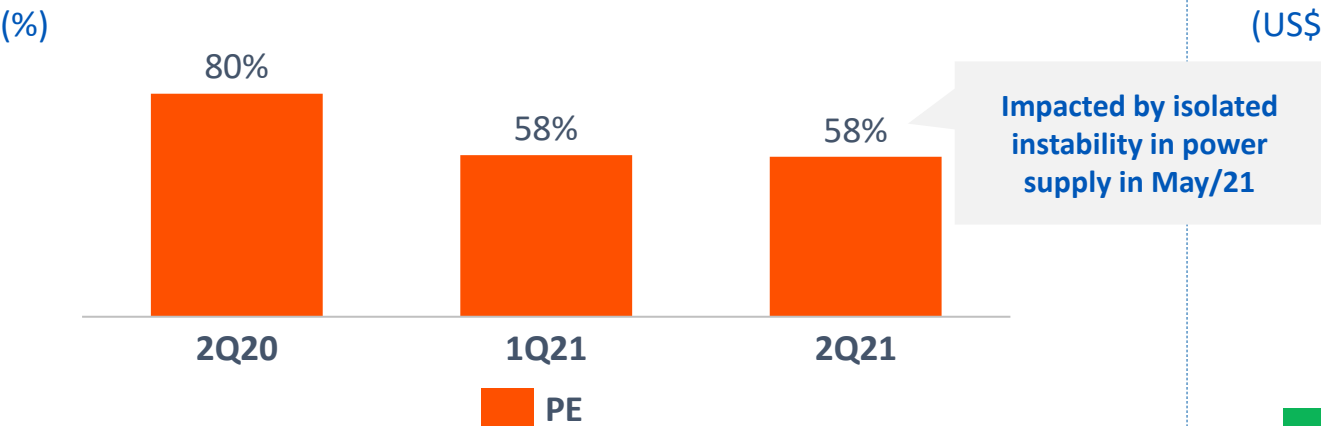
Recurring Operating Result BRIDGE



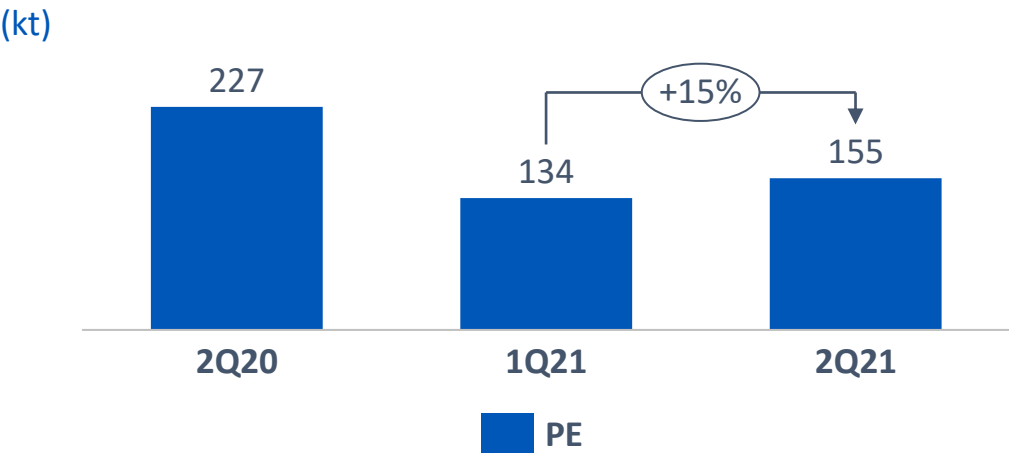


Operational

Utilization Rate of PE Plants

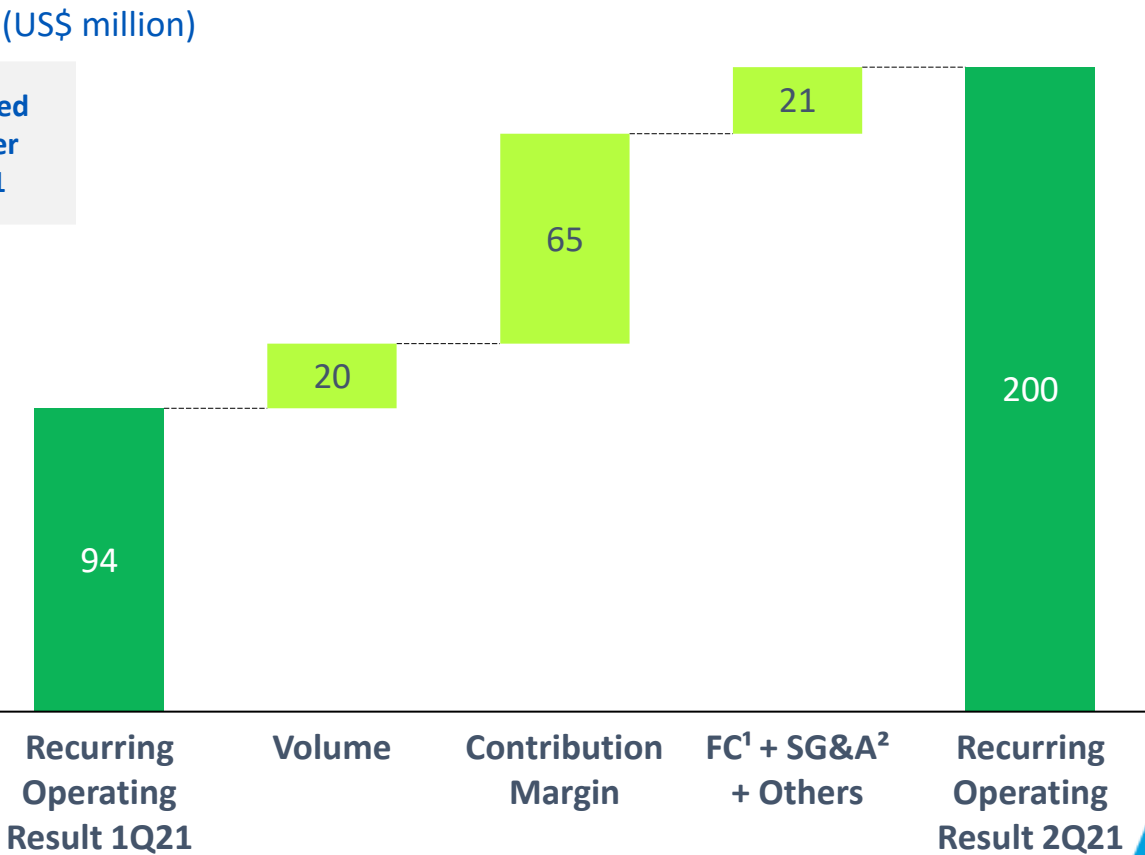


PE Sales



Financial

Recurring Operating Result BRIDGE

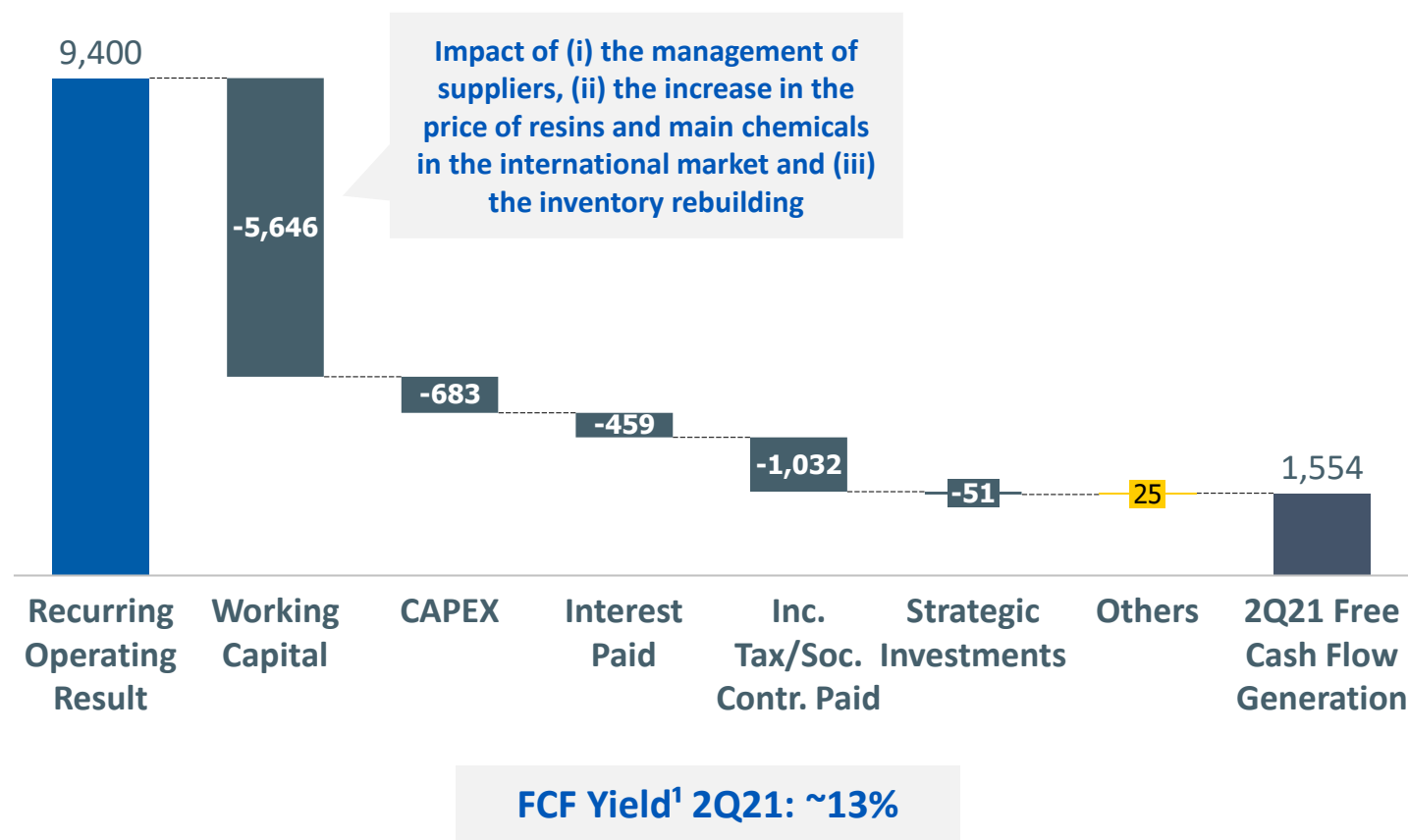


Source: Braskem. Note (1): FC: Fixed Costs. Nota (2) SG&A: Selling, General & Administrative Expenses.

Consistent operating cash generation

Free Cash Generation (R\$ million) - 2Q21

Consistent operating cash generation, in line with the strategy of efficient capital allocation and financial health



Comments:

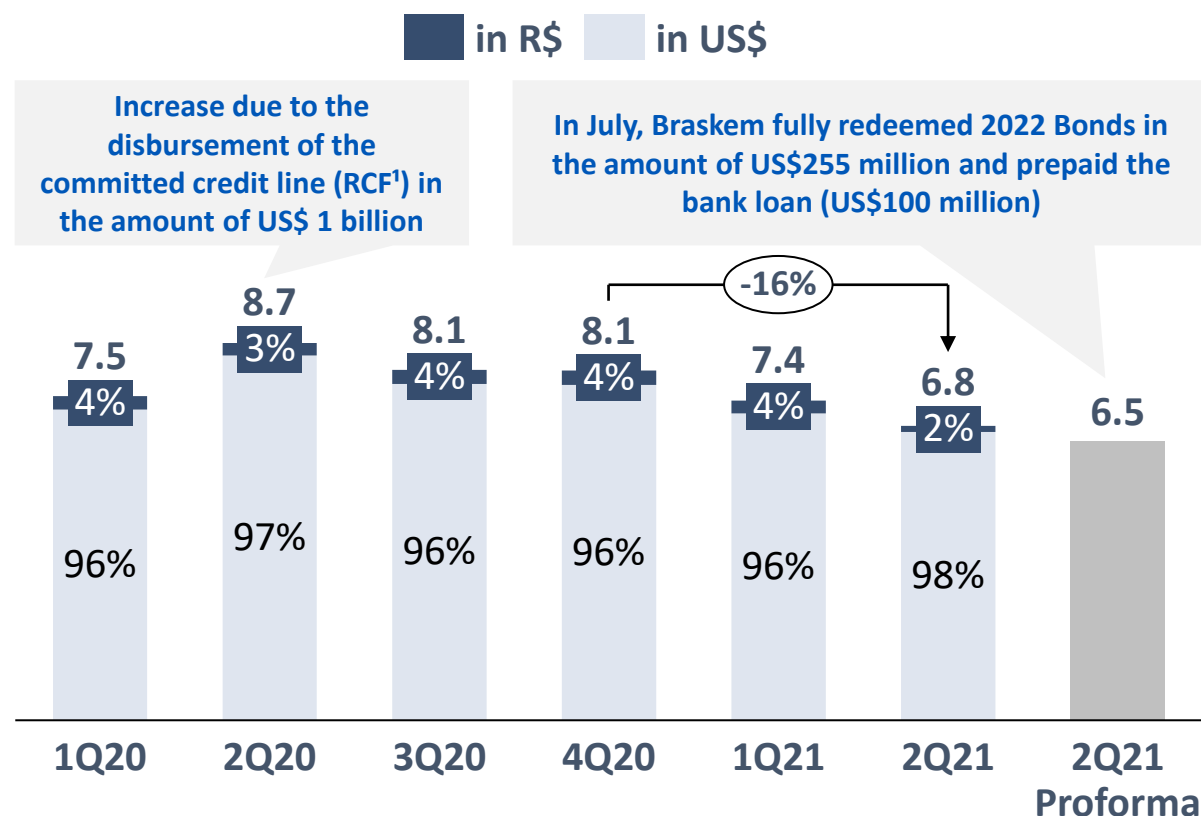
- Free cash generation in 2Q21 was R\$1,554 million, explained mainly by:
 - i. by the strong recurring Operating Result in the quarter
 - ii. monetization of PIS/COFINS tax credits of around R\$656 million
- These positive impacts were offset mainly by:
 - i. negative variation in working capital
 - ii. increase in IR/CSLL paid due to higher recurring Operating Result

Source: Braskem. Note (1): FCF Yield = Free Cash Flow Yield based on cash flow in last 12 months.

Supported by its robust cash position, Braskem continues to reduce its gross debt

Gross Debt (ex-Braskem Idesa)

(US\$ billion)



Comments:

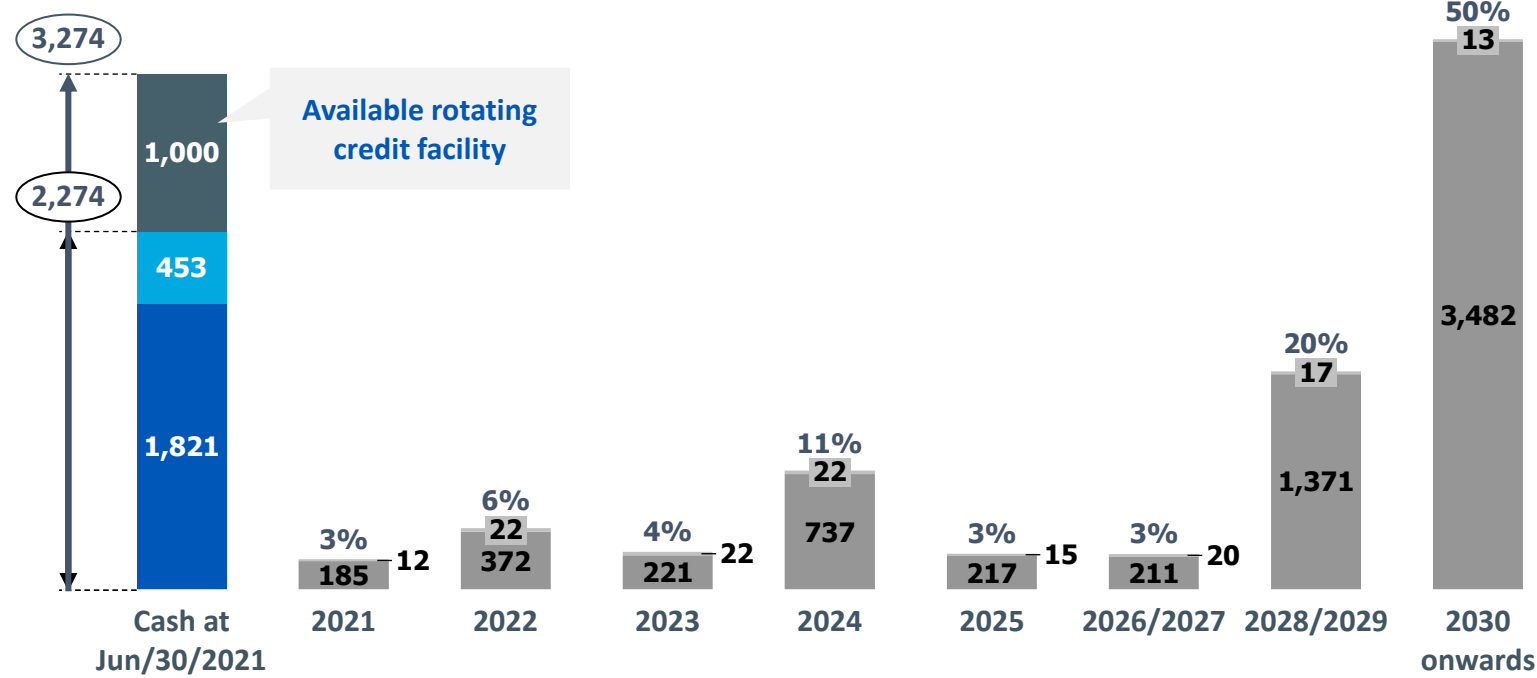
- In 2Q21, due to its strong cash position and **with the objective of reducing the levels of gross debt**, the Company completed several operations totaling US\$ 643 million, with emphasis on:
 - the offer to repurchase bonds coming due in 2023 and 2041 in aggregate amount of US\$234 million
 - prepayment of Commercial Notes of R\$508 million (US\$103 million)
 - prepayment of Export Credit Notes of R\$400 million (US\$81 million)
 - prepayment of Export Prepayments of US\$100 million

In the 1st half of 2021, the Company reduced its Gross Debt level by approximately US\$1.3 billion
Additionally, considering the operations performed in July, the total reduction reached approximately US\$1.7 billion

Debt maturity profile remains concentrated in very long term

Debt Profile (US\$ million) Jun/30/2021^{(1) (2)}

Strong liquidity position, with maturities concentrated in the long term (50% in 2030 or after)



(1) Excludes Braskem Idesa and the R\$1.2 billion for funding the Financial Compensation and Support for Relocation Program in Alagoas
(2) Does not consider operations performed in July/21

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

Debt Indicators

- Sufficient liquidity to cover liabilities coming due in next **78 months**
- Average debt term of approximately **14 years**
- Weighted average cost of debt of FX variation + **5.2%**

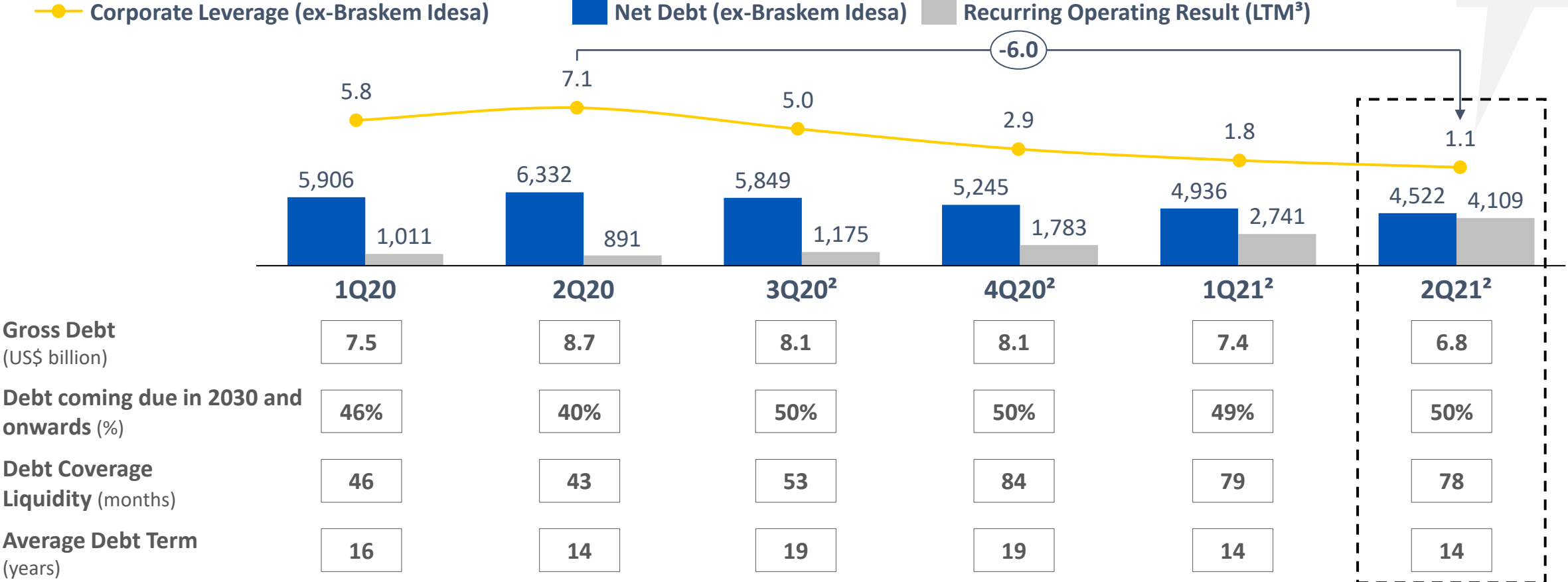
Corporate Credit Risk - Global Scale

Agency	Rating	Outlook	Date
Fitch	BB+	Positive	05/12/2021
S&P	BB+	Stable	07/08/2020
Moody's	Ba1	Stable	07/12/2021

With the objective of being reassigned as an investment grade company, Braskem continued to reduce its corporate leverage and has solid credit metrics

Net Debt/Recurring Operating Result¹

(US\$)



Braskem reiterates that it maintains a robust cash position and very long debt maturity profile, and is committed to efficient capital allocation and cost discipline to be reassigned as an investment grade company

Source: Braskem. Note (1): Excludes Project Finance in Mexico and based on recurring Operating Result. Note (2): The leverage calculation considers 50% of the hybrid bond issue in July 2020 as equity as of 3Q20. Note (3): LTM: Last 12 months.

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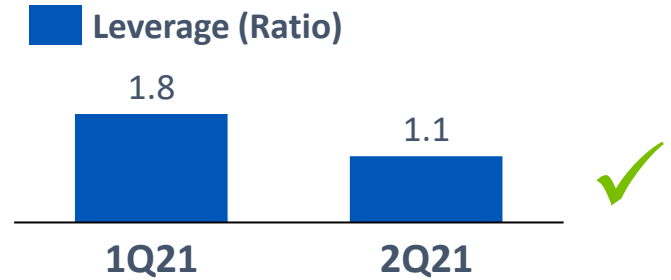
Braskem remains committed and advances in the indicators to be reassigned as an investment grade company

MAIN FINANCIAL INDICATORS FOR THE RATING AGENCIES

Maintenance of leverage
(ex-Braskem Idesa) in up
to 2.5x



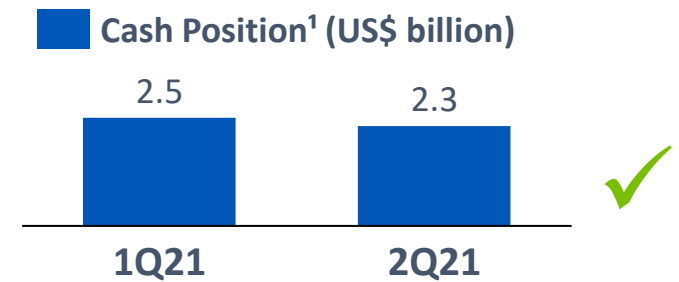
Lower historical leverage in
2Q21, in addition to showing
solid credit metrics



Maintenance of strong
liquidity position



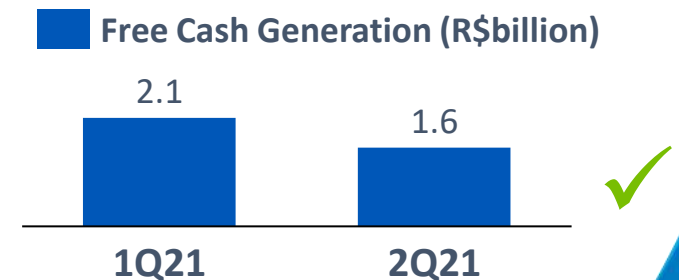
Robust cash position, with an
amount greater than the
Minimum Cash Determined by
the Company



Positive cash generation
over cycle



Business presents consistent
operating cash generation



Source: Braskem. Note (1): Excludes international rotating credit facility of US\$1 billion and the R\$1.2 billion for funding the Financial Compensation and Support for Relocation Program in Alagoas.

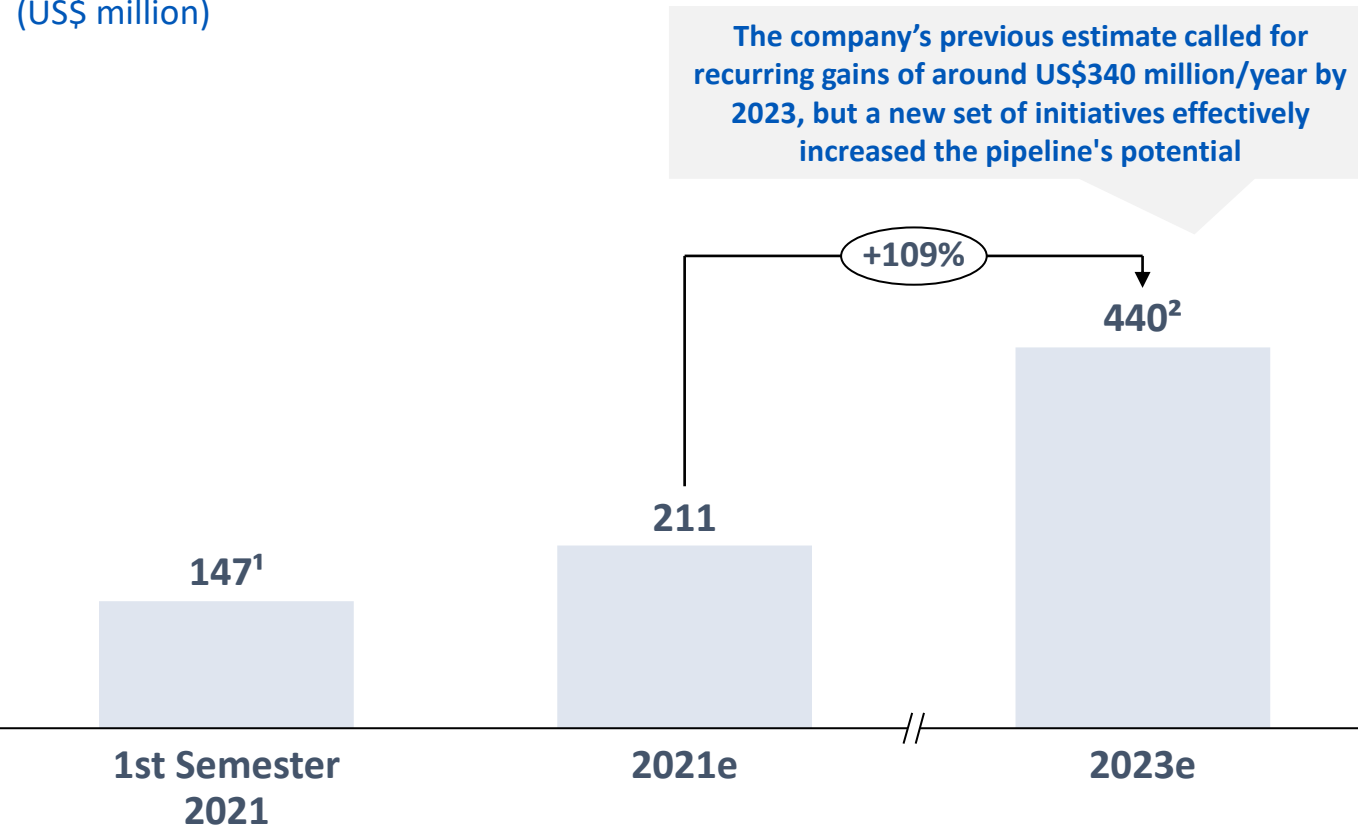
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Transform for Value Program (TFV) continued to make progress in mapping new opportunities and in implementing the initiatives already mapped



Capture of Recurring Gains by end-2023 by TFV Program

(US\$ million)



Comments:

- Currently, in addition to the **US\$147 million/year¹** in stages 4 and 5, Braskem envisages a set of improvement initiatives in stages 1, 2 and 3 that could generate over US\$293 million/year, bringing the total to around **US\$440 million/year² by 2023**
- Some of the initiatives coordinated by the program already have resulted in significant improvements that have **streamlined not only corporate processes** but also **industrial operations** (for details see the 2Q21 Earnings Release)

Transform for Value Program (TFV) focuses on improvement initiatives with gains expected by end-2023, and which are organized in stages to facilitate the management and communication of each initiative's progress

Source: Braskem. Note (1): Considers only initiatives in stage 4 (Run-rate), when measurements of gains could vary as actions advance, and in stage 5 (Concluded), after stabilization and/or internal audit. Note (2): Considers initiatives in all 5 stages (1-Identification, 2-Planning, 3-Execution, 4-Run-rate and 5-Concluded), in accordance with the methodology for accompanying the maturity of initiatives used by the Transform for Value Program.

ESG: Braskem invests R\$150,000 in Recycling Island at Triunfo Petrochemical Complex in Rio Grande do Sul



Recycling Island

- The project will be responsible for **testing the performance of recycled resins, developing innovative and sustainable products, meeting clients needs**
- Advances in the **quality of post-consumer resins are key to expanding applications for recycled products**
- The project will complement Braskem's research into better understand **which applications and product designs best facilitate the recycling process**
- It also will reinforce Braskem's position as a **reference in supporting clients and in researching and developing thermoplastic resins, through the use of technologies**



3D digital model of Recycling Island

Sustainable Development Strategy 2030

3

ELIMINATING PLASTIC WASTE

7

SUSTAINABLE INNOVATION

The project contributes to dimensions 3 and 7 of the strategy, focusing on expanding the recycled resins portfolio

The project is directly related to Braskem's commitment to include, by 2025, 300,000 tons of thermoplastic resins and chemical products with recycled content in its portfolio

ESG: Braskem recognized for second straight time in bronze category of WEP Awards



WEPs Awards & Diversity

- An initiative recognized by the United Nations, the Women's Empowerment Principles (WEPs) Awards work to **encourage and recognize the efforts of companies that promote a culture of gender equality and women empowerment in Brazil**
- Braskem has been a WEPs signatory since 2015, and **won, for the second time, the Bronze Award, which it first won in 2019**
- It is a result of Braskem action through its Diversity, Equality & Inclusion Program, which:
 - i. **Leverage the representiveness and inclusion of women in leadership positions**
 - ii. Execute initiatives to the **inclusion and empowerment of minority groups**, e
 - iii. Diversify processes and internal policies **to achieve a gender-equal culture**



Sustainable Development Strategy 2030

6

SOCIAL RESPONSIBILITY & HUMAN RIGHTS

The recognition reinforces our commitment to dimension 6 of our strategy, whose pillars include fostering and respecting diversity

In 2020, Braskem reached 30% women in leadership positions, which reflects the Integration, Development & Training Programs, as well as the leadership development initiatives implemented over recent years

ESG: Improvement in general Compliance and Governance practices, with ISO 37001 certification and creation of CCAE



Recent Highlights in Compliance & Governance

ISO 37001 Certification

- Certified by **ISO 37001**, an international standard that establishes the rules and standards for Anti-bribery Management Systems¹
- The certification reinforces **Braskem’s commitment to always working guided by ethics, integrity and transparency in all its actions** and contributing to improvements in its general compliance and governance practices.



Statutory Compliance & Audit Committee (CCAЕ)

- Transformation of the Compliance Committee into the Statutory Compliance & Audit Committee (CCAЕ)
- The committee will be formed by **five independent members**, with two external members appointed based on a list selected by an executive recruiting company

Sustainable Development Strategy 2030

2

FINANCIAL RESULTS

The project contributes to dimension 2 of the strategy, focusing on the goal of continuously improving the Compliance System and governance practices

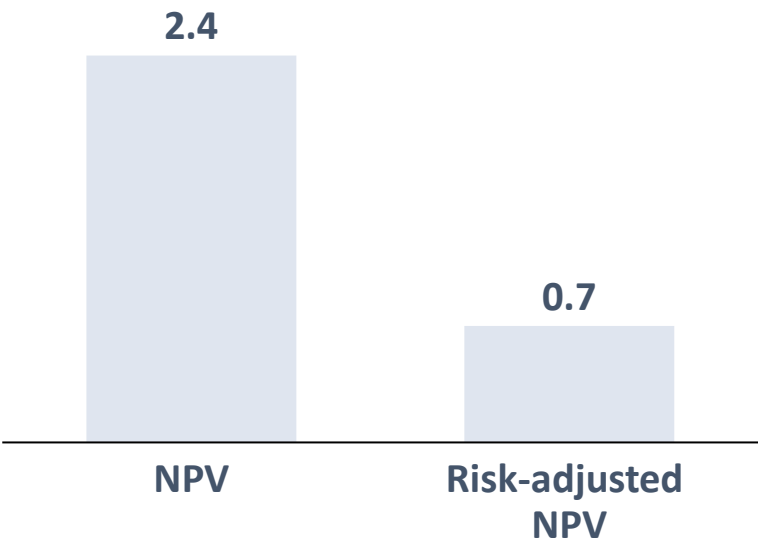
Source: Braskem. Note (1): Related to the management and operation of Braskem’s Compliance & Anti-bribery Management System (SGAS) in Brazil related to the production and marketing of chemical and petrochemical products and its respective administrative support services.

Innovation: Key pillar of Braskem's business strategy



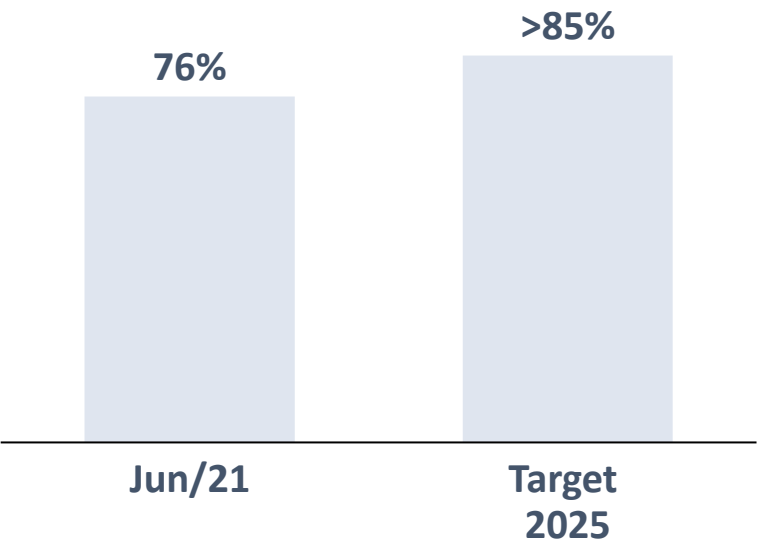
Braskem has an extensive pipeline of I&T¹ projects, with 120 projects contributing to its growth

(US\$ billion – Pipeline at Jun/21)



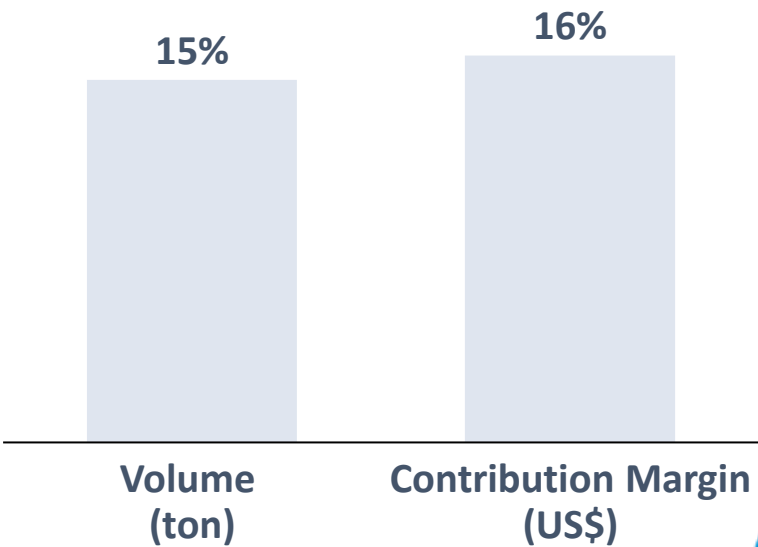
Braskem constantly strives to achieve positive environmental impacts with its I&T¹ projects

(% of projects in portfolio with positive social impact)



Important contribution to Braskem from new grades (launched in last 5 years)

(Cumulative Jan-Mar²/2021)

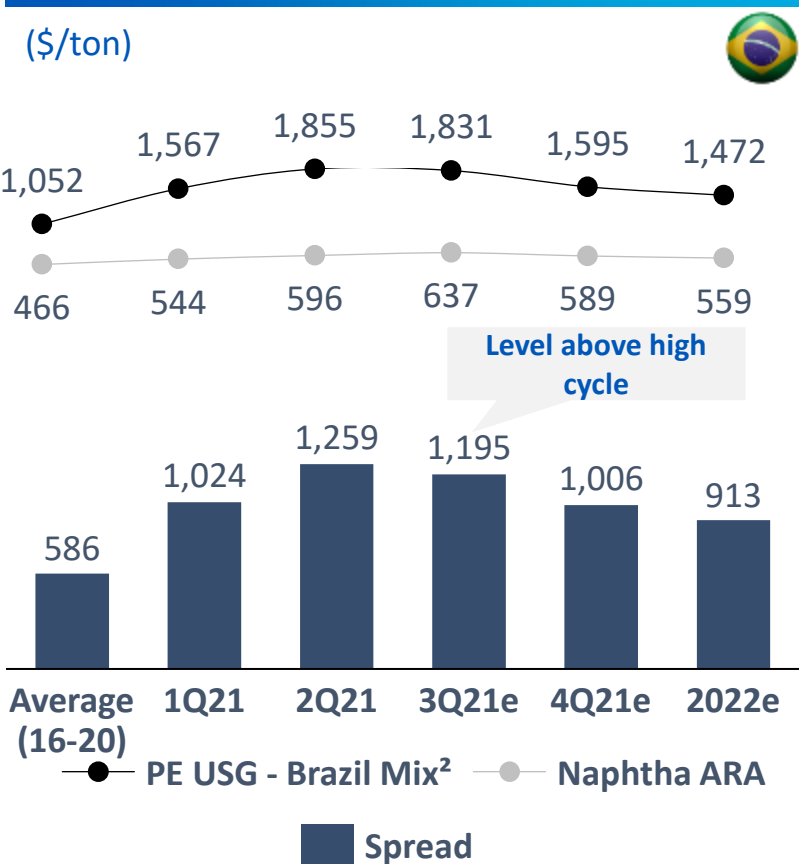


By 2030, Braskem wants to have significantly accelerated its deliveries of innovative and sustainable solutions for consumers and society

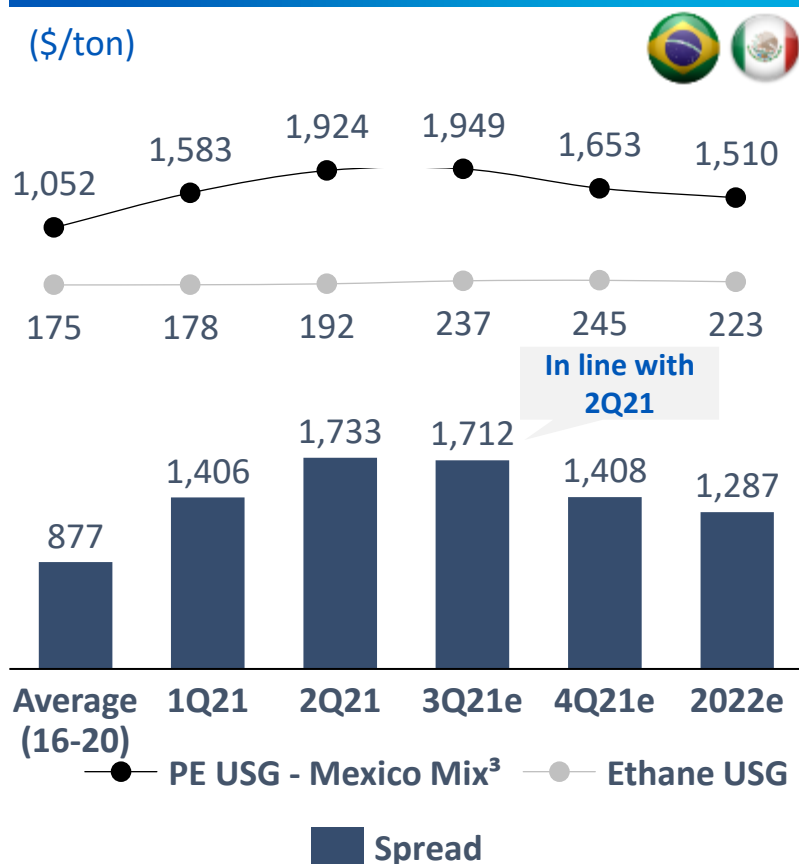
Source: Braskem. Note (1): I&T: Innovation and Technology. Note (2): Final data for April and June under construction.

Petrochemical Scenario - PE & PVC

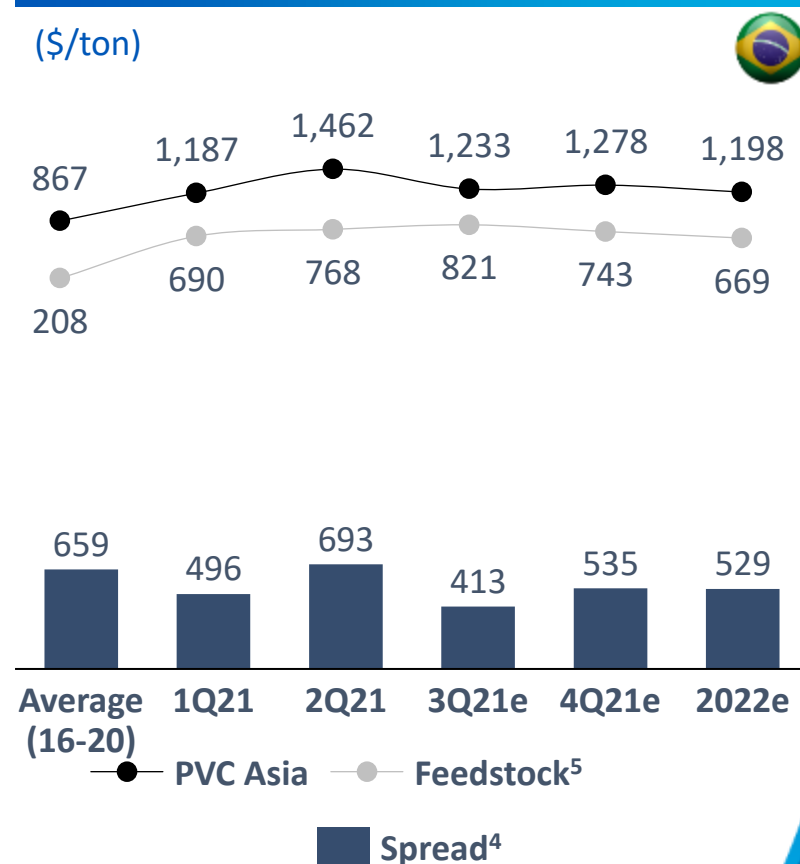
PE US – Naphtha ARA Spread¹



PE US – Ethane US Spread¹



Spread PVC – Spread Par¹

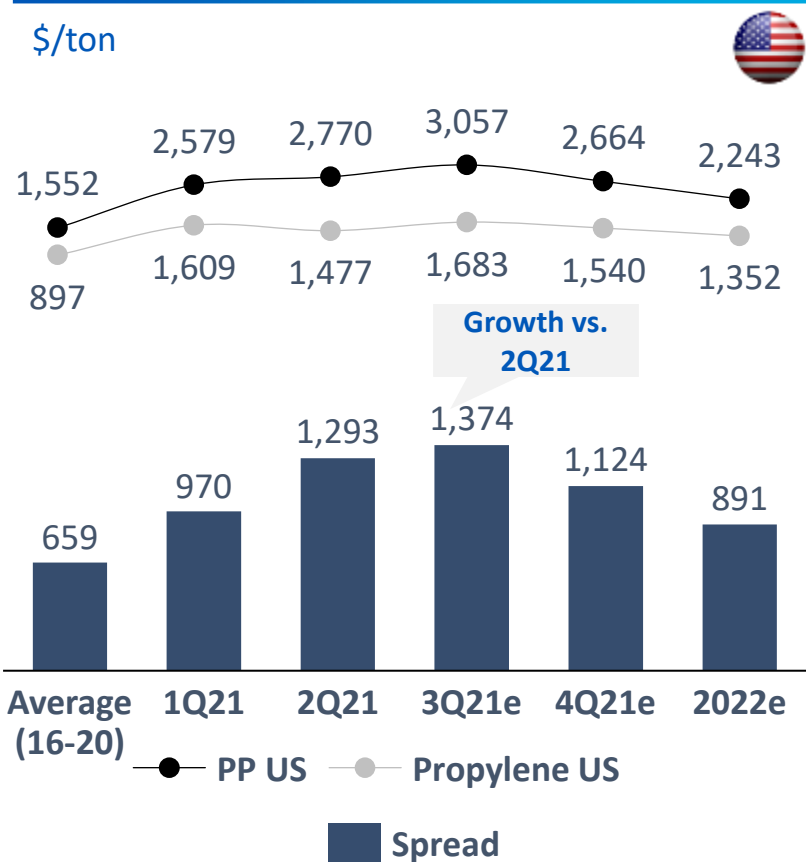


According to forecasts by external consulting firms,
PE and PVC spreads are expected to remain at healthy levels in 2H21 and 2022

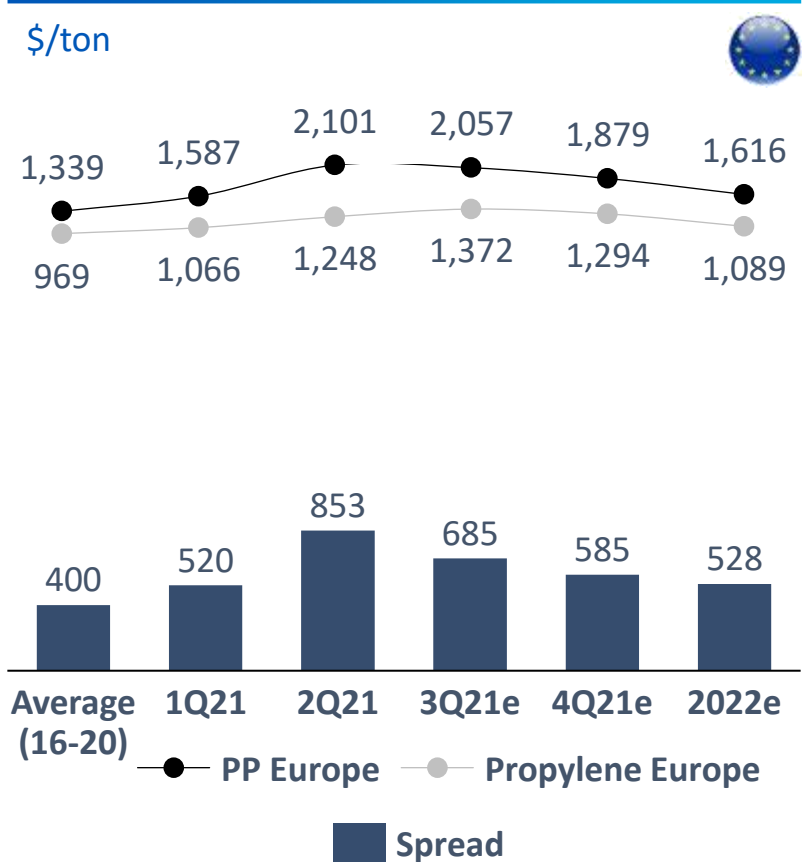
Note (1): External consulting firms. Note (2): PE USG Brazil Mix = 0.3*LDPE US + 0.3*LLDPE US + 0.4*HDPE US Note (3): PE USG Mexico Mix = 0.286*LDPE US + 0.714*HDPE US. Note (4): Par Spread: PVC + (0.685*Soda Asia) – (1.5984*Naphtha ARA) – (1.014*Brent). Note (5): Includes benefits of caustic soda as a feedstock reducer.

Petrochemical Scenario - PP

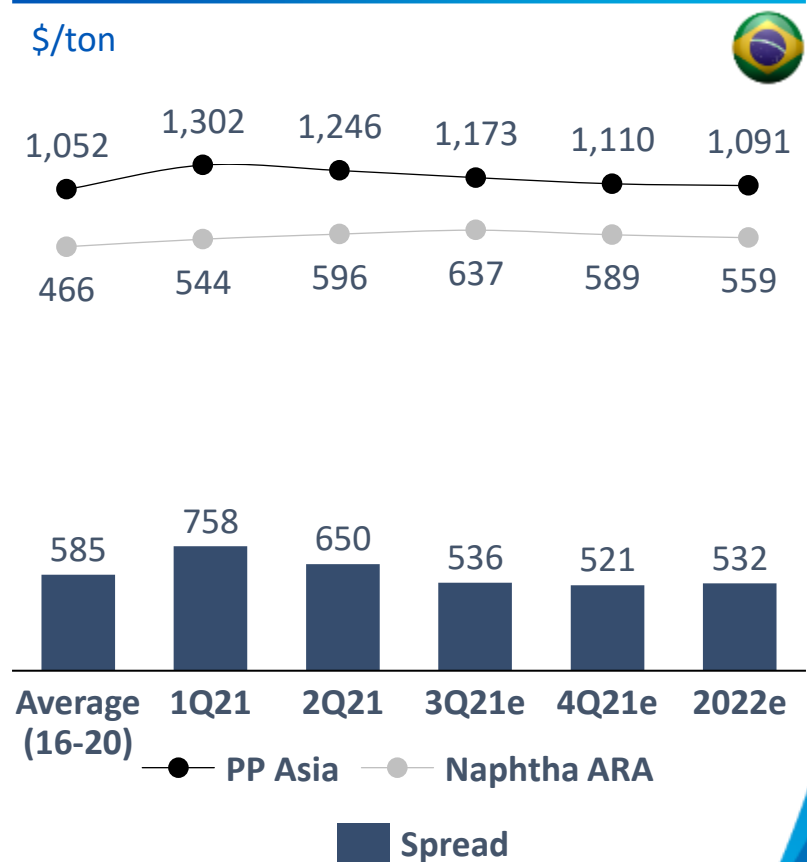
PP US - Propylene US Spread¹



PP Europe - Propylene Europe Spread¹



PP Asia - Naphtha ARA Spread¹



According to forecasts by external consulting firms, PP spreads are expected to remain at healthy levels in 2H21 and 2022

Note (1): External consulting firms.

Braskem Outlook | 3Q21 vs. 2Q21



Brazil



United States



Europe



Mexico

Utilization Rate¹

Higher ethylene production based on expectations on the normalization of operations at ABC Petrochemical Complex, following the scheduled GMS³ in 2Q21

Similar PP production, following the resumption of PP operations after normalization in the country in 2Q21

Similar PP production, with PP production in the region already at healthy levels

Higher PE production on expectations of an increase in ethane supply from the United States (Fast Track)

Sales Volume¹

Growth in total resin sales volume (local and export market) and continuity of strategy to prioritize sales to Brazilian market and SAM⁴

PP sales volume should remain at current levels, due to stability in product supply

PP sales volume should remain in line, due to stability in product supply

Higher PE sales volume due to higher product supply

Petrochemical Spreads²

PE-Naphtha spreads to remain at levels above industry's upcycles, given the expectations of solid continued demand. Meanwhile, PP and PVC spreads are expected to narrow

Healthier US PP-Propylene spreads mainly due to continued healthy PP demand

Narrowing of Europe PP-Propylene spreads, due to the end of period of scheduled shutdowns at producers in the region and higher imports

US PE-Ethane spreads should remain stable due to continued solid demand

Increase

Stability

Decrease

Note (1): Braskem expectation. Note (2): Expectation of external consulting firms. Note (3): GMS: General Maintenance Shutdown Note (4): SAM: South America.

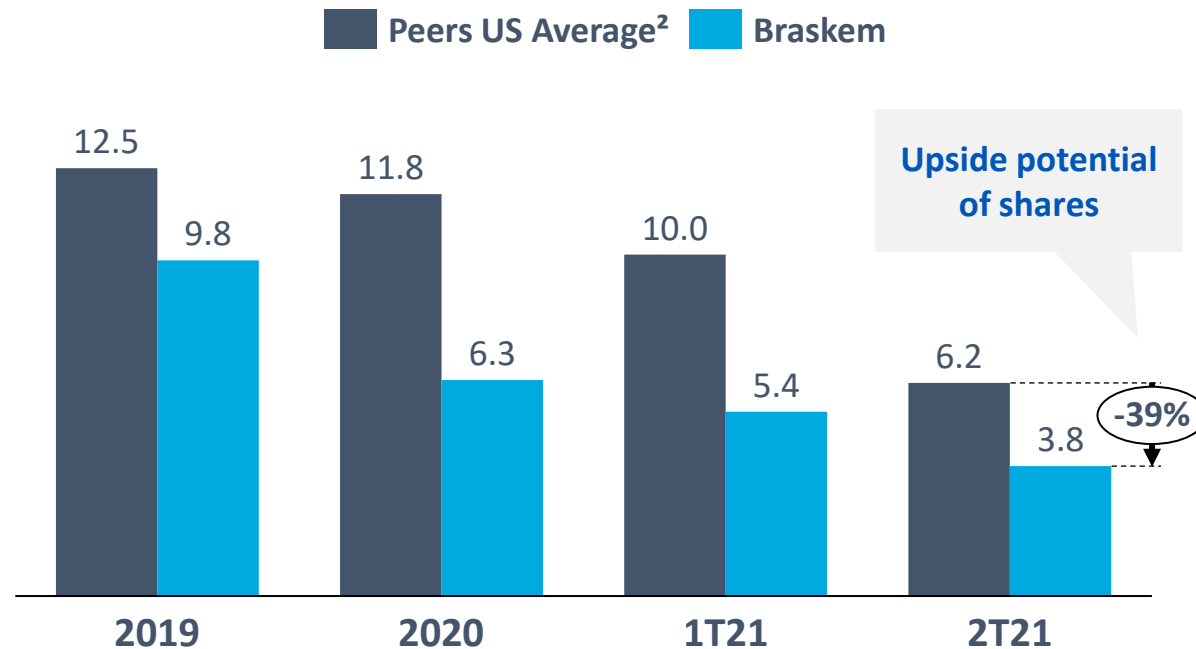
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Braskem

Braskem remains an interesting investment opportunity in the global petrochemical sector

Multiple EV/Recurring Operating Result LTM¹

A lower multiple could mean that a stock is an interesting investment opportunity in the industry



Comments:

- In 2009, Braskem was a 100% Brazilian company and mostly dependent on naphtha as a feedstock
- Since then, the Company has implemented its strategy of internationalization and diversification of feedstock, in addition to intensifying its efforts in sustainable development
- Therefore, **Braskem currently has similar characteristics to its main publicly traded peers in the US**, such as:
 - global company ✓
 - diversified feedstock profile ✓
 - leading position in the markets in which it operates ✓
 - concrete contributions to sustainable development, among others ✓

Despite all the advances by the Company over the years, Braskem's multiple remains discounted to its peers

We remain focused on 6 main objectives for 2021

1	GEOLOGICAL PHENOMENON IN ALAGOAS	Continue the advances related to the geological phenomenon in Alagoas	
2	BRASKEM IDESA	Expand the ethane import operation and negotiate definitive agreement with PEMEX	
3	CAPITAL ALLOCATION / FINANCIAL HEALTH	Ensure the Company's continued financial health, risk management and disciplined capital allocation	
4	IMAGE & REPUTATION	Strengthen Braskem's image and its recognition from employees, clients, suppliers, investors and the general public	
5	INNOVATION & DIGITAL TRANSFORMATION	Increase efficiency in innovation and accelerate digital transformation	
6	ESG ¹ POSITIONING	Move forward in implementation of our ESG commitments	
Safe operations are and always will be a focus of Braskem's operations, as a PERMANENT AND NONNEGOTIABLE VALUE OF OUR STRATEGY			

Thank you!

