



APIMEC 2020

NOVEMBER 26, 2020

Braskem 



DISCLAIMER ON FUTURE STATEMENTS

This presentation contains forward-looking statements. Such information is not only historical facts, but they reflect the goals and expectations of Braskem's management. The words “advance”, “believe”, “expect”, “foresee”, “intend”, “plan”, “estimate”, “project”, “goal” and similar are prospective statements. Although we believe that these forward-looking statements are based on reasonable assumptions, these statements are subject to various risks and uncertainties, and are made taking into account the information to which Braskem currently has access to.

This presentation is updated until September 30, 2020 and Braskem is not under any obligation to update it with new information and/or future events.

Braskem is not responsible for operations or investment decisions that are made based on the information contained in this document.

AGENDA

- **2020 Results**
Pedro Freitas (CFO)
- **Braskem Idesa**
Stefan Lepecki (CEO of Braskem Idesa)
- **Petrochemical Scenario**
Rosana Avolio (Investor Relations Leader)
- **Sustainable development**
Jorge Soto (Leader of Sustainable Development)
- **Transform for Value**
Celso Procknor (Leader of Transform for Value)
- **2021 Priorities**
Roberto Simões (CEO)
- **Q&A**

2020 Results

Pedro Freitas (CFO)



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In 2020, we stayed focused on our five clearly defined strategic pillars

GOALS



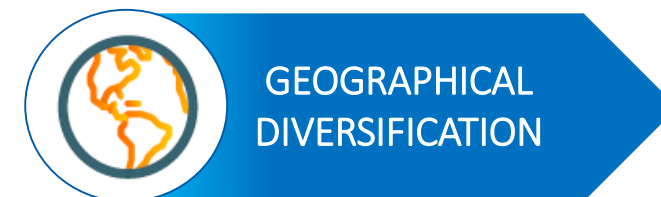
PRODUCTIVITY
AND
COMPETITIVENESS

- Braskem as a first quartile operator



FEEDSTOCK AND
SUPPLIER
DIVERSIFICATION

- Achieve balance between liquid and gas bases, increasing flexibility



GEOGRAPHICAL
DIVERSIFICATION

- Increase global capacity, with operations outside Brazil representing more than 50% of EBITDA



PEOPLE, INNOVATION,
GOVERNANCE AND
REPUTATION

- Recognition of Braskem as a global, sustainable, innovative company with a focus on people



CAPITAL ALLOCATION
/ FINANCIAL
DISCIPLINE

- Maintenance of strong level of liquidity

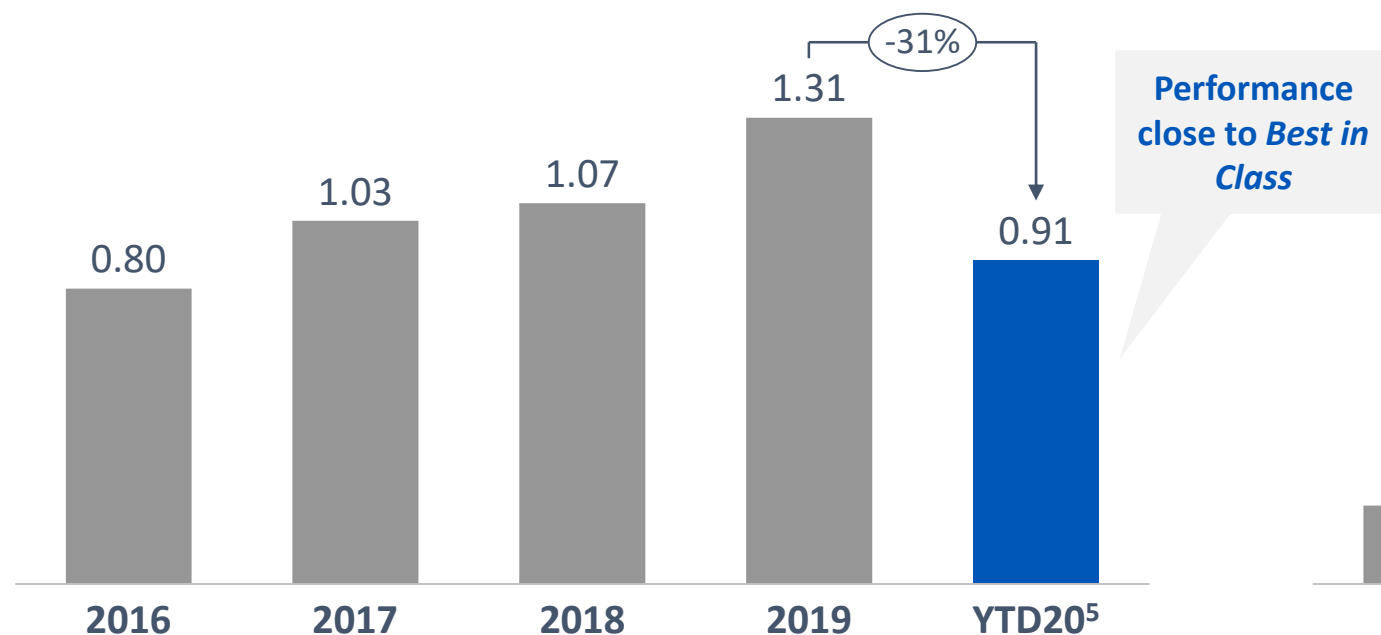
We improved performance in safety and in 2020, we are close to Best in Class

1) Productivity and Competitiveness

Personnel Safety - Accident Rate CAF¹ + SAF²

(events/1MM HH³)

Benchmarks: ACC⁴ (3.25) and Best in Class (~0.80 - 0.90)



Process Safety - Accident Rate TIER 1

(events/1MM HH³)

Benchmarks: ACC⁴ (0.45) and Best in Class (~0.10 - 0.20)



SAFE performance is and will always be central to Braskem's operations, being a PERMANENT AND NON-NEGOTIABLE VALUE
In 2020, better performance in safety is explained, mainly by the actions of the Human Reliability program

Industrial operations in Brazil and the US have returned to normal, after a temporary reduction in 2Q20

1) Productivity and Competitiveness

Petrochemical Crackers in Brazil

Utilization Rate (%)

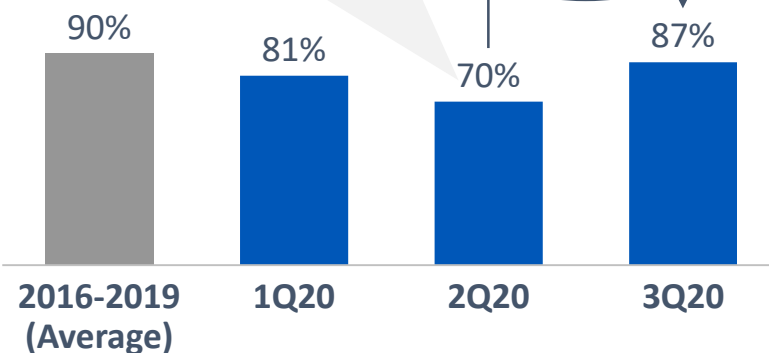


Global Average for Ethylene: 85%¹

Normalization in 3Q20, due to the recovery of demand for resins in the Brazilian market

Temporary reduction in 2Q20, due to the impact of COVID

+17 p.p.



PP Plants in the US + Europe

Utilization Rate (%)

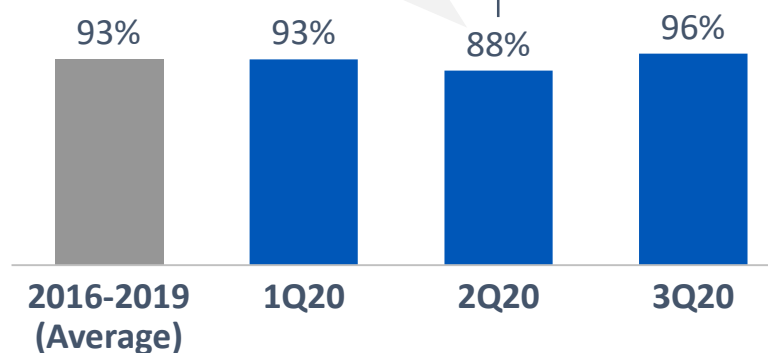


Global Average for PP: 84%¹

Normalization in 3Q20, due to the recovery of PP demand in North America

Temporary reduction in 2Q20, due to the impact of COVID

+8 p.p.



PE Plants in Mexico

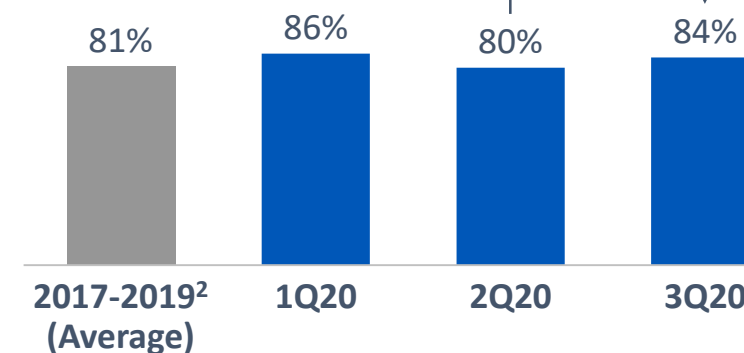
Utilization Rate (%)



Global Average for PE: 84%¹

In 2Q20 and 3Q20, 13% of the utilization rate in the quarter came from the Fast Track solution

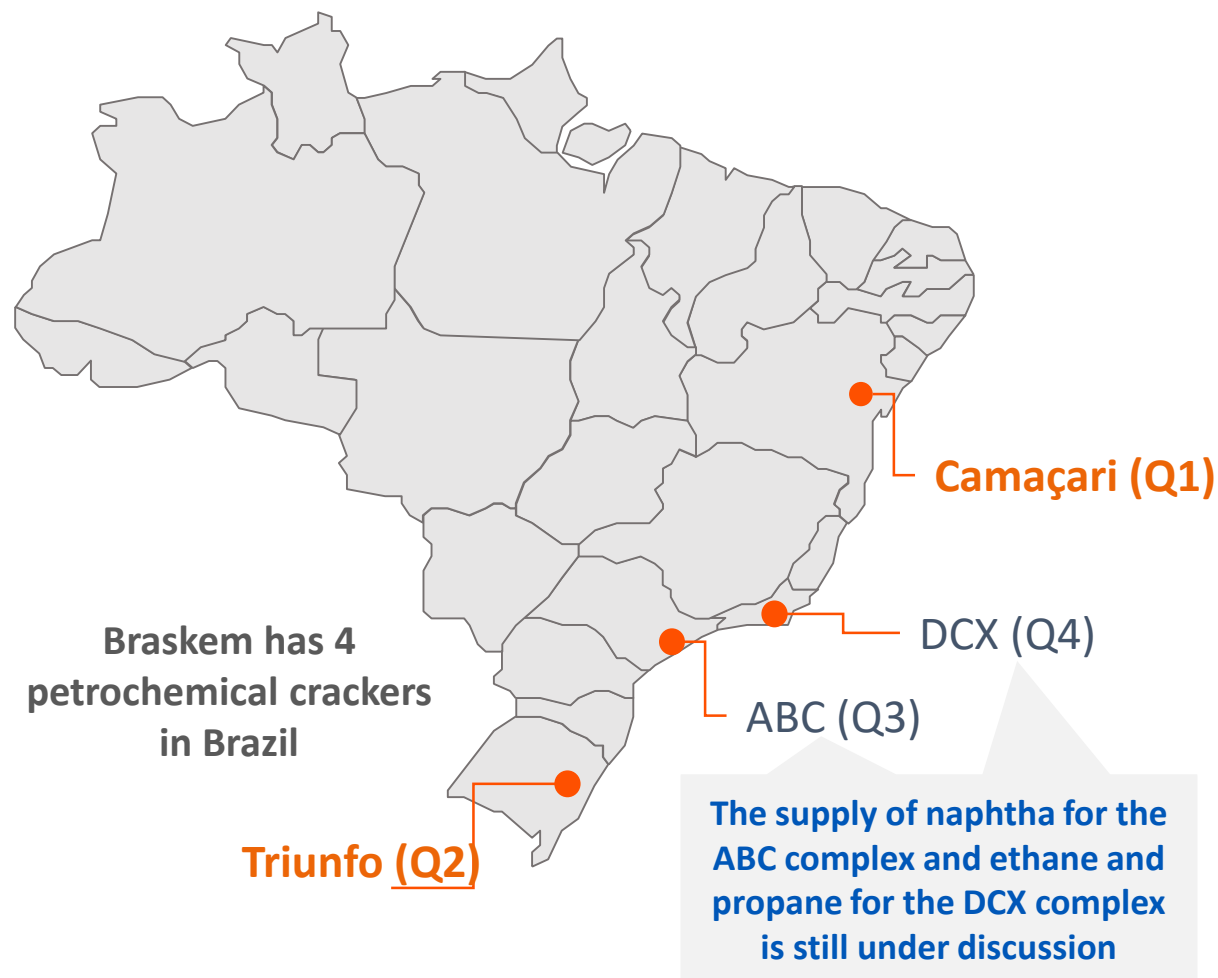
+4 p.p.



The operational performance in Mexico will be addressed in greater detail in the chapter focused on Braskem Idesa

We signed contracts with Petrobras to supply naphtha to the petrochemical crackers in Bahia and Rio Grande do Sul

1) Productivity and Competitiveness



Highlights:

- ▶ We signed contracts for the supply of **petrochemical naphtha** for Braskem's industrial units in **Bahia** and **Rio Grande do Sul**
- ▶ The contracts have a **5-year term** after the termination of the current contract (Dec/2020)
- ▶ Minimum annual volume of **650,000 tons** and, at the discretion of Petrobras, an additional maximum volume of up to 2.8 million tons per year
- ▶ Price: **100% of the ARA international reference**

Additionally, to guarantee access to the logistics system of naphtha in Rio Grande do Sul, Braskem also renewed the tankage contracts with Petrobras and for movement and tankage with Transpetro

We continue to move forward with our energy modernization projects and concluded new contracts that will increase our use of renewable energy

1) Productivity and Competitiveness

Energy Modernization Projects

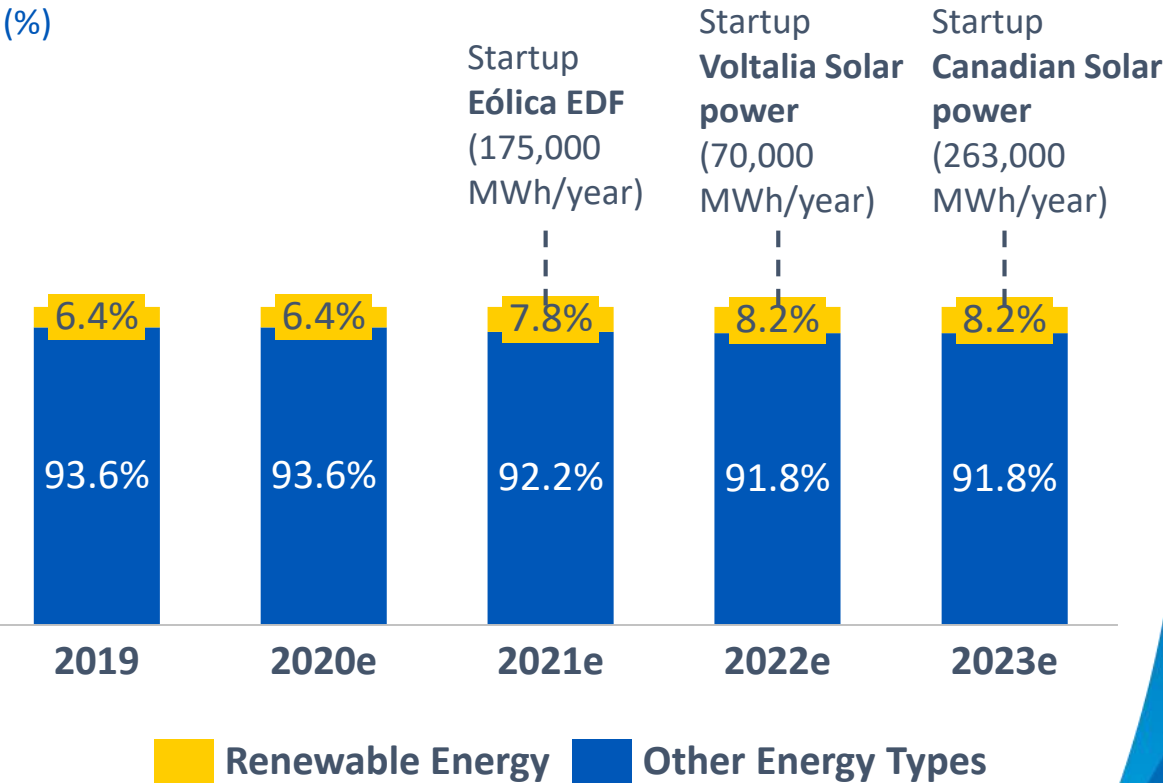
Vesta Project: replacement of steam turbines by high-performance electric motors in the ABC petrochemical cracker

- **Description:** increases production efficiency
- **Physical Progress:** 71% until September/2020
- **Total investment planned:** BRL 210 MM, of which BRL 147 MM was already disbursed up to September/2020
- **Startup planned:** Engines: May/2021; Co-generation: Aug/2021

Project at the Neal plant (US): upgrade of electrical infrastructure at the Neal plant (US)

- **Description:** Mitigates safety risks and ensures operation reliability
- **Physical Progress:** 97%
- **Total investment planned:** USD 40 MM
- **Startup planned:** December/2020

Breakdown of Total Energy Consumption



The 03 renewable energy contracts signed by the Company place us close to reaching the mark of 1 million tCO2 emissions avoided

We are radically transforming our core

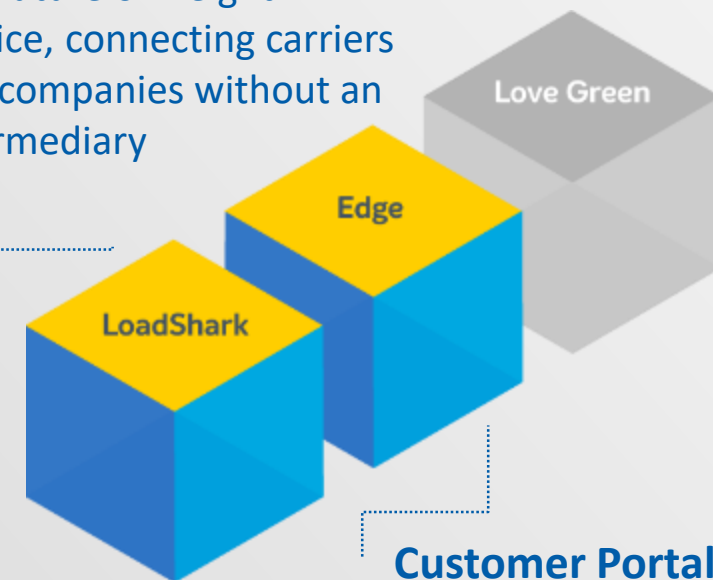


Braskem of the near future

... and creating new business models

Freight Marketplace

The future of freight service, connecting carriers and companies without an intermediary



Customer Portal

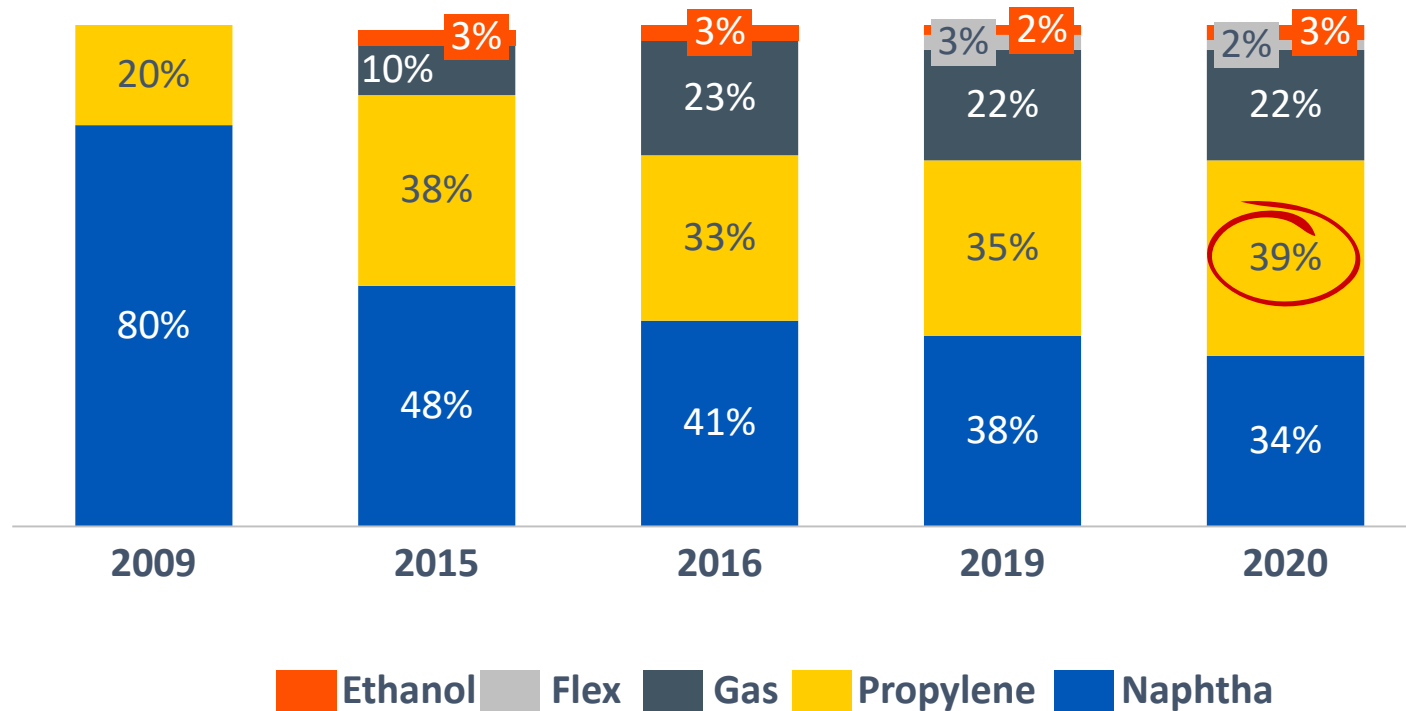
An e-commerce platform for customers to manage their orders, transforming the way we do business in the chemical and polymer industry

In the feedstock diversification, we move toward a more balanced profile between oil and natural gas sources

2) Feedstock and Supplier Diversification

Feedstock Profile by Production Capacity

(%)



Highlights:

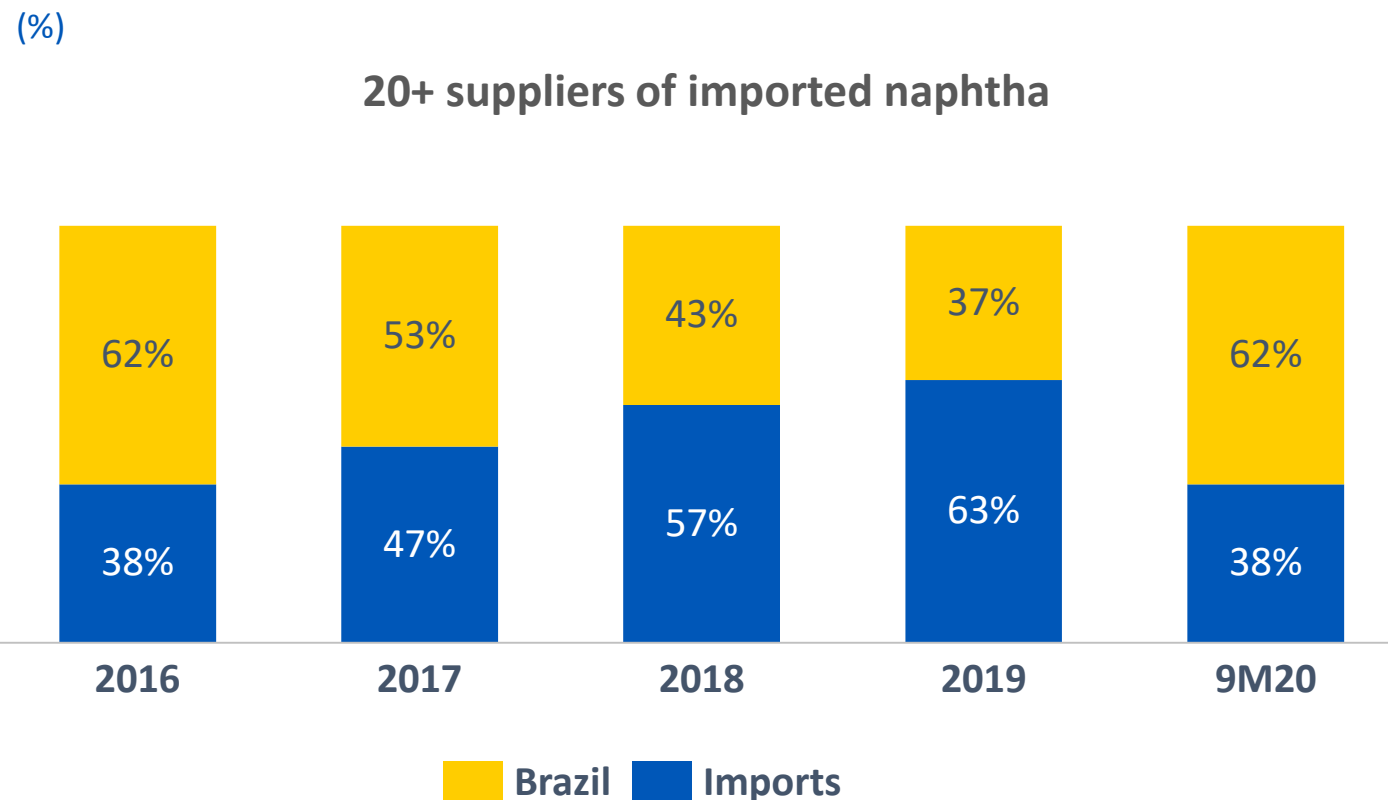
- Feedstock is a key element in the competitiveness of the petrochemical industry, corresponding to a large part of the production costs
- Therefore, we constantly seek to diversify our feedstock matrix to **reduce the volatility of our bottom line**
- From 2020, due to the startup of the new PP plant in the US, **propylene will be the most relevant feedstock for Braskem**, surpassing the relevance of naphtha

Our strategy for diversifying feedstock aims to increase the profitability of the business and mitigate risks

In line with our supplier diversification strategy, we continue to acquire naphtha through supply agreements with international suppliers

2) Feedstock and Supplier Diversification

Purchases of Naphtha - Location of Suppliers



Highlights:

- Braskem has **flexibility in the supply of naphtha** and, depending on the current strategy, may increase or decrease the purchase volume of imported naphtha
- In the 1st semester of 2020, **we chose to buy a volume of domestic naphtha above the previous years**, due to a mutually beneficial opportunity with Petrobras
- On this occasion, Braskem obtained a discount on the price of the feedstock and Petrobras managed to operate its refineries at a higher utilization rate

This year, naphtha imports decreased compared to 2019, but continued to represent an important part of our total consumption

Abroad, we also have a diversified profile of feedstock suppliers

2) Feedstock and Supplier Diversification



Braskem America



Braskem Europe



Braskem Idesa

Business Model

Non-integrated PP Business

Non-integrated PP Business

Integrated PE Business

Assets¹

6 PP plants

2 PP plants

1 cracker and 3 PE plants

Feedstock

100% Propylene

100% Propylene

100% ethane

Production Capacity

2,020 kt/year of PP

625 kt/year of PP

1,050 kt/year of PE and Ethylene

Strategy

Supply flexibility through a variety of propylene sources, such as PDHs², refineries and crackers

Local supply, supplemented by imports

Number of suppliers

+15

+5

2+ with other suppliers under analysis

With regard to geographical diversification, we had one of the most relevant achievements of the year, by starting commercial production at our new PP plant in the US (Delta)

3) Geographical Diversification

Delta Conclusion

- The new plant is located in **La Porte**, Texas, and has a production capacity of **450,000 tons per year**
- The project had a **safety performance in the 1st quartile**, as well as **excellent execution (cost and schedule)** in a challenging environment (COVID and hurricanes)
- The investment is in line with our **strategy for diversification of feedstock and geography**
- In **October**, production of our new PP plant in the United States (Delta) was **36,000 tons**, near the plant's monthly production capacity of about 38,000 tons

Delta Pellets



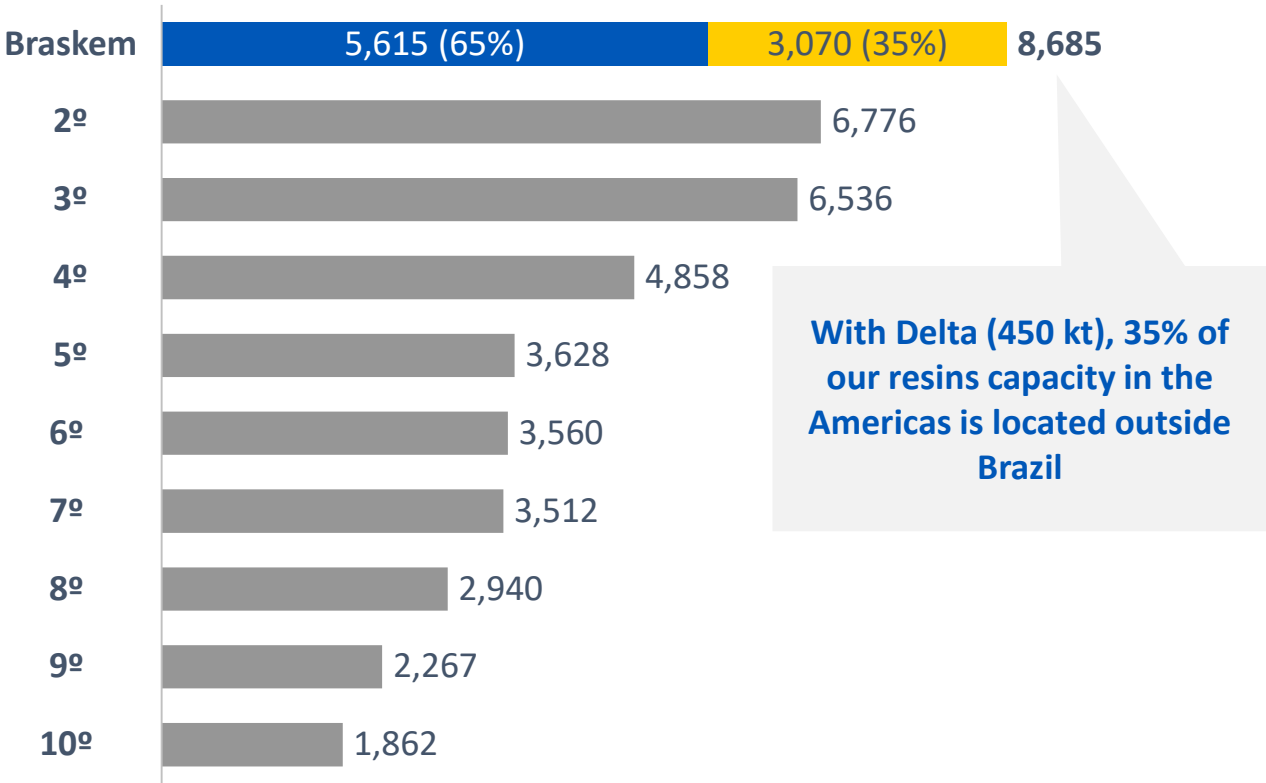
At the end of September, we organized Delta Day, an online event where we talked about the new PP plant in the US. The complete material can be accessed on the Company's IR website

With Delta's conclusion, we became an even more global company and now 40% of our total resins capacity is located outside of Brazil

3) Geographical Diversification

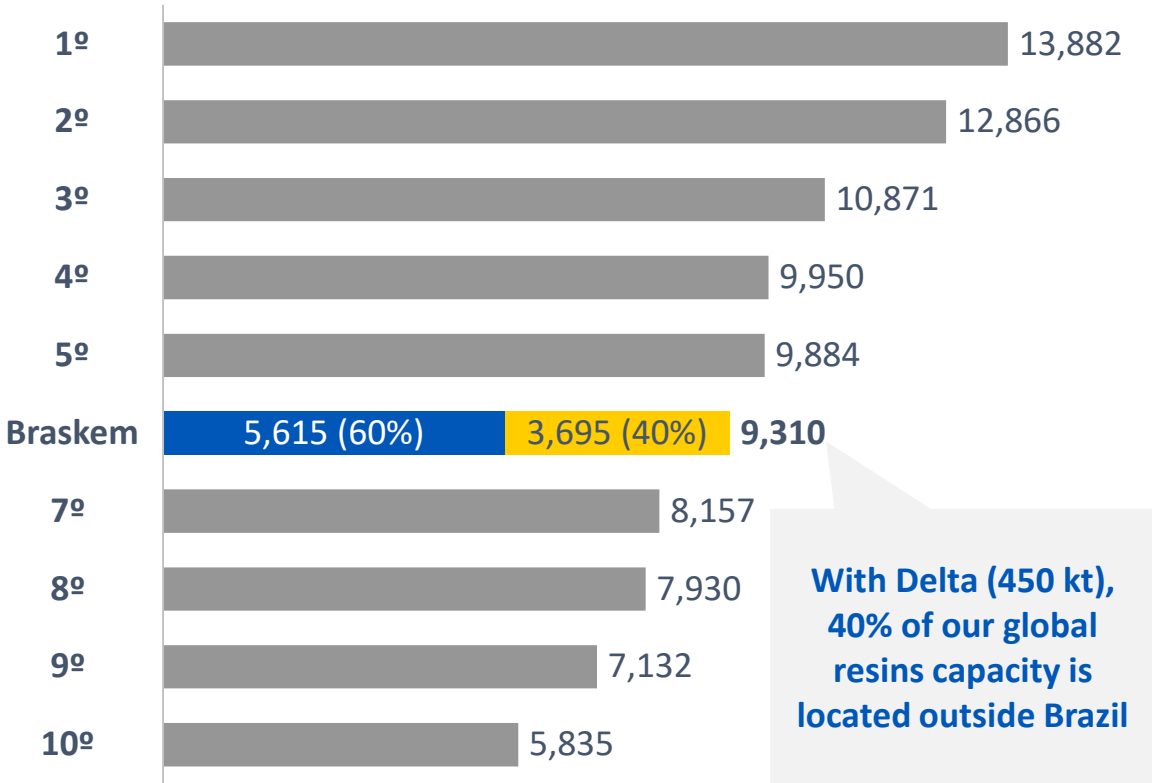
BRASKEM IS THE LEADER IN THE PRODUCTION OF THERMOPLASTIC RESINS IN AMERICAS...

Top 10 – Capacity of PE+PP+PVC in the Americas (kt/year)



... AND THE SIXTH LARGEST THERMOPLASTIC RESINS PRODUCER IN THE WORLD

Top 10 – Capacity of PE+PP+PVC in the World (kt/year)



■ Brazil ■ Abroad

In Alagoas, we continue focused on ensuring the safety of people

4) People, Innovation, Governance and Reputation

SAFETY OF PEOPLE



Removal of residents from risk areas and their resettlement



Financial compensation



Psychological support

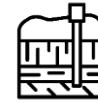


Maintenance actions in affected neighborhoods and safety for residents



Actions to prevent disease proliferation through pest control and monitoring

SOLUTION FOR THE GEOLOGICAL PHENOMENON



Collaboration with the investigation for the causes of the geological phenomena



Drainage and sewage works



Periodic monitoring of the soil in Alagoas



Studies with sonars to assess the conditions in 35 Braskem salt mines



Permanent closure works of salt mines

More than 1,000 PROFESSIONALS mobilized among social technicians, lawyers, engineers, psychologists, among others.

Provisions¹ related to the geological event in Alagoas

4) People, Innovation, Governance and Reputation

1st Provision January, 2020 (~R\$3.4 billion)

- **~R\$1.7 billion:** Support the relocation and indemnification of residents of the areas at risk located in the affected districts (**amount transferred to another Braskem bank account**)
- **~R\$1.0 billion:** actions to monitor and close the salt mining wells (environmental)
- **~R\$700 million:** other measures not covered by the Agreement

2nd Provision July, 2020 (~R\$1.6 billion)

- **~R\$850 million:** possible assistance measures for residents of the new areas
- **~R\$750 million:** additional expenses expected from the measures to definitively shutdown the salt mining activities in Maceió, the operation management and the relocation of properties included after technical analysis, among others

3rd Provision September, 2020 (~R\$3.5 billion)

- **~R\$3.5 billion:** implementation of potential new measures related to the geological event in Alagoas. This amount includes the potential short-term and long-term impacts

The total balance of provisions was R\$ 7.9 billion in 3Q20 - R\$ 3.7 billion accounted in current liabilities and R\$ 4.2 billion in non-current liabilities

- **In November 26, 2020, Braskem informed the market that became aware of a letter from the National Mining Agency (ANM) regarding measures for the closure of salt extraction activities in Maceió with the closure of the mine including the backfilling with solid material of a number of additional salt wells.**
- **For the implementation of the measures defined by ANM in the Letter and taking into account the preliminary information that the Company obtained to date and without the benefit of discussions with ANM, the Company estimates approximately R\$3 billion in costs and expenses in addition to the amounts already booked.**

Source: Braskem. Note (1): 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.

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In people management, we are among the best employers in the Forbes ranking

4) People, Innovation, Governance and Reputation

Forbes

7 Brazilian companies are among the best employers in the world in 2020

- **Braskem** is among the 7 Brazilian companies that comprise the list of **best employers in the world according to Forbes**
- In total, **750 companies** from **45 countries** make up the ranking made in partnership with the Statista market research company
- Among the relevant points, questions were addressed about the **conduct of each company in the face of the COVID crisis**, the company's ecological footprint, talent development, gender equality and social responsibility

At Braskem, people are encouraged to build their own path, with numerous development opportunities and career possibilities

We were recognized as one of the most engaged companies in open innovation

4) People, Innovation, Governance and Reputation



100 Open Corps is the network formed by the most engaged leading companies in transforming current reality.

- The international platform 100 Open Startups, which connects startups to large companies, announced the **ranking of 100 Open Corps, leading companies in open innovation in the country**
- For the third consecutive time, **Braskem was classified as one of the companies most engaged with startups in Brazil**
- The achievement of this recognition is the result of the **effort of different teams within the company**, such as Innovation & Technology, Digital Center and Braskem Labs
- Reference for the market, **Ranking 100 Open Corps considers objective criteria**, strictly linked to the business relations established between startups and large companies

For Braskem, innovation has a fundamental role and contributes to the understanding of new opportunities to contribute to improving people's lives through chemicals and plastics

In the governance part, an important achievement was the closure of external monitoring, after compliance with the commitments assumed with the DOJ and the SEC

4) People, Innovation, Governance and Reputation



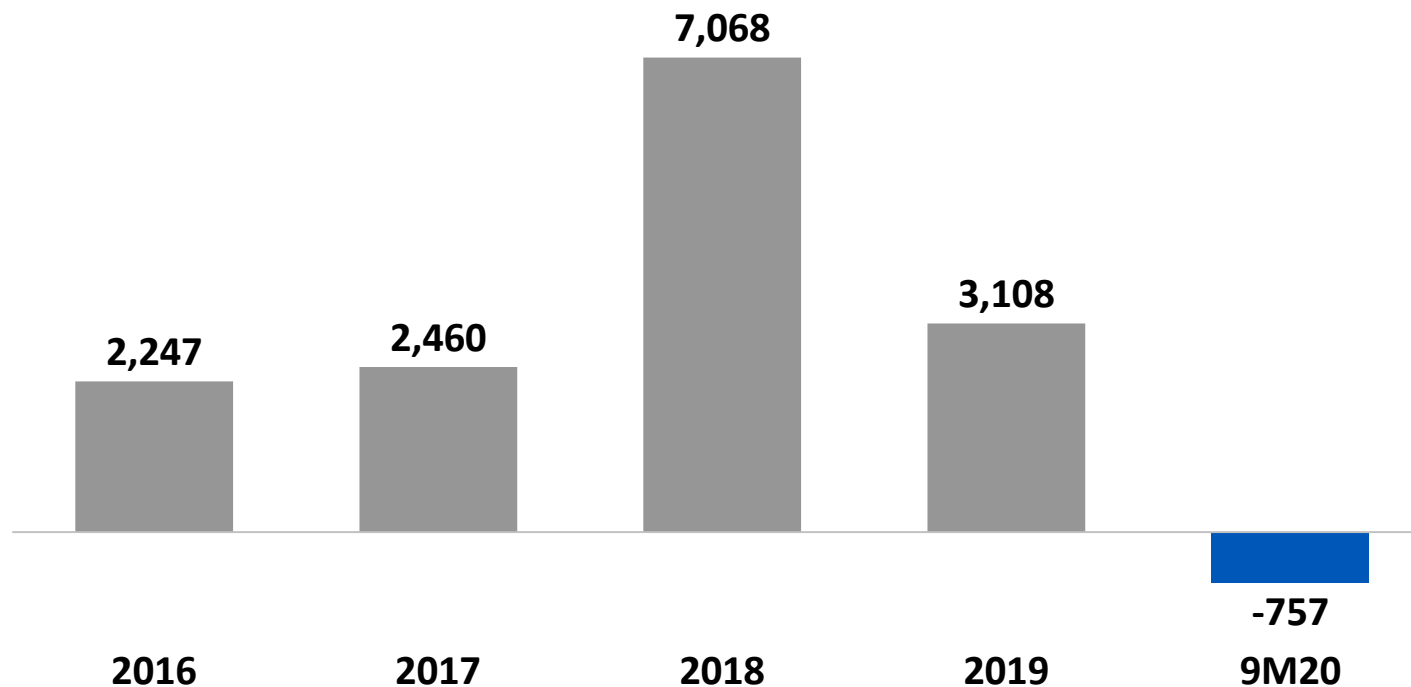
Source: Braskem. Note (1): MPF: *Ministério Público Federal* (Federal Public Prosecutor's Office). Note (2) DOJ: Department of Justice. Note (3): SEC: Securities and Exchange Commission

Braskem has been presenting positive free cash flow generation; the impact of WC¹ on cash flow in 2020 is timely and potentially will be reversed at the end of 4Q20

5) Capital Allocation / Financial Discipline

Free Cash Flow Generation

(R\$ MM)



Highlights:

- In the year to date, **free cash flow generation was negative in R\$757 million**, mainly due to:
 - Cash consumption in the 1st semester of 2020, due to the change in the feedstock purchase strategy (lower purchase volume of imported naphtha)
- In 3Q20, Braskem resumed **positive free cash flow generation (R\$747 million)** mainly explained by the increase in recurring EBITDA in the quarter and by the monetization of PIS/COFINS credits

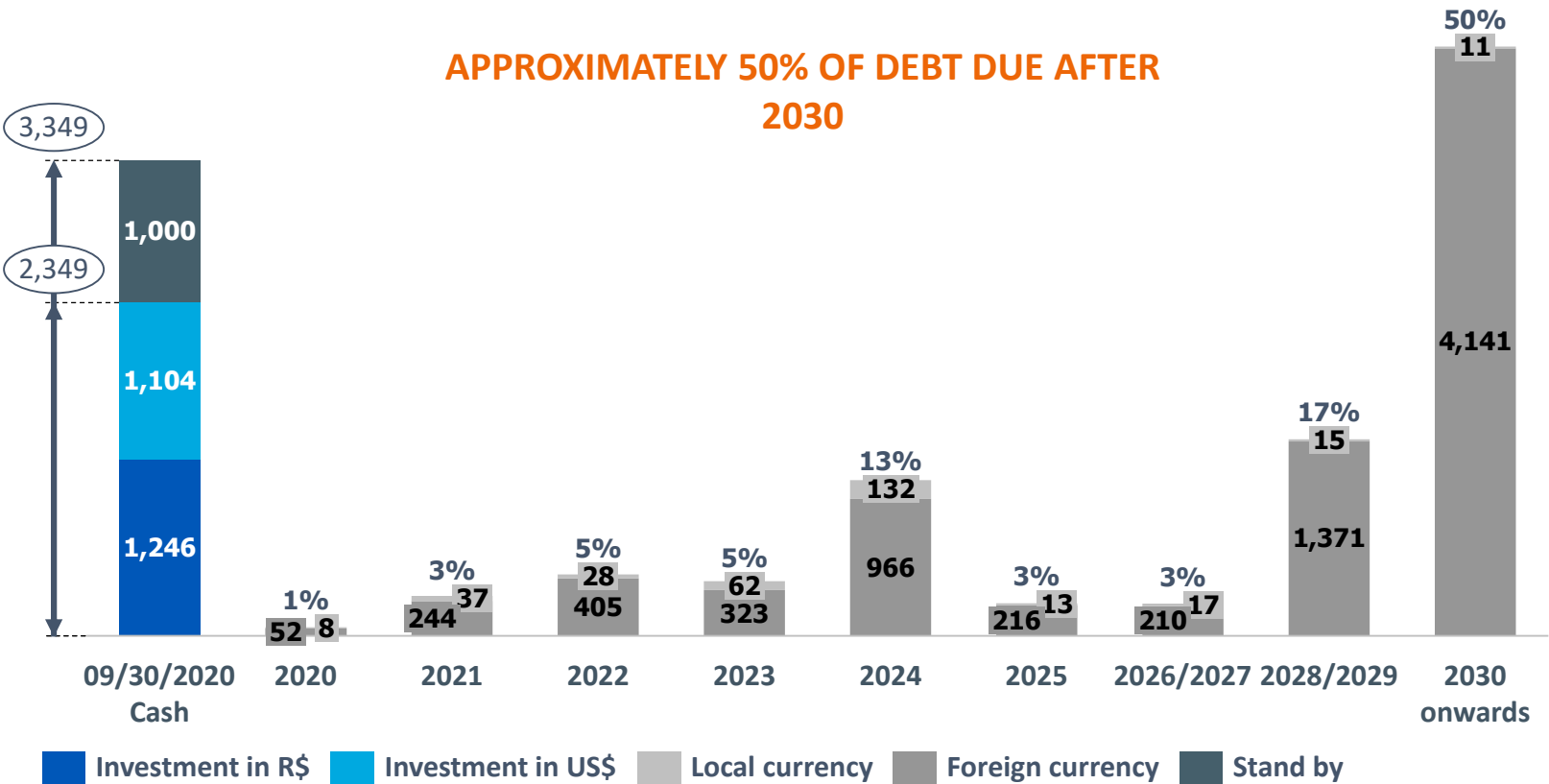
The change in the feedstock purchase strategy impacts cash generation, because Braskem gets an extended payment term in the purchase of naphtha from foreign suppliers

Strong liquidity position, with most debt with long-term maturity

5) Capital Allocation / Financial Discipline

Debt Profile (US\$ million) 09/30/2020⁽¹⁾

APPROXIMATELY 50% OF DEBT DUE AFTER 2030



Debt Indicators

- Sufficient liquidity to cover debt maturities during the next **53 months**
- The average debt term is around **19 years**
- The weighted average cost of the debt is exchange variation + **5.2%**

Corporate Credit Rating - Global Scale

Agency	Rating	Outlook	Date
Fitch	BB+	Stable	07/03/2020
S&P	BB+	Stable	07/08/2020
Moody's	Ba1	Negative	07/13/2020

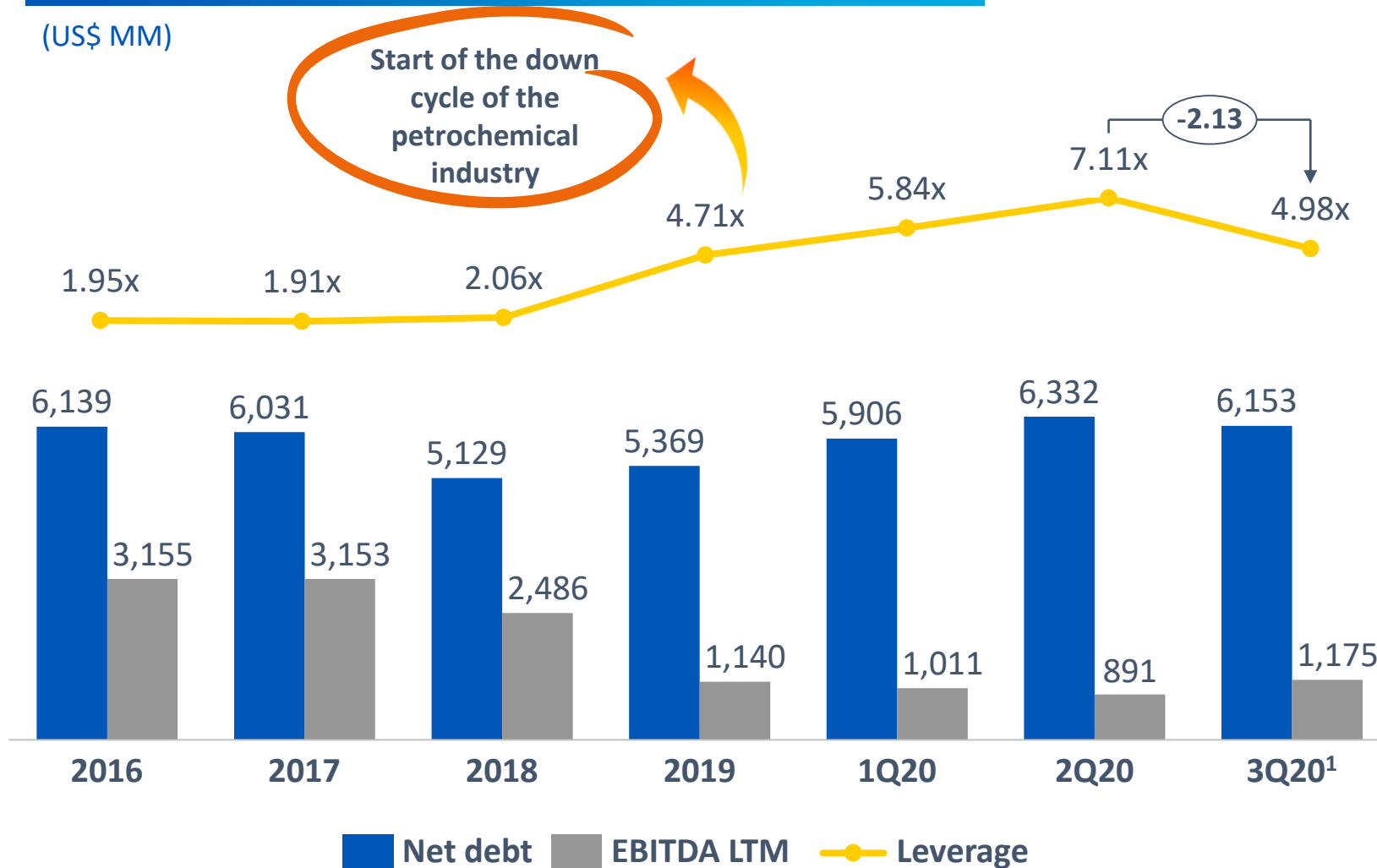
(1) It does not consider the amount of R\$ 1.5 billion allocated to the Financial Compensation and Relocation Support Program in Alagoas

The resilience of our businesses added to our initiatives resulted in a reduction in our leverage, even in a down cycle of the petrochemical industry

5) Capital Allocation / Financial Discipline

Leverage (ex - Braskem Idesa)






(US\$ MM)



- The **Company's net debt** level remained in line over the years
- However the **EBITDA** is impacted by the **down cycle of the petrochemical industry**, due to the reduction in international spreads
- Therefore, the **changes in the Company's leverage** are associated with the **sector's down cycle periods**

We have adopted some measures to preserve cash, maintain financial strength and the resilience of our businesses

5) Capital Allocation / Financial Discipline

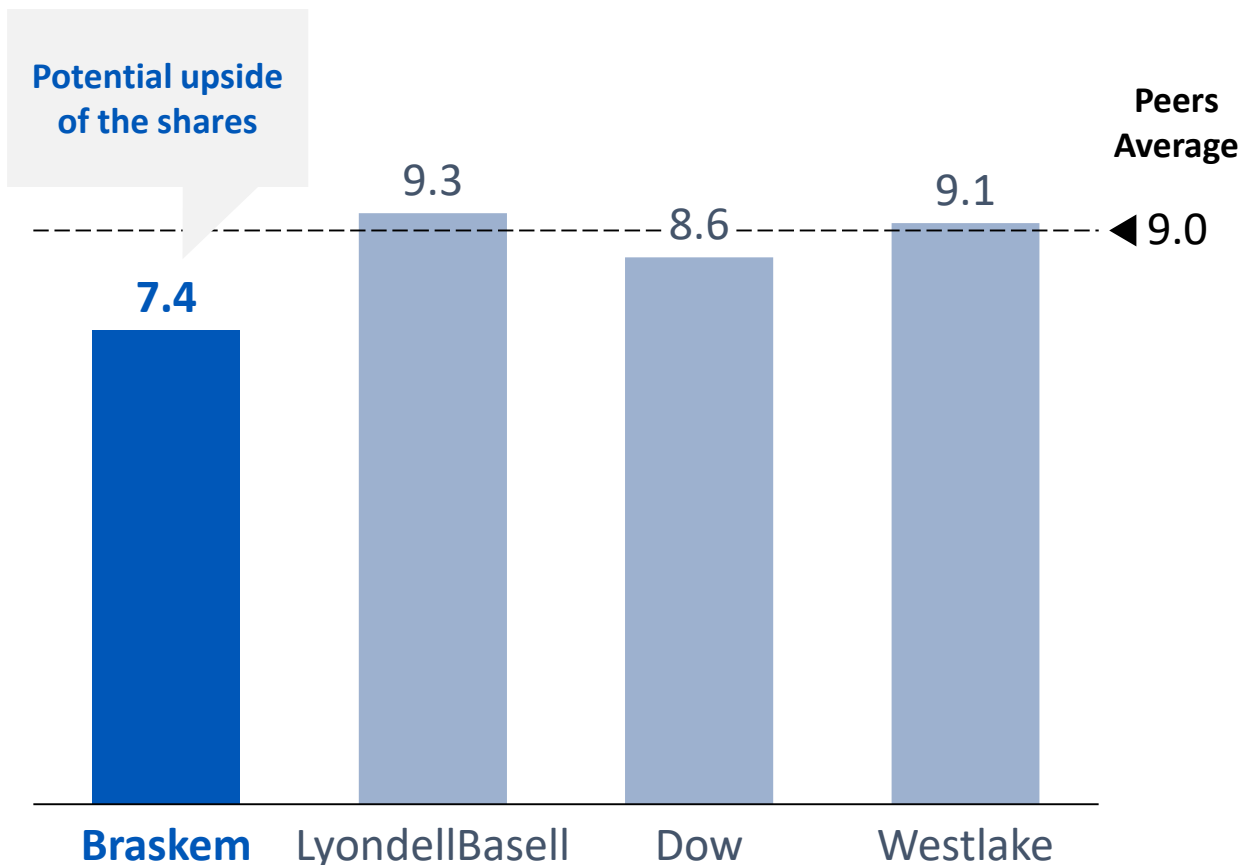
Initiatives	Description	Status
1 Hybrid Bond Issuance	<ul style="list-style-type: none"> Issuance in the total volume of US\$600 million, with 50% equity treatment by S&P and Fitch 	Issuance concluded in July/20 
2 CAPEX Reduction	<ul style="list-style-type: none"> Reduction of planned investments for 2020 from US\$721 million to approximately US\$600 million 	2020e = ~US\$600 million 
3 Fixed Costs Reduction	<ul style="list-style-type: none"> Reduction of fixed costs by approximately 10%, compared to 2019 	Reduction of approximately 9% compared to the same period in 2019 (January to October/2020) 
4 Working Capital Optimizations	<ul style="list-style-type: none"> Working capital optimizations under discussion with relevant suppliers 	Ongoing conversation with relevant suppliers 
5 Taxes Monetization	<ul style="list-style-type: none"> Monetization of PIS/COFINS credits of approximately US\$300 million in 2 years 	Monetization of approximately R\$1 billion (January to September/20) 

Braskem is working on implementing measures to reduce its corporate leverage to be reassigned as an investment grade company

Braskem's EV/EBITDA multiple is discounted in relation to its Peers

5) Capital Allocation / Financial Discipline

EV/EBITDA¹ Indicator



Highlights:

- **Braskem has similar characteristics to its main peers with public capital**, such as:
 - **Global company**, with industrial and commercial presence in several countries and continents
 - **Diversified feedstock profile**, which allows profitability of the business to be increased and risk to be mitigated
 - **Leadership position in the markets it operates**, among the largest petrochemical companies in the world
 - **Concrete contributions to Sustainable Development**, with relevant projects in relation to combating climate change and the elimination of solid waste
 - **Consistent cash generation throughout the cycle**

Braskem Idesa

Stefan Lepecki (CEO of Braskem Idesa)



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RECAP: Summary of our business in Mexico



Braskem Idesa (BI)

Overview:

- Joint Venture formed by **Braskem (75%)** and **Idesa Group (25%)**
- **Integrated petrochemical complex for the production of ethylene, high and low density polyethylene** in the city of Nanchital, state of Veracruz
- Production capacity: **~1.1 million tons/year of ethylene and polyethylene**
- Assets: **1 cracker, 3 PE plants and integration with utilities (energy, water and logistics)**
- Feedstock:
 - **Ethane** supplied through a **20-year contract with PEMEX**
 - **Delivery or pay clauses for PEMEX / take or pay clauses for Braskem Idesa**
- Startup: April **2016**
- Investment: **US\$5.2 billion**
- Financing of **US\$3.2 billion via Project Finance Limited-Recourse** with 17 banks

**Largest
petrochemical
complex ever built
in Latin America**

Braskem Idesa is an important asset for the petrochemical industry and the Mexican economy

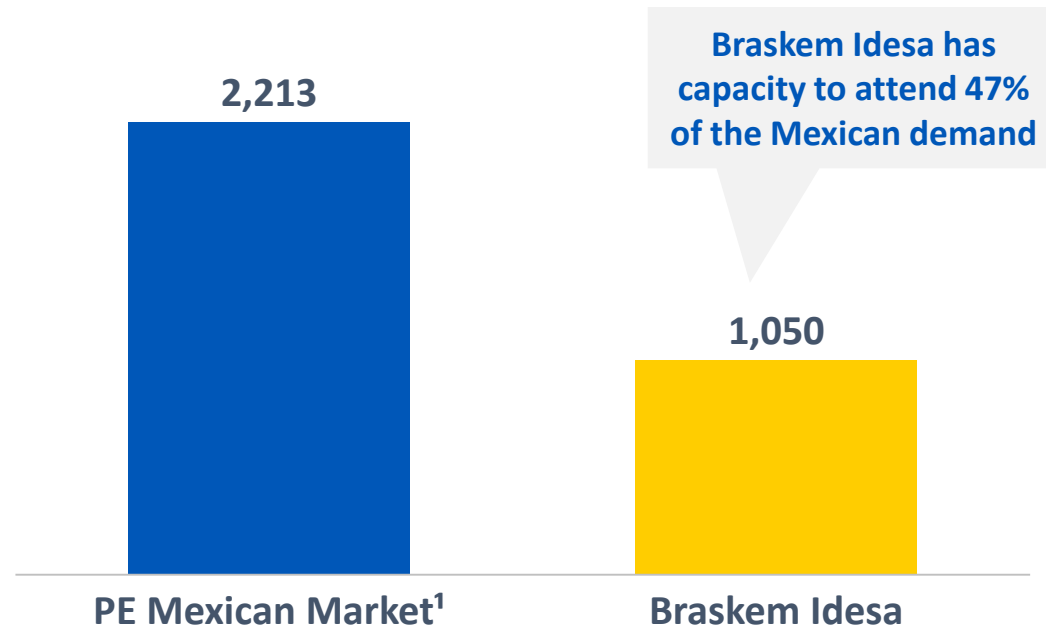


Braskem Idesa (BI)

PE market vs. Capacity of Braskem Idesa

(kt/year)

Braskem Idesa is Mexico's largest PE producer



Commitment to Mexico:

- Braskem Idesa has made Mexico's **largest private industrial investment in the last 30 years (US\$5.2 billion)**
- The Petrochemical Complex in Mexico **generates important benefits for Mexico**, such as:
 - i. **quality jobs**, with ~830 direct jobs and ~2,200 indirect jobs
 - ii. significant positive impact on the **trade balance**
 - iii. high quality **polyethylene production**
- **Structured customer portfolio**, formed by more than 200 companies, providing high quality technical assistance in Mexico and **competitive exports to more than 40 countries**

Braskem Idesa Petrochemical Complex represents an important advance for the petrochemical industry in Mexico and adds value to the entire production chain in the country

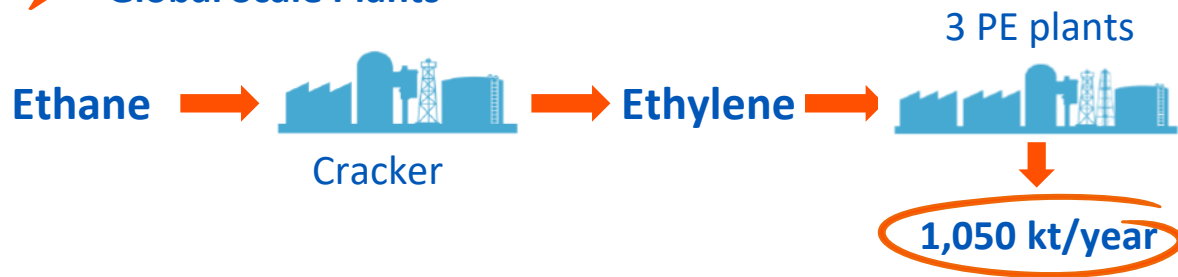
Braskem Idesa has strategic differentials that makes the business one of the most competitive in the petrochemical sector



Braskem Idesa (BI)

Integrated and global scale complex

- **Low cost** petrochemical complex with “**state-of-the-art**” technology
- **Global Scale Plants**

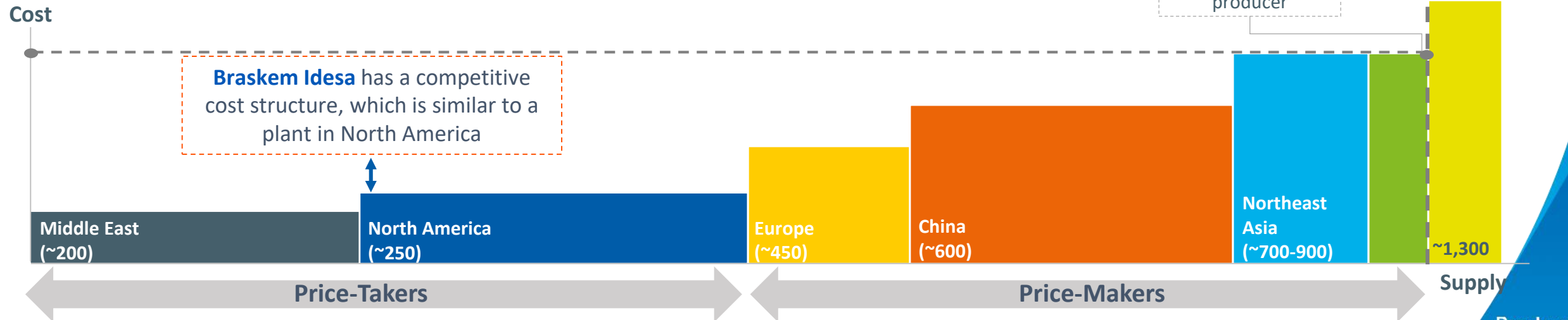


Commercially competitive and diversified

- **Strategic geographical position**, access to a deficient local market and exports on all continents
- **Consolidated customer portfolio**, formed by more than 200 active customers and synergies with Braskem’s sales channels globally
- More than **60% of the sales are focused on the consumer** sector, resilient to the volatilities of the economy

Competitive feedstock

Ethylene Cash Cost¹ (US\$/t)



Source: Braskem. Note (1): External Consultants

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Information about the feedstock supply contract



Braskem Idesa (BI)

Process

- The ethane supply agreement between Braskem Idesa and Pemex was the result of an **international public auction process** in which more than **30 Mexican and international companies participated**
- Braskem Idesa was the winner for **offering the best technical and economic proposal to Pemex**, and the main clauses and conditions were previously proposed by a group formed by Pemex and several government departments
- The formula, with international price references, used and proposed by Pemex to establish the price of ethane is **typical in long-term contracts for feedstock**
- This price **formula was approved by the Energy Regulatory Committee (*Comissão Reguladora de Energia, CRE*)**, an independent regulator of the energy market in Mexico

Commitments

- The contract is governed by the **“take or pay” / “delivery or pay” model**, typical of long-term procurement associated with infrastructure investments, such as pipelines, petrochemicals or thermoelectric
- The **commitments** that are part of the contract are **common contractual clauses in contracts of this nature** and were reviewed by the project finance banks

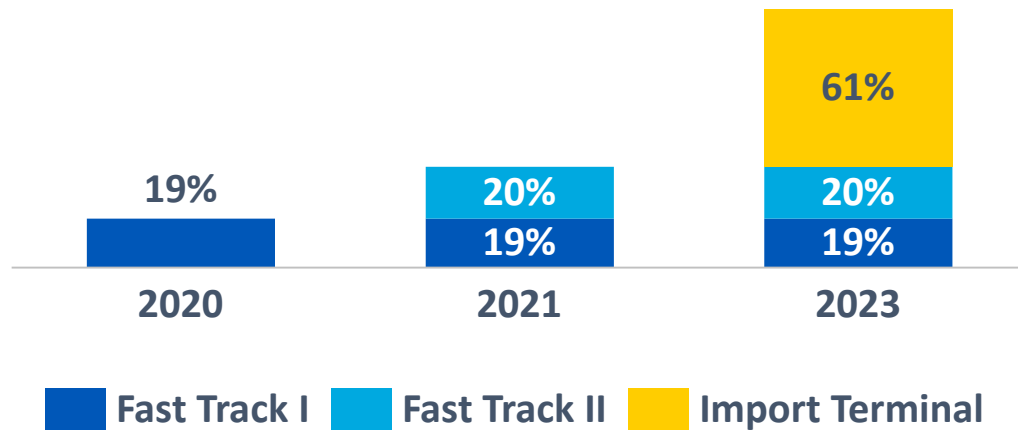
The Company reinforces its commitment in the search for constructive solutions with Pemex for the situation of lack of ethane in Mexico

A clear plan to increase the supply of Ethane in the country; In Feb/20, we started to import ethane from the US



Braskem Idesa (BI)

	Capacity (kpbd ¹)	Total
<i>Fast Track I</i>	12	
<i>Fast Track II (Expansion)</i>	+13	+25
<i>Import Terminal</i>	+40	+65

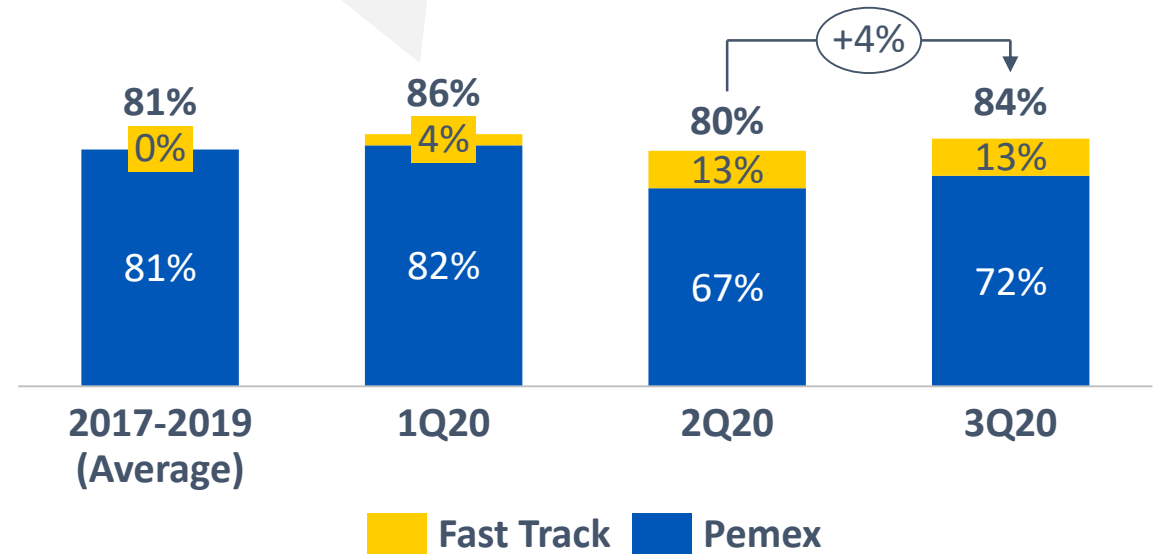


PE Plants in Mexico

Utilization Rate (%)

Start of ethane imports from the United States in February 2020

In 2Q20 and 3Q20, 13% of the utilization rate in the quarter came from the Fast Track solution



In addition, Braskem Idesa is currently expanding its Fast Track operations, with the goal of reaching volumes of more than 20,000 barrels daily, which represents approximately 30% of the utilization rate in Mexico

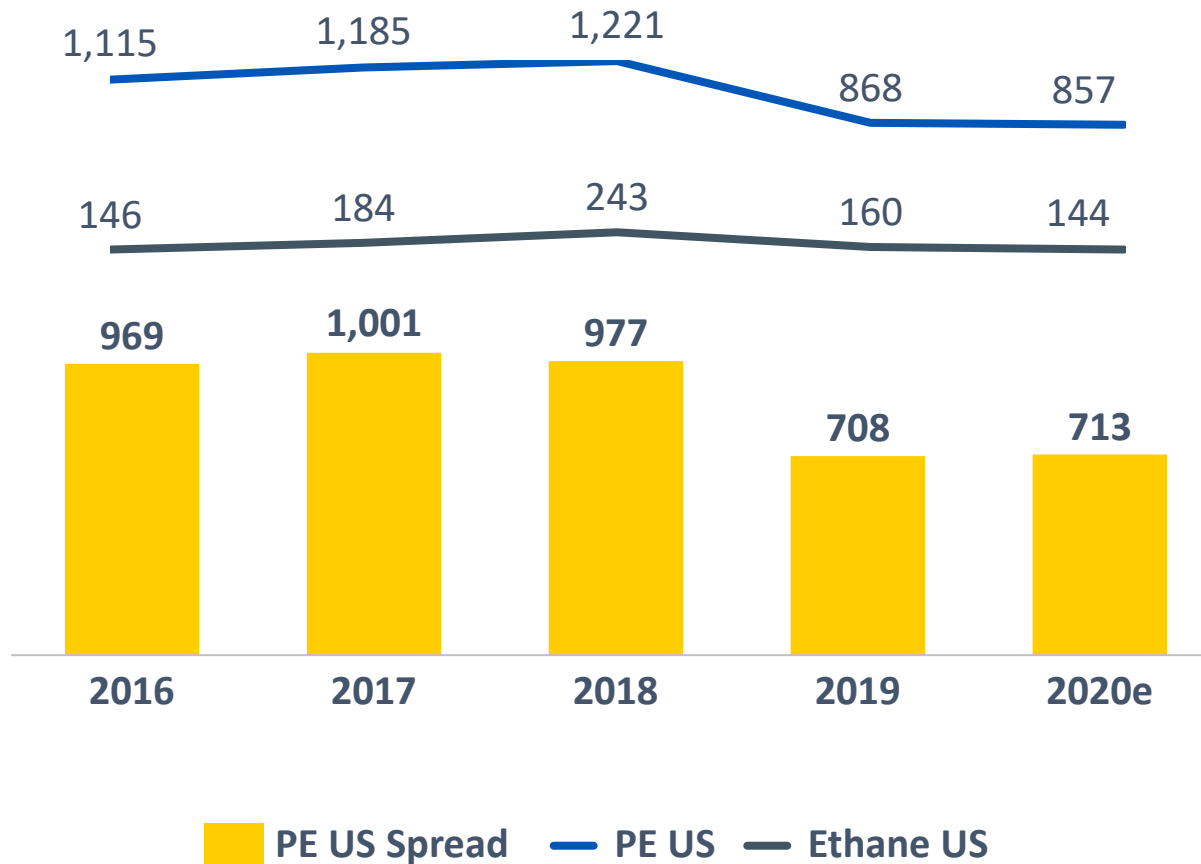
Similar to previous years, Braskem Idesa has been showing strong and positive free cash flow generation and EBITDA Margin, even in an adverse scenario



Braskem Idesa (BI)

International Spreads PE - Ethane

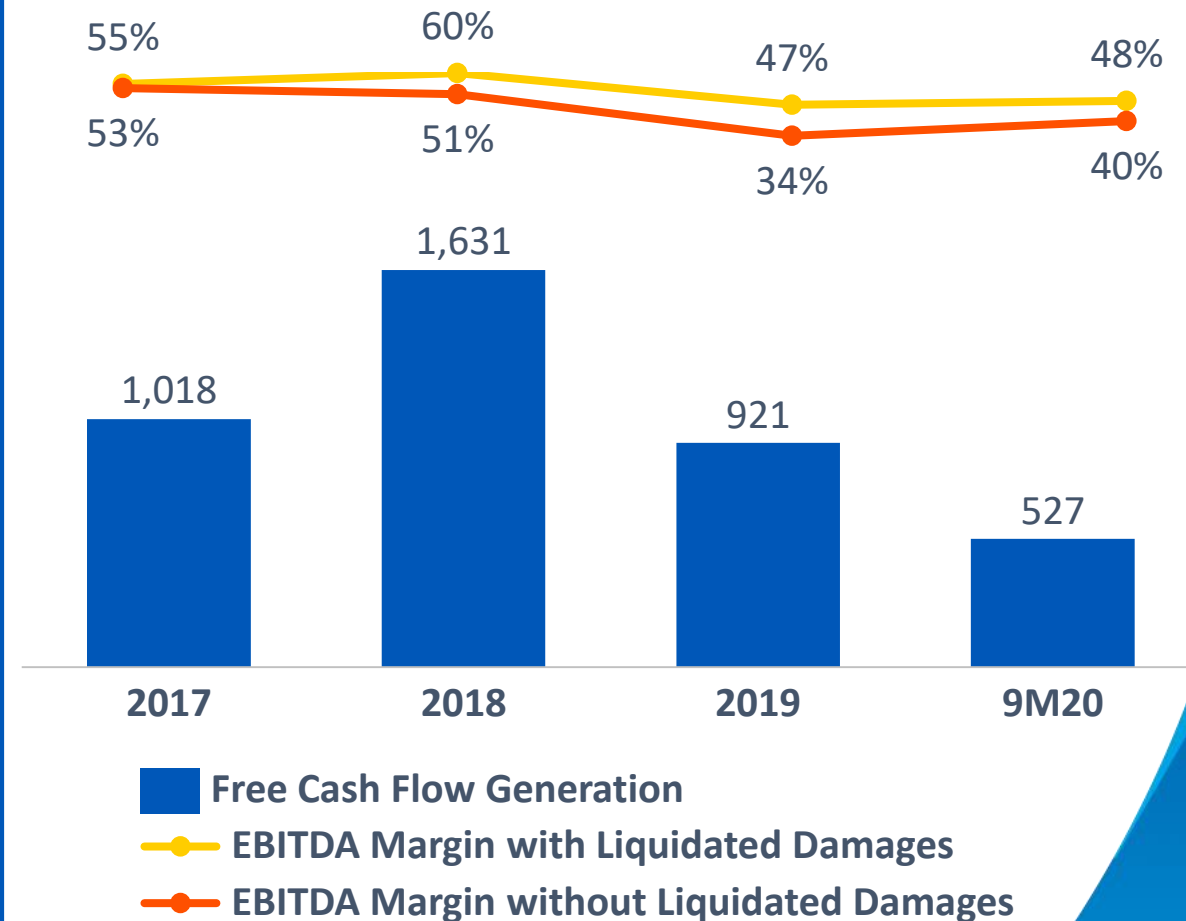
(US\$/ton)



Source: Braskem

Free Cash Flow Generation and EBITDA Margin

(R\$ MM and %)



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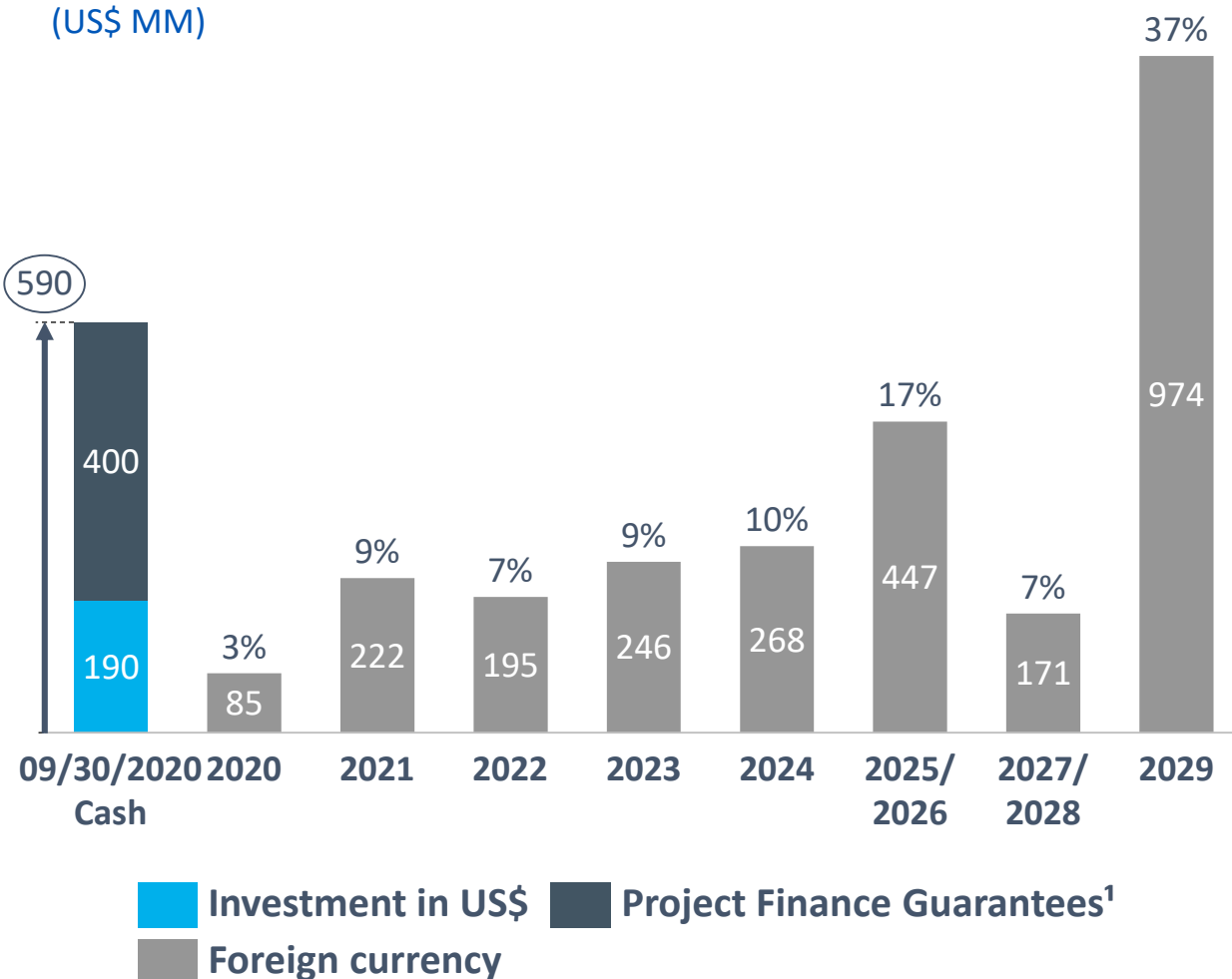
At the end of 3Q20, approximately 37% of debt maturities after 2030, with 6.15x leverage



Braskem Idesa (BI)

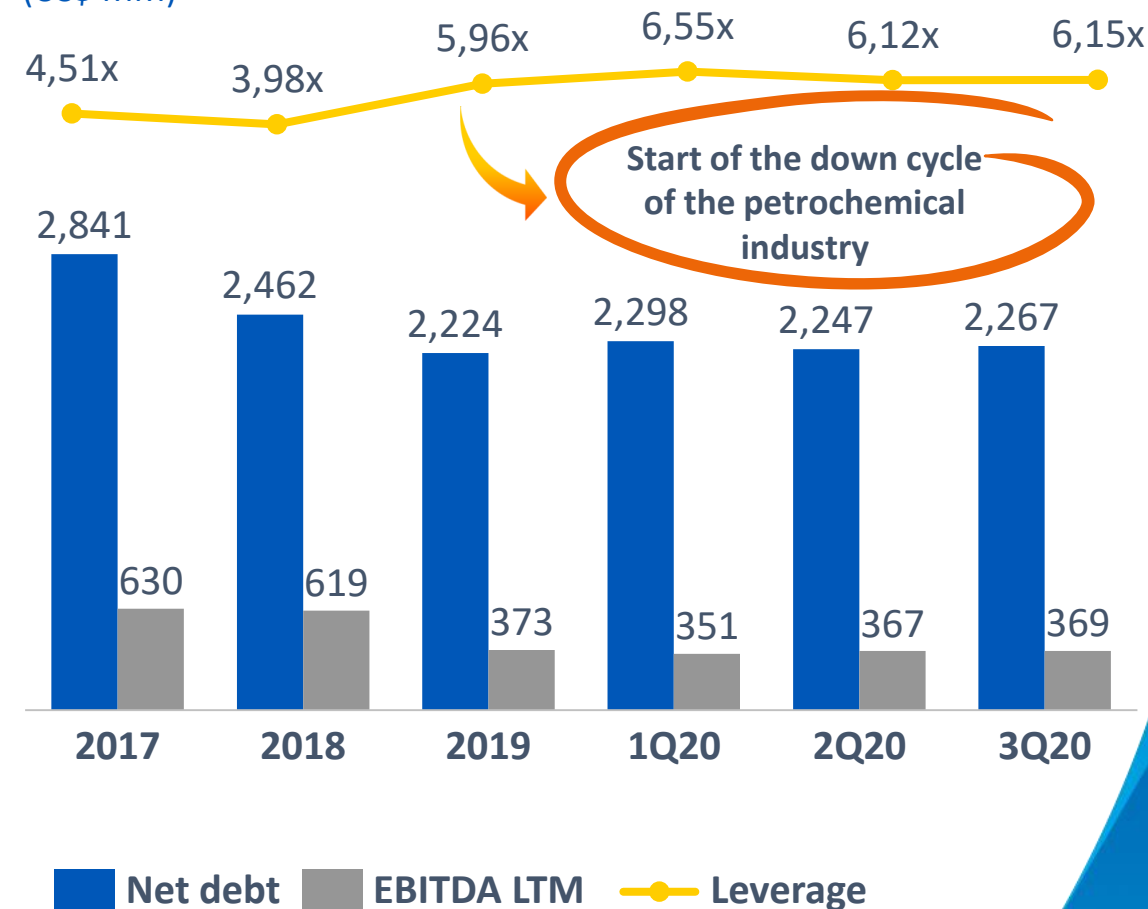
Braskem Idesa Debt Profile 09/30/2020

(US\$ MM)



Leverage (Braskem Idesa)

(US\$ MM)



Braskem Idesa priorities for 2021



Braskem Idesa (BI)

Feedstock

- **Complete the expansion** of the Fast Track ethane import project **from 12 kbpd¹ to 25 kbpd¹**
- **Approve and start the construction** of the project to develop an **Ethane Import Terminal** and a **pipeline to transport** it to the BI petrochemical complex
- **Enable constructive solution with Pemex** regarding feedstock contract

Operational

- **Ensure a utilization rate of around 90%** of the total BI capacity
- **Expand geographically the commercial activities**, in line with Braskem's diversification strategy and seeking a better business profitability

Financial

- **Optimize** the working capital to free up resources for the Company
- **Reassess non-core assets** as a way to continue the deleveraging process
- **Continue with Project Finance debt refinancing process**, with the aim of migrating to a Corporate model

Petrochemical Scenario

Rosana Avolio (Investor Relations
Leader)

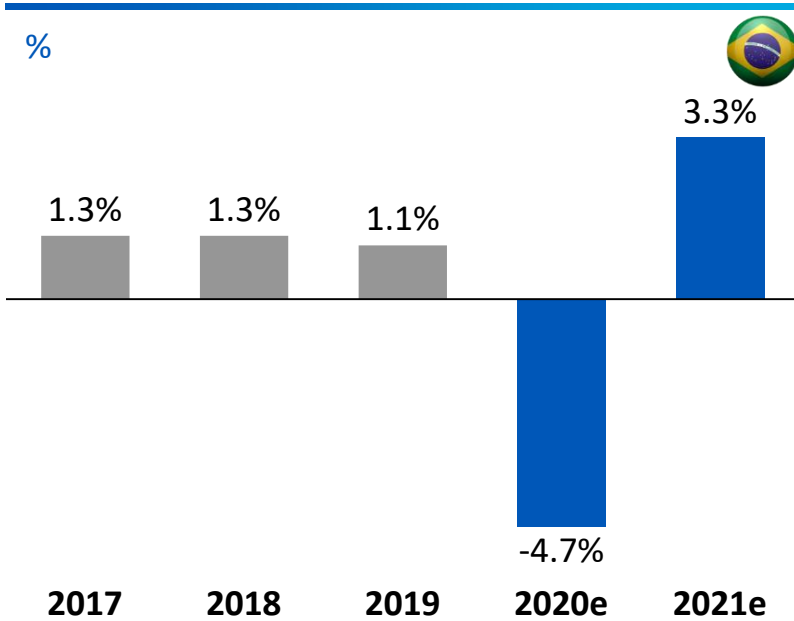


PUBLIC

In Brazil, the expectation for an improvement in the economic scenario may offer an opportunity to transfer export products to the domestic market

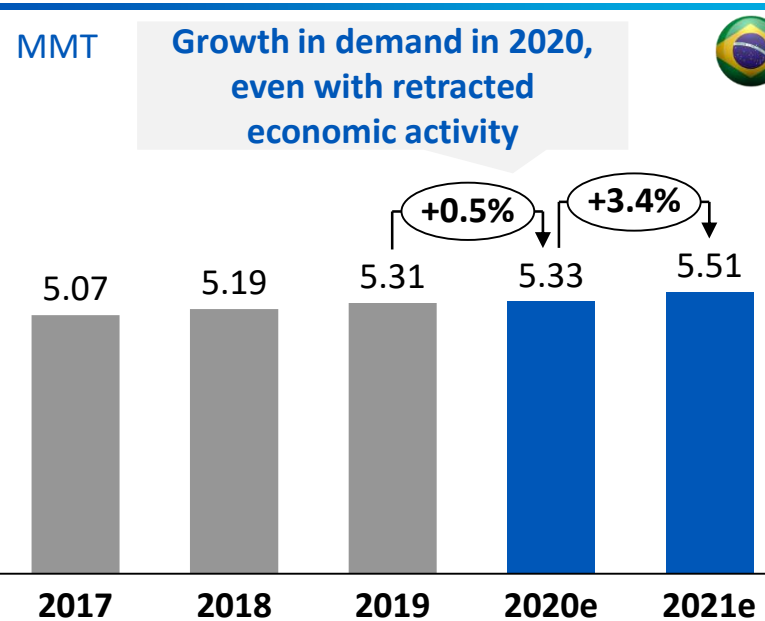
Petrochemical Scenario

Growth in Brazilian GDP¹



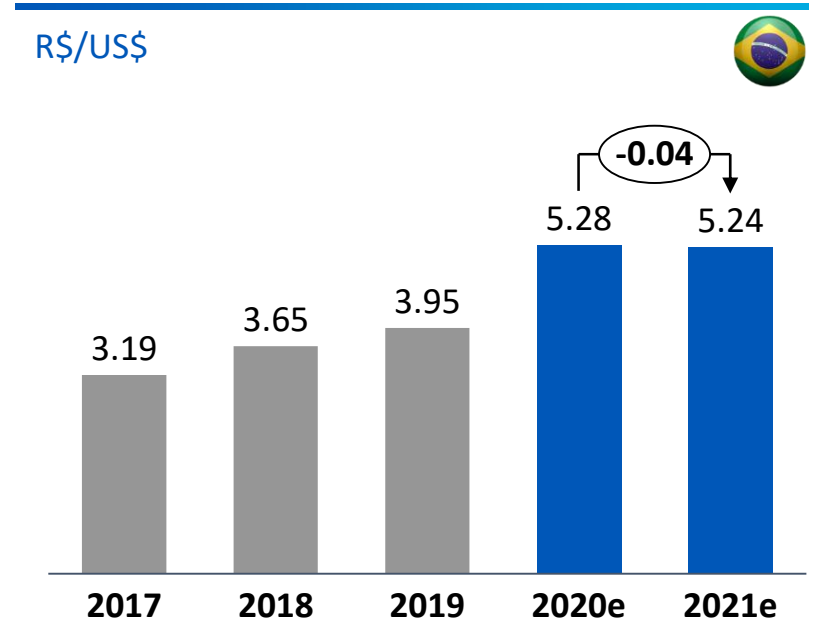
After economic retraction in 2020, due to COVID, the expectation is of growth and resumption of economic activity in several sectors, if the pandemic is controlled

Demand for Resins² in Brazil



Rapid recovery of resins demand in Brazil in the 2nd half of 2020, with the expectation of maintaining the growth in 2021

Average Exchange Rate³

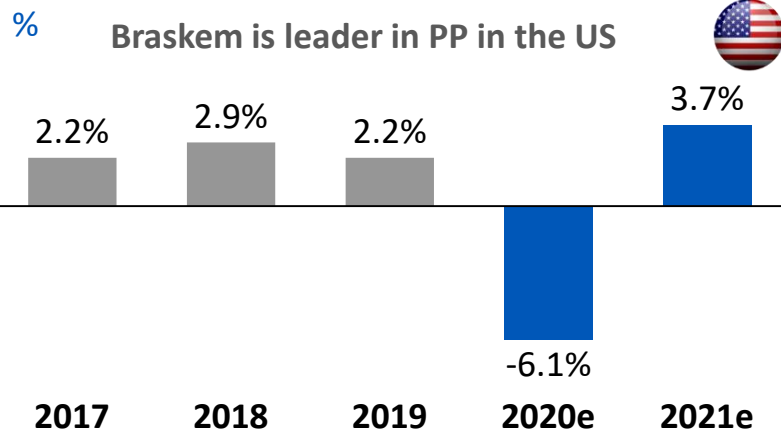


After a strong devaluation of the Brazilian Reais in 2020, a slight drop is expected in 2021, due to the increased appeal to foreign investment through higher interest rates

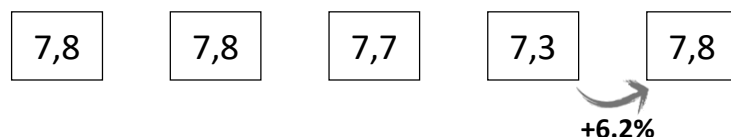
Abroad, the control of the spread of COVID is a key factor in driving economic recovery

Petrochemical Scenario

US GDP growth¹

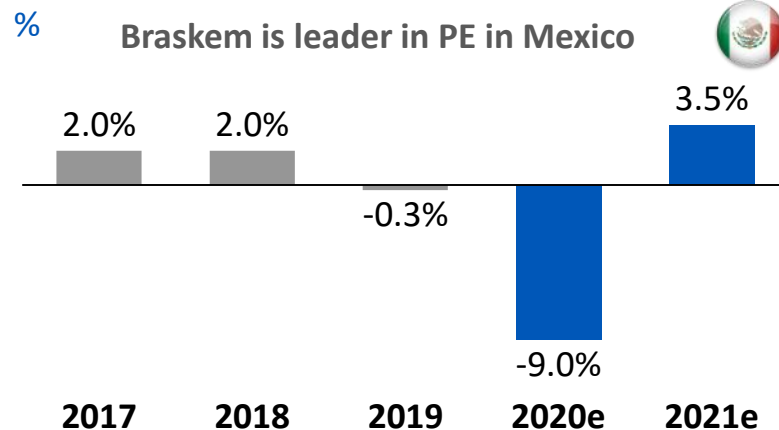


US PP Demand² MMT

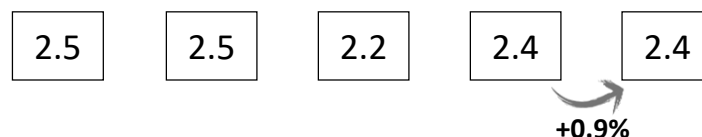


The US economy is expected to grow in 2021, due to the combination of increased post-election confidence and encouraging vaccine news

Growth in Mexican GDP¹

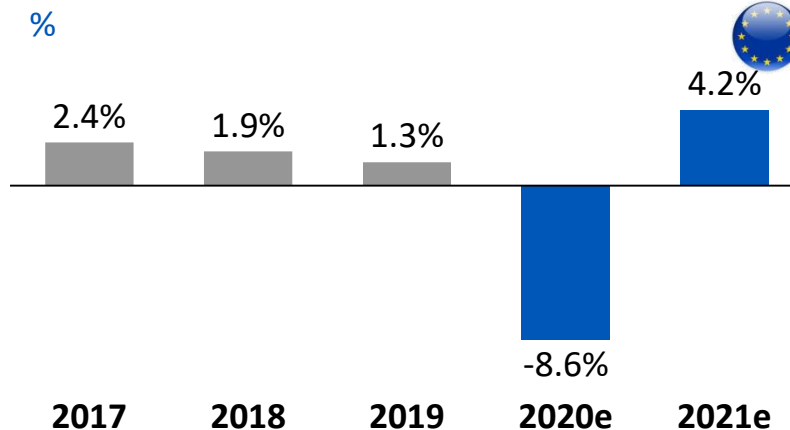


Mexico PE Demand² MMT

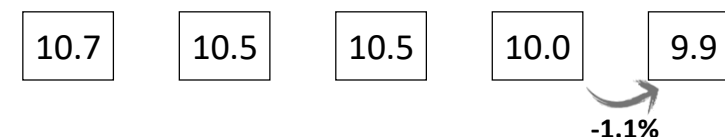


In Mexico, after two years of economic decline, the expectation is that the country will resume growth next year

GDP growth in the European Union¹



PP Demand in Europe² MMT



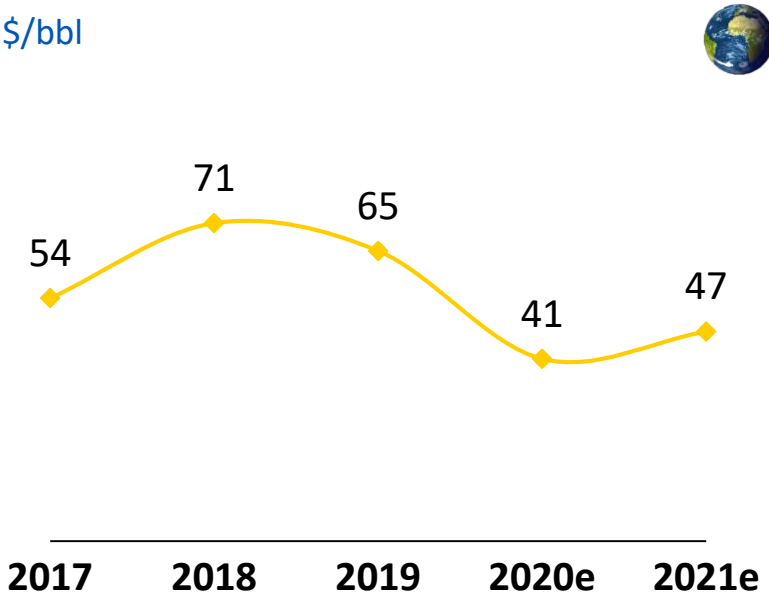
In the European Union, data points to a recovery in 2021, especially if the region control the progress of COVID

In 2021, the difference between the prices of the main petrochemical feedstock (naphtha and ethane) may decrease, increasing the competitiveness of naphtha-based producers

Cenário Petroquímico

Oil (Brent)¹

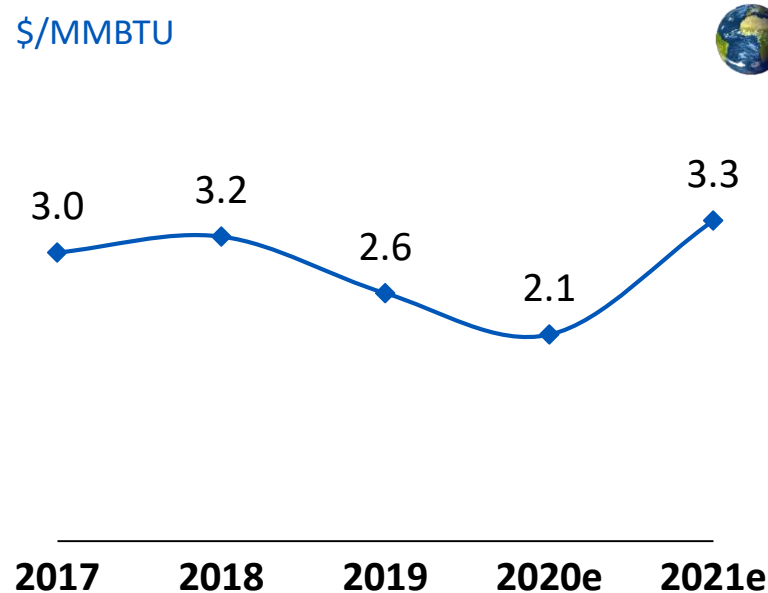
\$/bbl



In 2021, expectation of an increase in the price oil, due to the recovery of the global economy and the maintenance of production cuts by OPEC+ members

Natural Gas (Henry Hub)¹

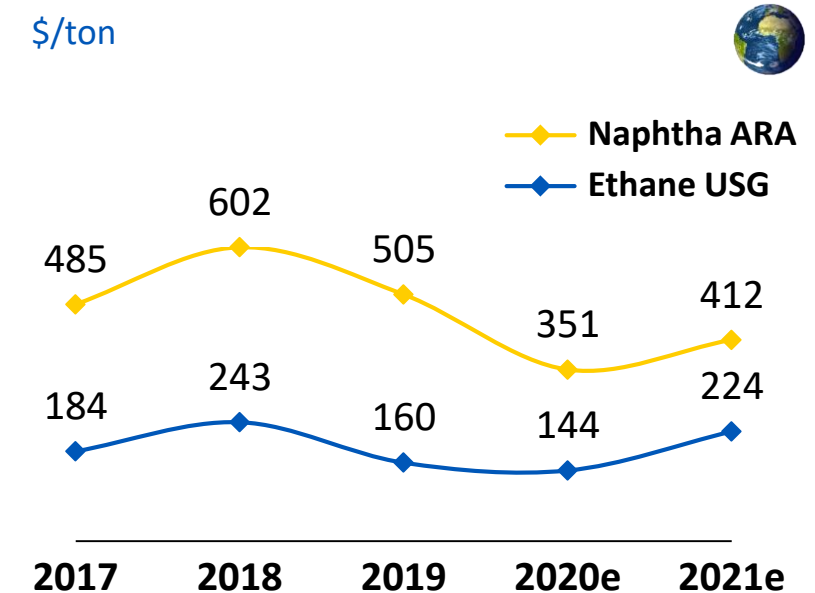
\$/MMBTU



Expectation of an increase in the price of Natural Gas next year, due to the lower production of Associated Gas²

Naphtha ARA¹ and Ethane Mont Belvieu¹

\$/ton



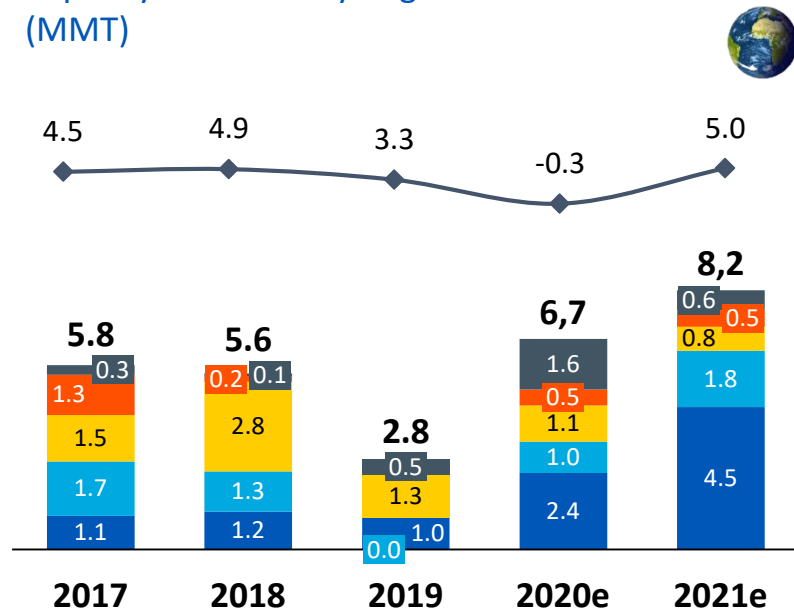
The expectation of a shorter NGLs³ balance brings better competitiveness for naphtha-based producers in 2021

According to consultancies, China will concentrate capacity additions; however, delays/cancellations of projects may occur, reducing excess supply

Petrochemical Scenario

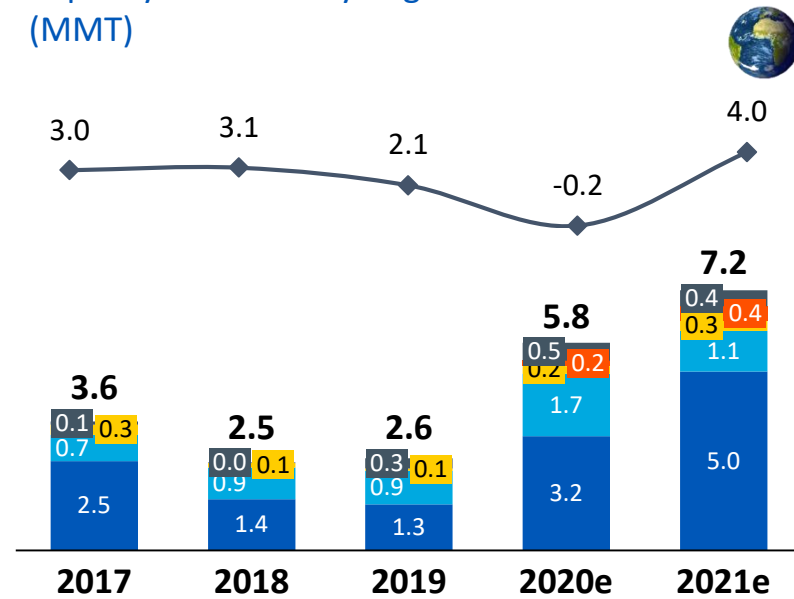
Growth in Supply/Demand - PE¹

Capacity Additions by Region and Demand Growth (MMT)



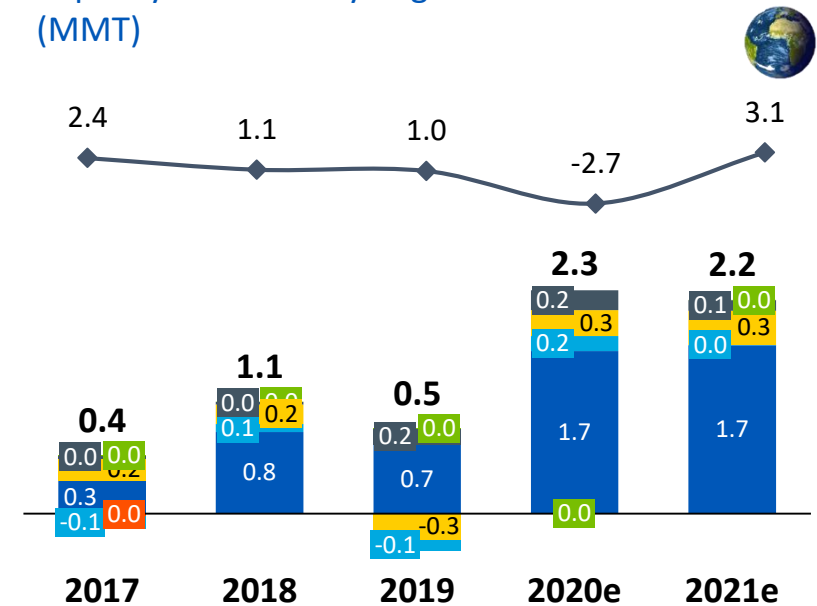
Growth in Supply/Demand - PP¹

Capacity Additions by Region and Demand Growth (MMT)



Growth in Supply/Demand - PVC¹

Capacity Additions by Region and Demand Growth (MMT)



China Asia (ex China) North America Middle East Others² Demand

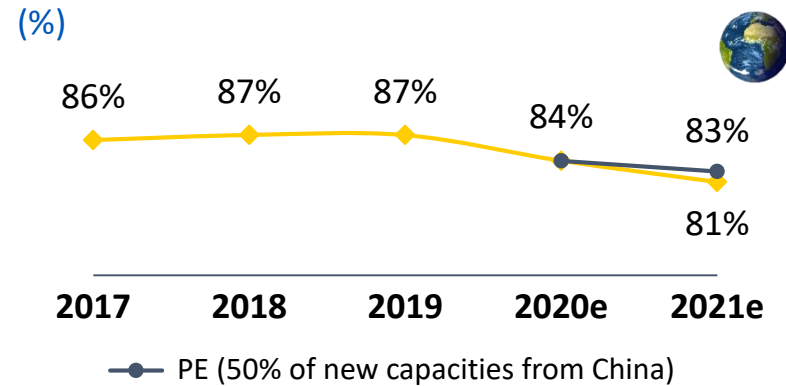
Recently, external consulting firms have projected resins capacity additions above what actually was realized

PE³ = ~25% / PP³ = ~20% / PVC³ = ~75%

PE and PP operation rates may be impacted by new capacities, whereas growth is expected in PVC

Petrochemical Scenario

PE¹ Global Utilization Rate



Addition of PE¹ Global Capacity (MMT)

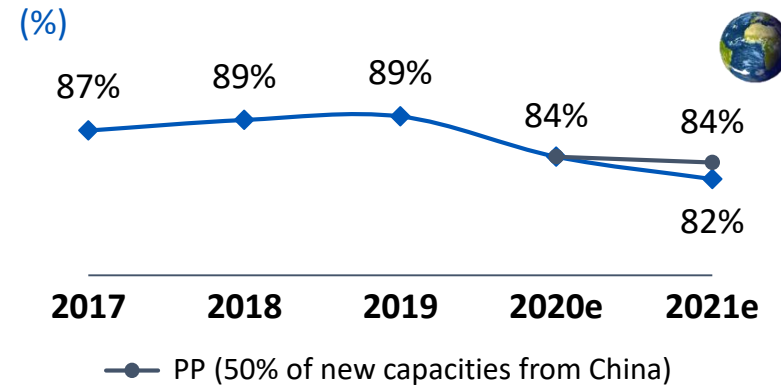
5.8	5.6	2.8	6.7	8.2
-----	-----	-----	-----	-----

Growth of PE¹ Global Demand (MMT)

4.5	4.9	3.3	-0.3	5.0
-----	-----	-----	------	-----

New PE capacities may start operation with negative impact on global utilization rates

PP¹ Global Utilization Rate



Addition of PP¹ Global Capacity (MMT)

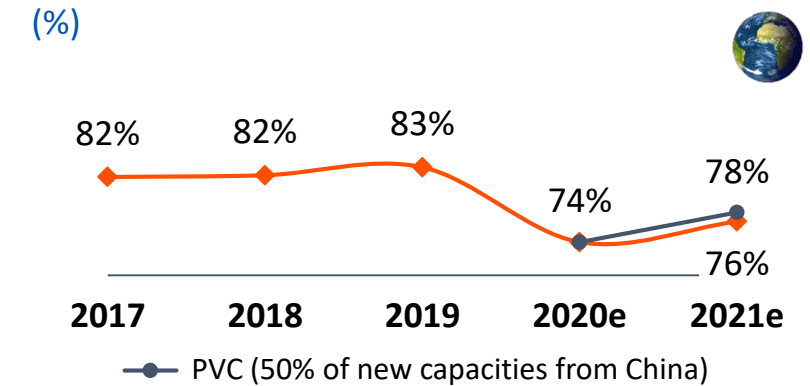
3.6	2.5	2.6	5.8	7.2
-----	-----	-----	-----	-----

Growth of PP¹ Global Demand (MMT)

3.0	3.1	2.1	-0.2	4.0
-----	-----	-----	------	-----

New capacities may start operation, but global utilization rates must stay at healthy levels

PVC¹ Global Utilization Rate



Addition of Global PVC¹ Capacity (MMT)

0.4	1.1	0.5	2.3	2.2
-----	-----	-----	-----	-----

Growth of PVC¹ Global Demand (MMT)

2.4	1.1	0.9	-2.0	3.0
-----	-----	-----	------	-----

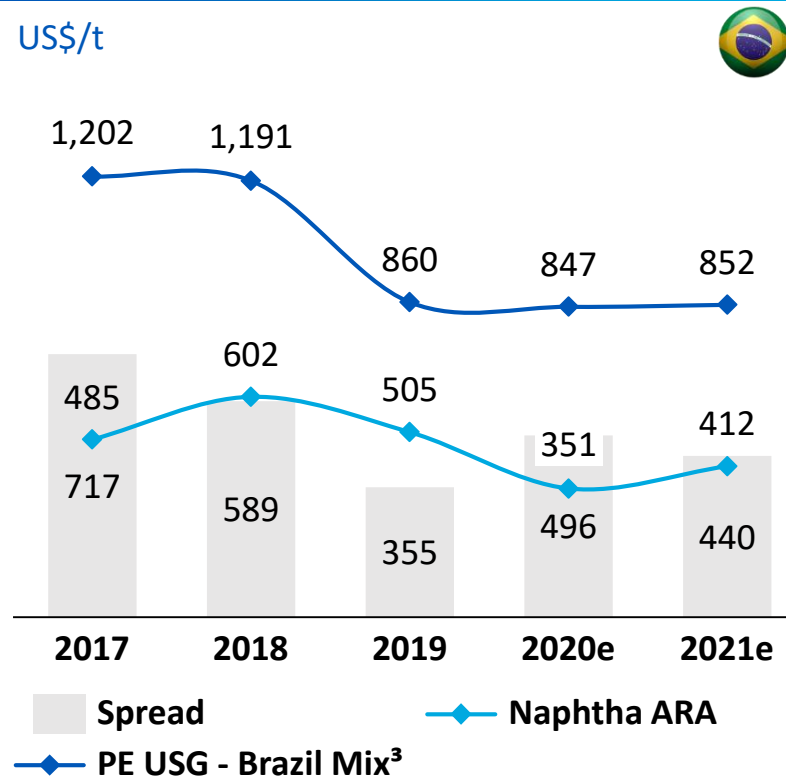
Global PVC market should improve, with capacity additions lower than demand growth

PE spreads can be further pressured if all expected capacity additions actually go into operation

Petrochemical Scenario

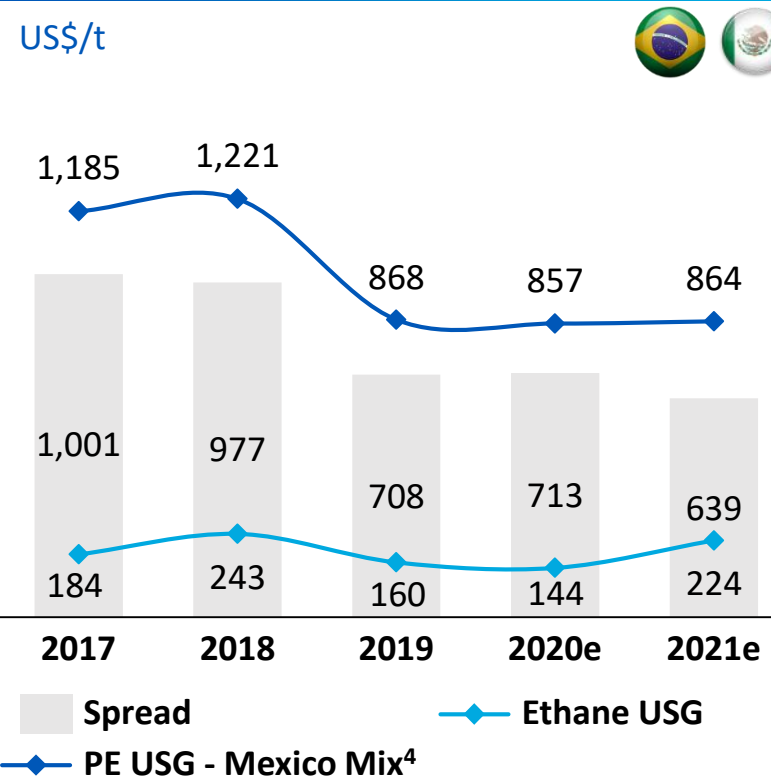
Spread PE USA – Naphtha ARA¹

US\$/t



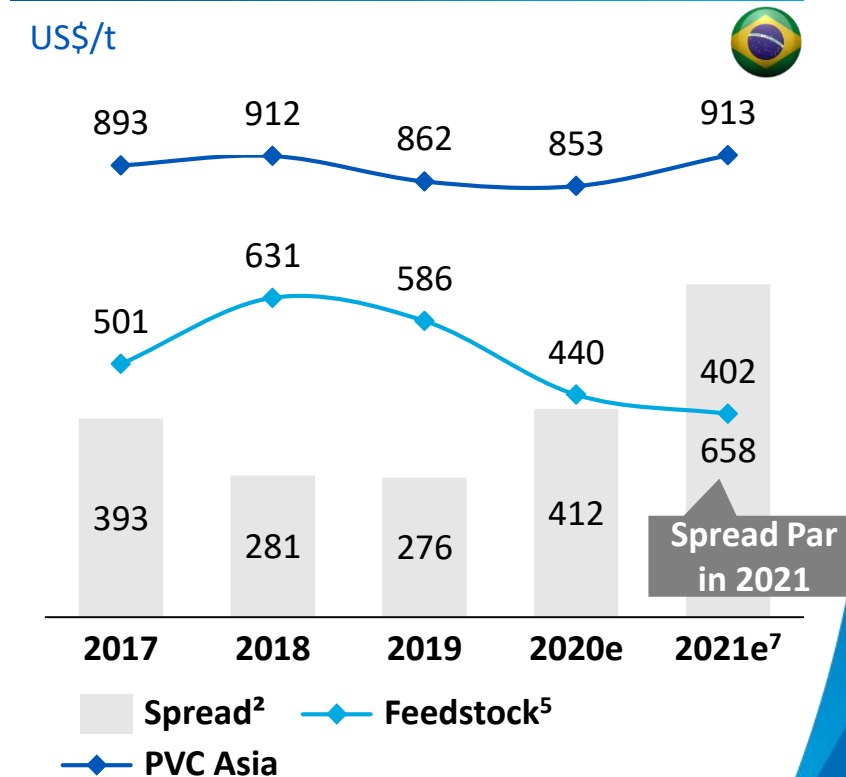
Spread PE USA – Ethane Mont Belvieu¹

US\$/t



Spread PVC Asia¹ - Naphtha ARA/EDC USA

US\$/t



Recently, resins spreads were healthier compared to the initial projection by external consultants

PE-Naphtha⁶ = ~25%, PE-Ethane⁶ = ~5% and PVC-Naphtha/EDC⁶ = ~10%

Note (1) External Consultants. Note (2): PVC Asia - 0.23*3*naphtha ARA - 0.832*EDC USA. Note (3): PE USG Brazil Mix = 0.3*LDPE US + 0.3*LLDPE US + 0.4*HDPE US.

Note (4): PE USG Mexico Mix = 0.286*LDPE US + 0.714*HDPE US. Note (5): naphtha ARA and USG EDC. Note (6): Considers recent history (2018 and 2020).

Note (7): For 2021, spread par: PVC + (0.685*Soda Asia) - (0.480*Ethylene Asia) - (1.7*Electric Power Asia)

PUBLIC

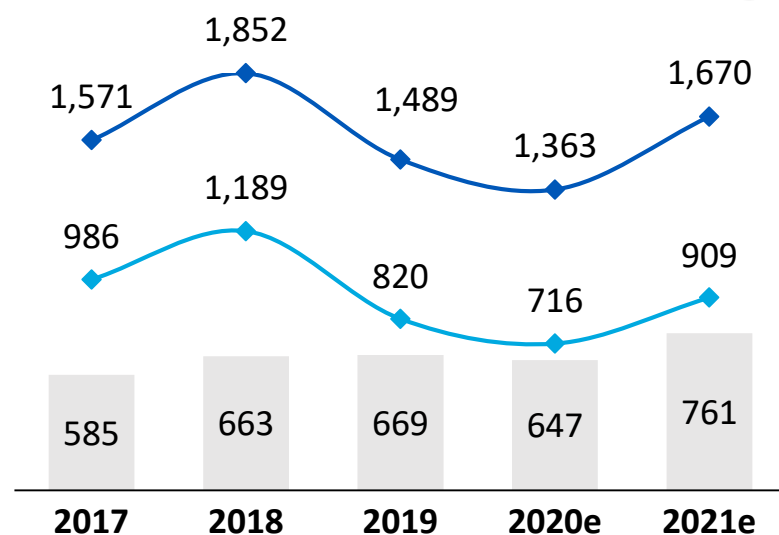
Braskem

In relation to the PP spreads, the US remains the most profitable region

Petrochemical Scenario

Spread PP USA – Propylene USA¹

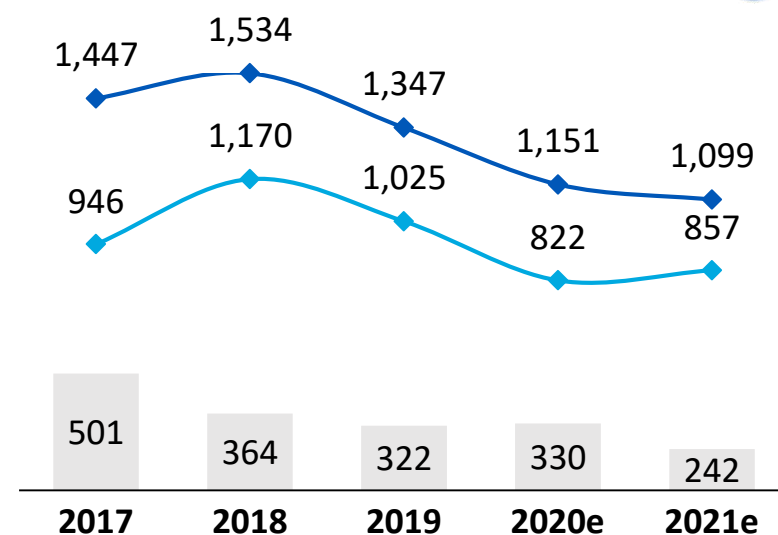
US\$/t



Spread PP USA Propylene USA

Spread PP Europe – Propylene Europe¹

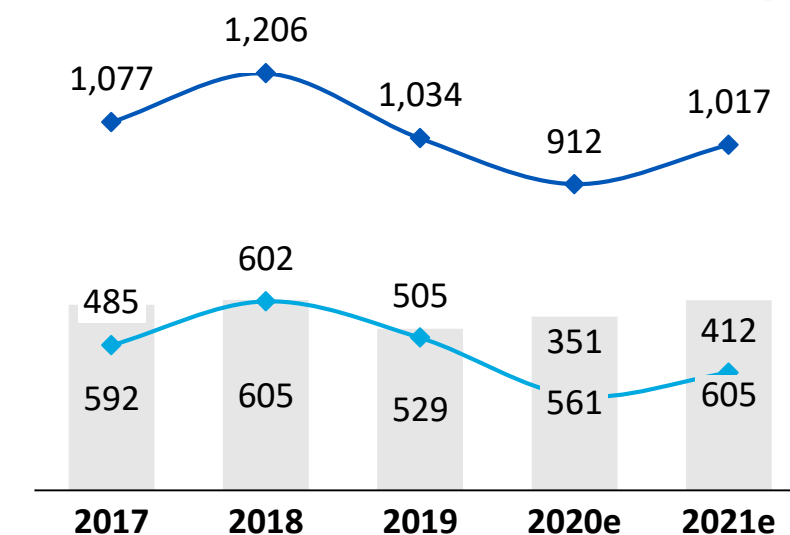
US\$/t



Spread PP Europe Propylene Europe

Spread PP Asia – Naphtha ARA¹

US\$/t



Spread PP Asia Naphtha ARA

Recently, the spreads of Asia-Naphtha² PP were healthier (~10%) compared to the initial projection by external consulting
While the spreads of PP-Propylene in the USA² and Europe² were in line with the initial projection

Sustainable development

Jorge Soto (Leader of Sustainable Development)



PUBLIC

ALWAYS
seeking **INNOVATIVE**
AND SUSTAINABLE
solutions

2002
CREATION
OF BRASKEM



2007

Launch of the first polyethylene made with **100% renewable resources** and the first ethylene made from sugar cane

Creation of Formula 1 trophy with recycled resin **from material collected** during the qualifying session

2009

Creation of the first plastic trophy for **Formula 1**, made from green polyethylene and designed by **Oscar Niemeyer**

2008



2010

Launch of the I'm green seal and **inauguration of the green ethylene plant.**

Aquapolo and Agua Viva Project, one of the biggest water treatment system and **reuse in Brazil.**



SER+

2012

Launch of the **Ser+** (To be+) program to support **waste collectors** and promote recycling.



FAST
COMPANY

2014

Braskem is **appointed as one of the 50 most innovative companies** in the world by Fast Company magazine, acknowledged for its research in bio-based products.



edukatu
REDE DE APRENDIZAGEM PARA O CONSUMO CONSCIENTE

Braskem is part of the **Dow Jones Sustainability portfolio**.

Edukatu Project: Education on conscientious consumption and sustainability.

2013

2015



Braskem
LABS

Launch of **I'm green recycled resins**.

Launch of the **Braskem Labs** program



Plastianguis

2017

Plastianguis program for awareness-raising about post-consumption in consumers.

Braskem emphasizes global commitment with the **Circular Economy**.



Made In Space partner to produce objects by **3D printing** from green plastic.

Start of **green EVA** production.

Plastic cup **reverse logistics** program.

2016



Partnership with the **Philadelphia Eagles** team for collection, recycling and education project.



2019

Inauguration of a bio MEG plant in Copenhagen.

Signatory of the **Alliance to End Plastic Waste**.

Solvent development from renewable source.

Partnership with **Join the Pipe** to distribute plastic bottles I'm green in the USA, Africa and EU.



2020

Production capacity **expansion** of green and recycled products.

2020: 10 years of Green PE - I'm Green

Braskem's plastic made out of a renewable feedstock: sugar cane

Production capacity of **200 KTA**

Equivalents to

+ 600 Thousand tons of CO2
captured/year

Green PE for packaging applications



**I'm
green**

TM

AWARDS

Chemical Week:
*Best sustainable initiative
at the Chemical Industry
Financial Outlook &
Sustainability Forum &
Awards 2020.*

Chemical Industry
Financial Outlook & Sustainability
Forum & Awards 2020
Chemical Week



*Recognized by the Economic
Commission for Latin America
and the Caribbean (CEPAL) of
the United Nations (UN) as
one of the most
transformative cases in
sustainable development in
Latin America in the Industry
& Energy category.*

GLOBAL POLICY of SUSTAINABLE development

For us, acting sustainably is **to meet the needs of all parties**, considering the immediate and future impacts.

This is **what guides all our activities** and our relationships with all the public.

The Policy sets a clear **Governance structure**, which involves the Board of Directors, Executive Board, and all team members.



OUR POLICY RELIES ON STRATEGIC PILLARS FOR ITS IMPLEMENTATION

PURPOSE

Improve people's lives creating sustainable solutions of chemicals and plastics

Strong **culture and management** aligned with the principles Sustainable Development



Processes and resources more Sustainable



Portfolio of products and services more sustainable



Solutions to allow society to have a more Sustainable life



BRASKEM MACRO SUSTAINABLE Development GOALS

As a result of a long and structured consultation process considering the **vision of our target audience, relevant topics to our materiality matrix and the UN Sustainable Development Goals** (SDG), we have outlined our own macro goals that guide our attention and investments in innovation.



WE IMPROVED THE ENVIRONMENTAL IMPACTS IN OUR PLANTS SINCE 2002 UP UNTIL 2020 (ESTIMATED)

ENERGY CONSUMPTION
(GJ / t)

-4%

Equivalent to the
consumption of
**23 million
houses** per year

WASTE WATER
(m³ / t)

-36%

The amount of waste
water generated by
31 million people
in one month

WASTE
(KG / t)

-63%

Equivalent to the
amount of solid waste
generated by
2,5 million
people in one year

CARBON EMISSIONS INTENSITY
(tCO₂e/t) (2008 a 2020)

-17%

Equivalent to
208 million
trees planted

WATER REUSE(%)
(2011 a 2020)

+28%

Equivalent to
70 thousand
Olympic Pools

PRIVATE SOCIAL investment PROJECTS



Project for the promotion of social inclusion and social and economic development of waste collectors and strengthen work of cooperatives:

Increase post-consumption waste sent for recycling. Training, improving waste collectors' work environment and increasing their income

Our impact

+ 8 thousand beneficiary waste collectors

~150 cooperatives addressed

+ 2 thousand trained persons

+ 130 thousand tons of commercial waste





GLOBAL VOLUNTEERING Program

SERVING TOGETHER TO
IMPROVE PEOPLE'S LIVES

The **Volunteering Program** was set up as an opportunity to generate positive social and environmental impact in the surrounding of our operations and transform lives from practical work of our members in voluntary actions. Volunteers may participate in Scavenger hunts, a game in which they win points by performing actions in the community or in a campaign, a one-time action set up by Braskem lasting 1 to 2 days. In addition, we strengthen Braskem's position in the Circular Economy with WeCARE Week, a global volunteering week focused on this topic.

5 participating countries (Brazil, Mexico, United States, Germany and Netherlands)

26 cities

+ than 4.500 volunteers engaged

+ than 94 thousand beneficiaries

26% engagement

+ than 54 thousand donated items

+ than 32 thousand of volunteer work hours

*2019 data

ACKNOWLEDGMENTS

Proud to be Braskem

Índice de
Sustentabilidade
Empresarial **ISE**



Global Compact
LEAD

ÍNDICE S&P/B3
BRASIL ESG

ROBECOSAM
We are Sustainability Investing.

Índice
Carbono
Eficiente **IC02**

Índice CDP Brasil
Resiliência Climática (ICDPR-70)

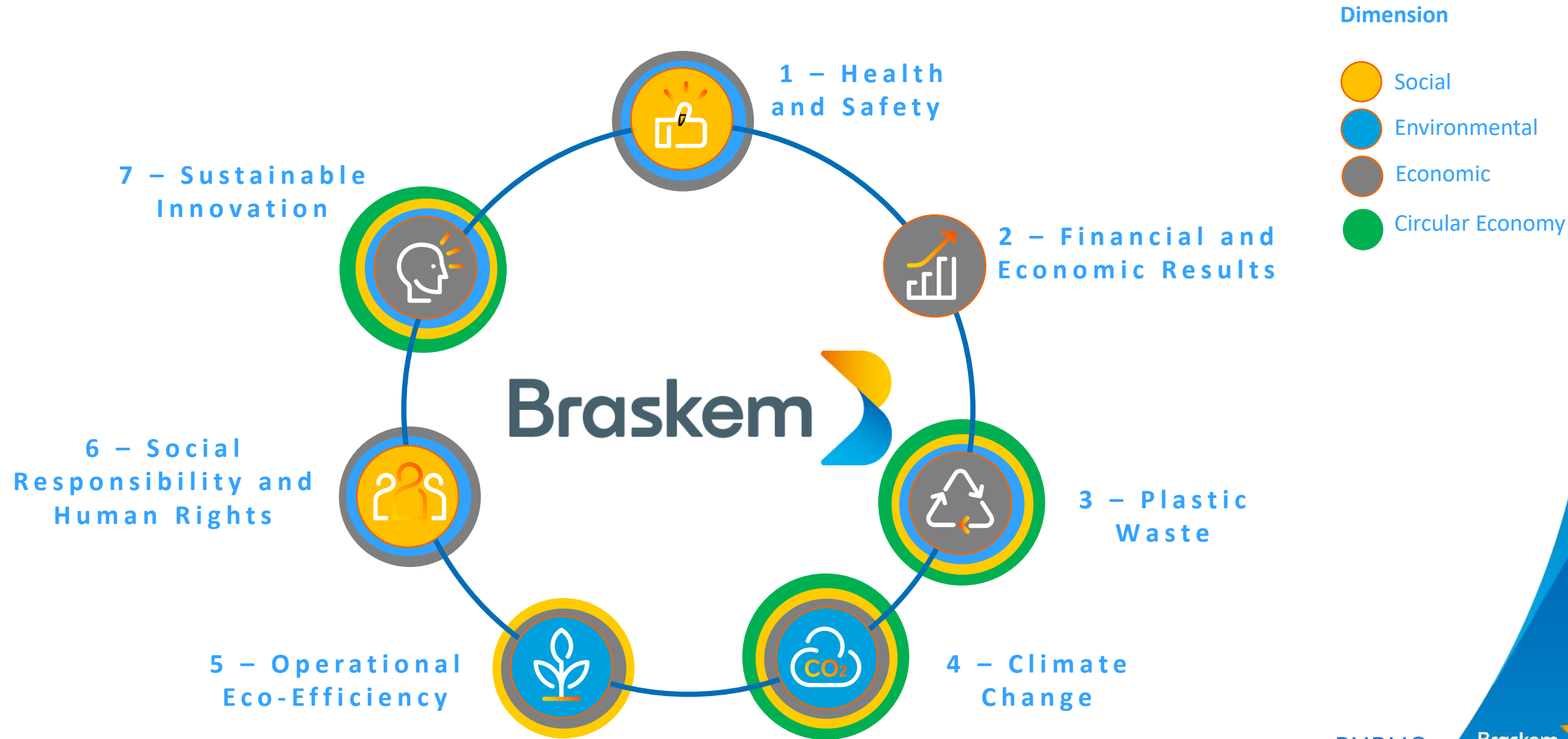
CDP
A LIST
2019

EXAME
FÓRUM
2019 **Diversidade**
ETHOS

WILL
Women in Leadership
in Latin America

New cycle of long term improvements

Has started (2021-2025/2030/2050)



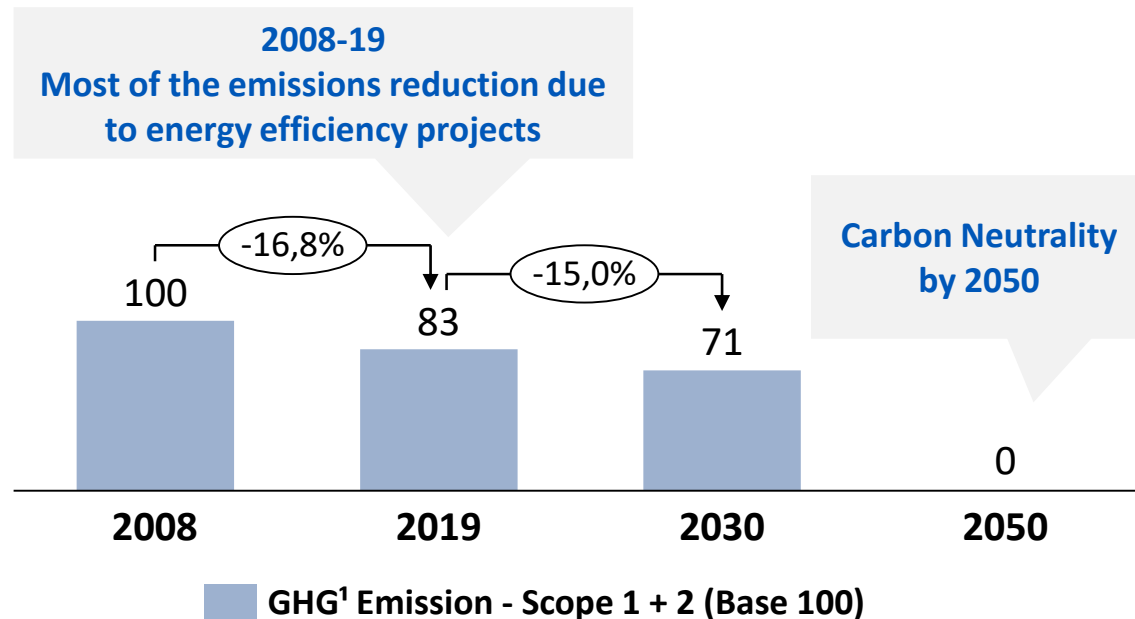
A strong ambition

In combating climate change and eliminating plastic waste



MITIGATING CLIMATE CHANGE

- ✓ Achieve **carbon neutrality by 2050**
- ✓ Provide a **15% reduction** in carbon emissions **by 2030**



ELIMINATING PLASTIC WASTE

- ✓ Expand **I'm green™** portfolio aiming to include **300,000 tons** of thermoplastic resins and chemicals with recycled content by 2025; and, by 2030, **1 million** tons of such products
- ✓ By 2030, work to divert **1.5 million tons** of plastic waste away from incineration, to landfills, or environment.



We have a clear and flexible strategy to capture the best opportunities in...



CARBON NEUTRALITY

1

EMISSIONS REDUCTION

- **Reduction** of emissions focusing on **energy efficiency**, and increasing the use of **renewable energy** in current operations, establishing partnerships focused on innovation and technology

2

EMISSIONS OFFSET

- **Offsetting emissions** with potential investments in the **production of chemicals and polymers from renewable sources**

3

EMISSIONS CAPTURE

- **Capturing carbon emissions** through research and development for the use of **carbon emissions as a raw material**



CIRCULAR ECONOMY

MECHANICAL RECYCLING

CHEMICAL RECYCLING

- In the forefront of Circular Economy, Braskem will **continue to pursue its mechanical and chemical recycling projects**

TOGETHER,
WE WILL
BUILD A
CARBON
NEUTRAL
CIRCULAR
ECONOMY



TRANS FORM

FOR VALUE

Celso Procknor



PUBLIC

Industry and Braskem contexts require, at the same time, greater efficiency in the allocation of our resources and enabled the possibility of capturing synergies



CONTEXT OF THE INDUSTRY AND BRASKEM AT THE BEGINNING OF 2020

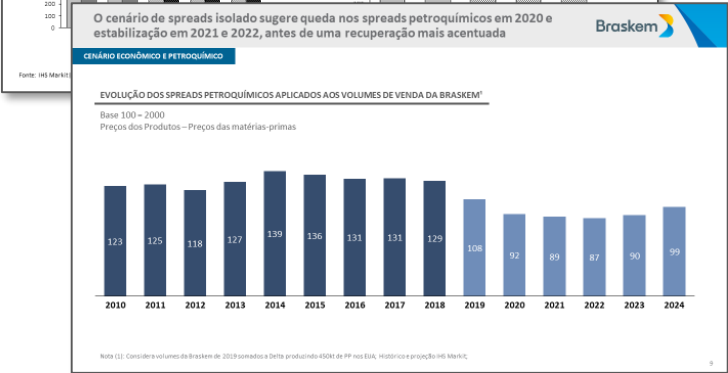
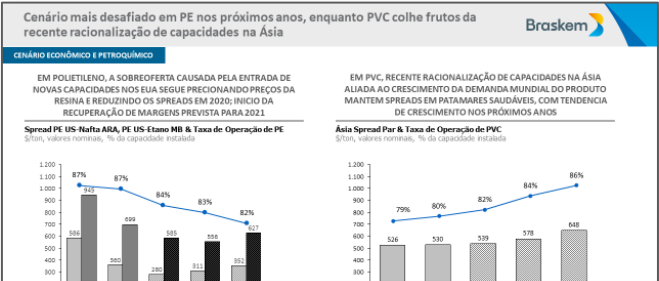
DOWNTURN OF THE PETROCHEMICAL INDUSTRY



RECOVERY OF INVESTMENT GRADE



COMPANY REORGANIZATION



S&P Global Ratings

Brazilian Petrochemicals Producer Braskem

Downgraded To 'BB+' From 'BBB-' On Consistently High Leverage, Outlook Stable

July 8, 2020

Moody's INVESTORS SERVICE

Rating Action: Moody's affirms Braskem's Ba1 ratings; changes outlook to negative

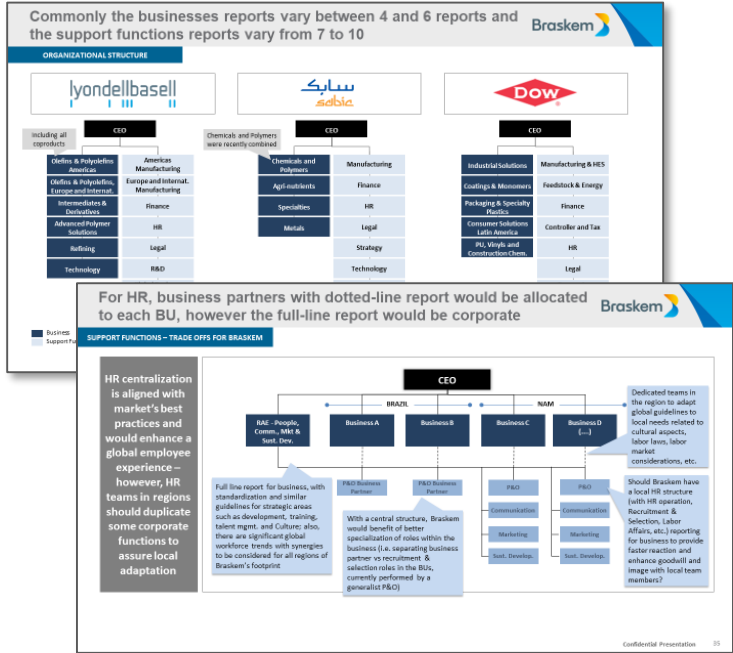
13 Jul 2020

FitchRatings

03 July 2020 | Downgrade

Fitch Downgrades Braskem's IDR to 'BB+'; Outlook Stable

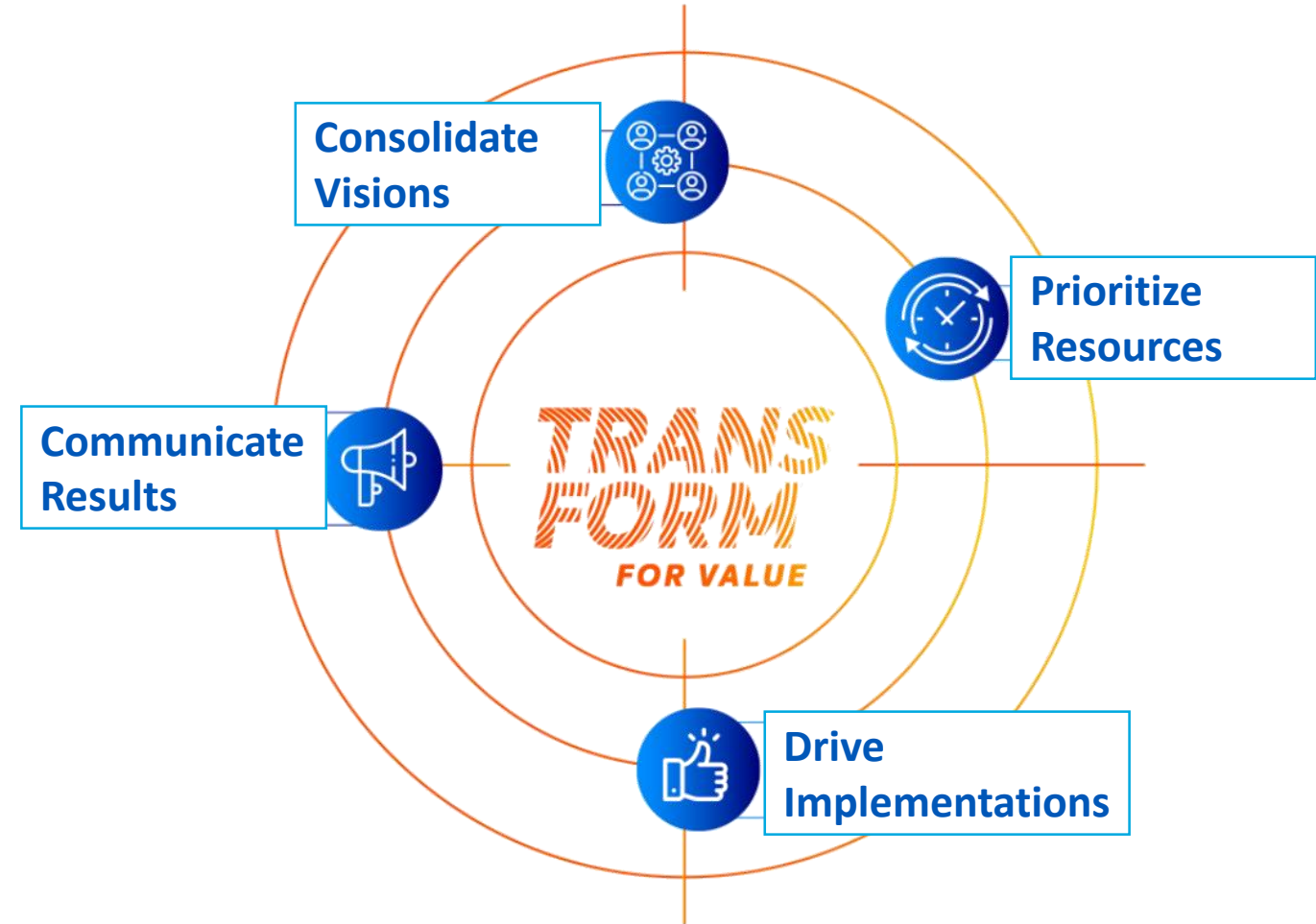
Fitch Ratings-Chicago-02 July 2020:



In this scenario, we launched *Transform for Value*, a program that aims to coordinate, accelerate and focus on the company's main improvement initiatives



Similar to the forms of a Transformation Office, the program has 4 main goals:



Accelerating Braskem's metabolism

The consolidated vision of the improvement initiatives currently spread throughout the organization will encompass actions of various types and areas



SOURCES OF TRANSFORMATIONAL OR IMPROVEMENT INITIATIVES



TRANSFORM FOR VALUE

- Initiatives with program resource allocation



DIGITAL CENTER

- Initiatives led by Braskem's Digital Center



CONTINUOUS IMPROVEMENT

- Initiatives that seek continuous improvement without involving CAPEX



CAPEX C&P

- Projects that require CAPEX and target cost and/or productivity gains



ENERGY

- Competitive & sustainable energy initiatives

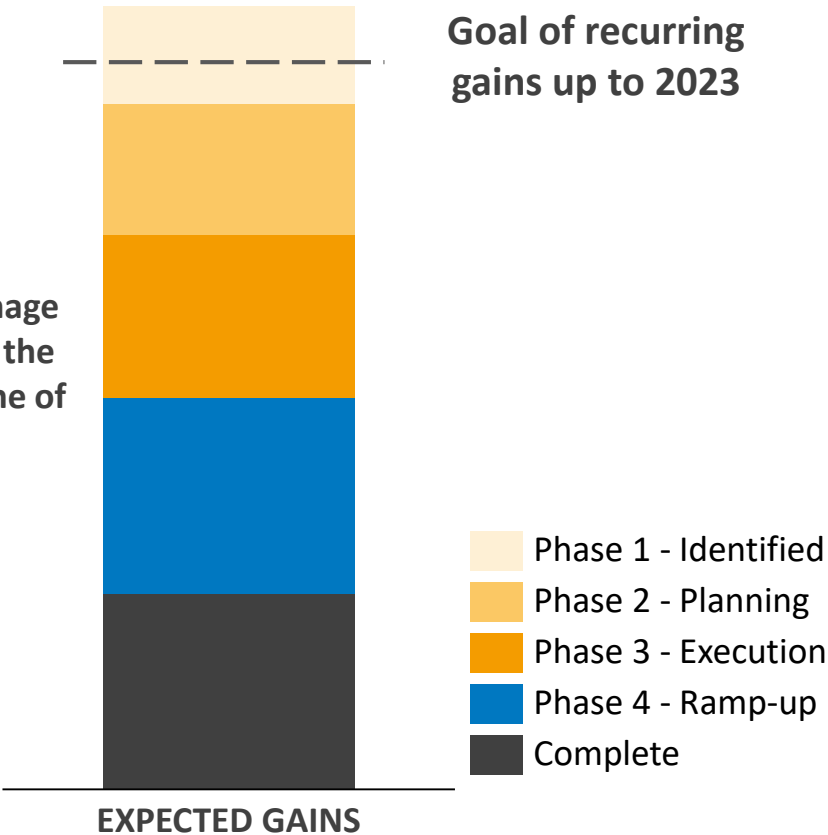
RECURRING

ONE-TIME

In US\$ Millions/year

Phase logic to manage and communicate the progress of each one of the initiatives

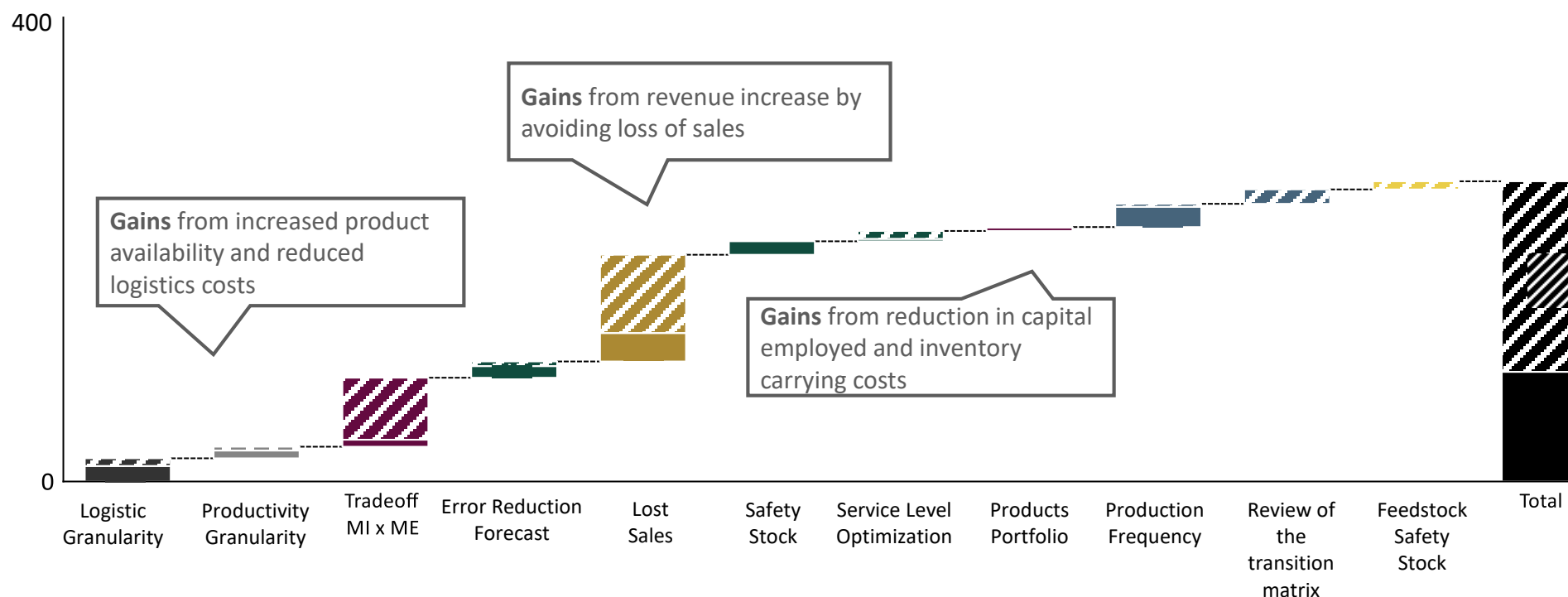
Goal of recurring gains up to 2023



Example of initiative: Redesign of Forecast-to-Stock and Order-to-Cash processes in SAM



Projected gains with FTS and OTC redesign
in R\$ MM/year



*With these new processes and tools, we expect to **increase revenue, reduce inventory levels and service costs, and, at the same time, increase the level of service and, consequently, client satisfaction***

Example of initiative: Reliability days → loss and maintenance cost reduction

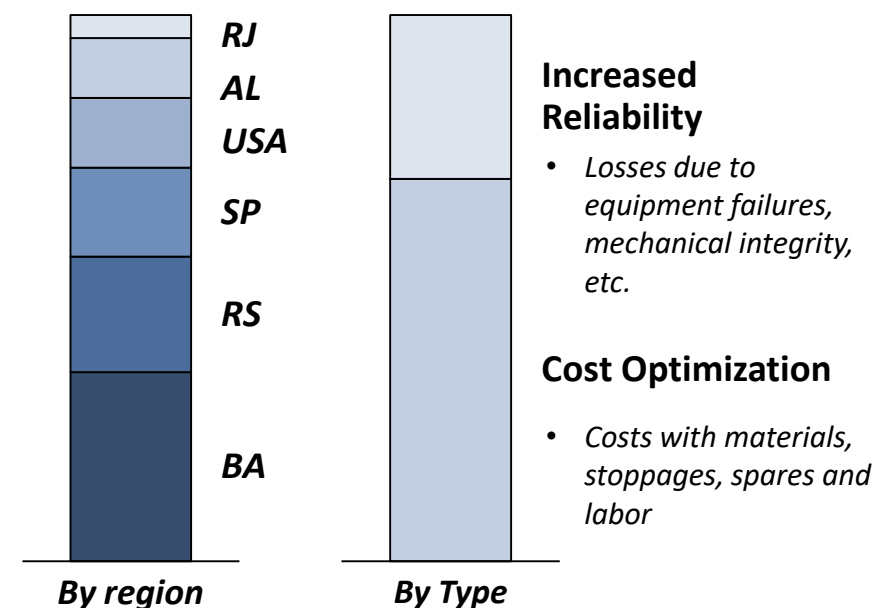


BENCHMARK STUDY SHOWED THAT A SIGNIFICANT PART OF BRASKEM ASSETS ARE IN THE 3rd/4th QUARTILES IN COST OR EFFECTIVENESS OF MAINTENANCE

	1 st QUARTILE	2 nd QUARTILE	3 rd QUARTILE	4 th QUARTILE
CRACKERS (7 assets/14% of total)	x1/y1%	x2/y2%	x3/y3%	x4/y4%
PE (19 assets/38% of the total)	-	-	-	-
PP (10 assets/20% of total)	-	-	-	-
VINYLS (8 assets/16% of the total)	-	-	-	-
AROMATICS (3 assets/6% of total)	-	-	-	-
SPECIFICATIONS CHEM. (3 assets/6% of total)	-	-	-	-
	X1/50 assets (Y1%)	X2/50 assets (Y2%)	X3/50 assets (Y3%)	X4/50 assets (Y4%)

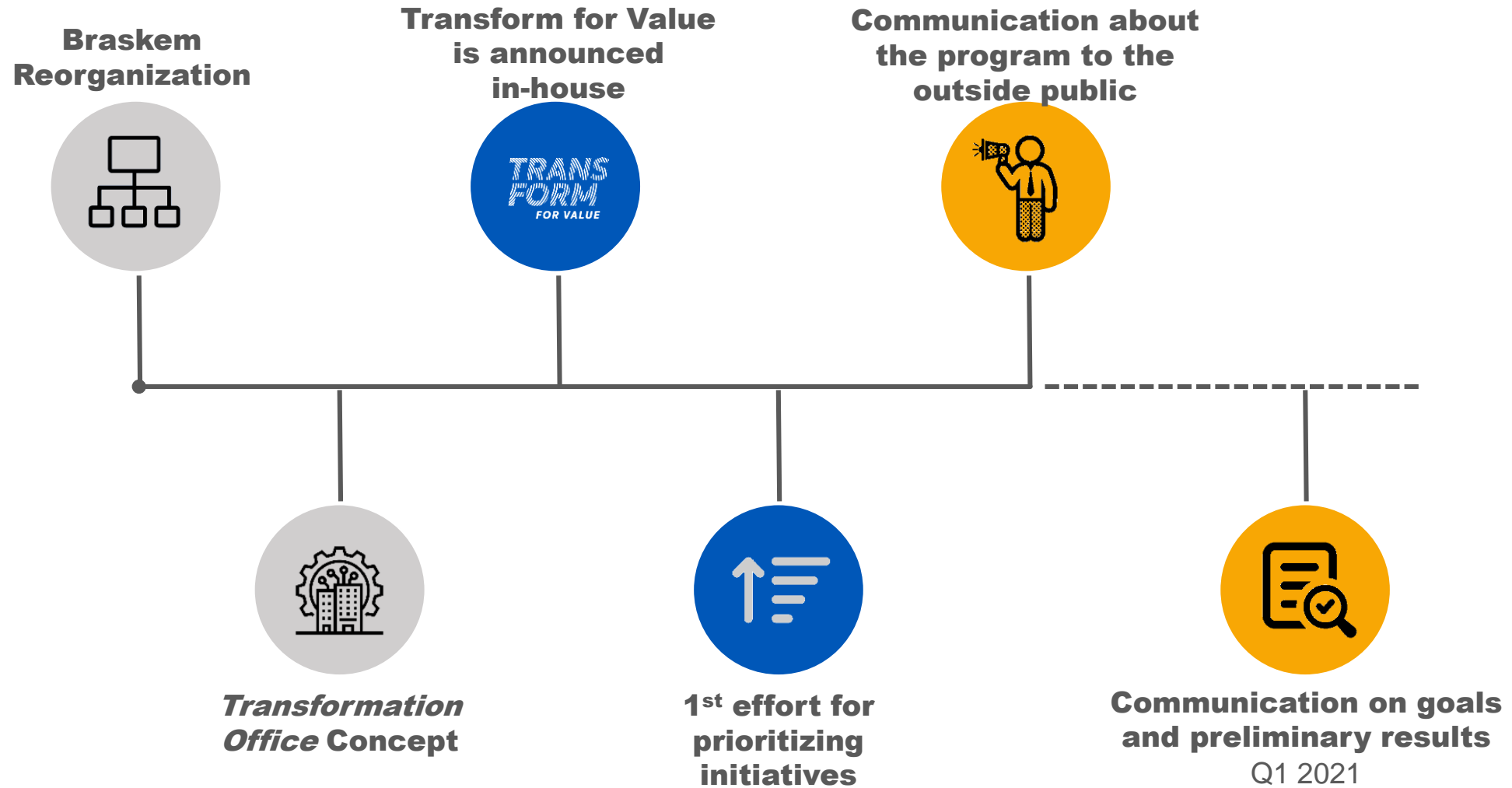
POTENTIAL GAINS WERE BROKEN DOWN BY ASSETS AND BY CAPTURE TYPE

Potential gains, by region and by type



Potential gains of tens
of millions of dollars per year
(estimated ramp-up of up to 6 years)

Throughout 2021, we will bring more details about the evolution of the improvement pipeline and some of the initiatives we are implementing at Braskem



2021 Priorities

Roberto Simões (CEO)



PUBLIC

Braskem continues focused on seeking opportunities for growth, having a vast portfolio of new business projects, sustainability and innovation



NEW BUSINESS

- **Advancement of the ventures we developed** to try out new business models, such as:
 - An **e-commerce platform** for customers to manage their orders, transforming the way we do business in the chemicals and polymers industry
 - **Solution that connects carriers and companies** without an intermediary, being the future of freight service
 - An efficient and reliable **sleepers¹ solution** for the railway market
- **Analysis of potential M&A opportunities**, identifying potential synergies and designing a point of view on each transaction
- **Assessment of multiple opportunities for organic growth**, including through DBN² of our current assets
- Appreciation of basic chemicals and specialties chains



SUSTAINABILITY

- Evaluate opportunities for **expansion of our biopolymer business** (CO₂ Emission Compensation):
- Projects for the development of **chemical recycling** technology and expansion of production through **mechanical recycling** (Circular Economy):
 - **Mechanical:** construction of a waste washing and extrusion unit in São Paulo
 - **Chemical:** development of catalysts
- **Energy efficiency initiatives**, (CO₂ Reduction and water consumption):
 - **Replacing steam turbines** with electric engines in Bahia and Alagoas
 - **Generation of steam by burning biomass**, replacing fossil fuel in Alagoas



INNOVATION

- **Broad pipeline of Innovation and Technology (I&T) projects**, with 130+ projects contributing to the growth of our business
 - **Current pipeline of US\$ 1.5 billion NPV** (Net Present Value) or US\$ 0.5 billion RANPV (Risk Adjusted Net Present Value)
- **Digital Technologies radically transforming our core business**, with more than 20 transformational initiatives in execution
 - Making our operations safer
 - Gaining operational productivity
 - Improving the quality of our products
 - Improving our customers' satisfaction

OUTLOOK BRASKEM | 2021 VERSUS 2020

Brazil

Crackers Utilization Rate	↑	Demand growth in Brazil
Sales volume	↑	Shifting product from export
Petrochemical spreads	↓	
Fixed Cost	↓	
Recurring EBITDA	↓	

United States

Utilization Rate (PP)	↑	New PP plant (Delta)
Sales volume	↑	
Petrochemical spreads	↑	
Fixed Cost	↓	
Recurring EBITDA	↑	

Mexico

Utilization Rate (PE)	↑	} Ramp-up of "fast track" project
Sales volume	↑	
Petrochemical spreads	↓	
Fixed Cost	↓	
Recurring EBITDA	→	

Braskem

Europe

Utilization Rate (PP)	→
Sales volume	→
Petrochemical spreads	↓
Fixed Cost	↓
Recurring EBITDA	↓

Starting in 2021, Sustainability will be even more prominent in our corporate strategy



RATIONALE:

- Braskem's **business strategy** is focused on **sustainable development** since its creation in 2002
- The Company has a **broad portfolio of investments in projects related to Sustainability**, such as:
 - Global production and commercialization of **biopolymers** and **recycled resins (mechanical recycling)**
 - Development of **chemical recycling** technology
 - Use of **renewable energy** in current operations and focus on **energy efficiency**
 - Potential partnerships aimed at **capturing carbon emissions** to be used as raw material
- Promotes the monitoring of the implementation of **new goals related to the fight against climate change and the elimination of plastic waste**
- It is in line with the **challenges of the planet, society** and strengthens the Company's reputation

Our priorities for 2021

GOALS



PRODUCTIVITY AND COMPETITIVENESS

- Continue improving performance in the safety of people and processes
- Implement the Transform for Value Program initiatives



FEEDSTOCK AND SUPPLIER DIVERSIFICATION

- Find constructive ways to resolve the ethane shortage situation in Mexico
- Continue ramping up the complementary ethane import solution from the USA



GEOGRAPHICAL DIVERSIFICATION

- Implement the commercial strategy for the new PP plant in the USA
- Maximize synergy between regions where Braskem has industrial presence



PEOPLE, INNOVATION, GOVERNANCE AND REPUTATION

- Continue with the advances of the Financial Compensation and Relocation Support Program in Alagoas
- Strengthen ESG practices, improving Braskem's reputation among *stakeholders*



SUSTAINABILITY

- Increase production volume and global commercialization of recycled resins
- Reduce CO2e emissions (scope 1 + 2) by implementing energy efficiency initiatives and use of renewable energy



CAPITAL ALLOCATION / FINANCIAL SOUNDNESS

- Maintain discipline in capital allocation and financial health during the downturn cycle
- Implement value creation initiatives



APIMEC 2020

NOVEMBER 26, 2020



BRASKEM S.A.



Selo Assiduidade
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