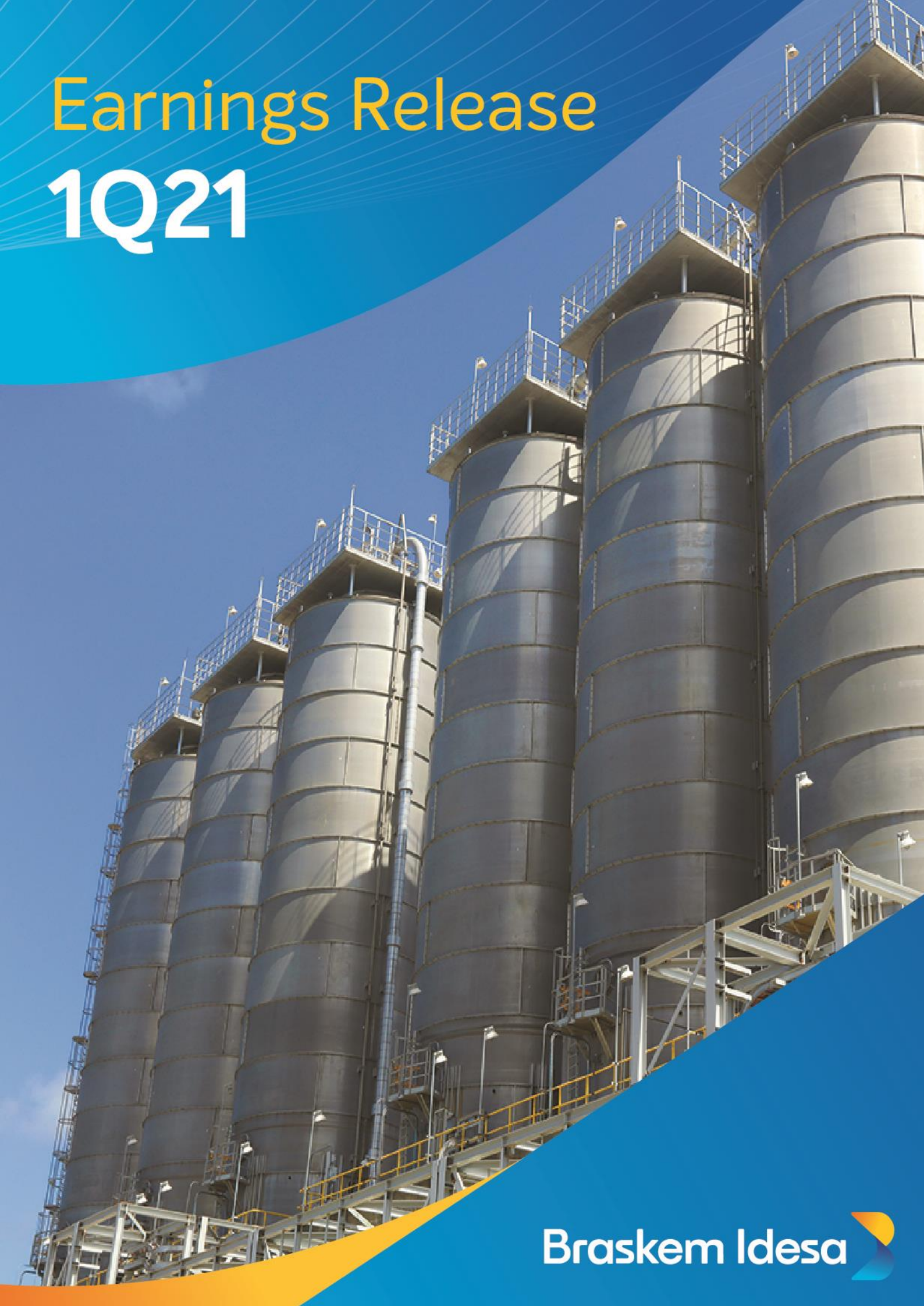


# Earnings Release

# 1Q21



## HIGHLIGHTS 1Q21

- ✓ Following the interruption of its natural gas supply, on January 7th, Braskem Idesa partially resumed its operating activities, based on a work around while following all applicable safety standards
- ✓ On March 1<sup>st</sup>, Braskem Idesa informed that it had signed:
  - I. a memorandum of understanding ("MoU") with PEMEX for the discussion of potential amendments to the Ethane Supply Contract and the development of an ethane import terminal
  - II. an agreement for the natural gas transportation service with CENAGAS, with a 15-year term, subject to signing the Definitive Documents established in the MOU, with the natural gas transportation service resuming as of that date
- ✓ Mexico's demand for PE was 521,000 tons in 1Q21, a 4.1% reduction compared to 1Q20; Braskem Idesa reached 17.3% Market Share
- ✓ The average ethane supply was 43.3 kbpd, 66% of Braskem Idesa's total requirements for the quarter, with imported ethane amounting to an average 13.2 kbpd during the period
- ✓ In December 2020, Braskem Idesa concluded the first expansion of the Fast Track imports capacity to up to 20 kbpd, contributing to a 17.4 kbpd ethane supply rate in January
- ✓ The PE plants operated at a capacity utilization rate of 58% during 1Q21, with a total PE production of 150 kt
- ✓ Total resin sales reached 132 kt, with 68% allocated to the domestic market to serve BI's local clients
- ✓ Prices of PE rose 45% versus 4Q20, because of strong demand and supply restrictions, while ethane prices remained stable
- ✓ Operating EBITDA was a robust US\$ 100 million, with a 48% margin, notwithstanding the impact of the natural gas limitations on our production in January and February

## OPERATING PERFORMANCE

During the first quarter of 2021, operations were restored using natural gas substitutes due to the interruption of the natural gas transportation service in December.

BRASKEM IDESA	1Q2021 (A)	4Q2020 (B)	1Q2020 (C)	Chg. (A) / (B)	Chg. (A) / (C)
<b>Operating Overview</b>					
<b>Feedstock (kbpd)</b>					
Ethane	43.26	35.15	55.12	23%	-22%
National	30.10	28.07	52.69	7%	-43%
Imported	13.16	7.08	2.43	86%	441%
Supply Rate	66%	53%	84%	12 p.p	-18 p.p
<b>Production (tons)</b>					
PE	150,524	126,101	224,209	19%	-33%
Utilization Rate*	58%	48%	86%	10 p.p	-28 p.p
<b>Sales (tons)</b>					
PE	132,388	180,343	212,268	-27%	-38%
PP	3,119	3,141	2,108	-1%	48%
PCR	1,786	2,383		-25%	n.a.
<b>Total Sales</b>	<b>137,293</b>	<b>185,867</b>	<b>214,376</b>	<b>-26%</b>	<b>-36%</b>

\* Nominal capacity of 1,050 kt of PE Production

### Ethane Supply

During 1Q21, the total ethane supply was 43.3 kbpd, representing 66% of Braskem Idesa's total ethane requirements, which was an increase of 23% compared to the last quarter and a 22% decrease compared to 1Q20.

- National Ethane – During 1Q21, the average supply from PEMEX was 30.1 kbpd a reduction of 43% compared to 1Q20. This reduction was due to the floods in PEMEX's oil production fields in Tabasco in 4Q20, which subsequently reduced ethane output. Compared to 4Q20, supply increased 7%, despite the lack of supply in December.
- Imported Ethane – The Fast-Track solution supplied 13.16 kbpd of ethane, representing 20% of the total supply needs. With this supply rate, the Fast-Track solution doubled the average amount supplied during 2020, which stood at 6.4 kbpd. Furthermore, compared with 4Q20 and 1Q20, the supply of imported ethane increased by 6.1 kbpd and 10.7 kbpd, respectively, resulting from the expansion of the Fast-Track solution, achieving 17.4 kbpd in a single month, with peaks of 24 kbpd of supply in a single day.

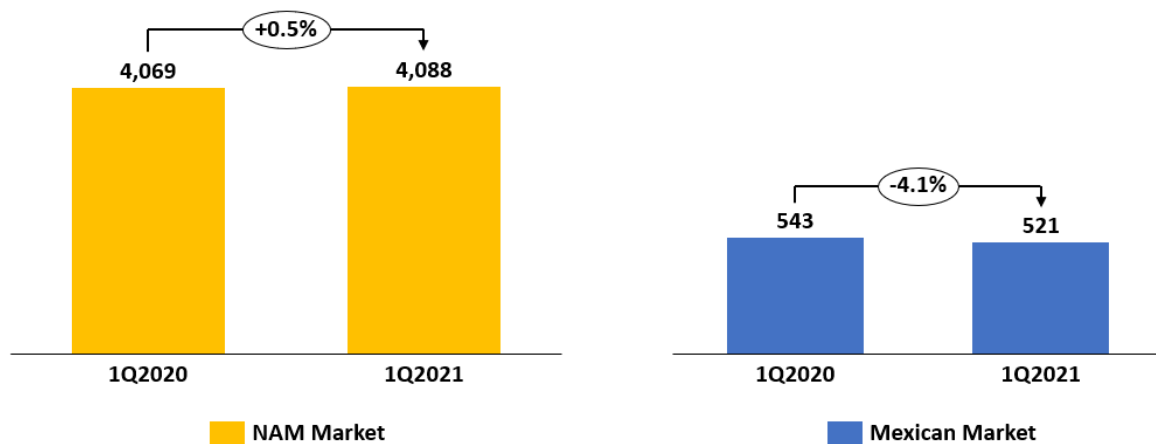




### *PE Demand*

In 1Q21, North American demand increased 0.5% compared to 1Q20, due to the strong economic recovery and a sustained increase in demand for packaging products. However, in February, the North American market supply was impacted by Winter Storm Uri, on the Texas Gulf Coast, impacting North American producers' operations, which caused logistic constraints for the whole petrochemical industry.

Despite the healthy demand for PE products, the demand in Mexico dropped in 1Q20 (-4%) due in good part to the low availability of products in the market from Braskem Idesa and other players, limiting purchases in the period.



### *Average Utilization Rate of PE Plants*

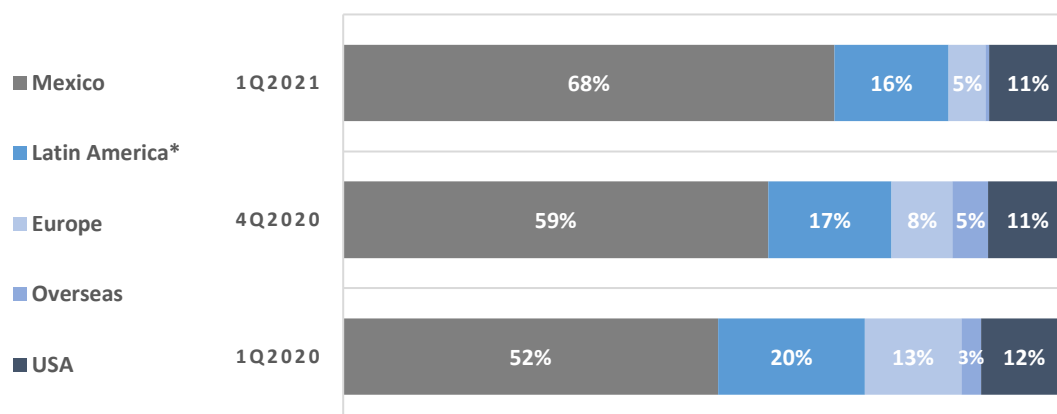
Utilization rates in 1Q21 increased by 10p.p. compared with 4Q20, while there was a 38p.p. decrease compared to 1Q20. Production reached 150 kt during the period compared to 126 kt in 4Q20 and 224kt in 1Q20, respectively, with the complex operating far below capacity due to the required adaptation in the production process following natural gas constraints.

### *Sales Volume*

Total sales during 1Q21 decreased 26% compared with 4Q20 and 36% compared with 1Q20, respectively. Given the lack of production in December and the need to recover inventory levels, sales during 1Q21 were negatively impacted. The prioritization of the domestic market remained in place to attend to BI's local clients, which reached 68% of the total sales during the quarter.

## Braskem Idesa Earnings Release 1Q21

Sales to the export market represented 32% of total sales, with a significant reduction in low-profitability markets, such as Overseas, while maintaining sales to our key customers in the other regions.



\*Latin America comprises Central America, the Caribbean, and South America

In 1Q21, the PP resale operation's sales volume reached 3.1 kton, a 48% increase compared to the same period of 2020. BI's post-consumer resin (PCR) reached 1.8 kton, representing close to half of all the total sales of PCR during 2020.

## OPERATING RESULTS

Operating results in 1Q21 were positively influenced by higher spreads in the period, despite lower sales volume.

BRASKEM IDESA	1Q2021 (A)	4Q2020 (B)	1Q2020 (C)	Chg. (A) / (B)	Chg. (A) / (C)
<b>Financial Overview ( US\$ million ) *</b>					
<b>Net Revenues</b>	<b>213</b>	<b>207</b>	<b>184</b>	<b>3%</b>	<b>16%</b>
COGS	(122)	(162)	(144)	-25%	-15%
<b>Gross Profit</b>	<b>90</b>	<b>44</b>	<b>40</b>	<b>n.a.</b>	<b>n.a.</b>
<b>Gross Margin</b>	<b>42%</b>	<b>21%</b>	<b>22%</b>	<b>21 p.p</b>	<b>20 p.p</b>
SG&A	(21)	(23)	(23)	-10%	-10%
Other Operating Income ( Expenses)	(1)	(116)	6	n.a.	n.a.
<b>EBITDA</b>	<b>100</b>	<b>69</b>	<b>73</b>	<b>46%</b>	<b>38%</b>
<b>Operational EBITDA Margin **</b>	<b>47%</b>	<b>33%</b>	<b>39%</b>	<b>14 p.p</b>	<b>8 p.p</b>

\*Managerial Information – using average FX Rate for each period and not considering the Revaluation of assets

\*\* Operating EBITDA Margin does not consider the delivery-or-pay provision related to feedstock supply agreement



## Petrochemical Spreads

Mexico International References US\$/t	1Q2021 (A)	4Q2020 (B)	1Q2020 (C)	Chg. (A) / (B)	Chg. (A) / (C)
PE (1)	1,583	1,088	773	45%	105%
Ethane (2)	178	156	103	14%	72%
<b>PE - Ethane Spread (1-2)</b>	<b>1,406</b>	<b>932</b>	<b>670</b>	<b>51%</b>	<b>110%</b>

**PE Spread - North America**<sup>1</sup> During 1Q21, spreads increased 51% and 110% compared to 4Q20 and 1Q20, respectively, due to an extremely tight PE availability after Winter Storm *Uri* decreased US producers' output during the period, reducing the already low inventories in the supply chain.

<sup>1</sup> USGC Reference Price for PE adjusted by Braskem Idesa capacity mix & Ethane North America Reference Price (Mont Belvieu)

## EBITDA

EBITDA in 1Q21 reached US\$ 100MM, representing a 45% and 38% increase compared to 4Q20 and 1Q20. Meanwhile, the Operating EBITDA margin increased by 14p.p and 8p.p compared with 4Q20 and 1Q20, respectively, favored by higher petrochemical spreads during the period despite unfavorable operating conditions.

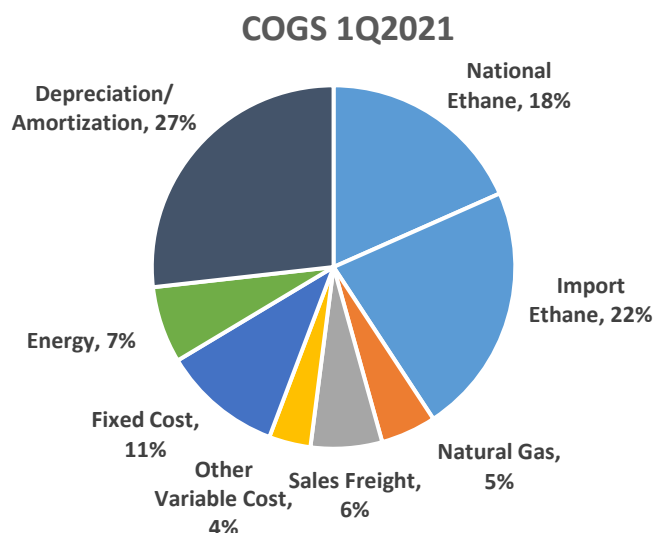
## Revenues

Net revenues increased by 3% and 16% compared to 4Q20 and 1Q20, respectively, due to favorable market conditions reflected in higher PE international reference prices.

## COGS

Total COGS decreased compared to 4Q20 due to lower sales volume during the period, despite resumption of operations with the adapted production process. Additionally, during 4Q20, total COGS rose due the cost of idle capacity associated with this extraordinary event.





## Other Income (Expenses), Net

Other Net Income ( Expenses) US\$ Million	1Q2021 (A)	4Q2020 (B)	1Q2020 (C)	Chg. (A) / (B)	Chg. (A) / (C)
<b>Other Revenues</b>					
Liquidated Damages	(0.1)	(113.4)	6.7	-100%	n.a.
Other Income (Expenses)	(0.5)	(3.8)	(0.6)	-88%	-22%
<b>Total Other Net Income (Expenses), net</b>	<b>(0.6)</b>	<b>(117.2)</b>	<b>6.1</b>	<b>-100%</b>	<b>n.a.</b>

Other Income increased in 1Q21, when compared with 4Q20, mainly because in 4Q20 Braskem Idesa wrote off the Liquidated Damage pending amount associated with the ethane supply agreement for 2019 and 2020 in the Other Income results.

## FINANCIAL PERFORMANCE

Financial Result Ps. Million	1Q2021 (A)	4Q2020 (B)	1Q2020 (C)	Chg. (A) / (B)	Chg. (A) / (C)
<b>Financial Expenses</b>	<b>(1,401)</b>	<b>(1,443)</b>	<b>(1,549)</b>	<b>-3%</b>	<b>-10%</b>
Interest Expenses	(1,233)	(1,188)	(1,444)	4%	-15%
Others	(169)	(255)	(105)	-34%	61%
<b>Financial Revenue</b>	<b>14</b>	<b>(46)</b>	<b>210</b>	<b>n.a</b>	<b>-93%</b>
Interest	11	5	22	n.a	-50%
Others	3	(51)	188	n.a	-98%
<b>Net Foreign Exchange Variation</b>	<b>(1,805)</b>	<b>5,052</b>	<b>(9,843)</b>	<b>n.a</b>	<b>-82%</b>
Foreign Exchange Variation (Expense)	(1,857)	5,594	(10,861)	n.a	-83%
Passive exchange rate variation	(3,083)	11,999	(22,364)	n.a	-86%
Hedge Accounting Realization	1,226	(6,406)	11,503	n.a	-89%
Foreign Exchange Variation (Revenues)	52	(542)	1,019	n.a	-95%
<b>Net Financial Result</b>	<b>(3,192)</b>	<b>3,563</b>	<b>(11,181)</b>	<b>n.a</b>	<b>-71%</b>
<b>Net Financial Result, w/out foreign exchange variation, net</b>	<b>(1,387)</b>	<b>(1,489)</b>	<b>(1,338)</b>	<b>-7%</b>	<b>4%</b>
Final Exchange Rate ( Dollar. Mexican Peso)	20.60	19.95	23.51	3%	-12%

## Financial Expenses

The decrease in 1Q21 compared to 4Q20, can be explained by the impact of the depreciation of the Mexican peso against the U.S. dollar. Interest expenses were US\$ 60 MM. Compared with 1Q20, there was a decrease in interest expenses associated with the impact of the appreciation of the Mexican peso against the U.S. dollar.

## Financial Income

Financial Income increased in 1Q21 compared to 4Q20 and decreased compared to 1Q20. This can be explained in part by volatility in the long-term derivative instruments related to the interest rate swap operation associated with the Project Finance debt.

## Net Exchange Variation

Net Exchange Variation decreased in 1Q21 compared to 4Q20. This was caused by the depreciation of the Mexican peso against the U.S. dollar on the outstanding balance of Braskem Idesa's loan for US\$2.359 billion. Regarding 1Q20, the variation is related to the appreciation of the Mexican peso against the U.S. dollar on the outstanding balance of Braskem Idesa's loan.

## CASH FLOW GENERATION

Cash Flow Generation US\$ million	1Q2021 (A)	4Q2020 (B)	1Q2020 (C)	Chg. (A) / (B)	Chg. (A) / (C)
<b>EBITDA</b>	<b>100</b>	<b>69</b>	<b>73</b>	<b>46%</b>	<b>38%</b>
Changes in Working Capital	(33)	29	(38)	-213%	-14%
Investing activities	(4)	(4)	(7)	-11%	-44%
<b>Cash Generation Before Debt Service</b>	<b>63</b>	<b>93</b>	<b>27</b>	<b>-32%</b>	<b>134%</b>

## Free Cash Flow Generation

The decrease in free cash flow compared with 4Q20 is associated with negative Working Capital change, mainly due to the increase in accounts receivable and recovery of inventory levels. In relation to 1Q20, the cash flow increase is explained by higher EBITDA generation driven by increased PE reference prices during 1Q21.





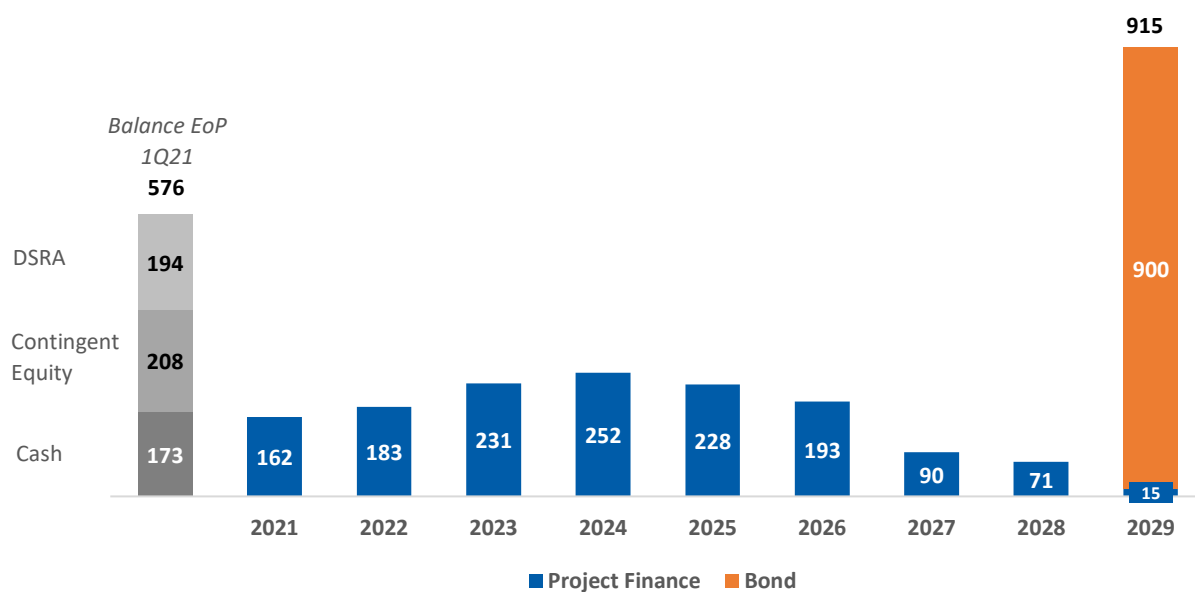
## LIQUIDITY & CAPITAL RESOURCES

At the end of March 31<sup>st</sup>, 2021, the average debt maturity was around 5 years, with 39% of debt maturing after 2029. And the weighted average cost of the Company's debt was equivalent to 5.3%.

Debt US\$ Million	Mar-21 (A)	Dec-20 (B)
<b>Gross Debt</b>		
In MXN	47,174	46,204
In US\$	2,289	2,476
<b>Cash and Cash Equivalents</b>		
In MXN	3,572	3,465
In US\$	173	174
<b>Net Debt</b>		
In MXN	43,602	42,739
In US\$	2,116	2,302
<b>EBITDA (LTM)</b>	<b>317</b>	<b>295</b>
<b>Net Debt/EBITDA*</b>	<b>6.7</b>	<b>7.8</b>

\*Net Debt/EBITDA considering amounts in US\$

Debt Amortization Profile (US\$ MM) as of March 2021



### *Cash and Liquidity*

At the end of 1Q21, Braskem Idesa held a cash balance of US\$ 173 million, a Debt Service Reserve Account in the form of a Letter of Credit equivalent to US\$ 198 million, and, in addition, a Contingent Equity Account for US\$ 208 million. The cash position is held 80% in USD in low-risk investments and 20% in Mexican Pesos.

### INVESTMENTS & VALUE CREATION

During 1Q21, Braskem Idesa invested US\$ 3.8 million in projects such as the Fast Track expansion, operating projects, and royalties related with HDPE licenses

Investments	1Q21	
	Ps. Million	US\$ MM
Strategic	15.2	0.7
Operational	63.9	3.1
<b>Total</b>	<b>79.1</b>	<b>3.8</b>



## *FINANCIAL STATEMENTS:*

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EXHIBIT II:	Braskem Idesa - Balance Sheet	13
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## FORWARD-LOOKING STATEMENTS

This release contains forward-looking statements. These forward-looking statements are not solely historical data but reflect Braskem IDESA's management's targets and expectations. Words such as "anticipate," "wish," "expect," "foresee," "intend," "plan," "predict," "project," "aim," and similar terms seek to identify statements that necessarily involve known and unknown risks. Braskem does not undertake any liability for transactions or investment decisions based on the information contained in this document.

EXHIBIT I  
Braskem Idesa - Income Statement

Income Statement ( Ps. million)	1Q2021 (A)	4Q2020 (B)	1Q2020 (C)	Chg. (A) / (B)	Chg. (A) / (C)
<b>Revenue</b>	<b>3,956</b>	<b>4,512</b>	<b>3,450</b>	<b>-12%</b>	<b>15%</b>
Cost of Good Sold	(2,636)	(3,775)	(3,216)	-30%	-18%
<b>Gross Profit</b>	<b>1,320</b>	<b>737</b>	<b>234</b>	<b>79%</b>	<b>n.a.</b>
Selling Expenses	(188)	(176)	(251)	7%	-25%
Administrative Expenses	(226)	(264)	(251)	-14%	-10%
Other Income	1	(2,315)	140	n.a.	n.a.
Other Expenses	(12)	(83)	(14)	-85%	-14%
<b>Operating Profit (Loss) Before Financial Result</b>	<b>895</b>	<b>(2,101)</b>	<b>(142)</b>	<b>n.a.</b>	<b>n.a.</b>
<b>Net Financial Result</b>	<b>(3,192)</b>	<b>3,563</b>	<b>(11,181)</b>	<b>n.a.</b>	<b>-71%</b>
Financial Expenses	(1,401)	(1,443)	(1,549)	-3%	-10%
Financial Income	14	(46)	210	n.a.	n.a.
Exchange rate effect	(1,805)	5,052	(9,843)	n.a.	-82%
<b>Loss Before Tax</b>	<b>(2,297)</b>	<b>1,461</b>	<b>(11,323)</b>	<b>n.a.</b>	<b>-80%</b>
Income Tax Benefit	579	(780)	3,209	n.a.	-82%
<b>Net Profit (Loss) for the Period</b>	<b>(1,718)</b>	<b>681</b>	<b>(8,114)</b>	<b>n.a.</b>	<b>-79%</b>





EXHIBIT II  
Braskem Idesa - Balance Sheet

ASSETS ( US\$ million)	Mar, 2021 (A)	Dec, 2020 (B)	Change (A) / (B)
<b>Current</b>	<b>446.2</b>	<b>415.2</b>	<b>7%</b>
Cash and cash equivalents	173.4	173.7	0%
Accounts receivable, net	109.2	90.2	21%
Inventories	122.6	100.4	22%
Income taxes	1.7	2.0	-18%
Other recoverable taxes	-	5.4	n.a.
Prepaid expenses	7.0	10.9	-36%
Related parties	20.6	20.2	2%
Other assets	11.8	12.3	-4%
<b>Non Current</b>	<b>3,553.9</b>	<b>3,667.9</b>	<b>-3%</b>
Property, plant and equipment, net	3,143.9	3,293.5	-5%
Right of use	70.4	75.5	-7%
Intangible assets	48.0	50.0	-4%
Deferred income tax	247.1	205.6	20%
Other recoverable taxes	44.4	43.3	3%
Other assets	0.1	0.1	0%
<b>Total Assets</b>	<b>4,000.1</b>	<b>4,083.2</b>	<b>-2%</b>

LIABILITIES AND SHAREHOLDERS' EQUITY ( US\$ million)			Change (A) / (B)
<b>Current</b>	<b>1,590.2</b>	<b>1,608.9</b>	<b>-1%</b>
Suppliers	56.5	47.8	18%
Bank loans, current portion	1,441.2	1,471.2	-2%
Derivative financial instruments	9.7	10.3	-6%
Related parties	42.6	34.8	22%
Payroll and related charges	4.9	7.3	-32%
Other payable taxes	0.8	-	n.a.
Long term incentive	0.2	0.1	121%
Accounts payable and other accrued expenses	20.2	23.3	-13%
Lease liability	14.1	14.1	0%
<b>Non Current</b>	<b>3,333.1</b>	<b>3,309.3</b>	<b>1%</b>
Employee benefits	3.4	3.3	2%
Bank loans	848.3	844.9	0%
Derivative financial instruments	12.3	19.6	-37%
Related parties	2,403.3	2,374.2	1%
Long term incentive	0.4	0.3	57%
Lease liability	65.3	67.1	-3%
<b>Equity</b>	<b>(923.2)</b>	<b>(835.1)</b>	<b>0%</b>
Capital Stock	280.3	289.5	-3%
Other comprehensive results	63.1	97.6	-35%
Accumulated losses	(1,266.6)	(1,222.2)	4%
<b>Total Liabilities and Equity</b>	<b>4,000.1</b>	<b>4,083.2</b>	<b>-2%</b>



EXHIBIT III  
Braskem Idesa - Cash Flow Statement

Cash Flow ( US\$ million)	1Q2021 (A)	1Q2020 (C)	Chg. (A) / (B)
<b>Cash flow from operating activities</b>	<b>94.3</b>	<b>90.3</b>	<b>4%</b>
Loss before income tax	(111.5)	(481.6)	n.a.
Adjustments for reconciliation of profit (loss)			
Depreciation and amortization	49.7	65.6	32%
Right of use amortization	2.7	2.8	1%
Employees' benefits cost	0.2	0.1	-18%
Borrowing accrued interest	31.8	36.5	15%
Related parties interest	28.0	24.9	-11%
Leasing interest accrued	1.0	0.5	-52%
Unrealized exchange rate fluctuations - Net	69.5	434.1	n.a.
Donation of property, plant and equipment			
Derivative financial instruments	38.5	164.3	n.a.
Deferred Income tax	(15.7)	(157.0)	n.a.
<b>Changes in working capital:</b>	<b>(20.1)</b>	<b>(17.5)</b>	<b>-13%</b>
Accounts receivable	(19.5)	(5.6)	-71%
Inventories	(25.4)	(3.3)	-87%
Recoverable taxes	3.9	(10.9)	n.a.
Prepaid expenses	3.6	2.2	39%
Related parties	8.3	(14.2)	n.a.
Other assets	0.0	(7.1)	n.a.
Suppliers	9.7	6.4	-34%
Long term incentive	0.3	(0.3)	n.a.
Accounts payable and other liabilities	(1.0)	15.2	n.a.
<b>Net cash flow from operating activities</b>	<b>74.1</b>	<b>72.8</b>	<b>2%</b>
Cash flows from investing activities			
Capitalized borrowing costs			
Investing activities:			
Acquisition of property, plant and equipment and intangible assets	(4.6)	(4.8)	0%
Proceeds associated with sales of property, plant and equipment			
<b>Net cash flow from investing activities</b>	<b>(4.6)</b>	<b>(4.8)</b>	<b>0%</b>
Financing activities:			
Loans received from related parties			
Bank loans received			
Bank loans paid	(45.9)	(33.2)	-28%
Interest bank loans paid	(15.1)	(17.2)	15%
Payments for the principal portion of the lease liabilities	(2.3)	(3.7)	58%
Leasing interest paid	(1.0)	(0.5)	-52%
Interest bond paid			
Equity contributions			
<b>Net cash flows from financing activities</b>	<b>(64.3)</b>	<b>(54.6)</b>	<b>-15%</b>
Increase in cash and cash equivalents	5.2	13.4	-61%
Cash and cash equivalents at the beginning for the year	168.2	202.7	-17%
<b>Cash and cash equivalents at the end for the year</b>	<b>173.4</b>	<b>216.1</b>	<b>-20%</b>

