



**4Q19 & 2019  
EARNINGS RELEASE**



*In a challenging petrochemical scenario, Braskem reports net cash generation of R\$3 billion in 2019*

## HIGHLIGHTS 2019

### BRASKEM – CONSOLIDATED

Main Financial Highlights	4Q19	3Q19	4Q18	Chg.	Chg.	2019	2018	Chg.
	(A)	(B)	(C)	(A)/(B)	(A)/(C)	(D)	(E)	(D)/(E)
<b>In R\$ million</b>								
Net Revenue	12,640	13,368	14,837	-5%	-15%	52,324	58,000	-10%
COGS	(11,065)	(11,651)	(12,897)	-5%	-14%	(45,680)	(46,553)	-2%
EBITDA	1,047	1,643	1,907	-36%	-45%	7,840	11,315	-31%
Recurring EBITDA*	993	1,643	1,456	-40%	-32%	5,936	11,080	-46%
Net Financial Result	(872)	(2,032)	(1,091)	-57%	-20%	(4,746)	(4,651)	2%
Net Profit (Loss)**	(2,922)	(888)	(78)	n.a.	n.a.	(2,798)	2,867	n.a.
Free Cash Flow Generation***	292	401	438	-27%	-33%	3,108	7,068	-56%
<b>In US\$ million</b>								
Net Revenue	3,071	3,370	3,900	-9%	-21%	13,285	15,874	-16%
COGS	(2,689)	(2,938)	(3,389)	-9%	-21%	(11,598)	(12,730)	-9%
EBITDA	254	413	501	-38%	-49%	2,008	3,105	-35%
Recurring EBITDA	241	413	385	-42%	-37%	1,514	3,049	-50%
Net Financial Result	(208)	(509)	(286)	-59%	-27%	(1,192)	(1,266)	-6%
Net Profit (Loss)**	(708)	(222)	(21)	n.a.	n.a.	(662)	796	n.a.
Free Cash Flow Generation***	71	101	115	-30%	-38%	789	1,970	-60%
Net Debt/Recurring EBITDA (x)****	4.71x	4.05x	2.18x	16%	116%	4.71x	2.18x	116%
Net Debt/EBITDA (x)****	3.70x	2.84x	2.06x	30%	80%	3.70x	2.06x	80%

\* EBITDA (-) PIS and COFINS credits - exclusion of ICMS from the calculation basis

\*\* Net Profit (Loss) Attributable to Company's Shareholders

\*\*\* Free Cash Flow Generation (=) Net Cash Generated from Operating Activities (-) Leniency Agreement (+) effects of reclassifications between the lines of Financial Investments (includes LFT's and LF's) and Cash and Cash Equivalents (-) Other Financial Assets (+) Net Cash used in Investing Activities (+) Lease (+) Revenue to be Performed.

\*\*\*\*The Company modified its methodology for calculating EBITDA as of 4Q19 to exclude non-recurring effects: (i) expenses with the geological event in Alagoas; and (ii) PIS and COFINS credits (excluding the ICMS calculation base).

- In 2019, recurring EBITDA came to US\$1,514 million, down 50% from 2018, mainly explained by the narrower spreads in the international market, given the slower growth of the world economy and the new capacities coming online for PE in the United States and for PP and refineries in Asia, with these factors partially offset by the higher sales volume of PP in the United States and PE in Mexico. In Brazilian real, recurring EBITDA came to R\$5,936 million, decreasing 46% from 2018.
- In the year, the Company recorded a net loss of R\$2,798 million<sup>1</sup>, which is explained by the accrual of a provision in the amount of R\$3,383 million for implementing the Financial Compensation and Support for Relocation Program in Alagoas, by the actions to close certain salt wells of the Company and by the Program to Support the Recovery of Businesses and Educational Activities, as well as the adverse effect from the depreciation in the Brazilian real depreciation against the U.S. dollar on the Company's net exposure not designated for hedge accounting.
- In 2019, the Company made investments in its operations (US\$470 million) and strategic projects (US\$229 million)<sup>1</sup> in the amount of US\$700 million, which was US\$187 million (21%) lower than the amount estimated at the start of the year and surpassed the reduction target of US\$100 million set at the end of 1H19, demonstrating the Company's commitment to financial solidity.
- Free cash generation in 2019 was R\$3,108 million, down 56% from 2018, due to the lower EBITDA and the payment of interest related to the full/partial prepayment of certain bonds (breakfund costs), with these factors partially offset by: (i) the decrease in accounts receivable, due to the lower sales volume and lower sales prices of products; (ii) the lower volume and costs of feedstock and finished goods inventories; (iii) the higher volume of naphtha imports with longer payment terms; (iv) the monetization of R\$281 million of the PIS/COFINS balance (exclusion from the ICMS tax base); (v) the receipt of advances from

<sup>1</sup> Excluding the capex of Braskem Idesa.



clients related to future sale of chemicals in the Brazilian market and to future exports of PE and PP; and (vi) the lower payment of income tax and social contribution (IR/CSLL) in Brazil and the United States.

- Financial leverage measured by the ratio of net debt to EBITDA<sup>2</sup> in U.S. dollar ended the quarter at 4.71x.
- The recordable and lost-time injury frequency rate (CAF + SAF), considering both team members and partners per million hours worked, stood at 1.31 in 2019, 58% below the industry average<sup>3</sup>.

### **BRASKEM – HIGHLIGHTS BY REGION**

#### Brazil:

- Demand for resins (PE+PP+PVC) was 5.3 million tons, growing 2% from 2018, driven by the cuts in Brazil's policy interest rate and the improvement in business and consumer confidence, which leveraged primarily the agribusiness and food industries and the start of a recovery in construction industry.
- The capacity utilization rate of petrochemical complexes stood at 85%, down 6 p.p. from 2018, due to: (i) the lower supply of feedstock at the crackers in Bahia due to the shutdown of the chlor-alkali and dichloroethane (EDC) plants in Alagoas state; (ii) the scheduled shutdown of one of the production lines of the cracker in Bahia in 4Q19; (iii) the logistics problems involving inbound feedstock at the cracker in Rio Grande do Sul; and (iv) the lower utilization rate at the crackers due to lower marginal profitability of exported resins.
- In 2019, the Company recognized R\$2,049 million related to PIS and COFINS tax credits overpaid in prior fiscal years and monetized R\$281 million of the balance for said credits through the payment of other lower federal taxes. As a result, the recoverable balance of these credits at year-end was R\$2,351 million, of which R\$783 million should be monetized by the Company during 2020, as registered in its current assets.
- EBITDA from Brazil was US\$821 million (R\$3,205 million), down 57% from 2018, and accounting for 55% of the Company's consolidated EBITDA.

#### United States & Europe:

- PP demand in the U.S. market was 3.1% lower than in 2018, reflecting the slowdown in the manufacturing and automotive industries. In the European market, PP consumption grew 0.7% compared to 2018, due to the stronger demand for consumer goods and services, which offset the contraction in the region's automotive industry. In the year, the volume of PP imports in the United States was 622 kton.
- The capacity utilization rate of the PP plants stood 88%, up 1 p.p. from 2018, mainly due to the better operational performance of the United States plants, which counterbalanced the lower production of the European plants, explained by the logistics constraints on inbound propylene caused by operational problems at suppliers and the low level of rivers in the region. In this scenario, PP sales amounted to 1.9 million tons, in line with the previous year.
- Construction of the new PP plant in the United States reached 89.7% completion at year-end, with total investment to date of US\$555 million. In 2019, Braskem America imported 130 kton of PP from Braskem in Brazil to conduct pre-marketing activities for the new plant.
- The United States and Europe units posted EBITDA of US\$316 million (R\$1,247 million), down 48% from 2018 and accounting for 21% of the Company's consolidated EBITDA.

#### Mexico:

- Mexico's demand for PE was 2.2 million tons, 4.5% lower than 2018, due to the slowdown of the Mexican economy, mainly in the industrial sector.

<sup>2</sup> Excluding the Project Finance structure in Mexico and the PIS/COFINS tax credits (exclusion from ICMS tax base).

<sup>3</sup> The industry average is 3.15 per million hours worked, according to the American Chemistry Council.



- The PE plants operated at a capacity utilization rate of 76%, down 1 p.p. from 2018, reflecting the low supply of ethane.
- PE sales amounted to 813 kton, up 2% from 2018, due to the higher resale volume of PE produced in Brazil. As part of the commercial strategy for allocating PE to more profitable regions, exports to the United States and Europe grew by 51% and 29% in 2019 compared to 2018, respectively.
- In January 2020, Braskem Idesa imported the first shipment of ethane to increase the capacity utilization rate of its petrochemical complex. With investment of approximately US\$4 million, this solution to complement its feedstock supply enables imports of up to 12,800 barrels of ethane per day, equivalent to 19% of the Company's its needs for PE production.
- The Mexico unit posted EBITDA of US\$361 million (R\$1,427 million), down 41% from 2018, and accounting for 24% of the Company's consolidated EBITDA.

### **ENVIRONMENT, SOCIAL RESPONSIBILITY & GOVERNANCE/COMPLIANCE**

#### Environment:

- In March, Braskem was recognized by the Triple A List for Water and Climate of the Carbon Disclosure Program (CDP) for fiscal year 2018, consolidating its position as a reference in management of climate risks and water resources;
- Participation in the COP 25 – UN Climate Change Conference, with positive exposure on five different panels, a proactive positioning on issues related to climate change and sustainable development and an article published in the newsletter of the Brazilian Chemical Manufacturers' Association (ABIQUIM).
- Braskem was recognized, for the eighth straight year, as a leader in Sustainable Development by the UN Global Compact, figuring as the only Brazilian company among the 10,000 member companies;
- A long-term agreement was entered into with the multinational company Voltalia for the acquisition of solar energy for a period of 20 years. With the agreement, Braskem adds a competitive energy source to its portfolio and invests in a clean and sustainable energy matrix. The Company will reduce its CO<sub>2</sub> emissions by 130 kton over the term of the agreement.

#### Circular Economy:

- Expansion of the brand I'm green™, resulting in the sale of 1,651 tons of recycled resin (PCR) and 699 tons of recycled hexane in 2019;
- Progress in the development of chemical recycling technologies, under a partnership with the Polymer Engineering Laboratory (EngePol) of the Alberto Luiz Coimbra Institute of Engineering Graduate Studies and Research of the Federal University of Rio de Janeiro (COPPE/UFRJ), the SENAI Institute for Innovation in Biosynthetics (SENAI CETIQT) and Cetrel, with tests expected to be carried out at the Company's petrochemical plant in the first quarter of 2020;
- Expansion of circular economy concept: Braskem and Made in Space, a U.S. company contracted by NASA to develop new technologies for operation in zero gravity, created a plastic recycler that was launched into space in November on the 12<sup>th</sup> commercial resupply mission of Northrop Grumman (NG12) to the International Space Station, which will transform plastic waste into new raw materials for the station's 3D printer;
- Plastic Transformation Movement and the São Silvestre race: The Plastic Transformation Movement in partnership with the Cásper Líbero Foundation, Gazeta Esportiva and Yescom, which is the organizer of São Silvestre race, held an action at the 95<sup>th</sup> São Silvestre International Race on December 31 in São Paulo, which made cups plastics collected, recycled and turned into garbage bins for selective collection, which will be processed in institutions, in order to promote or correct waste disposal. This was the first time that the cups used by the runners, considering all the squads of PCDs, female and male elite and general, were collected and transformed into new products.



## Compliance:

- In March of 2020, the Federal Prosecution Office (MPF) announced the conclusion of monitoring at Braskem established in the Leniency Agreement signed by Braskem and MPF on December 14, 2016. The MPF decision was based on a report from the independent monitors, who certified that the Company implemented all the recommendations for structuring and executing its compliance program;
- During the independent monitoring process, the Company implemented controls designed to comply with anti-corruption laws and mechanisms to ensure the adequacy and effectiveness of integrity practices, preventing the occurrence of new wrongdoings and giving utmost priority to ethics and transparency in conducting its business, all of which were evaluated in detail and tested by the monitors.

## People:

- Braskem won the awards for the Best Companies to Start Career (You S/A) and Best Place to Work (Glassdoor). Also, the Company won the bronze category in the ONU Women WEPs Award, which recognizes good practices for promotion of gender equity.

## OPERATING PERFORMANCE IN 4Q19 BY REGION

### BRAZIL

In 4Q19, operations were influenced by the scheduled shutdown of one of the lines at the cracker in Bahia, due to the seasonality of the global market, which affects international price references for resins and key chemicals.

BRAZIL	4Q19 (A)	3Q19 (B)	4Q18 (C)	Chg. (A)/(B)	Chg. (A)/(C)	2019 (D)	2018 (E)	Chg. (D)/(E)
<b>Operating Overview (ton)</b>								
<b>Production</b>								
Ethylene	734,885	803,780	823,368	-9%	-11%	3,185,203	3,399,610	-6%
Utilization Rate	78%	85%	87%	-7 p.p.	-9 p.p.	85%	91%	-6 p.p.
Propylene	293,619	324,199	330,259	-9%	-11%	1,310,028	1,324,358	-1%
<b>Resins demand in the Brazilian market</b>	<b>1,313,437</b>	<b>1,353,698</b>	<b>1,262,365</b>	<b>-3%</b>	<b>4%</b>	<b>5,291,492</b>	<b>5,191,616</b>	<b>2%</b>
<b>Sales - Brazilian Market</b>								
Resins	822,196	880,466	797,478	-7%	3%	3,423,845	3,421,797	0%
Resins Market Share	61%	65%	63%	-4 p.p.	-2 p.p.	64%	66%	-2 p.p.
Main Chemicals**	618,774	721,837	716,963	-14%	-14%	2,812,012	2,872,474	-2%
<b>Exports</b>								
Resins	306,578	389,471	305,346	-21%	0%	1,407,706	1,302,858	8%
Main Chemicals**	155,036	133,418	215,464	16%	-28%	627,873	570,741	10%
<b>Financial Overview (US\$ million)***</b>								
<b>Net Revenue</b>	<b>2,273</b>	<b>2,517</b>	<b>2,928</b>	<b>-10%</b>	<b>-22%</b>	<b>9,843</b>	<b>11,525</b>	<b>-15%</b>
COGS	(2,047)	(2,233)	(2,566)	-8%	-20%	(8,780)	(9,530)	-8%
<b>Gross Profit</b>	<b>226</b>	<b>284</b>	<b>362</b>	<b>-20%</b>	<b>-38%</b>	<b>1,063</b>	<b>1,996</b>	<b>-47%</b>
<b>Gross Margin</b>	<b>10%</b>	<b>11%</b>	<b>12%</b>	<b>-1 p.p.</b>	<b>-2 p.p.</b>	<b>11%</b>	<b>17%</b>	<b>-6 p.p.</b>
SG&A	(135)	(142)	(185)	-5%	-27%	(599)	(698)	-14%
Other Operating Income (Expenses)	(1,002)	(9)	101	10961%	-1095%	(1,016)	96	-1155%
<b>EBITDA</b>	<b>74</b>	<b>272</b>	<b>399</b>	<b>-73%</b>	<b>-81%</b>	<b>821</b>	<b>1,905</b>	<b>-57%</b>
<b>EBITDA Margin</b>	<b>3%</b>	<b>11%</b>	<b>14%</b>	<b>-8 p.p.</b>	<b>-11 p.p.</b>	<b>8%</b>	<b>17%</b>	<b>-9 p.p.</b>
Net Revenue (R\$ million)	9,357	10,002	11,154	-6%	-16%	38,781	42,205	-8%
EBITDA (R\$ million)	306	1,081	1,520	-72%	-80%	3,205	6,985	-54%

\*Ethylene, propylene, butadiene, cumene, gasoline, benzene, paraxylene are considered main chemicals due to their representativeness in this segment. In 2019, they accounted for approximately 77% of the segment's net revenue

\*\*Does not consider the expenses related to the geological phenomenon of Alagoas\*



## Petrochemical Spreads:

Brazil International References* (US\$/ton)	4Q19 (A)	3Q19 (B)	4Q18 (C)	Chg. (A)/(B)	Chg. (A)/(C)	2019 (D)	2018 (E)	Chg. (D)/(E)
<b>Prices</b>								
Brent (US\$/bbl)	64	62	68	4%	-5%	65	71	-9%
Naphtha	520	476	544	9%	-4%	505	602	-16%
Ethane	139	127	256	9%	-46%	160	243	-34%
Propane	260	227	413	14%	-37%	279	458	-39%
Resins (i)	832	895	1,042	-7%	-20%	917	1,160	-21%
PE US	746	822	1,026	-9%	-27%	860	1,191	-28%
PP Asia	968	1,021	1,141	-5%	-15%	1,034	1,206	-14%
PVC Asia	847	877	855	-3%	-1%	862	912	-6%
Main Chemicals (ii)	787	837	947	-6%	-17%	828	1,015	-18%
Caustic Soda US	271	213	461	28%	-41%	302	574	-47%
EDC US	227	237	331	-4%	-31%	285	238	20%
<b>Spreads</b>								
Resins (i)	337	439	503	-23%	-33%	427	579	-26%
PE US (iii)	282	398	519	-29%	-46%	405	633	-36%
PP Asia	448	545	597	-18%	-25%	529	605	-13%
PVC Asia (iv)	299	351	204	-15%	46%	276	299	-8%
Main Chemicals (v)	266	361	403	-26%	-34%	323	413	-22%

\*Source: External consulting (Spot Price)

(i) PE US (54%), PP Asia (33%) e PVC Asia (13%)

(ii) Ethylene (20%), Butadiene (10%), Propylene (10%), Cumene (5%), Benzene (20%), Paraxylene (5%), Gasoline (25%) and Toluene (5%)

(iii) PE US -Naphtha (82%)+ PE US - 0,5\*Ethane - 0,5\*Propane (18%)

(iv) PVC Asia -0,23\*3\*naphtha ARA - 0,832\*EDC US

(v) Main Chemicals - Naphtha

- **PE Spread<sup>4</sup>**: narrowed due to the seasonally weaker demand. In the year, the reduction is explained by the startup of new shale gas-based integrated PE crackers in the United States, combined with the weaker demand caused by uncertainties in the trade war between United States and China, Brexit, regulatory pressure on single-use plastics, among other factors, which adversely affected consumer confidence and the global industry.
- **PP Spread<sup>5</sup>**: decline explained by the destocking trend in the Asian chain in anticipation of sharper price declines due to the Chinese New Year and by the startup of new plants in the region. In the year, the narrowing of spreads was due to weaker demand, especially in the automotive industry, which was affected by the expiration of tax incentives for new car purchases in China and by new standards for greenhouse gas emissions in China and Europe, combined with new PP capacities coming online in Asia.
- **PVC Spread<sup>6</sup>**: reduction due to weaker demand for PVC in Asia and higher naphtha prices in Europe, driven by stronger demand for petrochemical crackers and the gasoline blend. In the year, the decline is explained by the weaker demand for PVC in Asia due to the U.S.-China trade war and India's anti-dumping policy, as well as the stronger demand for EDC in the market, including from Braskem, and the weaker demand for caustic soda in the aluminum and pulp and paper industries.
- **Basic Chemicals Spread<sup>7</sup>**: decline explained by the weaker demand in the U.S. market due to seasonality, by the weaker demand from the automotive industry that reduced demand for butadiene and benzene and by the higher supply of propylene due to the resumption of operations after the scheduled shutdowns in the prior quarter. In the year, the decline is explained by the startup of ethane-based crackers and by the good operating performance of the propane dehydrogenation plants, both in the United States, and by the startup of new refineries in Asia, combined with the weaker demand, especially in the automotive industry.

**Resin demand in the Brazilian market (PE, PP and PVC):** contraction in relation to 3Q19 due to seasonality. The expansion compared to 4Q18 is explained by the more positive economic scenario, with lower

<sup>4</sup> (U.S. PE – ARA naphtha price)\*82%+(U.S. PE price – 50% U.S. ethane price – 50% U.S. propane price)\*18%.

<sup>5</sup> Asia PP price – ARA naphtha price.

<sup>6</sup> Asia PVC price - (0.23\*3\* ARA naphtha price) - (U.S. EDC price\*0.832).

<sup>7</sup> Average price of the main chemicals (Ethylene (20%), Butadiene (10%), Propylene (10%), Cumene (5%), Benzene (20%), Paraxylene (5%), Gasoline (25%) and Toluene (5%), according to the capacity mix of Braskem's industrial units in Brazil) – ARA naphtha price.



interest rates, the resumption of credit facilities and the improvement in confidence, which leveraged primarily the durable goods, automotive and construction industries.

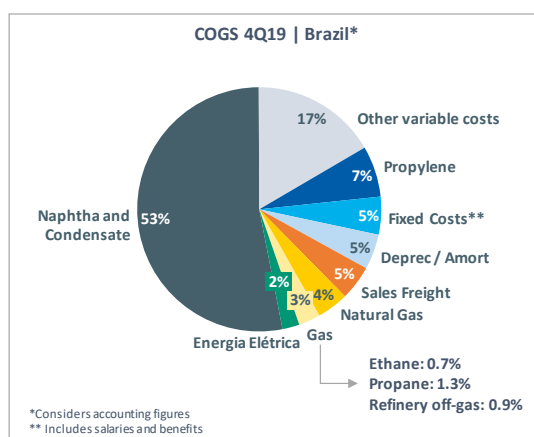
**Average utilization rate at petrochemical complexes:** down from 3Q19 and 4Q18 due to the scheduled shutdown of one of the production lines at the cracker in Bahia and the lower utilization rate at the crackers caused by the lower profitability of resin exports.

**Resin sales:** sales in the Brazilian market and exports decreased in relation to 3Q19 due to seasonality and the lower profitability of exports. Compared to 4Q18, resin sales accompanied the performance of the market, led by PP sales to the food, consumer goods and agricultural sectors.

**Sales of main chemicals:** sales in the Brazilian market were lower than in 3Q19 due to seasonality. As a result, the Company exported the surplus. Compared to 4Q18, domestic sales and exports decreased due to the lower availability of product.

**COGS:** the reduction in COGS in U.S. dollar compared to 3Q19 is explained mainly by the lower sales in 4Q19 and by the restocking trend due to lower naphtha prices, and does not reflect the recent increase in the price reference for the feedstock. Compared to 4Q18, the reduction is explained by the lower sales volume and the lower average inventory price of the Company's main feedstocks.

COGS was impacted by the PIS/COFINS tax credit on feedstock purchases (REIQ) in the amount of US\$55 million (R\$228 million) and by the credit under the Reintegra Program of US\$0.5 million (R\$2 million).



**EBITDA:** accounted for 37% of the Company's consolidated EBITDA.

## SITUATION IN ALAGOAS:

### a. Operational

**Average PVC utilization rate:** 78%, up 21 p.p. from 3Q19, due to the scheduled maintenance of the PVC plant in Bahia in the previous quarter. In the quarter, the Company imported 96 kton of EDC.

**Sales volume:** sales of PVC in the Brazilian market came to 125 kton, up 2% from 3Q19, due to the higher production. In the quarter, the Company imported 40 kton of caustic soda and sold 54 kton of caustic soda, up 1% from 3Q19.

### b. Investment for resumption of operations at the chlor-alkali and EDC plants

On May 9, 2019, as per the material fact notice disclosed to the market, Braskem started the process to suspend salt mining activities and consequently suspend the activities of the chlor-alkali and dichloroethane plants in Maceió, Alagoas. Given the situation and seeking to resume its chlor-alkali operations, the Company launched a project to modify the feedstock base of the chlor-alkali plants by acquiring sea salt from third parties in Brazil or abroad. The product will be stocked, dissolved in water



to make brine and then treated and sent for processing. The estimated cost of the project is approximately R\$60 million, of which R\$21.2 million already was disbursed in 2019.

### **c. Terms of agreement with authorities**

Braskem reaffirmed its commitment to the safety of people and communities in the areas considered at risk by the Civil Defense, which are located in the districts of Pinheiro, Bebedouro, Mutange and Bom Parto of Maceió, Alagoas, through the following actions:

- (i) permanently shutting down its salt mining activities in Maceió and creating protective areas around certain wells, which involves relocating people, vacating properties and adopting additional monitoring activities;
- (ii) signing an agreement with the Alagoas State Public Defender's Office, the Federal Prosecution Office, the Federal Public Defender's Office and the Alagoas State Prosecution Office for supporting the relocation and compensation of residents in the risk areas through the Financial Compensation and Support for Relocation Program; and
- (iii) signing an agreement with the Labor Prosecution Office for implementing the Program to Recover Business and Promote Education for residents and workers in the same four districts.

Accordingly, and to its best knowledge, the Company recognized a provision in its income statements for the fourth quarter of 2019 in the aggregate amount of approximately R\$3.4 billion for the implementation of these actions, which will be disbursed over the coming years and could change in accordance with developments in the matter.

### **d. Financial Compensation and Support for Relocation Program**

Under the terms of the agreement, the Company will be responsible for supporting the relocation of approximately 17,000 people who live on some 4,500 properties located in the risk areas. The Program provides a relocation allowance of R\$5,000, rent allowance of R\$1,000, household goods transportation, costs with real estate agency, furniture storage costs and assistance from psychologists and social workers.

To better serve the families covered by the program, the Company created a Residents Center staffed by a Braskem team and outsourced experts, which features the following: (i) bank service posts; (ii) moving services; (iii) storage services; (iv) pet accommodations; (v) psychological assistance; (vi) space for families to meet with their lawyers; (vii) registration post of the Municipal Social Assistance Secretary; and (viii) truck offering itinerant public defender services.

In addition, the authorities agreed to (i) release the approximately R\$3.7 billion in cash of the Company that previously had been frozen, of which R\$1.7 billion will be transferred to a bank account of Braskem specifically for funding the Financial Compensation and Support for Relocation Program that must maintain at minimum working capital of R\$100 million, subject to verification by an external auditor; (ii) the substitution of the performance bonds already presented by Braskem to the Courts in the approximate amount of R\$6.4 billion by two new performance bonds in the approximate amount of R\$3 billion, to guarantee the Public-Interest Civil Action filed by the Alagoas State Public Defender's Office and by the Alagoas State Prosecution Office and the Public-Interest Civil Action filed by the Federal Prosecution Office.

### **e. Program to Recover Business and Promote Education**

The program consists of support for the construction of daycare centers and schools and for administering professional training programs, as well as support for the Civil Defense to hire skilled professionals to continue monitoring the risk areas in the districts affected.

As per the settlement, the Labor Prosecution Office agreed to withdraw the public-interest civil action and the request to freeze funds made in said action, as per the Notices to the Market disclosed by the Company on July 25 and October 10, 2019.





## UNITED STATES & EUROPE

In the quarter, in addition to seasonality, the operations were influenced by the weak performance of the PP market in the United States and Europe due to the destocking trend in the chain caused by uncertainties regarding economic growth in both regions in 2020, and by the scheduled shutdowns and operational problems at the plants in the United States.

USA and EUROPE	4Q19 (A)	3Q19 (B)	4Q18 (C)	Chg. (A)/(B)	Chg. (A)/(C)	2019 (D)	2018 (E)	Chg. (D)/(E)
<b>Operating Overview (ton)</b>								
<b>Production</b>								
PP USA	334,302	361,100	361,533	-7%	-8%	1,435,298	1,388,625	3%
Utilization Rate	84%	91%	91%	-7 p.p.	-7 p.p.	91%	88%	3 p.p.
PP EUR	137,206	117,431	107,640	17%	27%	494,241	523,797	-6%
Utilization Rate	87%	75%	68%	12 p.p.	19 p.p.	79%	84%	-5 p.p.
<b>Total</b>	<b>471,508</b>	<b>478,531</b>	<b>469,173</b>	<b>-1%</b>	<b>0%</b>	<b>1,929,539</b>	<b>1,912,423</b>	<b>1%</b>
Utilization Rate	85%	87%	86%	-2 p.p.	-1 p.p.	88%	87%	1 p.p.
<b>Sales</b>								
PP USA	355,615	367,339	330,541	-3%	8%	1,439,217	1,394,842	3%
PP EUR	120,664	125,600	112,933	-4%	7%	481,217	528,385	-9%
<b>Total</b>	<b>476,279</b>	<b>492,938</b>	<b>443,474</b>	<b>-3%</b>	<b>7%</b>	<b>1,920,434</b>	<b>1,923,227</b>	<b>0%</b>
<b>Financial Overview (US\$ million)</b>								
<b>Net Revenue</b>	<b>580</b>	<b>655</b>	<b>723</b>	<b>-11%</b>	<b>-20%</b>	<b>2,591</b>	<b>3,211</b>	<b>-19%</b>
COGS	(491)	(532)	(606)	-8%	-19%	(2,129)	(2,503)	-15%
<b>Gross Profit</b>	<b>89</b>	<b>123</b>	<b>118</b>	<b>-28%</b>	<b>-24%</b>	<b>462</b>	<b>708</b>	<b>-35%</b>
<b>Gross Margin</b>	<b>15%</b>	<b>19%</b>	<b>16%</b>	<b>-4 p.p.</b>	<b>-1 p.p.</b>	<b>18%</b>	<b>22%</b>	<b>-4 p.p.</b>
SG&A	(58)	(44)	(47)	31%	25%	(194)	(175)	11%
Other Operating Income (Expenses)	3	(2)	(3)	-254%	-200%	(6)	18	-135%
<b>EBITDA</b>	<b>47</b>	<b>91</b>	<b>81</b>	<b>-48%</b>	<b>-42%</b>	<b>316</b>	<b>608</b>	<b>-48%</b>
<b>EBITDA Margin</b>	<b>8%</b>	<b>14%</b>	<b>11%</b>	<b>-6 p.p.</b>	<b>-3 p.p.</b>	<b>12%</b>	<b>19%</b>	<b>-7 p.p.</b>
Net Revenue (R\$ million)	2,386	2,556	2,750	-7%	-13%	10,044	11,725	-14%
EBITDA (R\$ million)	193	361	308	-47%	-37%	1,247	2,208	-44%

## Petrochemical Spreads:

United States and Europe International References* (US\$/t)	4Q19 (A)	3Q19 (B)	4Q18 (C)	Chg. (A)/(B)	Chg. (A)/(C)	2019 (D)	2018 (E)	Chg. (D)/(E)
PP US	1,422	1,506	1,800	-6%	-21%	1,489	1,852	-20%
PP Europe	1,258	1,318	1,461	-5%	-14%	1,347	1,535	-12%
<b>Average Price** - US and Europe (1)</b>	<b>1,376</b>	<b>1,454</b>	<b>1,705</b>	<b>-5%</b>	<b>-19%</b>	<b>1,449</b>	<b>1,763</b>	<b>-18%</b>
Propylene Polymer Grade US	775	845	1,117	-8%	-31%	820	1,189	-31%
Propylene Polymer Grade Europe	943	993	1,175	-5%	-20%	1,025	1,169	-12%
<b>Average Price*** - Raw Material (2)</b>	<b>822</b>	<b>887</b>	<b>1,133</b>	<b>-7%</b>	<b>-27%</b>	<b>878</b>	<b>1,183</b>	<b>-26%</b>
PP US Spread	647	661	683	-2%	-5%	669	663	1%
Europe PP Spread	315	324	286	-3%	10%	322	366	-12%
<b>PP US and Europe - Average Spread (1-2)</b>	<b>554</b>	<b>567</b>	<b>572</b>	<b>-2%</b>	<b>-3%</b>	<b>572</b>	<b>580</b>	<b>-1%</b>

\*Source: External consulting (Spot Price)

\*\*PP USA (72%) and PP Europe (28%)

\*\*\*Propylene USA (72%) and Propylene Europe (28%)

- **PP Spread USA<sup>8</sup>**: narrowed explained by the weaker demand by the industrial sector for PP, given the uncertainties in the global economy, combined with the end of the period of scheduled shutdowns at PP and propylene plants, which led to inventory builds in both products. In the year, the widening of the spread was due to the higher supply of propylene in the region, given the increase in the capacity utilization rates of propane dehydrogenation plants (DHPs) and the higher use of liquid natural gas by the region's petrochemical complexes, which increased the supply of propylene.
- **PP Spread Europe<sup>9</sup>**: narrowing explained by the higher propylene supply after the resumption of operations at crackers and refineries that were undergoing scheduled maintenance shutdowns and by the weaker demand for PP due to the slowdown in the automotive and manufacturing sectors in the region. In the year, the narrowing reflected the economic slowdown in the region, especially in the automotive industry, which is still adjusting to the new standards for greenhouse gas emissions, as

<sup>8</sup> U.S. PP price – U.S. propylene price.

<sup>9</sup> U.S. PP price – EU propylene price.

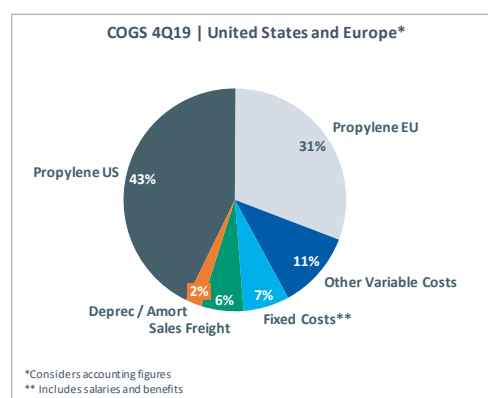
well as the higher supply of propylene due to the normalization of the logistics constraints on river transportation that affected the region in the previous year.

**Resin demand:** in the United States, demand for PP was 5.4% lower than in 3Q19, due to seasonality. In relation to 4Q18, PP demand was 10.3% lower, reflecting the slowdown in the automotive industry and in the overall economy. In Europe, PP demand was down 3.8% from 3Q19, due to the destocking trend in the chain. Compared to 4Q18, PP demand remained stable.

**Average utilization rate of PP plants:** the decline in relation to 3Q19 is explained by the scheduled maintenance shutdown of the La Porte plant and other operational problems in the United States, which were partially offset by the better operational performance of the plants in Europe. Compared to 4Q18, the capacity utilization rate increased due to the higher supply of propylene, which in the same period last year was affected by logistics constraints.

**Sales volume:** down in relation to 3Q19, mainly due to the lower availability of products for sale in the United States. Compared to 4Q18, sales volume grew due to the higher availability of products in Europe.

**COGS:** reduction compared to 3Q19 due to the lower sales volume and lower propylene prices in Europe and the United States. In relation to 4Q18, despite the higher sales volume, the reduction in COGS was mainly due to the declines in the international price references for propylene in the United States and Europe.



**EBITDA:** accounted for 24% of the Company's consolidated EBITDA.

## MEXICO

In the quarter, operations were positively influenced by the higher supply of ethane and the commercial strategy of prioritizing sales of products to more profitable regions, which partially offset the lower PE spreads in the region.

MEXICO	4Q19 (A)	3Q19 (B)	4Q18 (C)	Chg. (A)/(B)	Chg. (A)/(C)	2019 (D)	2018 (E)	Chg. (D)/(E)
<b>Operating Overview (ton)</b>								
<b>Production</b>								
PE	215,896	191,774	193,756	13%	11%	800,783	808,388	-1%
Utilization Rate	82%	72%	73%	10 p.p.	9 p.p.	76%	77%	-1 p.p.
<b>Sales</b>								
PE	206,693	197,759	196,070	5%	5%	813,105	798,840	2%
<b>Financial Overview (US\$ million)</b>								
Net Revenue	179	185	239	-4%	-25%	775	1,034	-25%
COGS	(145)	(146)	(173)	-1%	-16%	(636)	(636)	0%
Gross Profit	34	39	66	-13%	-48%	139	398	-65%
Gross Margin	19%	21%	28%	-2 p.p.	-9 p.p.	18%	38%	-20 p.p.
SG&A	(25)	(21)	(21)	17%	15%	(89)	(86)	4%
Other Operating Income (Expenses)	11	21	51	-48%	-78%	82	84	-3%
EBITDA	77	96	150	-20%	-49%	361	617	-41%
Operational EBITDA Margin*	29%	39%	41%	-10 p.p.	-12 p.p.	34%	51%	-17 p.p.
Net Revenue (R\$ million)	736	738	907	0%	-19%	3,051	3,771	-19%
EBITDA (R\$ million)	317	385	573	-18%	-45%	1,427	2,251	-37%

\*Does not consider the delivery-or-pay provision related to feedstock supply agreements



## Petrochemical Spreads:

Mexico International References* (US\$/ton)	4Q19 (A)	3Q19 (B)	4Q18 (C)	Chg. (A)/(B)	Chg. (A)/(C)	2019 (D)	2018 (E)	Chg. (D)/(E)
PE US (1)	746	825	1,065	-10%	-30%	868	1,221	-29%
Ethane US (2)	139	127	256	9%	-46%	160	243	-34%
<b>PE US - Spread (1-2)</b>	<b>607</b>	<b>698</b>	<b>808</b>	<b>-13%</b>	<b>-25%</b>	<b>708</b>	<b>977</b>	<b>-28%</b>

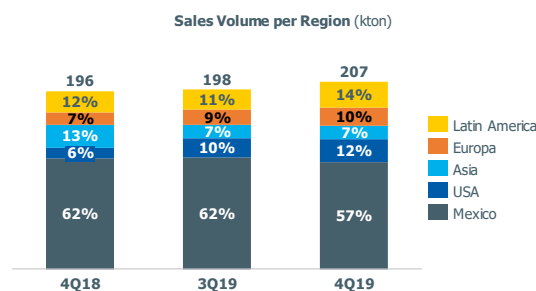
\*Source: External consulting (Spot Price)

- PE spread North America<sup>10</sup>: narrowed due to high PE inventories in the United States and the increase in ethane prices following the startup of new crackers. In the year, the decline was caused by the deceleration in PE demand growth and by the new capacities coming online in the region, with these factors partially offsetting the decline in ethane prices after the startup of new gas fractionators and gas pipelines in the region and the delays of the startup of certain ethane-based crackers.

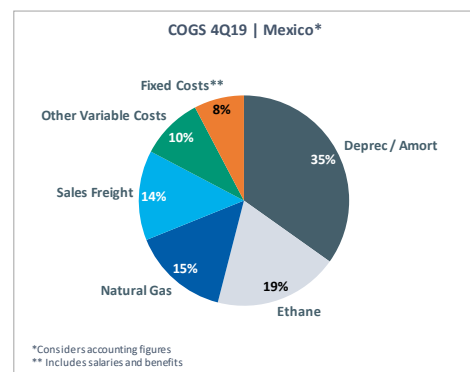
**PE demand in Mexican market:** PE demand in Mexico was 9.0% and 3.9% lower in relation to 3Q19 and 4Q18, respectively, due to seasonality and the slowdown in the Mexican economy.

**Average utilization rate of PE plants:** increase in relation to 3Q19 and 4Q18 due to the higher ethane supply in the comparison with both periods.

**Sales volume:** increase in relation to 3Q19, due to the higher availability of products and the priority given to sales to more profitable regions, such as the United States and Europe. Compared to 4Q18, sales volume grew due to the higher availability of products.



**COGS:** increase in relation to 3Q19, mainly explained by the higher sales volume in the quarter and by the increase in ethane prices in the period, with these factors partially offset by the lower natural gas prices in the Mexican market. Compared to 4Q18, despite the higher sales volume, COGS decreased due to lower ethane prices and lower natural gas prices in the Mexican market.



**Other income (expenses), net:** includes other income of US\$11.5 million related to the delivery-or-pay ethane supply agreement.

**EBITDA:** accounted for 39% of the Company's consolidated EBITDA.

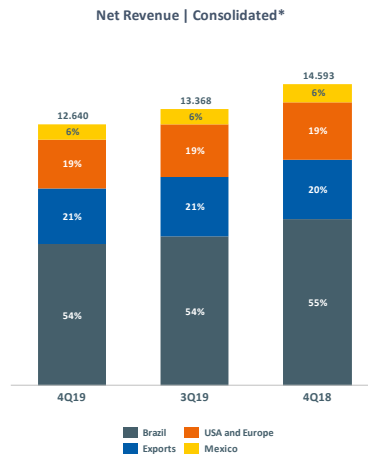
<sup>10</sup> U.S. PE price – U.S. ethane.



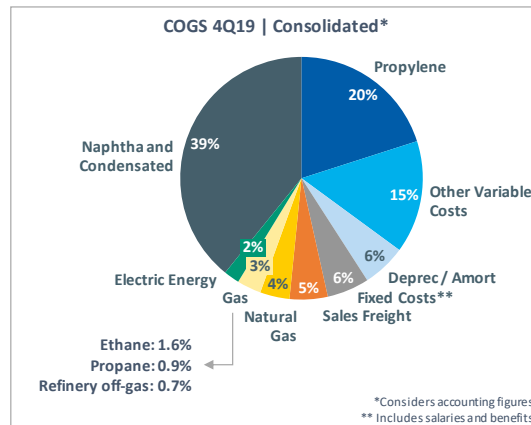
## CONSOLIDATED PERFORMANCE 4Q19<sup>11</sup>

Income Statement R\$ million	4Q19 (A)	3Q19 (B)	4Q18 (C)	Chg. (A)/(B)	Chg. (A)/(C)	2019 (D)	2018 (E)	Chg. (D)/(E)
<b>Gross Revenue</b>	<b>14,986</b>	<b>15,918</b>	<b>17,480</b>	<b>-6%</b>	<b>-14%</b>	<b>62,284</b>	<b>68,663</b>	<b>-9%</b>
<b>Net Revenue</b>	<b>12,640</b>	<b>13,368</b>	<b>14,837</b>	<b>-5%</b>	<b>-15%</b>	<b>52,324</b>	<b>58,000</b>	<b>-10%</b>
Cost of Good Sold	(11,065)	(11,651)	(12,897)	-5%	-14%	(45,680)	(46,553)	-2%
<b>Gross Profit</b>	<b>1,575</b>	<b>1,717</b>	<b>1,940</b>	<b>-8%</b>	<b>-19%</b>	<b>6,644</b>	<b>11,447</b>	<b>-42%</b>
Selling and Distribution Expenses	(453)	(438)	(459)	4%	-1%	(1,783)	(1,689)	6%
(Loss) reversals for impairment of accounts receivable	(0)	(6)	(48)	-98%	-100%	(7)	44	n.a.
General and Administrative Expenses	(693)	(574)	(555)	21%	25%	(2,224)	(1,793)	24%
Expenses with Research and Technology	(78)	(59)	(66)	33%	19%	(248)	(219)	13%
Investment in Subsidiary and Associated Companies	13	(3)	(0)	n.a.	n.a.	10	(1)	n.a.
Other Revenues	148	171	612	-14%	-76%	2,408	1,065	126%
Other Expenses	(4,085)	(250)	(262)	n.a.	n.a.	(4,857)	(549)	n.a.
<b>Operating Profit Before Financial Result</b>	<b>(3,573)</b>	<b>559</b>	<b>1,163</b>	<b>n.a.</b>	<b>n.a.</b>	<b>(57)</b>	<b>8,304</b>	<b>n.a.</b>
<b>Net Financial Result</b>	<b>(872)</b>	<b>(2,032)</b>	<b>(1,091)</b>	<b>-57%</b>	<b>-20%</b>	<b>(4,746)</b>	<b>(4,651)</b>	<b>2%</b>
Financial Expenses	(1,199)	(878)	(753)	37%	59%	(3,872)	(2,984)	30%
Financial Revenues	185	214	123	-14%	50%	851	589	44%
Foreign Exchange Variation, net	142	(1,368)	(462)	n.a.	n.a.	(1,725)	(2,257)	-24%
<b>Profit Before Tax and Social Contribution</b>	<b>(4,445)</b>	<b>(1,474)</b>	<b>72</b>	<b>n.a.</b>	<b>n.a.</b>	<b>(4,803)</b>	<b>3,653</b>	<b>n.a.</b>
Income Tax / Social Contribution	1,560	487	(250)	n.a.	n.a.	1,906	(745)	n.a.
<b>Net Profit (Loss)</b>	<b>(2,885)</b>	<b>(986)</b>	<b>(179)</b>	<b>193%</b>	<b>n.a.</b>	<b>(2,897)</b>	<b>2,907</b>	<b>n.a.</b>
Attributable to	-	-	-	-	-	-	-	-
Company's shareholders	(2,922)	(888)	(78)	n.a.	n.a.	(2,798)	2,867	n.a.
Non-controlling interest in Braskem Idesa	37	(99)	(100)	n.a.	n.a.	(99)	41	n.a.

## REVENUE BY REGION



## CONSOLIDATED COGS



<sup>11</sup> Braskem's consolidated result corresponds to the sum of the results in Brazil, United States & Europe and Mexico, less eliminations from the revenues and costs related to transfers of products among these regions.



## OTHER INCOME (EXPENSES), NET

The Company recorded a net loss of R\$3,937 million in 4Q19, which was mainly due to the accrual of a provision in the amount of R\$3,383 million for implementing the Financial Compensation and Support for Relocation Program, the actions to close certain salt wells and the Program to Support the Recovery of Business and Educational Activities. Excluding these effects, the increase in expenses compared to 3Q19 and 4Q18 is explained by: (i) the accrual of a provision for the disposal of the chlor-alkali plant in Bahia; (ii) the expenses with the scheduled general maintenance shutdown of the cracker in Bahia; (iii) the accrual of a provision for the payment of financial penalties in connection with the agreements for feedstock supply and the sale of finished goods; and (iv) the accrual of a provision for remediation of environmental damages.

OTHER REVENUE (EXPENSE), NET <i>R\$ million</i>	4Q19 (A)	3Q19 (B)	4Q18 (C)	Chg. (A)/(B)	Chg. (A)/(C)	2019 (D)	2018 (E)	Chg. (D)/(E)
<b>Other Revenue</b>								
PIS and Cofins Credits - exclusion of ICMS from the calculation basis	54	(1)	236	n.a.	-77%	1,904	236	n.a.
Fine on supply contract of raw material	50	128	219	-61%	-77%	375	386	-3%
Insurance indemnity	(2)	(1)	35	49%	n.a.	18	101	-82%
Income from disposal of fixed assets	11	3	14	n.a.	-22%	11	94	-88%
Tax Recovery	0	3	31	-93%	-99%	3	46	-93%
Others	34	38	70	-9%	-51%	97	164	-41%
<b>Total Other Revenues</b>	<b>148</b>	<b>167</b>	<b>574</b>	<b>-11%</b>	<b>-74%</b>	<b>2,408</b>	<b>1,027</b>	<b>134%</b>
<b>Outras Despesas</b>								
Provision for Alagoas	(3,383)	-	-	n.a.	n.a.	(3,383)	-	n.a.
Leniency Agreement	-	-	-	n.a.	n.a.	(410)	-	n.a.
Provision for the permanently shutdown of chlor-alkali production facility loca	(115)	(58)	-	99%	n.a.	(173)	-	n.a.
Provision of loss of fixed assets	(102)	(56)	(13)	82%	n.a.	(159)	(44)	n.a.
Provision for repairing environmental damage	(142)	-	(89)	n.a.	58%	(142)	(89)	58%
Provision of lawsuits, net of reversals	(69)	(72)	(74)	-5%	-7%	(136)	(83)	63%
Scheduled plant shutdowns	(72)	(11)	(34)	n.a.	109%	(108)	(91)	18%
Fine on sales contract	(106)	(2)	(27)	n.a.	n.a.	(104)	(49)	111%
Others	(211)	(105)	(34)	n.a.	n.a.	(243)	(197)	n.a.
<b>Total Other Expenses</b>	<b>(4,085)</b>	<b>(246)</b>	<b>(272)</b>	<b>n.a.</b>	<b>n.a.</b>	<b>(4,857)</b>	<b>(555)</b>	<b>n.a.</b>
<b>OTHER REVENUE (EXPENSE), NET</b>	<b>(3,937)</b>	<b>(79)</b>	<b>303</b>	<b>n.a.</b>	<b>n.a.</b>	<b>(2,448)</b>	<b>473</b>	<b>n.a.</b>

## EBITDA

In 4Q19, recurring EBITDA came to US\$241 million, down 42% from 3Q19, reflecting: (i) the lower sales in Brazil, the United States and Europe due to seasonality; (ii) the narrower spreads in the international market; and (iii) the accrual of a provision for divestment of the chlor-alkali in Bahia and for remediation of environmental damages.

Compared to 4Q18, recurring EBITDA was 37% lower, due to: (i) the narrower lower spreads in the international market, except for PVC and PP in Europe; and (ii) the lower sales volumes of key chemicals, which were affected by the scheduled maintenance shutdown of one of the lines at the Bahia cracker in the period. These effects were partially offset by the higher sales of resins in all regions.

Financial Overview (US\$ million) CONSOLIDATED 4Q19	Net Revenue	COGS	Gross Profit	SG&A	Minority Interest	Other Revenues and Expenses	Operating Profit	EBITDA
Brazil (i)	2,273	(2,047)	226	(135)	-	(1,002)	(911)	74
U.S. and Europe	580	(491)	89	(58)	-	3	33	47
Mexico	179	(145)	34	(25)	-	11	21	77
<b>Segments Total</b>	<b>3,031</b>	<b>(2,682)</b>	<b>349</b>	<b>(217)</b>	<b>-</b>	<b>(989)</b>	<b>(857)</b>	<b>198</b>
Other Segments (ii)	11	(2)	9	(3)	-	1	6	8
Corporate Unit	-	-	-	-	3	28	31	44
Eliminations and Reclassifications (iii)	29	(4)	26	(49)	0	2	(22)	4
<b>Braskem Total</b>	<b>3,071</b>	<b>(2,689)</b>	<b>383</b>	<b>(270)</b>	<b>3</b>	<b>(958)</b>	<b>(842)</b>	<b>254</b>
PIS and Cofins credits - exclusion of ICMS from the calculation basis (iv)	-	-	-	-	-	(13)	(13)	(13)
<b>Total Braskem Recorrente</b>	<b>3,071</b>	<b>(2,689)</b>	<b>383</b>	<b>(270)</b>	<b>3</b>	<b>(971)</b>	<b>(855)</b>	<b>241</b>

(i) Does not consider expenses related to geological phenomenon of Alagoas

(ii) It considers, mainly, the result of Cetrel already eliminated with the transactions between it and the Company

(iii) Includes transactions between the Company's segments

(iv) Adjustment related to PIS and COFINS credits - exclusion of ICMS from the calculation basis



## NET FINANCIAL RESULT

### BRASKEM (ex-BRASKEM IDESA)

Financial Result (R\$ million) Braskem Ex-Idesa	4Q19 (A)	3Q19 (B)	4Q18 (C)	Chg. (A)/(B)	Chg. (A)/(C)	2019 (D)	2018 (E)	Chg. (D)/(E)
<b>Financial Expenses</b>	<b>(953)</b>	<b>(672)</b>	<b>(552)</b>	<b>42%</b>	<b>73%</b>	<b>(2,999)</b>	<b>(2,204)</b>	<b>36%</b>
Interest Expenses	(347)	(409)	(321)	-15%	8%	(1,454)	(1,377)	6%
Others	(605)	(263)	(231)	130%	162%	(1,545)	(827)	87%
<b>Financial Revenue</b>	<b>265</b>	<b>288</b>	<b>194</b>	<b>-8%</b>	<b>36%</b>	<b>1,135</b>	<b>867</b>	<b>31%</b>
Interest	173	283	183	-39%	-5%	1,017	815	25%
Others	91	5	11	n.a.	n.a.	118	52	127%
<b>Net Foreign Exchange Variation</b>	<b>(145)</b>	<b>(1,094)</b>	<b>(71)</b>	<b>-87%</b>	<b>104%</b>	<b>(1,769)</b>	<b>(2,014)</b>	<b>-12%</b>
Foreign Exchange Variation (Expense)	(110)	(1,215)	(217)	-91%	-49%	(1,801)	(3,228)	-44%
<i>Passive exchange rate variation</i>	<i>339</i>	<i>(890)</i>	<i>40</i>	<i>n.a.</i>	<i>n.a.</i>	<i>(416)</i>	<i>(2,206)</i>	<i>-81%</i>
<i>Hedge Accounting Realization</i>	<i>(449)</i>	<i>(325)</i>	<i>(257)</i>	<i>38%</i>	<i>75%</i>	<i>(1,385)</i>	<i>(1,023)</i>	<i>35%</i>
Foreign Exchange Variation (Revenue)	(35)	121	146	n.a.	n.a.	32	1,214	-97%
<b>Net Financial Result</b>	<b>(834)</b>	<b>(1,478)</b>	<b>(429)</b>	<b>-44%</b>	<b>95%</b>	<b>(3,633)</b>	<b>(3,351)</b>	<b>8%</b>
<b>Net Financial Result, w/ out foreign exchange variation, net</b>	<b>(688)</b>	<b>(384)</b>	<b>(357)</b>	<b>79%</b>	<b>93%</b>	<b>(1,864)</b>	<b>(1,336)</b>	<b>39%</b>
Final Exchange Rate (Dollar - Real)	4.03	4.16	3.87	-3.2%	4.0%	4.03	3.87	4.0%

**Financial expenses:** excluding the expenses with the prepayment of the 2020 and 2021 bonds and the partial payment of the 2022 and 2023 bonds (breakfund costs), financial expenses were 3% lower than in 3Q19, due to the decline interest expenses given the lower average debt cost and the effects from the Brazilian real appreciation on the translation of interest expenses in U.S. dollar.

**Financial income:** decrease of 8% from 3Q19, explained by the lower interest on tax credits, which generated a positive effect of R\$56 million on the result of the previous quarter, given the recognition of inflation adjustment for judicial deposits made for lawsuits in prior periods, which was partially offset by inflation adjustment of the judicial deposit made in the civil action brought by the Alagoas State Prosecution Office and the Alagoas State Public Defender's Office, in the amount of R\$68 million.

**Net exchange variation:** compared to 3Q19, net exchange variation was affected by the effects from Brazilian real appreciation against the U.S. dollar on the net exposure of the financial result not designated for hedge accounting in the amount of US\$2,800 million and by the effect from the transition to hedge accounting of exports that were recorded under shareholders' equity in the amount of R\$449 million.

### Changes in financial instruments designated for hedge accounting

In the quarter, Braskem S.A. increased its hedge position for future sales by US\$1.8 billion to reduce the volatility of its future results due to the effects from exchange variation on its net exposure to the Brazilian real-U.S. dollar exchange rate.

With the refinancing of liabilities and the US\$2.25 billion international bond issue, the Company discontinued US\$1.6 billion in flows from 2021 to 2023 at the rate of US\$1:R\$3.9786, realized US\$0.2 billion in sales designated previously and designated US\$1.8 billion in future sales coming due from 2030 to 2032 at a hedged exchange rate of US\$1:R\$3.9786.

At the end of December, the Company designated US\$1.8 billion in future sales coming due from 2051 to 2053 at a hedged exchange rate of US\$1:R\$4.0307.

As a result, the balance of financial instruments designated for hedge accounting stood at US\$7.2 billion at December 31, 2019.



## BRASKEM IDESA

Financial Result (R\$ million) Braskem Idesa	4Q19 (A)	3Q19 (B)	4Q18 (C)	Chg. (A)/(B)	Chg. (A)/(C)	2019 (D)	2018 (E)	Chg. (D)/(E)
<b>Financial Expenses</b>	<b>(335)</b>	<b>(292)</b>	<b>(284)</b>	<b>15%</b>	<b>18%</b>	<b>(1,205)</b>	<b>(1,090)</b>	<b>11%</b>
Interest Expenses	(271)	(271)	(277)	0%	-2%	(1,070)	(1,018)	5%
Others	(64)	(21)	(7)	n.a.	n.a.	(135)	(71)	90%
<b>Financial Revenue</b>	<b>9</b>	<b>12</b>	<b>12</b>	<b>-27%</b>	<b>-24%</b>	<b>48</b>	<b>32</b>	<b>51%</b>
Interest	(0)	9	9	n.a.	n.a.	24	25	-5%
Others	9	3	3	170%	181%	24	6	n.a.
<b>Foreign Exchange Variation, net</b>	<b>267</b>	<b>(252)</b>	<b>(363)</b>	<b>n.a.</b>	<b>n.a.</b>	<b>76</b>	<b>(232)</b>	<b>n.a.</b>
Foreign Exchange Variation (Expense)	325	(285)	(430)	n.a.	n.a.	144	(246)	n.a.
Passive exchange rate variation	397	(215)	(361)	n.a.	n.a.	411	(9)	n.a.
Hedge Accounting Realization	(72)	(70)	(69)	3%	4%	(267)	(237)	13%
Foreign Exchange Variation (Revenue)	(58)	33	67	n.a.	n.a.	(68)	14	n.a.
<b>Net Financial Result</b>	<b>(59)</b>	<b>(532)</b>	<b>(635)</b>	<b>-89%</b>	<b>-91%</b>	<b>(1,082)</b>	<b>(1,290)</b>	<b>-16%</b>
<b>Net Financial Result, w/out foreign exchange variation, net</b>	<b>(326)</b>	<b>(280)</b>	<b>(272)</b>	<b>17%</b>	<b>20%</b>	<b>(1,158)</b>	<b>(1,058)</b>	<b>9%</b>
Final Exchange Rate (MXN/US\$)	19.11	19.74	19.65	-3.2%	-2.8%	19.11	19.65	-2.8%

**Financial expenses:** increase compared to 3Q19 and 4Q18, explained by the amortization of transaction costs associated with the partial settlement of liabilities under the Project Finance structure. Excluding this effect, the result was influenced by the recognition of the mark-to-market adjustment of interest rate swaps pegged to LIBOR due to the payment of said liabilities.

**Financial income:** decrease in relation to 3Q19 and 4Q18, due to lower rate of interest earned on financial investments.

**Net exchange variation:** compared to 3Q19 and 4Q18, net exchange variation was impacted by (i) the effects from the Mexican peso appreciation against the U.S. dollar on the outstanding balance of the loan of Braskem Idesa in the amount of US\$2,226 million at December 31, 2019; and (ii) the expenses with the transition to hedge accounting of export revenue that was recorded under shareholders' equity, in the amount of R\$72 million, at Braskem Idesa.

## FREE CASH GENERATION

Free cash generation in 4Q19 was R\$292 million, down 27% from 3Q19, due to the lower EBITDA in the period, the payment of costs associated with the full and partial prepayment of certain bonds (breakfund costs) and the increase in operating and strategic capital expenditures. These effects were partially offset by the lower variation in working capital needs due to: (i) the reductions in sales volume and in the average international prices references for both chemicals and resins; (ii) the higher volume of naphtha imports with longer payment terms; and (iii) the monetization of R\$281 million in PIS/COFINS tax credits (exclusion from the ICMS tax base).

In 2019, the Company recognized revenue of R\$2,112 million related to PIS and COFINS tax credits overpaid in prior fiscal years and monetized R\$281 million of the balance for said credits through the payment of other federal taxes. As a result, the recoverable balance of these credits at year-end was R\$2,351 million, of which R\$783 million should be monetized by the Company during 2020, as registered in its current assets.

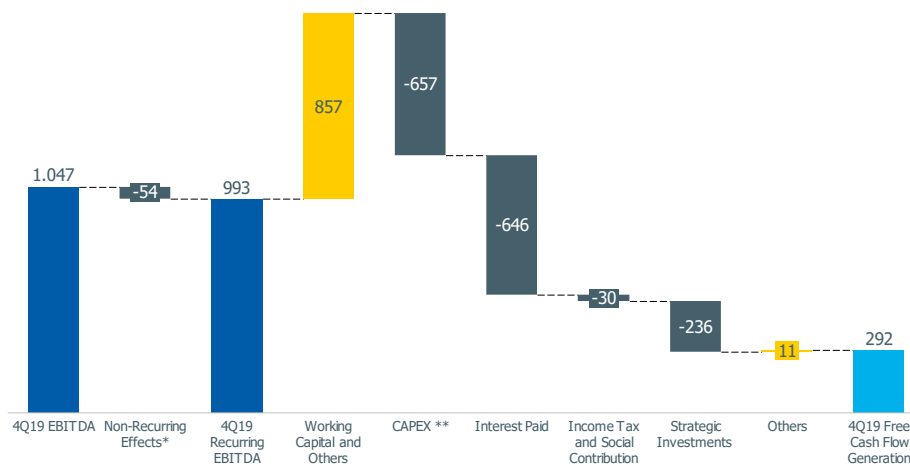
Free Cash Flow Generation R\$ milhões	4Q19 (A)	3Q19 (B)	4Q18 (C)	Chg. (A)/(B)	Chg. (A)/(C)	2019 (D)	2018 (E)	Chg. (D)/(E)
<b>Recurring EBITDA</b>	<b>993</b>	<b>1,643</b>	<b>1,456</b>	<b>-40%</b>	<b>-32%</b>	<b>5,936</b>	<b>11,080</b>	<b>-46%</b>
Changes in Working Capital*	857	395	430	117%	99%	2,489	1,373	81%
Operational CAPEX	(657)	(435)	(730)	51%	-10%	(1,779)	(1,880)	-5%
Interest Paid	(646)	(562)	(426)	15%	52%	(2,238)	(1,917)	17%
Income tax and social contribution paid	(30)	(170)	(135)	-82%	-77%	(412)	(938)	-56%
Strategic Investments	(236)	(194)	(171)	22%	38%	(903)	(826)	9%
Others**	11	(275)	14	-104%	-22%	16	176	-91%
<b>Free Cash Flow Generation</b>	<b>292</b>	<b>401</b>	<b>438</b>	<b>-27%</b>	<b>-33%</b>	<b>3,108</b>	<b>7,068</b>	<b>-56%</b>

\*Adjusted to: (i) exclude the leniency agreement payment; (ii) exclude the effects of the reclassification between Financial Applications (includes LFT's and LF's) and Cash and Cash Equivalent; (iii) exclude the impact of judicial deposit related to Alagoas Public Civil Action; and (iv) includes the amount of other financial liabilities.

\*\*Includes, mainly funds received in the sale of assets and investments



## 4Q19 Free Cash Flow Generation (R\$ million)



\* Considers adjustments in the PIS/COFINS credits (exclusion of ICMS base)  
 \*\* Considers the Braskem Idesa Capex, Cetrel and does not consider associated taxes in the working capital

## LIQUIDITY & CAPITAL RESOURCES

### BRASKEM (ex-BRASKEM IDESA)

On December 31, 2019, the average debt maturity term was around 17 years<sup>12</sup> and the average weighted cost of the Company's debt was exchange variation + 5.17%.

In the year, the highlights were as follows: (i) the US\$2.25 billion international bond issue, with US\$1.5 billion due in ten years and US\$750 million in 30 years; and (ii) the R\$550 million issue of promissory notes due in up to five years.

Debt US\$ million	dec/19 (A)	sep/19 (B)	dec/18 (C)	Chg. (A)/(B)	Chg. (A)/(C)
<b>Consolidated Gross Debt</b>	<b>9,750</b>	<b>9,257</b>	<b>9,214</b>	<b>5%</b>	<b>6%</b>
in R\$	407	287	266	42%	53%
in US\$	9,343	8,970	8,948	4%	4%
<b>(-) Debt - Braskem Idesa</b>	<b>2,476</b>	<b>2,524</b>	<b>2,711</b>	<b>-2%</b>	<b>-9%</b>
in US\$	2,476	2,524	2,711	-2%	-9%
<b>(+) Leniency Agreement*</b>	<b>468</b>	<b>466</b>	<b>420</b>	<b>0%</b>	<b>12%</b>
in R\$	399	381	323	77%	23%
in US\$	69	85	96	-18%	-28%
<b>(=) Gross Debt (Ex-Braskem Idesa)**</b>	<b>7,742</b>	<b>7,199</b>	<b>6,923</b>	<b>8%</b>	<b>12%</b>
in R\$	806	669	589	20%	37%
in US\$	6,936	6,530	6,333	6%	10%
<b>(-) Cash and Cash Equivalents (Ex-Braskem Idesa) ***</b>	<b>2,373</b>	<b>2,330</b>	<b>1,794</b>	<b>2%</b>	<b>32%</b>
in R\$	1,453	1,671	1,098	-13%	32%
in US\$	919	659	696	40%	32%
<b>(=) Net Debt (Ex-Braskem Idesa)</b>	<b>5,369</b>	<b>4,869</b>	<b>5,129</b>	<b>10%</b>	<b>5%</b>
in R\$	(648)	(1,002)	(508)	-10%	27%
in US\$	6,017	5,871	5,637	2%	7%
<b>Recurring EBITDA (LTM) ****</b>	<b>1,140</b>	<b>1,203</b>	<b>2,357</b>	<b>-5%</b>	<b>-52%</b>
<b>Net Debt / Recurring EBITDA</b>	<b>4.71x</b>	<b>4.05x</b>	<b>2.18x</b>	<b>16%</b>	<b>116%</b>
<b>EBITDA (LTM)</b>	<b>1,450</b>	<b>1,712</b>	<b>2,486</b>	<b>-15%</b>	<b>-42%</b>
<b>Net Debt / EBITDA</b>	<b>3.70x</b>	<b>2.84x</b>	<b>2.06x</b>	<b>30%</b>	<b>80%</b>

\* Includes US\$36 million of USD/IPCA SWAP

\*\* Includes US\$6 million of USD/CDI SWAP

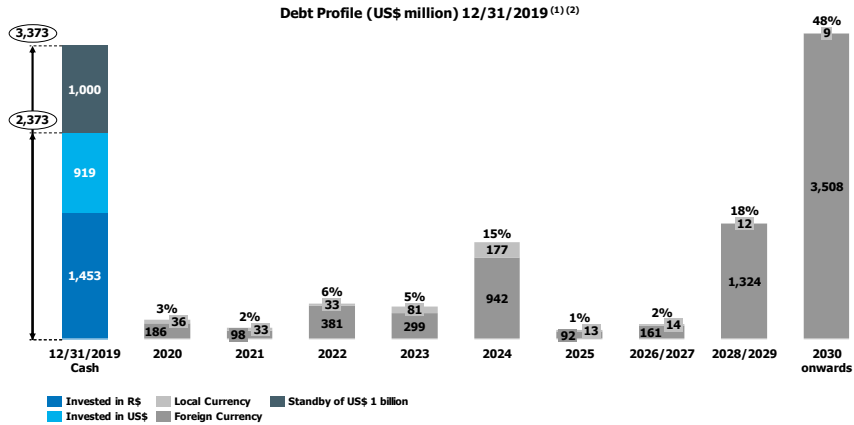
\*\*\* Does not consider the amount of R\$1.7 billion destined to the Financial Compensation and Relocation Support Program in Alagoas

\*\*\*\* The Company modified its EBITDA calculation methodology as of 4Q19 to exclude non-recurring effects, the main one being PIS and COFINS credits (excluding the ICMS calculation base)

The liquidity position of US\$2,373 million is sufficient to cover the payment of all liabilities coming due in the next 71 months. Additionally, the Company has available an international stand-by credit facility of US\$ 1 billion due to 2023.

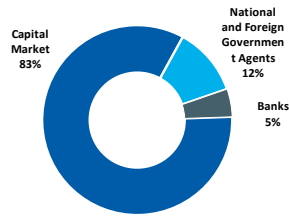
<sup>12</sup> Considers the 100-year perpetual bonus. If the 30-year perpetual bond is considered, the average debt maturity would be 12 years.



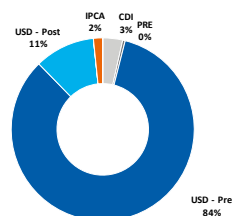


(1) Does not consider discounts from transaction costs and Leniency Agreement.  
 (2) Considers the amortization of R\$26 million in 2021 related to the NCE Swap, according to note 20 (20.3.1) of the 2019 Financial Statements.

**Exhibition by Category**



**Exposure by Indexer**

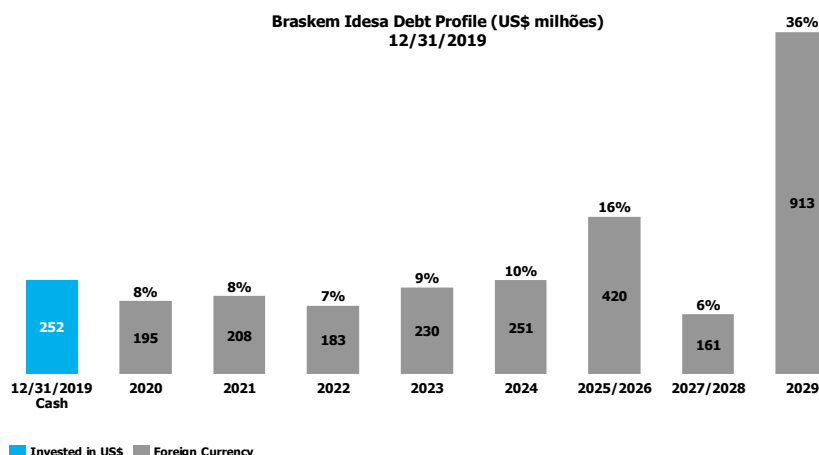


## BRASKEM IDESA

On December 31, 2019, the average debt maturity term was around 6 years and the average weighted cost of the Company's debt was exchange variation + 5.98%.

In December 2019, Braskem Idesa issued US\$900 million in bonds in the international market with maturity in 2029 and interest rate of 7.45% p.a. The funds were used for the full settlement and partial prepayment of installments of the Project Finance liabilities contracted by Braskem Idesa in 2012 with certain creditors to finance the construction of its petrochemical complex.

Braskem Idesa Debt US\$ million	dec/19 (A)	sep/19 (B)	dec/18 (C)	Chg. (A)/(B)	Chg. (A)/(C)
<b>Gross Debt</b>	<b>2,476</b>	<b>2,524</b>	<b>2,711</b>	<b>-2%</b>	<b>-9%</b>
in US\$	2,476	2,524	2,711	-2%	-9%
<b>(-) Cash and Cash Equivalents</b>	<b>252</b>	<b>262</b>	<b>249</b>	<b>-4%</b>	<b>2%</b>
in US\$	252	262	249	-4%	2%
<b>(=) Net Debt</b>	<b>2,224</b>	<b>2,263</b>	<b>2,462</b>	<b>-2%</b>	<b>-10%</b>
in US\$	2,224	2,263	2,462	-2%	-10%
<b>EBITDA (LTM)</b>	<b>373</b>	<b>441</b>	<b>619</b>	<b>-15%</b>	<b>-40%</b>
<b>Net Debt/EBITDA</b>	<b>5.96x</b>	<b>5.13x</b>	<b>3.98x</b>	<b>16%</b>	<b>50%</b>



## INVESTMENTS & VALUE CREATION

To ensure discipline in its capital allocation, the Company reduced its operational and strategic investments in Brazilian real by 17.4% and 13.7%, respectively. In U.S. dollar, this reduction was even greater, given the Brazilian real depreciation in relation to the initial expectation.

**Operating Investments 2019:** the largest investments were made in the scheduled shutdowns of the Bahia cracker in Brazil and in the La Porte plant in the United States.

**Strategic Investments 2019:** the funds were invested in the following projects: (i) construction of the new PP plant in the United States, which amounted to R\$678 million (US\$173 million), accounting for 75.1% of the total investment in strategic projects; (ii) the upgrading of the electrical infrastructure at the Neal plant in the United States; (iii) the modernization of the electrical system of the petrochemical complex in the ABC region of Greater São Paulo; (iv) the resumption of chlor-alkali production in Maceió with the acquisition or import of sea salt.

Investments	R\$ MM			US\$ MM		
	2019 (A)	2019e (B)	Chg. (A)/(B)	2019 (C)	2019e (D)	Chg. (C)/(D)
<b>Corporates (ex-Braskem Idesa)</b>						
<b>Brazil</b>	<b>1,749</b>	<b>2,079</b>	<b>-15.9%</b>	<b>440</b>	<b>556</b>	<b>-20.9%</b>
Operating	1,655	2,001	-17.3%	417	535	-22.2%
Strategic	94	78	21.7%	23	21	12.8%
<b>USA and Europe</b>	<b>1,027</b>	<b>1,236</b>	<b>-16.9%</b>	<b>260</b>	<b>331</b>	<b>-21.5%</b>
Operating	218	267	-18.3%	54	71	-24.5%
Strategic (i)	809	969	-16.5%	206	259	-20.6%
<b>Total</b>	<b>2,776</b>	<b>3,315</b>	<b>-16.3%</b>	<b>700</b>	<b>887</b>	<b>-21.1%</b>
<b>Total</b>						
Operating	1,873	2,268	-17.4%	470	607	-22.5%
Strategic	903	1,047	-13.7%	229	280	-18.2%
<b>Total</b>	<b>2,776</b>	<b>3,315</b>	<b>-16.3%</b>	<b>700</b>	<b>887</b>	<b>-21.1%</b>

(i) Includes mainly the investment in the construction of the new PP plant in the US

Investments	R\$ MM			US\$ MM		
	2019 (A)	2019e (B)	Chg. (A)/(B)	2019 (C)	2019e (D)	Chg. (C)/(D)
<b>Non-Corporates (Braskem Idesa)</b>						
<b>Mexico</b>						
Operating	104	107	-2.3%	26	29	-10.4%
<b>Total</b>	<b>104</b>	<b>107</b>	<b>-2.3%</b>	<b>26</b>	<b>29</b>	<b>-10.4%</b>

## Investments in 2020

Braskem projects capital expenditures in 2020 of R\$3,010 million (US\$721 million).



Investments	2020e	
	R\$ MM	US\$ MM
<b>Corporates (ex-Braskem Idesa)</b>		
<b>Brazil</b>	<b>1,857</b>	<b>445</b>
Operating	1,595	382
Strategic	263	63
<b>USA and Europe</b>	<b>1,153</b>	<b>276</b>
Operating	242	58
Strategic (i)	911	218
<b>Total</b>	<b>3,010</b>	<b>721</b>
<b>Total</b>		
Operating	1,836	440
Strategic	1,174	281
<b>Total</b>	<b>3,010</b>	<b>721</b>

(i) Includes mainly the investment in the construction of the new PP plant in the US

## Braskem Idesa

Braskem Idesa should invest R\$94 million (US\$22 million) during 2020 in projects for operating efficiency gains, such as the ethane import project, maintenance, productivity and HES.

Investments	2020e	
	R\$ MM	US\$ MM
<b>Non-Corporates (Braskem Idesa)</b>		
<b>Mexico</b>		
Operating	94	22
<b>Total</b>	<b>94</b>	<b>22</b>

## VALUE CREATION

### ABC petrochemical complex energy efficiency project

The partnership between Braskem and Siemens to modernize the thermoelectric system of the ABC Complex reached approximately 11% completion, with total investment to date of US\$13.3 million. The works are planned for during the next scheduled maintenance, which is slated for September 2020.

### Fast track project for ethane imports

As disclosed to the market on February 10, 2020, Braskem Idesa imported the first shipment of ethane, the feedstock used to make polyethylene at the Petrochemical Complex in Mexico, which represents an important milestone for the Company, since it partially offsets the lower supply of ethane by PEMEX, thereby ensuring higher capacity utilization rates for Braskem Idesa.

## SUSTAINABLE DEVELOPMENT

- For the 15<sup>th</sup> straight year, Braskem was included in the B3's Corporate Sustainability Index (ISE), remaining part of a select group of seven companies that have been a component of the index since its launch;
- Startup of Braskem's first solar energy plant. Installed in Camaçari, Bahia, the power generated by the plant will be used as credit against the power consumed by Braskem's office in Salvador. Around 35% of the energy used by the office will be supplied by this initiative;
- Conclusion of installation of 1 MWp of the 5 MWp on an area of approximately 5 hectares of floating solar panels made from Braskem's resin featuring high mechanical strength and guaranteed durability, which was developed in partnership with Sunlution and UNIPAC group, with the aim of maintaining or increasing the power generation capacity of the Chesf plant located in Sobradinho during prolonged droughts;



- Organization of We Care Week, in which Braskem employees participate in volunteer work connected with the Circular Economy during Global Volunteer Week in October. The action registered the participation of 559 volunteers and 2,000 hours of volunteer work that benefited 7,500 people and collected 3,700 tons of waste;
- As a result of the acceleration efforts made by Braskem Labs, a solution made from thermoplastic resins for household sewage treatment was developed and tested under the Gota Program, a Braskem initiative to improve basic sanitation in local communities that is aligned with its Sustainable Development policy and seeks to position the Company as a provider of basic sanitation solutions in joint actions with its client chain. The solution will be adopted by the Mogi+Água Program in the rural area of Mogi das Cruzes, São Paulo;
- Organization of the first event to recognize suppliers with the best performance in managing their water resources and climate change impacts, adopting the performance evaluation of the CDP A List 2018.
- The Company became a member of the Life Cycle Initiative (UNEP/SETAC), an international organization specializing in Life Cycle Assessment whose members include over 30 companies, academic institutions, consulting firms, research centers, trade associations and other strategic partners;
- The "Green Polymers" case study was selected as one of the most transformational for the Big Push for Sustainability, a program created by the Economic Commission for Latin America (CEPAL) to foster sustainable investments in Latin America and drive economic growth in the region's countries;
- Launch of efforts to develop a program of measures to protect and support victims of harassment and discrimination in the work place;
- Engagement of clients in Braskem's Design Challenge: Colgate-Palmolive, one of the world's largest consumer goods companies, participated in the seventh edition of Braskem's Design Challenge, an initiative to promote the development of packaging that facilitates the recycling process and minimizes environmental impacts over its entire life cycle. The action led to the development of a toothpaste packaging and refill tube solution using Braskem's green polyethylene made from sugarcane.

## INDICATORS

Indicators US\$ million	4Q19 (A)	3Q19 (B)	4Q18 (C)	Chg. (A)/(B)	Chg. (A)/(C)
<b>Operating</b>					
Recurring EBITDA	241	413	385	-42%	-37%
EBITDA Margin (%)	8%	12%	10%	-4 p.p.	-10 p.p.
SG&A/Net Revenue (%)	9%	7%	7%	1 p.p.	2 p.p.
<b>Financial*</b>					
Net Debt	5,369	4,869	5,129	10%	5%
Net Debt/Recurring EBITDA LTM	4.71x	4.05x	2.18x	16%	116%
Recurring EBITDA LTM/Interest Paid LTM	3.04	3.33	6.48	-9%	-53%
<b>Company Valuation</b>					
Share Price (Final)	7.4	7.6	11.9	-2%	-38%
Shares Outstanding (Million)**	796	796	796	0%	0%
Market Cap	5,895	6,046	9,466	-2%	-38%
Net Debt	7,037	6,566	6,976	7%	1%
Braskem	5,369	4,869	5,129	10%	5%
Braskem Idesa (75%)	1,668	1,697	1,847	-2%	-10%
Enterprise Value (EV)	12,932	12,612	16,442	3%	-21%
EBITDA LTM	1,420	1,534	2,821	-7%	-50%
Braskem	1,140	1,203	2,357	-5%	-52%
Braskem Idesa (75%)	280	331	465	-15%	-40%
<b>EV/EBITDA</b>	9.1x	8.2x	5.8x	11%	56%
<b>EPS (year to date)***</b>	-3.5x	0.36x	3.6x	n.a.	n.a.
<b>Dividend Yield (%)</b>	3%	0%	4%	n.a.	-37%
<b>FCF Yield (%)</b>	13%	14%	21%	-3%	-36%

\*Does not consider Net Debt, EBITDA and Interest Paid of Braskem Idesa

\*\*Does not consider shares held by treasury

\*\*\* Earnings per preferred share class A



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## FORWARD-LOOKING STATEMENTS

**This release contains forward-looking statements. These forward-looking statements are not solely historical data, but rather reflect the targets and expectations of Braskem's management. 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

### Consolidated Statement of Operations

Income Statement (R\$ million)	4Q19	3Q19	4Q18	Change	Change	2019	2018	Change
CONSOLIDATED	(A)	(B)	(C)	(A)/(B)	(A)/(C)	(D)	(E)	(D)/(E)
<b>Gross Revenue</b>	<b>14,986</b>	<b>15,918</b>	<b>17,480</b>	<b>-6%</b>	<b>-14%</b>	<b>62,284</b>	<b>68,663</b>	<b>-9%</b>
<b>Net Revenue</b>	<b>12,640</b>	<b>13,368</b>	<b>14,837</b>	<b>-5%</b>	<b>-15%</b>	<b>52,324</b>	<b>58,000</b>	<b>-10%</b>
Cost of Good Sold	(11,065)	(11,651)	(12,897)	-5%	-14%	(45,680)	(46,553)	-2%
<b>Gross Profit</b>	<b>1,575</b>	<b>1,717</b>	<b>1,940</b>	<b>-8%</b>	<b>-19%</b>	<b>6,644</b>	<b>11,447</b>	<b>-42%</b>
Selling and Distribution Expenses	(453)	(438)	(459)	4%	-1%	(1,783)	(1,689)	6%
(Loss) reversals for impairment of accounts receivable	(0)	(6)	(48)	-98%	-100%	(7)	44	n.a.
General and Administrative Expenses	(693)	(574)	(555)	21%	25%	(2,224)	(1,793)	24%
Expenses with Research and Technology	(78)	(59)	(66)	33%	19%	(248)	(219)	13%
Investment in Subsidiary and Associated Companies	13	(3)	(0)	n.a.	n.a.	10	(1)	n.a.
Other Revenues	148	171	612	-14%	-76%	2,408	1,065	126%
Other Expenses	(4,085)	(250)	(262)	n.a.	n.a.	(4,857)	(549)	n.a.
<b>Operating Profit Before Financial Result</b>	<b>(3,573)</b>	<b>559</b>	<b>1,163</b>	<b>n.a.</b>	<b>n.a.</b>	<b>(57)</b>	<b>8,304</b>	<b>n.a.</b>
<b>Net Financial Result</b>	<b>(872)</b>	<b>(2,032)</b>	<b>(1,091)</b>	<b>-57%</b>	<b>-20%</b>	<b>(4,746)</b>	<b>(4,651)</b>	<b>2%</b>
Financial Expenses	(1,199)	(878)	(753)	-37%	59%	(3,872)	(2,984)	30%
Financial Revenues	185	214	123	-14%	50%	851	589	44%
Foreign Exchange Variation, net	142	(1,368)	(462)	n.a.	n.a.	(1,725)	(2,257)	-24%
<b>Profit Before Tax and Social Contribution</b>	<b>(4,445)</b>	<b>(1,474)</b>	<b>72</b>	<b>n.a.</b>	<b>n.a.</b>	<b>(4,803)</b>	<b>3,653</b>	<b>n.a.</b>
Income Tax / Social Contribution	1,560	487	(250)	n.a.	n.a.	1,906	(745)	n.a.
<b>Net Profit (Loss)</b>	<b>(2,885)</b>	<b>(986)</b>	<b>(179)</b>	<b>193%</b>	<b>n.a.</b>	<b>(2,897)</b>	<b>2,907</b>	<b>n.a.</b>
<b>Attributable to</b>								
Company's shareholders	(2,922)	(888)	(78)	n.a.	n.a.	(2,798)	2,867	n.a.
Non-controlling interest in Braskem Idesa	37	(99)	(100)	n.a.	n.a.	(99)	41	n.a.

## EXHIBIT II

### Calculation of Consolidated EBITDA

EBITDA Statement (R\$ million)	4Q19	3Q19	4Q18	Change	Change	2019	2018	Change
CONSOLIDATED	(A)	(B)	(C)	(A)/(B)	(A)/(C)	(D)	(E)	(D)/(E)
<b>Net Profit</b>	<b>(2,885)</b>	<b>(986)</b>	<b>(179)</b>	<b>193%</b>	<b>n.a.</b>	<b>(2,897)</b>	<b>2,907</b>	<b>n.a.</b>
Income Tax / Social Contribution	(1,560)	(487)	250	n.a.	n.a.	(1,906)	745	n.a.
Financial Result	872	2,032	1,091	-57%	-20%	4,746	4,651	2%
Depreciation, amortization and depletion	1,024	877	742	17%	38%	3,632	2,991	21%
<i>Cost</i>	695	738	682	-6%	2%	2,895	2,781	4%
<i>Expenses</i>	329	139	60	137%	n.a.	738	210	n.a.
<b>Basic EBITDA</b>	<b>(2,549)</b>	<b>1,435</b>	<b>1,905</b>	<b>n.a.</b>	<b>n.a.</b>	<b>3,576</b>	<b>11,295</b>	<b>-68%</b>
Provisions for the impairment of long-lived assets (provision/reversal)	111	109	2	3%	n.a.	216	20	n.a.
Results from equity investments	(13)	3	0	n.a.	n.a.	(10)	1	n.a.
Provision for Alagoas	3,383	-	-	n.a.	n.a.	3,383	-	n.a.
Others*	115	96	-	19%	n.a.	676	-	n.a.
<b>EBITDA</b>	<b>1,047</b>	<b>1,643</b>	<b>1,907</b>	<b>-36%</b>	<b>-45%</b>	<b>7,840</b>	<b>11,315</b>	<b>-31%</b>
<i>EBITDA Margin</i>	<i>8%</i>	<i>12%</i>	<i>13%</i>	<i>-4 p.p.</i>	<i>-5 p.p.</i>	<i>59%</i>	<i>20%</i>	<i>39 p.p.</i>
<i>EBITDA US\$ million</i>	<i>254</i>	<i>413</i>	<i>501</i>	<i>-38%</i>	<i>-49%</i>	<i>2,008</i>	<i>3,105</i>	<i>-35%</i>

\*Considers, among others, the amount of R\$410 million related to the Leniency Agreement Provision



## EXHIBIT III Consolidated Balance Sheet

ASSETS (R\$ million)	dec/19 (A)	dec/18 (B)	Change (A)/(B)
<b>Current</b>	<b>23,390</b>	<b>21,384</b>	<b>9%</b>
Cash and Cash Equivalents	6,804	5,548	23%
Marketable Securities/Held for Trading	1,688	2,358	-28%
Accounts Receivable	2,286	3,075	-26%
Inventories	7,625	8,487	-10%
Recoverable Taxes	1,238	423	193%
Prepaid expenses	440	774	-43%
Dividends and Interest on Equity	3	1	n.a.
Prepaid expenses	115	239	-52%
Accounts Receivable from related parties	0	0	n.a.
Derivatives	5	28	-83%
Judicial deposit	2,572	0	n.a.
Other Assets	615	452	36%
<b>Non Current</b>	<b>44,739</b>	<b>37,810</b>	<b>18%</b>
Marketable Securities/ Held-to-Maturity	10	10	-3%
Accounts Receivable	21	18	18%
Advances to suppliers	16	31	-48%
Taxes recoverable	2,258	1,369	65%
Income Tax and Social Contribution	240	242	-1%
Deferred Income Tax and Social Contribution	2,663	1,104	141%
Compulsory Deposits and Escrow Accounts	1,509	170	n.a.
Related Parties	0	0	n.a.
Insurance claims	83	63	32%
Derivatives	18	47	-62%
Other Assets	176	190	-7%
Investments	64	66	-3%
Property, Plant and Equipment	32,315	31,760	2%
Intangible Assets	2,762	2,741	1%
Assets right of usage	2,606	0	n.a.
<b>Total Assets</b>	<b>68,129</b>	<b>59,194</b>	<b>15%</b>
LIABILITIES AND SHAREHOLDERS' EQUITY (R\$ million)	dec/19 (A)	dec/18 (B)	Change (A)/(B)
<b>Current</b>	<b>16,216</b>	<b>23,116</b>	<b>-30%</b>
Suppliers	9,117	8,341	9%
Financing	775	737	5%
Braskem Idesa Financing	744	10,505	-93%
Debenture	47	28	68%
Derivatives	49	70	-30%
Salary and Payroll Charges	624	645	-3%
Taxes Payable	323	432	-25%
Income Tax and Social Contribution	35	419	-92%
Dividends	7	672	-99%
Advances from Customers	356	153	132%
Leniency Agreement	363	288	26%
Sundry Provisions	203	192	6%
Other payables	931	623	49%
Provision - geological event in Alagoas	1,450	-	n.a.
Other financial liabilities	517	-	n.a.
Lease	676	10	n.a.
<b>Non Current</b>	<b>47,968</b>	<b>30,167</b>	<b>59%</b>
Suppliers	4	273	-99%
Financing	28,242	24,161	17%
Braskem Idesa Financing	9,237	-	n.a.
Debenture	228	267	-15%
Derivatives	170	162	5%
Taxes Payable	129	86	51%
Accounts payable to related parties	-	-	n.a.
Loan to non-controlling shareholders of Braskem Idesa	2,396	2,184	10%
Deferred Income Tax and Social Contribution	273	325	-16%
Post-employment Benefit	389	206	89%
Contingencies	1,152	965	19%
Leniency Agreement	1,380	1,155	19%
Sundry Provisions	302	233	30%
Provision - geological event in Alagoas	1,933	-	n.a.
Other payables	134	59	126%
Lease	2,001	91	n.a.
<b>Shareholders' Equity</b>	<b>3,945</b>	<b>5,911</b>	<b>-33%</b>
Capital	8,043	8,043	0%
Capital Reserve	232	232	0%
Profit Reserves	1,905	4,673	-59%
Goodwill on acquisition of subsidiary under common control	(488)	(488)	0%
Other results	(4,758)	(5,623)	-15%
Treasury Shares	(50)	(50)	0%
Retained Earnings	0	(0)	n.a.
<b>Company's Shareholders</b>	<b>4,885</b>	<b>6,788</b>	<b>-28%</b>
Noncontrolling Shareholder Interest in Subsidiaries	(941)	(876)	7%
<b>Total Liabilities and Shareholders' Equity</b>	<b>68,129</b>	<b>59,194</b>	<b>15%</b>



## EXHIBIT IV Consolidated Cash Flow

Consolidated Cash Flow R\$ million	4Q19 (A)	3Q19 (B)	4Q18 (C)	Change (A)/(B)	Change (A)/(C)	2019 (D)	2018 (E)	Change (D)/(E)
<b>Profit (Loss) Before Income Tax and Social Contribution</b>	<b>(4,445)</b>	<b>(1,474)</b>	<b>72</b>	<b>n.a.</b>	<b>n.a.</b>	<b>(4,803)</b>	<b>3,653</b>	<b>n.a.</b>
Adjust for Result Restatement								
Depreciation, Amortization and Depletion	1,024	877	742	17%	38%	3,632	2,991	21%
Equity Result	(13)	3	0	n.a.	n.a.	(10)	1	n.a.
Interest, Monetary and Exchange Variation, Net	249	2,447	435	-90%	-43%	4,135	5,990	-31%
Reversal of provisions	395	72	-	n.a.	n.a.	121	-	n.a.
Provision for Alagoas	3,383	-	-	n.a.	n.a.	3,383	-	n.a.
Provision of the leniency agreement	-	-	-	n.a.	n.a.	410	-	n.a.
PIS and COFINS credits - exclusion of ICMS from the calculation base	(54)	1	(520)	n.a.	-90%	(1,904)	(520)	n.a.
(Loss) reversals for impairment of trade accounts receivable	0	6	48	-98%	-100%	7	(44)	n.a.
Provision for losses and write-offs of long-lived assets	112	109	18	3%	n.a.	225	72	n.a.
<b>Cash Generation before Working Capital</b>	<b>650</b>	<b>2,041</b>	<b>795</b>	<b>-68%</b>	<b>-18%</b>	<b>5,196</b>	<b>12,143</b>	<b>-57%</b>
<b>Operating Working Capital Variation</b>								
Escrow Deposits - Other Financial Assets	-	-	-	n.a.	n.a.	(3,680)	-	n.a.
Account Receivable from Clients	445	(69)	1,421	n.a.	-69%	895	223	n.a.
Inventories	154	556	493	-72%	-69%	868	(1,537)	n.a.
Recoverable Taxes	61	435	(32)	-86%	n.a.	1,195	1,022	17%
Advanced Expenses	49	106	(128)	-54%	n.a.	203	(105)	n.a.
Other Account Receivables	7	17	(193)	-62%	n.a.	(274)	(292)	-6%
Suppliers	263	(946)	(601)	n.a.	n.a.	282	1,343	-79%
Taxes Payable	92	(129)	(65)	n.a.	n.a.	(570)	(977)	-42%
Advances from Customers	101	(1)	(35)	n.a.	n.a.	198	(200)	n.a.
Leniency Agreement	-	-	-	n.a.	n.a.	(342)	(330)	4%
Other Provisions	(60)	(45)	47	34%	n.a.	(216)	(116)	85%
Other Account Payables	199	169	112	18%	77%	362	833	-57%
<b>Operating Cash Flow</b>	<b>1,962</b>	<b>2,135</b>	<b>1,812</b>	<b>-8%</b>	<b>8%</b>	<b>4,118</b>	<b>12,007</b>	<b>-66%</b>
Financial investments (includes LFT's and LP's)	(369)	(601)	(244)	-39%	51%	797	98	n.a.
<b>Cash generated (used) from operations and handling of financial investment:</b>	<b>1,593</b>	<b>1,535</b>	<b>1,569</b>	<b>4%</b>	<b>2%</b>	<b>4,916</b>	<b>12,105</b>	<b>-59%</b>
Interest Paid	(646)	(562)	(426)	15%	52%	(2,238)	(1,917)	17%
Income Tax and Social Contribution	(30)	(170)	(135)	-82%	-77%	(412)	(938)	-56%
<b>Net Cash provided by operating activities</b>	<b>917</b>	<b>802</b>	<b>1,008</b>	<b>14%</b>	<b>-9%</b>	<b>2,265</b>	<b>9,250</b>	<b>-76%</b>
Proceeds from the sale of fixed and intangible assets	11	(277)	14	n.a.	-22%	13	95	-87%
Proceeds from the sale of investments	-	-	-	n.a.	n.a.	-	81	-100%
Proceeds from the capital reduction of investments	-	-	-	n.a.	n.a.	-	2	-100%
Additions to investment in subsidiaries	-	-	42	n.a.	-100%	-	42	-100%
Dividends received	-	1	-	-100%	n.a.	4	-	n.a.
Additions to Fixed and Intangible Assets	(893)	(630)	(901)	42%	-1%	(2,683)	(2,706)	-1%
Option Premium in the US dollar sale	-	-	-	n.a.	n.a.	-	(2)	-100%
<b>Cash used in Investing Activities</b>	<b>(882)</b>	<b>(905)</b>	<b>(845)</b>	<b>-3%</b>	<b>4%</b>	<b>(2,666)</b>	<b>(2,488)</b>	<b>7%</b>
Short-Term and Long-Term Debt								
Obtained Borrowings	11,095	674	1,109	n.a.	n.a.	20,586	4,302	n.a.
Payment of Borrowings	(8,887)	(479)	(481)	n.a.	n.a.	(17,425)	(6,592)	164%
Braskem Idesa Debt								
Obtained Borrowings	3,498	-	-	n.a.	n.a.	3,498	-	n.a.
Payment of Borrowings	(3,733)	(230)	(216)	n.a.	n.a.	(4,398)	(813)	n.a.
Leasing	(158)	(98)	-	60%	n.a.	(454)	-	n.a.
Dividends	(666)	0	(0)	n.a.	n.a.	(669)	(1,500)	-55%
Other financial liabilities	-	-	-	n.a.	n.a.	500	-	n.a.
<b>Cash used in Financing Activities</b>	<b>1,149</b>	<b>(133)</b>	<b>412</b>	<b>n.a.</b>	<b>179%</b>	<b>1,637</b>	<b>(4,603)</b>	<b>n.a.</b>
Exchange Variation on Cash of Foreign Subsidiaries and Jointly Controlled	(95)	162	82	n.a.	n.a.	21	(386)	n.a.
<b>Cash and Cash Equivalents Generation (Application)</b>	<b>1,089</b>	<b>(73)</b>	<b>656</b>	<b>n.a.</b>	<b>66%</b>	<b>1,256</b>	<b>1,773</b>	<b>-29%</b>
<b>Represented by</b>								
Cash and Cash Equivalents at The Beginning of The Period	5,715	5,788	4,891	-1%	17%	23,155	17,229	34%
Cash and Cash Equivalents at The End of The Period	6,804	5,715	5,548	19%	23%	24,411	19,002	28%
<b>Increase (Decrease) in Cash and Cash Equivalents</b>	<b>1,089</b>	<b>(73)</b>	<b>656</b>	<b>n.a.</b>	<b>66%</b>	<b>1,256</b>	<b>1,773</b>	<b>-29%</b>

## EXHIBIT V Braskem Idesa Statement of Operations

Income Statement (R\$ million) BRASKEM IDESA	4Q19 (A)	3Q19 (B)	4Q18 (C)	Change (A)/(B)	Change (A)/(C)	2019 (D)	2018 (E)	Change (D)/(E)
<b>Net Revenue</b>	<b>781</b>	<b>732</b>	<b>938</b>	<b>7%</b>	<b>-17%</b>	<b>3,050</b>	<b>3,766</b>	<b>-19%</b>
Cost of Good Sold	(617)	(583)	(662)	6%	-7%	(2,509)	(2,315)	8%
<b>Gross Profit</b>	<b>164</b>	<b>149</b>	<b>276</b>	<b>10%</b>	<b>-40%</b>	<b>541</b>	<b>1,451</b>	<b>-63%</b>
Selling and Distribution Expenses	(49)	(49)	(51)	0%	-3%	(201)	(194)	4%
(Loss) reversals for impairment of accounts receivable	-	(1)	-	-100%	n.a.	(2)	-	n.a.
General and Administrative Expenses	(51)	(30)	(36)	68%	40%	(141)	(124)	14%
Expenses with Research and Technology	-	-	-	n.a.	n.a.	-	-	n.a.
Investment in Subsidiary and Associated Companies	-	-	-	n.a.	n.a.	-	-	n.a.
Other Revenues	2	91	199	-98%	-99%	306	370	-17%
Other Expenses	45	(4)	(3)	n.a.	n.a.	20	(52)	n.a.
<b>Operating Profit Before Financial Result</b>	<b>110</b>	<b>156</b>	<b>385</b>	<b>-29%</b>	<b>-71%</b>	<b>522</b>	<b>1,453</b>	<b>-64%</b>
<b>Net Financial Result</b>	<b>(59)</b>	<b>(532)</b>	<b>(635)</b>	<b>-89%</b>	<b>-91%</b>	<b>(1,082)</b>	<b>(1,290)</b>	<b>-16%</b>
Financial Expenses	(335)	(292)	(284)	15%	18%	(1,205)	(1,090)	11%
Financial Revenues	9	12	12	-27%	-24%	48	32	49%
Foreign Exchange Variation, net	267	(252)	(363)	n.a.	n.a.	76	(232)	n.a.
<b>Profit (Loss) Before Tax and Social Contribution</b>	<b>52</b>	<b>(375)</b>	<b>(251)</b>	<b>n.a.</b>	<b>n.a.</b>	<b>(560)</b>	<b>163</b>	<b>n.a.</b>
Income Tax / Social Contribution	44	(17)	(149)	n.a.	n.a.	89	(97)	n.a.
<b>Net Profit (Loss) of the Period</b>	<b>96</b>	<b>(393)</b>	<b>(399)</b>	<b>n.a.</b>	<b>n.a.</b>	<b>(470)</b>	<b>65</b>	<b>n.a.</b>





## EXHIBIT VI Braskem Idesa Balance Sheet

ASSETS (R\$ million)	dec/19 (A)	dec/18 (B)	Change (A)/(B)
<b>Current</b>	<b>2,439</b>	<b>2,620</b>	<b>-7%</b>
Cash and Cash Equivalents	1,017	963	6%
Accounts Receivable	332	628	-47%
Inventories	596	579	3%
Recoverable Taxes	154	110	40%
Derivatives	-	21	-100%
Other	339	319	6%
<b>Non Current</b>	<b>13,977</b>	<b>13,581</b>	<b>3%</b>
Taxes Recoverable	0	0	8%
Deferred Income Tax and Social Contribution	949	990	-4%
Derivative Operations	-	47	-100%
Other	1	1	-9%
Property, Plant and Equipment	12,538	12,365	1%
Intangible Assets	194	178	9%
Right of use of assets	296	-	n.a.
<b>Total Assets</b>	<b>16,416</b>	<b>16,201</b>	<b>1%</b>

LIABILITIES AND SHAREHOLDERS' EQUITY (R\$ million)	dec/19 (A)	dec/18 (B)	Change (A)/(B)
<b>Current</b>	<b>1,186</b>	<b>10,991</b>	<b>-89%</b>
Suppliers	233	369	-37%
Braskem Idesa Financing	744	10,505	-93%
Salary and Payroll Charges	26	28	-10%
Taxes Payable	16	13	28%
Sundry Provisions	57	-	n.a.
Other	109	76	44%
<b>Non Current</b>	<b>18,614</b>	<b>8,342</b>	<b>123%</b>
Accounts payable to related parties	6,714	6,148	9%
Loan to non-controlling shareholders of Braskem Idesa	2,396	2,184	10%
Sundry Provisions	233	-	n.a.
Other	9,270	10	n.a.
<b>Shareholders' Equity</b>	<b>(3,384)</b>	<b>(3,132)</b>	<b>8%</b>
Attributable to Company's Shareholders	1,186	10,991	-89%
<b>Total Liabilities and Shareholders' Equity</b>	<b>16,416</b>	<b>16,201</b>	<b>1%</b>

## EXHIBIT VII Braskem Idesa Cash Flow Statement

Braskem Idesa Cash Flow R\$ million	4Q19 (A)	3Q19 (B)	4Q18 (C)	Change (A)/(B)	Change (A)/(C)	2019 (D)	2018 (E)	Change (D)/(E)
<b>Profit (Loss) Before Income Tax and Social Contribution</b>	<b>52</b>	<b>(375)</b>	<b>(251)</b>	<b>n.a.</b>	<b>n.a.</b>	<b>(560)</b>	<b>163</b>	<b>n.a.</b>
Adjust for Net Income Restatement								
Depreciation, Amortization and Depletion	247	239	209	3%	19%	953	811	18%
Interest, Monetary and Exchange Variation, Net	85	494	440	-83%	-81%	1,063	1,345	-21%
Provision for losses and write-offs of long-lived assets	0	0	1	-57%	-99%	0	3	-88%
<b>Cash Generation before Working Capital</b>	<b>384</b>	<b>358</b>	<b>398</b>	<b>7%</b>	<b>-4%</b>	<b>1,456</b>	<b>2,321</b>	<b>-37%</b>
<b>Operating Working Capital Variation</b>								
Account Receivable from Clients	18	22	156	-19%	-89%	326	(7)	n.a.
Inventories	45	(19)	49	n.a.	-8%	43	(200)	n.a.
Recoverable Taxes	(31)	6	(58)	n.a.	-47%	(21)	(46)	-55%
Advanced Expenses	22	68	(45)	-69%	n.a.	117	(38)	n.a.
Other Account Receivables	(24)	53	(196)	n.a.	-88%	(31)	(236)	-87%
Suppliers	44	(101)	113	n.a.	-61%	(156)	209	n.a.
Taxes Payable	(13)	(60)	81	-78%	n.a.	(84)	(149)	-43%
Advances from Customers	22	(8)	(9)	n.a.	n.a.	22	19	17%
Other Account Payables	(73)	102	(56)	n.a.	29%	24	418	-94%
<b>Operating Cash Flow</b>	<b>394</b>	<b>421</b>	<b>433</b>	<b>-6%</b>	<b>-9%</b>	<b>1,696</b>	<b>2,290</b>	<b>-26%</b>
Interest Paid	(185)	(161)	(156)	15%	18%	(662)	(588)	12%
Income Tax and Social Contribution	(2)	(2)	-	20%	n.a.	(8)	(0)	n.a.
<b>Net Cash provided by operating activities</b>	<b>207</b>	<b>259</b>	<b>276</b>	<b>-20%</b>	<b>-25%</b>	<b>1,025</b>	<b>1,701</b>	<b>-40%</b>
Additions to Fixed and Intangible Assets	(57)	(21)	(46)	171%	24%	(104)	(70)	48%
<b>Cash used in Investing Activities</b>	<b>(57)</b>	<b>(21)</b>	<b>(46)</b>	<b>171%</b>	<b>24%</b>	<b>(104)</b>	<b>(70)</b>	<b>48%</b>
Braskem Idesa Debt								
Payment of Borrowings	(3,733)	(230)	(216)	n.a.	n.a.	(4,398)	(813)	n.a.
Borrowings	3,498	-	-	n.a.	n.a.	3,498	-	n.a.
Related Parties	-	-	-	n.a.	n.a.	-	(73)	-100%
Leasing	(1)	(16)	-	-91%	n.a.	(47)	-	n.a.
Dividends	-	-	-	n.a.	n.a.	-	-	n.a.
<b>Cash used in Financing Activities</b>	<b>(236)</b>	<b>(246)</b>	<b>(216)</b>	<b>-4%</b>	<b>10%</b>	<b>(948)</b>	<b>(886)</b>	<b>7%</b>
Exchange Variation on Cash of Foreign Subsidiaries and Jointly Controlled Companies	14	53	73	-74%	-81%	80	(76)	n.a.
<b>Cash and Cash Equivalents Generation (Application)</b>	<b>(73)</b>	<b>45</b>	<b>88</b>	<b>n.a.</b>	<b>n.a.</b>	<b>54</b>	<b>669</b>	<b>-92%</b>
<b>Represented by</b>								
Cash and Cash Equivalents at The Beginning of The Period	1,090	1,045	876	4%	24%	4,128	2,345	76%
Cash and Cash Equivalents at The End of The Period	1,017	1,090	963	-7%	6%	4,182	3,013	39%
<b>Increase (Decrease) in Cash and Cash Equivalents</b>	<b>(73)</b>	<b>45</b>	<b>88</b>	<b>n.a.</b>	<b>n.a.</b>	<b>54</b>	<b>669</b>	<b>-92%</b>