

# 3Q19 Earnings Release

November 2019





# 3Q19 EARNINGS RELEASE



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FTSE4Good

*In 9M19, Braskem generated free cash flow of R\$2.8 billion*

## 3Q19 HIGHLIGHTS

### BRASKEM – CONSOLIDATED

Main Financial Highlights	3Q19 (A)	2Q19 (B)	3Q18 (C)	Chg. (A)/(B)	Chg. (A)/(C)	9M19 (D)	9M18 (E)	Chg. (D)/(E)
<b>In R\$ million</b>								
Net Revenue	13,368	13,337	16,348	0%	-18%	39,683	43,163	-8%
COGS	(11,651)	(11,700)	(12,748)	0%	-9%	(34,615)	(33,656)	3%
EBITDA	1,548	1,663	3,580	-7%	-57%	6,505	9,408	-31%
Recurring EBITDA	1,549	1,520	3,719	2%	-58%	4,338	9,681	-55%
Net Financial Result	(2,032)	(919)	(931)	121%	118%	(3,874)	(3,560)	9%
Net Profit (Loss)*	(888)	84	1,344	n.a.	n.a.	124	2,945	-96%
Free Cash Flow Generation**	401	2,285	1,543	-82%	-74%	2,816	6,630	-58%
<b>In US\$ million</b>								
Net Revenue	3,370	3,402	4,138	-1%	-19%	10,214	11,974	-15%
COGS	(2,938)	(2,984)	(3,225)	-2%	-9%	(8,910)	(9,341)	-5%
EBITDA	389	426	909	-9%	-57%	1,679	2,604	-36%
Recurring EBITDA	389	389	944	0%	-59%	1,114	2,678	-58%
Net Financial Result	(509)	(231)	(235)	120%	117%	(984)	(979)	0%
Net Profit (Loss)*	(148)	25	340	n.a.	n.a.	120	816	-85%
Free Cash Flow Generation	101	583	390	-83%	-74%	719	1,855	-61%
Net Debt/EBITDA (x)**	2.78x	2.15x	1.81x	30%	54%	2.78x	1.81x	54%

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

\*\*It is not considered the net debt and EBITDA of Braskem Idesa

- Recurring EBITDA was US\$389 million, in line with 2Q19, due to higher resin sales volume from Brazil in both the domestic and export markets and by PP sales in Europe, which partially offset lower international spreads. In Brazilian real, recurring EBITDA came to R\$1,549 million, increasing 2% from 2Q19.
- The Company posted a net loss of R\$888 million<sup>1</sup>, which is explained by the negative effect from the Brazilian real depreciation against the U.S. dollar on the Company's net exposure not designated for hedge accounting.
- Free cash generation was R\$401 million in 3Q19, down 82% from 2Q19, due to the impact on working capital from the lower feedstock consumption, which were offset by the efficient management of inventories in the quarter.
- Financial leverage measured by the ratio of net debt to EBITDA<sup>2</sup> in U.S. dollar stood at 2.78x.
- The recordable and lost-time injury frequency rate (CAF + SAF), considering both Team Members and Partners per million hours worked, stood at 1.17 in 3Q19, 34% lower than 2Q19 and 63% below the industry average<sup>3</sup>.
- In October, the Company filed 20-F Forms for fiscal years 2017 and 2018 with the U.S. Securities and Exchange Commission (SEC). As a result, trading in Braskem's American Depositary Shares (ADSs) was resumed on the New York Stock Exchange (NYSE).
- Braskem's shareholders approved, in the Extraordinary Shareholders' Meeting of October 3, 2019, the distribution of minimum mandatory dividends for the fiscal year 2018, in the amount of R\$667.4 million, to be paid by December 31, 2019.
- In November, Braskem placed US\$2.25 billion in bonds in the international market, with US\$1.5 billion due in 10 years and US\$750 million in 30 years, making it the Company's largest bond issue ever. In the same period, the Company issued R\$550 million in commercial papers due in up to five years. The proceeds are being used primarily to repay other shorter-term, higher-cost liabilities.

<sup>1</sup> Based on net income attributable to the shareholders of the Company.

<sup>2</sup> Excludes the Project Finance in Mexico.

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



- In order to improve its communication with the market, Braskem releases today its first report prepared based on the International Integrated Report Framework developed by the International Integrated Reporting Council (IIRC)<sup>4</sup>. In the integrated report, we identify how the Company manages its 6 capitals (financial, manufactured, social and relationship, natural, intellectual and human).

## **BRASKEM – HIGHLIGHTS BY REGION**

### Brazil:

- The PVC plants operated at a capacity utilization of 57%, 9 p.p. higher than in 2Q19, due to the stabilization of EDC imports.
- EBITDA in Brazil was US\$231 million (R\$919 million), up 38% from 2Q19, which is explained by higher resin sales in the local and export markets and by lower feedstock prices.

### United States & Europe:

- EBITDA in the United States and Europe was US\$91 million (R\$361 million), down 15% on 2Q19, which is explained by the lower sales in the United States due to operational problems at the PP plants and by the lower PP spreads also in the United States, though still at high levels, with these factors partially offset by the higher sales in Europe after the resumption of propylene supply to one of the PP plants in Germany.

### Mexico:

- EBITDA in Mexico was US\$96 million (R\$385 million), up 9% in 2Q19, which is mainly explained by the commercial strategy to direct shipments to more profitable regions.
- Braskem Idesa obtained from its creditors waivers of the non-pecuniary obligations in the project finance agreements, including postponement of the Guaranteed Physical Completion Date, from November 30, 2016 to November 30, 2020, and of the Guaranteed Financial Completion Date, from December 31, 2016 to December 31, 2020. As a result, the principal debt it will be reclassified from current to non-current liabilities in the annual financial statements for 2019.

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

### Environment:

- For the 9<sup>th</sup> straight year, Braskem was classified in Gold category by the Brazil GHG Protocol Program for having conducted its greenhouse gas emissions inventory for 2018 for all categories of Scopes 1, 2 and 3 and with independent external verification.
- Braskem reinforced its commitment to sustainable development by joining the CEO Water Mandate, a special initiative of the United Nations and the UN Global Compact to promote the sustainable use of water in the world.

### Circular Economy:

- Partnerships with clients: Tramontina, one of Brazil's largest makers of household utensils and equipment, launched in September a line of chairs made from post-consumer resin (PCR), a recyclable material supplied by Braskem's Wecycle platform.
- Engaging consumers in sustainable programs: Braskem announced a partnership with the U.S. brand GreenGear Supply Company for the use of I'm green™ Plastic to make lightweight, durable and reusable rain ponchos from its EcoRain line, used mainly by sports fans.
- Approval of 10 new recycling cooperatives under the SER+ Program, a Braskem project that promotes the social inclusion and socioeconomic development of workers at waste picking units, for becoming suppliers

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<sup>4</sup> IIRC is a global coalition of regulatory agencies, investors, companies, standard definers, accounting professionals and NGOs





of recycled materials to the Wecycle Platform, which supports through partnerships businesses and initiatives that add value to plastic waste.

- Expansion of I'm green™ brand to cover the Company's entire line of circular economy products: announced in October during K Fair, the world's largest event in the plastics and rubber industry, the brand now includes new recycled post-consumer resins (PCR), plastic made from combining resin from renewable resources with PCR resin, and other PCR solutions.

#### Compliance:

- Conclusion of 100% of the initiatives of the Compliance Program (161 action plans completed).
- Receipt of the third Independent Monitoring report and start of implementation of the third package of recommendations.
- Improvements in ethics indicators in both the DJSI and Reputation surveys in 2019.

## OPERATING PERFORMANCE IN 3Q19 BY REGION

### BRAZIL

In the quarter, the operations in Brazil continued to be adversely affected by the downcycle of the petrochemical industry, with the petrochemical complexes operating at lower capacity utilization rates. On the other hand, Brazil's operations were positively affected by the seasonality of resin demand in the local market.

BRAZIL	3Q19 (A)	2Q19 (B)	3Q18 (C)	Chg. (A)/(B)	Chg. (A)/(C)	9M19 (D)	9M18 (E)	Chg. (D)/(E)
<b>Operating Overview (ton)</b>								
<b>Production</b>								
Ethylene	803,780	829,984	901,635	-3%	-11%	2,450,318	2,576,242	-5%
Utilization Rate*	85%	89%	95%	-4 p.p.	-10 p.p.	87%	92%	-5 p.p.
Propylene	324,199	347,875	351,158	-7%	-8%	1,016,408	994,100	2%
<b>Resins demand in the Brazilian market</b>	<b>1,353,698</b>	<b>1,263,315</b>	<b>1,370,334</b>	<b>7%</b>	<b>-1%</b>	<b>3,978,056</b>	<b>3,929,251</b>	<b>1%</b>
<b>Sales - Brazilian Market</b>								
Resins	880,466	843,341	916,574	4%	-4%	2,601,649	2,624,320	-1%
Resins Market Share	65%	67%	67%	-2 p.p.	-2 p.p.	65%	67%	-2 p.p.
Main Chemicals**	721,837	782,098	757,715	-8%	-5%	2,193,238	2,155,511	2%
<b>Exports</b>								
Resins	389,471	355,970	358,029	9%	9%	1,101,128	997,512	10%
Main Chemicals**	133,418	145,818	147,269	-9%	-9%	472,837	355,277	33%
<b>Financial Overview (US\$ million)**</b>								
<b>Net Revenue</b>	<b>2,517</b>	<b>2,481</b>	<b>3,050</b>	<b>1%</b>	<b>-17%</b>	<b>7,570</b>	<b>8,598</b>	<b>-12%</b>
COGS	(2,233)	(2,266)	(2,439)	-1%	-8%	(6,733)	(6,964)	-3%
<b>Gross Profit</b>	<b>284</b>	<b>215</b>	<b>611</b>	<b>32%</b>	<b>-54%</b>	<b>838</b>	<b>1,634</b>	<b>-49%</b>
<b>Gross Margin</b>	<b>11%</b>	<b>9%</b>	<b>20%</b>	<b>2 p.p.</b>	<b>-9 p.p.</b>	<b>11%</b>	<b>19%</b>	<b>-8 p.p.</b>
SG&A	(166)	(167)	(178)	-1%	-7%	(502)	(513)	-2%
Other Operating Income (Expenses)	(9)	(4)	10	108%	-193%	(13)	(5)	194%
<b>EBITDA</b>	<b>231</b>	<b>168</b>	<b>560</b>	<b>38%</b>	<b>-59%</b>	<b>692</b>	<b>1,506</b>	<b>-54%</b>
<b>EBITDA Margin</b>	<b>9%</b>	<b>7%</b>	<b>18%</b>	<b>2 p.p.</b>	<b>-9 p.p.</b>	<b>9%</b>	<b>18%</b>	<b>-9 p.p.</b>
Net Revenue (R\$ million)	10,002	9,723	12,073	3%	-17%	29,424	31,051	-5%
EBITDA (R\$ million)	919	656	2,218	40%	-59%	2,682	5,465	-51%

\*It is considered 92 days of operation for 3Q19 and 3Q18, and 91 days for 2Q19

\*\*Ethylene, propylene, butadiene, cumene, gasoline, benzene, paraxylene are considered main chemicals due to their representativeness in this segment. In 2018, they accounted for approximately 75% 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)	3Q19 (A)	2Q19 (B)	3Q18 (C)	Chg. (A)/(B)	Chg. (A)/(C)	9M19 (D)	9M18 (E)	Chg. (D)/(E)
<b>Prices</b>								
Brent (US\$/bbl)	62	70	75	-11%	-17%	65	72	-10%
Naphtha	476	527	653	-10%	-27%	500	621	-19%
Ethane	128	156	316	-18%	-60%	168	239	-30%
Propane	227	283	518	-20%	-56%	285	473	-40%
Resins (i)	896	971	1,140	-8%	-21%	946	1,199	-21%
PE US	824	930	1,138	-11%	-28%	898	1,245	-28%
PP Asia	1,021	1,090	1,219	-6%	-16%	1,056	1,228	-14%
PVC Asia	877	840	948	4%	-8%	867	931	-7%
Main Chemicals (ii)	837	878	1,077	-5%	-22%	842	1,037	-19%
Caustic Soda US	213	361	568	-41%	-63%	313	612	-49%
EDC US	237	333	210	-29%	13%	305	208	47%
<b>Spreads</b>								
Resins (i)	440	457	511	-4%	-14%	458	604	-24%
PE US (iii)	400	457	526	-12%	-24%	446	671	-34%
PP Asia	545	563	565	-3%	-4%	556	607	-8%
PVC Asia (iv)	351	200	323	76%	9%	268	330	-19%
Main Chemicals (v)	361	351	424	3%	-15%	341	417	-18%

\*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>5</sup>:** decline compared to 2Q19 due to: (i) the weaker global demand associated with the slowdown in the economy, given the continuation of the trade war between the United States and China and the heightening of geopolitical tensions; and (ii) the new production capacities coming online in the United States.
- **PP Spread<sup>6</sup>:** decline compared to 2Q19, mainly due to the slowdown in the automotive industry influenced by the end of tax incentives for vehicle purchases in China and to the ongoing adjustment of production lines to meet the new rules for greenhouse gas emissions in Europe and China.
- **PVC Spread<sup>7</sup>:** increase compared to 2Q19 due to: (i) the higher PVC prices in Asia, reflecting the reduction in supply caused by scheduled and unscheduled shutdowns throughout the region, as well as the lower utilization rates in China to improve air quality for the festivities during the national holiday in the first week of October; and (ii) the lower EDC prices in the United States due to the recent increase in utilization rates at U.S. plants on expectations of higher caustic soda exports, which were frustrated by weaker global demand, which led to an oversupply of EDC as well, and due to its limited storage capacity.
- **Basic Chemicals Spread<sup>8</sup>:** increase in relation to 2Q19 explained by higher spreads in the U.S. market due to: (i) propylene, due to the reduction in supply caused by scheduled and unscheduled shutdowns at crackers, refineries (FCCs) and PDHs and due to the higher export volumes; and (ii) benzene, due to the higher demand from the styrene in the United States.

**Resin demand in the Brazilian market (PE, PP and PVC):** stronger demand in relation to 2Q19 due to seasonality. The reduction in relation to the same quarter last year is explained by the positive impact from the recovery in demand in 3Q18 after the end of the truck drivers' strike. In 9M19, resin demand increased 1% in relation to 9M18.

<sup>5</sup> (U.S. PE – ARA naphtha price)\*82%+(U.S. PE price – 50% U.S. ethane price – 50% U.S. propane price)\*18%.

<sup>6</sup> Asia PP price – ARA naphtha price.

<sup>7</sup> Asia PVC price - (0.23\*3\* ARA naphtha price) - (U.S. EDC price\*0.832).

<sup>8</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.



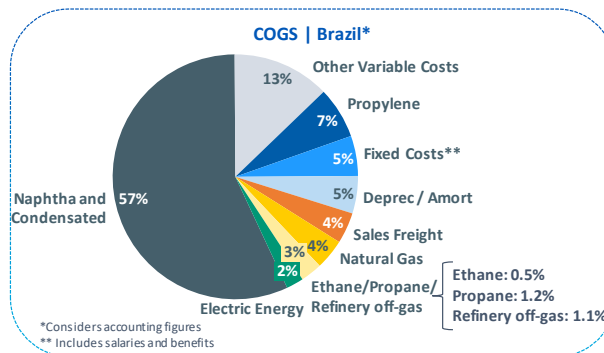
**Average utilization rate at petrochemical complexes:** lower than in 2Q19 due to: (i) the lower utilization rate at the crackers in Rio Grande do Sul, due to logistics problems, and in Bahia, due to the shutdown of the chlor-alkali and dichloroethane plants in Alagoas; and (iii) the lower profitability of resin exports. The reduction in relation to 3Q18 also is explained by the lower utilization rate at the cracker in Bahia.

**Resin sales:** in the Brazilian market, resin sales increased in relation to 2Q19 due to the higher demand in the Brazilian market. Polyolefins (PE and PP) sales accompanied the overall market, with market share stable in relation to the previous quarter, at 71%. Exports increased in relation to 2Q19 and 3Q18 given the higher exports to Mercosur countries.

**Sales of main chemicals:** lower than in 2Q19 and 3Q18 in both the local and export markets due to reduced product availability. In the quarter, the Company directed a higher volume of propylene to PP production given the resin's higher margins.

**COGS:** lower than in 2Q19, mainly due to the lower prices of key raw materials. The lower international prices for naphtha is explained by the use of more competitive feedstocks to produce ethylene in flexible petrochemical complexes, mainly in the United States, and by the seasonally weaker demand for gasoline with the end of summer in the Northern Hemisphere. Meanwhile, the lower U.S. ethane and propane prices are explained by the higher supply of these products associated with delays in the startup of new petrochemical complexes in this region and in the startup of new gas fractionators, as well as the capacity limitation of these products at export terminals.

COGS was impacted by the PIS/COFINS tax credit on feedstock purchases (REIQ) of US\$52 million (R\$206 million) and by the credit under the Reintegra Program of US\$0.6 million (R\$2.5 million).



**EBITDA:** accounted for 55% of the Company's consolidated EBITDA.

## SITUATION IN ALAGOAS:

### a. Operational

Average PVC utilization rate: 57%, 9 p.p. higher than 2Q19, due to the normalization of EDC imports, which amounted to 140 kton in the quarter, and due to the scheduled shutdown of the plant in Bahia.

Sales volume: PVC sales in the Brazilian market amounted to 123 kton, up 3% from 2Q19, which is explained by its higher production. In the quarter, the Company imported 74 kton of caustic soda and sold 54 kton of caustic soda, 3% less than in 2Q19.

### b. Technical

1. Identification of the causes of the geological phenomenon: studies ongoing
2. Measures related to definitive shutdown of salt mining activities: in discussion with the authorities



## c. Legal

- R\$6.4 billion in insurance bond added to the R\$100 million frozen and made available by the Company if it is held guilty.
- Awaiting release of R\$3.7 billion already authorized by the Superior Court of Justice.
- Denial of injunction filed by the State Labor Prosecution Office to freeze amount of R\$2.5 billion
- Civil Action of the Federal Prosecution Office under analysis to: (i) pledge security interest in the amount of R\$20.5 billion; (ii) constitute a fund in the amount of R\$3.1 billion, of which R\$2 billion in working capital in the respective fund; and (iii) suspend the receipt of government financing and incentives, as well require the early maturity of obligations with government agencies.

## d. Actions in the Community

The Company has been collaborating with the authorities in the region, which include:

- (i) pavement and drainage works to recover over 20,000 m<sup>2</sup> of streets and avenues and to prevent the reappearance of cracks and holes;
- (ii) structural inspections of buildings to contribute to the investigations of the causes of the cracks in the buildings and to analyze the level of structural impairment;
- (iii) installation of meeting point signs in case of emergencies;
- (iv) donation of equipment to the civil defense of Maceió to improve public safety during preventive measures and potential emergency actions;
- (v) soil monitoring using GPS to identify small ground movements;
- (vi) installation of meteorological station to forecast weather variations, including rainfall; and
- (vii) inspection of storm runoff drainage system to enable the local government of Maceió to carry out interventions with greater accuracy, speed and safety.

## UNITED STATES & EUROPE

In the quarter, the operations were influenced by the resumption of propylene supply in Europe, by the maintenance of healthy PP spreads in the United States and by unscheduled shutdowns at PP plants in the United States.

USA and EUROPE	3Q19 (A)	2Q19 (B)	3Q18 (C)	Chg. (A)/(B)	Chg. (A)/(C)	9M19 (D)	9M18 (E)	Chg. (D)/(E)
<b>Operating Overview (ton)</b>								
<b>Production</b>								
PP USA	361,100	388,432	355,028	-7%	2%	1,100,996	1,027,093	7%
Utilization Rate*	91%	99%	89%	-8 p.p.	2 p.p.	94%	87%	7 p.p.
PP EUR	117,431	101,099	127,003	16%	-8%	357,035	416,157	-14%
Utilization Rate*	75%	65%	81%	10 p.p.	-6 p.p.	78%	89%	-11 p.p.
<b>Total</b>	<b>478,531</b>	<b>489,531</b>	<b>482,031</b>	<b>-2%</b>	<b>-1%</b>	<b>1,458,031</b>	<b>1,443,250</b>	<b>1%</b>
Utilization Rate	87%	92%	87%	-5 p.p.	0 p.p.	90%	87%	3 p.p.
<b>Sales</b>								
PP USA	367,339	370,733	352,323	-1%	4%	1,083,601	1,064,301	2%
PP EUR	125,600	104,675	125,042	20%	0%	360,553	415,452	-13%
<b>Total</b>	<b>492,938</b>	<b>475,408</b>	<b>477,365</b>	<b>4%</b>	<b>3%</b>	<b>1,444,154</b>	<b>1,479,753</b>	<b>-2%</b>
<b>Financial Overview (US\$ million)</b>								
<b>Net Revenue</b>	<b>655</b>	<b>668</b>	<b>852</b>	<b>-2%</b>	<b>-23%</b>	<b>2,011</b>	<b>2,488</b>	<b>-19%</b>
COGS	(533)	(527)	(660)	1%	-19%	(1,643)	(1,898)	-13%
<b>Gross Profit</b>	<b>122</b>	<b>141</b>	<b>192</b>	<b>-13%</b>	<b>-37%</b>	<b>369</b>	<b>590</b>	<b>-38%</b>
<b>Gross Margin</b>	<b>19%</b>	<b>21%</b>	<b>23%</b>	<b>-2 p.p.</b>	<b>-4 p.p.</b>	<b>18%</b>	<b>24%</b>	<b>-6 p.p.</b>
SG&A	(46)	(47)	(44)	-3%	4%	(140)	(128)	9%
Other Operating Income (Expenses)	1	0	21	397%	-97%	(1)	21	-103%
<b>EBITDA</b>	<b>91</b>	<b>107</b>	<b>182</b>	<b>-15%</b>	<b>-50%</b>	<b>269</b>	<b>527</b>	<b>-49%</b>
<b>EBITDA Margin</b>	<b>14%</b>	<b>16%</b>	<b>21%</b>	<b>-2 p.p.</b>	<b>-7 p.p.</b>	<b>13%</b>	<b>21%</b>	<b>-8 p.p.</b>
Net Revenue (R\$ million)	2,556	2,564	3,370	0%	-24%	7,658	8,975	-15%
EBITDA (R\$ million)	361	414	716	-13%	-50%	1,054	1,899	-45%

\*It is considered 92 days of operation for 3Q19 and 3Q18, and 91 days for 2Q19



## Petrochemical spreads

United States and Europe International References* (US\$/t)	3Q19 (A)	2Q19 (B)	3Q18 (C)	Chg. (A)/(B)	Chg. (A)/(C)	9M19 (D)	9M18 (E)	Chg. (D)/(E)
PP US	1,506	1,506	2,006	0%	-25%	1,511	1,869	-19%
PP Europe	1,318	1,425	1,528	-8%	-14%	1,377	1,559	-12%
<b>Average Price** - US and Europe (1)</b>	<b>1,454</b>	<b>1,484</b>	<b>1,872</b>	<b>-2%</b>	<b>-22%</b>	<b>1,474</b>	<b>1,782</b>	<b>-17%</b>
Propylene Polymer Grade US	845	823	1,323	3%	-36%	835	1,213	-31%
Propylene Polymer Grade Europe	993	1,105	1,210	-10%	-18%	1,053	1,167	-10%
<b>Average Price*** - Raw Material (2)</b>	<b>887</b>	<b>902</b>	<b>1,291</b>	<b>-2%</b>	<b>-31%</b>	<b>896</b>	<b>1,200</b>	<b>-25%</b>
PP US Spread	661	683	683	-3%	-3%	676	656	3%
Europe PP Spread	324	320	318	1%	2%	324	393	-17%
<b>PP US and Europe - Average Spread (1-2)</b>	<b>567</b>	<b>582</b>	<b>581</b>	<b>-3%</b>	<b>-2%</b>	<b>578</b>	<b>583</b>	<b>-1%</b>

\*Source: External consulting (Spot Price)

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

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

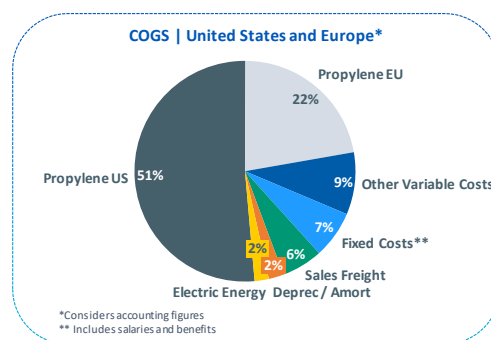
- PP Spread in USA<sup>9</sup>: decline explained by higher propylene prices in the United States, due to scheduled and unscheduled shutdowns in the region.
- PP Spread in Europe<sup>10</sup>: increases in relation to 2Q19 and 3Q18, driven by lower propylene prices in Europe, which accompanied the decline in naphtha prices in the period.

**Resin demand:** In the United States, PP demand was 1% weaker than in 2Q19, reflecting the economic slowdown in the country, which affected the performance of the automotive industry. In relation to 3Q18, PP demand was 2% weaker, reflecting the economic slowdown and the effects from the trade war with China. In Europe, demand in relation to 2Q19 was 4% weaker, due to seasonality with the European summer. In relation to 3Q18, demand increased about 3%, reflecting the region's stronger economic growth and higher consumption of consumer goods.

**Average utilization rate of PP plants:** the decline is explained by operational problems at the PP plants in the United States, which were partially offset by the resumption of propylene supply to PP plants in Europe.

**Sales volume:** growth in relation to 2Q19 due to the higher availability of product for sale in Europe. Compared to 3Q18, sales volume grew due to the higher availability of products in the United States.

**COGS:** the increase in relation to 2Q19 is explained by the higher sales volume and higher propylene prices in the United States, which were partially offset by lower propylene price in Europe. Compared to 3Q18, the reduction is explained by lower propylene prices, which were affected by higher crude oil prices in the period.



**EBITDA:** accounted for 22% of the Company's consolidated EBITDA.

<sup>9</sup> PP price in the United States – US propylene

<sup>10</sup> PP price in Europe – EU propylene





## MEXICO (BRASKEM IDESA)

In the quarter, the operations were influenced by the commercial strategy to direct sales to more profitable regions and by ethane supply remaining at similar levels than in the previous quarters.

MEXICO	3Q19 (A)	2Q19 (B)	3Q18 (C)	Chg. (A)/(B)	Chg. (A)/(C)	9M19 (D)	9M18 (E)	Chg. (D)/(E)
<b>Operating Overview (ton)</b>								
<b>Production</b>								
PE	191,774	189,160	205,990	1%	-7%	584,887	614,632	-5%
Utilization Rate*	72%	72%	78%	0 p.p.	-6 p.p.	75%	79%	-4 p.p.
<b>Sales</b>								
PE	197,759	199,921	202,721	-1%	-2%	606,412	602,769	1%
<b>Financial Overview (US\$ million)</b>								
Net Revenue	185	197	261	-6%	-29%	596	796	-25%
COGS	(146)	(165)	(164)	-12%	-11%	(491)	(463)	6%
Gross Profit	39	32	97	25%	-60%	104	333	-69%
Gross Margin	21%	16%	37%	5 p.p.	-16 p.p.	18%	42%	-24 p.p.
SG&A	(21)	(21)	(23)	1%	-7%	(64)	(64)	0%
Other Operating Income (Expenses)	21	19	11	9%	89%	71	33	113%
EBITDA	96	88	141	9%	-32%	284	467	-39%
Operational EBITDA Margin**	39%	35%	49%	4 p.p.	-10 p.p.	35%	54%	-19 p.p.
Net Revenue (R\$ million)	738	771	1,032	-4%	-29%	2,316	2,864	-19%
EBITDA (R\$ million)	385	343	559	12%	-31%	1,110	1,677	-34%

\*It is considered 92 days of operation for 3Q19 and 3Q18, and 91 days for 2Q19

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

## Petrochemical spreads

Mexico International References* (US\$/ton)	3Q19 (A)	2Q19 (B)	3Q18 (C)	Chg. (A)/(B)	Chg. (A)/(C)	9M19 (D)	9M18 (E)	Chg. (D)/(E)
PE US (1)	827	942	1,190	-12%	-30%	909	1,273	-29%
Ethane US (2)	127	156	316	-18%	-60%	168	239	-30%
PE US - Spread (1-2)	700	786	874	-11%	-20%	742	1,034	-28%

\*Source: External consulting (Spot Price)

- PE spread in North America<sup>11</sup>: decline due to lower PE prices, given the global economic slowdown combined with the startup of new capacities in the region, with these factors partially offset by lower ethane prices.

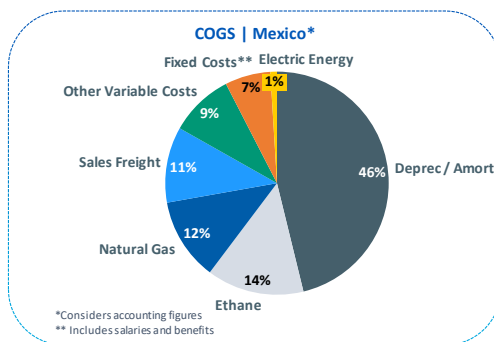
**PE demand in Mexican market:** in the quarter, PE demand in Mexico increased 3% due to seasonality. Compared to the same period last year, demand decreased 3%, explained by the economic slowdown in Mexico, which is suffering from lower industrial production and weaker investor confidence.

**Average utilization rate of PE plants:** ethane supply was in line with 2Q19, but below the level registered in 3Q18.

**Sales volume:** in the quarter, total sales volume was 1% lower than in 2Q19, due to the strategy to prioritize sales to more profitable regions, such as the United States, combined with the lower exports to Asia. Compared to 3Q18, sales decreased due to the lower product availability.

**COGS:** the reduction in COGS in relation to 2Q19 is mainly due to the decreases in ethane prices and natural gas prices in the Mexican market. Compared to 3Q18, the reduction is explained by lower ethane prices, which were pressured by the startup of new petrochemical complexes in the United States, combined with the lack of logistics to transport gas and of fractionators to separate ethane.

<sup>11</sup> PE price in the United States – US ethane



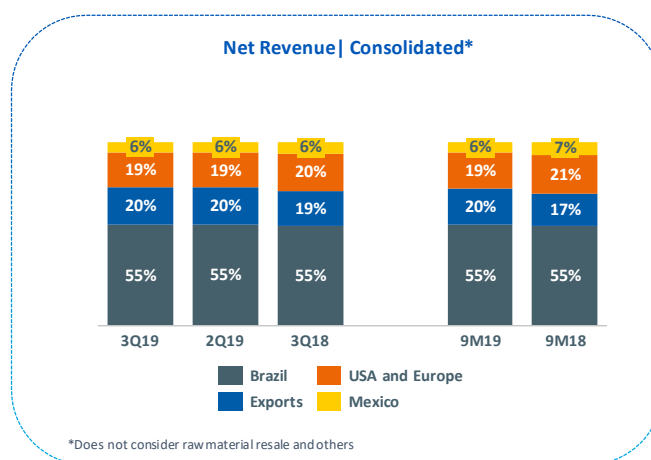
**Other Income (Expenses), net:** includes other income of US\$24.5 million related to the delivery-or-pay ethane supply agreement.

**EBITDA:** accounted for 23% of the Company's consolidated EBITDA.

## 3Q19 CONSOLIDATED PERFORMANCE<sup>12</sup>

Income Statement <i>R\$ million</i>	3Q19 (A)	2Q19 (B)	3Q18 (C)	Chg. (A)/(B)	Chg. (A)/(C)	9M19 (D)	9M18 (E)	Chg. (D)/(E)
Gross Revenue	15,918	15,918	19,318	0%	-18%	47,298	51,183	-8%
Net Revenue	13,368	13,337	16,348	0%	-18%	39,683	43,163	-8%
Cost of Good Sold	(11,651)	(11,700)	(12,748)	0%	-9%	(34,615)	(33,656)	3%
<b>Gross Profit</b>	<b>1,717</b>	<b>1,637</b>	<b>3,600</b>	<b>5%</b>	<b>-52%</b>	<b>5,069</b>	<b>9,507</b>	<b>-47%</b>
Selling and Distribution Expenses	(438)	(444)	(443)	-1%	-1%	(1,330)	(1,230)	8%
(Loss) reversals for impairment of accounts receivable	(6)	16	(3)	n.a.	133%	(7)	91	n.a.
General and Administrative Expenses	(574)	(526)	(465)	9%	24%	(1,531)	(1,239)	24%
Expenses with Research and Technology	(59)	(56)	(58)	5%	2%	(170)	(154)	10%
Investment in Subsidiary and Associated Companies	(3)	3	1	n.a.	n.a.	(3)	(0)	n.a.
Other Revenues	171	225	227	-24%	-25%	2,261	453	n.a.
Other Expenses	(250)	(12)	(69)	n.a.	n.a.	(772)	(287)	169%
<b>Operating Profit Before Financial Result</b>	<b>559</b>	<b>843</b>	<b>2,790</b>	<b>-34%</b>	<b>-80%</b>	<b>3,517</b>	<b>7,141</b>	<b>-51%</b>
<b>Net Financial Result</b>	<b>(2,032)</b>	<b>(919)</b>	<b>(931)</b>	<b>121%</b>	<b>118%</b>	<b>(3,874)</b>	<b>(3,560)</b>	<b>9%</b>
Financial Expenses	(878)	(896)	(803)	-2%	9%	(2,674)	(2,231)	20%
Financial Revenues	214	226	210	-5%	2%	666	466	43%
Foreign Exchange Variation, net	(1,368)	(249)	(339)	n.a.	n.a.	(1,867)	(1,795)	4%
<b>Profit Before Tax and Social Contribution</b>	<b>(1,474)</b>	<b>(76)</b>	<b>1,859</b>	<b>n.a.</b>	<b>n.a.</b>	<b>(358)</b>	<b>3,581</b>	<b>n.a.</b>
Income Tax / Social Contribution	487	133	(417)	n.a.	n.a.	346	(495)	n.a.
<b>Net Profit (Loss)</b>	<b>(986)</b>	<b>57</b>	<b>1,442</b>	<b>n.a.</b>	<b>n.a.</b>	<b>(12)</b>	<b>3,086</b>	<b>n.a.</b>
Attributable to								
Company's shareholders	(888)	84	1,344	n.a.	n.a.	124	2,945	-96%
Non-controlling interest in Braskem Idesa	(99)	(26)	98	n.a.	n.a.	(136)	141	n.a.

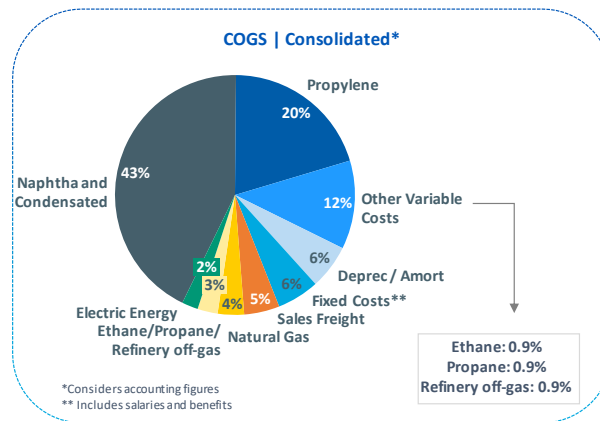
## REVENUE BY REGION



<sup>12</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 from the transfers of products among these regions.



## CONSOLIDATED COGS



## OTHER INCOME (EXPENSES), NET

The Company registered an expense of R\$79 million in 3Q19, compared to the income registered in 2Q19 and 3Q18. Excluding the positive effect from the recognition in 2Q19 of R\$143 million related to PIS and COFINS liabilities paid in excess in previous periods, the higher expenses in 3Q19 compared to both quarters is mainly explained by the accrual of provisions for losses and write-offs of long-life assets and discontinuation of projects.

OTHER NET INCOME (EXPENSES) R\$ million	3Q19 (A)	2Q19 (B)	3Q18 (C)	Chg. (A)/(B)	Chg. (A)/(C)	9M19 (D)	9M18 (E)	Chg. (D)/(E)
<b>Other Revenues</b>								
PIS and Cofins credits - exclusion of ICMS from the calculation basis	(1)	143	-	n.a.	n.a.	1,850	-	n.a.
Fine on supply contract of raw material	128	71	64	80%	101%	325	162	101%
Others	44	11	163	n.a.	-73%	86	291	-70%
<b>Total Other Revenues</b>	<b>171</b>	<b>225</b>	<b>227</b>	<b>-24%</b>	<b>-25%</b>	<b>2,261</b>	<b>453</b>	<b>n.a.</b>
<b>Other Expenses</b>								
Leniency Agreement	-	-	-	n.a.	n.a.	(410)	-	n.a.
Provision for loss of fixed assets	(114)	1	(5)	n.a.	n.a.	(115)	(31)	n.a.
Provision of lawsuits, net of reversals	(72)	45	16	n.a.	n.a.	(67)	(9)	n.a.
Others	(64)	(58)	(80)	9%	-21%	(181)	(247)	-27%
<b>Total Other Expenses</b>	<b>(250)</b>	<b>(12)</b>	<b>(69)</b>	<b>n.a.</b>	<b>n.a.</b>	<b>(772)</b>	<b>(287)</b>	<b>169%</b>
<b>Total Other Net Income (Expenses), net</b>	<b>(79)</b>	<b>213</b>	<b>158</b>	<b>n.a.</b>	<b>n.a.</b>	<b>1,488</b>	<b>165</b>	<b>n.a.</b>

## EBITDA BY REGION

Financial Overview (R\$ million) CONSOLIDATED 3Q19	Net Revenue	COGS	Gross Profit	SG&A	Minority Interest	Other Revenues and Expenses	Operating Profit	EBITDA
Brazil (i)	10,002	(8,875)	1,127	(661)	-	(36)	430	919
U.S. and Europe	2,556	(2,069)	486	(181)	-	2	307	361
Mexico	738	(581)	156	(83)	-	87	160	385
<b>Segments Total</b>	<b>13,295</b>	<b>(11,526)</b>	<b>1,770</b>	<b>(926)</b>	<b>-</b>	<b>54</b>	<b>898</b>	<b>1,666</b>
Other Segments (ii)	44	(20)	24	(11)	-	0	14	21
Corporate Unit	-	-	-	-	(3)	(114)	(117)	14
Leasing	-	-	-	(11)	-	0	(11)	(95)
Eliminations and Reclassifications (iii)	29	(106)	(77)	(44)	-	(19)	(140)	(58)
<b>Braskem Total</b>	<b>13,368</b>	<b>(11,651)</b>	<b>1,717</b>	<b>(991)</b>	<b>(3)</b>	<b>(79)</b>	<b>644</b>	<b>1,548</b>
PIS and Cofins credits - exclusion of ICMS from the calculation basis (iv)	-	0	-	-	-	1	1	1
<b>Total Braskem Recorrente</b>	<b>13,368</b>	<b>(11,651)</b>	<b>1,717</b>	<b>(991)</b>	<b>(3)</b>	<b>(79)</b>	<b>645</b>	<b>1,549</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 in the amount of R\$0.7 million related to PIS and COFINS credits - exclusion of ICMS from the calculation basis



## NET FINANCIAL RESULT

Financial Result (R\$ million) Consolidated	3Q19 (A)	2Q19 (B)	3Q18 (C)	Chg. (A)/(B)	Chg. (A)/(C)	9M19 (D)	9M18 (E)	Chg. (D)/(E)
<b>Financial Expenses</b>	<b>(878)</b>	<b>(896)</b>	<b>(803)</b>	<b>-2%</b>	<b>9%</b>	<b>(2,674)</b>	<b>(2,231)</b>	<b>20%</b>
Interest Expenses	(594)	(550)	(551)	8%	8%	(1,662)	(1,570)	6%
Others	(284)	(347)	(252)	-18%	13%	(1,011)	(661)	53%
<b>Financial Revenue</b>	<b>214</b>	<b>226</b>	<b>210</b>	<b>-5%</b>	<b>2%</b>	<b>666</b>	<b>466</b>	<b>43%</b>
Interest	206	206	202	0%	2%	624	421	48%
Others	8	20	8	-60%	2%	42	45	-6%
<b>Net Foreign Exchange Variation</b>	<b>(1,368)</b>	<b>(249)</b>	<b>(339)</b>	<b>n.a.</b>	<b>n.a.</b>	<b>(1,867)</b>	<b>(1,795)</b>	<b>4%</b>
Foreign Exchange Variation (Expense)	(1,512)	(194)	(226)	n.a.	n.a.	(1,917)	(2,859)	-33%
<i>Passive exchange rate variation</i>	<i>(3,153)</i>	<i>705</i>	<i>(137)</i>	<i>n.a.</i>	<i>n.a.</i>	<i>(2,320)</i>	<i>(5,304)</i>	<i>-56%</i>
<i>Hedge Accounting exchange rate variation</i>	<i>2,036</i>	<i>(486)</i>	<i>224</i>	<i>n.a.</i>	<i>n.a.</i>	<i>1,534</i>	<i>3,377</i>	<i>-55%</i>
<i>Hedge Accounting Realization</i>	<i>(395)</i>	<i>(413)</i>	<i>(313)</i>	<i>-4%</i>	<i>26%</i>	<i>(1,131)</i>	<i>(933)</i>	<i>21%</i>
Foreign Exchange Variation (Revenue)	144	(55)	(112)	n.a.	n.a.	50	1,064	-95%
<b>Net Financial Result</b>	<b>(2,032)</b>	<b>(919)</b>	<b>(931)</b>	<b>121%</b>	<b>118%</b>	<b>(3,874)</b>	<b>(3,560)</b>	<b>9%</b>
<b>Net Financial Result, w/out foreign exchange variation, net</b>	<b>(664)</b>	<b>(670)</b>	<b>(593)</b>	<b>-1%</b>	<b>12%</b>	<b>(2,008)</b>	<b>(1,765)</b>	<b>14%</b>
Final Exchange Rate (Dollar - Real)	4.16	3.83	4.00	8.7%	4.0%	3.83	4.00	-4.3%
Final Exchange Rate (Dollar - Mexican Peso)	19.74	19.21	19.00	2.7%	3.9%	19.21	19.00	1.1%

**Financial expenses:** 2% reduction in relation to 2Q19, despite the R\$44 million increase in interest, due to the higher expenses with operations in the period.

**Financial income:** 5% reduction in relation to 2Q19, explained by the reduction in other revenue, which in that quarter registered a positive impact of R\$20 million related to the overstatement of PIS and COFINS taxes.

**Net exchange variation:** compared to 2Q19, net exchange variation was impacted by (i) the effects from the Brazilian real depreciation against the U.S. dollar on the net exposure of the financial result (ex Braskem Idesa), of US\$2,002 million, not designated as hedge accounting; (ii) the effects from the Mexican peso appreciation against the U.S. dollar on the outstanding balance of the loan of Braskem Idesa, of US\$2,197 million on September 30, 2019; and (iii) the expenses with the transition to hedge account of export revenue that was recorded under shareholders' equity, in the amounts of R\$325 million at Braskem and R\$70 million at Braskem Idesa.

## FREE CASH GENERATION

Free cash generation in 3Q19 million was R\$401 million, down 82% from 2Q19, due to the impact on working capital from the lower feedstock consumption, which were offset by the efficient management of inventories in the quarter.

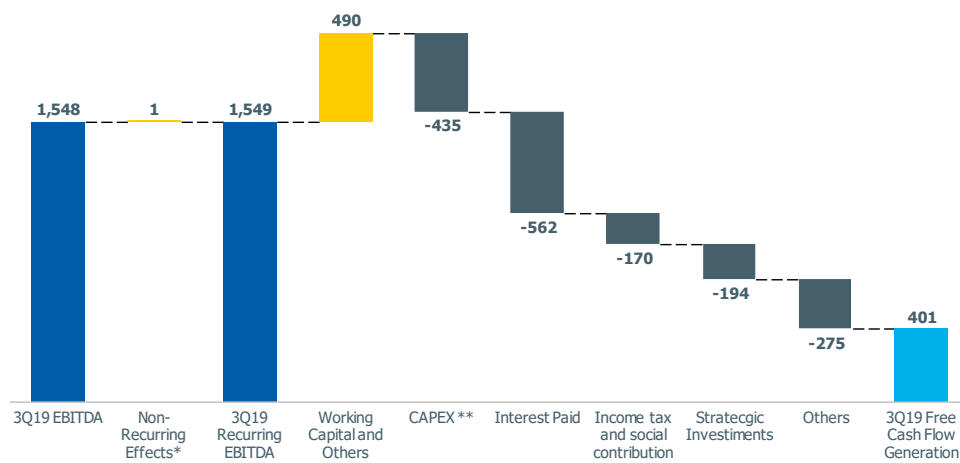
Free Cash Flow Generation R\$ million	3Q19 (A)	2Q19 (B)	3Q18 (C)	Chg. (C)/(B)	Chg. (C)/(A)	9M19 (D)	9M18 (E)	Chg. (E)/(D)
<b>Recurring EBITDA</b>	<b>1,549</b>	<b>1,520</b>	<b>3,719</b>	<b>2%</b>	<b>-58%</b>	<b>4,338</b>	<b>9,681</b>	<b>-55%</b>
Changes in Working Capital*	490	1,833	(740)	-73%	-166%	2,237	886	152%
Operational CAPEX	(435)	(421)	(410)	3%	6%	(1,123)	(1,150)	-2%
Interest Paid	(562)	(496)	(613)	13%	-8%	(1,593)	(1,491)	7%
Income tax and social contribution paid	(170)	(148)	(242)	15%	-30%	(381)	(803)	-52%
Strategic Investments	(194)	(283)	(250)	-31%	-22%	(667)	(655)	2%
Others**	(275)	280	80	-198%	-445%	5	162	-97%
<b>Free Cash Flow Generation</b>	<b>401</b>	<b>2,285</b>	<b>1,543</b>	<b>-82%</b>	<b>-74%</b>	<b>2,816</b>	<b>6,630</b>	<b>-58%</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



## 3Q19 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

On September 30, 2019, the average debt maturity term was around 13 years<sup>13</sup> and the average weighted cost of the Company's debt was exchange variation + 5.36%.

Debt US\$ million	sep/19 (A)	jun/19 (B)	sep/18 (C)	Chg. (A)/(B)	Chg. (A)/(C)
<b>Consolidated Gross Debt</b>	<b>9,257</b>	<b>9,293</b>	<b>9,077</b>	<b>0%</b>	<b>2%</b>
in R\$	287 3%	324 3%	270 3%	-11%	6%
in US\$	8,970 97%	8,970 97%	8,807 97%	0%	2%
<b>(-) Debt - Braskem Idesa</b>	<b>2,524</b>	<b>2,589</b>	<b>2,775</b>	<b>-3%</b>	<b>-9%</b>
in US\$	2,524 100%	2,589 100%	2,775 100%	-3%	-9%
<b>(+) Leniency Agreement*</b>	<b>466</b>	<b>471</b>	<b>414</b>	<b>-1%</b>	<b>13%</b>
in R\$	381 82%	408 87%	307 74%	-7%	24%
in US\$	85 18%	63 13%	107 26%	34%	-20%
<b>(=) Gross Debt (Ex-Braskem Idesa)**</b>	<b>7,199</b>	<b>7,176</b>	<b>6,716</b>	<b>0%</b>	<b>7%</b>
in R\$	669 9%	732 10%	577 9%	-9%	16%
in US\$	6,530 91%	6,444 90%	6,139 91%	1%	6%
<b>(-) Cash and Cash Equivalents (Ex-Braskem Idesa)</b>	<b>2,330</b>	<b>2,404</b>	<b>1,525</b>	<b>-3%</b>	<b>53%</b>
in R\$	1,787 77%	1,588 66%	984 65%	12%	82%
in US\$	544 23%	816 34%	541 35%	-33%	0%
<b>(=) Net Debt (Ex-Braskem Idesa)</b>	<b>4,869</b>	<b>4,771</b>	<b>5,191</b>	<b>2%</b>	<b>-6%</b>
in R\$	(1,118) -23%	(856) -18%	(407) -8%	31%	175%
in US\$	5,987 123%	5,627 118%	5,598 108%	6%	7%
<b>EBITDA (LTM)***</b>	<b>1,750</b>	<b>2,221</b>	<b>2,873</b>	<b>-21%</b>	<b>-39%</b>
<b>Net Debt/ EBITDA</b>	<b>2.78x</b>	<b>2.15x</b>	<b>1.81x</b>	<b>30%</b>	<b>54%</b>
<b>Judicial deposit****</b>	<b>908</b>	<b>986</b>	<b>-</b>	<b>-8%</b>	<b>0%</b>
<b>Net Debt (ex-Judicial deposit)/ EBITDA</b>	<b>3.30x</b>	<b>2.59x</b>	<b>1.81x</b>	<b>27%</b>	<b>83%</b>

\*Includes US\$53 million of USD/ IPCA SWAP

\*\* Includes US\$10 million of USD/ CDI SWAP

\*\*\* Ex- Braskem Idesa

\*\*\*\* Judicial Deposit related to Alagoas Public Civil Action

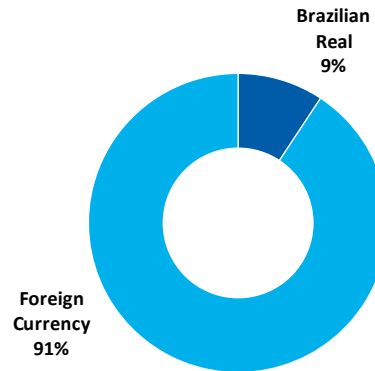
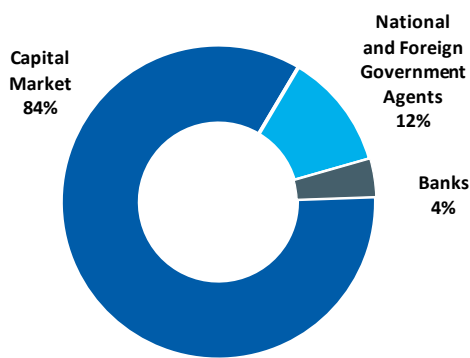
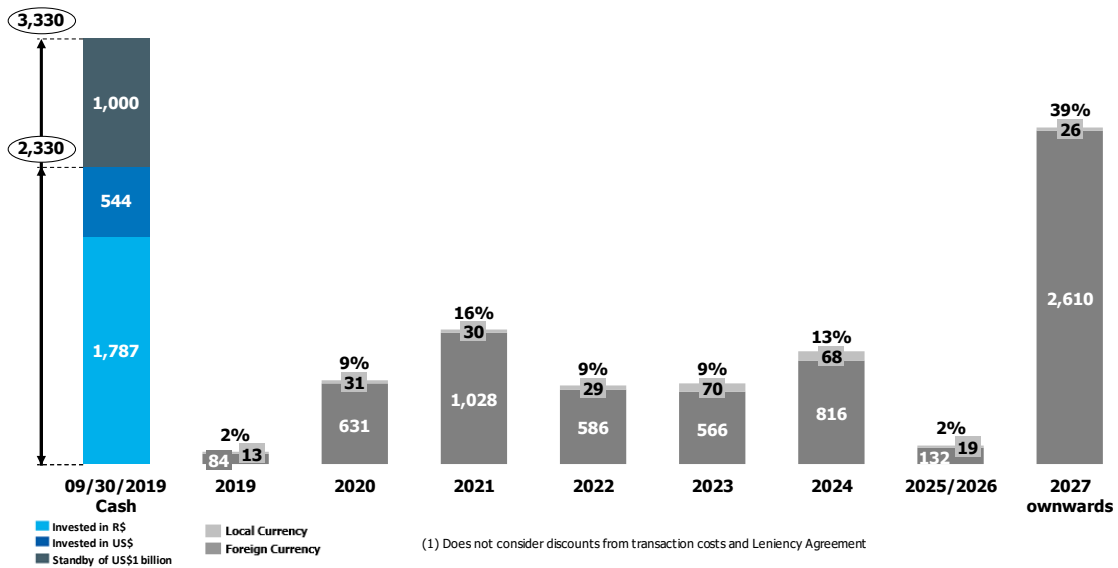
Braskem's liquidity position of US\$2,330 million is sufficient to cover the payment of all obligations maturing over the next 31 months. Considering the international stand-by credit facility of US\$1 billion, which remained untapped at the end of the period, this coverage increases to 43 months.

<sup>13</sup> Includes 100-year perpetual bond.





Debt Profile (US\$ million) 09/30/2019<sup>1</sup>



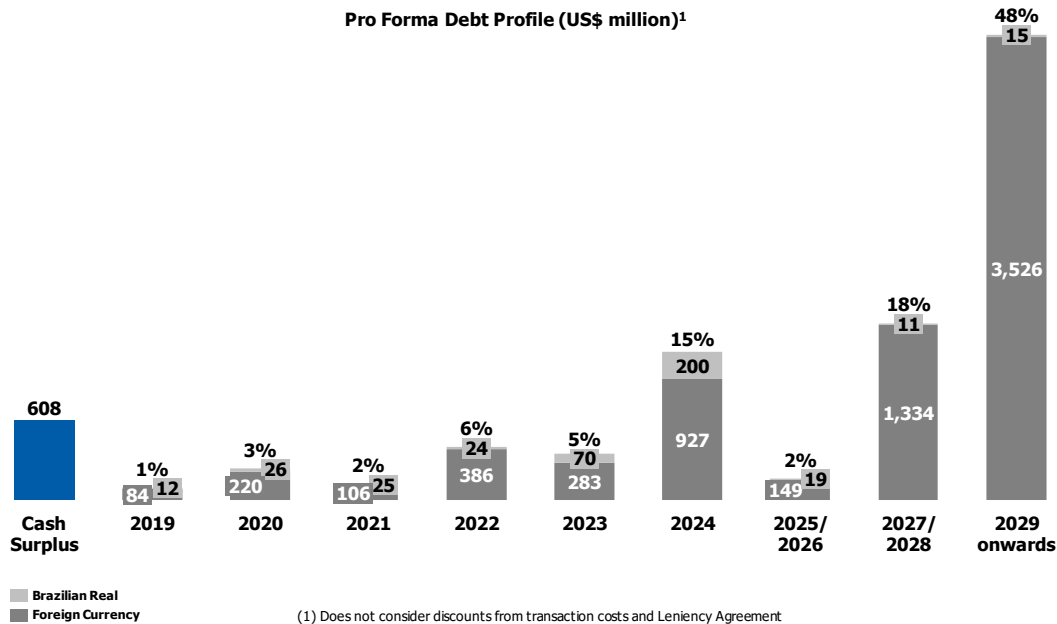
## Issues:

In November, Braskem placed US\$2.25 billion in bonds in the international market, with US\$1.5 billion due in ten years and US\$750 million in 30 years, making it the Company's largest bond issue ever. In the same period, Braskem issued R\$550 million in commercial papers due in up to five years. The proceeds will be used mainly to settle shorter-dated, higher-cost liabilities, including the 2020 and 2021 Bonds, and to partially settle the 2022 and 2023 Bonds. As a result, the average debt maturity term was approximately 18 years and the weighted average cost of debt was exchange variation + 5.13% and increasing the Company's cash balance by US\$608 million.

This new liquidity position is sufficient to cover the payment of all liabilities coming due in the next 99 months.



Pro Forma Debt Profile (US\$ million)<sup>1</sup>



## INVESTMENTS & VALUE-ADDED GROWTH

Investments	3Q19		9M19		2019e	
	R\$ MM	US\$ MM	R\$ MM	US\$ MM	R\$ MM	US\$ MM
<b>Corporates (ex-Braskem Idesa)</b>						
<b>Brazil</b>	<b>419</b>	<b>106</b>	<b>1,083</b>	<b>278</b>	<b>2,079</b>	<b>556</b>
Operating	406	103	1,043	268	2,001	535
Strategic	13	3	40	10	78	21
<b>USA and Europe</b>	<b>215</b>	<b>55</b>	<b>710</b>	<b>183</b>	<b>1,236</b>	<b>331</b>
Operating	34	9	83	21	267	71
Strategic (i)	181	46	627	162	969	259
<b>Total</b>	<b>634</b>	<b>161</b>	<b>1,793</b>	<b>461</b>	<b>3,315</b>	<b>887</b>
<b>Total</b>						
Operating	440	111	1,126	289	2,268	607
Strategic	194	50	667	172	1,047	280
<b>Total</b>	<b>634</b>	<b>161</b>	<b>1,793</b>	<b>461</b>	<b>3,315</b>	<b>887</b>

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

Investments	3Q19		9M19		2019e	
	R\$ MM	US\$ MM	R\$ MM	US\$ MM	R\$ MM	US\$ MM
<b>Non-Corporates (Braskem Idesa)</b>						
<b>Mexico</b>						
Operating	19	5	39	10	107	29
<b>Total</b>	<b>19</b>	<b>5</b>	<b>39</b>	<b>10</b>	<b>107</b>	<b>29</b>

### New PP plant in United States

Construction of the new PP plant in the United States reached 78.1% at end-September, with total investment realized to date of US\$523 million. In 9M19, Braskem America imported 111 kton of PP from Braskem in Brazil to conduct pre-marketing activities for the new PP plant.

### Braskem Idesa's Fast-Track Ethane Import Project

Braskem Idesa (BI) is investing US\$2.4 million in logistics infrastructure to import ethane from the United States to increase the capacity utilization rate of its cracker.

To ensure the feasibility of the fast-track project, BI executed agreements with Smart Pass, a logistics operator, and with Enestas, a company specializing in cryogenic gas transportation.



- Smart Pass: will be responsible for receiving liquid ethane at the docks of the Port of Coatzacoalcos and for unloading it from the vessels in cryogenic tanks.
- Enestas: will transport the ethane by trucks driving at around 10 km to 12 km to the petrochemical complex of BI, where the ethane will be stored in existing tanks and regasified for use in the production process.

With regard to ethane supply, BI may sign a long-term agreement, whose negotiations are advanced, or acquire in the spot market.

The fast-track project is expected to startup by end-2019, with ethane volume reaching the complex estimated of 12,800 barrels/day, and may reach 25,400 barrels/day, equivalent to 19% to 38% of its annual ethane needs.

Moreover, BI continues to assess a complementary solution for larger-scale ethane imports whose scope consists of building a terminal for importing ethane and a pipeline to transport it to BI's petrochemical complex.

### SUSTAINABLE DEVELOPMENT

- Braskem's Adaptation Plan, whose goal is to reduce to zero climate risks classified as high by 2023 and to maximize business opportunities, has registered good progress, with the projects implemented to date reducing potential physical impacts quantified at approximately US\$40 million;
- Participation in events: (i) Latin America and Caribbean Climate Week and UN Climate Week, both organized by the UN, in which the Company presented its proactive positioning in Climate and Sustainable Development; (ii) 21st edition of the Ethos 360° Conference, participating in the panels "Adaptation to Climate Change" and "Mitigation of Greenhouse Gas Emissions"; and (iii) World Water Week in Stockholm and the UN General Assembly, with the presentation of case studies in water management;
- The pilot project of the Gota Program of Braskem Labs was approved in three of the four campaigns planned, to support the development of sewage systems in rural areas of Mogi das Cruzes, São Paulo;
- The Edukatu environmental education project increased the number of registered users by 31% and forged three new partnerships with the municipal education departments of Candeias (BA), Três Rios (RJ) and Nova Santa Rita (RS), resulting in 4,440 registered users and activities at 44 schools in communities near Braskem's operations;
- The Company received an unprecedented distinction at the Ethos RJ Conference, where it presented its actions to promote human rights on the panel "Implementation of UN international principles and standards in Brazil and their effects on the socio-environmental agenda and on value chains;"
- Launch of the fourth year of the Rede de Maré project, which was carried out in the communities of Ilha da Maré, Bahia, in partnership with the Maré Global Institute, and promotes the sustainable management of artisanal fishing and environmental education in the communities;
- Conclusion of training of 10 startups through the Braskem Labs Scale programs, which encourage companies with solutions already validated and available in the market that use chemistry and plastics in sustainable and innovative actions, and Braskem Labs Ignition, which accelerates startups in the phase of validating their operational model;
- One of Braskem's studies on Product Life Cycle was published in the international scientific periodical Journal of Cleaner Production, in which the Company compares anti-reflection devices for highways, steel screens and HDPE films;
- Life Cycle Assessment studies provided support for determining the intellectual property attributes of PE, PP, Wecycle, I'm Green, renewable and fossil-based EVA for the purposes of registering a new patent; and



- Conclusion of the first version of the methodology for enabling the generation of carbon credits for Green PE, which was submitted to the Methodologies Panel of MDL/UN and will be presented at the next meeting of the Executive Board, given the pioneering nature of the action in Brazil and the world.

## INDICATORS

Indicators US\$ million	3Q19 (A)	2Q19 (B)	3Q18 (C)	Chg. (A)/(B)	Chg. (A)/(C)
<b>Operating</b>					
EBITDA	389	426	909	-9%	-57%
EBITDA Margin (%)	12%	12%	22%	-1 p.p.	-10 p.p.
SG&A/Net Revenue (%)	7.3%	7.3%	5.9%	0 p.p.	1 p.p.
<b>Financial</b>					
Net Debt*	4,869	4,771	5,191	2%	-6%
Net Debt/EBITDA LTM*	2.78x	2.15x	1.81x	30%	54%
EBITDA/Interest Paid LTM	4.22	5.11	5.69	-17%	-26%
<b>Company Valuation</b>					
Share Price (Final)	7.6	8.9	14.2	-15%	-46%
Shares Outstanding (Million)**	796	796	796	0%	0%
Market Cap	6,046	7,077	11,300	-15%	-46%
Net Debt	6,566	6,509	7,108	1%	-8%
Braskem	4,869	4,771	5,191	2%	-6%
Braskem Idesa (75%)	1,697	1,738	1,917	-2%	-11%
Enterprise Value (EV)	12,612	13,586	18,408	-7%	-31%
EBITDA LTM	2,073	2,580	3,355	-20%	-38%
Braskem	1,750	2,221	2,873	-21%	-39%
Braskem Idesa (75%)	322	359	482	-10%	-33%
<b>EV/EBITDA</b>	<b>6.1x</b>	<b>5.3x</b>	<b>5.5x</b>	<b>16%</b>	<b>11%</b>
<b>EPS (year to date)***</b>	<b>0.4x</b>	<b>1.3x</b>	<b>2.0x</b>	<b>-72%</b>	<b>-82%</b>
<b>Dividend Yield (%)</b>	<b>0%</b>	<b>0%</b>	<b>6%</b>	<b>12%</b>	<b>-100%</b>
<b>FCF Yield (%)</b>	<b>14%</b>	<b>16%</b>	<b>16%</b>	<b>-13%</b>	<b>-15%</b>

\*Does not consider net debt, EBITDA and interest paid of Braskem Idesa

\*\*Does not consider shares held in treasury

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



## EXHIBITS LIST:

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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.**





## APPENDIX I Consolidated Statement of Operations

Income Statement (R\$ million)	3Q19	2Q19	3Q18	Change	Change	9M19	9M18	Change
CONSOLIDATED	(A)	(B)	(C)	(A)/(B)	(A)/(C)	(D)	(E)	(D)/(E)
<b>Gross Revenue</b>	<b>15,918</b>	<b>15,918</b>	<b>19,318</b>	<b>0%</b>	<b>-18%</b>	<b>47,298</b>	<b>51,183</b>	<b>-8%</b>
<b>Net Revenue</b>	<b>13,368</b>	<b>13,337</b>	<b>16,348</b>	<b>0%</b>	<b>-18%</b>	<b>39,683</b>	<b>43,163</b>	<b>-8%</b>
Cost of Good Sold	(11,651)	(11,700)	(12,748)	0%	-9%	(34,615)	(33,656)	3%
<b>Gross Profit</b>	<b>1,717</b>	<b>1,637</b>	<b>3,600</b>	<b>5%</b>	<b>-52%</b>	<b>5,069</b>	<b>9,507</b>	<b>-47%</b>
Selling and Distribution Expenses	(438)	(444)	(443)	-1%	-1%	(1,330)	(1,230)	8%
(Loss) reversals for impairment of accounts receivable	(6)	16	(3)	n.a.	133%	(7)	91	n.a.
General and Administrative Expenses	(574)	(526)	(465)	9%	24%	(1,531)	(1,239)	24%
Expenses with Research and Technology	(59)	(56)	(58)	5%	2%	(170)	(154)	10%
Investment in Subsidiary and Associated Companies	(3)	3	1	n.a.	n.a.	(3)	(0)	n.a.
Other Revenues	171	225	227	-24%	-25%	2,261	453	n.a.
Other Expenses	(250)	(12)	(69)	n.a.	n.a.	(772)	(287)	169%
<b>Operating Profit Before Financial Result</b>	<b>559</b>	<b>843</b>	<b>2,790</b>	<b>-34%</b>	<b>-80%</b>	<b>3,517</b>	<b>7,141</b>	<b>-51%</b>
<b>Net Financial Result</b>	<b>(2,032)</b>	<b>(919)</b>	<b>(931)</b>	<b>121%</b>	<b>118%</b>	<b>(3,874)</b>	<b>(3,560)</b>	<b>9%</b>
Financial Expenses	(878)	(896)	(803)	-2%	9%	(2,674)	(2,231)	20%
Financial Revenues	214	226	210	-5%	2%	666	466	43%
Foreign Exchange Variation, net	(1,368)	(249)	(339)	n.a.	n.a.	(1,867)	(1,795)	4%
<b>Profit Before Tax and Social Contribution</b>	<b>(1,474)</b>	<b>(76)</b>	<b>1,859</b>	<b>n.a.</b>	<b>n.a.</b>	<b>(358)</b>	<b>3,581</b>	<b>n.a.</b>
Income Tax / Social Contribution	487	133	(417)	n.a.	n.a.	346	(495)	n.a.
<b>Net Profit (Loss)</b>	<b>(986)</b>	<b>57</b>	<b>1,442</b>	<b>n.a.</b>	<b>n.a.</b>	<b>(12)</b>	<b>3,086</b>	<b>n.a.</b>
<b>Attributable to</b>								
Company's shareholders	(888)	84	1,344	n.a.	n.a.	124	2,945	-96%
Non-controlling interest in Braskem Idesa	(99)	(26)	98	n.a.	n.a.	(136)	141	n.a.

## APPENDIX II Calculation of Consolidated EBITDA

EBITDA Statement (R\$ million)	3Q19	2Q19	3Q18	Change	Change	9M19	9M18	Change
CONSOLIDATED	(A)	(B)	(C)	(A)/(B)	(A)/(C)	(D)	(E)	(D)/(E)
<b>Net Profit</b>	<b>(986)</b>	<b>57</b>	<b>1,442</b>	<b>n.a.</b>	<b>n.a.</b>	<b>(12)</b>	<b>3,086</b>	<b>n.a.</b>
Income Tax / Social Contribution	(487)	(133)	417	n.a.	n.a.	(346)	495	n.a.
Financial Result	2,032	919	931	121%	118%	3,874	3,560	9%
Depreciation, amortization and depletion	877	869	788	1%	11%	2,608	2,249	16%
Cost	738	734	734	1%	1%	2,199	2,099	5%
Expenses	139	135	54	3%	156%	408	150	172%
<b>Basic EBITDA</b>	<b>1,435</b>	<b>1,712</b>	<b>3,578</b>	<b>-16%</b>	<b>-60%</b>	<b>6,124</b>	<b>9,390</b>	<b>-35%</b>
Provisions for the impairment of long-lived assets (provision/reversal) (i)	109	(2)	2	n.a.	n.a.	105	18	n.a.
Results from equity investments (ii)	3	(3)	(1)	n.a.	n.a.	3	0	n.a.
Others (iii)	1	(44)	-	n.a.	n.a.	272	-	n.a.
<b>EBITDA</b>	<b>1,548</b>	<b>1,663</b>	<b>3,580</b>	<b>-7%</b>	<b>-57%</b>	<b>6,505</b>	<b>9,408</b>	<b>-31%</b>
<b>EBITDA Margin</b>	<b>12%</b>	<b>12%</b>	<b>22%</b>	<b>0 p.p.</b>	<b>-10 p.p.</b>	<b>16%</b>	<b>22%</b>	<b>-6 p.p.</b>
<b>EBITDA US\$ million</b>	<b>389</b>	<b>426</b>	<b>909</b>	<b>-9%</b>	<b>-57%</b>	<b>1,679</b>	<b>2,604</b>	<b>-36%</b>

- (i) Represents accrual and reversal of provisions for impairment of long-duration assets (investments, property, plant and equipment and intangible assets), which were adjusted for the composition of EBITDA as there is no expectation of financial realization and, when there is, it will be recorded in the respective items of the statement of operations.
- (ii) Corresponds to results from equity investments in associated companies and joint ventures.
- (iii) Includes lease expenses.



## EXHIBIT III Consolidated Balance Sheet – Assets

ASSETS (R\$ million)	sep/19 (A)	dec/18 (B)	Change (A)/(B)
<b>Current</b>	<b>20,500</b>	<b>21,384</b>	<b>-4%</b>
Cash and Cash Equivalents	5,715	5,548	3%
Marketable Securities/Held for Trading	1,288	2,358	-45%
Accounts Receivable	2,757	3,075	-10%
Inventories	7,868	8,487	-7%
Recoverable Taxes	1,806	423	n.a.
Prepaid expenses	270	774	-65%
Dividends and Interest on Equity	0	1	-100%
Prepaid expenses	153	239	-36%
Accounts Receivable from related parties	0	0	n.a.
Derivatives	5	28	-80%
Other Assets	637	452	41%
<b>Non Current</b>	<b>44,963</b>	<b>37,810</b>	<b>19%</b>
Marketable Securities/ Held-to-Maturity	10	10	2%
Accounts Receivable	20	18	11%
Advances to suppliers	20	31	-36%
Taxes recoverable	1,823	1,369	33%
Income Tax and Social Contribution	268	242	11%
Deferred Income Tax and Social Contribution	1,871	1,104	69%
Compulsory Deposits and Escrow Accounts	4,010	170	n.a.
Related Parties	0	0	n.a.
Insurance claims	75	63	19%
Derivatives	0	47	-100%
Other Assets	168	190	-12%
Investments	63	66	-4%
Property, Plant and Equipment	32,195	31,760	1%
Intangible Assets	2,748	2,741	0%
Assets right of usage	1,694	0	n.a.
<b>Total Assets</b>	<b>65,464</b>	<b>59,194</b>	<b>11%</b>

Consolidated Balance Sheet – Liabilities<sup>14</sup>

LIABILITIES AND SHAREHOLDERS' EQUITY (R\$ million)	sep/19 (A)	dec/18 (B)	Change (A)/(B)
<b>Current</b>	<b>26,578</b>	<b>23,116</b>	<b>15%</b>
Suppliers	9,100	8,341	9%
Financing*	2,922	737	n.a.
Braskem Idesa Financing	10,513	10,505	0%
Debenture	40	28	46%
Derivatives	90	70	28%
Salary and Payroll Charges	621	645	-4%
Taxes Payable	449	432	4%
Income Tax and Social Contribution	38	419	-91%
Dividends	671	672	0%
Advances from Customers	255	153	67%
Leniency Agreement	359	288	25%
Sundry Provisions	122	192	-36%
Accounts payable to related parties	-	0	-100%
Other payables	622	623	0%
Other financial liabilities	392	-	n.a.
Lease	383	10	n.a.
<b>Non Current</b>	<b>32,681</b>	<b>30,167</b>	<b>8%</b>
Suppliers	5	273	-98%
Financing*	24,796	24,161	3%
Debenture	240	267	-10%
Derivatives	283	162	75%
Taxes Payable	116	86	35%
Accounts payable to related parties	-	-	n.a.
Loan to non-controlling shareholders of Braskem Idesa	2,434	2,184	11%
Deferred Income Tax and Social Contribution	305	325	-6%
Post-employment Benefit	215	206	4%
Provision for losses on subsidiaries	0	-	n.a.
Other financial liabilities	116	-	n.a.
Contingencies	1,064	965	10%
Leniency Agreement	1,363	1,155	18%
Sundry Provisions	235	233	1%
Other payables	119	59	101%
Lease	1,390	91	n.a.
<b>Shareholders' Equity</b>	<b>6,205</b>	<b>5,911</b>	<b>5%</b>
Capital	8,043	8,043	0%
Capital Reserve	232	232	0%
Profit Reserves	4,673	4,673	0%
Goodwill on acquisition of subsidiary under common control	(488)	(488)	0%
Other results	(5,293)	(5,623)	-6%
Treasury Shares	(50)	(50)	0%
Retained Earnings	146	(0)	n.a.
<b>Company's Shareholders</b>	<b>7,264</b>	<b>6,788</b>	<b>7%</b>
Noncontrolling Shareholder Interest in Subsidiaries	(1,059)	(876)	21%
<b>Total Liabilities and Shareholders' Equity</b>	<b>65,464</b>	<b>59,194</b>	<b>11%</b>

<sup>14</sup> On the reporting date of the quarterly financial statements of September 30, 2019, the nonpecuniary obligations established in the contracts remained unfulfilled. As a result, the Company continued to reclassify to current liabilities the entire balance of non-current liabilities, of R\$9,398 million, in compliance with CPC 26 standard and its corresponding standard IAS 1 (Presentation of Financial Statements).

In accordance with the aforementioned accounting standards, reclassification is required in situations in which the breach of certain contractual obligations entitles creditors to request from Braskem Idesa the prepayment of obligations in the short term. In this context, note that none of the creditors has requested such early payments and that Braskem Idesa has been paying on time all of its debt service obligations in accordance with the original amortization schedule. As per Note 31 (a) related to the Quarterly Information of September 30, 2019, on October 9, 2019, the Waivers & Consent package was approved by the Intercreditor Agent on behalf of the creditors, which extended the Guaranteed Physical Completion Date for Braskem Idesa, from November 30, 2016 to November 30, 2020, and the Guaranteed Financial Completion Date, from December 31, 2016 to December 31, 2020. The approval of the Waivers & Consent package enables Braskem Idesa to classify again the project finance debt (Note 15) under non-current liabilities in the annual financial statements 2019.



## APPENDIX IV Consolidated Cash Flow

Consolidated Cash Flow R\$ million	3Q19 (A)	2Q19 (B)	3Q18 (C)	Change (A)/(B)	Change (A)/(C)	9M19 (D)	9M18 (E)	Change (D)/(E)
<b>Profit (Loss) Before Income Tax and Social Contribution</b>	<b>(1,474)</b>	<b>(76)</b>	<b>1,859</b>	<b>n.a.</b>	<b>n.a.</b>	<b>(358)</b>	<b>3,581</b>	<b>n.a.</b>
Adjust for Result Restatement								
Depreciation, Amortization and Depletion	877	869	788	1%	11%	2,608	2,249	16%
Equity Result	3	(3)	(1)	n.a.	n.a.	3	0	n.a.
Interest, Monetary and Exchange Variation, Net	2,447	659	1,423	n.a.	72%	3,886	5,555	-30%
Reversal of provisions	72	7	-	n.a.	n.a.	(274)	-	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	1	(143)	-	n.a.	n.a.	(1,850)	-	n.a.
(Loss) reversals for impairment of trade accounts receivable	6	(16)	3	n.a.	133%	7	(91)	n.a.
Provision for losses and write-offs of long-lived assets	109	1	4	n.a.	n.a.	113	54	109%
<b>Cash Generation before Working Capital</b>	<b>2,041</b>	<b>1,299</b>	<b>4,076</b>	<b>57%</b>	<b>-50%</b>	<b>4,545</b>	<b>11,348</b>	<b>-60%</b>
<b>Operating Working Capital Variation</b>								
Escrow Deposits - Other Financial Assets	-	(3,680)	-	-100%	n.a.	(3,680)	-	n.a.
Account Receivable from Clients	(69)	517	(1,265)	n.a.	-95%	450	(1,197)	n.a.
Inventories	556	(207)	(817)	n.a.	n.a.	713	(2,030)	n.a.
Recoverable Taxes	435	199	89	118%	n.a.	1,134	1,055	8%
Advanced Expenses	106	46	29	133%	n.a.	153	23	n.a.
Other Account Receivables	17	(157)	39	n.a.	-56%	(280)	(99)	184%
Suppliers	(946)	1,053	674	n.a.	n.a.	19	1,945	-99%
Taxes Payable	(129)	(151)	(94)	-14%	38%	(661)	(912)	-27%
Advances from Customers	(1)	(27)	(13)	-98%	-95%	97	(165)	n.a.
Leniency Agreement	-	(64)	-	-100%	n.a.	(342)	(330)	4%
Other Provisions	(45)	(75)	(37)	-40%	22%	(155)	(164)	-5%
Other Account Payables	169	294	278	-43%	-39%	163	721	-77%
<b>Operating Cash Flow</b>	<b>2,135</b>	<b>(952)</b>	<b>2,960</b>	<b>n.a.</b>	<b>-28%</b>	<b>2,156</b>	<b>10,194</b>	<b>-79%</b>
Financial investments (includes LFT's and LF's)	(601)	1,098	10	n.a.	n.a.	1,166	342	n.a.
<b>Cash generated (used) from operations and handling of financial investment:</b>	<b>1,535</b>	<b>146</b>	<b>2,969</b>	<b>n.a.</b>	<b>-48%</b>	<b>3,323</b>	<b>10,536</b>	<b>-68%</b>
Interest Paid	(562)	(496)	(613)	13%	-8%	(1,593)	(1,491)	7%
Income Tax and Social Contribution	(170)	(148)	(242)	15%	-30%	(381)	(803)	-52%
<b>Net Cash provided by operating activities</b>	<b>802</b>	<b>(498)</b>	<b>2,114</b>	<b>n.a.</b>	<b>-62%</b>	<b>1,348</b>	<b>8,242</b>	<b>-84%</b>
Proceeds from the sale of fixed and intangible assets	(277)	278	80	n.a.	n.a.	2	81	-98%
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	-	-	-	n.a.	n.a.	-	-	n.a.
Dividends received	1	2	-	-34%	n.a.	4	-	n.a.
Additions to Fixed and Intangible Assets	(630)	(704)	(660)	-11%	-5%	(1,790)	(1,805)	-1%
Option Premium in the US dollar sale	-	-	-	n.a.	n.a.	-	(2)	-100%
<b>Cash used in Investing Activities</b>	<b>(905)</b>	<b>(424)</b>	<b>(580)</b>	<b>114%</b>	<b>56%</b>	<b>(1,785)</b>	<b>(1,643)</b>	<b>9%</b>
Short-Term and Long-Term Debt								
Obtained Borrowings	674	8,519	890	-92%	-24%	9,491	3,193	197%
Payment of Borrowings	(479)	(7,996)	(2,274)	-94%	-79%	(8,539)	(6,111)	40%
Braskem Idesa Debt								
Payment of Borrowings	(230)	(224)	(226)	3%	2%	(666)	(597)	11%
Leasing	(98)	(101)	-	-3%	n.a.	(296)	-	n.a.
Dividends	0	(2)	(0)	n.a.	n.a.	(2)	(1,500)	-100%
Other financial liabilities	-	500	-	-100%	n.a.	500	-	n.a.
<b>Cash used in Financing Activities</b>	<b>(133)</b>	<b>695</b>	<b>(1,610)</b>	<b>n.a.</b>	<b>-92%</b>	<b>488</b>	<b>(5,015)</b>	<b>n.a.</b>
Exchange Variation on Cash of Foreign Subsidiaries and Jointly Controlled	162	(89)	(183)	n.a.	n.a.	116	(468)	n.a.
<b>Cash and Cash Equivalents Generation (Application)</b>	<b>(73)</b>	<b>(316)</b>	<b>(259)</b>	<b>-77%</b>	<b>-72%</b>	<b>167</b>	<b>1,116</b>	<b>-85%</b>
<b>Represented by</b>								
Cash and Cash Equivalents at The Beginning of The Period	5,788	6,104	5,150	-5%	12%	5,548	3,775	47%
Cash and Cash Equivalents at The End of The Period	5,715	5,788	4,891	-1%	17%	5,715	4,891	17%
<b>Increase (Decrease) in Cash and Cash Equivalents</b>	<b>(73)</b>	<b>(316)</b>	<b>(259)</b>	<b>-77%</b>	<b>-72%</b>	<b>167</b>	<b>1,116</b>	<b>-85%</b>



## EXHIBIT V

### Braskem Idesa Statement of Operations

Income Statement (R\$ million)	3Q19	2Q19	3Q18	Change	Change	9M19	9M18	Change
BRASKEM IDESA	(A)	(B)	(C)	(A)/(B)	(A)/(C)	(D)	(E)	(D)/(E)
<b>Net Revenue</b>	<b>732</b>	<b>785</b>	<b>1,033</b>	<b>-7%</b>	<b>-29%</b>	<b>2,269</b>	<b>2,828</b>	<b>-20%</b>
Cost of Good Sold	(583)	(662)	(643)	-12%	-9%	(1,892)	(1,653)	14%
<b>Gross Profit</b>	<b>149</b>	<b>123</b>	<b>390</b>	<b>21%</b>	<b>-62%</b>	<b>377</b>	<b>1,175</b>	<b>-68%</b>
Selling and Distribution Expenses	(49)	(49)	(53)	2%	-6%	(151)	(143)	6%
(Loss) reversals for impairment of accounts receivable	(1)	(2)	-	-72%	n.a.	(2)	-	n.a.
General and Administrative Expenses	(30)	(29)	(35)	4%	-13%	(90)	(87)	3%
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	91	73	70	24%	29%	304	172	77%
Other Expenses	(4)	2	(23)	n.a.	-84%	(25)	(49)	-49%
<b>Operating Profit Before Financial Result</b>	<b>156</b>	<b>118</b>	<b>351</b>	<b>32%</b>	<b>-55%</b>	<b>412</b>	<b>1,068</b>	<b>-61%</b>
<b>Net Financial Result</b>	<b>(532)</b>	<b>(264)</b>	<b>23</b>	<b>102%</b>	<b>n.a.</b>	<b>(1,024)</b>	<b>(655)</b>	<b>56%</b>
Financial Expenses	(292)	(289)	(298)	1%	-2%	(870)	(806)	8%
Financial Revenues	12	10	1	22%	n.a.	39	20	92%
Foreign Exchange Variation, net	(252)	15	321	n.a.	n.a.	(192)	131	n.a.
<b>Profit (Loss) Before Tax and Social Contribution</b>	<b>(375)</b>	<b>(145)</b>	<b>374</b>	<b>158%</b>	<b>n.a.</b>	<b>(612)</b>	<b>413</b>	<b>n.a.</b>
Income Tax / Social Contribution	(17)	26	21	n.a.	n.a.	45	51	-12%
<b>Net Profit (Loss) of the Period</b>	<b>(393)</b>	<b>(119)</b>	<b>394</b>	<b>n.a.</b>	<b>n.a.</b>	<b>(566)</b>	<b>465</b>	<b>n.a.</b>

## EXHIBIT VI

### Braskem Idesa Balance Sheet <sup>14</sup>

ASSETS (R\$ million)	sep/19	dec/18	Change
	(A)	(B)	(A)/(B)
<b>Current</b>	<b>2,508</b>	<b>2,620</b>	<b>-4%</b>
Cash and Cash Equivalents	1,090	963	13%
Accounts Receivable	345	628	-45%
Inventories	630	579	9%
Recoverable Taxes	119	110	9%
Derivatives	2	21	-92%
Other	322	319	1%
<b>Non Current</b>	<b>14,128</b>	<b>13,581</b>	<b>4%</b>
Taxes Recoverable	0	0	7%
Deferred Income Tax and Social Contribution	1,056	990	7%
Derivative Operations	-	47	-100%
Other	1	1	-4%
Property, Plant and Equipment	12,574	12,365	2%
Intangible Assets	192	178	8%
Right of use of assets	305	-	n.a.
<b>Total Assets</b>	<b>16,636</b>	<b>16,201</b>	<b>3%</b>
LIABILITIES AND SHAREHOLDERS' EQUITY (R\$ million)	sep/19	dec/18	Change
	(A)	(B)	(A)/(B)
<b>Current</b>	<b>10,895</b>	<b>10,991</b>	<b>-1%</b>
Suppliers	188	369	-49%
Braskem Idesa Financing	10,513	10,505	0%
Salary and Payroll Charges	22	28	-22%
Taxes Payable	15	13	13%
Sundry Provisions	60	-	n.a.
Other	98	76	30%
<b>Non Current</b>	<b>9,566</b>	<b>8,342</b>	<b>15%</b>
Accounts payable to related parties	6,828	6,148	11%
Loan to non-controlling shareholders of Braskem Idesa	2,434	2,184	11%
Sundry Provisions	250	-	n.a.
Other	54	10	n.a.
<b>Shareholders' Equity</b>	<b>(3,825)</b>	<b>(3,132)</b>	<b>22%</b>
Attributable to Company's Shareholders	(3,825)	(3,132)	22%
<b>Total Liabilities and Shareholders' Equity</b>	<b>16,636</b>	<b>16,201</b>	<b>3%</b>





## EXHIBIT VII

### Braskem Idesa Cash Flow Statement

Braskem Idesa Cash Flow R\$ million	3Q19 (A)	2Q19 (B)	3Q18 (C)	Change (A)/(B)	Change (A)/(C)	9M19 (D)	9M18 (E)	Change (D)/(E)
<b>Profit (Loss) Before Income Tax and Social Contribution</b>	<b>(375)</b>	<b>(145)</b>	<b>374</b>	<b>158%</b>	<b>n.a.</b>	<b>(612)</b>	<b>413</b>	<b>n.a.</b>
Adjust for Net Income Restatement								
Depreciation, Amortization and Depletion	239	240	219	0%	9%	706	602	17%
Interest, Monetary and Exchange Variation, Net	494	259	138	91%	n.a.	978	905	8%
Provision for losses and write-offs of long-lived assets	0	0	0	-98%	17%	0	3	-86%
<b>Cash Generation before Working Capital</b>	<b>358</b>	<b>354</b>	<b>731</b>	<b>1%</b>	<b>-51%</b>	<b>1,072</b>	<b>1,923</b>	<b>-44%</b>
<b>Operating Working Capital Variation</b>								
Account Receivable from Clients	22	107	(138)	-80%	n.a.	308	(164)	n.a.
Inventories	(19)	20	(89)	n.a.	-79%	(3)	(249)	-99%
Recoverable Taxes	6	5	(8)	20%	n.a.	10	12	-16%
Advanced Expenses	68	2	11	n.a.	n.a.	95	7	n.a.
Other Account Receivables	53	45	(10)	18%	n.a.	(7)	(41)	-82%
Suppliers	(101)	(113)	73	-11%	n.a.	(200)	96	n.a.
Taxes Payable	(60)	4	(86)	n.a.	-30%	(72)	(230)	-69%
Advances from Customers	(8)	(5)	10	67%	n.a.	(0)	28	n.a.
Other Account Payables	102	18	119	n.a.	-14%	97	474	-80%
<b>Operating Cash Flow</b>	<b>421</b>	<b>437</b>	<b>613</b>	<b>-4%</b>	<b>-31%</b>	<b>1,301</b>	<b>1,857</b>	<b>-30%</b>
Interest Paid	(161)	(162)	(166)	-1%	-3%	(477)	(432)	10%
Income Tax and Social Contribution	(2)	(4)	-	-64%	n.a.	(6)	(0)	n.a.
<b>Net Cash provided by operating activities</b>	<b>259</b>	<b>271</b>	<b>447</b>	<b>-4%</b>	<b>-42%</b>	<b>818</b>	<b>1,425</b>	<b>-43%</b>
Additions to Fixed and Intangible Assets	(21)	(16)	(14)	29%	55%	(47)	(24)	93%
<b>Cash used in Investing Activities</b>	<b>(21)</b>	<b>(16)</b>	<b>(14)</b>	<b>29%</b>	<b>55%</b>	<b>(47)</b>	<b>(24)</b>	<b>93%</b>
Braskem Idesa Debt								
Payment of Borrowings	(230)	(224)	(226)	3%	2%	(666)	(597)	11%
Borrowings	-	-	-	n.a.	n.a.	-	-	n.a.
Related Parties	-	-	-	n.a.	n.a.	-	(73)	-100%
Leasing	(16)	(15)	-	6%	n.a.	(45)	-	n.a.
Dividends	-	-	-	n.a.	n.a.	-	-	n.a.
<b>Cash used in Financing Activities</b>	<b>(246)</b>	<b>(239)</b>	<b>(226)</b>	<b>3%</b>	<b>9%</b>	<b>(711)</b>	<b>(670)</b>	<b>6%</b>
Exchange Variation on Cash of Foreign Subsidiaries and Jointly Controlled Companies	53	(0)	(67)	n.a.	n.a.	66	(150)	n.a.
<b>Cash and Cash Equivalents Generation (Application)</b>	<b>45</b>	<b>15</b>	<b>141</b>	<b>n.a.</b>	<b>-68%</b>	<b>127</b>	<b>581</b>	<b>-78%</b>
<b>Represented by</b>								
Cash and Cash Equivalents at The Beginning of The Period	1,045	1,030	735	1%	42%	963	295	n.a.
Cash and Cash Equivalents at The End of The Period	1,090	1,045	876	4%	24%	1,090	876	24%
<b>Increase (Decrease) in Cash and Cash Equivalents</b>	<b>45</b>	<b>15</b>	<b>141</b>	<b>n.a.</b>	<b>-68%</b>	<b>127</b>	<b>581</b>	<b>-78%</b>

## EXHIBIT VIII

### Braskem Idesa Financial Results

Financial Result (R\$ million) BRASKEM IDESA	3Q19 (A)	2Q19 (B)	3Q18 (C)	Chg. (A)/(B)	Chg. (A)/(C)	9M19 (D)	9M18 (E)	Chg. (D)/(E)
<b>Financial Expenses</b>	<b>(292)</b>	<b>(289)</b>	<b>(298)</b>	<b>1%</b>	<b>-2%</b>	<b>(870)</b>	<b>(806)</b>	<b>8%</b>
Interest Expenses	(271)	(268)	(274)	1%	-1%	(799)	(741)	8%
Others	(21)	(21)	(24)	0%	-15%	(71)	(64)	11%
<b>Financial Revenue</b>	<b>12</b>	<b>10</b>	<b>1</b>	<b>22%</b>	<b>1161%</b>	<b>39</b>	<b>20</b>	<b>95%</b>
Interest	9	8	8	9%	4%	24	17	46%
Others	3	2	(8)	73%	-145%	14	3	348%
<b>Foreign Exchange Variation, net</b>	<b>(252)</b>	<b>15</b>	<b>321</b>	<b>-1762%</b>	<b>-179%</b>	<b>(192)</b>	<b>131</b>	<b>-246%</b>
Foreign Exchange Variation (Expense)	(285)	33	391	-971%	-173%	(181)	184	-198%
Foreign Exchange Variation (Revenue)	33	(18)	(70)	-289%	-147%	(10)	(53)	-80%
<b>Net Financial Result</b>	<b>(532)</b>	<b>(264)</b>	<b>23</b>	<b>102%</b>	<b>-2400%</b>	<b>(1,024)</b>	<b>(655)</b>	<b>56%</b>
<b>Net Financial Result, w/out foreign exchange variation, net</b>	<b>(280)</b>	<b>(279)</b>	<b>(298)</b>	<b>0%</b>	<b>-6%</b>	<b>(832)</b>	<b>(786)</b>	<b>6%</b>