



## **Webcast - 1<sup>st</sup> Quarter Results 2024**

### **May 13, 2024**

**Ana Paula:** Good morning, and welcome to Petrobras' earnings call for analysts and investors. We are going to discuss our results for the 1Q24.

It's a pleasure to have you here. This event will be held in Portuguese, but it is being simultaneously translated into English. You may access the links to both languages webcast on our Investor Relations website. All participants will be on listen-only mode during the Company's presentation, after that we will have a questions-and-answer session. You may send us your questions via e-mail, [petroinvest@petrobras.com.br](mailto:petroinvest@petrobras.com.br).

We have with us:

- Carlos Travassos, Executive Engineering, Technology and Innovation Director;
- Clarice Coppetti, Executive Director of Corporate Affairs;
- Claudio Schlosser, Executive Director for Logistics, Trade and Markets;
- Joelson Mendes, Executive Director for Production and Exploration;
- Mario Spinelli, Executive Director for Governance and Compliance;
- Mauricio Tolmasquim, Executive Director for Energy Transition and Sustainability; Sergio Caetano Leite, Executive Financial and Investor Relations Director; and
- William França, Executive Director for Processes and Products.

We will begin with a video bearing a message of our CEO, Jean Paul Prates.

**Jean Paul Prates:** Good morning, ladies and gentlemen. Today, we are going to go into the financial results for the 1Q24. The main message I would like to leave you with before presenting the figures is our commitment to executing and financing our investment plan with capital discipline and generating value for shareholders and society.

We maintained consistent cash generation this quarter, which gives us security in relation to future investments including those for production growth. This quarter, and also in comparison to the previous quarter, we had a drop in oil and gas production, which was already expected because we have scheduled maintenance down times on platforms. Therefore, it's a planned movement, which does not impact our production curve set out in the strategic plan.

I would like to point out that this is a short-term variation because when we compare it to the 1Q23, Petrobras' production grew by 3.7%. In other words, we have increased production in the last 12 months, and we are on a growing curve projected in our 2024 to 2028 strategic plan.

In the E&P segment, we had an excellent performance from the FPSOs, Almirante Barroso and Búzios and P-71 and Itapu, which reached peak production at the end of

last year. And we are increasing production from the FPSO's Sepetiba in Mero and Anita Garibaldi in the Campos Basin.

In the 2H24, we are going to start operating the Marechal Duque de Caxias FPSO, which will be the third definitive production system for the Mero field with the capacity to produce up to 180,000 barrels per day and 12 million cubic meters of natural gas.

Talking about the downstream, you know the 1Q is always weaker in terms of sales volume due to seasonality. We took advantage of this period to make scheduled maintenance stoppages at the refineries. And even with important scheduled stoppages at Repar and Replan, the utilization factor of our refining park remains high, reaching 92% in this 1Q24, seven percentage points above the utilization factor of a year ago.

It's important to say that this increase in the level of refinery processing is taking place with value generation and total safety. Diesel, gasoline, and jet fuel in total production was 67% of the 1Q. We are also keeping an eye on low carbon markets. In this quarter, we expanded our offer of more sustainable products starting to sell R5 diesel. Diesel with renewable content at RPBC, which like Repar is already able to sell R5 diesel. We also established partnership with the second largest asphalt retailer in the country to sell CAP Pro W, a more sustainable type of asphalt.

This is a summary of our operating performance in the 1Q, which led us to a net profit of US\$4.8 billion adjusted EBITDA of 12.1 billion and an operating cash flow of US\$9.4 billion. An important highlight is our financial debt, which has been falling every quarter. We ended the 1Q with a financial debt of US\$27.7 billion, the lowest affordable level since 2010. We should also point out that the return to our shareholders taken into account share appreciation and dividend payments continues to be the highest in the industry over the last 12 months.

And considering only the 1Q24, our public return in taxes and other government participations reached R\$68 billion. These are consistent figures that demonstrate Petrobras' financial health. This robustness underpins the ambition of a company that wants to keep growing, innovating, and transforming itself. Beyond our recent success, we also want to emphasize that our investment case is a long-term one. We are building the Petrobras of the future, a more efficient company committed to generating value with total attention to people and connected to a just energy transition.

Thank you all for your participation, and I wish you a great event.

**Ana Paula:** We will now start the presentation of the earnings of the 1Q24. To begin, I would like to give the floor to Clarice Coppetti, Director of Corporate Affairs.

**Clarice Coppetti:** Thank you, Ana Paula, and good morning to everybody. It is a huge pleasure to be here with you today to go over our financial results for the 1Q and also to give you information about our actions and our activities and Rio Grande do Sul state.

At this moment, when the state is going into its third week of a climate catastrophe. Since May 1st, we have been giving shelter to more than 600 people inside our center in Canoas. It's basically adjacent to the Alberto Pasqualini refinery giving every possible condition to everybody that lost their homes and providing them with food, shelter, hygiene, and protection throughout the day and also the possibility of spending the night and providing them with as much comfort as we can.

This is an amazing work done not only with the involvement of our local team, but also it's being fully supported by the donations that we have been providing. You can see that we donated over R\$7,6 million to the impacted communities.

Our operations are extremely strong in Canoas and Esteio, where our main asset is located in Rio Grande do Sul, a refinery in Alberto Pasqualini. Also, fuel over 500,000 liters have been donated and always catering to the demands of the civil defense and the state government and other public institutions. Also, fresh water, there's a freshwater supply crisis in the state.

This has been a constant effort, providing also chemical toilets and logistics, lending our helicopters to transport food and also vessels that, work for our Environmental Defense Center that have been made available to the civil defense of the state to rescue the victims. And very briefly, our Alberto Pasqualini refinery has been operating, catering to the fuel demands. It's extremely important to the state. We have been demanded by the National Operator of the Electric System, ONS, that we should start dispatching electricity from, the thermal power plant of Canoas.

So, the Company has been making every effort not only being a solidary but also making every effort to keep its assets intact and working. We know that they are required right now for the population and also for the recovery of the state. Here we see information, some corporate highlights, an important part of our businesses to give support to all of our departments.

So, this shows not only the recruitment and selection process that we have been working on this year, but we have also been hiring new employees. And along with that, we are also launching our biggest call for the Young Apprentice Program with over a 1,000 positions open.

We are also working with many of these apprentices that have been formally hired with all of the formal benefits. Few others are also being formally trained and we are also setting aside some positions for people with disabilities. And that is important all not only, for us to have a close relationship with the universities and the technology institutes, but also to develop the Petrobras brand as a major employing brand in Brazil.

And obviously, throughout this process, Petrobras, every worker that is a higher goes through a very solid onboarding process in the 1Q, over 700 new employees were hired and on-boarded at the Company and they are now going through their formal training processes.

I cannot fail to mention that the Petrobras' Board has been investing in initiatives to encourage the increase of diversity among the Company's leaders. Our leaders are comprised 17% of women and most of them are working on shifts and go on hitches with we have also been investing on male workers for those positions, but we have been investing on females for the leadership positions.

I also want to talk about a recently launched project that has a huge impact on Brazil in our areas of operation, which is our Autonomy and Income Program that's offering 20,000 positions for professional training courses for people in a situation of social vulnerability without a formal employment relationship.

And of course, this program is integrated with our 2024 to 2028 strategic planning projects, and it intends to train the workforce since our 2024-2028 period will require lots of downtimes and that requires a qualified workforce.

Also, I should mention that our investors and market analysts are aware of this global mental health problem inside companies. We were just awarded the UN award, Mind and Focus in one year, we have engaged with almost 6,000 leaders of the Company and we have given them formal training across all areas to try not only to identify mental health issues but also to deal with them inside the Company.

We also launched the human rights and corporate citizenship supplement, and it highlights all of the progress that we have made so far in this regard. It poses a huge challenge in that we have to be well-positioned in terms of human rights by 2030, and that's a challenge not only to the corporate social responsibility areas but also each and every department.

And with that, I am sure you are eager to listen to him. I will give the floor to, Sergio Leite, Chief Financial and Investor Relations Officer. He will speak about the financial highlights. Thank you for your attention.

**Sergio Caetano Leite:** Thank you, Clarice. Good morning, everybody. We are solidarity with our brothers and sisters from the south of Brazil in such difficult times in terms of our results for the 1Q. I want to highlight a few operational aspects.

In Búzios, we reached a production of 1 billion barrels of oil, 2-P, 15 years of operation of our largest fields with the production of 2.6 billion boes. Additionally, several of our units are now undergoing a ramp-up process of which it should mention the FPSO's, FPSOs Almirante Barroso, P-71, Anna Nery, Anita Garibaldi and Sepetiba. And for the 2H of 2024, Marechal Duque de Caxias will start production. It's a very important unit that will add a 180,000 barrels of oil per day and 12 million cubic meters of gas. It's an important asset that's located in the Mero field.

Also, speaking about the impacts on our quarterly results, the E&P team adopted the strategy to induce important downtimes in the 1Q. And never before in the history of the Company have we had a 1Q that's been better than the fourth of the previous year. So, that is just natural that this is a slower quarter. And in that regard, the team decided to introduce important downtimes in production and the impact of that vis-a-vis the 1Q23 is twice as high.

These downtimes have they have produced a relevant impact on production. In spite of that, if we compare the 1Q24 with that of 2023, our production grew by 3%. The refinery farms have been delivering high utilization rates at 92%. We have delivered utilization factors that were significant in 2023 in refineries for Replan and Repar. And even with the downtimes, we have delivered high productions of aviation fuel and lubricants and 92 kbpd for jet fuel and 11 for lubricants, even higher than 2020 and 2019.

The production of oil products is concentrated in high-value products. The participation, the share of diesel, gasoline, and jet fuel in total production is 67%, which is very important for the entire company. The refinery farms, we should also highlight, the efficiency and energy transition, our numbers have improved in these areas as well.

We saw oil processing has reached a new record of two percentage points above those of the 4Q. That's very important for logistics and that it gives us flexibility and allows for gains of scale. R5 diesel, it's a co-processed Petrobras products that started being produced and it started being distributed over highways and roads and the first refinery started distributing it into this system.

Another highlight is our energy transition area. Petrobras has posted a reduction in emissions 55%. So, it was an expressive amount, another important piece of data.

From 2015 until now we reduced our greenhouse gas emissions by 40%. So, this is a transition, that is affecting the entire Company. In order to have a reduction of this level, we had to go through changes in the RP area and downstream. We also saw a reduction in the amount of CO2 produced per barrel. So, this transition area will definitely have some more news in the future but it is going very well. It's a great area at Petrobras that is doing very well. It's close to innovation and that's one of our main qualities.

We have talked about HISEP, a system that is on the ocean floor injecting gas. And this was only possible with Petrobras technology due to the constant investments we have made into technology. We have US\$3.6 billion in RP, nearly US\$1 billion a year on average. And most of this investment, at least in the last few years, have been focusing on energy transition.

It was this kind of investment. It was this drive for innovation that allowed us to have these results in pre-salt. It's a very important area at Petrobras and we are always seeking innovation and technology.

Looking at our financial highlights, we have seen many of them, during our CEO's video, but these are some important highlights. Our adjusted EBITDA was US\$12.1 billion, the eighth highest in the Company's history, nearly R\$60 billion, US\$9.4 operational cash flow, which is about R\$46.5 billion. Net income at US\$4.8 billion close to R\$23.7 billion.

And later on, we are going to go over, some of these values. We did see an impact from foreign exchange affecting us by about US\$2 billion or R\$11 billion in our net income, but still it was significant. Free cash flow was US\$6.5 billion or R\$32.4 billion, and taxes paid were R\$68.2 billion.

So, our Company has been growing, but besides these, expressive figures Petrobras is starting to see its operations through indexes, which often translate the Company's efficiency in the space that we have to grow in generating value for our shareholders. We consider that the Company's, share values it's still short of what it should be. If we look at the Company's value over the approved reserve and that's very important to measuring the value of oil and gas companies around the world.

If we look at the enterprise value, the Company value, and the approved reserve, majors grew 3.2% from 22.2% to 22.9%. And this was all in the 1Q24. If we look at Petrobras comparing quarter-to-quarter, we are growing 10x that amount. So, in this index enterprise value to proved reserves, we grew 33.3% which is 10x what we see in the majors average. So, not only did we grow a lot, but we still have a lot to add.

We also had a case considering enterprise value to EBITDA. So, majors grew 48.5% and Petrobras 75%. We were expressive in providing shareholder value. Considering PN ADRs in 12 months March to March, we had a TSR of 107.3% in U.S. dollars. In ordinary shares it was close to 84% or 83.9%.

So, not only are we providing added value, but we are providing it on the middle and long-term. If we consider 10 years, our average majors had a 5%, but Petrobras grew 22% despite all of the variations we saw. So, that's very important for institutional investors, pension funds, long-term funds and investors who want their resources safe on the long run. And we are dealing with an adverse external environment, during the 1Q.

You can see some of the highlights here on the screen, but I would like to draw your attention to something that is very important. The crack spread for diesel. So, the margin



between, value of the barrel and how much it is sold. If we look at it on a quarterly basis, it went down 26%. So again, this is a refined product that is the most significant for our revenue, diesel. And it had a margin reduction of 26%. From the 4Q23 to the 1Q24, it reduced by 14% which in fact not only Petrobras but all majors. It's important to keep this variation in mind.

As we said, we have been affected by seasonality from the 4Q to the 1Q. It's easy to understand because in the 4Q, you have a harvest, cargo, movements due to the holiday season. It's a growing curve from the 1Q to the 4Q, but we did not see a significant reduction in the 1Q. Again, in our history we never had a 1Q that sold more in fuel than the previous 4Q. So, this is normal behavior.

However, we did see some factors impacting sales besides the seasonal factors. So, a higher production of ethanol in the case of gasoline. So, this pressured our sales and made some drivers choose ethanol. In the case of diesel, we also were pressured by an increased mandate in diesel usage and although, some refineries were stopped, we still were able to post a cash generation of US\$9.4 billion.

And this is also important, our free cash flow was US\$6.5 billion. All the resources generated in our cash during the 1Q allowed us to satisfy our needs and have, some leftover at the end. So, the Company is still healthy, robust, and is still posting significant profits. Now let's look at our financial debt. Our gross debt is going down and our financial debt is going down as well. We have the lowest financing debt at Petrobras, since 2010. That's the lowest financing debt we have had in the Company. And the total gross debt is also going down.

Next slide please. Here, we see our net profit. As I said, it was impacted by a currency devaluation. Our net profit was US\$4.8 billion in the 1Q. If we compare the 4Q23 to the 1Q24 it was a 16% reduction. But, if we compare it to the 1Q23 the reduction was slightly lower. But, the reduction reflects, currency devaluation, meaning that dollar prices were lower during the end of the quarter.

Petrobras has increased its contribution to society. 66% of its cash generation is returned to society as dividends to controlling shareholders, as government participations and taxes at all levels. So, this is a significant highlight for the Company as well. We approved a payout of R\$13.45 billion. The Company is generating R\$14.6 billion in dividends, when we apply the formula to ordinary dividends. R\$1.15 billion is deducted from our buyback program, which is a very successful program.

On average, they deliver 70% of what was programmed and we are at 86% of what is scheduled. This buyback program as you know, is included in the shareholder remuneration policy and should end at the end of August. It started with a buyback proposal of a R\$157 million preferred shares. So, this is a way of remunerating our shareholders and out of the total that was approved in dividends and interest on own capital, we are going to pay R\$13.45 billion deducted from that 11.15 used for distribution. So our long-term investment theory is still being upheld.

The 1Q was impacted by some strategic decisions, with maintenance downtime in some of the refinery parks. We had fewer of them during the last-term, but now we are doing them again. We had higher utilization rates last year, so it required more maintenance downtime. So, we had twice as much of an impact in January from this. The production curve that we presented in our strategic plan will be maintained though, meaning that we are going to recover production levels. Next quarter, we are still going to have some downtime, but we will gradually return to our previous production level. We hope to achieve that curve as we presented in our strategic plan.

Now, I will give the floor to Carlos Travassos, and he will talk about our investments.

**Carlos Travassos:** Thank you, Sergio. Good morning, everybody. I will give you a short update of a few investments that are scheduled to start operating in 2024, 2025.

Starting with the upstream segment at the first unit is scheduled to start operations in 2024, Duque de Caxias in the Mero field adding a 180,000 barrels of oil per day as was said before and this project once it's been implemented will increase the Mero capacity of production to 500,000 barrels of oil per day. This unit will receive the HISEP that's scheduled to start operating in the 2H of 2028. We are now going through the technical details phase according to the contract that we entered into in December last year.

Talking about the units that will start operating next year in chronological order, the first one is Maria Quiteria that left the shipyard on the sixth, and it's on its way to Brazil with a production capacity of a 100,000 barrels of oil per day with a gas compression capacity of 5 million cubic meters per day.

This unit will incorporate the combined cycle technology being the first offshore production unit of Petrobras to combine the two cycles which will increase the efficiency and consequently will reduce the emissions of the unit.

Speaking of the next units, Búzios 7, the Almirante Tamandaré FPSO that completed the installation of the modules on the deck of the unit and is now in the integration phase, it is scheduled to depart from the shipyard on the 2H of 2024 and will start operating in 2025.

Alexandre de Gusmão, the FPSO is now at the final stage, where it's lifting the modules and it's the fourth unit to enter the Mero field. And the last one, P-78, that's already in Singapore for the lifting stage. I just heard that they received the last modules yesterday, modules built in Brazil. They are at the shipyard and are ready to be lifted. And once the lifting phase has started, we will then initiate the integration of the unit that's scheduled to start operating in the last quarter of next year.

Talking about our investments in downstream, I will start with RNEST. The first one is SNOX, our emission reduction units that will increase the capacity of the refinery at of 27,000 barrels of oil per day, and it will start operating in the 2Q24. And the refinery capacity will be increased by 15,000. We are calling it the re-vamp of Train 1. We are now manufacturing equipment and doing inspections and all that. And also, we are now with the auction of Train 2 extension. We received to the proposals in March, and we are now assessing the proposals and negotiating with the stakeholders.

Talking about Route 3, now it's moving towards its final stage, and it's scheduled to start operating in the 2H of 2024. We will start the reverse pressurization operation as we call it. We will pressurize from the inland segment to the offshore segment, the onshore to offshore segments and we are also building a unit to start manufacturing lubricating oil with a production capacity of 12,000 barrels of lube oil per day. In the same process, we have the HCC and HDT units for the production of S-10 diesel and jet fuel.

About RPBC, we are now closing the blow down system providing relief to the lube valves and also for the coke production units that's scheduled for 2024. And that's an environmental condition that we are meeting. We are also increasing our tankage capacity for a diesel S-10 in Goiás, in the Senador Canedo Terminal, in Goiânia. And lastly, our hydro treatment project at Replan adding a production capacity of 63,000 barrels per day.

This is a summary of our infrastructure investments. And with that, I will give the floor back to, Sergio.

**Sergio Caetano Leite:** Thank you, Travassos. So, that was the end of our presentation. We will now start the Q&A session. And before that, I would like to highlight a few important aspects of our performance for the 1Q.

Firstly, we have delivered consistent results that were impacted by external aspects. The Brent price and the FX variation, these are the biggest external factors in refined products produced from oil. We have already gone over the external factors that impacted it, but the results were consistent with our plans reflecting the well thought-out management decisions to deliver our results.

So, the results are consistent. The trajectory is in-line with our plans. The numbers and results are very significant for the 1Q. And certainly Petrobras is among the two biggest producers of results for its investors in the world. And we are on a growth trajectory with positive results to be added in the near future.

As the figures show, our investment proposition at Petrobras is for the medium-term and long-term, and that's worth mentioning. So, we are above average as investors in the oil and gas industry. That's an indication of our belief in the future and resilience. And this has been producing expressive results for investors. The ADRs of 84%, a 107% for TSRs in dollar, the EBITDA grew by 75% with financial discipline and debt control, and above all placing all our bets on EPO.

Now let's start the Q&A session.

**Bruno Montanari, Morgan Stanley:** Good afternoon, and thank you for the presentation. My first question goes to Sergio, concerning payments to shareholders. If we think about potential additional distributions of the profits that were retained in 2023, can we think about a timeline for the distribution of these assets, assuming that the cash generation keeps strong and the levels are maintained at the current levels? Does it make sense to think that additional distributions could occur along with the results of the 2Q or 3Q24? Or would that only happen at the end of the year?

And the second question is about the fuel prices. If I am not mistaken, it's been almost seven months since there was an adjustment to fuel prices, both gasoline and diesel. The market is quite volatile, but it's been maintaining the price in the range of US\$80 per barrel. How do you see this market behavior considering its methodology, CAC and VM? Thank you.

**Sergio Caetano Leite:** Thanks for the question, Bruno. I hope you are doing fine. Long time no see. I will try to be brief. Concerning the extraordinary dividends from fiscal year 2023, what the general assembly decided is that 50% should be paid, and that by the end of fiscal year 2024 we would then reassess the outstanding balance in the account.

We did not set a date, as you know, but Petrobras delivers monthly outlooks to the Board. And in every meeting we go over these outlooks and the profit distribution. So, I would say that this could happen sometime along this year or next year. There's no pre-set date. Either the 1Q, the 2Q, the 4Q, or before the end of the year. The only date that we have set so far is that it will be reassessed within this fiscal year. And as you know, the resources in the account will be allocated to the payment of dividends.



And the Board keeps on reviewing the situation constantly. We are now amidst an international crisis, making for a very volatile situation, with surprises along the way. And the surprises are not impacting only the barrel price.

As we know, the latest occurrence led to changes to shipping prices and shipping routes. So, this is an obscure scenario that the council keeps on reviewing on an ongoing basis. But as I said, there is no set date for the distribution.

Picking up on that and speaking about prices since they are related, our commercial strategy is now completing its first anniversary, and Director Schlosser is the parent of this strategy, so to speak. This business strategy, and it's important to highlight that it is a business strategy and not a price policy, even though it also talks about prices. But, it also talks about other aspects such as supply and risks of shortage of supply auctions, reviewing the quantities purchased by our main customers.

So, it is a strategy that covers several different aspects differently from what used to occur in the past where Petrobras used to have a pricing strategy. But, this new strategy has created, as you probably all know, a minimum or marginal price at which we should sell our fuels and the customer's alternative price.

To simplify things, the marginal price is the price at which Petrobras will stop negotiating. Below these amounts, the Company is not interested in negotiating. And of course, these amounts include margins for dividends, for investments, but the marginal prices are the prices below which Petrobras will no longer be interested in negotiating.

On the other hand, you have the customer alternative price, which is the price above which customers are no longer interested in negotiating or buying for that matter. But some people, used to say well the customer alternative price is not what we call the PPE. No, it's not. The customer alternative price gives a certainty that the supply will be enough.

Petrobras has a huge capacity to deliver fuels anywhere in Brazil. And oftentimes customers will prefer to pay prices above the PPE, and to make sure that they will maintain their fuel supply. So, the customer alternative price encompasses the marginal price of the last drop at the end of the chain. The price above which customers will stop negotiating.

What I would like to remind you is that a significant part of the diesel cost is impacting the market. In some centers like Paranaguá, Paraná, and Santos, then definitely the alternative cost will be affected by these prices.

So, we still have not seen a structural change a variation between VM and CAC. We see that oil is at 83 at 87. It's been close to 88, for an entire week and then it was at 83 to 84 for two weeks. So, imagine if we had done this we would have transferred a lot of volatility to our clients and that's terrible for our inventory management and logistics management.

At the current price Petrobras is still able to make a profit in good market conditions and we are keeping our eye on the market. We need to see if there are going to be any structural changes that, require a change to the price. I hope I answered that question well because, Director Schlosser, is the person who knows about these things.

**Claudio Schlosser:** Let me just add something here. First, I would like to, just give my condolences to my fellow citizens of Rio Grande do Sul. As was said, the most important thing is to make sure that they have a supply of byproducts, because I know that they are essential for the calamity there. And we are also getting prepared to rebuild the state.

We know that there will be high demands for asphalt in the future. So, we are all working on that.

So, just to comment on what Sergio said, thank you for your question, Bruno. As you said, it's been seven months since we re-adjusted prices. And the last ones were readjustments to gasoline prices in October, a reduction, and diesel prices also went down in December.

Due to global factors and geopolitical tensions, due to the war in Ukraine and in the Middle East, we have been seeing an effect in our production and logistical costs to sell oil and oil byproducts.

To give you an idea, and Sergio has mentioned this, it's great to have a Financial Director that understands the commercial strategy so well. So, I was happy with what Sergio said, but just to give you an example, if we look at Brent in April, it reached US\$93. And now, it's at US\$83, US\$84 and even below that.

So, as you said very well, Bruno, yes. Apparently, there is some support for these US\$80. And this may have happened in a couple of ways, either being generated by increased tension from one of the parties or due to cuts in production. So, this also seems to be a support price. You mentioned the commercial strategy, and Sergio, mentioned that as well in alternative costs for the client, which is not only importation data, but it might, there are substitutes in the market.

If you look at gasoline, we have substitutes like ethanol, Sergio mentioned, Russian diesel that has also gone into the market and another relevant factor in commercial strategy is to not pass on market volatility from the international market to our domestic clients.

Our commercial strategy has been very successful at doing that. And this has allowed us to continue with a successful strategy by introducing the martial value that you mentioned, Bruno, which shows the alternatives that Petrobras has.

It allows us to compete much more. It gives us the flexibility to be profitable while we are competing. And our vision is to be the best alternative for the client not only on the short-term, but also on the long-term.

So, in some moments where you have some lower alternative prices for clients, we have the possibility of competing because we have the infrastructure, we have good installations, and that's a great factor to execute our commercial strategy.

Thank you for your question. And another thing that I can add is that Repar and Replan downtimes were very successful. And now, as we are going back to our operations, this also makes us much more competitive because of this reduction in the marginal value.

**Luiz Carvalho, UBS:** Good afternoon. Thank you for taking my question. Sergio, my question is for you. Your 2024 to 2028 strategic plan brought some changes in some of the areas of the Company, strategies especially looking at the investment levels. I know that it might be early, but if we look on a four to five year horizon, Petrobras is focusing more on energy transition. So, are we expecting any structural changes besides this energy transition in the current plan?

And if we can look at this current plan, if you could, after six months, give us an assessment of how discussions have been going for implementation. How have conversations around acquisitions and renewable assets been going? So, that's my first

question, about your strategic plan, looking ahead and also analyzing the last few months.

My next question is about internationalization. You have always been very vocal, and some assets have been found recently in the Atlantic basin. We have heard some in the media and we have some expertise on our side as well. So, I would just like to understand what is your analysis process for these upstream assets in other countries? Are we focusing on exploration or is it far in production development? You have many partners where you are operators. So, do you want to be, or do you accept being operators or non-operators in these investments outside of Brazil?

**Sergio Caetano Leite:** Thank you for your question, Luiz. Since these are questions that require a longer answer, I am going to propose this: I am going to address your both, your two questions briefly, and then I will let Mauricio Tolmasquim talk about transition. About internationalization, I will let Joelson, our Director, answer.

First of all, Luiz, I do not know if you saw in our webcast that we saw some indexes. This was a suggestion from another webcast. It was suggested that we work on our indexes. It was made by a certain analyst and I hope you liked it.

So, let's start with CAPEX. We delivered a PE with confirmed CAPEX and CAPEX under analysis. This one is based on the transition, and there's a reason why. Our Board was organized last year with Mauricio Tolmasquim. He's been organizing his team, understanding the Company.

So, if you think about it, he had six months last year and this year and it was a herculean task. Having an energy transition area in a company as big as Petrobras. So, since it's a new topic, at least, at this extent in the Company, that's why most of the transition, investments have been in the analysis CAPEX and for that we defined an additional governance where we look at financial ability impact and, as projects mature, they move from analysis CAPEX to confirmed CAPEX.

During these six months last year and the first three months of the year, our energy transition off area analyzed a huge portfolio of projects. So, if you work at a bank, how long it takes to analyze an investment possibility, right? You need to look at the case. And with the thing, we had to filter a number of projects. We reduced it to a number of projects on the table, and several of them, we have NDAs or confidentiality agreements which are very restricted.

So, we cannot mention names or values. The ones we can, will be mentioned but most of them are under this NDA. So, we hope that for the next months, we can shed more light on what product projects we are referring to. We consider our area to be very positive.

We have the acquisition area but, as I said, we have been presenting very important decarbonization results. 41% reduction in the Company. That's a significant feat. In the last years we have reduced our emissions with the technology we have been using in the field, and we have to highlight something here.

Petrobras has won for the fifth time in OTC. What's curious about this is that two of these awards are in the Marlim field. The first was 32 years ago. So, it shows how consistent we have been in improving the Company's investments. But, looking at transition again, this is an area that has made the Company very optimistic about the future.

Everyone knows that in the market people were not happy with this investment at Petrobras. We have some pillars and we know that we need to have the right dimension because Petrobras is a big company. We need to have partners of the same level, because there's compliance, there's corporate security and that requires partners of that size and projects need to be done in a partnership.

So, we are very happy and we believe that in the next months we can give you more information on these projects. We have published so many things that I do not even remember MoUs, green hydrogen plants, but in the case of internationalization for AP, specifically you are right. It would be in the Atlantic basin. This is an area that the Company understands very well. And this area is probably the most competitive one where competition is fierce.

So, we need to be confidential about our strategies, but if we want to be operators or not or in what assets, I will leave up to our Director. But let's start with Mauricio who will add to that answer.

**Mauricio Tolmasquim:** Thank you, Luiz, for your question. In terms of energy transition, as Sergio was saying, it is a new subject. And in addition to the entire team, we had to set up the governance strategy to make sure that investments in energy transition are robust and aligned with the aggregation of value to the Company. Of course, our intention is to add value to Petrobras just like every other department does.

When we announced the creation, that had a huge impact, and we were positively flooded with offers from banks and investors. To give you an idea, the total installed capacity for wind is 30 gigawatts and for solar another 30 gigawatts. If we talk about the projects that were offered by banks and investors, they amounted more than our full install capacity in Brazil, 76 gigawatts. And that led to a question from the Board when they asked us how do we select that? We have a huge capacity of 76 gigawatts and of course, our goal is five gigawatts in a five year period.

And there are small and large and committed and not so committed companies. And we are a public company, a publicly traded company. So, our criteria for negotiating and making decisions have to be really strict. That's how we came up with standards by which to categorize companies in terms of rating and investment expertise and all that. And we then deepened these analyses, which is fundamental if we want to make sure that the partners selected are really aligned with our commitment standards.

We talked about partnerships in wind and solar. We are talking about partnerships because it's not an industry where Petrobras traditionally operates, and we consider that, in the beginning, it would be beneficial for us to share experiences and CAPEX and whatnot with these partners.

So, we are making progress in these analyses. We have presented several possibilities to the Board. Some of these possibilities were negotiated. Some others were not mature enough and we just considered and others are advancing in terms of governance.

And we have to understand that, we cannot disclose who we are analyzing these proposals with, and we cannot disclose any deadlines either. Of course, that leads to a certain unrest in the market because we would like to know that. But, we cannot unfortunately disclose this information.

I just want to reassure you though that this has been going well in terms of M&A and, as you know very well, we are looking at portfolios with partners. Some partners have more mature projects that are in operation. Some projects are in the development stage, and

some greenfield projects. So, when we negotiate these portfolios, all of these different projects will come with it.

And in parallel to that, we are also looking into some other possibilities of organic developments, most of them being led by Director William, as they encompass biofuels, which are an important part of Petrobras' energy transition, and there are other less mature areas that are very promising though, which are hydrogen and carbon capture, or CCUS, and also offshore wind. However, they are not yet as mature as onshore solar, wind, and biofuels.

**Joelson Mendes:** Good afternoon, Luiz and colleagues. I am Joelson from the Exploration Department. Luiz, I will try to answer your question, which is a very interesting one. You asked us what the process of analyzing opportunities is like.

We spent a few years not involved with these processes, and now, having said that, we need to rebuild our databases. New wells are being drilled and new seismic studies are being done. So, we are now in the process of rebuilding our database for seismic and wells. And our teams both in exploration and portfolio management, they are in constant contact with our main shareholders.

So, the opportunities that we analyze on average, they all involve our main partners. We also receive proposals from other companies. We only negotiate with holders of rights. We have done dozens of studies in the last few years, and one opportunity that was selected has become a concrete endeavor in Saint Thomas and Prince.

And there are several other opportunities that are reasonably mature that are now undergoing our analysis process by our technical staff. Some of them have already moved from the technical staff to the management and eventually they might be submitted to the administration council. To go to any new country, of course, we need the authorization of the Administration Board.

We have been talking to Board members and we have been telling them about why we should go international in addition to the big opportunities that you mentioned and discoveries in the Atlantic. This interaction with other big players is extremely positive. It's happening in areas where we already have expertise. We have a huge expertise in deep and ultra-deep waters, but there is always something to learn and sharing risks, business risks, exploration risks, financial risks with other players is also beneficial for us.

So, we are quite happy with the interactions that we have been having. And as we mentioned, this data is confidential. But, since you talked about the process, this is what the process looks like. The process is born in the technical departments from the proposals that they receive and also from the opportunities. Once they know about the status of the other countries, they come up with proposals to the partners.

So, both in areas where we already produce and in areas where we are at the exploration phase, we are making progress in the analysis of data. So, the process starts with the increase of our database, technical and administrative analysis and submission to the decision makers.

**Pedro Soares, BTG Pactual:** Good morning. My question goes to Joelson. This is about production. In the 1Q, it was marginally above the expected average for the entire year in spite of all the downtimes, as you mentioned during the presentation. I would like to hear from you if you are positively surprised with the production level reached thus far. If it's possible to say that, with the perspective of normalizing the production in the next



two quarters, if it's safe to say that the production level will be above that of the level pre-established in your guides.

And the second question goes to Sergio, about the CAPEX. We saw that the investment level of the 1Q was below what we usually see, even if you consider that the 1Q is usually lower than the other quarters. So, I would like to hear your take on the delays that led to that. And also, if you see any risks that these numbers might be lower than those indicated in the business plan for 2024. Thank you.

**Joelson Mendes:** Thanks for your question, Pedro. We are optimistic, but we cannot say that we are going to deliver a production higher than what we had planned. The production for the 1Q and what has occurred in April are quite in-line with what we had planned. There're also the natural complexities of dozens of production systems, some of them in new, some of them in older fields at different efficiency levels, and also with wells with different maintenance requirements.

We talk about the maintenance of rigs, but we also have to do maintenance on the wells. So, there's other factors that may push our production up or down. We published the production guidance for 2024 and 2025 with levels similar to those of 2023.

And we can explain that with the new wells and with the decline in production and the several different efficiency systems. We do a very accurate risk analysis of our production curve, as we always like to say.

So, yes, we are optimistic that we are going to maintain the same levels of 2023 for 2024 and 2025, slight variations to percent either up or down or natural. The chances that we are going to remain within that range are huge.

You did not ask that, but I like to mention this. We are seeing things happen at Ibama that will or may affect our production. It may be affected by 2% depending on what will happen with the licensing of new wells and new rigs arriving, things that naturally occur and that cause an impact.

So, all of that is within the so-called risk tunnel. And we will probably deliver a production at the end of the year that's highly aligned with our initial plans, much to the pleasure of our Financial Director that is able to plan our accounts very well.

**Sergio Caetano Leite:** Thanks for your question, Pedro. And like I did with the previous one, I will give you a brief introduction and then I will give the floor to the Director Travassos, the Engineering and Technology Director that's in charge of the implementation of the projects. Last year we published a plan of a US\$102 billion, half a trillion AIs in investments, the biggest campaign and way above the average of our peers. And when we invest that kind of amount, deviations can also occur in expressive amounts.

And when we thought about this plan, we also devised a methodology to monitor the deviations from between the actual and the planned deviations. We will probably start monitoring that on a monthly basis and we try to understand the root causes.

Last year for instance, our actual CAPEX was below the planned one. This is often seen as an inefficiency. Over 50% of what was not done, so, nearly US\$2 billion, is due to good probing contracts. So we would need to extend contracts for these probes, making them more reliable with fees within market levels. And as a consequence, this would require fewer investments from the Company especially in the 4Q, at the end of the year.

So, an efficiency movement in this case created a lower CAPEX for the 4Q. This was very striking for our management because Petrobras is usually judged by the amount of investments it makes, but we should not just invest on everything.

That's not disciplined in capital. Whenever you can reach the same goals or even higher goals that are more in-line with what you need and investing less, that's efficiency. And that's what happened at the end of last year.

Despite that, as you know, supply chain is pressured around the world. It's dealing with trouble, keeping up with the demand. Some challenges in liquidity. In some cases, we have huge projects that require liquidity, financing structure. We have a support program for small and medium investors. So, we need to reduce this gap and try to help our suppliers. We need them.

So, similarly to other oil companies in the world, this financing program is taken very seriously here. We can go into details about that in another opportunity. But, as Joelson said, we are investing a lot and very quickly, and sometimes suppliers have trouble keeping up with our pace.

That's important to say that lower investments do not mean that we are reducing our efficiency or our production curve. But, to tell you about this in details, I am going to pass it over to Travassos, who is the person who runs this area in Petrobras.

**Carlos Travassos:** Thank you, Sergio. Thank you for your question, Pedro. It's important to look at the figures. When we compare to the 1Q24, our investments were 23% higher than that, US\$3 billion for the 1Q24. So, 23% higher. And we continue to grow. For the next quarters, we also have the expectation of seeing higher investments in comparison to the previous year.

But the plan for 2024 to 2029 is significant. We are the oil company that is investing the most with the 14 production systems that we announced. But, when you look at the plan, especially on the short-term, as I mentioned in my presentation, the four productions or rather out of the 5 production systems that we have for this year next year, we are absolutely in-line with what was planned. So, one in 2024 and four in 2025.

But we do have challenges in CAPEX. We had challenges related to environmental licensing. Joelson mentioned those. So, we will see some impact from the strike at Ibama. We also have the probe index and some construction milestones for FPSOs. But, just as we have a risk in our CAPEX, we also see potential delays considered at our production curve. So, the most important thing is what we are going to carry out.

So, we do not really see an impact to that in our strategical plan. We do not see an impact to our production curves. So, that's a summary of what we have for our CAPEX for 2024.

**Gabriel Barra, Citibank:** Thank you, Sergio and the entire Petrobras' team for taking my question. I will stick to the two-question limit. The first is, we heard some news this week and last week about Braskem. This is not the first time I am asking this, but what I would like to understand is, we have heard about this in some interviews, so I would just like to understand Sergio, and Petrobras' team, how you see this Braskem issue on a couple of points.

First, looking at what was said that, a potential purchase of the stake and sale, how would you absorb Braskem in Petrobras' balance and in dividends, because Braskem has a level of debt, and if we added to Petrobras' debt, it might go above the R\$60 billion that we have as a cap. So, how do you see that? Would there be any changes to the dividend

policies and also that strategy of buying Braskem? Is that included in your current investment plan?

My second point continues on a point that Sergio mentioned in his interview on the buyback plan. We know that Petrobras has already met this plan to a certain extent and at the current pace it seems to be closing before the deadline in August. So, I would just like to hear from Sergio, what is your take on that if this plan will be postponed? If you think that this buyback plan will be increased. So, what do you think about buybacks in the Company's investment theory? Thank you.

**Sergio Caetano Leite:** Hi, Gabriel. Thank you for that question. I am going to answer that in reverse order. So first, I will answer about the buyback plan and then I will let William answer your question on, Braskem. He is the Director of Industrial Processes, so he is in-charge of that asset in the Company.

So, starting with buyback, as you know, our aim was to rebuy 170 preferential shares. It was a pilot project because there were several situations that we had to comply to. In this area, we are under Brazilian and U.S. legislation, SEC and Brazil, and Petrobras is the Company that has the most communications to the market through material facts and any other communication methods.

And whenever there's a buyback, this needs to be communicated. So, we had a lot of experience there. So, we never received any questions from the authorities or investors. So, more than the value or amount this pilot project is testing a number of things for the next stage. So, we are concluding, some impact studies.

As I said, we have looked at 86% of the program, which is successful on average at 70%. And we have purchased over 70 million preferred shares. Immediate results might seem like a lot but it's not as much for Petrobras. It's a small amount but it produced one of the effects that we wanted. We are getting closer to the majors indexes on the buyback analysis. So little by little, we were able to be successful.

All of these positive points will be in our report which will be produced by the Board of directors when we propose a new plan. These plans have dates. Whenever you have a plan at Petrobras we have a starting and ending date. You might end it before that date, but we have a date in August at the end of this plan and then we will refer back to this, report and give a proposal for a new share buyback plan, which will need to go through the Company's internal committees, the executive directors, and everyone else. And the final word will be by the Board.

We see buyback as a compliments to the value generation strategy and shareholder compensation strategy. And Petrobras is now coming closer and closer to the international standards. So, yes, a proposal will be made. The deadline will end in August and we will propose a new buyback program that will have to go through this entire trajectory that I mentioned and the administrative board will have decision-making power.

About Braskem public information about its debt, it's in the range of US\$6 billion, and Petrobras owns around 47% of the Company's stock. The model that is closer to Petrobras' preferred option is one of a co-management where Petrobras is not a majority shareholder in the operation. And if we increase from 47% to 49% or 50%, the impacts on the debt of the Company are insignificant. It will be basically in the same range as it is today. So we do not have major concerns about that and consequently we would not have any impacts on dividends.

And it's important to highlight that highlight that Braskem's operations are part of the CAPEX in the published plan. So it's a small part of it, but it is part of the CAPEX under analysis. So, it's within, it's in line with our forecast.

What we saw over the course of this entire process that initiated with Braskem was a series of non-binding proposals. Since the beginning, since Petrobras has the tag along rights or the rights to sell for the best price and also to offer counterproposals if it decides to, we decided to do a due diligence and governance with over 200 people ranging from the technical to the environmental department. Pretty exhaustive work. So, the technical team went to each plant at Braskem in the U.S., in Brazil, in Mexico.

Of course, we already had this close context with Braskem as shareholders, but now we have a much clearer perspective of their situation and their potential developments. So, about the technical aspects and all of that, that is that will depend on the owner of the asset at Petrobras, and that's Director William.

So, as I said, it involves due diligence and a possible operation. We have been talking about a possible acquisition of Braskem's capital at 100%, a full acquisition of the Company. And indeed, this is not the ideal scenario for Petrobras. This situation would only occur in case of extreme need because it is a relevant asset and it's a basis for internationalizing the companies downstream. And as a reminder, Braskem is a leader in more than one resin in the U.S. market with an enviable position in Europe and with a brand new terminal in Mexico.

So, for downstream and for the department of industrial processes of Petrobras, it's an internationalization platform that's ready. So, in case of an extreme risk, of course, we will not let that asset deteriorate. If and only if this extreme risk comes to pass, the business will be restructured financially to protect it from the impact of indebtedness at the Company.

This is not the time for us to talk about an increase in the indebtedness window. It's between US\$50 million and US\$60 million and we will remain like that because there are no reasons for us to increase it and also because it keeps us on the right path.

Now I will give the floor to William. He will talk about Braskem in greater depth.

**William França:** Good afternoon. To reinforce, what Director Sergio said, we did this due diligence at Braskem with over 50 specialists. We visited our plants in Germany and U.S., in Texas and Pennsylvania, in Mexico, and the ethane terminal and the plants in Brazil. So, it was a very thorough due diligence that gave us in-depth information about Braskem, including, information about Maceió, with the participation of CENPES. So, we are pretty sure about the operational integrity of Braskem. On average, it's pretty good.

We should also highlight that we have a great synergy. We are discussing the cracks and the synergy with the refining department, so that if we take over Braskem with a new partner, so that we can give a better structure to the operations.

And one example of that is Reduc. It's a refinery that's adjacent to the gas chem hub and we provide them with raw materials. And we receive hydrogen from cracking operations. And we also have the possibility with ethanes and propanes that we can use, we can use for a possible expansion of the chemical gas hub of Rio. So, there are several possibilities.

We have also been talking to our Logistics and Trading Director about establishing an optimized operation with a focus on the synergy between logistics and petrochemicals.

**Regis Cardoso, XP:** Thank you. I would like to understand the details of Rlam, and specifically about the Mataripe refinery. In a transaction that involves Petrobras going back to that refining unit. what are Petrobras' goals? Or what would they be? Is it important to have operational control, or to focus on the trading aspects or pricing aspects? And maybe, if we compare Mataripe with what Refap was in a distant past, I think Petrobras bought it back in 2007, maybe to make a comparison between the models, if possible.

And a second question is about the renewables projects that are already mature, and we have talked about wind and solar onshore. And maybe we could talk about that in greater detail, about which industries, which departments Petrobras intends to develop internally or establish partnerships. What are the possible instruments? For example, green renewable diesel, that might be a basis for internal development. And on the other hand, onshore projects will occur through acquisition, probably a non-operated minority stake in onshore wind, maybe a DJV. So, I would like to hear you.

And also, if you allow me, I would like to pick up on the Ibama subject, I would like to hear if there's any medium and short term impacts.

**Sergio Caetano Leite:** Thank you for the questions, Regis. This involves all of us. So anyway, let's start with Rlam and the biofuels and the future synthetic renewable fuels. I would like to ask Director William for help. And in terms of what you mentioned in terms of generation of renewables and onshore, etcetera, I will ask Mauricio to answer your question. And about Ibama, I will ask Joelson and Travassos to answer you.

So, starting with the Rlam acquisition process, at the end of 2023, we received a letter from this major fund that you all know well, inviting Petrobras to review two specific projects that are interconnected, but they are not mandatory, and they are not self-excluding. So, one of them is a Rlam, It's an iconic historical refinery. The foundation of Petrobras was signed in Rio de Janeiro, but it works because it's from Bahia. Actually, Petrobras found oil in Bahia.

Anyway, President Jean Paul, and that's something that we always discuss. He says that going back to an asset that once belonged to Petrobras is not only it does not simply involve pressing the button and going back to a reality that already existed, especially because the mobile scenario has changed. The world has changed and there are businesses have changed.

So going back to refineries does not necessarily mean going back to something that already existed. It means reviewing an asset and answering a very important question which is why should we go back to that refinery? What benefits are we going to extract from going back to that situation? What's in it for us? Of course, there's this emotional aspect, but we have to set emotions aside sometimes and be more rational.

These aspects are now being looked into with a positive outlook, but we have not completed the review yet. We are in the stage of doing due diligence for this business. Of course, we want to make progress as fast as possible. And in the due diligence, we have to analyze the business model, the possibilities, the refineries work jointly from an operational standpoint and from a partnership perspective, they belong to Petróleo Brasileiro S.A.



And to what happened to Repsol in the past, the fact that it did not work, it gives us many lessons learned in terms of what to do and not to do, but not obstacles. Of course, if based on previous failures, we were to decide our current situations, we would not be drive along the roads because all of us have crashed our cars before.

Anyway, to answer your questions, what's in it for us? Why should we go back to that refinery that will also define the business model? There are no barriers right now. We will analyze the studies. Like President Jean Paul said, we are trying to remain within schedule and we are trying to complete these analyses by the end of the 1H, at which point we will have clarity about the proposals for this business.

Of course, Petrobras is interested in it. It's a huge refinery and it's not only about the refinery. It has several integrated assets in the entire region of Bahia, terminals, pipelines. It's a huge complex. So, of course, Petrobras is interested in it.

And the other project is a project of biorefining, Macaúba. It's an oleaginous plant with the purpose of offering aviation kerosene from a bio renewable source. And Petrobras has demands for that every day, and the market is eager to buy this fuel. So, we are talking about something quite concrete. Producing biofuel to supply a real market that's in need of this type of fuel.

Quality is also being analyzed. This is a complex project. So quality is being analyzed. It will be integrated with refineries, but one does not exclude the other. So, we might only join one of the projects or both, or maybe neither. It's being analyzed. So, these are very interesting products, and we believe that at the end of the 1Q, we will be able to finish analyzing it without any issues with the business model.

And passing it over to, William, he's going to tell us about, biorefineries. And then we will hear from Tolmasquim and Travassos.

**William França:** That was a great question. So, we are advancing in other areas. For example, biorefineries. As Sergio said, there's the possibility of biorefinery. The HEFA plant, ex-HSVO and SAF in Bahia, and we have two plants which are doing very well in a partnership with the Ultra Group and Braskem and Rio Grandense, which is a bio refinery that at the end of 2027 will begin its operations. And when it does, it will only process renewable raw materials. Because it's a small refinery, 16,000 barrels, and normally, HEFA plants are at that size.

And there you have access to markets in Argentina and Uruguay. So, for example, soybean oil, canola. And the port of Rio Grande is very close, and that really helps with, cabotage of exports. So we are at Phase 2. We are going to have a HEFA and HDTT, and we will produce basically diesel and SAF.

This year, we are also having a second test to sell green FCC, where we will process, plant-based oils to produce CO2 and hydrogen. And that's the unit that basically produces, green gasoline and naphtha, and even BTX.

That's the second stage of the project. We will use CO2 and hydrogen and combine it with hydrogen to produce, methanol. So, this project is very advanced at Rio Grandense. We also have a neutral carbon project. This is at Phase 0, and this is Tolmasquim area.

And at Lubnor, we hope to adapt our lubricant plant there to neutral carbon, and use, green hydrogen and biomethane in using natural gas.

Besides that, and I think Tolmasquim will be able to add to this answer, we have several initiatives in partnerships for alcohol-to-jet and other kinds of technologies along the same line as you said. So, it's much broader.

So I will pass it over to Tolmasquim.

**Mauricio Tolmasquim:** Adding to what was said in terms of business model, M&A, soil and onshore, in all areas, we can use organic investments. For example, in CCUS, we have saline areas close to land. So we provide services there and Petrobras is very competent at doing that.

So it would make sense that it would be an operator and have CAPEX there. If there are other investors interested in it, of course, that does not rule out that possibility. In terms of offshore wind, we have announced several projects. So we do not necessarily need to be the operator, and we also have some projects with Equinor.

Green hydrogen. We are looking at plants to, demo plants in the Northeast and Southeast. So we have an R&D reserve by ourselves and in terms of investment, we are looking at a few partnerships, but nothing really is preventing us from doing it by ourselves.

Petrobras has that skill. We are the biggest producer or consumer of, gray hydrogen. So there's no mystery there, in producing green hydrogen if we have to as well. Concerning the methanol, we are starting a partnership with a European company in the northeast, And the biggest advantage of doing it with them is that they have tried the technology, and they also have a PPA, with a major consumer.

We are looking at biomethane as well, and in in that area, we will probably be off-takers. These are distributed investments. So we hope to buy biomethane and put it in our gas pipeline in a certain percentage and transport it or consume and obtain a certificate, as an equivalent decarbonization and then use it in one of our refineries to produce some renewable product.

We also have biofuel, and most of them will be operators, and they are major investors. So, we have mentioned co-processing, Repar, Replan, and Reduc, and we also have HVO and others.

So, I would say that besides onshore, we will probably not be an operator. With all others, Petrobras would want to operate, but if we have a partnership or not, if we have investors who want to share that CAPEX then, of course, we are open to analyzing that.

**Joelson Mendes:** Sergio, I could add some information here about Ibama. It was asked about, the impacts of that Ibama strike, but we are not expecting to be impacted in any major projects. We can prioritize some activities with Ibama, but we have been impacted in some areas, in an isolated area. So, we can have an impact to the magnitude of 2% of our yearly production if the situation continues.

**Carlos Travassos:** I will add some information to what you said. Recently, we were authorized by Ibama to install Maria Quitéria. This was a meeting that was led by Clarice, and what we are doing is prioritizing some areas. We have, an open line of conversation with Ibama. Like I said, we are finishing the pre-installation in the anchoring line in Duque de Caxias, and in Maria Quitéria, we also have the authorization to begin. This is the one that just left the Chinese shipyard.

So drilling, some seismic activities, sometimes we need, licenses and approval from authorities. But as I showed in my presentation, we have five production systems coming into line between 2024 and 2025, and none of them will be impacted by this change in lbama.

**Rodolfo Angele, JPMorgan:** Good afternoon. My first question, I just want to refer back to extraordinary dividends. In the last quarter, we discussed that decision from the Board to not pay out extraordinary dividends, but that was reversed. So, I do not know, Sergio, if you could tell us a little bit about what this process was like, what changed, and what we should expect for the future. If we should retire that account, or what should we expect for the future?

And my second question is, we have been talking about the production curve and this is something that investors have asked us about. Depletion rates, at Petrobras for the next years. So, can you tell us a little bit more about what you expect specifically pre- and post-salt. The question comes from the fact that some fields well, there are many FPSOs that are new and some spectacular ones like Búzios. What should we expect? It should be lower than average right or at least have a risk of being, lower than, the historical level. So, if you could tell us about that then we can break for lunch. Thank you.

**Sergio Caetano Leite:** Thank you for your question, Rodolfo. It's great to hear from you. That's very relevant information. Rodolfo is not only one of the journalists have been covering Petrobras for the longest time, but he's also a great musician. He plays drums, the guitar. So, you can ask him to share pictures and videos. It's really worth it, but I will share this answer with Carlos Travassos, starting with dividends.

So Rodolfo, you asked about the future of extraordinary dividends and our reserve utilization. Since the reserve was created, many doubts appeared. We sent to CA this communication of the reserve and that's 2000 that's a request from 2019. So this was made by the previous administrators, and it follows a practice that 8 out of the 10 biggest companies in Bovespa. Vale, Bradesco, they all have reserves like this.

So, at the time, we did not think it was pertinent to create a reserve, but when we changed our dividend payment plan last year, we felt the need from that research group that started the dividend policy and this topic arose again.

Since we proposed the creation, it created a lot of controversy which was surprising to us, and I am going to tell you why. But the initial name of the reserve was a reserve for the equalization of dividend payments, which is self-explanatory in our opinion. However, at Petrobras' governance, the Administrative committee, the Board of directors decided to change the name of that reserve, which then became reserve for capital compensation. And that's when things got confusing for the general public and investors.

And why did I say that we were surprised by the controversy that was created? For one, because Petrobras had already a reserve for investments in capital. It's part of Petrobras balance sheet, and there are some resources allocated in that reserve, and that reserve was allocated to investments that are not per excellence included in the strategic planning.

Petrobras has this reserve that was created in 2018 or 2019, if I am not mistaken, to be allocated in investments, and that is to be called reserve for investments in capital. And now, the new one is called a reserve for capital compensation.

The first time we published that, the first reaction was, well, Petrobras wants to allocate resources that should be allocated to redistribution of dividends and allocated to

investments. And that's why they created that reserve. And since the beginning, we said that it would make sense, and since that reserve already existed, we would not have to create a new reserve. If the intention were that, the council and the Board would only have to get together and allocate these funds to these purposes.

So, we tried to explain that. In the beginning, it was not so easy but then things got settled. In the beginning of the year, we were doing the previous year's analysis, and we recommended that 50% be paid as dividend distribution and another 50% should be maintained in the reserve.

The Administrative Board, it was the first time that the reserve was being used. That was something new in Petrobras, and it's also important to say that the money that's left in the reserve could only be allocated to the payment of dividends.

So, what we were saying was that the extraordinary results would be a 100% redistributed as dividend payment. However, our proposal is that initially only 50% should be distributed, and the remaining 50% should remain in the reserve. If we did not use the reserve for the S/A, we would have to redistribute 100%.

So, we are still keeping this assumption that a 100% will be distributed, but, 50% would be distributed initially, and the other 50% would be distributed later. And we went over our reasons for that.

So, in hindsight, and with all of the controversy that occurred as a reaction to that, what happened in this process, and Petrobras had yet another demonstration that governance that's under Director Spinelli's administration worked really well.

The Board said we should pay 50% and maintain 50% and submit the reviews. And the administrative council received the analyses and said, "well, wait. We need to, look into this more closely. The external scenario is changing, so we need to have more information".

Don't we already have a reserve that's allocated to the payment of dividends? Yes. We do. So that reserve will be dedicated to the payment of dividends and we have to look into this a bit further.

And as we all know, a huge controversy emerged and at the end, the Board came back with more information, and the administrative board was comfortable with the explanations and submitted the matter to the general assembly for the final decision.

So, in hindsight, this governance worked, and it's just as well that this double verification occurred, which only proves that the decision was correct and well grounded. So, this is my decision, and if now we have this 2020 vision in hindsight, of course, that was not the case during the process, but in hindsight, the governance worked to protect the investors interests.

And what was decided back then in terms of what to expect for the future was that, by the end of this fiscal year, 2024, that is, it can happen at any time that DR and the administrative board should monitor the external scenario and the market status and the externalities, and that they should define when the reserve would be distributed.

So, there's no set date for that. We have decided though that this will happen before the end, or by the end of the fiscal year. It could happen at any time between now and then.

So, what should we expect from this reserve? It works whenever it's necessary. Whenever it's safer for Petrobras, it will work. It is a tool created to make sure that in years where we have a lot of net profit and the cash flow is impaired or the other way around, that it can be used to make sure that the policy will always work in good conditions regardless of any external factors. So, in terms of what to expect for the future is that it will work and will continue to work well.

This is a process of greater transparency that we have been implementing at Petrobras since last year, and the deep dive that we did in New York will also happen in Asia this year.

On the 27th, we will be receiving 48 investors and analysts at CENPES and our intention is to understand the production curve. There will be a lot of technical staff there, but invites have been sent to investors as well. Of course, there will be people from reservoirs speaking in technical lingo, but, we want to have the analysts with us so that, we can give you a perspective about our production curve and that will be maintained.

The dividend calculation will also be scrutinized. So, this reserve will continue the work and that is the decision of the administrative board. So, we should wait for their review and for their decision on what to do with the balance by the end of the fiscal year.

The review is supposed to happen by the end of the fiscal year concerning the completion rates and the other rates regarding E&P, I will give the floor to Director Joelson.

**Joelson Mendes:** Rodolfo, thank you for the very interesting question. It gives us the opportunity to go over why we have been seeing a decline rate of around 10% in the last few years and why we do not think anything too different from that will happen. Each field goes through a natural decline once it starts production.

Of course, you are decreasing the pressure of that reservoir and the amount of gas. So, it's just natural that you can extract less, hydrocarbons from it. That's just natural and happens differently at a different rate in each field. But in order for our projects to be profitable, especially for deep and ultra-deep waters, we attempt to recover the total volume of hydrocarbons as soon as possible.

So, we are increasingly more seeing wider pipeline projects with wider wells. And it's not by chance that with fewer wells, we have been having the same extraction rates, so that the net present value of these projects is also high. But with that, of course, this decline is also expedited because you are removing more hydrocarbon.

And there's another natural aspect. As wells age, they present problems from time to time. In Búzios, for instance, one of our biggest fields, we have dozens of wells that that have been producing for four or five years now. In 2P, we have hundreds of wells in production that have been producing for 12 or 13 or 15 years. So, from time to time, we have to intervene in certain wells and we have a pool of tools and vessels and rigs for these interventions, but they are not available immediately overnight.

We have a great fleet of equipment, but when a well needs to be taken out of operation for any reason, it might take us anything between weeks months to intervene in it or the intervention may not be feasible at all.

For all interventions, we have to do the math and see if it's feasible or not. So that contributes to this escalation of the decline rate because we are removing hydrocarbons from the wells as fast as we can.



And we have to rely on extremely expensive tools and resources, rigs that cost somewhere in the range of US\$300,000 to US\$500,000 and this affects this decline. And I would very much like to have a decline rate below 10%, but that's not what we have been seeing, and we believe that it will remain like that even though we are working against that.

**Ana Paula:** Thanks, everybody. This is the end of our Q&A session. If there are additional questions, you may send your questions to our investor relations team. Now, I will give the floor to Director Sergio for his final comments. Sergio?

**Sergio Caetano Leite:** Thank you for your participation. It's always important to have these meetings. Our take home message is that we are having consistent results, expressive figures, some of which we have been measuring and monitoring at Petrobras.

We have been monitoring the deviation, the gap between the planned and year to date numbers. Some of them such as the EBITDA are within very small deviation ranges and the others are hard to predict such as net profit.

These have a greater deviation. We have already been hearing news about, forwarded expectations, but we are now facing an adverse scenario. And we have been analyzing the current status as we did last year with the certainty that the Company is solid, that the numbers are going to be reversed, and that we are going to deliver our production curve.

Profits are going to remain solid. We are going to keep on paying dividends and contributing to society like we have been doing with the south of Brazil amidst the strategy tragedy and adding value to the oil and gas industry.

So, it has been a challenging 1Q. The Company has responded well to these actions. So, with that, I would like to say thank you for your participation, and have a great day.

**Ana Paula:** Thank you, Sergio. This presentation is already available on the Investor Relations website and we will soon make the audio portion of this webcast available as well. Thank you and have a great day.

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