

Webcast - Presentation of the SP 2050 and BP 25-29 November 22, 2024

Eduardo de Nardi:

Good afternoon, and welcome to Petrobras webcast. It's an honor and a pleasure to be with you today.

Today, we will have the opportunity to participate in discussions with our management, and to optimize our time, we will initiate with our President Magda's speech followed by the Q&A session.

You can send us questions through the e-mail petroinvest@petrobras.com.br, and it's already available on our Investor Relations website, the full detailed plan. This event is being held in Portuguese with simultaneous transition into English. The links to the corresponding languages are on our web page.

With us today, we have Magda Chambriard, Petrobras' President; Clarice Coppetti, the Executive Director for Executive Affairs; Daniel Correa, the Executive Director of Markets; Fernando Melgarejo, Executive Director of Investor Relations; Mario Spinelli, Executive Director of Compliance; Mauricio Tolmasquim, Executive Director of Sustainability and Energy Transition; Renata Baruzzi, Technology and Innovation; Sylvia dos Anjos, Executive Director of Exploration and Production; and William França, Executive Director of Processes and Products.

So to begin, I will give the floor to Magda Chambriard for her initial statements.

Magda Chambriard:

Dear analysts, dear investors, and all of our listeners, good afternoon. It's a huge pleasure to be here to talk about our Strategic Plan, our Business Plan for 2025-2029 and our Strategic Plan 2050, both designed with a base on realism and with the commitment to find value for our shareholders, whether they are public or private.

The time is short and we want to take questions at the end. I will summarize our main proposals for the generation of value in the long term. But before I do that, I have to remind you that we have a few parallel subjects that overlap with the idea of announcing this Strategic Plan that show you the level of solidity of these plans, and that we are going to be able to deliver on our promises.

The first thing that I want to tell you is that our decision yesterday to pay extraordinary dividends, that was a commitment and that was complied with, and that reinforces our theory that Petrobras is not interested in accumulating money from these operations. If we have enough cash and funds to finance our business plan, there is no reason for us to store cash. It will be redistributed to our investors through dividends, whether they are extraordinary or ordinary.

Another aspect that I want to talk about is about the feasibility of the plan. When we look at a 2024-2028 plan, we see a plan that was designed with a lot of perseverance, transparency, and ethics.

But in the 2Q24, we noticed that our commitments around CAPEX investments were not being 100% fulfilled. We were actually fulfilling it by 30% less, and we reviewed that and by the end of the 2Q, we adjusted the investment CAPEX, and we moved from US\$18 billion to US\$14 billion, a US\$4 billion difference, more or less 30% of the total amount. We reviewed all that, adjusted our internal procedures and focused on cross-sectional processes, expedited things.

And as of August, we started to deliver 100% of the CAPEX. So since August 2024, we have been complying with all of our guidances, both in terms of investments and oil and gas production.

This is what gives you the assurance that what we are presenting here is real, is feasible, and will require a lot of effort and dedication from Petrobras.

Obviously, investing is a priority and a policy, and we establish the payment of dividends only after we can guarantee the feasibility of the investments provided for in our business plan.

That's why when we announced the results for the 3Q, many people asked us, "What about the extraordinary dividends?", and we asked people to wait and they would come along with the announcement of the business plan, which is the basis for the announcement of the extraordinary dividends. We needed to have the guarantee like Fernando Melgarejo insisted on, we needed to make sure that the plan was feasible. And once that is done, there is no reason for us not to pay dividends, whether they are ordinary or extraordinary.

And now talking about the plan, our investments amount to US\$111 billion for this 5-year period. So for the next 5 years, we will be investing US\$111 billion. Out of this total, US\$77 billion will be for the Exploration & Production segment, which means that it will continue being the focus of the Company. This segment is our priority when it comes to our capital allocation.

I have to mention something about the US\$111 billion. Some may ask if this is not growing as much because the previous plan had US\$102 billion. Our answer to that is yes in comparison to what was planned but not what was being executed. If we consider what was being actually executed from the previous year until July this year, we can see that this US\$111 billion actually represent an increase in investments of about 35%. So it is not small. It's a lot, the number of projects, or the invested value that we are adding to the production process is significant in our Company.

We are going to see a growing production of oil and gas. We are ramping up our production until 2032, and this will include economic and environmental resilience characterized by very low breakeven. Our projects, on average, have a scenario of US\$45 per barrel of oil. So these are projects that are extremely solid and profitable that had 3 different scenarios before them, and the main and most challenging scenario considers oil at US\$45 per barrel.

These projects have a low carbon footprint, and they are in tune with all of the demands that our planet has, to reduce emissions and reduce greenhouse gas emissions as well.

This entire portfolio at Petrobras connects very deeply to all of the scenarios in the Paris Agreement. So we are in tune with the Brazilian government's policies for energy transition.

In 2025, we expect to have a production of 2.3 million barrels of oil per day. In 2024, we had 2.2 million. So for next year, we expect to produce 100 barrels of oil per day more, and that is based, of course, on the 2024 average. Between 2027 and 2029, we are going to have 2.5 million barrels a day of oil. If we consider oil equivalent barrels, it will be 2.8 million barrels.

And this is Petrobras' share of the projects that are operated in the Company. We are going to remain in this level from 2027 to 2029, which puts us the position of being one of the only companies that is ramping up its production in the oil industry.

And to pass this value to society and our shareholders, we are going to direct all of our efforts in the Company and the Board of Directors to pursue one thing that we have been able to achieve and that is already factual since August 2024, which is 100% of the planned CAPEX being executed and complying to the guidances in our Strategic Plan.

When we talk about ramping up until 2030, we were talking about peak production in 2030. We are working with a nonrenewable resource. So this resource will have a peak production level and then will start naturally declining.

This natural decline has to be faced in our strategic plan, and it will be done by repositioning reserves, whether they come from exploring the Brazilian Equatorial margin, the Pelotas basin in the South of the country, the offshore regions in the Brazilian southeast or abroad, in South America or in the Atlantic Ridge of Africa.

And you might be asking why, and I can answer that even though we expect a lower demand for oil, all of our scenarios, including the ones considered in the Paris Agreements, consider that oil will still be very important and extremely relevant until 2050. So from now until 2050, the next 25 years at least, Petrobras will focus on exploring and producing oil, despite investing in source diversity and investing in renewable energies.

In this Strategic Plan, there was a discussion, and this was an assumption in the plan. We talked about what Petrobras represents for Brazilian society, and I have a figure to share with you. It's extremely interesting.

Our conclusion was, and this was measured, that Petrobras generates 31% of all primary energy consumed in Brazil. So if we want for Brazil, a company that is just as relevant as it is today in 2050, we will need to expand the Company as Brazil grows at the same level.

Brazil is growing by about 2% a year, so by 2050, this means a 60% growth in primary energy consumption. So to maintain the same share of 31%, then Petrobras has to grow for the next 25 years by at least 60%. And that is our Strategic Plan. This is what we are addressing.

In Brazil, oil is our main exported good. It's the main product that is being exported by Brazil. We export more oil than we do ore or soybean meal or any agricultural products. We are now responsible for the biggest exported good in Brazil, which is crude oil.

Oil in Brazil means this. Brazil is one of the biggest 10 economies in the world, or among the top oil producers and the top oil exporters because of Petrobras and its work. And it's also 1 of the top 10 consumer markets for liquid fuels in the world.

So this is what we are talking about. We are going to face the challenge of supplying energy for this entire country. And as you know, Brazil is the size of a continent. That's why I am saying that we are going to do it. We are going to do it with oil with the lowest carbon footprint possible, which is less than half of the global average. We are going to do it by supplying oil byproducts that are increasingly clean, renewable.

We have efforts to produce net zero gasoline. We have efforts to produce co-processed diesel with vegetable oil. We are also using ethanol, SAF, EFA, and so on. So we are having cleaner and more renewable fuels generating wealth for our investors, whether they are in the government, private investors, and for all of Brazilian society.

And that's why we are not scared of saying that if Brazil stopped producing oil through Petrobras, the world would probably be dirtier, would probably have more emissions. This oil would need to be imported and would definitely have twice as much in emissions as we do. Oil byproducts would need to be imported and they would generate more pollution than we do. Our planet will be more polluted and Brazil would definitely be much poorer.

So this is what Petrobras represents for our country. This is what we represent to Brazilian society. And this is what Petrobras represents for its shareholders, whether they are in the government or private shareholders.

Another thing that we would like to highlight is that all oil matters for us. It does not matter if it's a lot or very little oil. Our business is producing oil, and oil matters to us. And it gives us profit. We are going to make money with this oil.

Oil and gas foster technology development in Brazil, they foster economic and social development in our country, and especially, it's profitable. It's very profitable. And this is what we are going to pursue. We believe that in Brazil, we cannot let go of oil and the role it plays in our portfolio. And this oil is also generating an income and employment in our country.

Ladies and gentlemen, analysts, investors, at the same time as we are prioritizing oil and gas, we are also getting ready for an energy transition. This is a reality in the present. We are not talking about the future, we are talking about the present.

We understand that there are no dichotomies in producing oil while we are going through the energy transition. You can have energy transition while you are still producing oil and gas. Because in practice, we understand that the world cannot depend on fossil fuels and cannot let go of fossil fuels while we are expanding the offer of renewable energies. Oil will foot the bill for the energy transition. We are aware and we are convinced of that.

Our investment plan, US\$111 billion, of which 77% is for exploring and producing, will require investments of US\$16.3 billion into low carbon. So that's 15% of our CAPEX. Our total investment for these 5 years is 15% in low-carbon projects. About 1/3 of these projects are dedicated to decarbonize our activities. 2/3 are dedicated to opportunities in wind, solar, power, hydrogen, carbon sinking, bioproducts, and especially what is new in this plan.

We are referring to ethanol again in this plan. Ethanol is the main competitor against gasoline. We have a unique country in the world, because our fleet is flexible. It can use ethanol or gasoline.

But the competitor for gasoline earlier this year was more viable than gasoline economically in over 20 states of Brazil. It was recently more viable than gasoline in 15 Brazilian states. Petrobras has been working with ethanol since the '70s. Recently, Petrobras was removed from the ethanol market but we are going back.

We have the molecule in our DNA. When we talk about energy transition, this relates to this greener molecule that is a byproduct of animal and plant products. And we are also talking about the electrons that come from wind and solar power plants. So this account is now more balanced. We are focusing on the molecule again and that's why we are referring back to ethanol.

And why are we doing that? In order to distribute liquids, you need to have infrastructure. You need to have tanks and pipes. Petrobras has this in its DNA. For us, electrons are a little bit more difficult. For us, electrons require building bigger infrastructure but we already have installed infrastructure for a molecule. So that's why we are referring back to ethanol. That's why we are connecting back to this product in order to be a relevant operator to transport ethanol in Brazil.

Ladies and gentlemen, we are also going to generate value through integration. We are referring to integration in oil refineries. Our understanding is that the Brazilian demand will be more resilient than the global demand. It will demand fossil fuels and increasingly, green fuels. We have investments of US\$15.2 billion for these 5 years focused on high-quality products and low-carbon products.

So I have an example of that which we are very proud of. In 2006, Petrobras started researching ways of producing greener diesel. And it's now a reality. It's already produced in 5 of our refineries. And this greener diesel is co-processed with vegetable oil and it now has 5% vegetable oil content. This diesel is so perfect, and it's patented by Petrobras, that it can only be differentiated from the previous one with carbon-14 tests. It's that perfect.

So we are looking at co-processed diesel, R7. We can sell bunkers with 25% renewable content. We are now moving to EFA, cleaner aviation fuel. We have a myriad of products generated in Petrobras. And I would like to say that this is not just the fuel of the future. It's already a fuel of the present.

In logistics, we will invest US\$3.6 billion. We are going to invest in the construction of cabotage ships and the expansion of strategic markets, especially the Midwest and the Northern arc, given the economic growth of these regions.

And in investments in refineries, we have US\$0.9 billion forecast to resume our activities in the fertilizer industry. Many people ask us, "How's Petrobras related to fertilizers?", and I tell them, Brazil imports 80% of its fertilizers. Natural gas is an absolutely relevant assets to manufacture fertilizers, and we have that.

And it's a product that accounts for a large portion of the final price of fertilizers, and we have that gas and we reinject it. So we have to put gas into our pockets. We want to bring the financial returns from this gas. We want to make profit from it, and we want to use it to expand the market of natural gas that we produce. And we want to monetize.

In gas and energy, we invest US\$2.6 billion with the possibility of building up to 2 thermal power plants in the Boaventura Energy Complex, in Rio de Janeiro state. Depending on the market, it will be 1 or 2 over a 5-year period, depending on the market and on the demand for energy.

It's also extremely important that we say that all of these investment decisions, whether they are related to the expansion of refineries or related to the expansion of production or the construction of new oil rigs or the trading logistics or energy transition, all of them are strongly grounded on a strong governance, and on the certainty that all these projects need to be profitable for the Company and they have to add value to our business portfolio.

We are not here to destroy values. We are here to build values for society and for our investors. And again, whether they are public or private, we have a strong governance that serves as the basis for the development of these projects. We approve investments that are, as I said, lucrative even in a scenario of robustness, that is, even if the oil price is extremely low according to our forecast, and again, I am talking about US\$45 per barrel, all of these projects will be equally profitable with no loss of value for our investors.

So ladies and gentlemen, analysts and investors, I want to wrap up by reiterating my certainty that our Petrobras is on the right path to generate sustainable value. I believe that we were able to set a good balance between society's legitimate demand for fossil energies with a lower carbon footprint and the need for us to get prepared to thrive in a world where energy transition intensifies even though there are doubts about the pace of this transition.

Thanks for listening to me. And now I will give the floor to our CFO, Fernando Melgarejo, who will say a few words about our 2025-2029 Business Plan. Thank you.

Fernando Melgarejo:

Thank you so much, Magda. Dear analysts, investors, good afternoon. It's great to be back with you. I will start off by going back to a few important aspects touched upon by President Magda, and also go over our plan. I hope to have time for Q&A at the end.

As the President said, we are moving forward with lucrative investments even in a scenario of robustness. It's extremely important that our projects use a positive VPL in more challenging scenarios. Otherwise, they will not be approved. Otherwise, they wouldn't even be approved by our governance.

Our internal return rate is 22% in this plan with a prospective Brent of only US\$28 per barrel. And we made an adjustment to the cost here, it used to be US\$25 to the previous plans. And for RTC, we forecast a 14% TIR. In the gas and low carbon energy segment, our expectation is 10%, which is superior to that of the previous plan, which was 8% due to ethanol businesses where we expect greater returns. I must emphasize that all of the returns mentioned here are in real USD with no inflation.

In the plan, the CAPEX forecast is also more realistic. Our annual CAPEX will be around US\$20 billion per year, in a more stable trajectory that's more in line with the execution capacity, both internally and in the supply chain.

We are working on a more efficient financial management as a value generation driver. In the plan, we translated it into greater flexibility to our gross debt, which is now US\$75 billion, and it would maintain a low leverage even in a scenario of low oil weight, even if we used all of that amount.

But it's important to highlight that this does not mean that we are forecasting working with this level of indebtedness of US\$75 billion. Our forecasts point towards the indebtedness of US\$65 billion throughout the year.

The key word for us is flexibility in debt management due to a series of reasons such as, for instance, the current financial leverage at suboptimal levels, and also affreightment at higher costs.

About affreightment, it's important to highlight that most of the contracts are associated to assets from the production of oil and gas, which generate cash flow upon acknowledgment of the debt.

The concept of flexibility is closely related to financial efficiency. With greater efficiency to manage the debt, we add value to the business by allowing room for the anticipation of oil rigs, as was the case with the FPSO of Maria Quitéria, which is to say that we anticipated value by the generation of cash flow, which could be a problem if the limitations imposed by the debt cap would not allow for room for the anticipated registration of the affreightment debt.

We also avoid another potential problem related to anticipations to respect to the cap. We could come across a situation that would require the pre-payment of debt with an NPV that might not be the best economic alternative, and the effect of that is that we can work with an even lower minimum cash of R\$6 billion as opposed to R\$8 billion as we had before.

We also added value by allowing the longer affreightment contracts with a proportional increase in the debt, but that can definitely bring about better economic conditions with a longer term.

I also want to talk about the ordinary dividends forecast by the plan of US\$45 billion to US\$55 billion for the duration of the 5-year plan. Our policy is fundamental, and this is to say that we always prioritize investment and reinvestment, something that our President also said before, because they will obviously generate more value for shareholders and to society since the returns are always greater than the cost of capital.

No project is below the capital cost under our governance. That's why our dividend format establishes that payments can only be made after discounting the investments.

Given the quality of our assets, Petrobras generates cash flow that is superior to the requirements of the business. And therefore, this surplus of cash results in a distribution of cash for the shareholders. And that's exactly what we did with yesterday's decision about the extraordinary dividends of around R\$20 million.

We understand that all of the quality projects that bring about synergy and value to shareholders and that are in line with our strategies are and will be prioritized in this plan.

This is undoubtedly our biggest goal: to invest to create value for the shareholder. And that is why I echo President Magda's words about the fundamental role of the Equatorial margin in this equation. We will look for profitable opportunities, overcome hurdles, surpass challenges, and reinvest to make sure that Petrobras continues to be a profitable, perennial company, maintaining its socioeconomic relevance for all Brazilians, because Brazil is our biggest energy.

Thank you for your attention, and I will give the floor back to Eduardo.

Eduardo de Nardi:

Thank you, Magda and Fernando. We will now start the Q&A session.

Rodolfo de Angele, JPMorgan:

Good afternoon. I would like to thank the executive officers and Magda's presence. We always have the presence of the senior management, but of course, it's great to have her. So thank you for the opportunity, Magda.

I have 1 question. I will focus on the fact that I think that the plan is extremely coherent and quite aligned with the propositions of the administration concerning the return on investment and return to shareholders.

We saw that in upstream, you displaced some FPSOs basically with no effect on the Company's production curve, but there were some delays or postponements, and we also noticed that there's a novelty when it comes to CAPEX, which is a number now with more or less 10%. So my question is, why did these delays happen? Should we see that as the normal difficulties of the market where it's hard to sign contracts? I would like to hear your take on that.

Renata Baruzzi:

Thank you for your question, Rodolfo. We have been talking about the difficulties we have been facing when contracting FPSOs, especially for affreightment. Companies have had some challenges finding funds in the market. So we reviewed our contracting strategy, and we are waiting for green light from our partners. Our directors are working on that so that we can go back to the market. So with these difficulties contracting SEAP 1, that's why these delays happened.

Another thing that suffered a delay was the Búzios 9 project. The biggest problem in Búzios 9 was with the subsea equipment. The market is extremely warmed up and we had a difficulty contracting the equipment, so that was postponed from 2026 to 2027.

That's basically it. In terms of the production curve, it absorbed these variations. And we always outline the curves based on the risk assessment so absorbed these postponements. And from 2026 to 2027, Director Sylvia and her team are looking for complementary projects so that we can supplement production.

Concerning the CAPEX variation, we will start doing something that's similar to what we do with the oil curve. We offer a range of what we think will be feasible, and that's also based on our risk analysis. And just like we defined our limits for the 2Q, which was between 13.5 and 14.5, now we are get in the habit of giving you a range that we believe is feasible.

So it's a matter of risk assessment and defining what is feasible or not. And of course, when we do the risk assessment, we try to mitigate these risks so that we are able to reach the top of the range.

Pedro Soares, BTG Pactual:

Good afternoon. My question is very quick about the capital structure. I think you mentioned that the financial leveraging of the Company was at suboptimal levels. But

maybe you could talk in greater depth about how you saw that inefficiency, and for what levels we could expect an increased leveraging, or if there is an optimal target for you.

And my question is because if we look at the midrange of the debt between US\$55 billion and US\$65 billion, that's not too far from the limits of the previous debt, even though the reference cash flow in the past used to stay way above the US\$8 billion that were used as a reference. So my question is about the space you want to create, if it's in the range of US\$2 billion for the reference cash flow, or if you intend to open up the space for the payment of extraordinary debts once all of the investment needs of the Company are met. Thank you.

Fernando Melgarejo:

Thanks for your question, Pedro. Our reference cash was US\$6 billion and it was never reached. It used to stay at a superior level. When we defined it at US\$6 billion, the cash will also stay above that, because the Company generates cash flow. So it's cycles. You generate cash and you accumulate it, you have the option of paying the debts or not, but we decided that we would act on the payments and to reach a flatter debt of US\$55 billion, with an additional US\$10 billion as a margin, even though we expect not to use that anymore.

But as I told you, it's a matter of cycles. You escalate, and if you need to make a decision, you can reach up to the limit of US\$6 billion. And the decision may be related to the distribution of dividends or investments in excess of what is outlined in the plans.

And what we just did with the decision about the extraordinary dividends. That was the result of a technical analysis and level of the confidence and looking at the future cash flow in a very prospective vision. But it still allows us to finance the entire plan.

We constantly review these perspectives, but we are constantly working below. We are working with US\$15 billion. It used to be US\$22 billion or US\$25 billion, but since we have this flexibility with the debt, we want to be more in line with our current limits, especially because this new debt cap, if we have a problem, we have enough limit to seek resources in the market.

Guilherme, Goldman Sachs:

Thank you for giving me this opportunity. We have a couple of questions on our side about production. We saw that there was an increase in your expected production for next year, and we understand that this is related to some platforms that are going online earlier, like we saw this year. We would just like to understand what you included in this guidance, considering downtimes, environmental licenses, and operation. At first, it still seems a little conservative when you compare it to the production levels we saw in the last few months. Thank you.

Sylvia dos Anjos:

Good afternoon. So our forecasted production uses a very robust risk analysis model. So we include not only the platforms going online but also the inherent risks, variations in the reservoir, natural production decline, programmed downtimes, any disruptive risks.

So it's always important to look at this rate and give some safety to our investors. That's why we are so confident in doing this prediction, because it only includes new units going online.

Regis Cardoso, XP:

Thank you for giving us some time for questions, and also thank you for presenting the plan. I would like to focus on your portfolio. I would like to understand how this portfolio is calculated. Actually, I would like to understand how it's distributed. Does it include M&A projects, or is it more organic projects? Are they small? Are there a few big ones from this entire pool or portfolio? Do you also have Braskem, the ethanol market? So in any case, if you could tell us a bit about your portfolio, what it is made up of and priorities. If you could tell us anything about that, that would be great.

Fernando Melgarejo:

Thank you, Regis. We continue with the same logic as before. Of course, there are multiple initiatives. It's concentrated in gas, low-carbon, and energy. Of course, we started with ethanol right now. That's another driver that we are looking at. We do have some space for an M&A if anything happens. Of course, we do not have any details on that for obvious reasons, but we do have some space for M&As in the 5 years. And the low-carbon gas and energy segment is in focus here.

Vicente Falanga, Bradesco:

Thank you to the entire Petrobras team. Congratulations, Magda, for your first strategic year. You mentioned, as Edu said, that you intend to have investments with a large ethanol company. So what kind of partner are you looking for? Would it be a company that is already running? And do you prefer sugarcane or corn ethanol?

Magda Chambriard:

Thank you for that question. In our plan, as we said, we set that ethanol was mandatory for us as the main competitor for one of our products in the market, which is gasoline. So we decided to do it. We have a mergers and acquisitions area in the Company that's dealing with this kind of possibility. We are also speaking to 4 or 5 companies. And of course, we cannot say what they are and what is the size of that business, but when it comes to Petrobras, it has to be a significant company.

You cannot have a company this size dealing with very small businesses. So we have to do something big and compatible with Petrobras' size. So we are speaking to some players in the market. And I apologize but I cannot say who they are.

Caio Ribeiro, Bank of America:

Good afternoon. Thank you for this opportunity. In the plan you announced, you mentioned that investments upstream include projects that aim to increasing gas availability. So my question is, is this reflected in your implemented projects? Have platforms already been contracted? Or would this be for projects that are being studied? And how is that affecting your CAPEX, considering your current portfolio? Thank you.

Sylvia dos Anjos:

Our project with gas is a part of our production strategy, so we are always seeking the best value for our products. The results with high CO₂ levels have reinjection as an opportunity to not issue CO₂ and favor our reservoirs and increase the recovery rate. So this is a part of our strategy as well. So these decisions are always looking at the best

opportunities. It also includes some of our discussions, if we are going to reinject or not so that we can generate the most value.

Right now, we also have a project analyzing alternatives called Búzios 12. The intention is not only to produce oil but also to significantly increase gas production and even produce a gas hub in several areas in Búzios. We are also assessing opportunities but we are looking at that to ensure that we can supply gas without creating any issues with our product profitability and so on.

Rodrigo de Almeida, Santander:

Good afternoon, and congratulations for your results. We see that your quality is always improving. My question is about cash use sources. I want to connect it to leasing. We saw a relevant change in your investment plan and also in your leasing plan. We understand that there was a change in production contracts, and I would just like to understand the reason behind this. If you can tell us a bit more, that would be great. Thank you.

Fernando Melgarejo:

Rodrigo, thank you for that question. It's a great thing that we can explain to everyone. So this year, we had some adjustments to our methodologies that allocated these values. We allocated some operational flows, some items and some investment cash. And some of our cash flow went into our investments. So throughout this time, we improved our methodology and some things are still being used in leasing.

I will give you a very clear example because it's a CAPEX-related lease. It's registered as a lease but it's actually a part of our investments. We have vessels scheduled to receive flexible pipes, and this would be a CAPEX investment. But this service, the leasing used to be listed as an investment cash flow. So out of this entire total, US\$17 billion just represent the adjustment and US\$13 billion is the inflation added to the leasing price.

Eric de Mello, Itaú:

On our side, I would just like to understand some of the underlying assumptions. So when is the Company inferring its oil price averages at crack spread and its exchange rates? And what led to this change in comparison to the previous year?

Fernando Melgarejo:

I do not know if I understood the question. Can you say that again, Eric?

Eric de Mello:

Of course. I would like to understand the Company's timing. I know that the Company was inferring some rates for its current plan. So I would just like to understand what that is based on, especially the price of oil and the crack rate.

Fernando Melgarejo:

Yes, we have been defining that from the beginning of the year. We have a market view. We look at what analysts bring us. So for example, Brent is US\$60 to US\$92. We are trying to find something that's more in the middle, just like the USD prices. And we have been talking about this throughout our entire plan. So we adopted USD, Brent was

above US\$80 and USD was about R\$5. And this combination is important, Brent versus USD for the total rates used in the plan.

Matheus Enfeldt, UBS:

Thank you for taking my question. I would like to praise your communication of this plan. I think it was very clear. My question is about dividends and cash position. I have a question about the possibility of working closer to the minimum cash. But what degree of confidence does the Company have that it will reach this minimum throughout this time? And what are the consequences, or mitigation initiatives if you get close to this minimum at any point? Also, internally, is your reference cash kept above this minimum? Thank you.

Fernando Melgarejo:

So we have a confidence level for the entire plan. But of course, we have a reliability index that is produced yearly. Naturally, in the beginning, this level is much higher and it goes down according to the uncertainties that happen. In our matrix, 60% and above is the optimal level as long as we have a firm basis for it.

And there's also some discretionary things. So if nothing else works, we can stop investing at any point if it hasn't been contracted yet. And that gives us the guarantee that the entire plan is financeable. About the US\$6 billion, we do intend to work with smaller cash levels than we had before.

Bruno Montanari, Morgan Stanley:

Good afternoon. Thank you for taking my question. Maybe I will let Fernando rest for a bit. I would like to ask about production again but with a longer-term outlook. When we look at the plan, the curve stops at 3.2 million barrels of oil per day. So is that the optimal level for you, considering how you pay back the investments necessary to reach this production level? And what is the optimal level for you when we are talking about reserve replacement over time?

Also, if you could invest more, would we see higher production levels than these 3.2 million barrels of oil per day in the next iterations of the Strategic Plan? So what should happen if you reach this production level that is higher? Is that a possibility? Thank you.

Sylvia dos Anjos:

Bruno, we are actually always looking at that. According to our discoveries at our production, we are constantly updating it. And our strategy is maximizing value and we are always focusing on profitable assets. We currently are attempting to decarbonize our operations, replace our reserves, and increase the production levels for our reservoirs.

Reserve replacement is a constant focus of our management here. We have an investment of US\$7.9 billion in this work front for this 5-year plan. We have 51 exploration wells to be drilled during this time, and maintenance for this curve is fully aligned to our strategy.

We want to have assets at the highest profitability level and new discoveries are always considered when wells are drilled. We have mentioned this before. We see a lot of potential for the Equatorial margin basin. We are going to continue investing strongly in the south and southeast.

The Pelotas Basin in the south is receiving investments of about US\$60 million. So this entire group will result in a production curve, and we are now operating it at about 4 million barrels per day. So with this curve, it would be about 4.5 million in operation. So this is what we have been doing in an attempt to get the best results for our investments possible.

Gabriel Barra, Citi:

Thanks for accepting my question. I want to thank you for your time and for the organization for the presentation. Great job. It's very clear what the Company's priorities are. And in terms of priorities, I would like to talk about M&A and the assessment portfolio. I think you gave a little bit more of emphasis in petrochemicals. I do not know if I am mistaken, but that's my impression from the presentation, especially because Braskem's name was mentioned.

And this week, we had a few discussions about a possible discussion with the banks. I would like to hear from you how you are dealing with the subject internally. And what's the Company's natural trajectory, considering the possibilities of having a very strong natural gas market in Brazil over the course of the next few years? How does Braskem fit into this plan? Thank you.

Fernando Melgarejo:

Thanks for your question. Concerning the business, we already have an important part of Braskem, around 36% of the total, 47% of the ONs. And ideally, for us, we should have a relevant operational partner that knows the market and could guide the Company in the best possible way, and obviously, with synergies with us. We are not at all interested in surpassing 50% of public capital. That would have implications on our balance sheet and also other effects.

I will give the floor to William to talk about the synergies and the importance of petrochemicals in the Petrobras complex.

William França:

Thanks for your question. I was in a very big event about refineries in Europe, and the discussions revolved around the fact that the refineries will become increasingly more integrated with petrochemicals, and also green petrochemicals, highlighting the fact that companies should try to reinforce their synergies with refining.

And we already have that. We have a very strong synergy between our refining structure and petrochemicals by supplying raw materials and by exchanging products. Raw materials go to Rio de Janeiro to Braskem, and they come back as petrochemicals that are then treated. So we already have this integration.

And with Braskem, we already own a share of their capital so we are also owners as it were. And in addition to Braskem, we have very strong possibilities when it comes to gas, with a greater production of C2 plus ethane, we have been able to work with polyethylene and other important products such as acetic acid. And Brazil basically imports this acid, which is fundamental for many activities.

So we have a lot of potential to look for greater synergies with Braskem. That's a natural path forward, especially for the use of naphtha, and also a few possibilities for ethane available in the pre-salt gas.

Lilyanna Yang, HSBC:

Thank you for the presentation and the transparency of the investment plan. My question is, the projected cash flow generation for 2025 is based on a Brent curve of US\$83 refining spread, US\$14 or US\$22 per barrel. And hopefully, it will come to life, but they sound a bit too optimistic because the recent data is actually higher than the values. Could we talk about the assumptions out of 2026, 2027, and 2028 that are not in the plan and put them in the context of them becoming actual? And my implicit question is, if your projected cash flow generation for 2025 is not actualized, what would your dividend distribution look like? What's your flexibility in terms of postponing the investments or increasing your level of indebtedness beyond your current guidelines? Thank you.

Fernando Melgarejo:

In the first years of the plan, our level of confidence is greater than 85%, so the first 2 years are the years with the greatest level of confidence of the entire plan. So we can guarantee that this will be an actual flow.

But in any case, we always work with 3 scenarios. And in the worst case scenario, we are working with a Brent at US\$45. And if not, the project is discarded and we move to a different project.

So in order for us to have a problem, we would need to have a Brent below US\$45 in these 2 years. And still, we have the flexibility of having a greater debt. Even though we are locking it at US\$65 billion, we have a limit of US\$75 billion, an additional US\$10 billion that we would be able to use.

In addition to that, we see a cash flow surplus of between US\$5 billion and US\$10 billion that can be used for extraordinary dividends, but they can also be used for new investments if something is not actualized, or you can also use this amount to cover cash flow needs, or investment needs, especially because we will always focus on investments if we have to prioritize that as opposed to dividends. If we have to prioritize, it will be investments as long as the NPV is positive. In terms of the ordinary ones, the investments will also be guaranteed, and there would be a reduction in the ordinary dividends.

Eduardo de Nardi

Thanks, Fernando. We are now closing the Q&A session. I would like to thank you on behalf of the entire team for the comments, the feedback, the contributions that you, analysts, and shareholders provided to us throughout the year. We always listen to you and that contributes to us having increasingly better materials. I would also like to reinforce that it's very important for the sell-side analysts to propagate this and to work closely with our IR teams. Thank you.

I also want to thank you all for your participation. We had thousands of people connected to this webcast. And if there's any additional questions, we will be together over the course of the next few weeks and months to discuss and clarify the details of the plan.

With that, I will give the floor to President Magda for some closing remarks.

Magda Chambriard:

As you could see, the Petrobras Business Plan and the 2050 Strategic Plan was widely discussed by the Company. It required the involvement in many different departments and staff members who worked tirelessly to deliver a consistent and feasible Strategic and Business Plan, with good returns for shareholders and society in general.

And we believe that this plan is highly feasible in its more optimistic scenarios. We are now bringing more platforms, and 2025 will see the completion of Maria Quitéria and Tamandaré FPSOs. Just to give you an idea of an approximate amount, when we anticipate an FPSO like Maria Quitéria by 6 months, we are talking about something in the range of US\$1 billion of additional NPV. And with Almirante Tamandaré, we are talking about an additional US\$1 billion. So by moving forward, the completion times of these 2 platforms, that in itself produces an approximate NPV of around US\$3 billion, which is what we are delivering to you.

And this is what's reflected here. This is Petrobras's commitment, this is my commitment and the commitment of our entire staff, to make these investments with efficiency and timeliness. And we are working for this to happen. You can rest assured that Petrobras will not let down its shareholders and Brazilian society.

Thank you so much. And if you have any questions, please feel free to contact us. It will be a pleasure. Thank you.

Eduardo de Nardi

Thank you, Magda. We will make this recording available. Thank you, and have a great weekend. See you next time.