

# 2020 Performance

Webcast  
February 25, 2021



**P-77**  
Búzios field

# Disclaimer

The presentation may contain forward-looking statements about future events that are not based on historical facts and are not assurances of future results. Such forward-looking statements merely reflect the Company's current views and estimates of future economic circumstances, industry conditions, company performance and financial results. Such terms as "anticipate", "believe", "expect", "forecast", "intend", "plan", "project", "seek", "should", along with similar or analogous expressions, are used to identify such forward-looking statements. Readers are cautioned that these statements are only projections and may differ materially from actual future results or events. Readers are referred to the documents filed by the Company with the SEC, specifically the Company's most recent Annual Report on Form 20-F, which identify important risk factors that could cause actual results to differ from those contained in the forward-looking statements, including, among other things, risks relating to general economic and business conditions, including crude oil and other commodity prices, refining margins and prevailing exchange rates, uncertainties inherent in making estimates of our oil and gas reserves including recently discovered oil and gas reserves, international and Brazilian political,

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We undertake no obligation to publicly update or revise any forward-looking statements, whether as a result of new information or future events or for any other reason. Figures for 2021 on are estimates or targets.

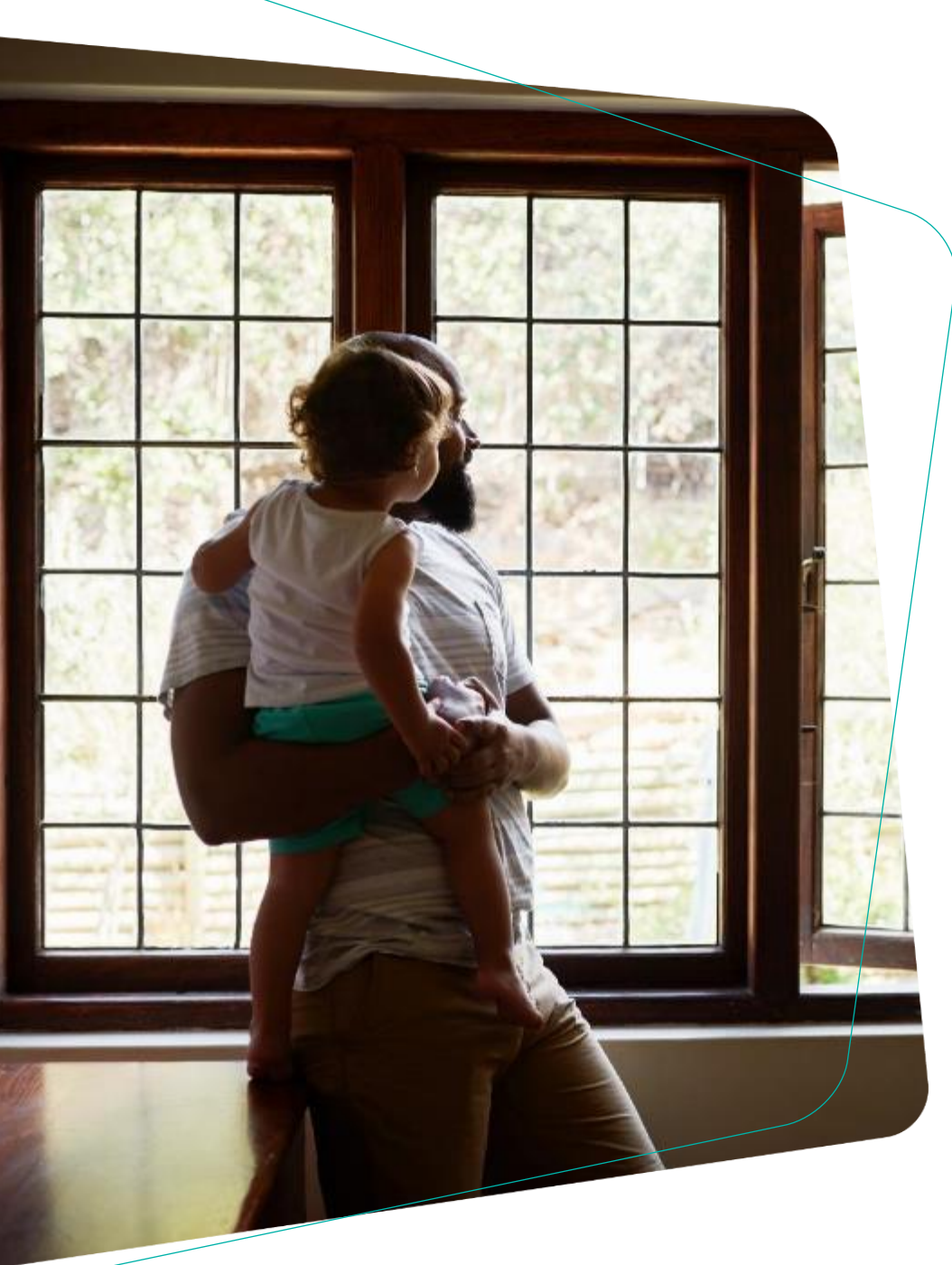
All forward-looking statements are expressly qualified in their entirety by this cautionary statement, and you should not place reliance on any forward-looking statement contained in this presentation.

In addition, this presentation also contains certain financial measures that are not recognized under Brazilian GAAP or IFRS. These measures do not have standardized meanings and may not be comparable to similarly-titled measures provided by other companies. We are providing these measures because we use them as a measure of company performance; they should not be considered in isolation or as a substitute for other financial measures that have been disclosed in accordance with Brazilian GAAP or IFRS.

## Non-sec compliant oil and gas reserves: cautionary statement for us investors

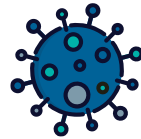
We present certain data in this presentation, such as oil and gas resources, that we are not permitted to present in documents filed with the United States Securities and Exchange Commission (SEC) under new Subpart 1200 to Regulation S-K because such terms do not qualify as proved, probable or possible reserves under Rule 4-10(a) of Regulation S-X

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# Our actions against Covid-19

## Prevention and focus on health and safety



- Adoption of **home office** for all activities that can be performed remotely;
- About **490,000 tests** performed with a comprehensive testing strategy for suspects and contactors and for epidemiological inquiry and screening at the units;
- **Real time monitoring** of cases using data intelligence;
- Special care for boarding platforms: home isolation with health monitoring, virtual briefing and **screening with pre-boarding diagnostic testing**;
- Adjustments in operational routines, with reinforcement in hygiene and **distancing in the environments**;
- About **12 million facial masks** were distributed in the operational units;
- Rigorous risk evaluation for **gradual return of the effective presence** in operational units.

# ESG

*Environmental,  
Social and Governance*



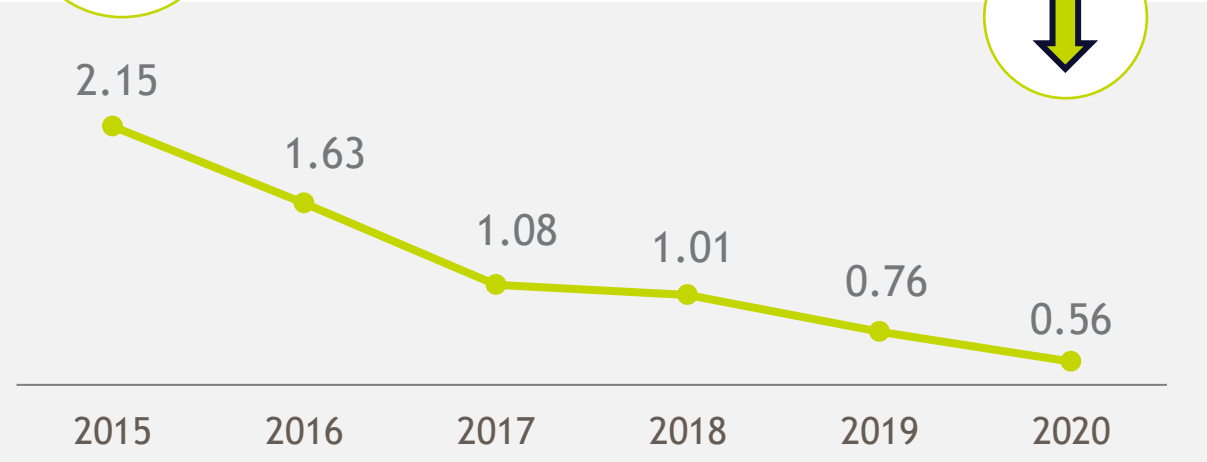


# Safety as priority



## TRI

Total recordable injuries per million man-hours



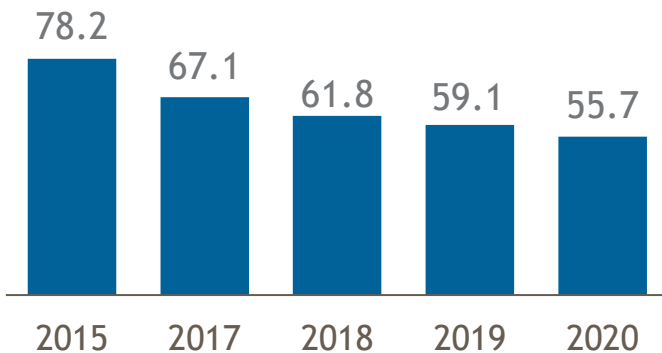
**Ambition to zero fatalities**

- Top metric is TRI <1.0
- Continuous reduction of TRI, with a level significantly below our peer group benchmark

# Emission indicators

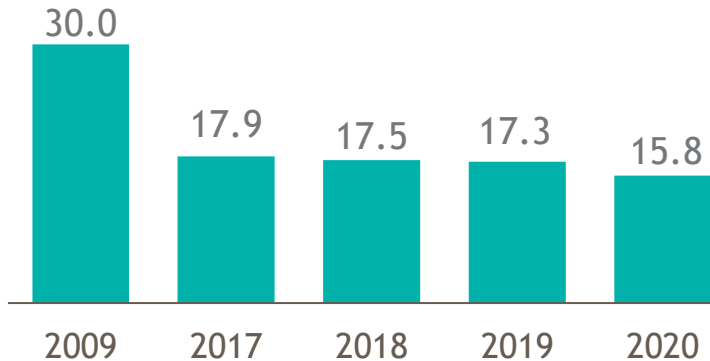
## Consolidated GHG emissions

Mt CO<sub>2</sub>e



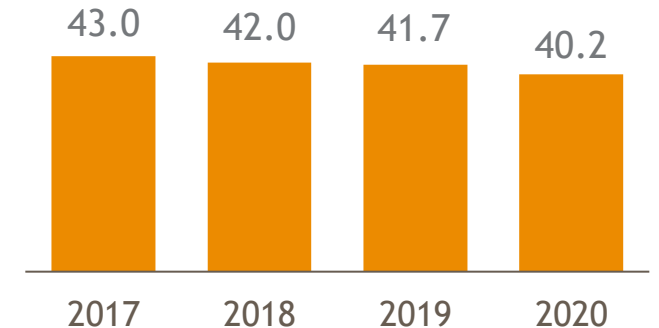
## Carbon Intensity E&P

kgCO<sub>2</sub>e/boe produced



## Carbon Intensity Refining

kgCO<sub>2</sub>e/CWT\*



- Since 2009, we have increased our operated oil and gas production by more than 40% without increasing emissions. This means that for every barrel of oil and gas we produce, we emit more than 40% less greenhouse gases into the atmosphere.

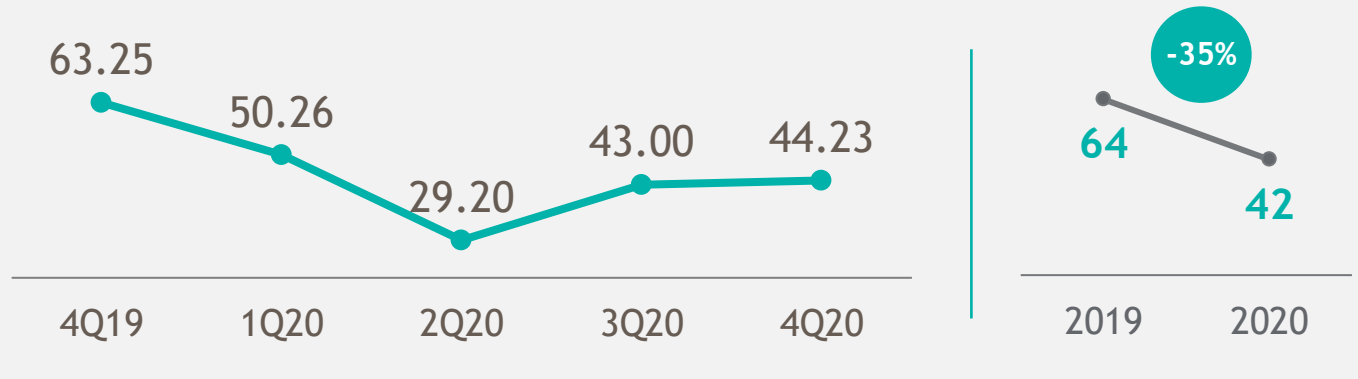
\* The CWT (Complexity Weighted Tonne) of a refinery considers the potential for distillation - equivalent CO<sub>2</sub> emissions for each process unit.

# Financial

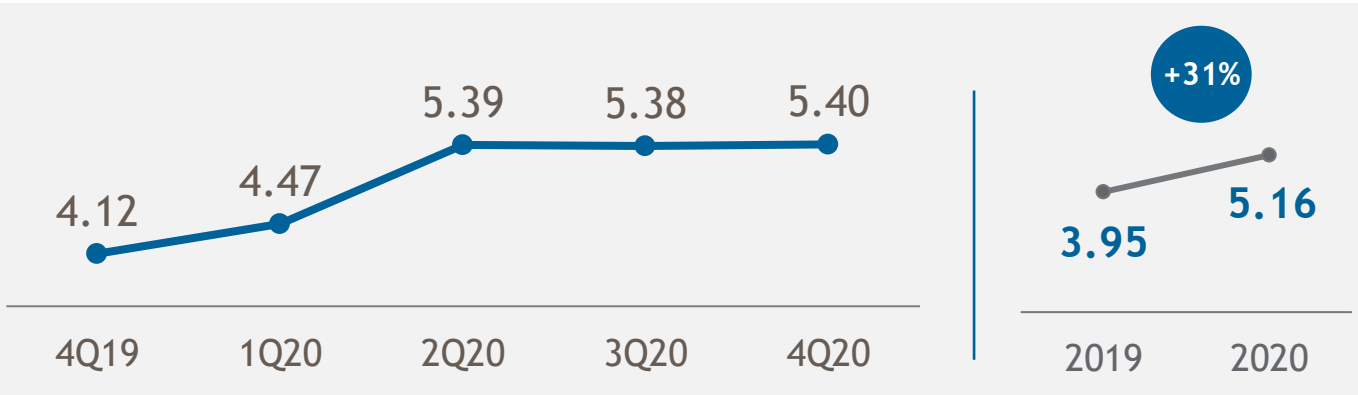
*Highlights*

# External environment

**Brent**  
US\$/bbl



**Average Exchange Rate**  
R\$/US\$



# Strategic pillars support our transformational agenda

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MAXIMIZING RETURN ON CAPITAL EMPLOYED



REDUCTION OF THE COST OF CAPITAL



RELENTLESS PURSUIT OF LOW COSTS AND EFFICIENCY



MERITOCRACY



SAFETY, HEALTH, RESPECT FOR PEOPLE AND THE ENVIRONMENT

# Despite the crisis, we had a strong cash generation



## MAXIMIZING RETURN ON CAPITAL EMPLOYED

### 2020

- Operating cash flow: US\$ 29 billion
- Free cash flow: US\$ 22 billion
- Record oil production and exports
- 20 divestment operations signed and/or concluded, totaling US\$ 4.6 billion, with US\$ 2 billion of cash inflow

### 4Q20

- Operating cash flow: US\$ 7.1 billion
- Free cash flow: US\$ 5.7 billion
- Higher sales volume in the domestic market and higher margins in LPG, naphtha and in oil and fuel oil exports
- US\$ 1 billion cash inflow with divestments

# We exceeded the gross debt reduction target for the year



## REDUCTION OF THE COST OF CAPITAL

### 2020

- Gross debt reduction: - US\$ 11.6 billion
- Net debt reduction: -US\$ 15.7 billion
- Reduction in interest payments on financing:  
- US\$ 1.3 billion
- Lowest historical yield for a 10-year Petrobras bond (4.4% p.y.) in October

### 4Q20

- Gross debt reduction:  
- US\$ 4 billion
- Reduction of net debt:  
- US\$ 3 billion
- Reduction in financing interest payments:  
- US\$ 200 million

# We reduced costs and liabilities



## RELENTLESS PURSUIT OF LOW COSTS AND EFFICIENCY

### 2020

- Reduction of 33% in the lifting cost<sup>1</sup> and 31% in the refining cost
- 38% reduction in recurring general and administrative expenses<sup>2</sup>
- Reduction of the operational stock level by 8 million barrels of oil
- Voluntary dismissal program: achievement of 11 thousand employees enrolled

### 4Q20

- Gain from the cost reversals of the health care plan (+ US\$ 2.5 billion)
- Conclusion of 3 building mothballing processes and lease termination of another 5 leased properties

<sup>1</sup> Excluding governmental participation and leases

<sup>2</sup> Excluding the effect of the actuarial review of the health plan

# We implemented merit-based variable compensation



## MERITOCRACY

### 2020

- Culture of Value
- Merit-based variable compensation
- EVA®
- Leadership selection and succession program

### 4Q20

- Provision of the 2020 Performance Bonus

# We got the lowest historical TIR



## SAFETY, HEALTH, RESPECT FOR PEOPLE AND THE ENVIRONMENT

### 2020

- Lowest historical TIR: 0.56/M MHRS
- Low-carbon and sustainability commitments
- Sixth consecutive year of absolute operational emissions reduction (GHG)
- Creation of the Executive Management for Climate Change integrated to the new Institutional Relations and Sustainability Executive Office
- Fighting Covid-19: home office, mass testing, quarantine, adjustments in operational routines, continuous evaluation

### 4Q20

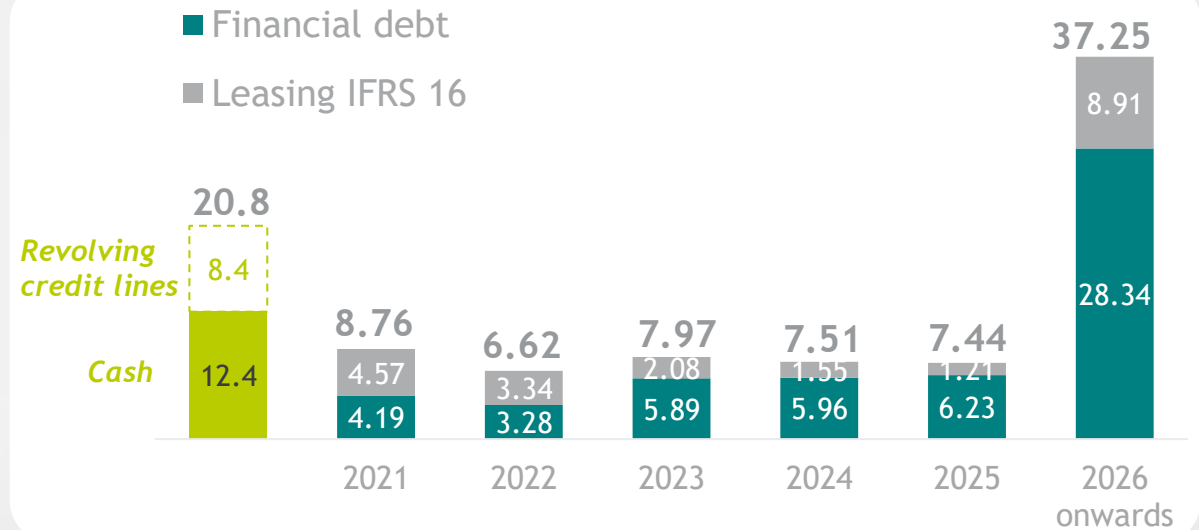
- Continuity of fuel donations to supply ambulances, health area vehicles, and generators to support the fight against Covid-19
- Special actions for the state of Amazonas state, in face of health crisis

# We continue to reduce indebtedness

**Indebtedness\***  
US\$ billion



**Amortization profile**  
US\$ billion



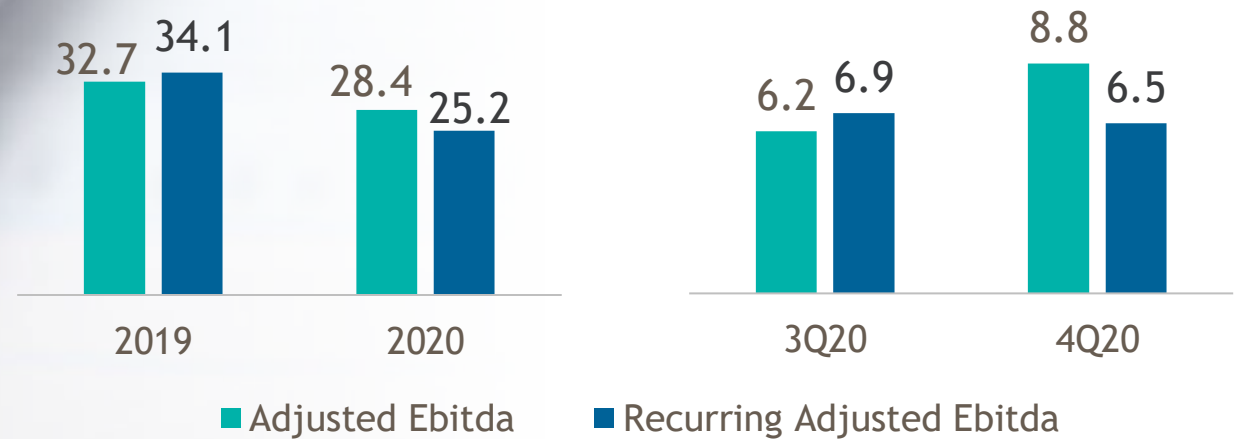
- ~50% of debt maturity after 2026
- Average debt maturity of 11.71 years
- Average interest rate of 5.9% p.y

\* As of 2018, amounts include leases

# With solid cash generation

## EBITDA

US\$ billion



### 2020 x 2019

- Only 13% reduction in EBITDA even with 35% devaluation of Brent prices

### 4Q20 x 3Q20

- Higher EBITDA due to the gain from the cost reversals of the health care plan, as well as higher Brent prices and increased demand for thermoelectric power

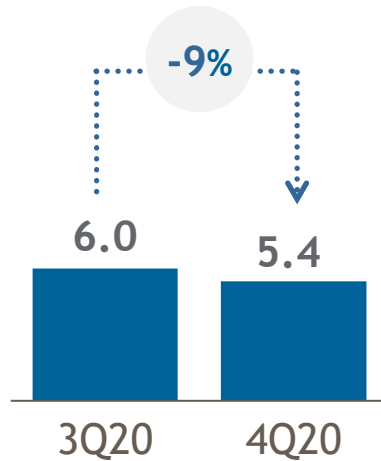
# And robust EBITDA by business segment

## Adjusted EBITDA

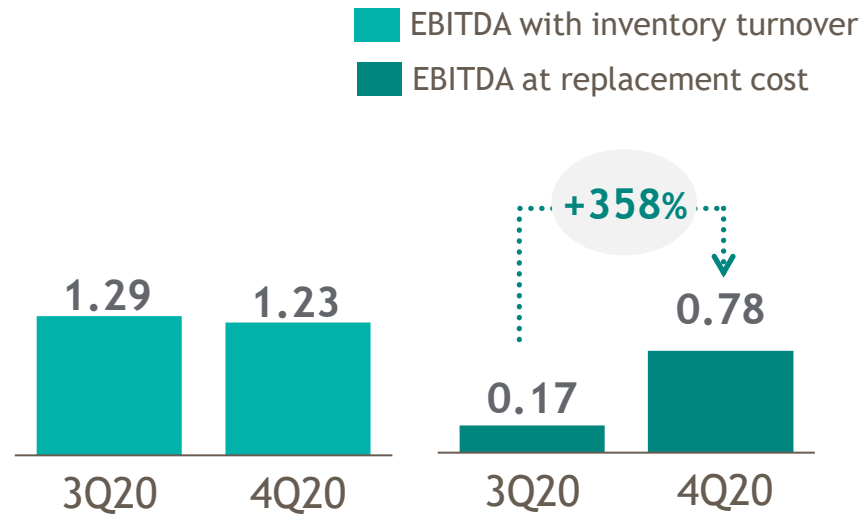
US\$ billion



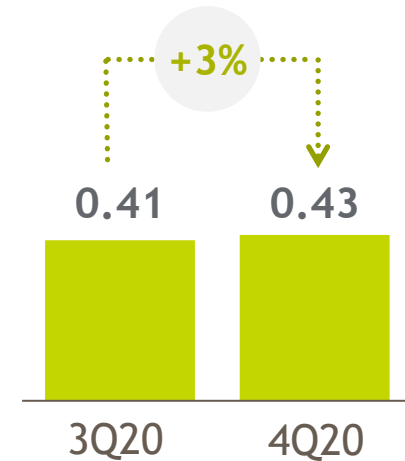
### Exploration & Production



### Refining

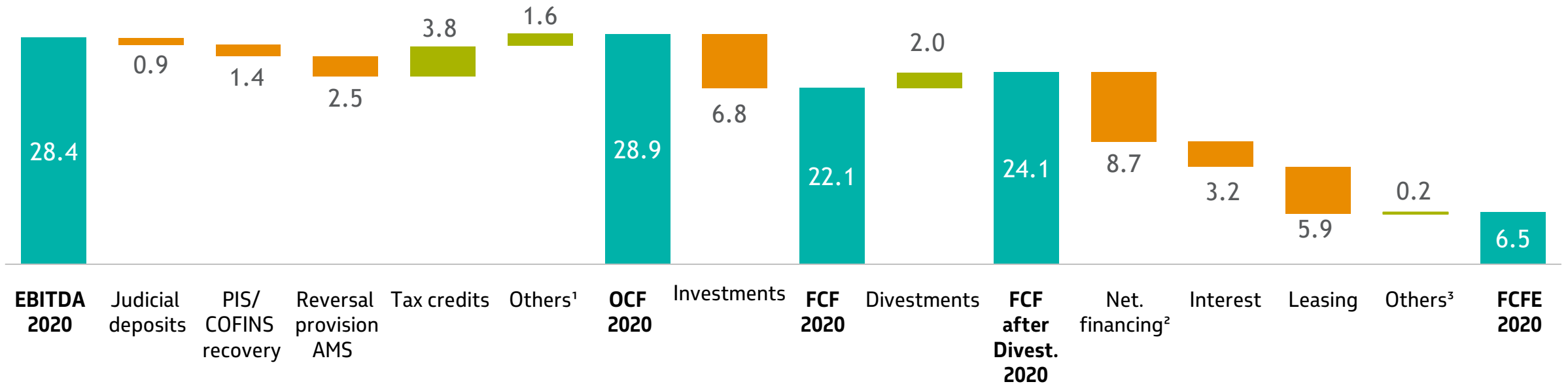


### Gas & Power



# Strong cash generation was fundamental for prepayments

US\$ billion



- OCF benefited by tax credits and lower judicial deposits
- We still have tax credits of approximately R\$ 6 billion related to the exclusion of the VAT tax (ICMS) from the calculation basis of the PIS/COFINS, expected to be used in 1Q21
- Funding of US\$ 17 billion, of which US\$ 8 billion from Revolving Credit Lines and US\$ 4.3 billion from global bonds
- Debt prepayments and principal amortization totaling US\$ 25.7 billion and interest payments of US\$ 3.2 billion

<sup>1</sup> Includes US\$ 0.8 billion of voluntary dismissal programs

<sup>2</sup> Includes funding, amortizations, prepayments and goodwill on securities repurchases

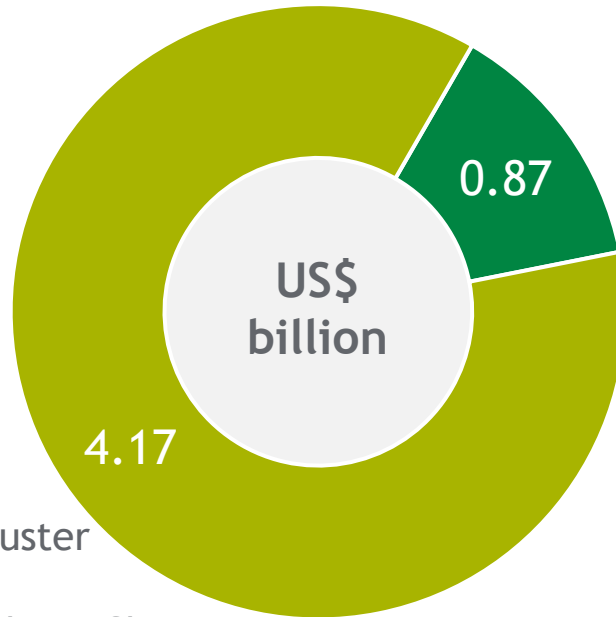
<sup>3</sup> Includes dividends received and participation of non-controlling shareholders

# Cash inflow of \$2.2 billion from divestments

## Divestments in 2020 until February 24<sup>th</sup>, 2021

### Closings

- Liquigás
- TAG (10%)
- PO&G BV
- Lagoa Parda Cluster
- Macau Cluster
- Pampo and Enchova Cluster
- Ponta do Mel and Redonda field
- Tucano Cluster
- Baúna Field
- Frade Field
- Uruguay assets (PUDSA)
- BSBios
- Bambuí Bionergia



### Signings

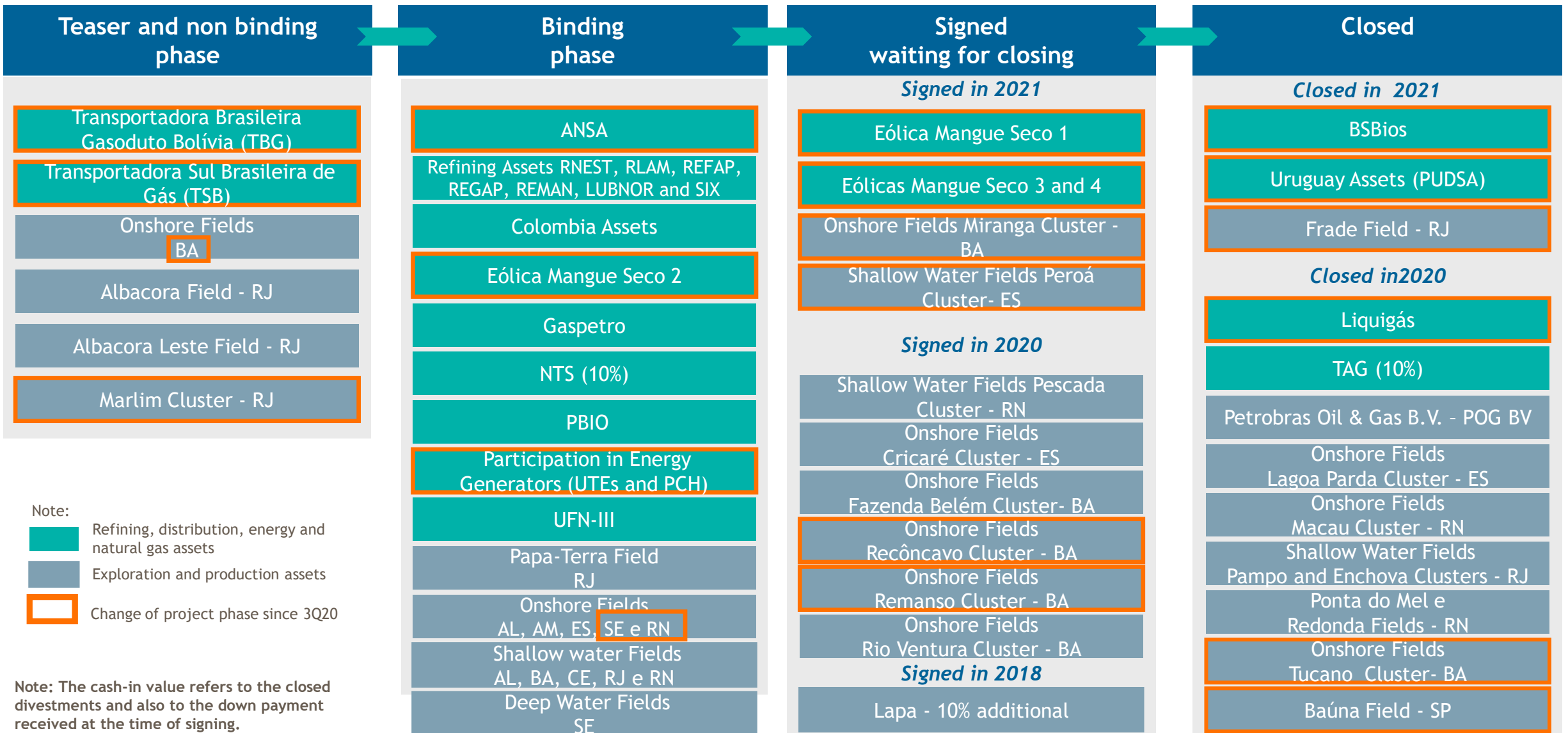
- Cricaré Cluster
- Fazenda Belém Cluster
- Remanso Cluster
- Recôncavo Cluster
- Pescada Cluster
- Rio Ventura Cluster
- Peroá Cluster
- Miranga Cluster
- Mangue Seco 1
- Mangue Seco 3 e 4
- Gás Local

- 13 closings totaling **US\$ 4.17 billion** in transactions
- 11 purchase and sale contracts signed, awaiting closing, totaling **US\$ 0.9 billion**
- Conclusion in Feb/21 of the final round of the binding phase of the sale process of RLAM with the best offer in the amount of **US\$ 1.65 billion**



**US\$  
2.2 billion  
cash inflow**

# Evolution of divestment projects



# Actuarial liability management

## Petros

### Pension Plan

#### PPSP

- Implementation of the new Deficit Equalization Plan in 2020, reducing the financial impact of extraordinary contributions

#### PP-3

- Approval by SEST in Nov/20 and PREVIC in Jan/21
- Expected opening date for applications: March 2021

#### Pre-70

- Early partial settlement of the Pre-70 Financial Commitment Term in Dec/20 and Jan/21, reducing collateral, interest expenses, and improving liquidity of the Plans

## AMS

### Health Plan

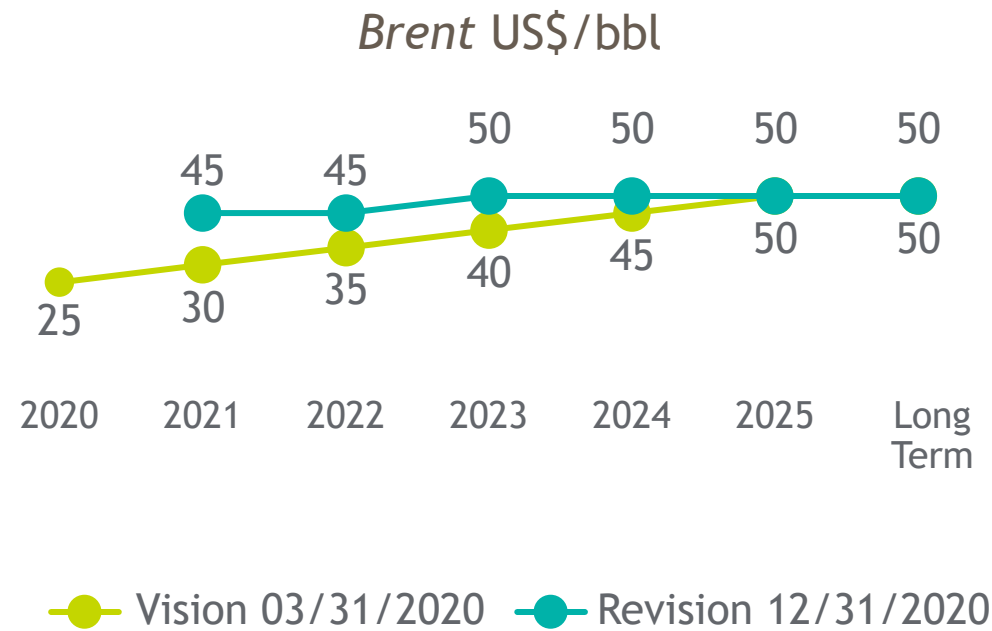
- Change of the plan's funding assumptions from 70%/30% to:
  - 2021: 60%/40%
  - 2022: 50%/50%
- US\$ 2.5 billion gain in 4Q20



# Impairment reversion in 4Q20



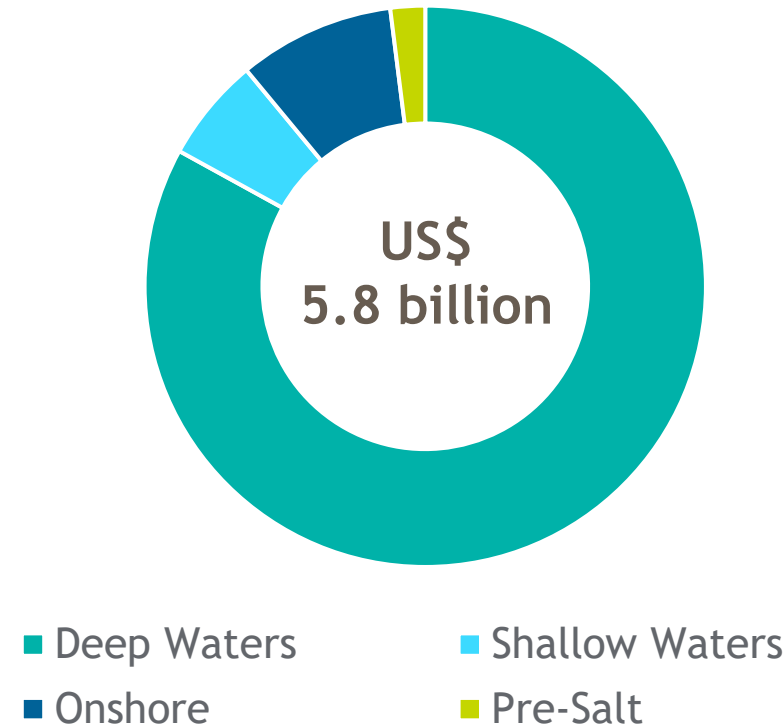
## Review of key assumptions



- Better projection of the oil price and revision of the project portfolio

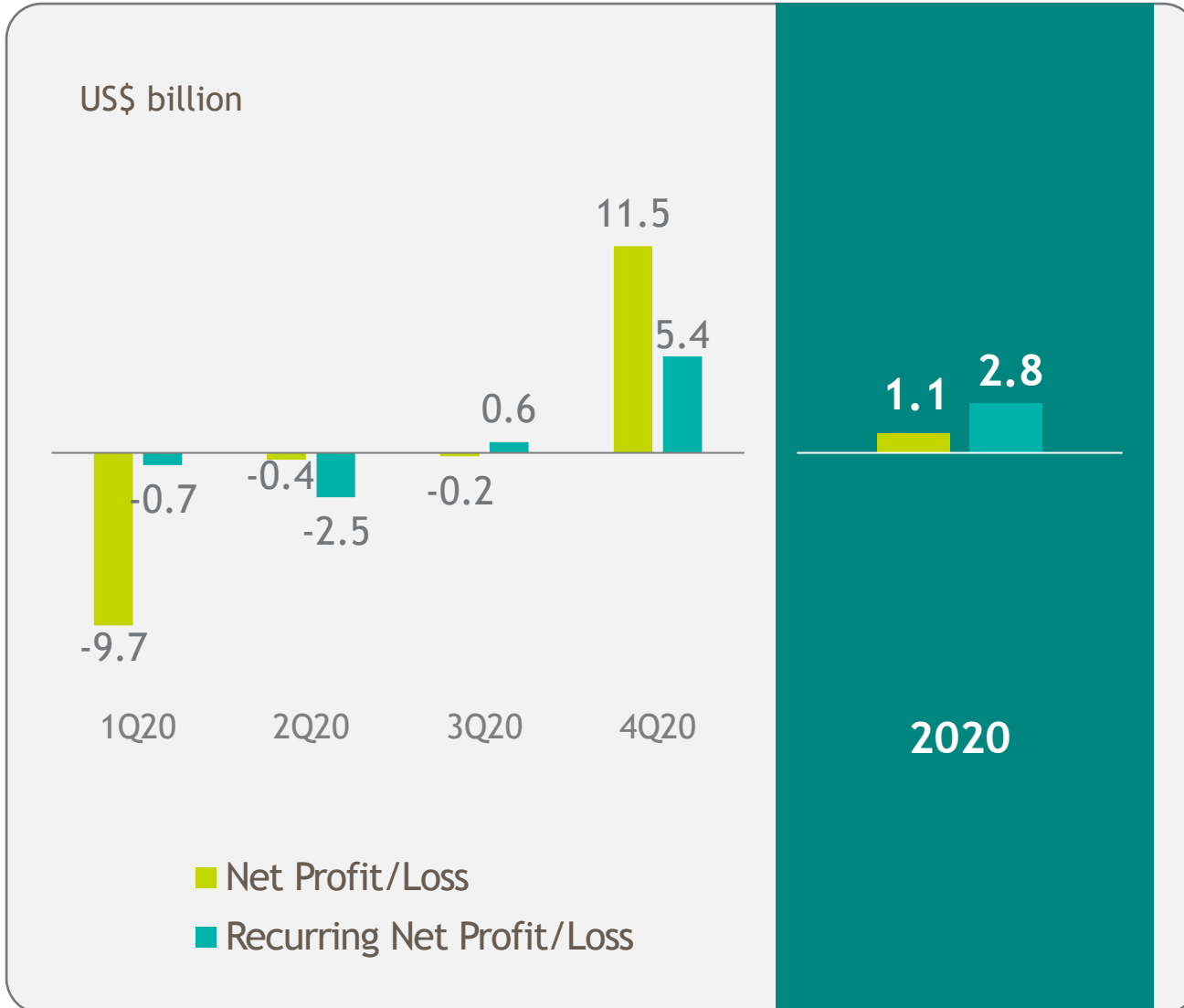


## Reversions by E&P environment



- Of the US\$ 6.0 billion in impairment reversion, 97% was due to E&P assets

# Record net income in 4Q20



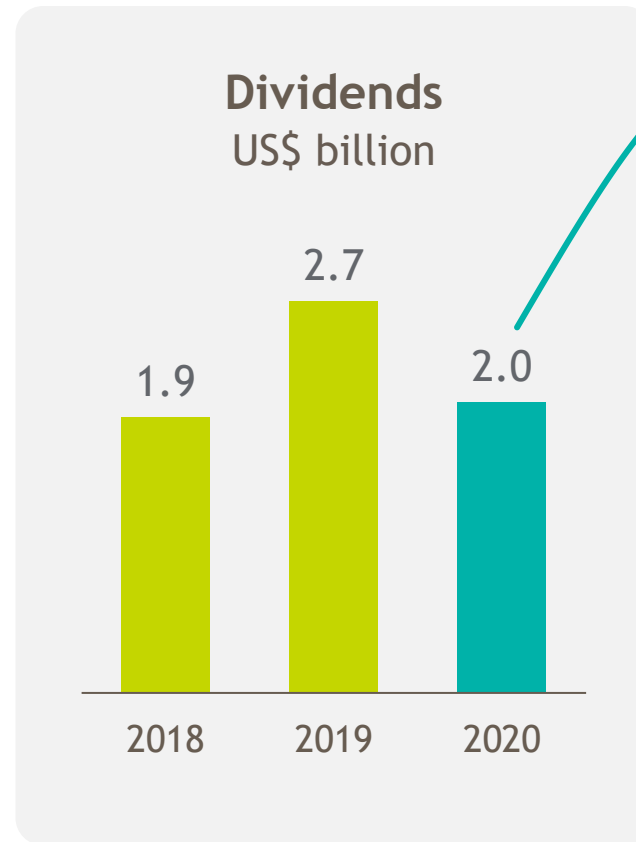
## 4Q20

- Gains from higher Brent prices, improvement in oil by-products margin and higher demand for thermoelectric power
- Reversal of impairment, gains from cost reversals of the health care plan, better financial result impacted by the appreciation of exchange rate and lower financial expenses

## 2020

- Lower net income due to lower Brent prices, higher impairment and currency devaluation
- Resilience measures contributed to partially offset the impacts of the crisis, with positive results in 4Q20

# Shareholder value generation



## 2020 Remuneration

ON and PN  
US\$ 0.151528/share\*  
(R\$ 0.787446/share)

Equal dividend for ON and PN shares made possible by strong cash generation

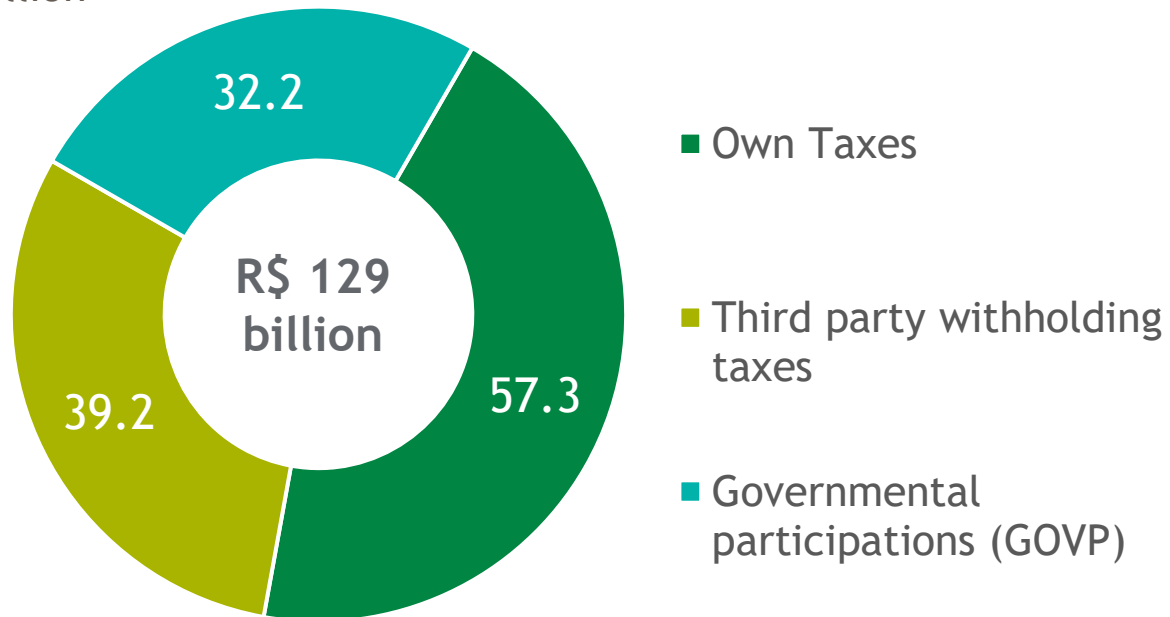
Note: accrual basis vision

\* Amounts in US\$ converted at the 2020 closing exchange rate. The amount to be received by ADR investors will depend on the exchange rate at the time of payment

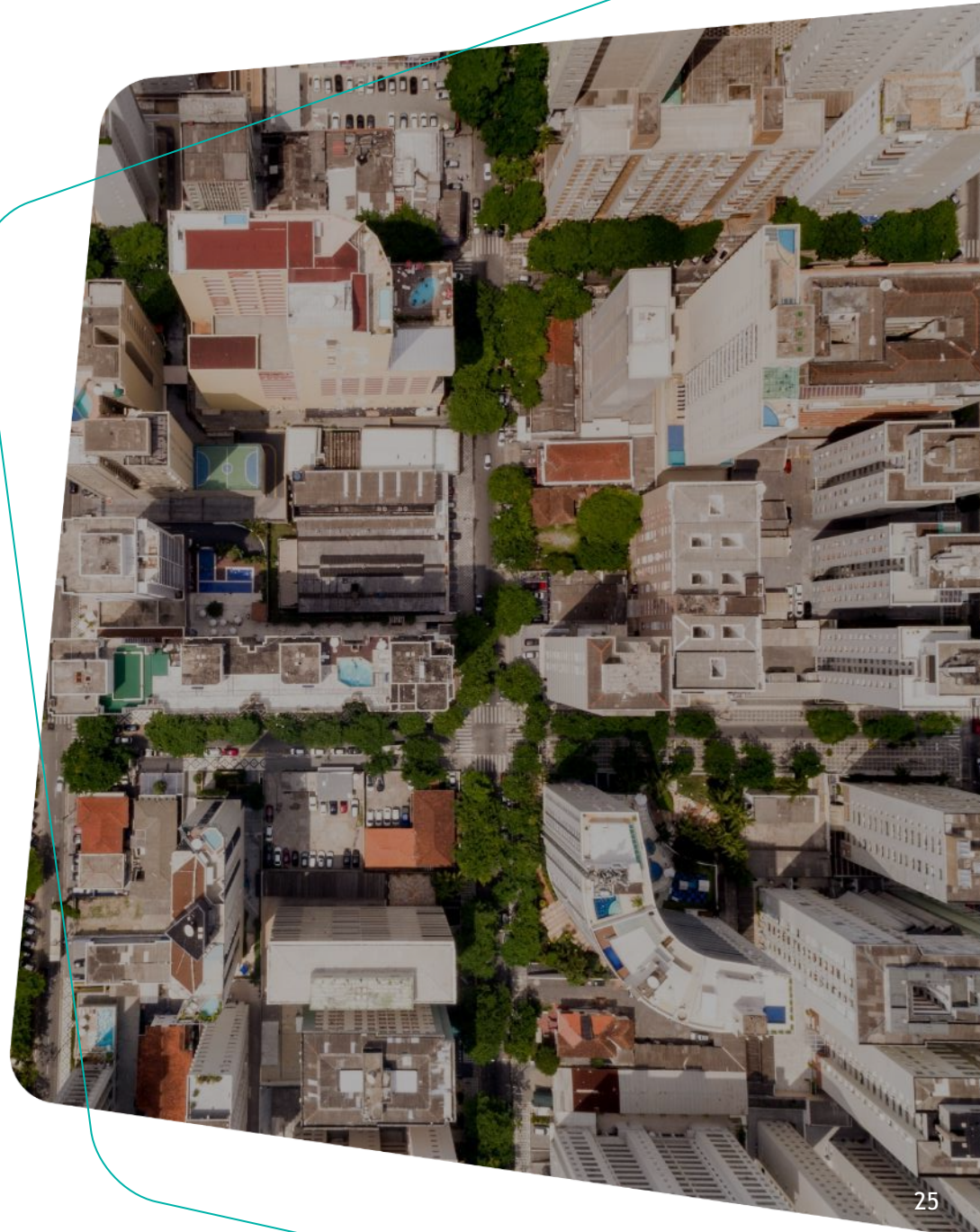
# Generating value for society

## Taxes and governmental participation paid in Brazil in 2020

R\$ billion



- The total tax payment in Brazil in the last 2 years was R\$ 375 billion



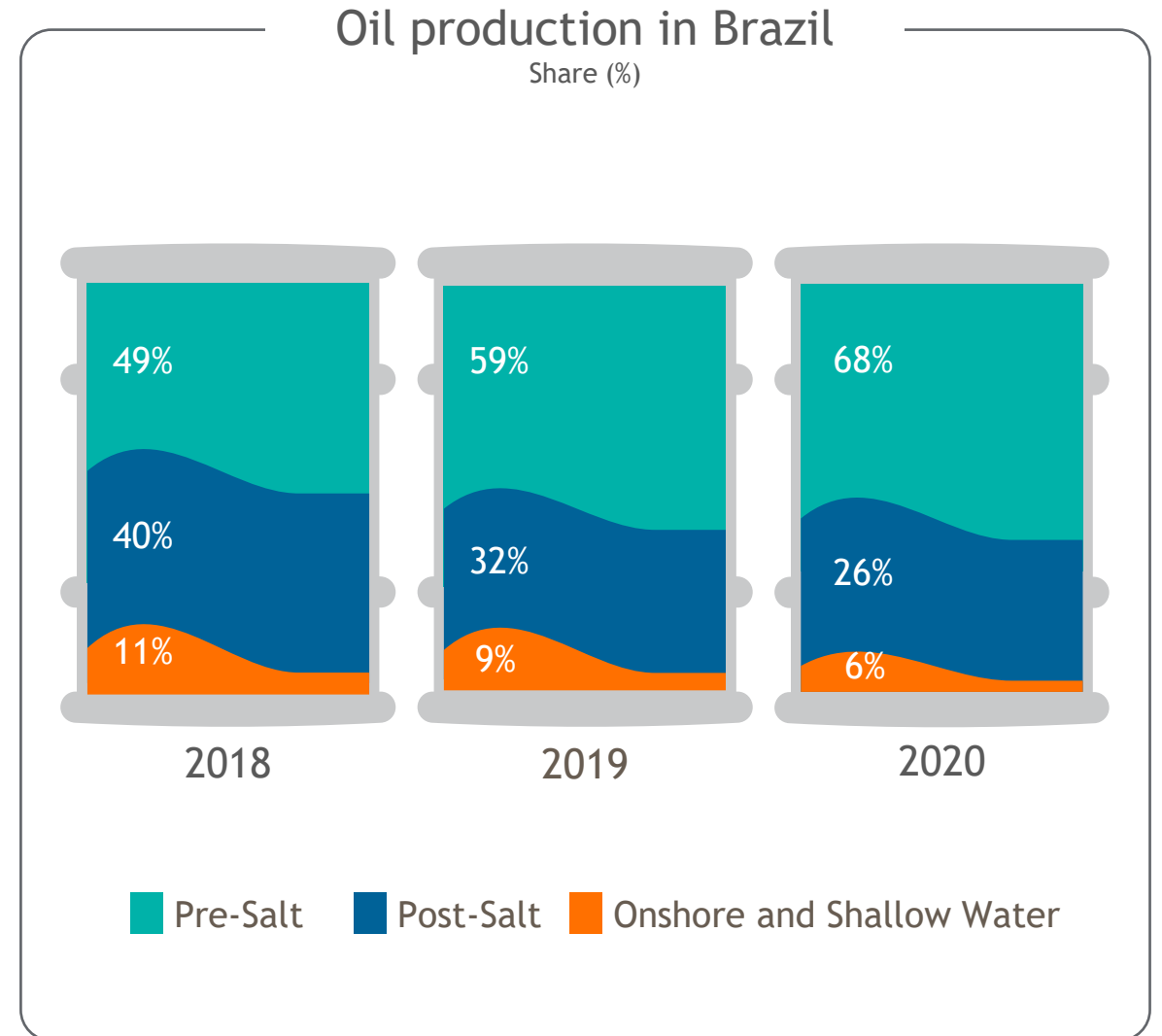
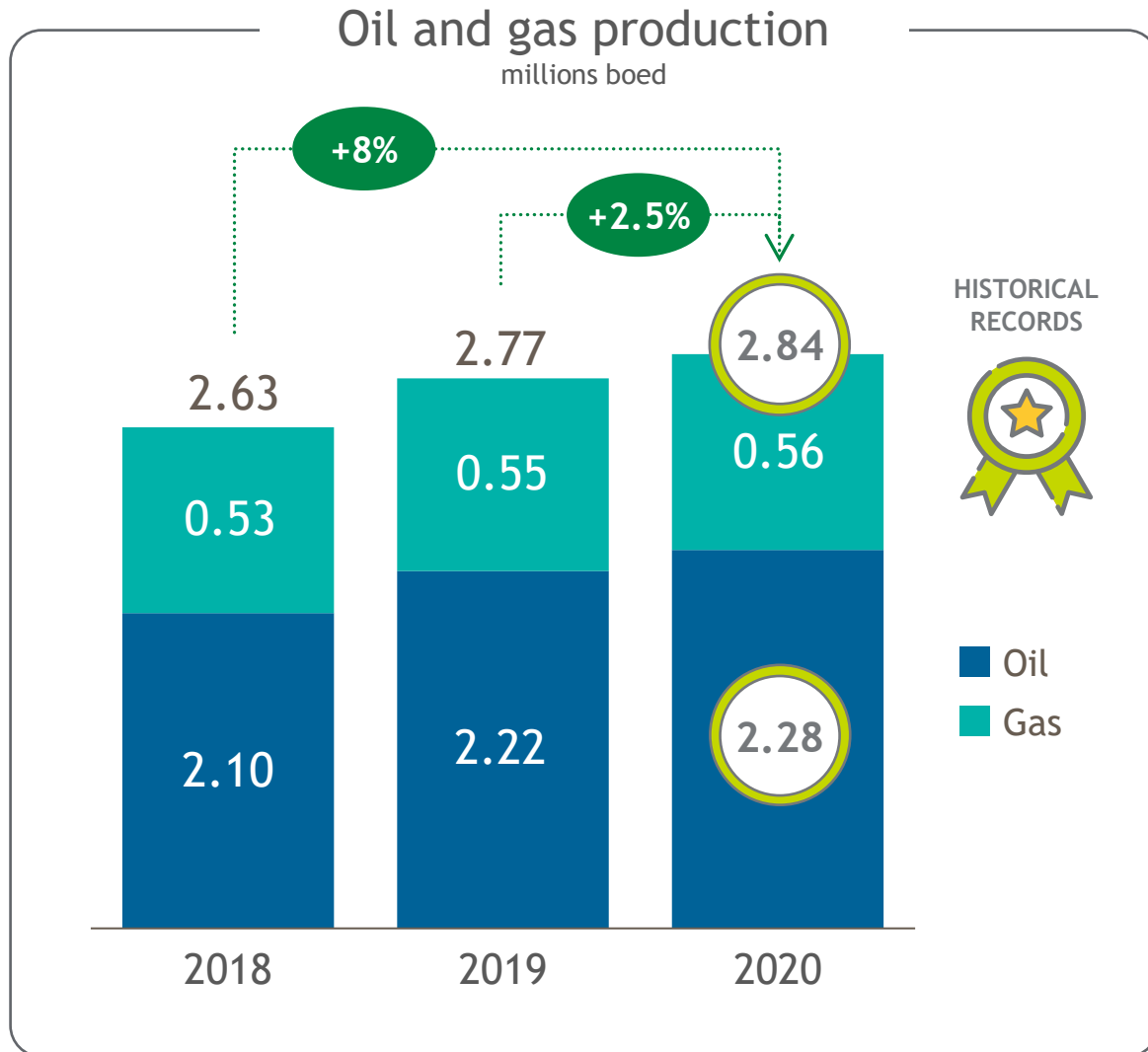


# Exploration & Production *Highlights*



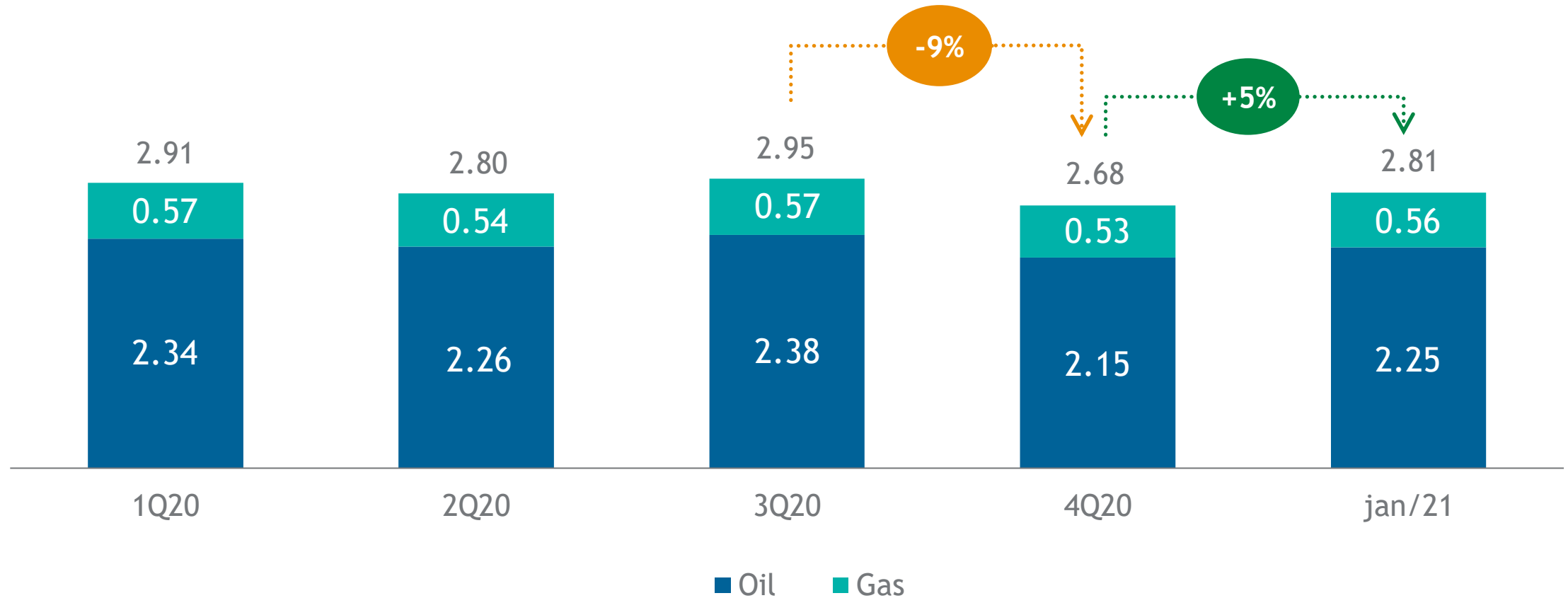
**P-77**  
BUZ 12 Well:  
All time annual  
production record

# All-time records of oil production and total production, based on Pre-Salt assets

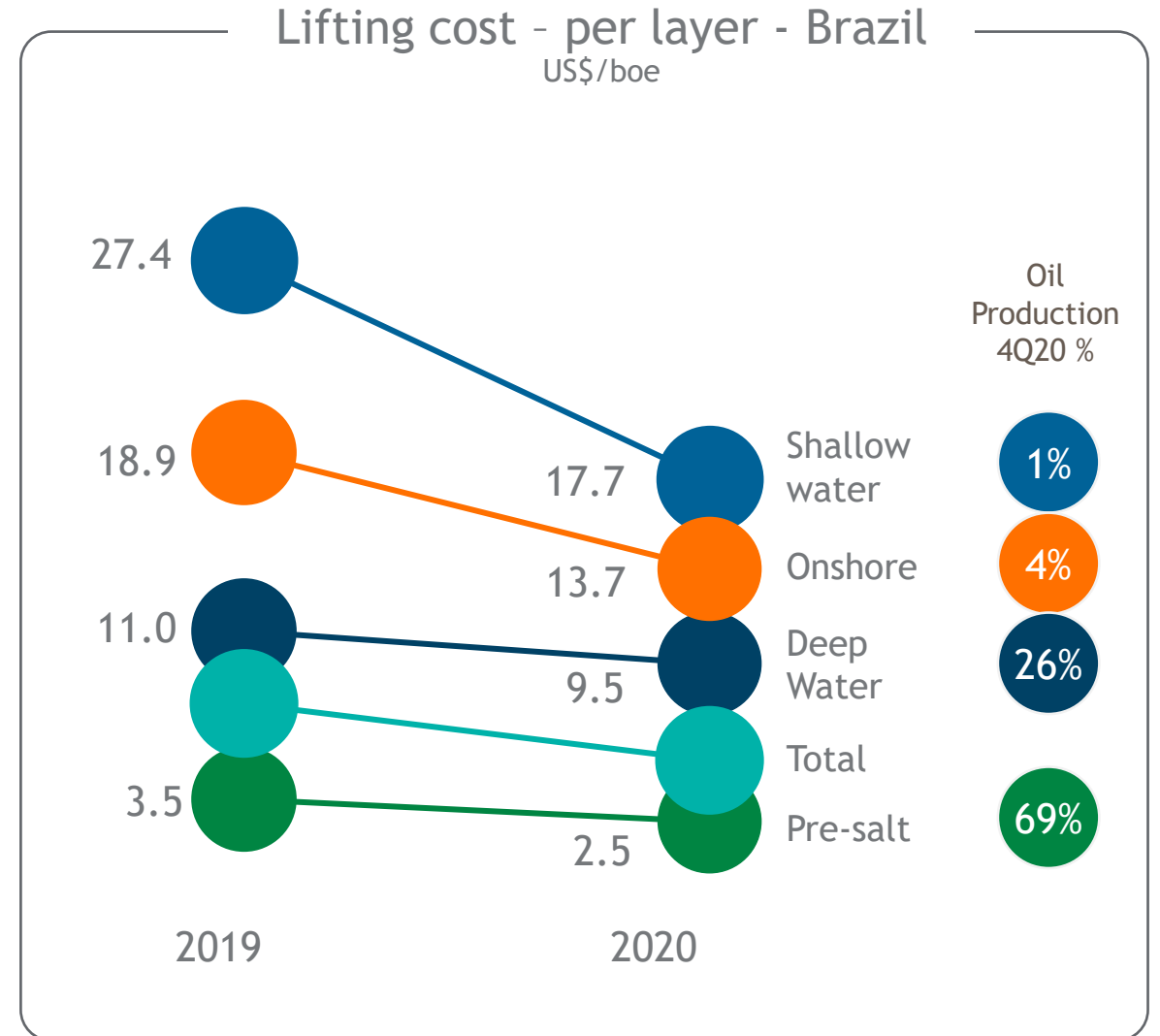
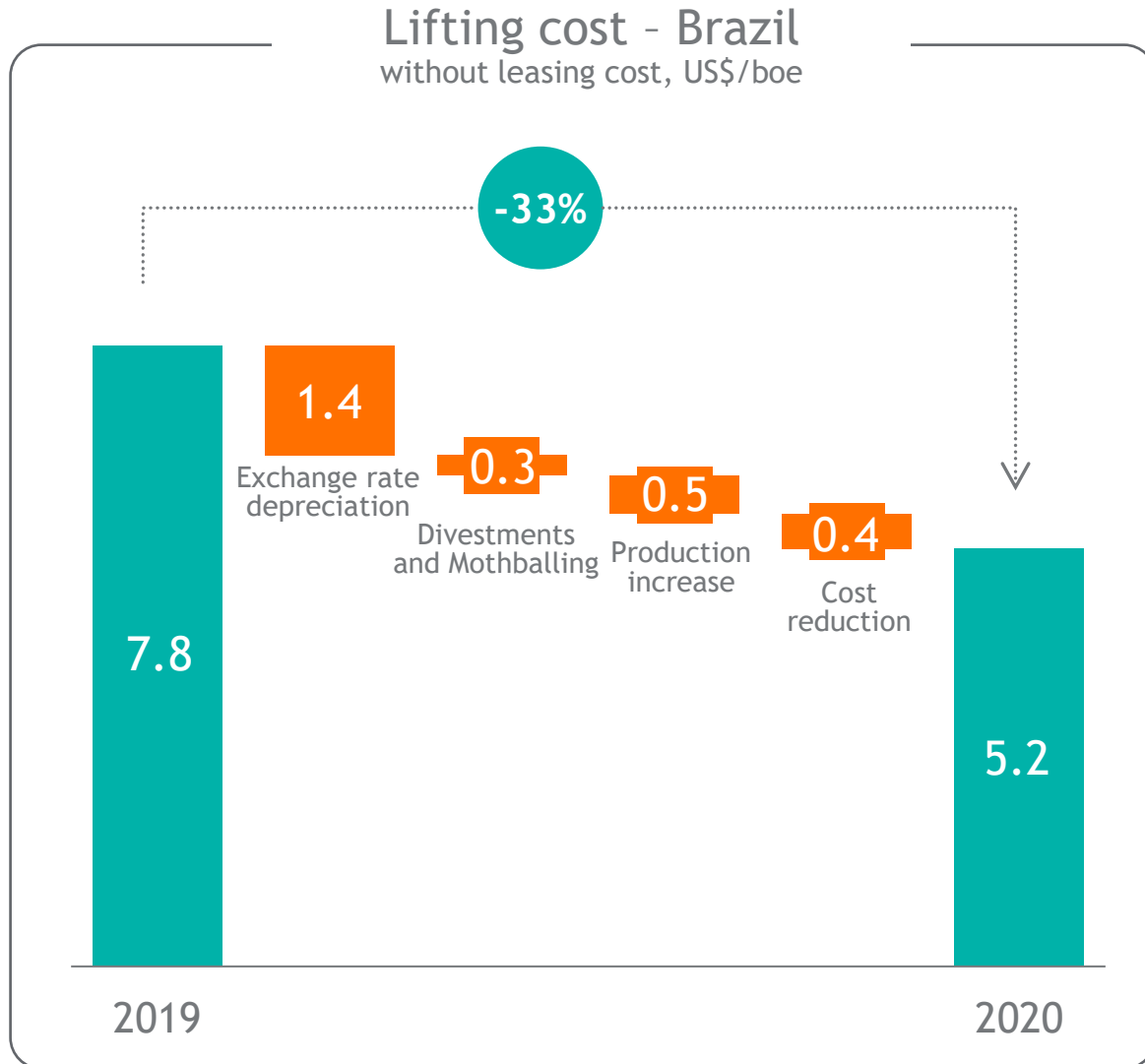


# Maintenance stoppage reduced 4Q20 production, that already returned to normal levels in January

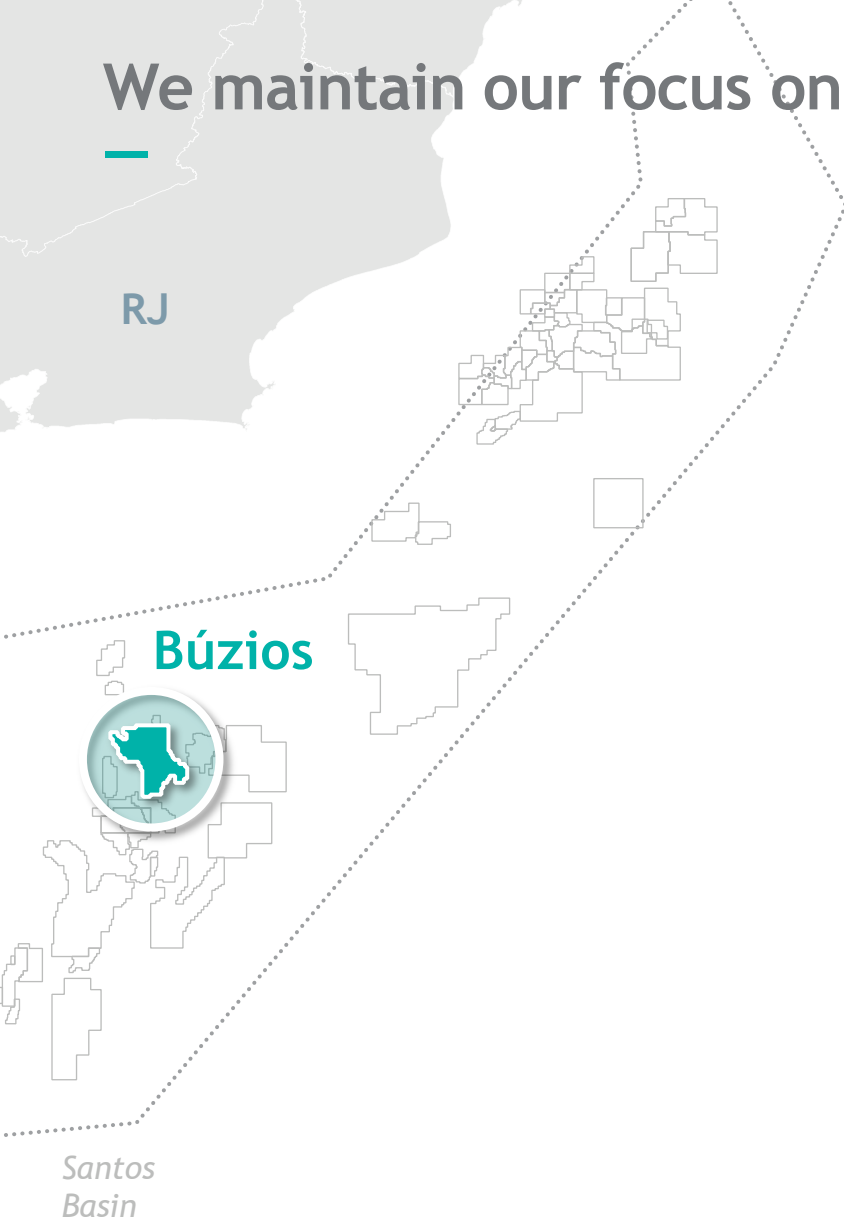
Oil and gas production  
million boed



# Sharp lifting cost reduction as a result of our resilience actions and efficiency increase



# We maintain our focus on world class assets



From the **10 wells** with largest annual production

**9 are from Búzios**

Record wells production in 2020

Monthly  
**69,6 Mboed**

Annual  
**52,4 Mboed**

Investments

**US\$ 20 billion**  
Over the next 5 years

Share of Búzios on Petrobras oil production

2018

**2%**

2019

**11%**

2020

**23%**



Oil  
Quality



Lifting  
Cost



Resilience



Value

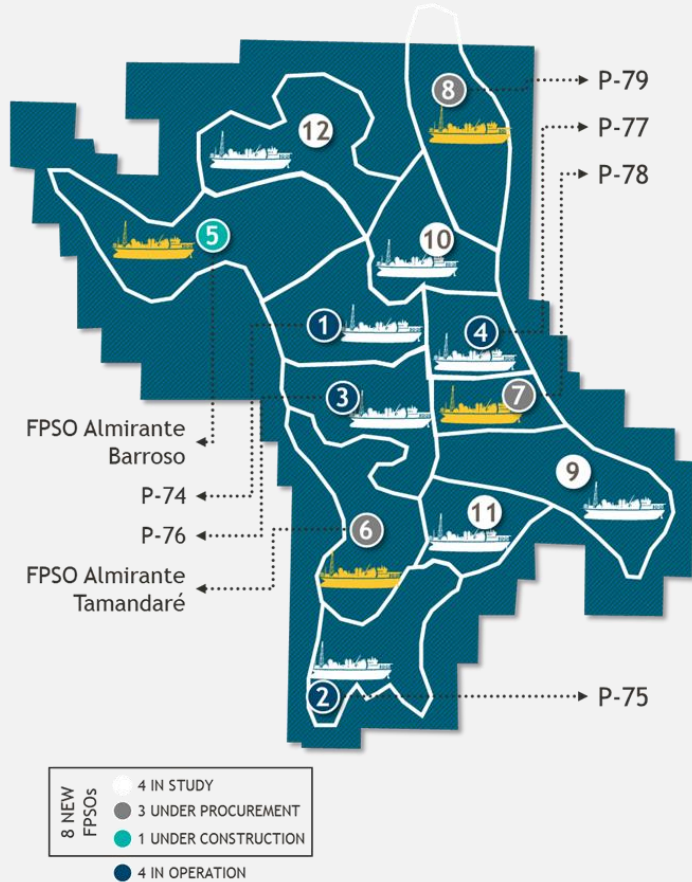
# Production Development

## *Highlights*



# Relevant progress in the development of Búzios production systems

## Búzios field



### Start of operation



### FPSO



**FPSO Almirante Barroso**

Lifting of the unit modules starting in 1H21



**FPSO Almirante Tamandaré**

Letter of Intention signature in Feb/21



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**P-79**

Proposal analysis in progress

### Subsea system

EPCI contract signed in Jul-20

EPCI contracting scheduled to start in 1H21

### Well services and equipment

Drilling campaign in progress



WCT (Wet Christmas Trees) - Hiring in progress



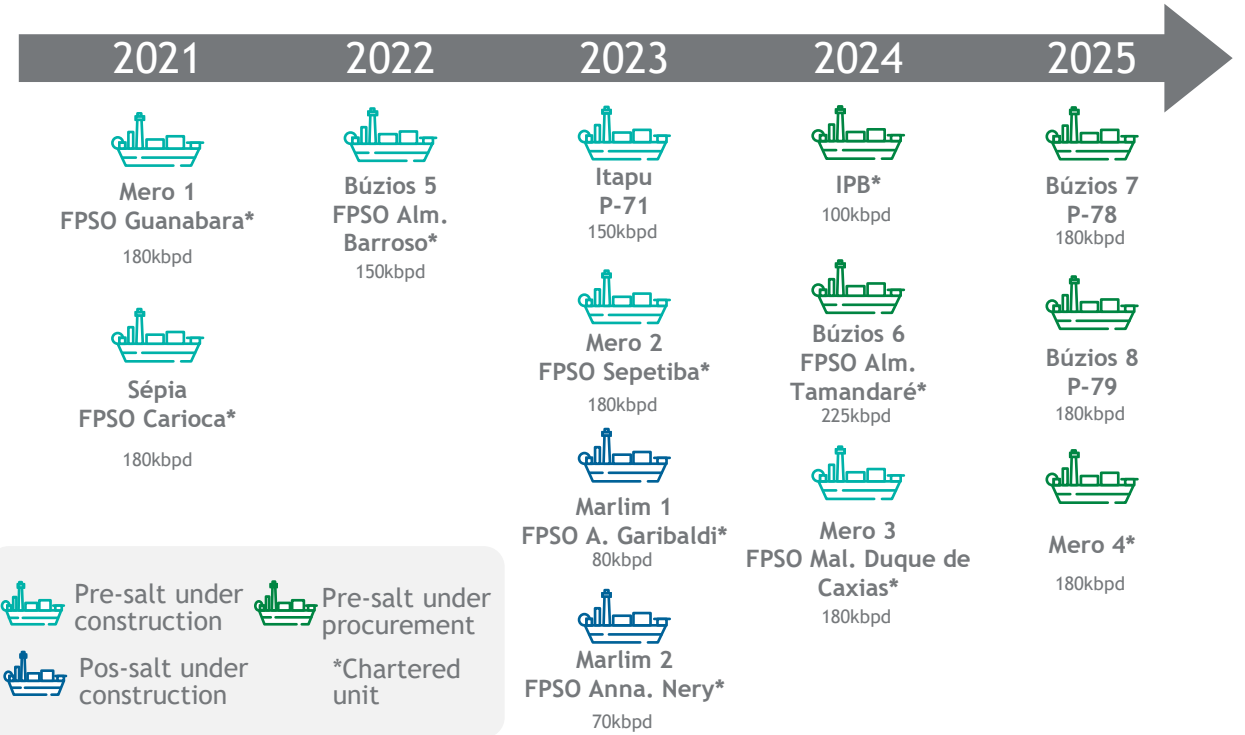
Drilling rigs - Start of the hiring process in Feb-21

# New units' ramp-up and schedule of the next FPSOs

## New pre-salt systems ramp-up



- 36 production wells in operation
- 1.2 MMbpd of production capacity added



## 2020 highlights

- Atapu (P-70) first oil
- Búzios FPSOs capacity expansion
- New inspection tools and technologies to mitigate CO<sub>2</sub> corrosion

## 2021 highlights

- Arrival of FPSO Carioca in Brazil
- FPSO Guanabara starting commissioning
- Conclusion of Mero 4 and IPB FPSOs contracting
- P-68 and P-70 ramp-up completion
- Start of SEAP FPSO contracting



# Marketing and Logistics

*Highlights*

# We remain aligned with international prices

In 2020, Petrobras practiced prices in balance with the international market, following the variations in the value of products and exchange rates, upwards and downwards

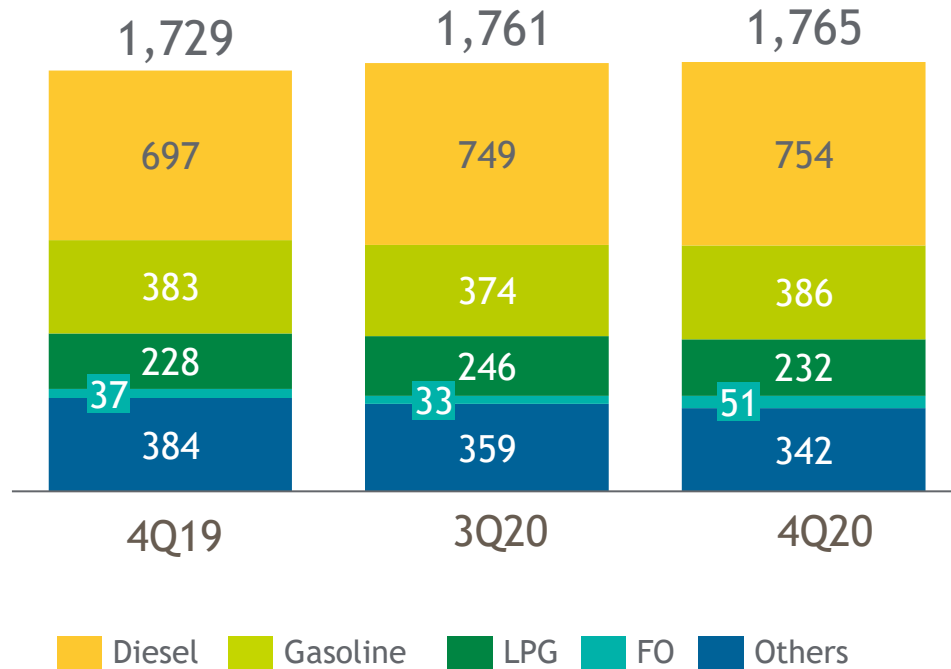
	Gasoline	Diesel	LPG
Number of adjustments 2020	38 19 ▼ 19 ▲	28 15 ▼ 13 ▲	13 4 ▼ 9 ▲
Adjusted % in 2020	-4% -20% 1H20 +20% 2H20	-13% -30% 1H20 +24% 2H20	+22% -9% 1H20 +34% 2H20

In 2021 additional adjustments were made to Gasoline (#4), Diesel (#3) and LPG (#2) in line with the policy adopted throughout 2020

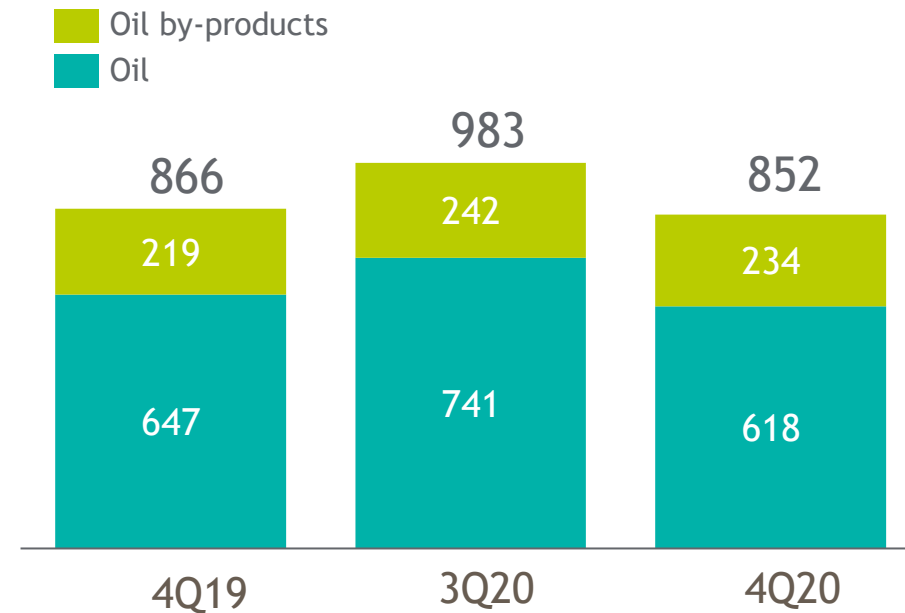
# Recovery in oil by-products sales



Sales volume in Brazil  
thousand bpd



Export  
thousand bpd



- Maintenance of fuel oil exports and reduction of oil exports

# Market-driven performance and efficiency

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## Greater market focus

Diesel sales volume as of September **higher** than the same period of 2019, with more competitive performance (auctions, inventory repositioning, focus on S-10, focus on the customer)

Higher margin on coke, propane, ethane and naphtha contracts - under revision

Diversification of customers and geographies in the foreign market



## More efficiency

- Reduction of oil inventories (8 million bbl over 2020)
- Record oil exports, fuel oil exports (doubling 2019 exports) and **S10 diesel deliveries**, with the opening of new sales hubs
- Lowest level of inventories of goods since 2011
- Cost reductions of US\$ 237 million, mostly in E&P logistics

# Búzios: main oil in the export basket in 2020

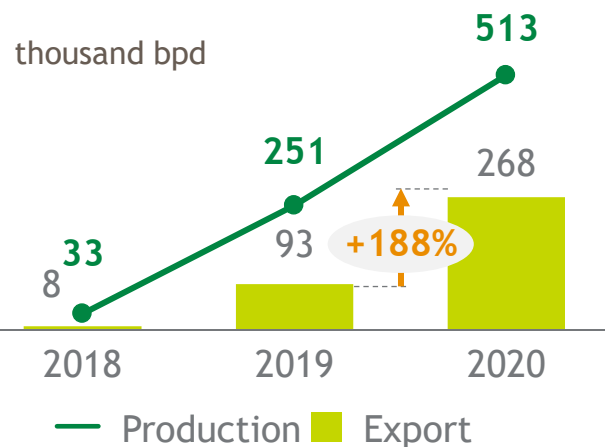
14 new customers during the year

Expressive growth in the production and export of Búzios oil, 188% increase in the exported volume compared to 2019

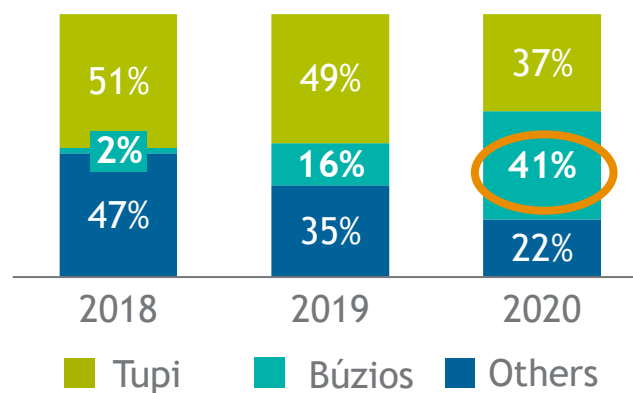
Búzios oil became the main export stream, representing 41% of the oil basket in 2020

Growth resulting from the intensive work of the commercial area in the development of new markets and expansion of the customer portfolio

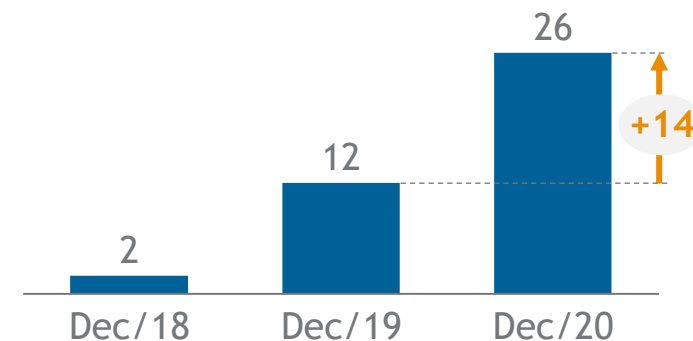
### Búzios volume



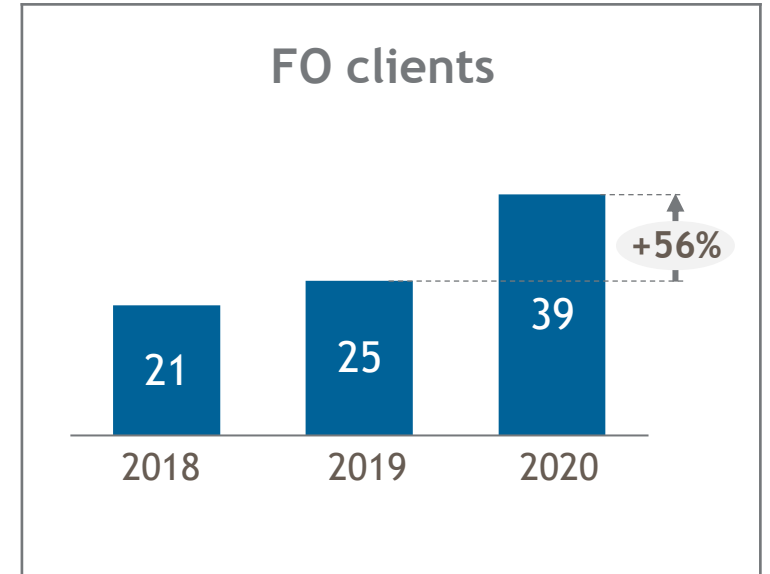
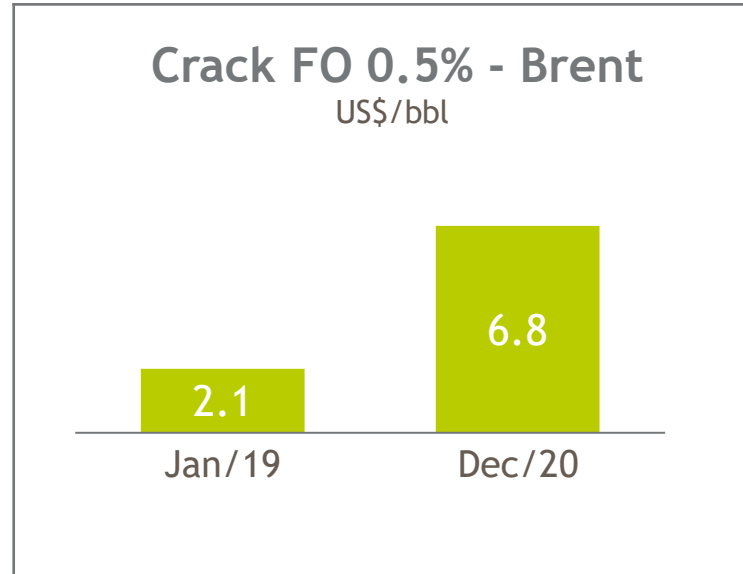
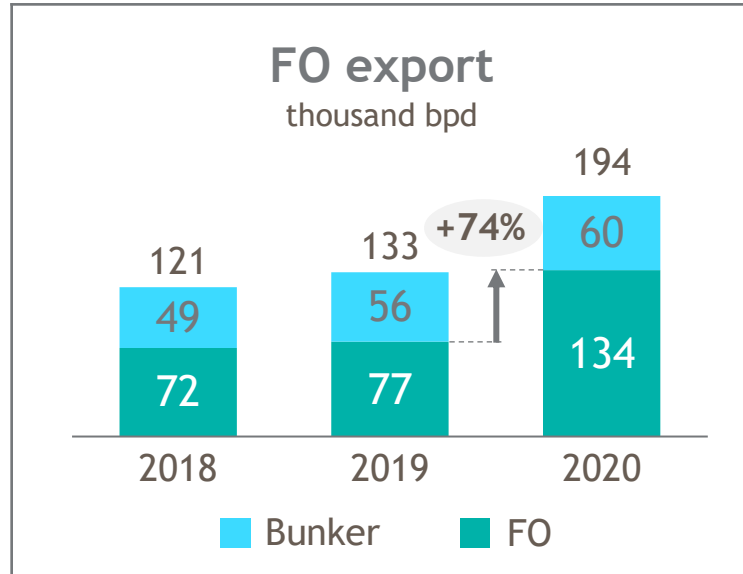
### % Export



### Búzios clients



# Low-sulfur fuel oil (FO) was the main by-product exported with a significant increase in volume and profitability



Sharp growth in fuel oil exports in 2020 after IMO 2020

Sharp appreciation of the low-sulfur fuel oil crack also increased the profitability of its exports

Growth sustained by commercial performance supported by customers diversification and market transactions

# Strong performance of Transpetro and PBLOG subsidiaries

## TRANSPETRO



- Largest cash generation in the company's history
  - OCF: US\$ 819 million
  - FCF: US\$ 764 million
- Record financial result
  - Net income: US\$ 257 million



Strong reduction in unit cost (R\$/m<sup>3</sup>) associated with pipeline and terminal operations with a 17% reduction compared to 2019



- 543 transshipment /ship-to-ship operations up 66% compared to 2019
- Increase ship availability to 99.2% (average 2H20)

## PBLOG



- OCF: US\$ 284 million
- Net income: US\$ 256 million



15% increase in the number of days of logistical support, including support for 4 new exploratory projects



Driver for logistics services complementary to E&P assets, with flexibility and operational safety and cost management efficiency



# Creation of future value by structuring a portfolio of innovative projects



## More innovation

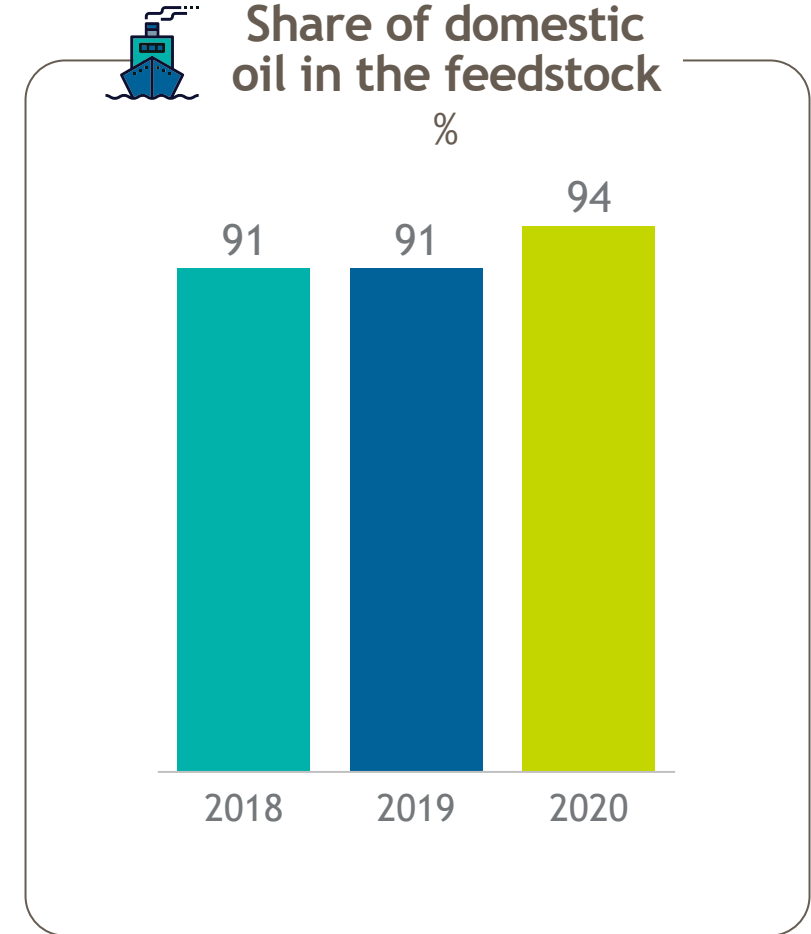
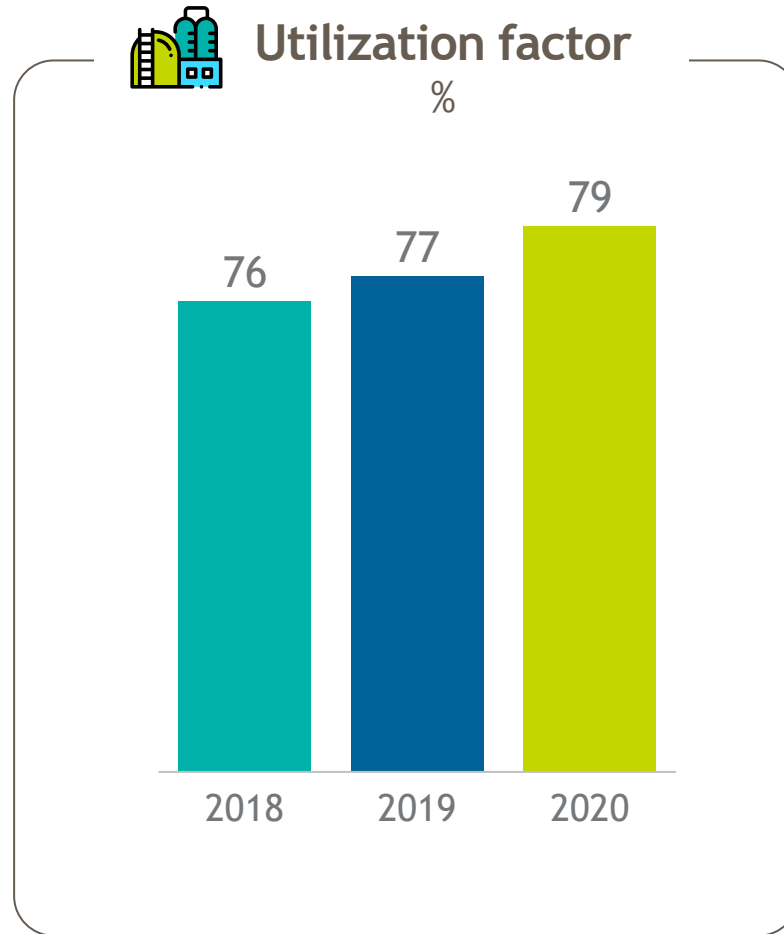
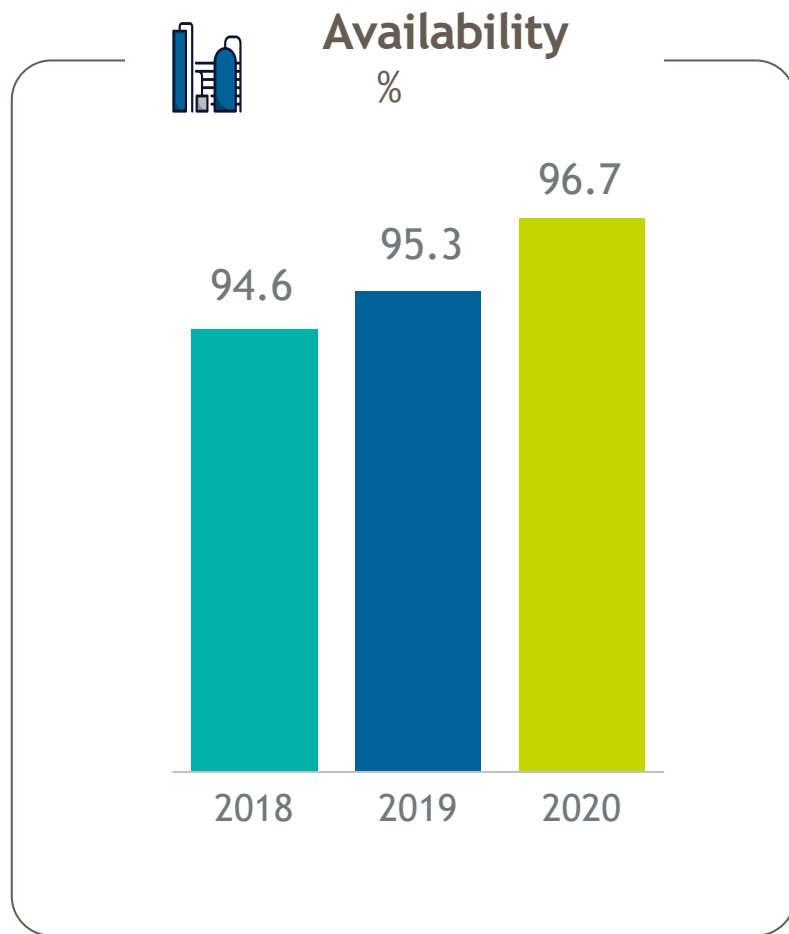
Structuring of specific project portfolio for logistics

- Evolution of operational planning processes associated with digital transformation initiatives, preparing the system for the competitive market
- Material database sanitation contract and MRO Inventory Planning System, implementation of Virtual Airport
- V360 (market intelligence) structuring and CRM hiring

# Refining and Natural Gas

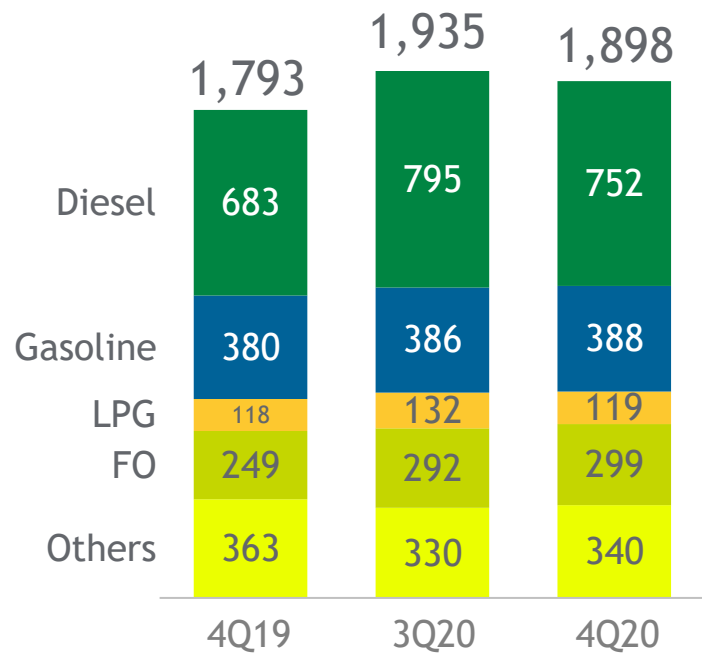
*Highlights*

# Available and flexible refining favored the capture of market opportunities in 2020

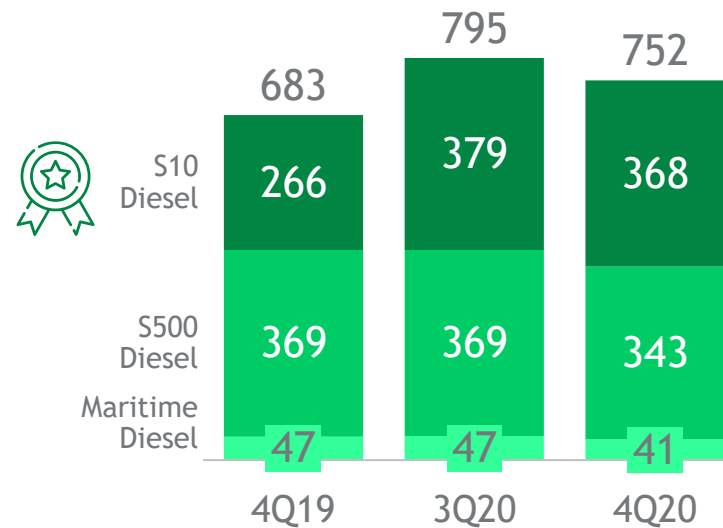


# Focus on products with higher added value

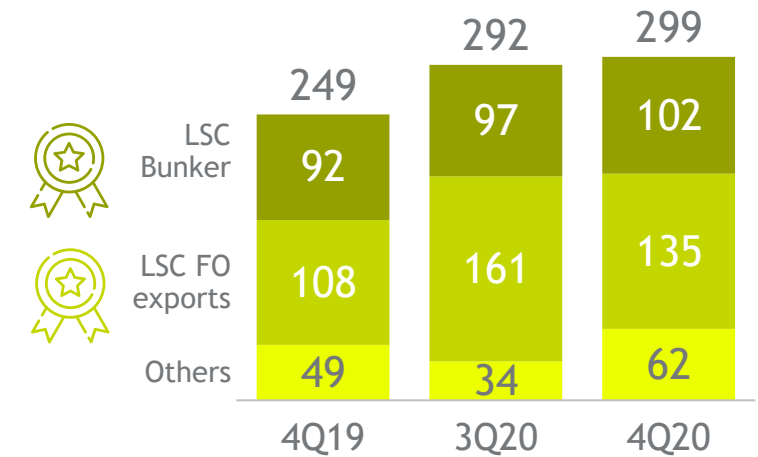
**Production of oil by-products**  
thousand bpd



**Diesel**  
thousand bpd



**LSC FO and Bunker**  
thousand bpd

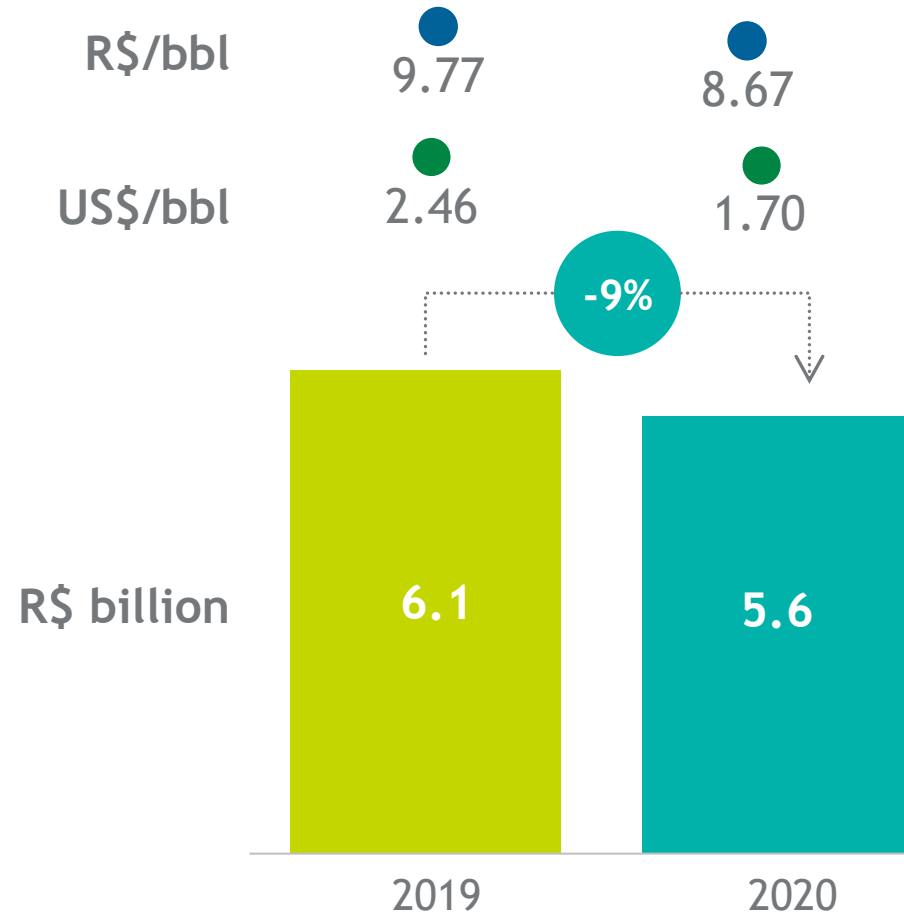




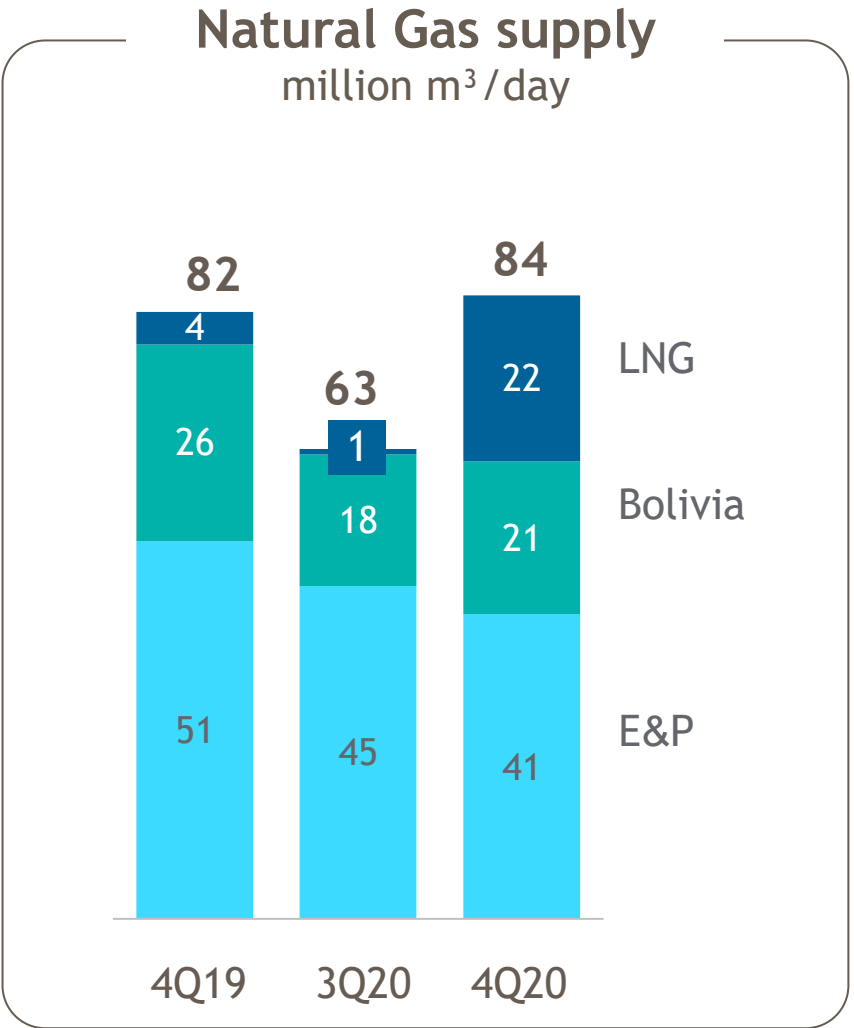
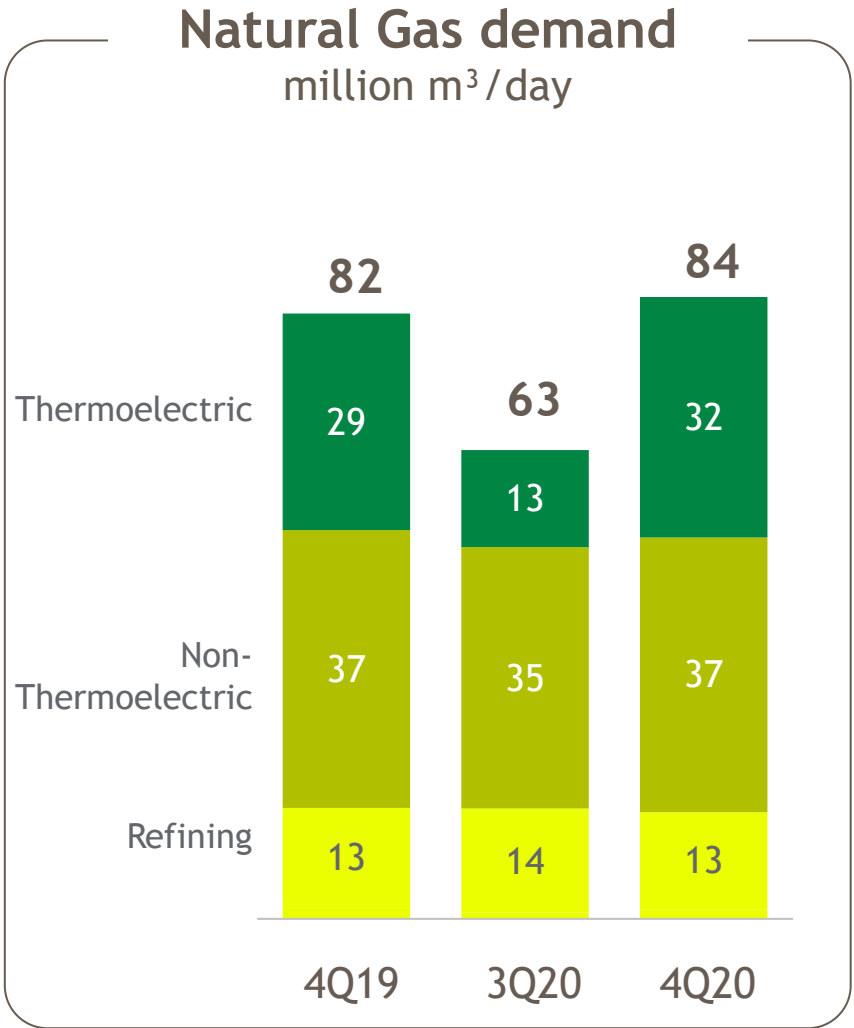
# More cost-efficient refining



## Refining operational cost



# Strong recovery of the gas market in 4Q20



# 2020 Performance

Webcast  
February 25, 2021



**P-77**  
Búzios field