

# EARNINGS PRESENTATION

3Q  
21



PetroRio



IBOVESPA B3 SMLL IBRX ITAG IGC IGC-NM IGCT IBRA



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This presentation contains forward-looking statements. All statements other than statements of historical fact contained in this presentation are forward-looking statements, including, without limitation, statements regarding our drilling and seismic plans, operating costs, acquisition of equipment, expectations of finding oil, the quality of oil we expect to produce and our other plans and objectives. Readers can identify many of these statements by looking for words such as “expects”, “believe”, “hope” and “will” and similar words or the negative thereof. Although Management believes that the expectations represented in such forward-looking statements are reasonable, there can be no assurance that such expectations will prove to be correct. By their nature, forward-looking statements require us to make assumptions and, accordingly, forward-looking statements are subject to inherent risks and uncertainties. We caution readers of this presentation not to place undue reliance on our forward-looking statements because a number of factors may cause actual future circumstances, results, conditions, actions or events to differ materially from the plans, expectations, estimates or intentions expressed in the forward-looking statements and the assumptions underlying the forward-looking statements.

The following risk factors could affect our operations: the contingent resource and prospective resource evaluation reports involving a significant degree of uncertainty and being based on projections that may not prove to be accurate; inherent risks to the exploration and production of oil and natural gas; limited operating history as an oil and natural gas exploration and production company; drilling and other operational hazards; breakdown or failure of equipment or processes; contractor or operator errors; non-performance by third-party contractors; labour disputes, disruptions or declines in productivity; increases in materials or labour costs; inability to attract sufficient labour; requirements for significant capital investment and maintenance expenses which PetroRio may not be able to finance; cost overruns and delays; exposure to fluctuations in currency and commodity prices; political and economic conditions in Brazil; complex laws that can affect the cost, manner or feasibility of doing business; environmental, safety and health regulation which may become stricter in the future and lead to an increase in liabilities and capital expenditures, including indemnity and penalties for environmental damage; early termination, non-renewal and other similar provisions in concession contracts; and competition. We caution that this list of factors is not exhaustive and that, when relying on forward-looking statements to make decisions, investors and others should also carefully consider other uncertainties and potential events. The forward-looking statements herein are made based on the assumption that our plans and operations will not be affected by such risks, but that, if our plans and operations are affected by such risks, the forward-looking statements may become inaccurate.

The forward-looking statements contained herein are expressly qualified in their entirety by this cautionary statement. The forward-looking statements included in this presentation are made as of the date of this presentation. Except as required by applicable securities laws, we do not undertake to update such forward-looking statements.

# HIGHLIGHTS FOR THE QUARTER

3Q  
21



Net revenue of R\$ 940 million



Net income (ex-IFRS 16) of R\$ 119 million



Adjusted EBITDA (ex-IFRS 16) of R\$ 547 million in the quarter (vs. R\$ 204 million in 3Q20)



Approximately 2.5 million barrels sold and average production of 31.6 Mboepd



Lifting Cost of US\$ 12.3, the lowest ever recorded



Conclusion of the Polvo and Tubarão Martelo tieback

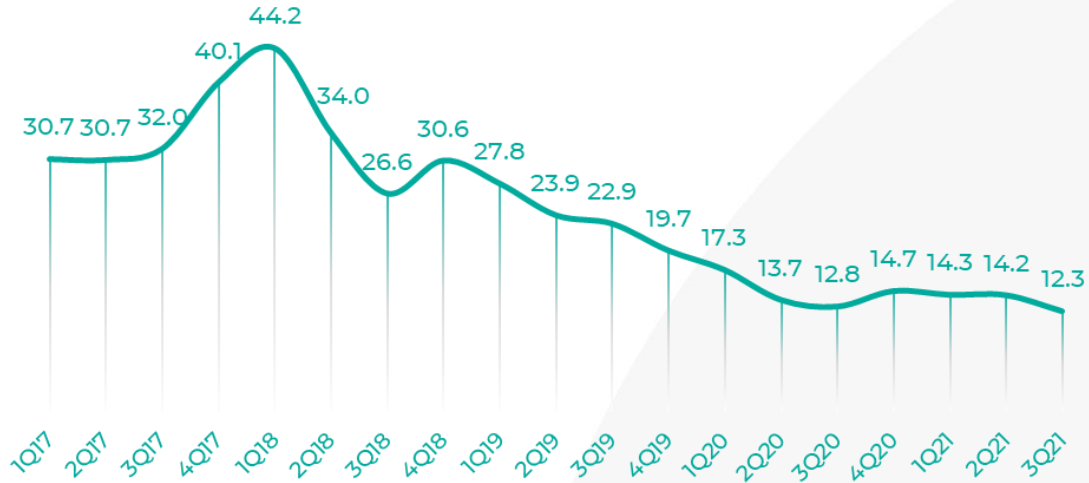


Start of production of TBMT-10H well, with initial production of 3.8 kbbbl/d

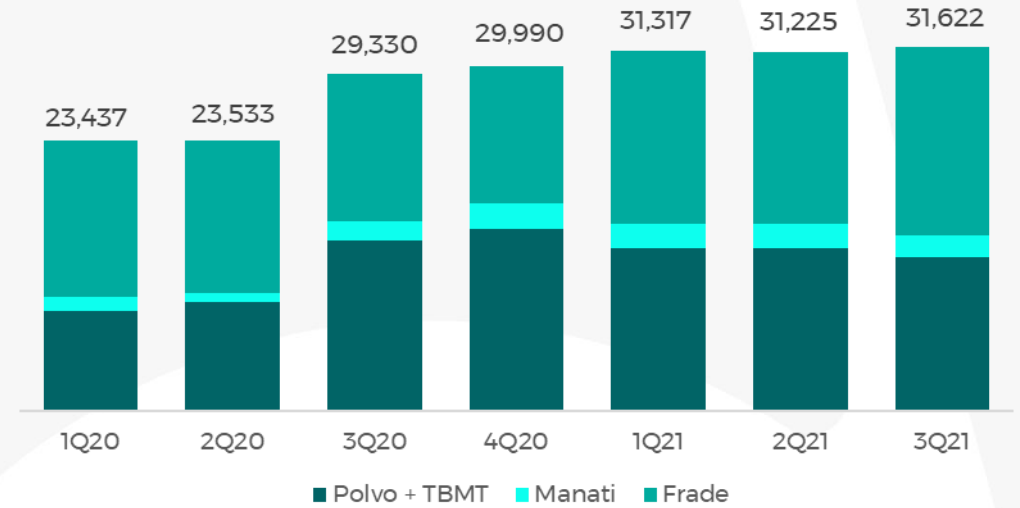
# HIGHLIGHTS FOR THE QUARTER

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21

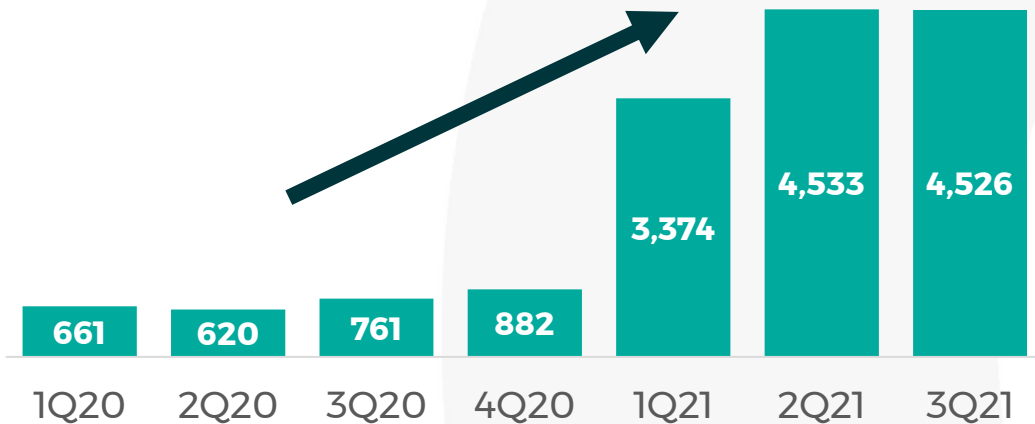
## Lifting Cost reduction (US\$/bbl)



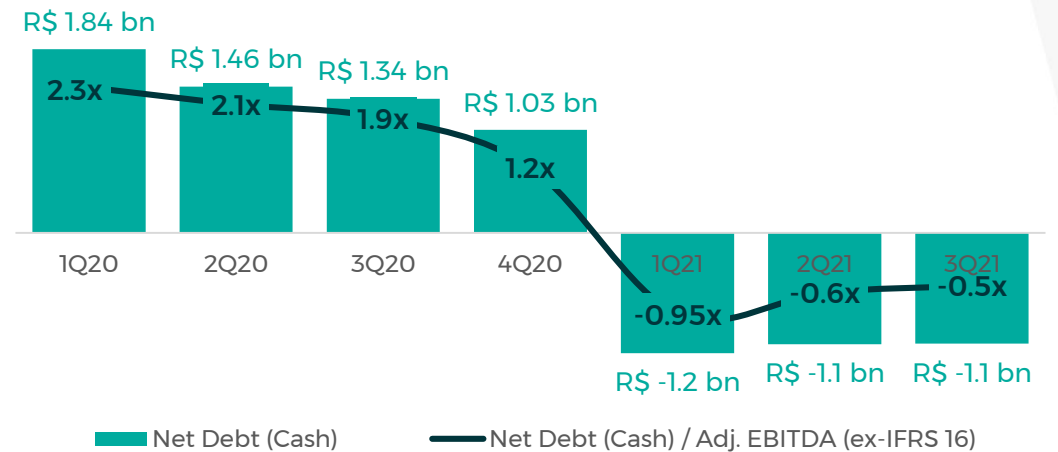
## Production (boe/d)



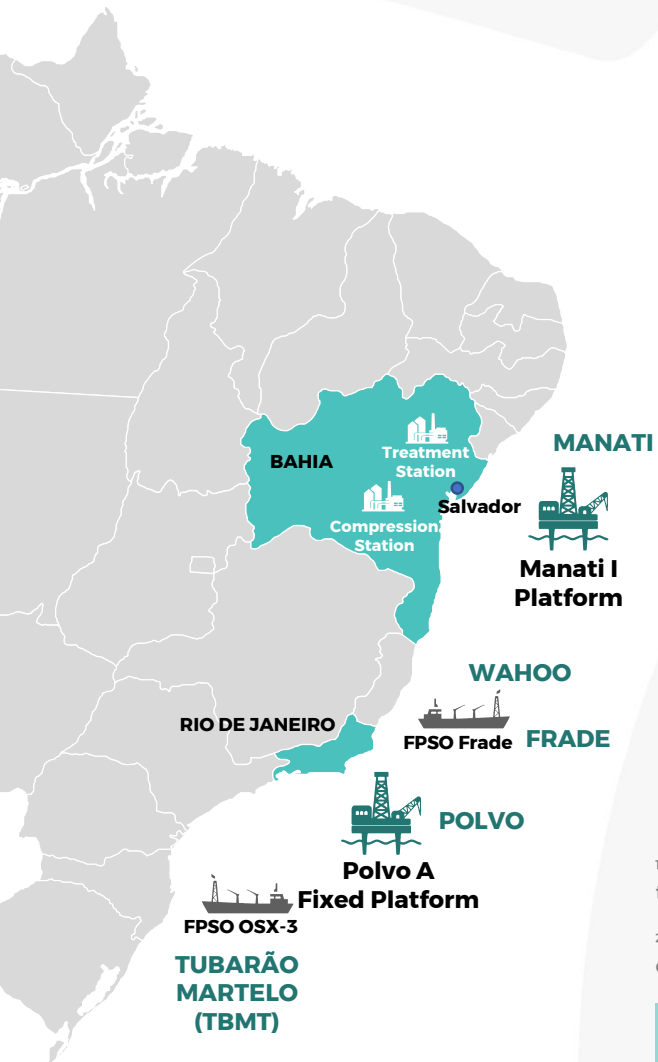
## Cash Position (R\$ MM)



## Net Debt (Cash) / Adj. EBITDA



# ASSET PERFORMANCE



	3Q20	4Q20	1Q21	2Q21	3Q21	3Q21 X 3Q20	3Q21 X 2Q21
Brent Médio	\$ 43.34	\$ 45.26	\$ 61.32	\$ 69.08	\$ 73.23	68.9%	6.0%
Preço Médio de Venda	\$ 42.71	\$ 46.26	\$ 62.19	\$ 66.85	\$ 74.41	74.2%	11.3%
Tx Câmbio Média	5.38	5.40	5.48	5.29	5.23	-2.7%	-1.2%
Tx Câmbio Final	5.61	5.19	5.70	5.00	5.44	-3.0%	8.7%

Offtakes (kbbbl)							
Campo de Frade (100%) <sup>1</sup>	993	1,943	1,021	1,530	986	-0.7%	-35.6%
Cluster Polvo e TBMT (95%) <sup>2</sup>	1,405	1,782	907	1,307	1,498	6.7%	14.6%
Total PetroRio	2,397	3,724	1,928	2,837	2,485	3.6%	-12.4%

Production (boepd)							
Campo de Frade (100%) <sup>1</sup>	12,838	11,928	15,086	14,941	16,398	27.7%	9.8%
Cluster Polvo e TBMT (95%) <sup>2</sup>	14,752	15,777	14,147	14,093	13,356	-9.5%	-5.2%
Campo de Manati (10%)	1,740	2,285	2,084	2,191	1,868	7.4%	-14.7%
Total PetroRio	29,330	29,990	31,317	31,225	31,622	7.8%	1.3%

Lifting Cost (US\$/bbl)							
PetroRio	12.8	14.7	14.3	14.2	12.3	-4.4%	-13.7%

<sup>1</sup> Until February 5<sup>th</sup>, 2021, PetroRio owned 70% of the Field Operation. After the 30% acquisition conclusion from Petrobras, the interest increased to 100%

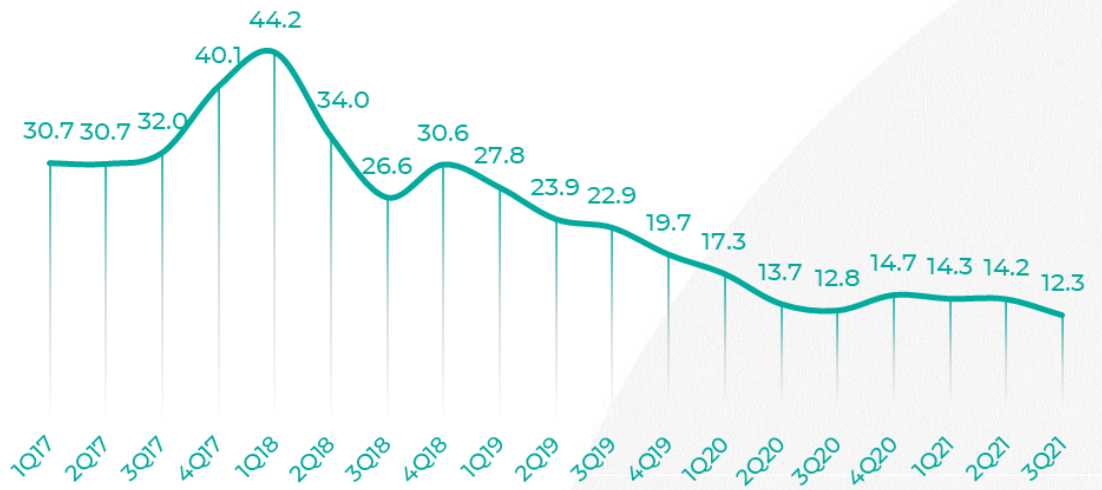
<sup>2</sup> Upon conclusion of the tieback, on July 14, 2021, the interest held by PetroRio in the fields and Polvo Tubarão Martelo changed from 100% and 80%, respectively, to 95% in both fields.

Highlight to the lifting cost reduction to the lowest ever achieved

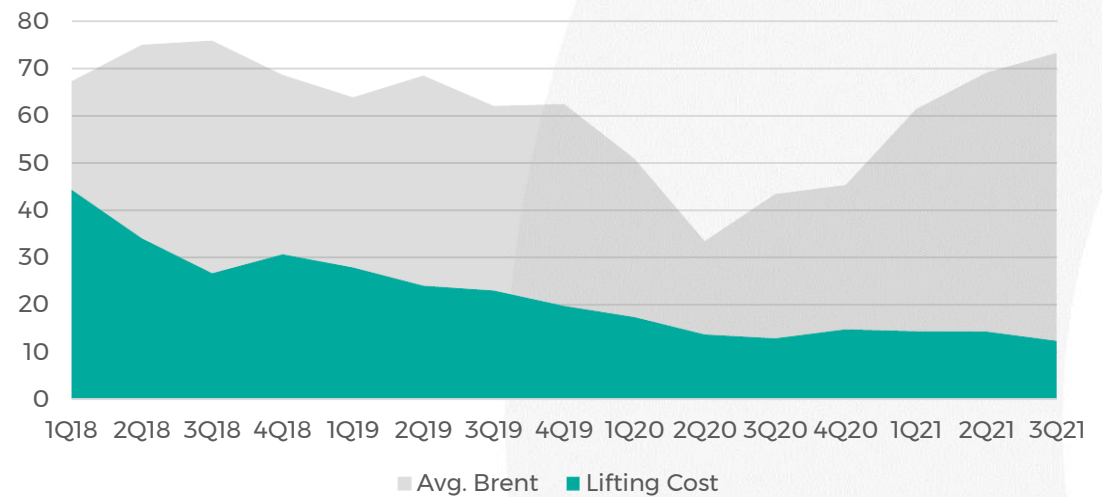


# LIFTING COST (US\$/bbl)

Lifting Cost PetroRio (US\$/bbl)



Brent vs. Lifting Cost (US\$/bbl)



Lifting cost reduction is the most important protection against oil price volatility

\* Tieback between **Polvo** and **Tubarão Martelo** fields enabled an operational cost (“OPEX”) reduction of US\$ 50 million with the decommissioning of **Polvo** FPSO.

\* Lifting cost reduction still does not reflect all the tieback impacts, due to the scheduled shutdown in **Polvo** Field in July and the stoppage of the wells TBMT-8H since March and TBMT-2H since mid-September.

# OPERATIONAL PERFORMANCE - FRADE

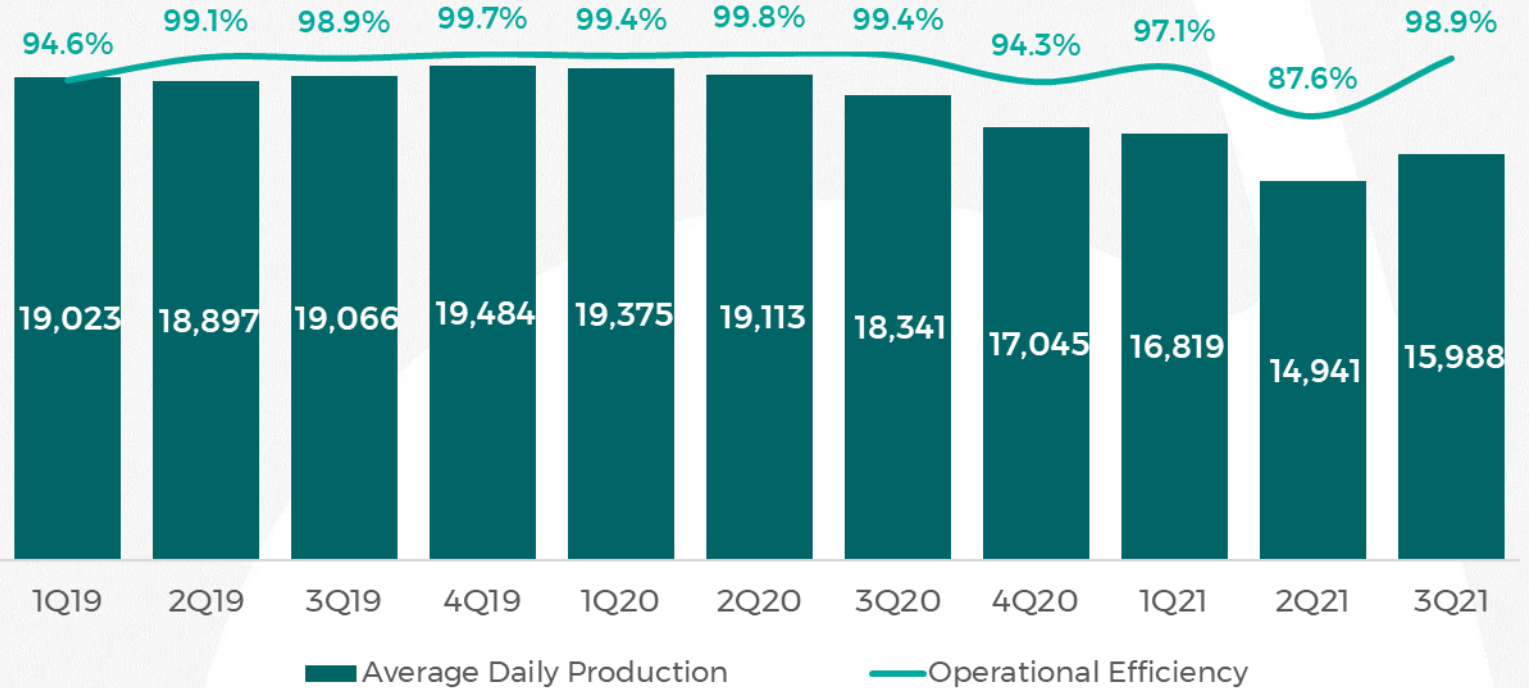
3Q  
21

Average Daily Production and Operational Efficiency  
Frade Field (100%)

Production recovery after the scheduled shutdown in May.

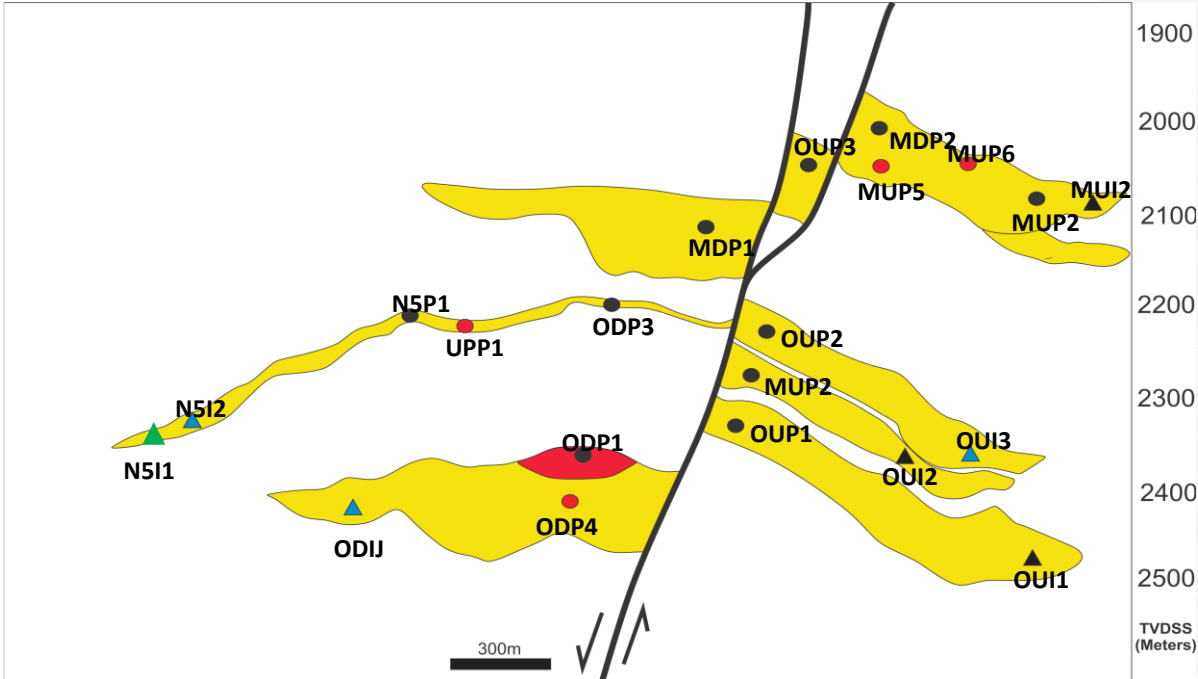
Recovery of the high levels of efficiency.

After 2 years of PetroRio's operation, production starts to reflect the field's natural depletion.



# FRADE REVITALIZATION PLAN

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- Current producers
- ▲ Disabled Injectors
- ▲ Current injector
- Scheduled Producers
- ▲ Scheduled Injectors

✦ Drilling global project: 4 production and 3 injection wells  
1st phase (1Q22): 1 production and 2 horizontal injection wells

✦ Frade Development Plan approved by ANP

✦ PetroRio contracted the NORBE VI rig, from Ocyan, to carry out the drilling of the wells.

✦ The contract will begin in March 2022 with an initial period of 500 days, and an option to extend the contract for up to 350 additional days, divided into periods of 70 days each.




NORBE VI Rig


# OPERATIONAL PERFORMANCE – POLVO & TBMT


3Q  
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 Tubarão Martelo's sixth well (TBMT-10H) started production in October 2021


Production and efficiency impacted by:

 10-day scheduled shutdown in Polvo Field, for the tieback's conclusion;

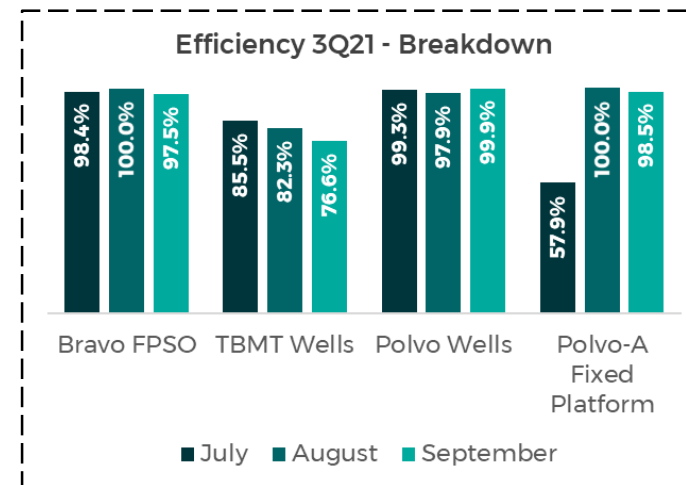
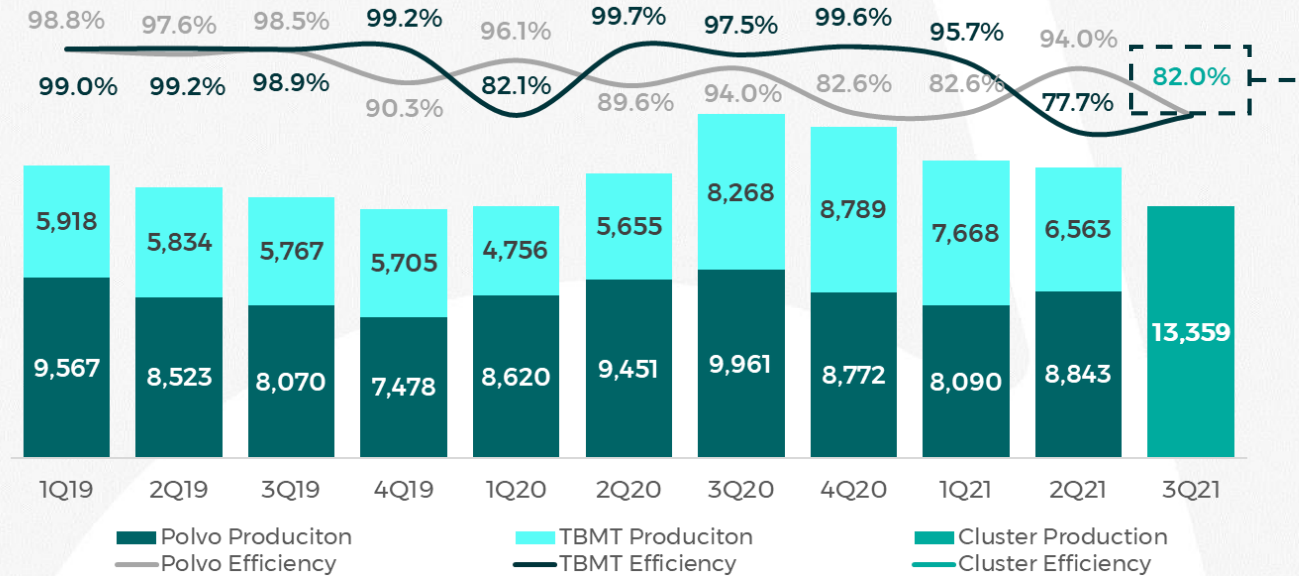
 Polvo Field's electric submersible pumps adaptation period due to the new tieback's layout

 Shutdown of the well POL-012-R for 14 days between July and August for a workover.

 TBMT-8H shutdown since March, due to an electric submersible pump (ESP) failure.

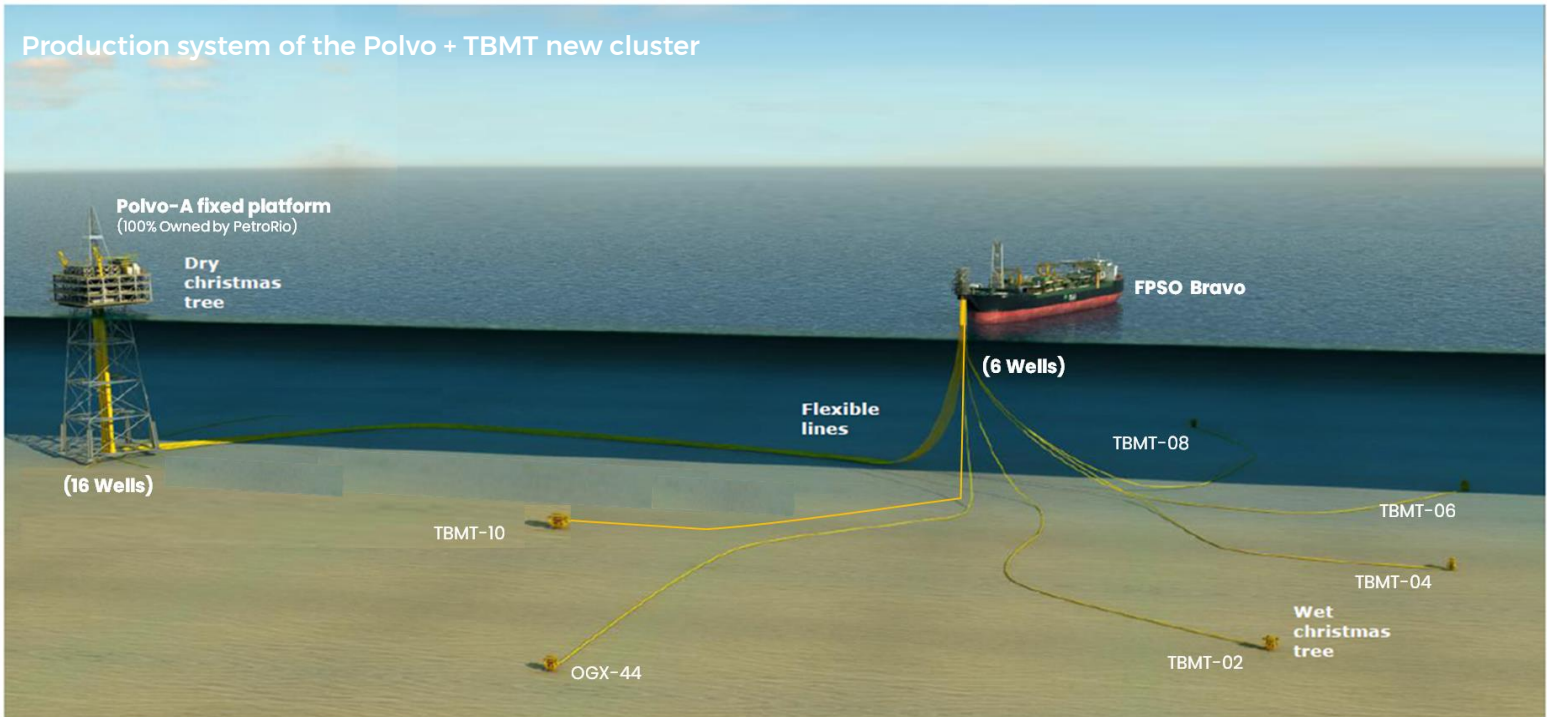
 TBMT-2H stoppage in mid-September due to an electric umbilical failure.

Average Daily Production and Operational Efficiency  
Polvo + TBMT Cluster (100%)



# TIEBACK POLVO-TUBARÃO MARTELO

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21



Spools with the tieback's flexible lines, before deployment

- ❄️ Project concluded in July, within the 11-month deadline and the initial budget of US\$ 45 million.
- ❄️ Reduction of US\$ 50 million/year in operating costs.
- ❄️ As of July, Petrório holds the right to 95% of the oil produced in **Polvo** and **TBMT**.

# WAHOO FIELD

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21

## Status

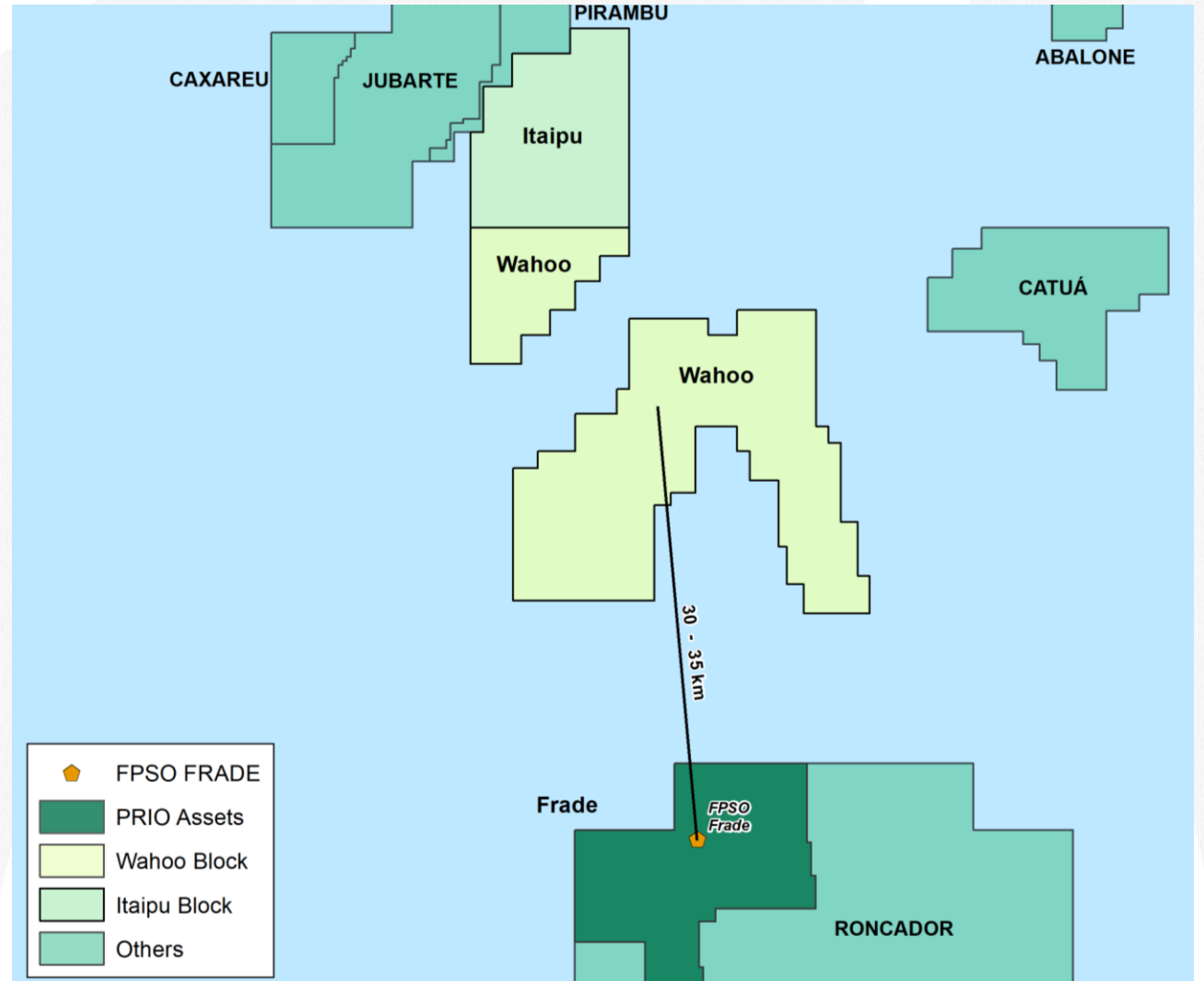
- \* Aquisition of BP interest (35.7%): Approved by ANP.
- \* Aquisition of Total interest (28.6%) : Approved by ANP.

## NORBE VI Rig

- \* The NORBE VI rig was contracted for the 1<sup>st</sup> phase of the Frade Revitalization Campaign and for Wahoo's development.
- \* In Wahoo, the rig will carry out the drilling of the field's 4 production wells.

## Schedule

- 1) Signing of the Amendment to the Concession Agreement (concluded);
- 2) Beginning of the applicable "Cash Calls" (concluded);
- 3) Declaration of Commerciality;
- 4) Development Plan;
- 5) Beginning of drilling and the tieback project;
- 6) Wahoo first oil.



# FINANCIAL RESULTS

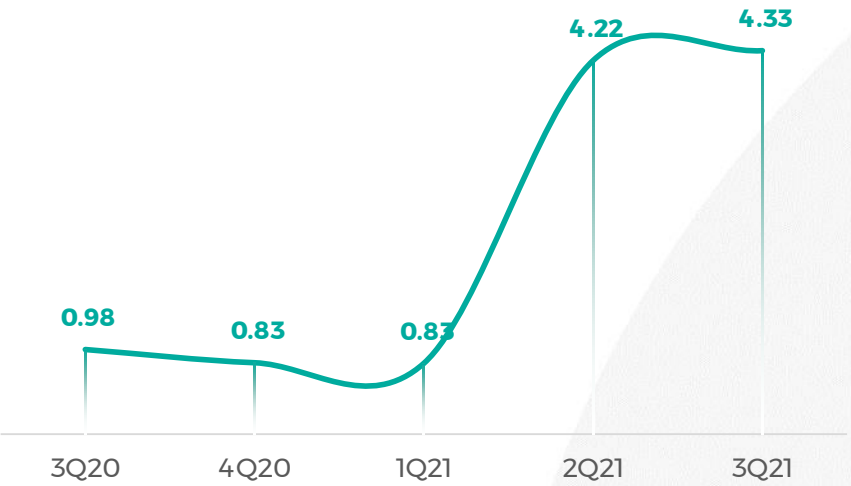
3Q  
21

	Ex IFRS-16			Accrued - Ex IFRS-16			Includes IFRS-16		
	3Q20	3Q21	Δ	9M20	9M21	Δ	3Q20	3Q21	Δ
<b>Net Revenue</b>	<b>488,696</b>	<b>939,517</b>	<b>92%</b>	<b>1,024,150</b>	<b>2,617,688</b>	<b>156%</b>	<b>488,696</b>	<b>939,517</b>	<b>92%</b>
Cost of goods sold	(223,882)	(270,466)	21%	(429,087)	(662,211)	54%	(153,391)	(211,149)	38%
Royalties	(24,376)	(78,576)	222%	(77,733)	(194,020)	150%	(24,376)	(78,576)	222%
<b>Operating Income</b>	<b>240,438</b>	<b>590,475</b>	<b>146%</b>	<b>517,330</b>	<b>1,761,457</b>	<b>240%</b>	<b>310,929</b>	<b>649,792</b>	<b>109%</b>
General and administrative expenses	(36,714)	(43,292)	18%	(105,729)	(143,480)	36%	(35,291)	(41,869)	19%
Other operating income (expenses)	33,208	15,773	-53%	262,133	(66,663)	-125%	33,208	15,773	-53%
<b>EBITDA</b>	<b>236,931</b>	<b>562,956</b>	<b>138%</b>	<b>673,734</b>	<b>1,551,314</b>	<b>130%</b>	<b>308,845</b>	<b>623,696</b>	<b>102%</b>
<b>EBITDA margin</b>	<b>48%</b>	<b>60%</b>	<b>+12 p.p.</b>	<b>66%</b>	<b>59%</b>	<b>-6 p.p.</b>	<b>63%</b>	<b>66%</b>	<b>+4 p.p.</b>
Depreciation and amortization	(155,376)	(154,735)	0%	(458,598)	(451,712)	-2%	(200,821)	(191,969)	-4%
Financial Results	(162,851)	(212,745)	31%	(340,479)	(432,843)	27%	(182,182)	(264,307)	45%
<i>Financial Income</i>	275,498	220,610	-20%	1,034,843	794,068	-23%	275,498	220,610	-20%
<i>Financial Expenses</i>	(438,349)	(433,355)	-1%	(1,375,323)	(1,226,911)	-11%	(457,680)	(484,917)	6%
Income and social contribution taxes	(36,441)	(70,317)	93%	(22,378)	(231,773)	936%	(36,441)	(70,317)	93%
<b>Income (loss) for the period</b>	<b>(117,738)</b>	<b>125,159</b>	<b>n/a</b>	<b>(147,722)</b>	<b>434,986</b>	<b>n/a</b>	<b>(110,599)</b>	<b>97,104</b>	<b>n/a</b>
	<b>3Q20</b>	<b>3Q21</b>	<b>Δ</b>	<b>9M20</b>	<b>9M21</b>	<b>Δ</b>	<b>3Q20</b>	<b>3Q21</b>	<b>Δ</b>
<b>Adjusted* EBITDA</b>	<b>203,724</b>	<b>547,183</b>	<b>169%</b>	<b>411,601</b>	<b>1,617,977</b>	<b>293%</b>	<b>275,638</b>	<b>607,923</b>	<b>121%</b>
<b>Adjusted EBITDA margin</b>	<b>42%</b>	<b>58%</b>	<b>+16 p.p.</b>	<b>40%</b>	<b>62%</b>	<b>+22 p.p.</b>	<b>56%</b>	<b>65%</b>	<b>+9 p.p.</b>

# FUNDING

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21

Debt Duration (years)



Amortization Schedule (R\$ MM)

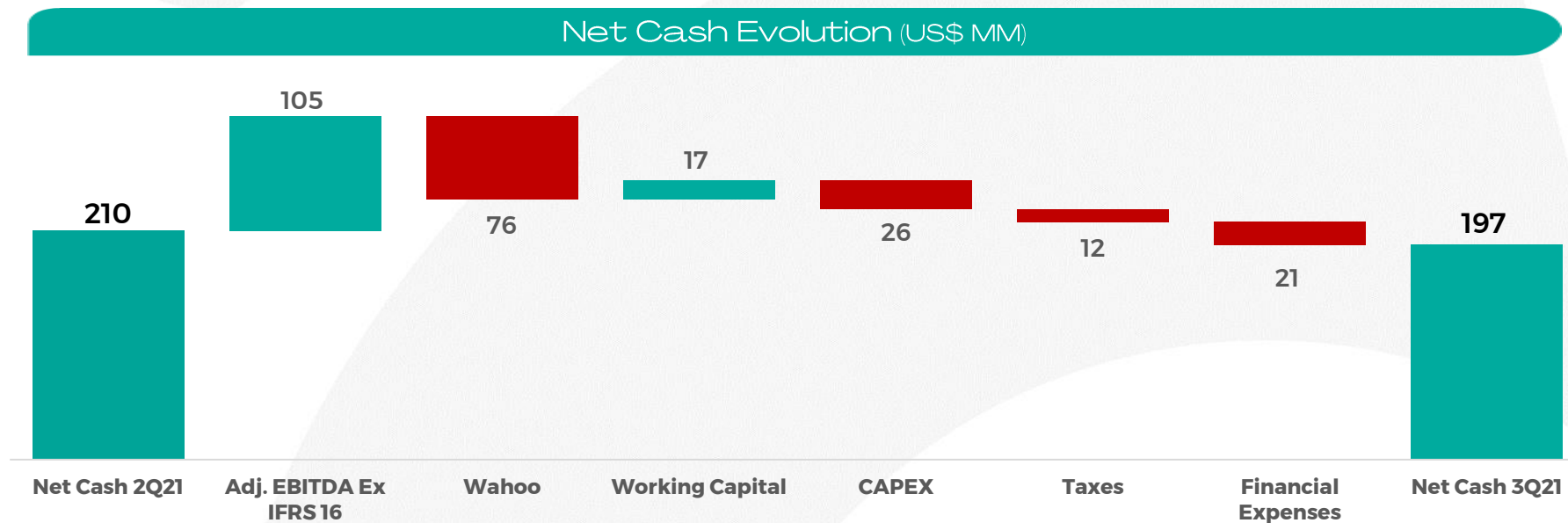






\* The Company decided to prepay its other debts through 2021, after which the bond will be the only financing item in the balance sheet.

\* The debt duration reinforces the solid capital structure sought by PetroRio, improving financial planning and preparing the Company to address inorganic growth.

# NET CASH

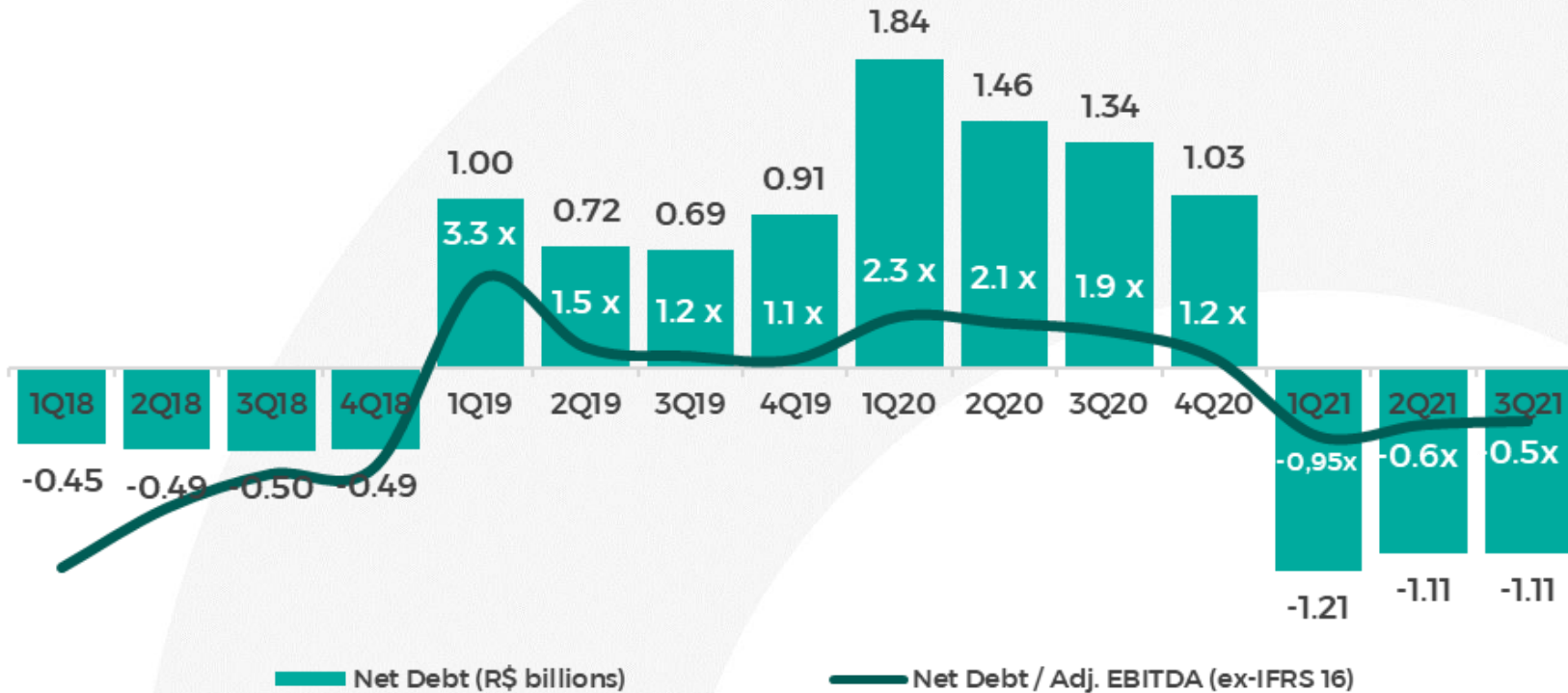
3Q  
21



-  **Wahoo:** costs relating to the acquisition of Wahoo, with payments to Total and BP;
-  **Working Capital:** reduction of accounts receivable and increase in supplier accounts;
-  **CAPEX:** expenses with the tieback between Polvo and Tubarão Martelo Fields, drilling of well POL-K and TBMT-10H completion;
-  **Financial Expenses:** costs relating to interest and hedge premiums.

# LEVERAGING

Net Debt (Cash) / Adjusted EBITDA (R\$ bn)



Due to the stable level of debt, net cash variation, as detailed previously, and mainly due to the consistent growth of Adjusted EBITDA over the last 12 months, Net Debt (Cash)/Adjusted EBITDA increased from -0.6x to -0.5x.

# OUTLOOK

3Q  
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 Continuous focus on our employees and contractors' health and safety.

 TBMT 8 well workover

 Begin of the **Frade** Drilling Campaign.

 Setup to start the **Wahoo** development.

 Inorganic growth through focus on M&A opportunities.

# Q&A



**INVESTOR RELATIONS**

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