

Y 2020 Earnings Call

Company Participants

- Andre Barreto Chiarini, Chief Trading and Logistics Officer
- Andrea Almeida, Chief Financial and Investor Relations Officer
- Carla Dodsworth Albano Miller, Investor Relations Executive Manager
- Carlos Alberto Pereira de Oliveira, Chief Exploration and Production Officer
- Roberto da Cunha Castello Branco, Chief Executive Officer
- Rodrigo Costa Lima e Silva, Chief Refining and Natural Gas Officer
- Rudimar Andreis Lorenzatto, Chief Production Development Officer

Presentation

Carla Dodsworth Albano Miller {BIO 17540433 <GO>}

Hi. Good morning. Welcome to Petrobras' Webcast with Analysts and Investors about our Results on the Fourth Quarter 2020. We would like to inform you that all participants will follow this transmission by Internet as listeners. After an introduction, a Q&A session will begin. You can send us questions by e-mail, petroinvest@petrobras.com.br.

Today, we have with us Roberto Castello Branco, Petrobras CEO; Andrea Almeida, Chief Financial and Investor Relations Officer; Andre Chiarini, Chief Trading and Logistics Officer; Carlos Alberto Pereira de Oliveira, Chief Exploration and Production Officer; Marcelo Zenkner, Chief Governance and Compliance Officer; Nicolas Simone, Chief Digital Transformation and Innovation Officer; Roberto Ardenghy, Chief Institutional Relations and Sustainability Officer; Rodrigo Costa Lima E Silva, Chief Refining and Natural Gas Officer; and Rudimar Lorenzatto, Chief Production Development Officer.

We will start by listening to Petrobras CEO, Roberto Castello Branco, with the highlights of our results. Please Roberto, go ahead.

Roberto da Cunha Castello Branco {BIO 3193867 <GO>}

Hi, it's a pleasure to meet you. I am very glad to present an outstanding performance of Petrobras in 2020 last year. Since the first day when I started with Petrobras, we launched a strategy with five-- strategic pillars, complemented by two important instruments; cultural transformation and digital transformation; and a new style of management, more informal, more dialogue, more transparency, data-driven decisions and a lot of energy dedicated to the business.

In -- last year, we faced the impact of the pandemic -- of COVID-19 pandemic and a strong shock -- negative shock on the oil industry, reducing price to -- as low as \$19 per barrel in April and even negative price for a very short-period of time, high inventories, demand contraction across the Board. But that time, we promised a safe recovery, meaning that we are aiming to end up better than before the COVID-19 crisis. And we did it, we delivered on our promise.

Petrobras today is better, much better than it was in the past. We managed to reach an all-time high-production of oil and gas, an all-time high oil exports and all-time high exports of fuel oil. Alongside this, Petrobras had a very strong cash flow generation, with an operational cash flow of \$28.9 billion, and a free cash flow of \$24.1 billion, if we include revenues from divestments, about \$2 billion last year.

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Costs were cut across the board in the operations, in corporate activities. Efficiency gains were realized, digital transformation was accelerated, as well as the strategy execution. We enhanced the information technology, infrastructure and created excellence centers. We used start-ups -- internal start-ups to found -- to find very fast solutions from some problems. It is working very well, agile teams. And our research center was revamped with much -- today, it is much more integrated into the company with a vision, not only a technological vision, but also with economics.

There is an old saying that, "you can ignore economics, but economics will never ignore you." Sooner or later, if you ignore economics, you're going to get very negative consequences for you. But in terms of safety operations, Petrobras performed very well, establishing a new record in terms of the rate of recordable accidents per 1 million man-hour, it was 0.56, a new benchmark for the global oil industry, we managed to obtain some adhesion in terms of emissions.

In terms of diversity, the number of executive managers -- of women executive managers more than double relatively to 2018. In our executive team, we've -- we had two women out of eight executive directors, now have only one. But the women's team will be very soon enhanced by one director -- one women director.

Well, I'm using a T-shirt. I like this T-shirt, I borrowed from the London Underground with its slogan, Mind the Gap. And why is that? Because why -- we're not comparing ourselves, not adopting an internal view, comparing ourselves to Petrobras in the past. But our goal is to close the gap to our peers in the global oil industry.

Our goal is to have an outside view that is much more healthier, much more appropriate to incentivize the Company to become the best, the best oil and gas company in terms of cash -- value generation to shareholders. So the numbers speak for themselves. I am not going to elaborate about the numbers. And about Mind the Gap, it is important to say that Petrobras was the only company when -- in comparison with major oil companies -- global major oil companies that managed to reduce total debt.

In terms of free cash flow, Petrobras was Number One, and in addition to that, Petrobras was the only company compared, again with major oil companies that was able to grow operational cash flow. There was no contraction, thus more cash generated. I am very proud of our teams, our multi-disciplinary agile teams that worked with very strong determination to win. They went for the extra mile to make the company better. I am very proud of them, and we did it. This is a very important result in face of the adverse scenario we have to deal. And as a state-owned company, it's like we have several advantages relative to global private sector companies.

We didn't fire one employee. We had -- we launched a voluntary dismissal program, obtained -- to which more than 11,000 people enlisted, and it is contributing to reduce costs. More than 6,000 left the company. We have more thousands of people, approximately 5,000 people live in Petrobras, and it is procedure is like transparent. So thank you for your attention. I return the word to Carla to go ahead with our video conference.

Questions And Answers

A - Carla Dodsworth Albano Miller {BIO 17540433 <GO>}

Thank you, Roberto. The Q&A session will begin. And the first question we received comes from Frank McGann with Bank of America Merrill Lynch. So before going through Frank's question, he sent a message to Roberto and the Management team that I am going to read now.

First, I'd like to thank you for your openness, transparency and directness in what has been a transformational period of restructuring at Petrobras. So Frank's first question comes from -- to Andrea. So Andrea, with stronger oil price environment that seems to be more sustainable than

previously expected, how do you see potential for achieving some of your targets for that reduction sooner than expected?

A - Andrea Almeida {BIO 19358739 <GO>}

Frank, thank you very much for the question. This is a very good problem to have. So if we always have the problem of having price higher than expected, I believe that -- that's the easiest thing to do. But as we always mentioned, we had two things that we were lagging behind compared to the other big oil companies. One is leveraging and second is dividend.

So if we really have a better scenario and if we are able to get to our goals, and the most important one is the total debt of \$60 billion faster, I believe it will be important for, I believe, for these two important goals because we would be in a much better situation, related to the cost of capital and to the total debt of the Company, and we would be able to pay even more dividends to our shareholders.

So I believe it is a good problem to have. And if we can do faster, we'll do. So -- but the prices are volatile. So it is very hard to say that these prices are going to be kept, and that is why we kept our long-term pricing for the Brent, as the \$50 per barrel. But thank you for the question.

A - Carla Dodsworth Albano Miller {BIO 17540433 <GO>}

Thank you, Andrea. He also has the second question, it is also for you. So also, could -- this means about higher prices than expected provide an opportunity to increase investments in pre-salt or other projects beyond what has been planned until now?

A - Andrea Almeida {BIO 19358739 <GO>}

So Frank, we did a revision of our portfolio at the end of last year when we presented the new plan, 2021 to 2025 plan. And that revision was based on a resilient figure for our break-even. So we said that we just want to invest in new projects that have a breakeven below \$35 per barrel.

So this is a very strong guideline. So we'll keep that as a matter of what is the scenario. And actually, when we did the revision, we already changed a little bit the prices. So I expect that we'll see what is going to happen. And maybe at the end of the year, we've another revision. But as we have a very strong and a very important guideline that is really to have resilient projects in our portfolio, I don't expect big changes. But I will pass the word to Capo, if he wants to complement.

A - Carlos Alberto Pereira de Oliveira {BIO 19130573 <GO>}

Okay, Andrea, thank you. Well, as Andrea mentioned, all projects in our portfolio are resilient to a Brent of \$35 per barrel, and that is our goal. We always check the project that are resilient to this price. But if the price in the future, as Andrea was saying, confirms to be higher than the price we estimate in our strategic plan, the anticipation could be something to be evaluated in the future.

But it is important to check two things at this time, besides cash availability, which will be higher with -- higher price, which are the impact on the debt reduction strategy. And we've always to have this target -- keeping this target. And the capacity of the suppliers as well to provide additional fiscal results because, as today, they're facing some restrictions, due to the worldwide effects caused by the pandemic of the COVID-19. So that is not only something that's only a matter of Petrobras doing it wrong [ph], because the market today regarding the fiscal results that we need, and especially because we work in this particular scenario of the result that requires resources that are specific. So we would look at the capacity of the market to provide those results as well.

A - Carla Dodsworth Albano Miller {BIO 17540433 <GO>}

Thank you, Andrea. Thank you, Capo. The second question comes from Rodolfo Angele with JPMorgan. He also sent us a message to Roberto and the Management team. I will begin to read

now. So first of all, I think it is important to acknowledge that in two years, even facing an oil crisis, where prices became negative in a global pandemic, current management was able to transform Petrobras, even in a short time period.

Today, the company has a healthy balance sheet, generates a lot of cash and has high returns, not to mention the transparency and openness to the capital market. Congratulations, Roberto and team. So now going to the question. So the first question is for Roberto. Roberto, can you comment on how will be the transition process to the new management?

A - Roberto da Cunha Castello Branco {BIO 3193867 <GO>}

Rodolfo, thank you for your comments. On behalf of myself, the executive team and all Petrobras employees, because the performance is not only due to the action of the CEO and the executive directors, it is -- each one of the employees have a piece in the construction of a Company -- company's performance.

Well, I don't know -- for the time being, I don't know, about how the transition will be implemented. The only thing that I strongly believe is to guarantee that we'll be very open, very transparent as well. And we will try to help the transition to be very smooth and productive. This is our duty to contribute to that process on this way.

A - Carla Dodsworth Albano Miller {BIO 17540433 <GO>}

Roberto, our next question comes from Luiz Carvalho. Sorry. So we have a second question for Rodolfo Angele with JPMorgan. It is for Andrea. Andrea, the Company is generating a lot of cash, keeps on deleveraging and has been showing decline in financial expenses. Looking ahead, how many opportunities do you still have to continue to deleverage and engaging in liability management?

A - Andrea Almeida {BIO 19358739 <GO>}

Rodolfo, thank you very much for the question. I think we do have lots of opportunity to do liability management. We still have a big debt, as we say. So we reduced a lot. \$76 billion is a number that we never expected for last year, but it is still a high number. As you know, we wanted to get to \$60 billion in 2022, and we still have a lot to be done to reduce the debt and to reduce the interest we pay on our loans. So we still have a lot of opportunities to do prepayments in the bilaterals and prepayments in the capital markets, and we will be exploring the opportunities to be doing that and reducing the debt towards our goal that is the \$60 billion in 2022.

A - Carla Dodsworth Albano Miller {BIO 17540433 <GO>}

Thank you, Andrea. The next question comes from Luiz Carvalho with UBS. Luiz also sent a message to Roberto and the team that I am going to read now. So before we go to questions, I would like to take a moment to reinforce our positive view on the work that has been done in the company, strategy and governance led by Roberto over the past two years. Really well done. So Luiz' first question goes to Andrea. So Andrea, there were lots of noise over the past couple of days, as we all know. Could you please share the most relevant changes on company bylaws, and as to which law that give us a higher protection and independence in several fronts?

A - Andrea Almeida {BIO 19358739 <GO>}

Thank you, Luiz for the question. Yes, there are some protection in the Law 13.303, and some of them were even increased in our bylaws. So one of them is that, let us say, in the law, we've the 25% of independent members in the Board. And in our bylaws, we extended that to 40% of independent board members. So as we've really a Board that has independent people really acting.

We do have as well technical criteria for the selection of the Board of Directors and Executive Board members. So we've to cope with a certain criteria. Even for me to join Petrobras, I've to prove that I had 10 years of experience in finance, and years reporting to the CFO of other companies. So this is a technical criteria that is needed from us and from Board of Directors. There is additional -- so there is additional items that require the reputation of the administration and members of the fiscal council as well. We do have other items like the -- we are in B3, we are in the special level-two of corporate governance. And we do have to comply with the benchmark governance regulation for companies.

We do have in the law, in the 13.303 as well, the obligation of the controlling entity to compensate the -- if the Company is not acting according to its own, how can I say, interest, the major shareholder has to compensate the Company for that. This was used in 2018, and we're very happy that we don't need to use it right now because we're coping with a price policy, as we already mentioned.

We do have as well -- we changed this year as well. We added some more items to our bylaws, covering some benchmarks from OECD that covers, as well conflicts of interest. So even -- if somebody from the Board has a conflicts of interest in any situation, the person has to declare the conflict of interest. But somebody else can declare the conflict of interest, as well in the middle of that, how can I say, body, in the middle of the body. So we do have lots of extra protections to avoid some wrong actions against the Company. So that's it. Thank you for the question.

A - Carla Dodsworth Albano Miller {BIO 17540433 <GO>}

Thank you, Andreas. And the next question also from Luiz with UBS. It is for Chiarini. Chiarini, companies now met crude exports. Importers gain market share on the fuel products supply in Brazil. Could you please give more color on how the upstream versus downstream balance will play-out on our results looking forward?

A - Andre Barreto Chiarini {BIO 21746050 <GO>}

Thank you, Carla. Thanks for your question, Luiz. We'll continue to compete in the domestic market, seeking the most appropriate market share, which optimize the use of our refineries and of course, maximize our margins in refining. Our goal always is to maximize value. Part of the market will continue to be served by other players, which also ensures transparency in our price alignment with the international market, by continuously monitoring and developing new oil markets globally. On the other hand, we ensure access to the best alternatives in order to maximize the value of our oils.

In summary, we'll continue to optimize the value creation for the Company, combining refinery -- refining and export alternatives in the best possible way. Thank you.

A - Carla Dodsworth Albano Miller {BIO 17540433 <GO>}

Thank you, Chiarini. The next question comes from Regis Cardoso with Credit Suisse. Regis also sent a message to Roberto and the management team. So Roberto, this management team was wise in recognizing the achievements of previous managements and to build on their progress, with no disruption. In order to pursue a responsible business plan, Petrobras achieved a grand milestone of the two years, including starting the process for opening, the downstream in natural gas markets in Brazil. Petrobras was a clear industry outperformer in what presented itself, as one of the deepest prices for the oil industry globally. When many were struggling to stay solvent, Petrobras generated cash and reduced its financial leverage.

All of that was achieved despite the challenging posed by the pandemic and the necessity to look after people's health and business continuity. Congratulations for the excellent results. So he has a question also for Roberto. So Roberto, what changes were made to the health plan, how does it impact the financial statement going forward?

A - Roberto da Cunha Castello Branco {BIO 3193867 <GO>}

Regis, first of all, I'd like to thank you for your message. We're very flattered with your words. My thank you on behalf of myself, the Executive Director team and all Petrobras employees. Because, as I'll say, people are our most important asset. It is not the pre-salt, it's not asset X or Y. It is people. People is the most important asset. Regarding your question about the health plan, well, the health plan was badly managed because we don't have a specialist in managing health insurance plans, health insurance plans. It is not our business.

So it had a very big debts, and actuarial liability was huge, more -- about BRL45 billion. And what we did to spin-off the insurance plan -- the health insurance plan to a non-profit institution, with professionals with large experience in this type of business, and they're entitled to increase efficiency, reduce costs and improve the quota of sales.

One of the problems of the old scheme is that -- it supplied poor service to the employees. There was a lot of complaints. It was the Number One complaint made by employees. This last year was 2,894 complaints, made by the employees. So we have to change. We had two big problems, of balance sheet problems. The health plan, the AMS; and PETROS, the pension fund. These problems are being solved, PETROS with professional management with the two new plans.

The newest one is defined contribution plan instead of a benefit -- defined benefit plan. And also, we prepared obligations to -- with the pension fund in order to recapitalize it. Petrobras had a 20-year debt with the pension plan. It was set in 2008, with a payment-only in 2028. So part of this was prepaid and -- on the benefit of the plan, as it become -- it gained liquidity and also solvency because the situation there was stable. And by the same token, we addressed the problem of the health insurance plan, which had a lot of problems that end-up producing an Annual net cost to Petrobras of almost BRL3 billion. So I believe that the impact in our balance sheet and our cash flow will improve significantly over time.

The plan, according to our estimates, there is a significant economy to be made over the next 10 years. Thank you.

A - Carla Dodsworth Albano Miller {BIO 17540433 <GO>}

Thank you, Roberto. The next question, also from Regis, is for Capo, and it is regarding oil production that's recovered in January. So it is about maintenance. Were the maintenance stoppage completed in January? Or there is more that could impact production in 2021?

A - Carlos Alberto Pereira de Oliveira {BIO 19130573 <GO>}

Well, as you know, there is some stops were rescheduled for the 2021. And for sure, we have a lot of stoppage during the year. But the stops for 2021, that came from the 2020. They were rearranged, and we have also optimized the stops of the 2021. So what we see today is that we've already a production in January that is in-line with what we expected, and it is above the production of the last quarter.

So we don't see that maintenance that we were -- we have postponed into 2021, will impact on the production or in the target of production that we told you last year, which is the 2.72 million barrels of oil equivalent per day, considering a variation of close and less 4%. So nothing changed. Even with this prediction in January, that is above the less part, but it was -- we've already estimated that it would be like that.

A - Carla Dodsworth Albano Miller {BIO 17540433 <GO>}

The next question comes from Bruno Montanari with Morgan Stanley, and he is also send us a message to Roberto and the management team that's I am going to read. So congratulations for the solid results in the year, with an impressive cash generation. I believe this speaks to the effort and success of strategy outlined by the Company under the leadership of Roberto.

He also has a question for Capo. So thinking about -- Capo and Rudimar, thinking about a scenario of oil prices heading to \$70 per barrel this year, what sources of upsides could come? Other than increase in cash generation at the E&P segment, would it be possible to advance projects and expedite the production growth? And related to that, can you comment on the maintenance schedule for the FPSOs now for the first months of the year?

A - Carlos Alberto Pereira de Oliveira {BIO 19130573 <GO>}

Okay. Well, I think that I have already mentioned before that our products in our portfolio, they are resilient to a Brent of \$35 per barrel. And so we've to consider that all projects have to pass this target and this -- and so if the price in the future, they confirm to be higher than the price that we estimate in our strategic plan, the anticipation could be -- we couldn't evaluate about anticipation of some projects, but we still have to check. That besides cash availability, we've to check the impact on the debt reduction strategy, which is a goal, and the capacity of the suppliers, as I mentioned to provide additional fiscal resource because the suppliers today, they're facing some restrictions that -- due to the effects of the COVID-19.

Regarding the other question about the maintenance schedule for the FPSOs, in the first quarter of the 2021, we are projecting a reduction in the number of scheduled stops compared to the fourth quarter of the 2020. And together with the continued of the ramp-up of the platform P-70 and P-68, those facts, they will lead us to the possible increase in production, in relation to the fourth quarter. So we expect to have more production at this first quarter than at the last quarter of the year.

A - Rudimar Andreis Lorenzatto {BIO 20949096 <GO>}

Carla, I think the question was very well answered by Capo. I have nothing to add.

A - Carla Dodsworth Albano Miller {BIO 17540433 <GO>}

So the next question comes from Andre Hachem with Itau BBA. He also send us a message to Roberto and the management team I am going to read right now. So first of all, we would like to congratulate Roberto and the Executives on their tenure over the past two years. The Company has made great strides in advancing on its deleveraging effort, asset sale program and disclosure. As a whole, the company has improved tremendously. So he has a question for Roberto. So Roberto, in your view, what are the greatest challenges your successor at Petrobras will face, and what suggestions would you provide him with?

A - Roberto da Cunha Castello Branco {BIO 3193867 <GO>}

Hi, thank you so much for your comments, very general comments about us. I thank you for -- on behalf of myself, the management team and all the Petrobras employees. Well, I had not have an opportunity to meet my successor. If approved by the Board of Directors or not, I don't know. And when himself or other will take the helm or is near to replace me as CEO, I'd be very pleased to -- I am open to engage into an open discussion, to make my very frank comments about the Company, about suggestions and about the challenges. For the time being, it would be very -- too early to say anything about that.

A - Carla Dodsworth Albano Miller {BIO 17540433 <GO>}

Thank you, Roberto. The next question comes from Christian Audi with Santander. Christian also sent you a message. So first of all, Roberto, I'd like to congratulate you on the amazing work you have at Petrobras, since taking over as CEO, significantly improving the strategic direction and focus of the company, as well as its operational performance while strengthening the Company financially. You will be missed. So he has a question also for you, Roberto. So how should we think about the asset sale program given that all the noise surrounding the pricing policy might impact the sale of refineries?

A - Roberto da Cunha Castello Branco {BIO 3193867 <GO>}

Christian, thank you so much for your comments on behalf of myself, the management team and all Petrobras employees. I don't know what is going to happen. It depends on the Board of Directors, depends on the new management of the Company. So at the moment, I will make no comments about that.

A - Carla Dodsworth Albano Miller {BIO 17540433 <GO>}

Thank you, Roberto. The next question comes from Bruno Amorim with Goldman Sachs. He also has a message for you. So before my questions, I would like to thank Roberto and the team for the good work and transparency, with the market during your administration. So has -- he also has a question about asset sales. So has the recent development led to any change in the asset sale program so far? Will the Company move ahead with those process until the change in management is completed?

A - Roberto da Cunha Castello Branco {BIO 3193867 <GO>}

Well, thank you for your comments. But as far as I know, there were no changes. There were no changes. Of course, some of the bidders were concerned about the recent events, but they did not show any signal that they are going to leave the process. I hope they maintain the same position.

A - Carla Dodsworth Albano Miller {BIO 17540433 <GO>}

Thank you, Roberto. And we have the last question from Gabriel Fonseca with XP. He also has a message for you. So before my questions, I'd like to leave on record my congratulations to Roberto and his team for the excellent results, achieved under their tenure in Petrobras, as well for the legacy they will leave for the company.

So he has a question for Chiarini. So Chiarini, could you comment on the balance of supply and demand for oil products and fuels in Brazil markets? In particular, what levels of the utilization rate of the refining park are currently at? Can we say that the impact of COVID-19 over fuel demand in Brazil has already normalized? Is the Company importing oil products, such as gasoline and diesel? If so, could you comment on the magnitude of these imports compared to the recent results?

A - Andre Barreto Chiarini {BIO 21746050 <GO>}

Thank you, Carla. I guess we already answered this question in the Portuguese version. Should we go ahead or go to the next question?

A - Carla Dodsworth Albano Miller {BIO 17540433 <GO>}

Yes, please. We may have like a different audience.

A - Andre Barreto Chiarini {BIO 21746050 <GO>}

Okay. I will start with the part regarding the demand because we've already recovered the COVID levels. And then I will pass to Rodrigo Costa to complement the answer regarding the utilization factor of the refineries. So we have already recovered the demand of the COVID -- pre-COVID-19, regarding the fuel market in Brazil.

In fact, we've already grew also in diesel A, about 20.8% in comparison to January '20 with very interesting result for the low-sulfur diesel that grew 37.5%. In terms of gasoline A, we -- in January, our sales were 8.5% higher than in January '20. Yes, also, we're importing some gasoline and diesel, just because we've now going -- we are going through the maintenance in our refineries. And I'll pass to Rodrigo to complement the answer. Thank you.

A - Rodrigo Costa Lima e Silva {BIO 22136974 <GO>}

Thank you, André. We increased our utilization rate in this year. Now we're at a level of 86% rate at this moment.

A - Carla Dodsworth Albano Miller {BIO 17540433 <GO>}

Thank you, Chiarini. Thank you, Rodrigo. We have one last questions from Bradesco with Vicente Falanga. Vicente also has a message to Roberto. So congratulations, Roberto, for the courage to affect changes. These changes were never before made in Petrobras history. He has a question to Andrea. Andrea, what can we expect in terms of working capital for the year of 2021? 2020 was a year of solid recovery in that figure. Yet now, oil prices seem to be strong and moving up.

A - Andrea Almeida {BIO 19358739 <GO>}

Vicente, thank you for the question. We'll keep doing -- I think, we optimized the inventories in oil and all the oil products. So I think, this will continue. We optimize the inventories as well of materials. So this will continue. And in terms of even the receivables, we're working with the financial institutions because we believe there are working capital transactions that can be done to reduce the term of those payables. So we're engaging with our financial institutions to do transactions, to discount receivables. And we're doing as well transactions, where we are getting support for our suppliers.

So I believe this work in the working capital arena is going to continue in 2021 very strong. This is a very important focus for us as well. So this will be very important in 2021.

A - Carla Dodsworth Albano Miller {BIO 17540433 <GO>}

Okay. So thank you, Andrea. Vicente has another question, and it is for Chiarini. So Chiarini, the media reported the Brazil has the risk of being under supplied, stating that Petrobras will not be able to comply with its diesel cargoes in March. Is any of that true? And what is Petrobras doing to avoid the risk of fuel shortage?

A - Andre Barreto Chiarini {BIO 21746050 <GO>}

Thank you for your question, Vicente. First of all, it is important to say that the Brazilian market is served by several players. Petrobras, of course, is a very relevant supplier, but it has been the long time since trading companies and distributors have become relevant actors regarding imports of gasoline and diesel in Brazil.

So having said that, Petrobras alone cannot predict any risks of few fuel shortages in the country, as a relevant part of the market is still served by third-parties. As for our portion, Petrobras has contractual agreements with our customers, and we will serve all of them without any exception. There were requests from some customers for an increase in the volume of products far beyond our contractual obligation, and Petrobras is not only fulfilling the contractual volumes of delivery or pay, but also is offering volumes far beyond agreed volumes.

So we're meeting our commitments, and we're going further. In relation to reducing the risk of fuel shortages, we're also keeping, following the pricing policy, which as all you know, is aligned with the international market. Thanks.

A - Carla Dodsworth Albano Miller {BIO 17540433 <GO>}

Thank you, Chiarini. So with that, we conclude our Q&A session. If you have any further questions, you can send it to our own Investor Relations team. Roberto will now make his final remarks. So please, Roberto?

A - Roberto da Cunha Castello Branco {BIO 3193867 <GO>}

Well, my thank you for you -- for attending our video conference to Analysts, Investors. And I would say that we accomplished our mission. Our mission was to restructure Petrobras, and we --

according our judgment, according to the judgment of the market, we make several advances. However, there is much more to be done.

The -- we won only some battles, but not the war. So several battles have to be fought in the future, and Petrobras should prevail, should win. Petrobras has human capital, high-quality human capital, knowledge, technological knowledge, has the capacity to innovate and to be -- very easy to win. With the combination of these three elements.

Petrobras has now a culture of value creation, is improved significantly, and I would say that's firing on all cylinders. Thank you so much. I appreciate it very much of this contact, these very frank and transparent conversations with you over the last couple of years. And see you later. Thank you, bye.

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