



EARNINGS RELEASE

Fourth Quarter 2023 and Annual 2023

**4Q23 & 2023 Results
Conference Call**

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1. Highlights

Salvador, March 5, 2024 – PetroReconcavo S.A. (“PetroReconcavo” or “Company”) (B3: RECV3) presents its earnings for the fourth quarter (“4Q23” or “quarter”) and the year 2023 (“2023” or “year”). The following information is presented in a consolidated manner, in thousands of Brazilian Reais (R\$), in accordance with the accounting practices adopted in Brazil and with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB), unless otherwise stated.

Main Indicators (R\$ Thousand *)	4Q23	3Q23	Δ%	4Q22	Δ%	2023	2022	Δ%
Net Revenue	689,006	747,829	-8%	776,606	-11%	2,814,361	2,975,939	-5%
Net Income	186,687	145,097	29%	408,639	-54%	708,938	1,153,391	-39%
Net Margin	27.1%	19.4%	7.7 p.p.	52.6%	-25.5 p.p.	25.2%	38.8%	-13.6 p.p.
EBITDA	246,736	377,334	-35%	391,377	-37%	1,278,144	1,609,420	-21%
EBITDA Margin	35.8%	50.5%	-14.6 p.p.	50.4%	-14.6 p.p.	45.4%	54.1%	-8.7 p.p.
Hedge Adjusted EBITDA	312,581	447,944	-30%	490,101	-36%	1,546,353	2,051,051	-25%
Adjusted EBITDA Margin	41.4%	54.7%	-13.3 p.p.	56.0%	-14.6 p.p.	50.2%	60.0%	-9.9 p.p.
Net Debt/EBITDA last 12 months	0.69 x	0.56 x	0.13 x	-0.02 x	0.71 x	0.69 x	-0.02 x	0.71 x
Average Gross Production (boe/day)	25,391	27,958	-9%	23,072	10%	25,960	21,287	22%
Lifting Cost (US\$/boe)	\$ 14.28	\$ 12.15	18%	\$ 12.22	17%	\$ 13.07	\$ 12.44	5%
Average Exchange Rate (R\$/US\$)	R\$ 4.95	R\$ 4.88	1%	R\$ 5.26	-6%	R\$ 4.99	R\$ 5.16	-3%
Average Brent Oil Spot Price (US\$/bbl)	\$ 84.05	\$ 86.76	-3%	\$ 88.71	-5%	\$ 82.62	\$ 101.19	-18%

* Unless otherwise stated. Notes regarding Indicators included in the Attachment

- Average annual production of 26.0k boe/day, 22% higher than the previous year. Production in the quarter of 25.4k boe/day;
- Total gross payment of dividends in 2023 was R\$ 290 million (R\$ 0.99/share), 31% higher than the 2022 distribution;
- Net Revenue annual of R\$ 2.8 billion, a 5% reduction compared to the previous year. In the quarter, Net Revenue was R\$ 689 million;
- EBITDA annual of R\$ 1.3 billion, a reduction of 21% compared to the previous year. EBITDA in the quarter of R\$ 247 million;
- Net Income annual of R\$ 709 million and R\$ 187 million in the quarter;
- Lifting Cost annual of USD 13.07/boe in 2023, an increase of 5% over the previous year and USD 14.28/boe in the quarter;
- Completion of the São Roque Gas Treatment Unit (UTG) construction, located in the state of Bahia, with a processing capacity of 400k m³/day, representing about a quarter of the Company's current production. The Company is awaiting authorization from the National Agency of Petroleum, Natural Gas and Biofuels (ANP) to start the operation;
- Extension of the SUDENE benefit for all assets until 2032.

2. Message from Management

2023 was marked by unquestionable resilience and continuous efforts to have an increasingly efficient and robust operation, despite all the obstacles and challenges we encountered during this journey.

The oil industry has been impacted by various factors in the global scenario influenced by rising inflation, such as the appreciation of the dollar against other currencies. Consequently, the world's main central banks adopted more austere monetary policies, which have led investors to worry about an increase in the cost of capital for companies and a possible global recession (hard landing). On the other hand, the production cuts announced by OPEC in conjunction with instability in the Middle East directly impacted sales prices. The combination of these factors ended up translating into an average Brent oil price of USD 82.62 per barrel in 2023 against USD 101.19 per barrel in 2022, representing a 18% reduction.

Regarding production, we concluded the year with an average annual production of 26.0k boe/day, 22% higher than the previous year, with production peaks of 29.0k boe/day in October. This result is the fruit of an intense and sophisticated investment program that included 219 workovers and 28 drilling operations. This number could have been better if not for the restrictions in the outflow of gas and oil in the state of Rio Grande do Norte over the last months of the year. Also, in relation to production, we would like to highlight the conclusion of the acquisition of Maha Energy Brasil, which was renamed SPE Tiêta, bringing the incorporation of two more concessions to the Bahia Asset, responding for 9% out of the 22% production increase.

Throughout the year, we achieved important advances in the Rigs and Services Operations (RSO). We have expanded our strategy of internalizing rigs and services, which is one of our greatest competitive advantages and a lever for operational efficiency to reduce costs and increase productivity to support us in the development of our reserves and avoid exposure to the price volatility and availability of the services market. At year end, we owned 11 Workover Rigs and two Drilling Rigs operating.

Combined with this robust investment program that provided us with a significant production increase, we were able to distribute R\$ 290 million (R\$ 0.99 per share) in gross dividends to shareholders, reaffirming PetroReconcavo's motivation to offer our investors a combination of growth with shareholder compensation.

The safety of all our people is our license to operate and this priority has always been a part of our core values. We carry out an obstinate work of prevention, training, and risk awareness where each event serves as deep learning for the review of processes and lessons on how to concretely prevent these events from happening again. Our ambition is to achieve the lowest accident frequency rates in our industry.

In our segment, sustainability and the attraction and development of people are critical pillars for success. At the beginning of the year, we created a Statutory Officer for People, Management and Sustainability, reinforcing these topics among our priorities. In March, we became members of the United Nations (UN) Global Compact in Brazil, a voluntary initiative that reinforces our leading role in actions to promote economic, social and environmental development where we operate. We also launched the Juntos Somos Mais – Unidos Pela Diversidade, Equidade e Inclusão (Together we are more - United for Diversity, Equity and Inclusion) Program, reflecting our aspiration to be a Company where the culture of Diversity, Equity and Inclusion is present at all levels.

In an adverse scenario of inflation, interest rates and high exchange rates, financial strength and efficiency become necessary principles. PetroReconcavo has always remained focused on maintaining appropriate financial levels and in accordance with our policies, maintaining a healthy leverage of 0.69x Net Debt/EBITDA, which enables us to be ready to take advantage of good opportunities when they may arise.

In 2024, we started a new cycle in the life of PetroReconcavo with the transition process of Marcelo Campos Magalhães, CEO who led the Company for the last 15 years, a period that consolidated us as one of the leading independent oil and natural gas exploration and production companies in Brazil and we welcomed José Firmo who took over the leadership of the Company on January 1st. With extensive experience in the Oil & Gas sector, Firmo brings with him a strategic vision and a commitment to the company's growth and operational excellence that will seek to enable PetroReconcavo to achieve even higher levels of performance and efficiency on a much larger scale than the Company of the past. We wish Firmo great success in the performance of his new mission, which will inevitably be marked by important challenges.

We appreciate the support and trust of our people, investors and business partners, to build solid growth, taking the Company to a new level.

3. Main Events of 4Q23

- On October 31st, the Shareholders' General Meeting approved the corporate reorganization involving the Company and its subsidiaries Potiguar E&P S.A., Recôncavo E&P S.A. and SPE Miranga S.A.;
- Between November 4th and 29th, the company carried out opportunity maintenance on production systems associated with the collection and compressor stations of the Potiguar Asset, taking advantage of the scheduled shutdown maintenance at UPGN Guamaré. The maintenance shutdown affected the volume of gas processed and marketed by the Company in the period;
- On December 13th, the Company acquired 2 exploration blocks in the 4th Cycle of the ANP's Permanent Concession Offer. The blocks POT-T-742 and 793 are located in the Potiguar Basin, in areas adjacent to the concessions already operated by the Company;
- On December 13th, the Company communicated a temporary interruption of part of the Company's oil and associated natural gas production in the state of Rio Grande do Norte, due to the impossibility of receiving production at the Guamaré Industrial Asset (AIG). As reported by its owner and operator, the interruption was due to the gradual process of resuming the operational activities of the Clara Camarão Refinery after scheduled maintenance shutdown. On December 27th, 2023, was communicated that the normal conditions for receiving production at the AIG were re-established;
- On December 15th, interest on shareholders' equity (JCP) was distributed in the gross amount of R\$ 160 million (R\$ 0.545 per share);
- On December 29th, the Company announced the resignation of Mr. Marcelo Campos Magalhães from the position of Chief Executive Officer of the Company and elected, on the same date, Mr. José Maria de Mello Firmo, who took office on January 1st, 2024;
- During the quarter, the Company obtained approval for the Development Plan and the Contract Extension for the Production Phase of eight concessions (four in the Bahia Asset: Miranga, Gomo, Jacuípe and Riacho de São Pedro; and four in the Potiguar Asset: Janduí, Rio Mossoró, Três Marias, Varginha). In 2023, 19 concessions had the development plans and contract extension of the production phase approved, of which 10 concessions had a reduction in the incremental production royalty rate.

4. Operational

4.1. Production

In 4Q23, the Company recorded an average production of 25.4k boe/day, a reduction of 9% compared to 3Q23.

Production (boe/day)	4Q23	3Q23	Δ%	4Q22	Δ%	2023	2022	Δ%
Oil	8,401	10,146	-17%	8,913	-6%	9,172	8,354	10%
Gas	4,346	5,155	-16%	4,218	3%	4,517	3,608	25%
Potiguar Asset	12,747	15,300	-17%	13,131	-3%	13,688	11,961	14%
Oil	6,177	6,468	-5%	4,484	38%	5,997	4,448	35%
Gas	6,467	6,189	4%	5,457	19%	6,275	4,878	29%
Bahia Asset	12,644	12,657	0%	9,941	27%	12,272	9,326	32%
Oil	14,578	16,614	-12%	13,397	9%	15,169	12,801	18%
Gas	10,813	11,344	-5%	9,675	12%	10,792	8,486	27%
Total Production	25,391	27,958	-9%	23,072	10%	25,960	21,287	22%

Average Daily Gross Working Interest Production

Bahia Asset

In 2023, the Company completed the acquisition of Maha Energy Brasil, which was renamed SPE Tiêta, with the incorporation of two fields in production phase in the Bahia Asset. Considering this acquisition, the Bahia Asset recorded an average production of 12.3k boe/day, an increase of 32% compared to 2022. Excluding SPE Tiêta, the increase would be 11%.

In 4Q23, Bahia's production remained stable, despite a 5% drop in oil production, affected by the failure of a high-flow well, TIE-001, which was offset by a 4% increase in gas production, due to the optimization of outflow systems, including the construction of new outflow pipelines and field gas compressors. A total of 17 workover projects were carried out during the period, mainly hydraulic fracturing projects.

During the year, the Company carried out 80 well intervention projects in the Bahia Asset, focusing on the Miranga, Jacuípe and Riacho de São Pedro fields, in projects to change the lifting method, hydraulic fracturing and return to production. Five new wells were drilled, two in Norte Fazenda Caruaçu, one in Cassarongongo, one in Apraiús and one in Mata de São João.

The Company intensified investments in changing the lifting method, hydraulic fracturing and perforating, as well resuming drilling activities in the Asset, a trend that should continue in 2024.

Potiguar Asset

In 2023, the Asset recorded average production of 13.7k boe/day, an increase of 14% compared to the previous year despite all the restrictions due to the unavailability of midstream infrastructures, operated by third parties, which impacted the period.

In 4Q23, the production of the Potiguar Asset was 12.7k boe/day, a reduction of 17% compared to 3Q23. This reduction reflects the scheduled maintenance shutdown of UPGN Guamaré, as explained in the events of the period.

The history of the percentage of sales to gross production of natural gas can be found in the monthly production announcements ([link](#)).

In addition, in December there was a temporary stoppage of part of the oil and natural gas production, due to the impossibility of receiving production to the Guamaré Industrial Asset, as mentioned in the events for the period. The restrictive events described were responsible for an unrealized production of around 2.2k boe/day in 4Q23. Unrealized production corresponds to the downtime of each well.

In 4Q23, 25 workover projects and six drillings were carried out in the Potiguar Asset. The quarter marked the start-up of the PR-21 drilling rig, a 400 HP hydraulic rig equipped with a high level of automation and the capacity to drill wells up to 1.5k meters deep. Due to the level of automation, the rig operates with a smaller team than SC-PR-04 and has greater operational efficiency, from the rigup to the completion of the drilling phase.

During the year, 24 wells were drilled, 20 of them in the Sabiá Complex, the focus of the Company's investments in the asset. In addition, 126 workover projects were carried out, with emphasis on hydraulic fracturing and recompletion projects.

4.2. Rigs and Services (RSO)

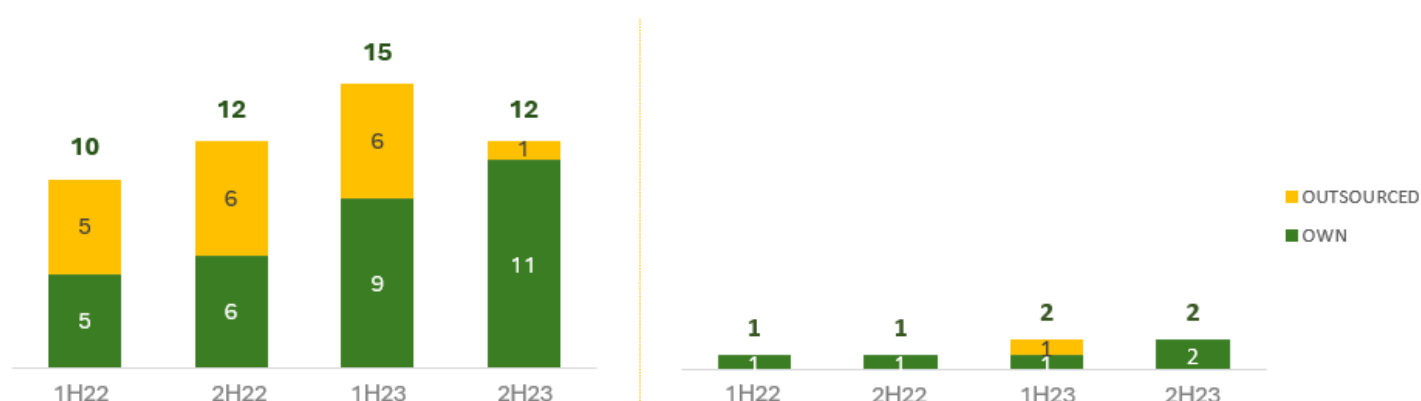
To support the development of its reserves and, in order to defend itself against price and availability fluctuations in the services market, reduce costs and gain productivity, the Company expanded its strategy of internalizing rigs and services throughout the year.

Regarding the Rig fleet, the Company has 12 Workover Rigs, six in the Bahia Asset and six in the Potiguar Asset, in addition to two Drilling Rigs, both currently in operation in the Potiguar Asset. A third drilling rig is expected to arrive, qualified for well projects up to 5k meters deep. With this fleet, the Company understands that it has the necessary capacity to meet its work plan for the coming years.

The investments in optimizing the performance of Rigs and Services (RSO) area continue, with a focus on constant improvement, adoption of new technologies and expansion of work capacity. Currently, the Company has the following rigs contracted and service lines:

Quantity of Workover Rigs

Quantity of Drilling Rigs





4.3. Commercialization

Oil

Sales of oil produced in the states of Bahia and Sergipe were made to Petrobras and Dax Oil, according to current contracts. In the state of Rio Grande do Norte, with the Potiguar Asset, the oil produced was sold to ordinarily to 3R Petroleum, and during restrictions occurred throughout the quarter to Acelen, REAM and Petro Oil. For the volumes sold during restrictions, extraordinary expenses associated with the logistics of transportation by trucks, storage and loading of oil were applied.

Natural Gas

In 4Q23, the construction of the São Roque Gas Treatment Unit (UTG), located in Bahia, was completed. This is the Dew Point Adequacy Unit, for processing production from the Mata de São João, Remanso, Jacuípe and Riacho de São Pedro fields, with a capacity of 400k m³ per day. The start of operations of UTG São Roque is subject to the issuance of an Operation Authorization by ANP. This project aims to enable increase the processing capacity available to the Company in order to address its strategy of increasing production, as well as substantially reducing the costs of transporting and processing natural gas.

During 4Q23, the Company maintained contracts for the commercialization of the production of rich natural gas from the Tiê and Tartaruga fields with the companies CDGN and Brasil GTW. It is important to note that these fields are not yet connected to the network of outflow pipelines and processing, and thus cannot be marketed directly to the natural gas market connected to the distribution pipelines.

Dry Gas

In 4Q23, the Company had contracts with firm demand for volumes of 1,296k m³/day with several state distributors of piped natural gas in the Northeast region, in addition to some other private customers. Due to the scheduled shutdown of UPGN Guamaré in November and production restrictions in December, the Company sold volumes lower than those provided for in the firm contracts, having negotiated according to clauses provided for in the contract the reduction of such volumes during the shutdown and acquired gas in the market to comply with firm volumes commitment contracts, avoiding penalties for supply failure when necessary.

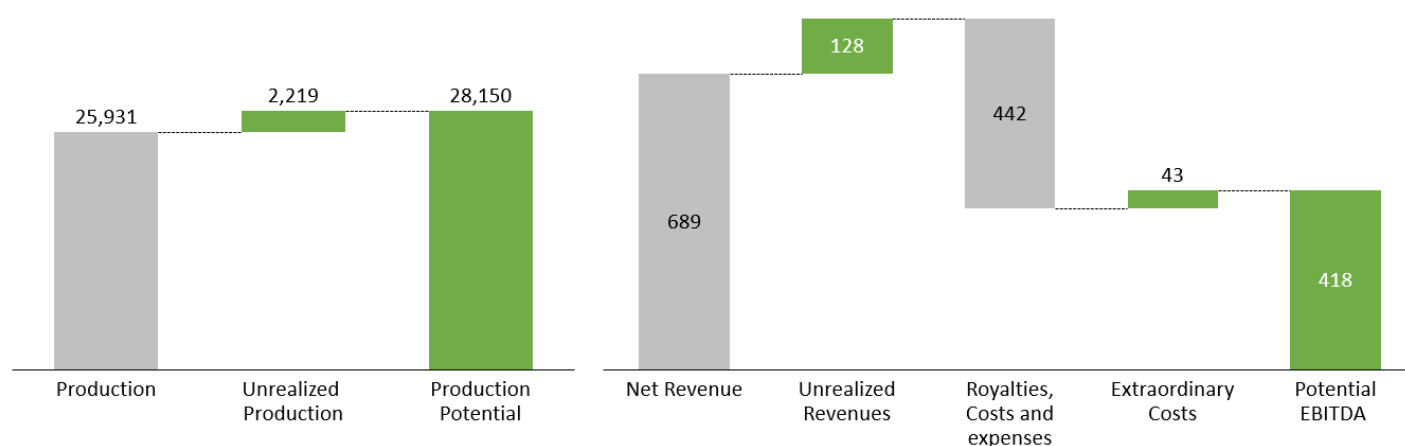
Natural Gas Liquids

In 4Q23, in the Potiguar Asset, Liquefied Petroleum Gas (LPG) production was sold to distributors Ultragaz, Nacional Gás Butano and Supergasbras and C5+ was sold to 3R Petroleum. The volume of NGL (C3+) produced in Bahia was sold to Petrobras.

Impacts of Restrictions on Commercialization Earnings

The problems of flow and production restriction in Rio Grande do Norte resulted in a negative impact in the quarter of approximately R\$ 128 million in Net Revenue and R\$ 43 million in Extraordinary Costs, reflecting a total estimated effect of R\$ 171 million, which when added to the realized EBITDA would end up to a potential EBITDA of R\$ 418 million.

Impacts of restrictions on Production (in boe/day) and on the Company's Results (R\$ Million)



Note: Unrealized revenue was calculated from the average reference price of the contracts multiplied by the volume of unproduced oil and gas production, estimated based on production tests, and the loss of revenue from produced and unprocessed gas compared to the January 2023 average. Extraordinary costs correspond to contractual commitments for the transportation and purchase of gas from third parties, discounted from additional royalty costs. These calculations have not been audited by our independent auditors.

5. Financial

5.1. Financial Statements

Net Result was R\$709 million in 2023, 39% lower than 2022, and R\$187 million in the quarter, a reduction of 29% versus 3Q23.

Income Statement (R\$ Thousand)	4Q23	3Q23	Δ%	4Q22	Δ%	2023	2022	Δ%
Net Revenue	689,006	747,829	-8%	776,606	-11%	2,814,361	2,975,939	-5%
Costs and Expenses	(384,998)	(302,224)	27%	(333,784)	15%	(1,298,377)	(1,125,643)	15%
Royalties	(57,272)	(68,271)	-16%	(51,445)	11%	(237,840)	(240,876)	-1%
EBITDA	246,736	377,334	-35%	391,377	-37%	1,278,144	1,609,420	-21%
Depreciation, Amortization, and Depletion	(166,796)	(182,422)	-9%	(83,600)	100%	(598,327)	(351,220)	70%
Operating Profit	79,940	194,912	-59%	307,777	-74%	679,817	1,258,200	-46%
Net Financial Income	35,714	(48,395)	n.m.	52,886	-32%	49,012	66,400	-26%
Current Income Taxes	(25,639)	31,622	n.m.	47,403	n.m.	(32,666)	(129,246)	-75%
Deferred Income Taxes	96,672	(33,042)	n.m.	573	n.m.	12,775	(41,963)	n.m.
Net Income	186,687	145,097	29%	408,639	-54%	708,938	1,153,391	-39%

EBITDA: calculate in accordance with Instruction No. 527 of the Brazilian Securities and Exchange Commission ("CVM")

Net Revenue

Net Revenue was R\$ 2.8 billion in 2023, 5% lower than 2022, and R\$ 689 million in the quarter, a reduction of 8% compared to 3Q23.

Net Revenue (R\$ Thousand)	4Q23	3Q23	Δ%	4Q22	Δ%	2023	2022	Δ%
Net Revenue from Oil - Bahia Asset	232,807	228,907	2%	175,118	33%	854,212	779,700	10%
Net Revenue from Oil - Potiguar Asset	305,597	341,882	-11%	336,961	-9%	1,226,864	1,405,347	-13%
Derivative financial instruments	(65,845)	(70,610)	-7%	(98,724)	-33%	(268,209)	(441,631)	-39%
Net Revenue from Oil	472,559	500,179	-6%	413,355	14%	1,812,867	1,743,416	4%
Net Revenue from Natural Gas and byproducts	216,447	247,651	-13%	363,251	-40%	1,001,494	1,232,523	-19%
Total Net Revenue	689,006	747,829	-8%	776,606	-11%	2,814,361	2,975,939	-5%

In the quarter, Net Oil Revenue was down 6% on the previous quarter, due to a 12% reduction in oil production on the same basis of comparison, partially offset by the sale of part of the inventory accumulated during 3Q23. In addition, the average price of Brent oil was USD 84.05/bbl, 3% lower than the average price observed in 3Q23, while the average exchange rate was 1% higher.

The devaluation of the Brent oil barrel resulted in a 7% lower loss on derivative financial instruments settled in the period compared to 3Q23. In the quarter, hedge contracts were settled with a volume of more than 446 thousand barrels of oil, at an average price of USD 55.77/bbl.

The 13% reduction in Net Revenue from natural gas and by-products in the quarterly comparison is mainly explained by the flow and processing restrictions, as already mentioned.

Operational Costs and Expenses

Costs and Expenses (R\$ Thousand)	4Q23	3Q23	Δ%	4Q22	Δ%	2023	2022	Δ%
Personnel	79,753	62,901	27%	62,448	28%	275,275	228,024	21%
Services & Materials	119,485	82,691	44%	69,012	73%	395,910	254,625	55%
Electricity	16,929	21,087	-20%	19,852	-15%	77,230	73,877	5%
Sales	31,639	8,856	257%	-	n.m.	40,495	-	n.m.
Other Costs and Expenses	28,486	11,341	151%	8,338	242%	36,083	52,494	-31%
Expected Credit Losses	-	-	n.m.	32,749	n.m.	-	70,711	n.m.
Midstream Costs	108,706	115,348	-6%	141,385	-23%	473,384	445,912	6%
Gas Acquisition / Swap	19,546	4,291	356%	78,208	-75%	98,194	204,095	-52%
Gas Outflow	5,203	7,670	-32%	3,318	57%	23,896	11,482	108%
Gas Processing	42,535	54,594	-22%	28,920	47%	183,152	102,155	79%
Gas Transportation	41,422	48,793	-15%	30,939	34%	168,142	128,180	31%
Total Costs and Expenses	384,998	302,224	27%	333,784	15%	1,298,377	1,125,643	15%

Costs and expenses **in the year** were R\$ 1.3 billion, an increase of 15% compared to the previous year. These figures consider the integration of SPE Tiêta in 1Q23, which excluding this effect, the increase in cost would be 10%. In addition to these effects, cost variation can be explained by:

Personnel costs and expenses: increased by 21% reflecting the increase in the number of employees, especially for the Rigs and Services sectors due to the expansion of the fleet of equipment and internal service lines.

Costs and expenses of services and materials: increase of 55% due to costs with well repair, preventive and corrective maintenance, operational consultancies, fees to advisors in the acquisition process of SPE Tiêta and fluid transportation via trailer during the interdiction of Petrobras' operations at the Bahia Terra Cluster.

Electricity costs: increased by 5% reflecting increased production, partially offset by initiatives to reduce contracted energy tariffs.

Selling expenses: the amount of R\$ 40.5 million refers to expenses with storage and logistics of part of the oil sold by the Potiguar Asset in the period, as mentioned in the topic "Outflow and Commercialization".

Midstream costs (purchase, outflow, processing and transportation of natural gas): grew by 6% reflecting an increase in the volumes of natural gas processed, also impacted by the increase in penalties resulting from the operational fluctuations and outflow and processing restrictions already mentioned.

Costs and expenses **in the quarter** were R\$ 385 million, an increase of 27% compared to 3Q23, due to:

Personnel costs and expenses: increased by 27%, affected by the closing of the collective bargaining agreement, retroactive to September, the increase in the number of employees, in addition to extraordinary payments related to retention bonuses and long-term incentives.

Costs and expenses of services and materials: increased 44%, mainly due to the costs of oil inventory sold in the quarter, consultancies, well service and opportunity maintenance on Potiguar Asset during shutdowns.

Electricity costs: reduced by 20% due to the drop in production in the quarter, in addition to the migration of the Miranga Cluster fields to the free market, representing tariff and tax efficiencies with substantial reduction in electricity costs.

Selling expenses: the amount of R\$ 31.6 million refers to expenses with storage and logistics of part of the oil sold by the Potiguar Asset in the period, as mentioned in the topic "Outflow and Commercialization".

Midstream costs (purchase, processing, outflow and transportation) decreased by 6% due to shutdowns as already mentioned, although impacted by penalties arising from non-compliance with contracted demands for the

use of the service, as well as the non-passthrough of natural gas transportation costs for contracted and unused capacity.

Finally, in the line of other costs and expenses, the variations are mainly explained by environmental licenses, which were more concentrated in the quarter.

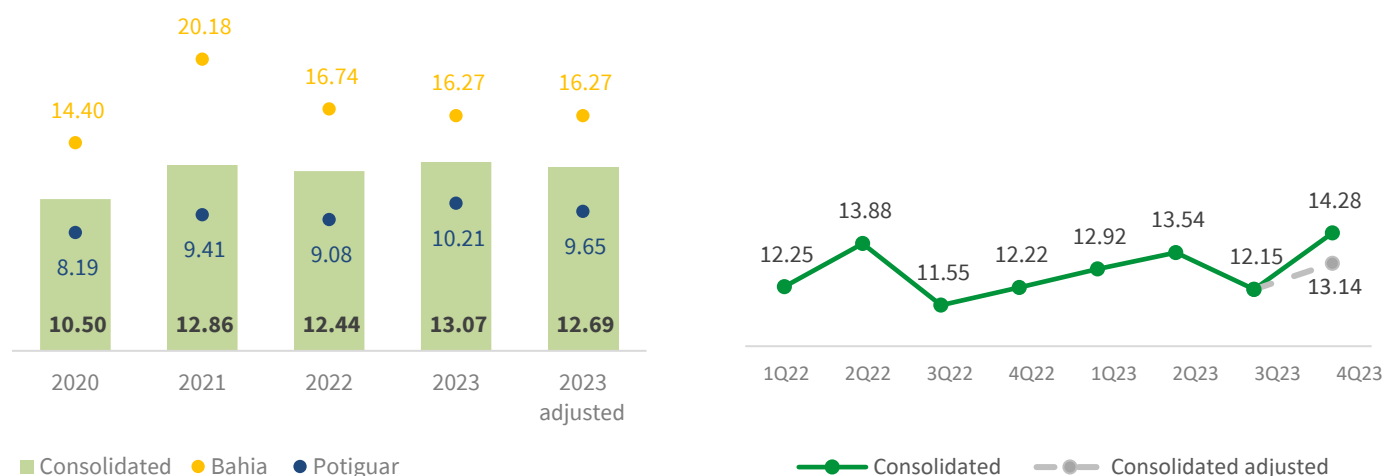
Lifting cost (in USD/boe)

The calculation of the average cost of production (lifting cost) is the sum of the total costs of products sold, adjusted for the movement of inventories, excluding the costs of sales, acquisition, processing, outflow and transportation of gas, royalties, depreciation, amortization and depletion, divided by total gross production in barrels of oil equivalent (boe).

The average cost of production for the year was USD 13.07/boe, an increase of 5% over the previous year. In 4Q23, the average cost of production was USD 14.28/boe, due to fixed costs on reduced production and the increase in costs with well service and personnel.

With the resumption of outflow and normalization of production, costs tend to return to more recurrent levels. If we consider the unrealized production in 4Q23, the adjusted lifting cost would be USD 12.69/boe in the year and USD 13.14/boe in the quarter.

Lifting Cost Evolution (in US\$/boe)



Statement of Cash Flows

Cash Flow Statements (R\$ Thousand)	4Q23	3Q23	Δ%	4Q22	Δ%	2023	2022	Δ%
Earnings Before Taxes on Income	115,654	146,517	-21%	360,663	-68%	728,829	1,324,600	-45%
Interest, Amortization of Funding and Net Exchange Variations	(64,719)	58,109	n.m.	(47,342)	37%	(81,818)	(72,910)	12%
Depreciation, Amortization, and Depletion	166,796	182,422	-9%	83,600	100%	598,327	351,220	70%
Fair Value of Derivative Financial Instruments in Profit or Loss	65,890	70,610	-7%	98,724	-33%	268,254	441,631	-39%
Expected Credit Losses	-	-	n.m.	32,749	n.m.	-	70,711	n.m.
Consumption of PP&E, Leases and Others	58,367	88,623	-34%	33,480	74%	235,195	141,359	66%
Other Adjustments and Variations to Profit	6,659	5,038	32%	6,092	9%	21,369	23,251	-8%
Change in Assets and Liabilities	36,096	(81,787)	n.m.	10,909	231%	23,676	(63,657)	n.m.
Payment of "Hedge" Contracts	(65,845)	(70,610)	-7%	(98,724)	-33%	(268,209)	(441,631)	-39%
Interest Paid	(6,704)	(29,526)	-77%	(3,499)	92%	(60,439)	(46,111)	31%
Income Tax and Social Contribution paid	(4,007)	(6,134)	-35%	(65,485)	-94%	(73,378)	(222,313)	-67%
Variance on Cash Resulting from Operating Activities	308,187	363,262	-15%	411,167	-25%	1,391,806	1,506,150	-8%
Acquisition of SPE Tiêta, net of Cash received	-	-	n.m.	-	n.m.	(472,255)	-	n.m.
Financial Investments	370,032	79,527	365%	134,920	174%	977,533	(571,477)	-271%
Additions to PP&E and Intangible Assets	(297,585)	(346,625)	-14%	(343,172)	-13%	(1,366,449)	(1,227,617)	11%
Variance on Cash Resulting from Investment Activities	72,447	(267,098)	-127%	(208,252)	-135%	(861,171)	(1,799,094)	-52%
Additions, net of Funding Costs	-	279,030	n.m.	-	n.m.	279,030	643,520	-57%
Payment of Financing, Leases and Payables for Acquisitions	(113,268)	(387,231)	-71%	(186,002)	-39%	(690,362)	(995,145)	-31%
Stock Option Exercise	491	-	n.m.	3,889	n.m.	2,344	4,927	-52%
Payment of Subscribed Capital, net of Issuance Cost	-	-	n.m.	-	n.m.	260	996,587	-100%
Net Cash from the Purchase and Sale of Treasury Shares	-	310	n.m.	-	n.m.	(4,055)	(8,364)	-52%
Dividends and Interest on Equity paid	(149,153)	-	n.m.	(164,751)	-9%	(281,943)	(205,309)	37%
Variance on Cash Resulting from Financing Activities	(261,930)	(107,891)	143%	(346,864)	-24%	(694,726)	436,216	n.m.
Exchange Rate Variations on Cash and Cash Equivalents	-	447	n.m.	310	-100%	247	597	-59%
Variance on Cash and Cash Equivalents	118,704	(11,280)	n.m.	(143,639)	n.m.	(163,844)	143,869	n.m.

Cash generated by operating activities in the quarter totaled R\$ 308 million, a 15% reduction compared to the previous quarter, according to the aforementioned operating performance.

Cash invested in investing activities totaled R\$ 72 million in the quarter, a reduction of 127% compared to the previous quarter, with a combination of the following factors:

- (i) The Company invested R\$ 298 million in additions to fixed and intangible assets, mainly in investments to increase production and in drilling new wells; and
- (ii) Net redemptions of financial investments in the approximate amount of R\$ 370 million.

Cash used in financing activities amounted to R\$ 262 million in 4Q23, highlighting the payment of interest on capital in the net amount of R\$ 149 million and the payment of installments for the acquisition of assets, as well as leases, which amounted to R\$ 113 million referring to the penultimate installment of the Miranga acquisition.

5.2. Investment

Capex discounting the Abandonment of Wells line totaled R\$ 1.1 billion in the year and R\$ 201 million on the quarter.

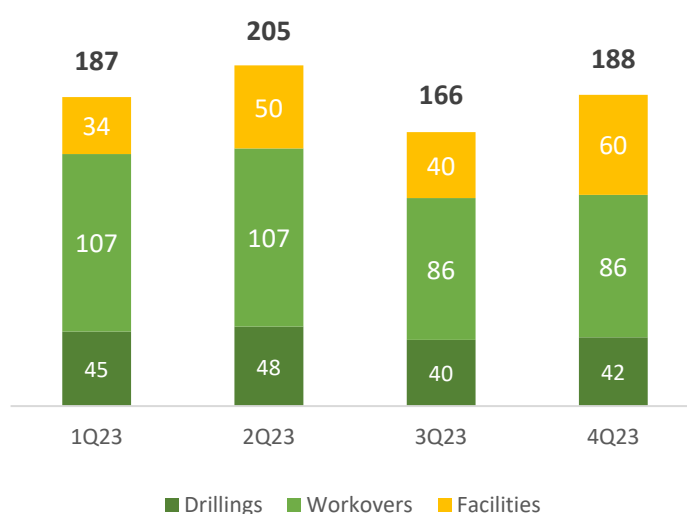
Capex (R\$ Million)	1Q23	2Q23	3Q23	4Q23	2023
Reserves Development	187	205	166	188	746
Capital Asset Inventories	78	52	55	2	186
Exploratory Spending	2	-	2	2	6
Other Fixed and Intangible Assets	67	38	37	9	151
Total Capex	334	295	260	201	1,089

Throughout the year, the Company made efforts to commission and put into operation rig equipment and services acquired to expand its execution capacity and which are reflected in the line of other fixed and intangible assets.

The reduction in investments associated with the other fixed assets line reflects the achievement of a maturing phase in the Company's strategy to expand its fleet of rigs and services. After a period of robust expansion of activities, beginning in 2022, followed by subsequent increases in inventory positions, the efforts undertaken by the Company to reduce purchases and accelerate inventory consumption have begun to bear fruit, resulting in a significant decrease in net additions. The strategies implemented are aimed at a path of normalization, with a tendency to make a positive contribution to cash flow by reducing inventories.

The amounts invested in drillings, workovers and facilities projects totaled R\$ 746 million in the year and R\$ 188 million in 4Q23.

Capital invested in Reserve Development Projects (R\$ Million)



5.3. Indebtedness

The Company ended the year with Gross Debt of R\$ 1.4 billion, a 12% reduction compared to the previous year. The average cost of debt is SOFR + 3.73% p.a., which in 2023 resulted in 8.95% p.a.. The average term of the debt was 1.57 year.

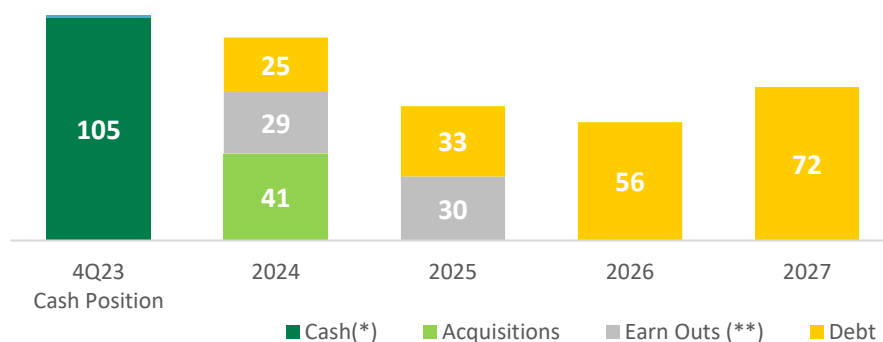
The Net Debt was R\$ 881 million. On December 31st, the Company recorded a cash position, which represents the sum of cash and cash equivalents and financial investments, of R\$ 507 million, 69% lower than the previous year.

The Net Debt/EBITDA ratio is 0.69 x, demonstrating the Company's low level of indebtedness.

At present, most of the Company's resources are applied in foreign exchange funds. These investments have the purpose of accompanying the foreign exchange variation of the U.S. dollar against the Brazilian real, since the majority of the Company's debts are denominated in U.S. dollars. Additionally, the Company has future commitments related to the acquisition of assets which are also denominated in U.S. dollars.

Net Indebtedness (R\$ Thousand)	12/31/2023	12/31/2022	Δ%
FINEP	-	331	n.m.
Bank Loans	923,890	670,168	38%
Costs to Amortize	(20,910)	(14,918)	40%
Acquisition Payables	485,495	918,272	-47%
Gross Debt	1,388,475	1,573,853	-12%
Cash and Cash Equivalents	197,184	361,028	-45%
Financial Investments	310,172	1,250,163	-75%
Cash Position	507,356	1,611,191	-69%
Net Debt	881,119	(37,338)	n.m.
EBITDA last 12 months	1,278,144	1,609,420	-21%
Net Debt/EBITDA last 12 months	0.69 x	-0.02 x	0.71 x

Debt Payment Schedule & Acquisitions (US\$ Million)



(*) Acquisitions consider the Ptax dollar rate of 12/29/2023 released by the Banco Central do Brasil (R\$4.84)

(**) Contingent payments, linked to different possible ranges of the oil reference price (Brent)

5.4. Hedge

The Company constantly assesses the possibility of carrying out hedging operations of future oil production with the purpose of increasing predictability and protect future cash flows. In 4Q23, the Company contracted new derivatives in the Zero Cost Collar (ZCC) format. Currently, the hedge contracts are:

Non-Deliverable Forward (NDF)

The Company has entered into commodity forward contracts to manage the commodity price risk associated with future transactions of up to 36 months in the Potiguar Asset, which expire in 2024. The following table describes the commodity forward contracts outstanding on December 31, 2023, as well as the information related to their corresponding hedged items:

NDF	Average Price	Quantity	Fair Value
As of 12/31/2023	US\$/bbl	bbl	R\$ Thousand
Under 3 months	56.03	444,750	(50,021)
From 3 to 6 months	60.13	236,000	(20,979)
From 6 to 12 months	59.66	331,500	(28,433)
Total	58.18 *	1,012,250	(99,433)

* Average strike of forward contracts not yet settled as of December 31, 2023.

Zero Cost Collar (ZCC)

Collar-type contracts are a strategy to protect against price fluctuations similar to the NDF but involving the launch of Brent call and put options, defining a price range and limiting potential losses and gains - the so-called "collar limits". The Zero Cost Collar (ZCC) is characterized by the combination of call and put options at equivalent premiums. Thus, in this formulation there is no initial outlay ("Zero Cost").

In accounting terms, even if the future curve is within the limits of the Collar, there may be a positive or negative mark-to-market, as the valuation is carried out using financial instruments. However, in practice, if the Brent curve follows the future curve and is within the limits of the Collar, the Group will have no actual cash disbursements or receipts on the maturity of these contracts.

ZCC	Average Price (US\$/bbl)		Quantity	Fair Value
As of 12/31/2023	Put	Call	bbl	R\$ Thousand
Under 3 months	-	-	-	-
From 3 to 6 months	65.00	87.40	135,000	(11)
From 6 to 12 months	65.00	85.32	540,000	(34)
Total	65.00	85.74 *	675,000	(45)

* Average strike of forward contracts not yet settled as of December 31, 2023.

The total average volume of hedged barrels for 2024, as shown in the table above, is approximately 4.6k boe/day, or around 18% of the Company's total average production in 2023, which was 26.0k boe/day. Looking only at oil production, hedged production corresponds to 30% of the Company's average oil production in 2023, which was 15.2k bbl/day.

Note: Hedge instruments are initially recognized at fair value on the date the contracts are concluded and are subsequently measured at their fair value in profit or loss or other comprehensive income in accordance with the accounting practice adopted by the Company. Further information on the accounting practices adopted by the Company is detailed in Explanatory Note No. 15 on the financial statements.

6. Sustainability

2023 was a year of achievements in relation to the topic of Sustainability and more specifically in environmental, social and corporate governance issues - in the acronym ESG.

At the beginning of the year, a Sustainability Board and a People and ESG Committee were created to oversee issues related to sustainability, human resources and governance, providing recommendations to the Board on these topics.

In March, the Company became a signatory to the UN Global Compact in Brazil, reinforcing its commitment to economic, social and environmental development in the regions where it operates. By joining the Global Compact, the Company seeks to communicate its progress in relation to the Ten Principles in the areas of human rights, labor, the environment and the fight against corruption, constantly seeking to improve internal sustainability practices. The Company is also a member of the HUB ODS Bahia Committee, an initiative of the Federation of Industries of the State of Bahia and the UN Global Compact, with the aim of meeting the Sustainable Development Goals (SDGs). In 4Q23, the Company became a participant in the UN's Action Against Corruption Platform, in which the business sector is mobilizing to act in line with SDG 16 - Peace, Justice and Effective Institutions.

The Juntos Somos Mais (Together We Are More) - Unidos Pela Diversidade, Equidade e Inclusão (United for Diversity, Equity and Inclusion) Program demonstrates the aspiration to be a Company where the culture of Diversity, Equity and Inclusion is present at all levels. The program focuses on gender equity, LGBTQIA+, inclusion of people with disabilities, and valuing ethnic-racial diversity. Since its launch, several actions have been implemented, such as breastfeeding support, parental leave, accessibility in offices, workshops and training on diversity.

We held the second edition of the Petrofit program in August, promoting the integral well-being of employees and collecting diapers for donations, highlighting our commitment to social responsibility.

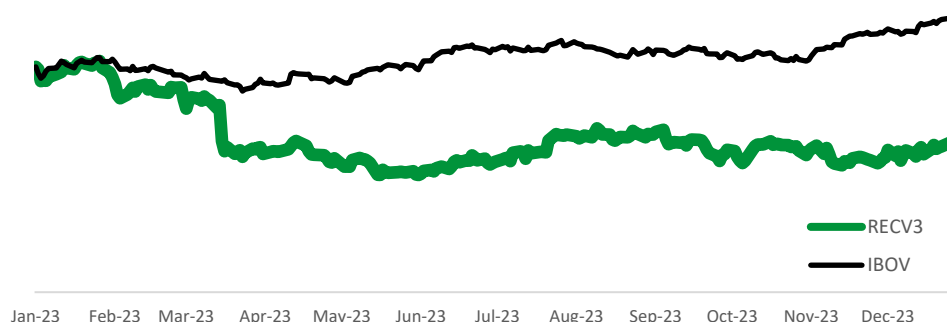
In the last quarter, the Leaders Academy was started, a development program to strengthen and empower leadership, in addition to launching internal development programs for the Young Apprentice and Interns, and the 2023 Trainee Program.

PetroReconcavo reinforces its commitment to communities through its social projects, such as:

- Ciranda Viva, which served an average of 175 children and adolescents during the year;
- Ciranda Agroflorestal expanded during the year to serve a total of 21 communities in the vicinity of operations in Rio Grande do Norte;
- Viva Sabiá project accompanying 138 families, providing technologies for coexistence with the semi-arid region to increase quality of life and access to better quality water; and
- Partnership with the Tamar Project, contributing to environmental awareness and cultural appreciation of the communities served; among others.

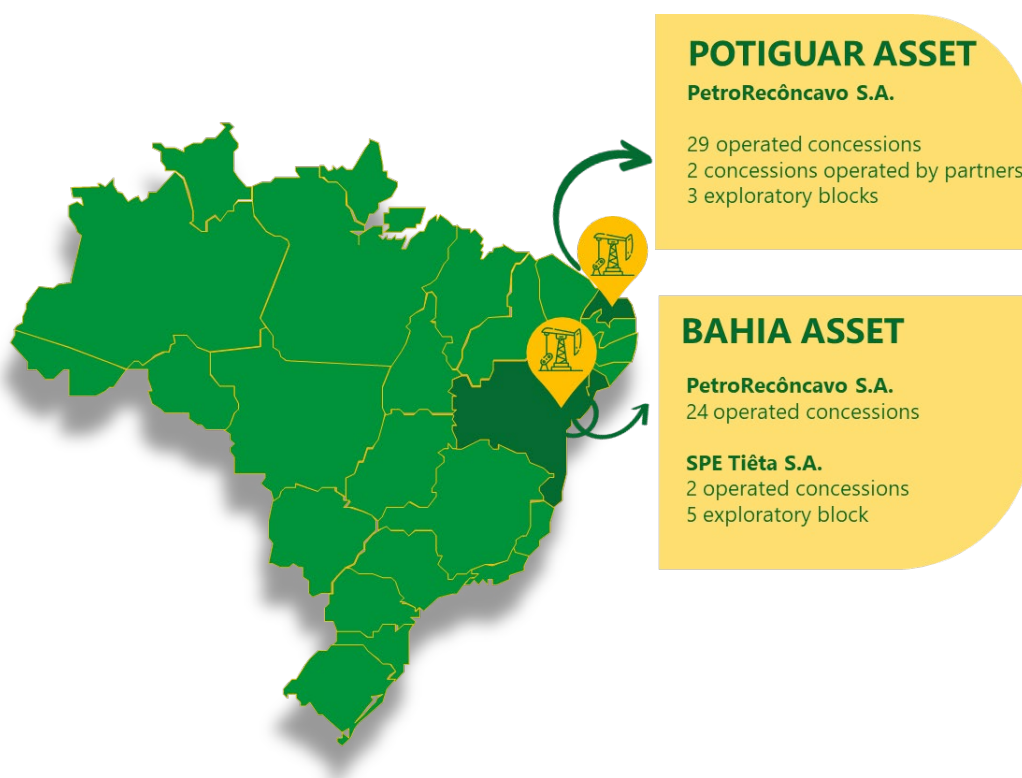
7. Share Performance

On December 31, the Company's market value was R\$ 6.4 billion, with its shares trading at R\$ 21.72, a 36% drop in the year, a performance below the Ibovespa (26% increase in the year) and below the Brent oil price variation (19% reduction). The average daily volume of shares was 2.9 million and financial volume was R\$ 16.4 billion in the year, with R\$ 66 million in average daily volume. In September, the Company became part of the Bovespa index.



8. Asset Portfolio and Reserves

The Company's portfolio consists of Bahia and Potiguar Assets for the production of oil and natural gas in onshore fields, located in three different sedimentary basins (Recôncavo, Potiguar and Sergipe basins).



The gross working interest Proved + Probable (2P) reserves of the Company, certified by the independent consultants Netherland, Sewell & Associates, Inc. – NSAI in the Reserve Report of 2022 totaled 170.8 million barrels of oil equivalent. The certification does not include the Tiê and Tartaruga fields. Gross working interest Proved reserves (1P) correspond to 80% of the 2P reserves.

2P - Proved + Probable	Oil MMBOE	Gas MMBOE	Total MMBOE
Remanso + BTREC	23.4	2.4	25.8
Riacho da Forquilha	53.5	17.3	70.8
Miranga	20.1	54.0	74.1
Total 2P Gross WI	97.0	73.8	170.8

On July 11, 2023, the Company published an annex to the Certification of Reserves, with a base date of December 31, 2022, prepared by the independent certifier Netherland, Sewell & Associates, Inc. This annex presents a grouped summary of the estimates of 2P reserves (Proven + Probable), including CAPEX and future Net Revenue considering different levels of net capital cost per gross reserves held by the Company on a 2P basis. This annex is fully available on the Company's Investor Relations website ([link](#)).

The new Certification of Reserves, with a base date of December 31, 2023, will be released in the month of April 2024.

9. Relationship with the Independent Auditors

In compliance with CVM Instruction 162, July 14th of 2022, the Company informs that Deloitte Touche Tohmatsu Auditores Independentes (“Deloitte”) was hired to audit of the Company's financial statements (including quarterly reviews) and its subsidiaries for the years 2023 and 2022.

The value relating to independent audit services of the financial statements (including quarterly reviews) for the 2023 financial year was R\$ 715 thousand.

During the 2023 financial year, the Company also contracted Deloitte to provide tax compliance services relating to guidance and assistance to the Company's team in completing the requirements for qualifying tax incentives, in accordance with current applicable legislation, in the total amount of R\$ 486 thousand, representing 68% of the total fees related to the audit services.

The hiring of independent auditors is based on the principles that safeguard the auditor's independence, which consist of: (a) the auditor must not audit his own work; (b) he must not exercise managerial functions; and (c) he must not provide any services that may be considered prohibited by current regulations. Management also obtains a statement from the independent auditors that the special services provided do not affect their professional independence.

10. Attachment

Main Indicator Notes:

- Net margin: corresponds to net income of the period divided by net revenue for the period;
- EBITDA: calculate in accordance with Instruction No. 527 of the Brazilian Securities and Exchange Commission ("CVM") of October 4, 2012, as amended ("CVM Instruction 527") and consists of adjusted net income (loss) (plus) by financial result, income tax and social contribution on profit and depreciation, amortization, and depletion ("EBITDA"). EBITDA is not an accounting measure recognized by the Accounting Practices Adopted in Brazil ("BRGAAP") or by the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board ("IASB") are not audited or reviewed by the Company's independent auditors, and do not represent cash flow for the periods presented and should not be considered as a substitute for net income (loss), as indicators of the Company's operating performance and, therefore, are not a substitute for cash flow, as an indicator of our liquidity or as a basis for the distribution of dividends. EBITDA does not have a standardized meaning and our definition of EBITDA may not be comparable to those used by other companies;
- Margin EBITDA: corresponds to EBITDA for the period divided by net revenue for the period. The EBITDA Margin is not a measure of financial performance according to the Accounting Practices Adopted in Brazil or the International Financial Reporting Standards (IFRS) nor should it be considered separately, as a measure of operating performance, or an alternative to operating cash flows as a measure of liquidity or as an indicator of financial returns;
- Hedge Adjusted EBITDA: calculate from the EBITDA, excluding the effects of the derivative financial instruments settled in the period. The hedged adjusted EBITDA is not a measure of financial performance according to the Accounting Practices Adopted in Brazil or the International Financial Reporting Standards (IFRS) nor should it be considered separately, or as an alternative to net profit, or as a measure of operating performance, or an alternative to operating cash flows as a measure of liquidity. Other companies may calculate the hedged adjusted EBITDA in a different manner to that used by the Company. The adjusted EBITDA is used by the Company as an additional measure of its operating performance;
- Adjusted EBITDA Margin: corresponds to the Hedge-adjusted EBITDA for the year divided by net revenue, excluding the effects of the results of derivative financial instruments settled in the period. Adjusted EBITDA Margin is not a measure of financial performance in accordance with the Accounting Practices Adopted in Brazil or the International Financial Reporting Standards (IFRS) and should not be considered in isolation, as a measure of operating performance, or as an alternative to operating cash flows as a measure of liquidity or as an indicator of financial returns;
- Net Debt/EBITDA last 12 months: represents the balance of net debt at the end of the year divided by the accumulated EBITDA of the last twelve months in each period. Net Debt represents the total bank indebtedness, represented by the balances of loans and financing in current and non-current liabilities, plus the amounts payable resulting from the acquisition of assets, minus the balances of cash and cash equivalents and financial investments present in current and non-current assets. Net Debt/EBITDA is not an accounting measure recognized by the accounting practices adopted in Brazil ("BR GAAP") nor by the International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and is not audited or reviewed by the Company's independent auditors. Net Debt/EBITDA does not have a standardized meaning, other companies may calculate differently from the Company;
- Production (boe/day): corresponds to the average daily gross working interest of the Company. Natural gas volumes were converted considering that 1,000 m³ of gas is equivalent to 6.2897 barrel of oil equivalent (boe);
- Lifting Cost (US\$/boe): represents the total costs of the services provided and sales, adjusted for the movement of oil and natural gas inventories, excluding the costs of acquisition, processing and transportation of gas, excluding royalties, depreciation, amortization and depletion, divided by the total gross production in boe in the period, divided by the average exchange rate of the period;
- Average Exchange Rate (R\$ / US\$): corresponds to the average of the exchange rates for the year on each business day in the periods presented, published by the Central Bank of Brazil;
- Average spot price of Brent Oil (US\$/bbl): Brent is quoted in dollars per barrel. Source: U.S. Energy Information Administration (EIA).