PETRORECONCAVO S.A.
Earnings Release
2021 First Quarter

RECV
B3 LISTED NM

1Q21 Results Conference Call
Wednesday, May 19, 2021
11:00 (Brasilia Time)
Webcast (Click here)

Company's EBTIDA totals R$ 131 Million, a 25% increase compared to 1Q20. Signing of the acquisition of the Miranga Cluster has high strategic relevance in positioning the company even stronger for the opportunities of the New Gas Market.

Mata de São João, May 17, 2021 – PetroReconcavo S.A. ("PetroReconcavo" or "Company") (B3: RECV3) today announces its results of the first quarter of 2021 (1Q21). The following information is presented in a consolidated manner in thousands of Reais (R$), in accordance with International Financial Statements Standards (IFRS) and with the accounting standards adopted in Brazil, except where otherwise specified.

1Q21 Highlights

- As a subsequent event to 1Q21, the Company announced the completion of the Initial Public Offering (IPO) of primary distribution of common shares issued by the Company in Brazil and with efforts to place common shares abroad, with gross funding of more than R$1 billion;
- Signing of the acquisition of the Miranga Cluster in February 2021, with approval at CADE in April 2021, announced as a subsequent event to 1Q21;
- Growth of 25.7% and 25.0%, respectively, in net revenue and EBITDA in the first quarter of 2021, when compared to the same period of 2020;
- Reduction 8.6% in net debt and 64% in the debt ratio, shown by net debt/EBITDA;
- Reduction of 8.2% in the average production cost per boe in dollars;
- Approval in CADE (anti-trust) of the acquisition of the Remanso Cluster and beginning of the process of the transfer of concessions with the ANP; and
- The ANP approved at an Officers Meeting held on April 15, 2021, the assignment of the change of operator of Concession Agreement No. 48610.009128/2005-16 (BT-POT-55) that encompasses the fields of Sabiá-da-Mata and Sabiá-Bico-de-Osso, from Sonangol Hidrocarbonetos Brasil Ltda. to our subsidiary Potiguar E&P, subject to the presentation, before the signing of the amendment to the concession contract, of the Approval Reports of various wells data, to be issued by SDT/ANP.

Key Indicators			*(in thousand of R$, excepts as otherwise noted)*
	1Q21	1Q20	Δ %
Net revenue	245.788	195.548	25,7%
Loss of the period	(12.890)	(136.041)	-90,5%
Net margin (1)	-5,24%	-69,57%	-92,5%
EBITDA (2)	131.632	105.329	25,0%
EBITDA Margin (3)	53,56%	53,86%	-0,6%
Net Debt (4)	812.787	889.533	-8,6%
Net Debt/ EBITDA last 12 months (5)	1.62 x	4.51 x	-64,0%
Average gross production (boe per day)	11.597	11.655	-0,5%
Average production cost per boe in R$ (6)	R$ 68,47	R$ 60,76	12,7%
Gross production (in boe)	1.043.724	1.060.622	-1,6%
Average Brent Oil spot price (7)	$60.90	$50.26	21,2%
Average exchange rate R$/US$ (8)	R$ 5.47	R$ 4.46	22,8%
Average production cost per boe in US$ (9)	$12.51	$13.63	-8,2%

(1) Net margin corresponds to net income/(net loss) for the period divided by net revenues for the period.
(2) We calculate EBITDA in accordance with the Brazilian Securities and Exchange Commission Instruction ("CVM") No. 527 of October 4, 2012, as amended ("CVM Instruction 527") and consists of adjusted net income (loss) (plus) the net financial income, income tax and social contribution on income 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 does not represent cash flow for the periods presented and should not be considered as substitutes for net profit (loss) as indicators of the Company's operating performance and, therefore, are not substitutes for cash flow, indicator of our liquidity or as a basis for the distribution of dividends. EBITDA has no standardized meaning and our definition of EBITDA may not be comparable to those used by other companies.
(3) EBITDA margin 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 in isolation, 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.
(4) Represents total bank indebtedness, represented by loan and financing balances in current and non-current liabilities, minus cash balances and cash equivalents and financial investments present in current and non-current assets.
(5) Represents the balance of the outstanding debt as of at the end of the period divided by the accumulated EBITDA of the last twelve months in each period. Net Debt/EBITDA is not an accounting measure recognized by accounting practices adopted in Brazil ("BR GAAP") or by the International Financial Reporting Standards ("IFRS"), issued by the International Accounting Standards Board ("IASB") is not audited or reviewed by the Company's independent auditors. The net Debt/EBITDA has no standardized meaning, and other companies may calculate differently from us.
(6) Represents the total costs of the services provided and sales, excluding royalties' depreciation, amortization and depletion, divided by total gross production in boe during the period.
(7) Brent is quoted in dollar per barrel. Source: U.S. Energy Information Administration (EIA)
(8) The average exchange rate for the period corresponds to the average exchange rate on each business day in the periods presented, as disclosed by the Central Bank of Brazil.
(9) Represents the total costs of the services provided and sales, 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.

Message from the Administration

It is with great satisfaction that we, the PetroReconcavo Management, disclose our first results as a listed company. Here we begin a relationship of absolute transparency with the market and with our new shareholders, reinforced by the Company's listing in Novo Mercado segment at B3, with the highest standards of corporate governance.

We could not start this message without proper thanks to our employees. We have a team that works tirelessly to deliver the best results for the Company and practices the true meaning of "teamwork"; where employees contribute without disputes for space, but rather seeking to complement themselves in search of excellence and what is best for the company and its shareholders.

We also thank our shareholders, both those who have been with us since the company's foundation, and the thousands of new shareholders, for their trust in our work. You have our commitment that we will continue to give the best of each one of us to deliver the best results.

Although we have been building the conditions to become a listed company for some time now, we could witness the difficulties and workload involved in this task. Therefore, we extend our thanks to the banks, lawyers, consultants and auditors who participated in our IPO process, for the hard work to make this offer happen successfully.

On May 5, 2021, PetroReconcavo became a public company listed on B3, the Brazilian Stock Exchange. This date, which symbolizes a huge achievement, also marks the renewal of our commitment to shareholders, employees and society, as manifested in our Mission and in our Vision:

Our Mission

We develop opportunities in the oil and gas Industry, turning resources into value and dreams into reality.

Our Vision

To be the safest, most efficient and most profitable independent oil and gas operator and to lead the transformation of the onshore Industry in Brazil.

The Company debuted in the Novo Mercado segment at B3 with its shares priced at R$14.75, which translates into a market capitalization of more than R$3.5 billion. This significant event leaves the company capitalized and better prepared to take advantage of the opportunities that Petrobras' disinvestment process offers.

Following our strategy of buying new assets, we signed on February 24, through the subsidiary SPE Miranga, the acquisition of the entire stake of Petrobras in the nine onshore fields of Apraiús, Biriba, Fazenda Onça, Jacuípe, Miranga, Miranga, Rio Pipiri, Riacho de São Pedro and Sussuarana, which constitute the Miranga Cluster, in the Recôncavo basin, Bahia. As a subsequent event to 1Q21, on April 7, 2021 CADE approved this acquisition.

The Miranga Cluster paves the way for the Company to position itself as an even more relevant producer of Natural Gas, also enabling access to new opportunities arising from the implementation of legal and regulatory changes in the context of the New Gas Market.

Also, on the acquisitions subject, on March 16, 2021 we obtained cade approval of the Remanso Cluster acquisition, which is composed of the 12 onshore fields that we have already operated, under service contract, in the Recôncavo basin.

We achieved significant financial results in the first quarter of 2021, with a growth of 25.7% and 25.0% in Net Revenues and EBITDA for the period, respectively. We reduced our debt and our leverage indicator, shown by Net Debt/EBITDA by about 64%, demonstrating a solid capital structure.

Our daily production remained stable compared to the first quarter of 2020, largely due to the reduction in field development activities resulting from the prevention and operational safety measures imposed by the pandemic. We emphasize that the average daily oil production of the 30 fields of the Potiguar District operated by the Company, where we intensified investment in production development, was 5,353 barrels, representing an increase of 58% compared to the volume of oil produced when we took over operations of these fields. The average daily production of the Potiguar District, including the fields in partnership operated by other companies was 7,821 boe in the period.

We continue working, seeking to lead the transformation of the onshore oil and natural gas industry in Brazil, transforming resources into value and dreams into reality, aiming to be the safest, the most efficient and the most profitable independent oil operator in Brazil.

1. Covid-19

The Company continues to operate following the rules defined by the internal committee set up to manage the health crisis. The main objectives of the committee are to maintain the health of employees and contractors, to maintain the Company's activities without impacts on operational safety or the environment, and, at the same time, to evaluate the consequences of the crisis in the business plan.

The Company recommended that its employees and contractors not essential to the operation work remotely, in addition to increasing the spacing of people in the work environment and temporarily suspending non-essential trips, visits, face-to-face training and commuting. At this time, employees can voluntarily return to the corporate office, adapted to the protection measures recommended by the committee, including frequent testing of employees. Employees of the risk groups continue to work remotely.

The Company revised its projections for operating income and cash flows for 2021 and did not verify the need to recognize an impairment loss on recoverable value in fixed assets, deferred taxes and accounts receivable. Considering the unpredictability of the evolution of the outbreak and its impacts, the current estimate of the financial effect on projected operating revenues and cash flows may be revised according to new events related to this pandemic.

2. Asset Portfolio

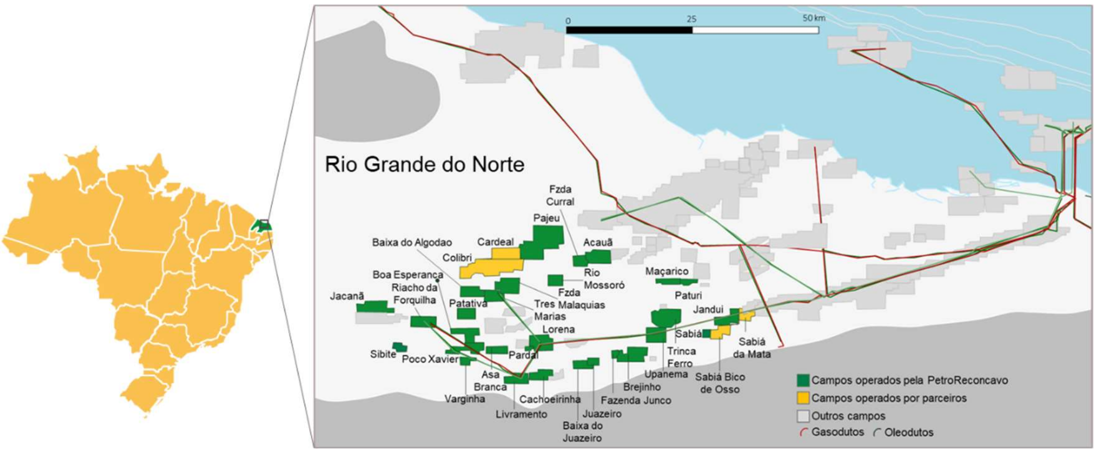
Oil and gas production assets operated by the Company or where the Company holds economic interests

On March 31, 2021, we operated or had concessional interest in the following oil and gas producing assets:

Potiguar District

On December 9, 2019, PetroReconcavo, through the subsidiary Potiguar E&P, carried out the acquisition of Petrobras' stake in the Riacho da Forquilha Cluster fields, the first transaction completed involving onshore fields in mature basins of Petrobras' divestiture program. The District, located in the state of Rio Grande do Norte, is composed of 34 concessions, of which 30 are 100% owned and operated by Potiguar E&P, two in partnership with Sonangol Hidrocarbonetos Brasil Ltda and two with Partex Brasil Ltda.

The map below represents the location of the Potiguar basin, with an emphasis on the Fields Operated by PetroReconcavo through its subsidiary Potiguar E&P.

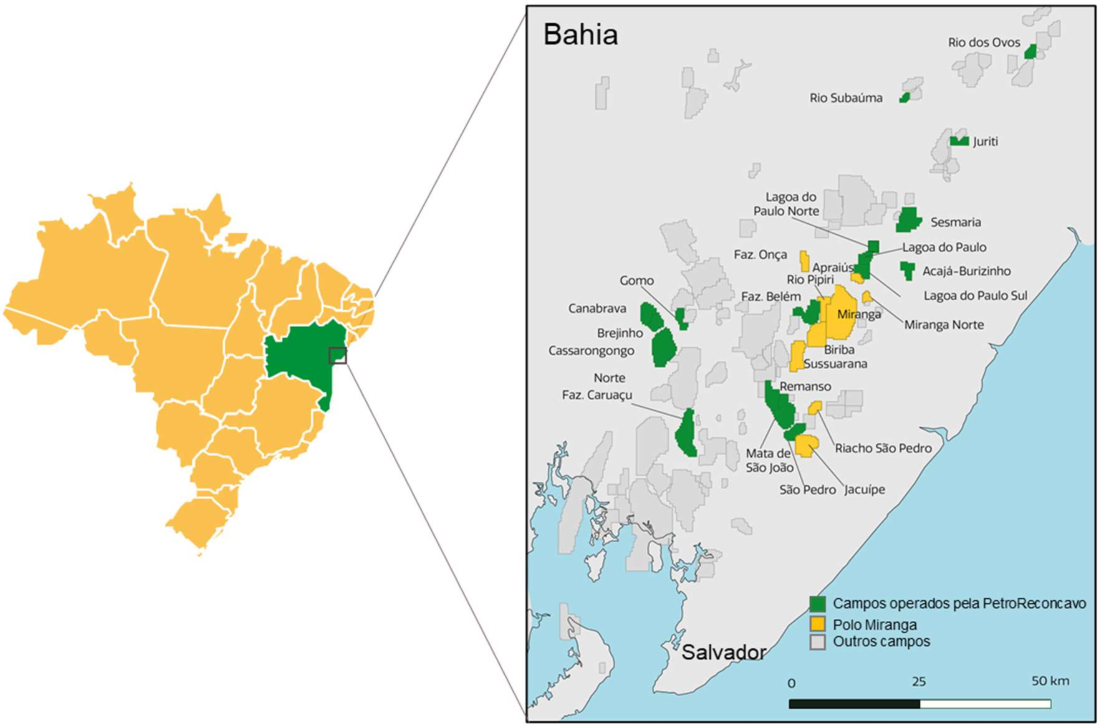


Of the 34 current concession agreements, 22 expire in 2025 and the other 12 between 2032 and 2039, all with the possibility of extension for an additional 27 years, as provided for in the concession contracts with ANP. Potiguar E&P has already submitted to ANP the extension request and the new development plans, including the proposal to reduce royalties on incremental production, to 12 of the round zero fields and awaits the response from the Regulatory Agency.

Recôncavo District

On December 23, 2020, we signed a contract to purchase of Petrobras' entire stake in the 12 onshore fields of Brejinho, Canabrava, Cassarongongo, Gomo, Fazenda Belém, Mata de São João, Norte Fazenda Caruaçu, Remanso, Rio dos Ovos, Rio Subaúma, São Pedro and Sesmaria, which constitute the Remanso Cluster, in the Recôncavo basin, Bahia state. The value of the acquisition is $30.0 million. Of this amount: (i) US$4.0 million, equivalent to R$20.6 million, were paid on the day of signature, on December 23, 2020; (ii) US$21.0 million will be due and paid at the closing of the transaction, adjusted by the cash generation of the asset and other conditions of price adjustment, to be presented by Petrobras, from July 2020 until the Closing date; and (iii) $5.0 million will be paid in twelve months after the closing of the transaction, which is expected to occur throughout 2021.

The map below represents the location of the Recôncavo basin, with emphasis on the fields operated by PetroReconcavo and the fields of the Miranga Cluster, which acquisition was signed by the Company on February 24, 2021:



We operate twelve fields of this District through a Risk Production Agreement signed with Petrobras, the owner of the concessions, since February 1st, 2000. Thus, this Agreement, which is valid until August 2025, will be terminated on the date of the "closing" of the purchase of the Remanso Cluster and after that these fields will be owned by PetroReconcavo. In addition to these fields, we also operate five other concessions in this basin. Most of the concessions of this district are the so-called "round zero " that currently expire in August 2025 and can be extended for an additional period of up to 27 years, upon specific request to ANP and submission of a revised Development Plan.

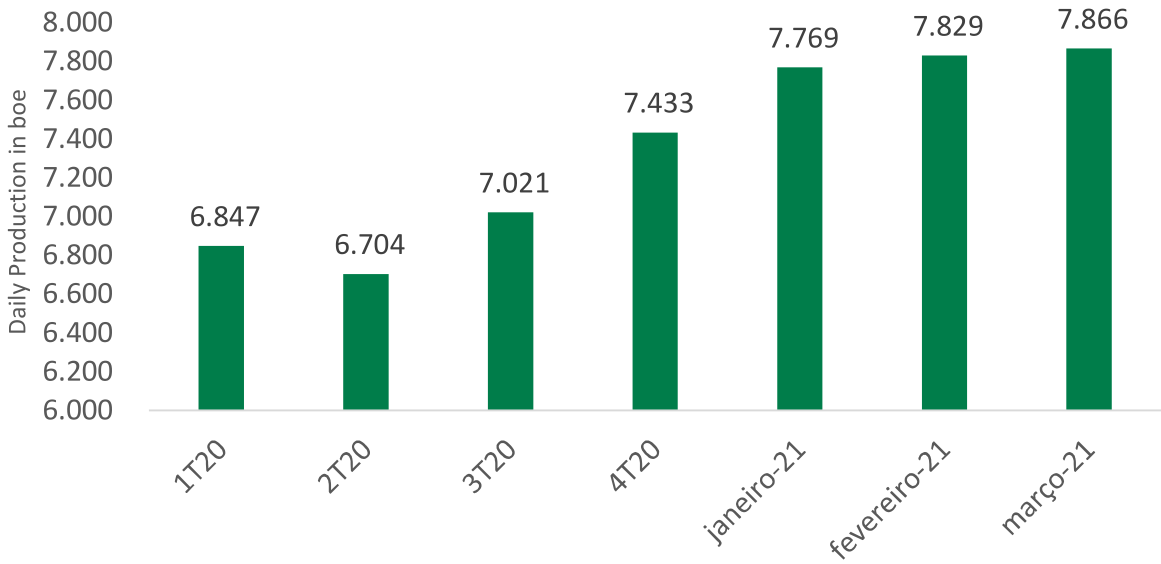
3. Operational Performance

Average daily production fell 0.5% in the first quarter of 2021, when compared to the same period of 2020, from 11,655 boe in 2020 to 11,597 boe in 2021: (i) the average daily production of the Recôncavo District fell 21.5%, from 4,808 boe in 2020 to 3,776 boe in 2021; and (ii) the average daily production in the Potiguar District increased by 14.2%, from 6,847 boe in 1Q20 to 7,821 boe in 1Q21.

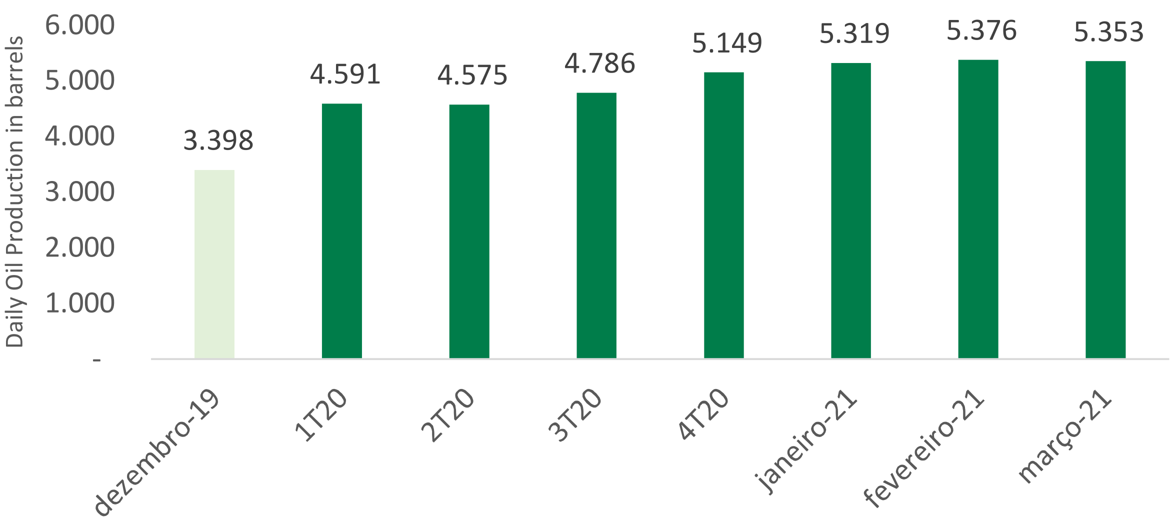
Daily gross production			*(in barrels of oil equivalent - BOE)*
	1Q21	1Q20	Δ %
Recôncavo District	3.776	4.808	-21,5%
Potiguar District	7.821	6.847	14,2%
Daily gross production	**11.597**	**11.655**	**-0,5%**

Potiguar District

In the first three months of 2021, production in the Potiguar District continued its upward trajectory, which has been observed since we took over operations in December 2019, having grown 14.2% compared to the first quarter of 2020. The chart below shows the production history of the Potiguar District.



The volumes shown in the table above represent the total production of the Potiguar District, including the 30 fields operated by the Company and its participation in the 4 fields operated by partners. If we look only at the 30 fields operated by the Company, the production increases are even more significant. The average daily oil production in March 2021 was **58%** higher than the volume that was produced when we took over the operation of these fields. The chart below shows the average daily oil production of the 30 fields operated by the Company.



We started the year 2021 with three workover rigs operating in the district, which operated in January. In February we made the scheduled stop for maintenance in one of the rigs and operated with two rigs the next two months, which reduced our ability to execute projects in the period. By way of comparison, in 2020 we started the year with only two workover rigs, moving to three rigs after October 2020.

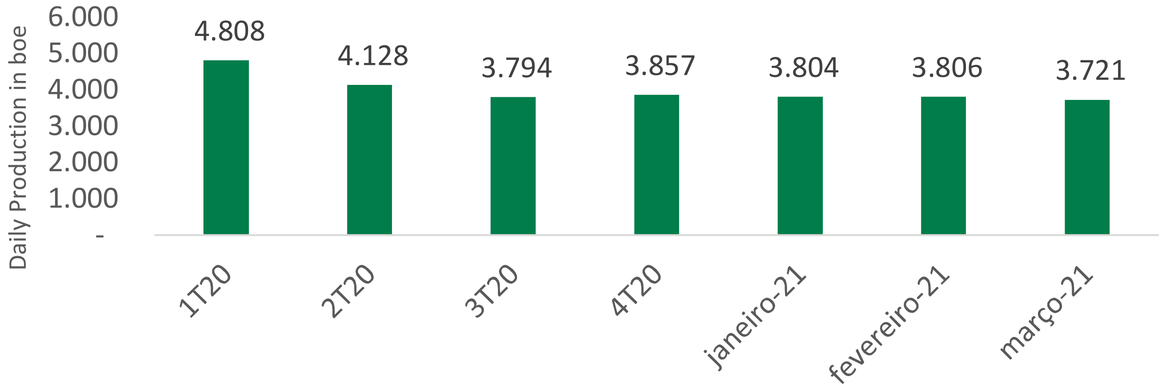
In the first quarter of 2020, we concentrated our capex activities on return to production workovers, which consists of returning wells with economic potential, which were shut in and not producing for some reason. These jobs are generally of rapid execution and lower intervention cost.

In the first quarter of 2021, we invested in more complex jobs, with greater impact on production, but also with higher execution costs, led by the campaign of conventional hydraulic fracturing, especially in the Lorena field.

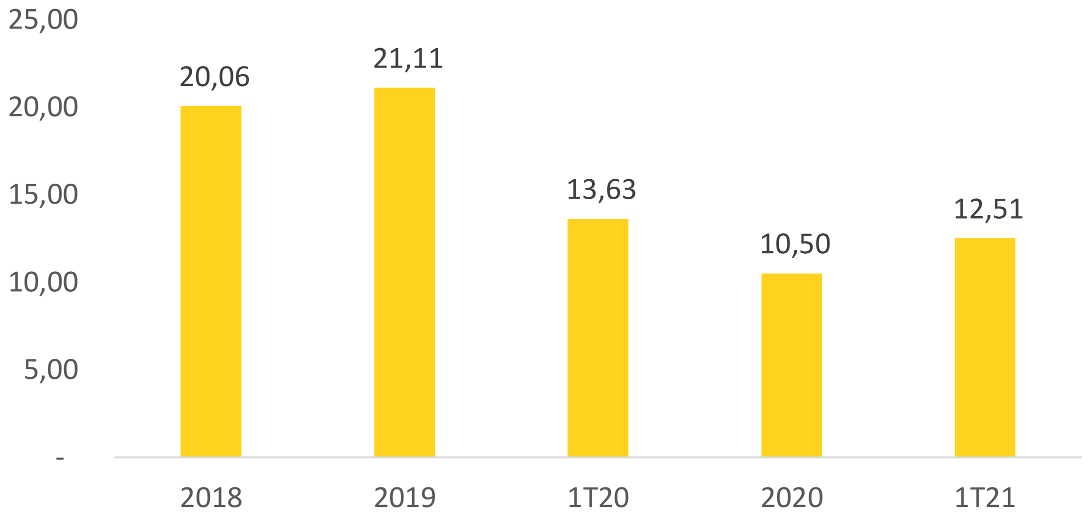
Recôncavo District

As a reflection of the economic crisis and the sharp drop in the price of oil triggered by the Covid-19 pandemic throughout 2020 and also due to the ongoing negotiations regarding the acquisition of the Remanso District, we chose, as a way to preserve liquidity, to significantly reduce investments in the Recôncavo District and to stop production in some wells of the district that had high production costs. With the recent recovery in Brent oil prices in international markets, we resumed over the first quarter of 2021 the execution of some projects in the district.

The investment strategy in the period focused on the realization of some projects aimed at increasing production by conventional hydraulic fracturing in some wells in the Norte Fazenda Caruaçu Field and recovery of production in returns to production of wells that were shut-in in 2020 for the reasons explained above, totaling a CAPEX of about R$4.5 million and an estimated daily production gain from these projects of approximately 334 boe. A R$ 2.1million Capex was also invested in Facilities projects focused on integrity and operational safety, highlighting the investment in well production flow lines that improved the operational efficiency of operations, reducing daily production losses by approximately 25 barrels. The chart below shows the recent production history of the Recôncavo District.



Average production cost of PetroReconcavo - Consolidated (in US$/boe)



In the first months of 2020, we were mobilizing for the required services for our operations in the Potiguar District, as we took over the operations of the fields in mid-December 2019. During 2020, with the worsening of the economic consequences of the Covid-19 pandemic, we chose to reduce non-critical activities and, in some cases, stopped the production of some wells in the Potiguar District that had higher production costs. In 1Q21, considering the improvement in Brent prices, we returned to production most of the wells that had been stopped throughout 2020 and, in addition, considering the improvement in prices of the gas sales contract to Petrobras from January 2021, we started a process of revitalization of the gas compression and flow systems in the district in order to allow an increase of the gas production, impacting on the average cost of production for the period.

Acquisition of Miranga Cluster

On February 24, the Company, through the subsidiary SPE Miranga, signed a contract for the purchase of all Petrobras' stake in the nine onshore fields of Apraiús, Biriba, Fazenda Onça, Jacuípe, Miranga, Miranga Norte, Rio Pipiri, Riacho de São Pedro and Sussuarana that constitute the Miranga Cluster, in the Recôncavo basin, in Bahia.

The value of the acquisition is up to US$220.1 million, of which: (i) US$11.0 million has already been paid on the signing day, on February 24, 2021; (ii) $44.0 million will be paid on the closing date of the transaction, without price adjustment; (iii) $20.0 million will be paid in twelve months after the transaction closing; (iv) $20.0 million that will be paid in twenty-four months after the transaction closes; (v) $40.1 million to be paid in thirty-six months after the transaction closes; and (vi) up to US$85.0 million in contingent payments provided for in the contract, linked to different possible ranges of the oil reference price (Brent) in the period between the calendar years 2022, 2023 and 2024.

The average production of Miranga Cluster in 2020 was approximately 899 barrels of oil per day (bopd) and 377,000 m³ of gas per day. As in the other areas, there is the possibility of extending the current expirations of the concessions, which currently expire in 2025, for 27 additional years, which will be requested through a protocol of a development plan before the ANP and will be subject to the approval of the regulatory agency.

4. Consolidated Financial Performance

Consolidated DRE			*(in thousand of R$)*
	1Q21	1Q20	Δ %
Net revenue	245.788	195.548	25,7%
Costs and expenses	(175.208)	(143.489)	22,1%
Operating profit	**70.580**	**52.059**	**35,6%**
Depreciation, amortization and depletion	61.052	53.270	14,6%
EBITDA	**131.632**	**105.329**	**25,0%**
Net financial result	(94.785)	(256.891)	-63,1%
Current taxes	(2.163)	(7.354)	-70,6%
Deferred taxes	13.478	76.145	-82,3%
Net income (losses)	**(12.890)**	**(136.041)**	**-90,5%**

Net Revenue

The Company's net revenue grew by 25.7%, from R$195,548k in the first quarter of 2020 to R$245,788k in the first quarter of 2021.

Net revenue			*(in thousand of R$)*
	1Q21	1Q20	Δ %
Recôncavo District	76.565	70.782	8,2%
Potiguar District	160.711	94.432	70,2%
Derivative financial instruments	8.512	30.334	-71,9%
Net revenue	**245.788**	**195.548**	**25,7%**

We highlight in net revenues the 70.2% increase in revenues of the Potiguar District, which went from R$94,432k in the first quarter of 2020 to R$160,711k in the first quarter of 2021. In addition to the 14.2% increase in production for the period, as verified in the topic "Operating Performance", the average value of the barrel of Brent oil and the average exchange rate were, respectively, 21.2% and 22.8% higher in the first quarter of 2021, when compared to the first quarter of 2020. Additionally, although natural gas represents a lower percentage in the District's revenue, we obtained a new sales contract, with an average price more than 2,000% higher than first quarter of 2020. Thus, the net revenues related to the sale of gas in the Potiguar District increased by 3,446%, from R$272k in 1Q20 to R$9,644k in 1Q21.

On the other hand, the appreciation of the value of the barrel of Brent oil led to a 71.9% reduction in revenue from derivative financial instruments settled in the first quarter of 2021. During this period, hedging contracts were settled with a volume of almost 512k barrels of oil, at an average price of

US$59.29/bbl. In the first quarter of 2020, the volume settled was 470k barrels, at an average price of $65.13/bbl. The average price per barrel of Brent oil in the first quarters of 2021 and 2020, respectively, were $60.90 and $50.26.

The following table describes the outstanding commodity forward contracts as of the end of the period ended March 31, 2021, as well as the information related to their corresponding hedged items.

	Consolidated		
Instruments of hedge open contracts	Average price of the exercise 31/03/2021	Quantity 31/03/2021	Book value of Hedge instruments 31/03/2021
	US$/barrel	In barrels	R$ thousand
Less than 3 months	58,87	453.340	(10.540)
From 3 to 6 months	58,52	527.860	(9.361)
From 6 to 12 months	57,24	1.067.760	(15.062)
From 1 to 2 years	53,28	1.876.247	(45.030)
From 2 to 3 years	49,70	1.280.000	(42.333)

Operating costs and expenses

Costs and expenses grew 22.1%, or R$31,719k, from R$143,489k in the first quarter of 2020 to R$175,208k in the first quarter of 2021. This increase can be explained mainly by the growth of royalty costs of R$9,689k, following the evolution in revenues, and the growth in costs and expenses with depreciation, amortization and depletion, which increased by R$7,610k in the period.

Additionally, in the first quarter of 2021 we made a scheduled stop for maintenance of the onshore production Rig PR-01. The costs incurred in the maintenance of this equipment, including its nonproductive time in the period, were about R$1.5 million.

Finally, we have accelerated our asset maintenance program in the Potiguar District. During the first months of 2020, we were still mobilizing the services needed for the District's operation, since we took over operations in mid-December 2019. Additionally, with the worsening economic consequences of the Covid-19 pandemic, we chose to reduce the non-critical activities from the end of March 2020 and in some cases stopped the production of some wells in the Potiguar District that had higher production costs. In 1Q21, considering the improvement in the price of Brent, we returned to production most of the wells that had been stopped throughout 2020 and, in addition, considering the improvement in the prices of the gas sales contract for Petrobras from January 2021, we started a process of revitalization of gas compression and flow systems in the district in order to allow a growth in the gas production. The estimated impact in the quarter of the points listed above was approximately R$6.6 million.

Net financial result

We observed a 63.1% reduction in our net financial result (losses), which passes from net expenses of R$256,891k in the three-month period ended March 31, 2020, to net expenses of R$94,785k in the first quarter of 2021.

Financial result, net			(in thousand of R$)
	1Q21	1Q20	Δ %
Financial revenues	15.543	402	3rd. 766.4%
Financial expenses	(23.061)	(28.179)	-18,2%
Exchange variation on financing	(87.299)	(229.439)	-62,0%
Other exchange variations	32	325	-90,2%
Financial result, net	**(94.785)**	**(256.891)**	**-63,1%**

The growth in financial revenues reflects the appreciation of US Dollar exchange rate in the period. The subsidiary Potiguar maintains a balance of investments in a US Dollar denominated exchange fund. These investments are one of the guarantees to the loan contracted by the subsidiary to pay part of the acquisition of oil and natural gas producing fields and the application in exchange fund aims to track the variation of the dollar against the real. Since the Subsidiary's debt is in dollars, the Company therefore aims to protect itself from exchange rate variations.

The exchange variation in foreign currency financing also suffered a sharp reduction compared to the first quarter of 2020. In the first three months of 2020, a significant negative exchange variance was recorded, of R$229,439k, while in the same period of 2021, the exchange variance was also negative, but of R$87,299k. This variance is explained by the appreciation of the exchange rate in the period having been smaller than that observed in 2020. The table below shows the appreciation of the exchange rate in each quarter:

	31/03/2021	Δ %	31/12/2020	31/03/2020	Δ %	12/31/2019
R$/US$ exchange rate	5,70	9,6%	5,20	5,20	29.0%	4,03

Income tax and social contribution on net income

Income tax and social contribution			(in thousand of R$)
	1Q21	1Q20	Δ%
Currents	(2.163)	(7.354)	-70,6%
Deferred	13.478	76.145	-82,3%
Income tax and social contribution	**11.315**	**68.791**	**-83,6%**

Income tax and social contribution were strongly impacted by the constitution of deferred taxes, especially on the subsidiary Potiguar tax loss. This loss was caused by the exchange variance in financing, explained in the above topic. In the first quarter of 2021, the consolidated deferred tax on tax losses was R$9,006k, while in the first three months of 2020 it was R$65,690k.

Net income

As a combination of the events mentioned in the above topics, the Company posted a net loss of R$12,890k in the first quarter of 2021, compared to a net loss of R$136,041k in the same period of 2020.

It is important to note that this result is impacted by the non-cash effect of the devaluation of the Real on the financial result in the quarter, which was R$87 million. Despite the accounting impact on the Company's net income, EBITDA (and the Company's free cash generation) is positively impacted by the devaluation of the local currency, since most of the expenses are denominated in Real and 98% of the Company's revenues are denominated in Dollars.

Consolidated Cash Flow Statement			*(in thousand of R$)*
	1Q21	1Q20	Δ %
Losses before taxes	(24.205)	(204.832)	-88,2%
Depreciation, amortization and depletion	61.052	53.270	14,6%
Interest and exchange variations, net	103.869	248.629	-58,2%
Changes in assets and liabilities	(25.317)	(34.857)	-27,4%
Interest paid	(15.767)	(9.985)	57,9%
Asset and rental losses	32.270	20.477	57,6%
Other adjustments and variations	5.756	10.600	-45,7%
Cash generated by operating activities	**137.658**	**83.302**	**65,3%**
Additions to property, plant and equipment	(126.005)	(50.718)	148,4%
(Investments) redemptions of financial investments	2.225	(56.634)	-103,9%
Cash invested in investment activities	**(123.780)**	**(107.352)**	**15,3%**
New Loans	60.479	-	N.A.
Amortization of financing and leases	(61.173)	(3.109)	1867,6%
Capital increase and AFAC	-	2.360	-100,0%
Cash invested in financing activities	**(694)**	**(749)**	**-7,3%**
Increase (decrease) in cash balance and cash equivalents	**13.184**	**(24.799)**	**-153,2%**

The cash generated by operating activities increased R$54,356k, or 65.3%, in the first quarter of 2021, influenced not only by higher EBITDA, but also by the fact that in the first quarter of 2020 we were building the working capital of the subsidiary Potiguar, which began operations in December 2019, reflected in the line "changes in assets and liabilities".

The cash invested in investment activities increased 15.3%, or R$16,428k, in the first quarter of 2021, as a combination of the following factors:

(i) The Company invested R$126,005k in addition to the fixed and intangible assets, generating an increase of R$75,287k, when compared to the first quarter of 2020, mainly due to the signing of the contract for the acquisition of the Miranga Cluster, on February 24, 2021. This acquisition led to the payment of US$11 million to Petrobras at the signing date, equivalent to R$60,549k. Additionally, we made investments to increase production in the quarter in the amount of R$22,749k, mainly in conventional hydraulic fracturing projects, as mentioned in the topic "Operational Performance". We made acquisitions for the warehouse for fixed inversions in the amount of R$34,731 k. These acquisitions aim to leave the Company ready to meet the acceleration of its investment plan, and of this amount we have already invested R$ 25,519k in investment projects or in repair and maintenance activities;

(ii) In the first quarter of 2021, we made net redemptions of financial investments in the amount of R$2,225k, while in the first three months of 2020, we made net investments in the amount of R$56,634k, reflecting the creation of guarantees for the financing obtained by the subsidiary Potiguar.

The cash invested in financing activities was R$694k, similar to the amount invested in the first quarter of 2020. As of March 31, 2021, the following events impacted investment cash flow:

(i) Funding of R$60,549k for payment of part acquisition of Miranga Cluster, as mentioned in the above topic;
(ii) Amortization of financing and commercial leases, in the amount of R$ 61,173k, impacted mainly by the amortization of part of the financing of the subsidiary Potiguar E&P

As a consequence of the items listed above, the increase in cash balance and cash equivalents in the first quarter of 2021 was R$13,184k, while in the first three months of 2020 there was a reduction of R$24,799k.

5. Other highlights of the balance sheet

Cash position (cash and cash equivalents and financial investments)

As of March 31st, 2021, the Company recorded a cash position, which represents the sum of cash and equivalent balances and financial investments, of R$176,631k, an increase of 6.6% when compared to the balances of December 31st, 2020.

As of March 31st, 2021, most of the Company's resources were invested in foreign exchange funds. These investments are one of the guarantees to the loan contracted by the subsidiary to pay part of the acquisition of the oil and natural gas producing fields and the application in exchange fund aims to track the variation of the dollar against the real. Since the Subsidiary's debt is in dollars, the Company therefore aims to protect itself from exchange variations.

Debt

Net Debt			*(in thousand of R$)*
	1Q21	1Q20	Δ %
FINEP	2.637	3.927	-32,8%
Bank loans	1.019.055	1.030.590	-1,1%
Costs to be amortized	(32.074)	(46.702)	-31,3%
Gross debt	**989.618**	**987.815**	**0,2%**
Cash and cash equivalents	44.045	31.466	40,0%
Financial investments	132.786	66.816	98,7%
Net debt	**812.787**	**889.533**	**-8,6%**
EBITDA of the last 12 months	**500.708**	**197.315**	**153,8%**
Net Debt/EBITDA last 12 months	**1.62 x**	**4.51 x**	**-2.88 x**

The Company's net debt in the first quarter of 2021 decreased 8.6% compared to March 31, 2020. During the quarter, we signed a financing agreement of US$11 million, equivalent to R$60,479k, for the payment of the signing for the acquisition of the Miranga Cluster. During the quarter, we also made principal payments and interest and recorded exchange variance related to our loans in foreign currencies, as shown below:

Movement of loans and financing	*(in thousand of R$)*
Balance as of December 31, 2020	**894.040**
Borrowing	60.479
Principal payments	(55.548)
Interest paid	(15.586)
Accrued interest	15.581
Amortization of acquisition cost	3.353
Exchange variation	87.299
Balance as of March 31, 2021	**989.618**

Below is the maturity schedule for Loans and Financing, as of March 31st, 2021.

	Parent	Consolidated
2021	63.896	251.211
2022	1.315	292.299
2023	329	318.009
2024	0	160.174
Total	65.540	1.021.692

Derivative financial instruments

The Company constantly evaluates the possibility of carrying out hedge operations of future oil production in order to increase predictability and protect future cash flows. The Company contracted commodity forward contracts to manage commodity price risk associated with future transactions of up to 36 months.

The following table describes the commodity forward contracts opened as of March 31, 2021, as well as the information related to their corresponding hedged items:

Derivative financial instruments	
Contracted financial instrument	NDF
Volume (in barrels)	5.205.207
Average Strike (US$/bbl)	54,23
Fair value as of March 31st, 2021 (R$ thousand)	(122.326)

6. Reserves Certification

This section contains a summary of the Reserve Reports prepared by independent expert Netherland, Sewell & Associates, Inc. (NSAI). The Reserve Reports were prepared based on an analysis of our concessions and of some Petrobras' fields located in the Recôncavo basin in the State of Bahia, and in the Potiguar basin in the State of Rio Grande do Norte, as of December 31st, 2020. The evaluation of the Company's Reserves and Resources was completed on January 20th, 2021 for the Company and its subsidiary, Potiguar E&P S.A. The Miranga contingent resources assessment was completed on February 22nd, 2021.

Below is a summary table of the Company's net reserves and contingent resources, as of December 31st, 2020, prepared according to the reports on reserves and contingent resources. The net reserves and contingent resources represent the portions of the reserves and contingent resources of referred concessions owned by or contractually attributed to the Company, discounted by the participations of any third parties and the Government's royalties.

	Petróleo e Liquidos de Gás Natural				Gás				Barris de Óleo Equivalentes[1]	(Petróleo como % do Total)	(Gás como % do Total)	Fluxo de Caixa Descontado - 10% (MUS$) [2]
	Reconcavo[3]	Potiguar[4]	Miranga[5]	sub-total	Reconcavo[3]	Potiguar[4]	Miranga[5]	sub-total	Total			
Reservas Líquidas	(em milhares de barris)				(em milhões de pés cúbicos)				(em milhares de boes)			
Reservas provadas em produção	2.739,1	7.626,1	n.a.	10.365,2	1.903,2	6.901,7	n.a.	8.804,9	11.832,7	87,6%	12,4%	153.131,9
Reservas provadas desenvolvidas, porém não em produção ("shut in" ou "behind pipe")	1.370,5	2.437,3	n.a.	3.807,8	590,0	6.725,3	n.a.	7.315,3	5.027,0	75,7%	24,3%	74.803,7
Reservas provadas não desenvolvidas	929,2	6.112,6	n.a.	7.041,8	266,7	2.328,7	n.a.	2.595,4	7.474,4	94,2%	5,8%	136.366,9
Total de reservas provadas (1P)	**5.038,9**	**16.176,0**	**n.a.**	**21.214,9**	**2.760,0**	**15.955,7**	**n.a.**	**18.715,7**	**24.334,1**	**87,2%**	**12,8%**	**364.302,5**
Total de reservas prováveis	438,1	5.468,1	n.a.	5.906,2	244,1	2.384,1	n.a.	2.628,2	6.344,2	93,1%	6,9%	99.947,6
Total de reservas provadas + prováveis (2P)	**5.477,0**	**21.644,1**	**n.a.**	**27.121,0**	**3.004,1**	**18.339,8**	**n.a.**	**21.343,8**	**30.678,3**	**88,4%**	**11,6%**	**464.250,1**
Total de reservas possíveis	391,2	2.139,5	n.a.	2.530,6	38,4	564,0	n.a.	602,4	2.631,0	96,2%	3,8%	34.946,3
Total de reservas provadas + prováveis + possiveis (3P)	**5.868,1**	**23.783,5**	**n.a.**	**29.651,6**	**3.042,4**	**18.903,8**	**n.a.**	**21.946,2**	**33.309,3**	**89,0%**	**11,0%**	**499.196,5**
Recusrsos Contingentes												
Menor Estimativa (1C)	9.041,7	19.181,2	18.639,9	46.862,8	4.029,0	28.963,0	175.918,7	208.910,7	81.681,2	57,4%	42,6%	438.136,1
Melhor Estimativa (2C)	13.918,9	26.097,3	22.309,6	62.325,8	5.694,1	37.304,8	217.971,7	260.970,7	105.821,0	58,9%	41,1%	531.636,2
Maior Estimativa (3C)	17.010,3	30.227,6	23.193,3	70.431,2	7.175,7	40.482,7	222.590,9	270.249,3	115.472,8	61,0%	39,0%	587.980,8
Total (1P + 1C)	**14.080,5**	**35.357,2**	**18.639,9**	**68.077,6**	**6.789,0**	**44.918,7**	**175.918,7**	**227.626,4**	**106.015,4**	**64,2%**	**35,8%**	**802.438,7**
Total (2P + 2C)	**19.395,9**	**47.741,4**	**22.309,6**	**89.446,9**	**8.698,2**	**55.644,6**	**217.971,7**	**282.314,5**	**136.499,3**	**65,5%**	**34,5%**	**995.886,4**
Total (3P + 3C)	**22.878,4**	**54.011,2**	**23.193,3**	**100.082,9**	**10.218,1**	**59.386,4**	**222.590,9**	**292.195,5**	**148.782,1**	**67,3%**	**32,7%**	**1.087.177,2**

Notes:
(1) Volume of gas was converted to BOE at the rate of 6,000 cubic feet of gas to 1 BOE,
(2) Cash flow before financial expenses and income tax and social contribution discounted at an annual rate of 10%.
(3) Reconcavo's reserves include: (i) the interests (approximately 85%) held by us through our agreement with Petrobras in the 12 fields of the Remanso Cluster; and (ii) a 100% interest in the Lagoa do Paulo, Lagoa do Paulo Sul, Lagoa do Paulo Norte, Juriti and Acará-Burizinho fields. All of these fields are located in the state of Bahia. The contingent resources refer to: (i) the residual interest (approximately 15%) currently held by Petrobras; and (ii) the volumes of oil and gas to be produced after the concession terms currently in effect. Such funds are contingent only on the regulatory approvals for the acquisition of the Remanso Cluster and its subsequent closing, and on the extension of the concessions.
(4) Potiguar E&P's reserves consist of the 34 fields of the Riacho da Forquilha Cluster, of which 30 are 100% owned and operated by Potiguar E&P, two are owned in partnership with Sonangol Hidrocarbonetos Brasil Ltda (approximately 70% is owned by Potiguar E&P and 30% by Sonangol) and two are owned together with Partex Brasil Ltda (50% is owned by Potiguar E&P and 50% by Partex), all located in the state of Rio Grande do Norte. Contingent resources refer to the volumes of oil and gas to be produced after the concession terms currently in force. Such funds are contingent only on the extent of the concessions. The amounts shown in the tables reflect only our working interest in these concessions.
(5) Miranga's contingent resources include a 100% interest in the nine fields of the Miranga Cluster, all located in the state of Bahia. Such funds are contingent only on the regulatory approvals for the acquisition of the Miranga Cluster and its subsequent closing, and on the extension of the concessions.
(6) The total values may not reflect the exact account, due to possible rounding of numbers.
(7) The different classifications of oil accumulations have varying degrees of technical and commercial risk that are difficult to quantify; therefore, reserves, contingent resources and prospective resources should not be aggregated without a broad consideration of these factors. This table shows the sum of the reserves and contingent resources shown in the NSAI reports without adjustments for these factors; these sums are shown in this table for convenience only.

7. Safety, Health, Environment and Sustainability

For PetroReconcavo, safety is a non-negotiable value and a commitment made in our Strategic Planning, which guide our daily operations and those who relate to us. We develop our activities in accordance with applicable laws and regulations in the places where we operate, in addition to complying with our own internal guidelines and procedures based on best market practices.

Our business requires an excellent performance based on responsible management of the impacts that our activity generates on people, communities and the environment. In order to mitigate these impacts, we apply tools to identify the risks associated with the activities and verify if the barriers we adopt are sufficient to keep them under control. In the first quarter, we had 626,523 hours worked with zero lost time incident rate.

To strengthen our HS&E culture, throughout the first quarter, we conducted Live Streaming and Corporate Campaigns focused on accident prevention, with emphasis on hand protection. In addition, we started the annual audit program at our critical service providers, aiming to know and evaluate risks and develop improvement actions in our supply chain.

PetroReconcavo believes that it is up to its executives to promote at all hierarchical levels the sense of individual responsibility in relation to safety, health and environment and for this we carry out the launch of the "Safe Leader" Program, a program that seeks to enhance leadership skills and behaviors in SSMS at all levels of the Company's command.

Within the program of continuous improvement of SSMS management, we have closed a corporate contract to support the response to possible environmental emergencies, inside and outside our facilities, to expand the safeguarding of our operations and in alignment with our social and environmental responsibility.

Within our commitment to contribute to the promotion of social and economic prosperity of the areas where we operate, we continue to invest in our social projects Ciranda Educativa and Ciranda Esportiva, which serve 190 children and adolescents, from 108 families, from the communities of Pedras, Flechas and Veadinho, in the municipality of Catu-BA, developing activities in the areas of natural sciences, food security, environmental education and sports activities.

From January to March 2021, at Potiguar E&P, we began a study and development of the strategic plan for the implementation of projects in the surrounding communities, being carried out analysis of the local context and identification of the actors, mapping of stakeholders, survey of information and establishment of preliminary intervention guidelines.

Annex 1 - Balance Sheet

PETRORECÔNCAVO S.A. AND SUBSIDIARIES

BALANCE SHEETS AS AT MARCH 31, 2020
(In thousands of Brazilian reais - R$)

		Parent		Consolidated	
ASSETS	Notes	03/31/21	12/31/20	03/31/21	12/31/20
CURRENT ASSETS					
Cash and cash equivalents	3	28.030	11.663	44.045	30.861
Short-term investments	3	-	9.993	58.537	66.414
Trade receivables	4	44.228	52.578	145.122	108.733
Inventories		-	127	1.261	1.211
Dividends receivable	16	304	304	-	-
Recoverable taxes	5	14.506	13.457	27.587	22.433
Derivatives	14	-	-	2.173	80.506
Other assets		14.053	11.161	14.418	12.826
Total current assets		101.121	99.283	293.143	322.984
NONCURRENT ASSETS					
Short-term investments	3	-	-	74.249	68.597
Related parties	16	4.477	20.460	-	-
Recoverable taxes	5	493	14	1.064	562
Derivatives	14	-	-	2.472	56.576
Judicial deposits	6	2.224	2.237	2.298	2.311
Other assets		468	475	468	475
Deferred income tax and social contribution	11	5.757	2.482	98.664	3.070
Investments	7	463.605	560.003	-	-
Property, plant and equipment	8	382.142	386.092	1.637.099	1.599.890
Lease right-of-use assets	22	9.698	10.528	18.961	20.680
Intangible assets		4.387	4.607	4.789	5.028
Total noncurrent assets		873.251	986.898	1.840.064	1.757.189
TOTAL ASSETS		974.372	1.086.181	2.133.207	2.080.173

		Parent		Consolidated	
LIABILITIES AND EQUITY	Notes	03/31/21	12/31/20	03/31/21	12/31/20
CIRCULANTE					
Trade payables	9	45.176	49.022	85.397	80.089
Payroll and related taxes		14.698	12.002	19.765	16.065
Taxes payable		14.353	14.083	34.835	22.762
Loans	10	64.116	1.355	294.175	212.931
Leases payable	22	6.113	5.995	15.269	15.241
Derivatives	14	-	-	37.137	-
Dividends payable	15 f	2	2	2	2
Provision for well abandonment	13	-	-	6.301	6.301
Other payables		212	1.168	467	1.170
Total current liabilities		144.670	83.627	493.348	354.561
NONCURRENT LIABILITIES				695.443	
Loans	10	1.205	1.379	5.841	681.109
Leases payable	22	4.239	5.100	89.836	7.646
Derivatives	14	-	-	-	17.886
Provision for tax, civil and labor risks	12	4.965	4.965	35.875	4.965
Provision for well abandonment	13	11.394	10.914	-	33.810
Total noncurrent liabilities		21.803	22.358	831.960	745.416
EQUITY					
Capital	15	674.941	674.941	674.941	674.941
Capital reserve		31.158	31.158	31.158	31.158
Earnings reserves		148.055	160.945	148.055	160.945
Valuation adjustments to equity		(80.736)	78.671	(80.736)	78.671
Capital transaction		34.481	34.481	34.481	34.481
Total equity		807.899	980.196	807.899	980.196
TOTAL LIABILITIES AND EQUITY		974.372	1.086.181	2.133.207	2.080.173

The accompanying notes are an integral part of the quarterly information.

Annex 2 - Income Statement

PETRORECÔNCAVO S.A. AND SUBSIDIARIES

STATEMENT OF PROFIT AND LOSS
FOR THE PERIOD ENDED MARCH 31, 2021
(In thousands of Brazilian reais - R$, except earnings per share)

	Notes	Parent		Consolidated	
		03/31/21	03/31/20	03/31/21	03/31/20
NET REVENUE	18	73.764	79.340	245.788	195.548
COSTS OF SERVICES AND SALES	19	(53.589)	(59.672)	(153.098)	(128.605)
GROSS PROFIT		20.175	19.668	92.690	66.943
REVENUE (EXPENSES)					
General and administrative expenses	19	(9.566)	(12.533)	(11.283)	(14.882)
Other income (expenses), net	19	690	598	(10.827)	(2)
(Losses) gains on equity interests	7, 19	(26.691)	(139.298)	-	-
Total		(35.567)	(151.233)	(22.110)	(14.884)
OPERATING INCOME (LOSS)		(15.392)	(131.565)	70.580	52.059
FINANCE INCOME (COSTS)					
Finance income	20	5.965	240	15.543	402
Finance expenses	20	(1.691)	(1.614)	(23.061)	(28.179)
Foreign exchange gains (losses), net	20	(2.952)	(4.298)	(87.267)	(229.114)
		1.322	(5.672)	(94.785)	(256.891)
PRETAX PROFIT (LOSS)		(14.070)	(137.237)	(24.205)	(204.832)
INCOME TAX AND SOCIAL CONTRIBUTION					
Current		(4.323)	(7.289)	(4.459)	(7.384)
Deferred		3.275	4.375	13.478	76.145
Reduction – tax benefits		2.228	-	2.296	30
	11	1.180	(2.914)	11.315	68.791
PROFIT (LOSS) FOR THE PERIOD		(12.890)	(140.151)	(12.890)	(136.041)
Basic earnings per common and preferred share - R$	15.e	(0,1536)	(1,6758)		
Diluted earnings per common and preferred share - R$	15.e	(0,1525)	(1,6639)		

The accompanying notes are an integral part of the quarterly information.

Annex 3 - Cash Flow Statement

PETRORECÔNCAVO S.A. AND SUBSIDIARIES

STATEMENTS OF CASH FLOWS FOR THE PERIOD ENDED MARCH 31, 2021
(In thousands of Brazilian reais - R$)

		Parent		Consolidated	
	Notes	03/31/21	03/31/20	03/31/21	03/31/20
CASH FLOWS FROM OPERATING ACTIVITIES					
Profit (loss) before taxes on income		(14.070)	(137.237)	(24.205)	(204.832)
Adjustments to reconcile profit for the year to					
cash generated by operating activities:					
Interest and exchange differences, net		2.469	103	103.869	248.629
Exchange differences on translating cash and cash equivalents	3	-	-	(988)	(361)
Interest and foreign exchange differences on leases	22	809	5.205	1.461	1.043
Depreciation and depletion of property, plant and equipment	8	17.600	19.901	56.043	48.476
Amortization of intangible assets		221	48	241	198
Depreciation of right-of-use assets	22	1.577	2.780	4.768	4.596
Amortization of borrowing costs	10	14	-	3.353	5.208
Allowance for (reversal of) inventory losses		-	-	-	58
Share of profit (loss) of subsidiaries	7, 19	26.691	139.298	-	-
Provision for and reversal for tax, civil, labor, and regulatory risks	12	-	989	-	989
Share-based payments and stock options		-	3.674	-	3.674
Adjustment to the provision for well abandonment	13	480	435	2.065	1.273
Derecognition of property, plant and equipment and leases		10.551	11.810	32.270	20.477
CHANGES IN ASSETS					
Trade receivables		8.350	(20.024)	(36.389)	(45.969)
Inventories		127	-	(50)	(731)
Recoverable taxes		(1.528)	3.238	(5.656)	(4.627)
Judicial Deposits		13	(10)	13	(10)
Other assets		(2.885)	1	(1.585)	(5.429)
CHANGES IN LIABILITIES					
Trade payables		(3.846)	7.493	5.308	14.945
Payroll and related taxes		2.696	(921)	3.700	1.208
Taxes payable		(1.690)	(3.347)	10.045	5.199
Other payables		(956)	(343)	(703)	557
Interest paid	10	(44)	(78)	(15.586)	(9.265)
Interest on leases paid	22	(107)	(533)	(181)	(720)
Income tax and social contribution paid		(135)	-	(135)	(1.284)
CASH GENERATED BY OPERATING ACTIVITIES		46.337	32.482	137.658	83.302
CASH FLOWS FROM INVESTING ACTIVITIES					
Intragroup loans		(13.167)	-	-	-
Interest on loans with related parties		-	7	-	-
(Investments) redemptions of short-term investments		9.993	-	2.225	(56.634)
Additions of property, plant and equipment	8	(24.589)	(25.334)	(126.003)	(50.202)
Additions of intangible assets		(1)	(356)	(2)	(516)
Capital increase in subsidiaries	7	(60.550)	-	-	-
CASH USED IN INVESTING ACTIVITIES		(88.314)	(25.683)	(123.780)	(107.352)
CASH FLOWS FROM FINANCING ACTIVITIES					
Financing raised	10	60.479	-	60.479	-
Repayment of financing	10	(331)	(334)	(55.548)	(349)
Repayment of leases - principal	22	(1.804)	(3.202)	(5.625)	(2.760)
Capital increase	15	-	2.664	-	2.664
Receipt of loans from related parties		-	2.634	-	-
Advance for future capital increase		-	(304)	-	(304)
NET CASH GENERATED BY (USED IN) FINANCING ACTIVITIES		58.344	1.458	(694)	(749)
Increase (decrease) in cash and cash equivalents		16.367	8.257	13.184	(24.799)
Cash and cash equivalents at the beginning of the year	3	11.663	19.977	30.861	56.265
Cash and cash equivalents at the end of the year	3	28.030	28.234	44.045	31.466
Increase (decrease) in cash and cash equivalents		16.367	8.257	13.184	(24.799)

The accompanying notes are an integral part of the quarterly information.