



## **Açu Petróleo achieves record revenue and EBITDA in 2021**

### **EBITDA growth of 12% continues our accelerated growth path**

Rio de Janeiro, March 30, 2022 – Açu Petróleo Luxembourg S.à r.l. (“AP Lux”), was incorporated in December 2021 under the laws of the Grand Duchy of Luxembourg, having its registered office at 6, rue Eugène Ruppert, L-2453 Luxembourg, Grand Duchy of Luxembourg. AP Lux is the issuer of U.S.\$600,000,000 7.500% Series 2022-1 Senior Secured Notes due 2035 and is a wholly owned subsidiary of Açu Petróleo S.A. (“Açu Petróleo”).

Açu Petróleo, a Prumo Group company dedicated to offering infrastructure and logistics solutions to move energy safely, efficiently, cleanly and sustainably announces its results for the year ended December 31, 2021.

### 2021 HIGHLIGHTS

- Net revenue growth of 17% to \$90.3M
- Increase in market share from 24% to 26% with a 10% increase in the number of physical operations performed and a 4% increase in invoiced operations
- EBITDA growth of 12% to \$54.9M with EBITDA margin above 60%
- Contract renewal signed with Petrobras in April 2021 that will make it possible to more than double volumes. Signed in April, the amendment will allow the company to move up to 240 million barrels of oil in up to two years
- Net profit of \$16.9M, compared to loss of \$14.1M in 2020

### KEY DATA

	2021	2020	%
Net revenue of services	90,271	77,304	17%
Cost of services provided	(49,343)	(42,586)	16%
<b>Gross profit</b>	<b>40,928</b>	<b>34,718</b>	<b>18%</b>
General and administrative expenses	(6,231)	(4,507)	38%
<b>Net income / Loss of the year</b>	<b>16,929</b>	<b>(14,107)</b>	<b>(220%)</b>
<b>EBITDA</b>	<b>54,925</b>	<b>49,179</b>	<b>12%</b>
<b>EBITDA Margin</b>	<b>60.8%</b>	<b>63.6%</b>	<b>(290 bps)</b>
<b>Invoiced operations</b>	<b>123</b>	<b>118</b>	<b>4%</b>



## ➤ Açú Petróleo

We are the owners of the largest, by capacity, and only privately-owned oil export terminal in Brazil providing crude oil transshipment services in a safe, efficient, and reliable manner capable to operate with VLCC (Very Large Crude Carriers). Our customers are primarily international oil companies, as well as Brazil's national oil company, Petrobras. We conduct our business at the Oil Terminal, which is part of the Açú Port Complex, Brazil's largest fully private industrial port complex, which is strategically located close to the Campos and Santos basins, the largest offshore oil basins in Brazil at the heart of the pre-salt polygon.

Açú Petróleo's logistics infrastructure services consist of double banking transshipment of crude oil in the Oil Terminal facilitating the transfer of oil produced offshore from dynamic positioning shuttle tankers, or DP shuttle tankers, to larger export conventional tankers, such as Suezmax vessels and VLCCs.

The Oil Terminal has a 25-meter deep-water access sufficient to support transshipment operations for VLCC vessels with a capacity of approximately 2,000,000 barrels of oil and Suezmax vessels with a capacity of approximately 1,000,000 barrels of oil. Our infrastructure includes a 1.4 km breakwater where three berths are located for the berthing of tankers, of which two are capable of berthing VLCC vessels and the other is capable of berthing Suezmax vessels.

## ➤ ESG Initiatives

In 2021 we published our first Sustainability Policy based on five pillars, (i) health and occupational safety, (ii) environment, (iii) climate and energy, (iv) social interaction and (v) quality. During 2021 we also developed a materiality matrix, selected KPI's based on Global Reporting Initiative ("GRI") standards and structured the framework for our first annual sustainability report that will be issued in the second quarter of 2022.

Our ESG initiatives will be fully detailed in the annual sustainability report, however some highlights in 2021 include (i) completing 741 days with no lost time injuries, (ii) winning in partnership with group companies Porto do Açú, Ferroport and GNA - Gas Natural Açú, two awards in the 2021 International Association of Ports and Harbors Sustainability awards, (iii) finalizing the plantation of 490 hectares of native vegetation in the Caruara Reserve, the largest reserve of its kind in the state of Rio de Janeiro and (iv) the structuring of our Board of Directors with the addition of two independent board members and also the creation of two committees, an Audit Committee and a People and ESG Committee.



## ► Operating Performance

Açu Petróleo's operating performance is impacted by Brazilian oil production and more specifically by the level of oil exports. Brazilian oil production in 2021 averaged 2.905 million barrels per day, a reduction of 1.2% compared to the 2020 average. The main reasons for this reduction were reduced staff levels due to the Covid protocols, maintenance interventions at the FPSO's and postponement of new pre-salt FPSO's. This combined with an increase in Brazilian refinery utilization resulted in a reduction in oil exports from 1.367 million barrels per day in 2020 to 1.323 million barrels per day in 2021, a reduction of 3.2%.

Despite this reduction in the level of oil exports in 2021 we managed to increase the number of operations performed in 2021 to 123, up from 112 in 2020, an increase of 10%. This increase was possible due to a continued improvement in our market share of exports from 24% in 2020 to 26% in 2021.

We also invoiced 123 operations in 2021, as compared to 118 operations in 2020, an increase of 4%. In 2020 the 118 operations invoiced were higher than the 112 operations performed due to the take-or-pay characteristic of our commercial agreements.

This performance consolidates a consistent growth trend as shown in the table below:

Invoiced and Performed Operations	2021	2020	2019	2018
Operations Invoiced	123	118	107	72
Operations Performed	123	112	72	39

## ► Financial Performance

Açu Petróleo's functional currency is the US dollar given it is the currency of the main economic environment in which the Company is inserted and consequently the currency that best reflects the Company's business and operations.

The financial statements prepared by the Company are in accordance with International Financial Reporting Standards (IFRS), as issued by the International Financial Reporting Standards Board (IASB) and accounting practices adopted in Brazil.

### NET REVENUE

Açu Petróleo recorded a net revenue of US\$90.3 million in 2021, an increase of 17% when compared to the net revenue of US\$77.3 million observed in the prior year. This increase in



revenues is due to the higher volume of operations performed and annual contractual adjustments for all customers in 2021.

In 2021, approximately 95% of our revenues come from USD denominated contracts. Our revenues are primarily generated by fee-based transshipment services that are performed under multi-year or spot operation contracts with customers who are national and international oil companies and independent oil producers. Most of our contracts contain availability-based and take-or-pay obligations for a minimum number of oil transshipment operations per year.

### **COST OF SERVICES PROVIDED**

Açu Petróleo recorded cost of services provided (CSP) in the amount of US\$49.3 million in 2021, an increase of 16% when compared to US\$42.6 million observed in the prior year. This increase is in line with the increase in volumes and was mainly related to increase in port services costs such as pilot fees and tugs which are variable in nature.

### **GROSS PROFIT**

Gross profit amounted to US\$40.9 million in 2021, increasing 18% from US\$34.7 million recorded in 2020, while gross profit margin remained stable at 45%.

Gross profit in percentage terms was impacted negatively by approximately 2% due to the company taking on responsibility for contracting certain accessory costs (namely, port tariffs, pilotage services and towage services) on behalf of customers. These services are invoiced at a lower margin than the underlying transshipment service, hence reducing margin in percentage terms, although increasing gross profit in absolute terms.

### **GENERAL AND ADMINISTRATIVE EXPENSES (SG&A)**

G&A amounted to US\$6.2 million in 2021, representing an increase of 38% when compared to US\$4.5 million recorded in 2020. This increase was mainly related to payroll expenses, due to an increase in the number of employees in 2021 to support the increased operations and also annual inflation adjustments and a one-off non-cash write off of previously capitalized transaction costs of \$0.6M. The increase in G&A also reflects additional costs related to the improved corporate governance structure, including independent board members and the creation of an Audit Committee and a People and ESG Committee to support the Board of Directors.

### **NET FINANCIAL RESULT**

The net financial result was an expense of US\$8.5 million in 2021, representing a decrease when compared to the expense of US\$20.1 million observed in 2020. The decrease on net financial result is predominantly related to foreign exchange variation mainly due to a depreciation of BRL x USD of 7% in 2021 against a devaluation of 29% in same period last year.



## INCOME TAXES

The expense with income tax and social contribution comprises current and deferred income and social contribution taxes. Deferred income and social contribution taxes are recorded to reflect the future tax effects attributable to temporary differences between the tax base of assets, liabilities, and their respective book value. The carrying amounts of the financial statements are determined in our functional currency (US dollar), while the income tax base on assets and liabilities is determined in local currency (Brazilian reais). Therefore, fluctuations in the exchange rate may significantly affect the amount of deferred income tax and social contribution recognized in each period, mainly due to the impact on non-monetary assets.

The provision for income taxes and social contribution decreased to US\$9.3 million expense in the 2021 from US\$24.1 million in 2020. This significant reduction is basically on deferred tax expenses, mainly related to the impact of non-monetary assets translation: BRL compared to USD devaluated 7% in 2021 against devaluation of 29% in 2020.

## NET INCOME / LOSS

Based on the results above, Açu Petróleo recorded a net income of US\$16.9 million in 2021, compared to the net loss of US\$14.1 million in 2020.

## EBITDA

EBITDA amounted to US\$54.9 million in 2021, increasing 12% from US\$49.2 million recorded in 2020 as shown in the reconciliation table below:

EBITDA Reconciliation (in USD thousands)	2021	2020	Var.	%
Net Income (Loss)	16,929	(14,107)	31,036	(220%)
(+) Net Financial Result	8,460	20,149	(11,689)	(58%)
(+) Income Taxes	9,306	24,135	(14,829)	(61%)
(+) Depreciation and Amortization	20,231	19,002	1,229	6%
(+) Other Operating Income / Expenses	2	3	(1)	(33%)
<b>EBITDA</b>	<b>54,925</b>	<b>49,179</b>	<b>5,746</b>	<b>12%</b>
EBITDA margin	60.8%	63.7%		

This increase in EBITDA in absolute terms of 12% is higher than the 5% increase in the number of invoiced operations, however, measured in percentage terms EBITDA margin decreased to 60.8% from 63.7%. In addition to the impact on gross profit as described above, EBITDA margin was also impacted by a one-off non-cash write off of previously capitalized transaction costs of \$0.6M as explained in general and administrative expenses above.



## Appendix

### Summarized Financial Statements

#### INCOME STATEMENT

<b>Income Statement</b> (USD thousands)	<b>2021</b>	<b>2020</b>	<b>%</b>
Net Revenue of services	90,271	77,304	17%
Cost of Services provided	(49,343)	(42,586)	16%
<b>Gross Profit</b>	<b>40,928</b>	<b>34,718</b>	<b>18%</b>
General and Administrative Expenses	(6,231)	(4,507)	38%
Expected Credit Losses	(2)	5	(140%)
Other Operating Income (Expenses)	-	(39)	(100%)
	<b>(6,233)</b>	<b>(4,541)</b>	<b>37%</b>
<b>Earnings Before Interest and Taxes (EBIT)</b>	<b>34,695</b>	<b>30,177</b>	<b>15%</b>
<b>Net Financial Result</b>	<b>(8,460)</b>	<b>(20,149)</b>	<b>58%</b>
Financial Income	6,919	154	4393%
Financial Expenses	(15,379)	(20,303)	(24%)
<b>Earnings Before Taxes (EBT)</b>	<b>26,235</b>	<b>10,028</b>	<b>162%</b>
<b>Income Taxes</b>	<b>(9,306)</b>	<b>(24,135)</b>	<b>(61%)</b>
Current Income Tax and Social Contribution	(5,698)	(5,921)	(4%)
Deferred Income Tax and Social	(3,608)	(17,214)	(80%)
<b>Net income/Loss of the year</b>	<b>16,929</b>	<b>(14,107)</b>	<b>(220%)</b>



## BALANCE SHEET

Balance Sheet (USD thousands)	2021	2020	%
<b>Assets</b>	<b>382,321</b>	<b>452,518</b>	<b>(16%)</b>
<b>Current</b>	<b>34,873</b>	<b>91,346</b>	<b>(62%)</b>
Cash and Cash Equivalents	764	1,117	(32%)
Marketable Securities	24,600	81,011	(70%)
Accounts Receivable	6,145	4,015	53%
Recoverable Income and Social Contribution Taxes	393	-	100%
Recoverable Taxes	644	2,248	(71%)
Prepaid Expenses	2,301	2,945	(22%)
Other Current Assets	26	10	160%
<b>Non-Current</b>	<b>347,448</b>	<b>361,172</b>	<b>(4%)</b>
Accounts Receivable	190	149	28%
Escrow Accounts	19,395	19,935	0%
Other Non-Current Assets	34	37	(8%)
Property, Plant and Equipment	316,105	329,013	(4%)
Right-of-Use	270	372	(27%)
Intangible	11,454	12,206	(6%)
<b>Liabilities</b>	<b>258,587</b>	<b>269,578</b>	<b>(4%)</b>
<b>Current Liabilities</b>	<b>19,424</b>	<b>22,672</b>	<b>(14%)</b>
Trade Payables	2,381	7,051	(66%)
Loans and Borrowings	13,404	10,567	27%
Salaries and Social Charges Payable	1,524	1,232	24%
Accounts Payable to Related Parties	1,244	2,483	(50%)
Taxes and Contributions Payable	793	310	156%
Income Tax and Social Contribution Payable	-	29	(100%)
Advances from Clients	-	921	(100%)
Lease	78	76	3%
Other Current Liabilities	-	3	(100%)
<b>Non-Current</b>	<b>239,163</b>	<b>246,906</b>	<b>(3%)</b>
Loans and Borrowings	209,018	221,020	(5%)
Deferred Income Taxes	29,996	25,642	17%
Lease	149	244	(39%)
<b>Shareholder's Equity</b>	<b>123,734</b>	<b>182,940</b>	<b>(32%)</b>
Share Capital	115,471	191,606	(40%)
Capital Reserve	7,780	7,780	0%
Accumulated Losses	483	(16,446)	(103%)
<b>Liabilities and Shareholder's Equity</b>	<b>382,321</b>	<b>452,518</b>	<b>(16%)</b>



## STATEMENT OF CASH FLOW

Statement of Cash Flow (USD thousands)	2021	2020
<b>Cash Flows from Operating Activities</b>		
Profit Before Taxes	26,235	10,028
<b>Adjustments for:</b>		
No cash adjustments	27,887	37,169
<b>(Increase)/Decrease in Assets and Increase/(Decrease) in Liabilities:</b>		
Operating Activities	(11,512)	6,420
<b>Net Cash Generated by Operating Activities</b>	<b>42,610</b>	<b>53,597</b>
Acquisition of property, plant, and equipment	(2,482)	(5,754)
Investment in variable income operation	56,414	(64,519)
Other	(30)	(12)
<b>Net Cash Generated by (used in) Investing Activities</b>	<b>53,902</b>	<b>(70,285)</b>
Capital reduction	(76,135)	(98,578)
Payment loan	(20,799)	(21,395)
Loan obtained	-	145,000
Other	(101)	(8,364)
<b>Net Cash Generated by (used in) Financing Activities</b>	<b>(97,035)</b>	<b>16,663</b>
<b>Decrease in Cash and Cash Equivalents</b>	<b>(523)</b>	<b>(24)</b>



## 2021 EARNINGS RELEASE

**RIO DE JANEIRO, MARCH 30, 2022** – Açu Petróleo S.A., a Prumo Group company dedicated to offering infrastructure and logistics solutions to move energy safely, efficiently, cleanly and sustainably, on behalf of **AÇU PETRÓLEO LUXEMBOURG S.À R.L.**, informs that the 2021 Financial Statements and Earnings Release is available.

Information about the Conference Call:

Thursday, March 31st, 2022 at 11:00am (BRT)/ 10:00am (ET)

Host: Nicholas Burrige (CFO of Açu Petróleo)

Web Phone

<https://hdbr.choruscall.com/?passcode=5193517&h=true&info=company&r=true>

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