

*Unaudited
Consolidated
Interim
Financial
Statements*

*June 30, 2021 and 2020 with report of
independent registered public accounting firm*



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Report of Independent Registered Public Accounting Firm

To the Shareholders and Board of Directors of
Petróleo Brasileiro S.A. - Petrobras

Results of Review of Interim Financial Information

We have reviewed the consolidated statement of financial position of Petróleo Brasileiro S.A. - Petrobras and subsidiaries (the "Company") as of June 30, 2021, the related consolidated statements of income and comprehensive income for the three-month and six-month periods ended June 30, 2021 and 2020, the related consolidated statements of changes in shareholders' equity and cash flows for the six-month periods ended June 30, 2021 and 2020 and the related notes (collectively, the consolidated interim financial information). Based on our reviews, we are not aware of any material modifications that should be made to the consolidated interim financial information for it to be in accordance with IAS 34 - Interim Financial Reporting, as issued by the International Accounting Standards Board (IASB).

We have previously audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated statement of financial position of the Company as of December 31, 2020, and the related consolidated statements of income, comprehensive income, changes in shareholders' equity, and cash flows for the year then ended (not presented herein); and in our report dated March 24, 2021, we expressed an unqualified opinion on those consolidated financial statements. In our opinion, the information set forth in the accompanying consolidated statement of financial position as of December 31, 2020, is fairly stated, in all material respects, in relation to the consolidated statement of financial position from which it has been derived.

Basis for Review Results

This consolidated interim financial information is the responsibility of the Company's management. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our reviews in accordance with the standards of the PCAOB. A review of consolidated interim financial information consists principally of applying analytical procedures and making inquiries of persons responsible for financial and accounting matters. It is substantially less in scope than an audit conducted in accordance with the standards of the PCAOB, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

/s/ KPMG Auditores Independentes

Rio de Janeiro - RJ
August 4, 2021

UNAUDITED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
PETROBRAS

As of June 30, 2021 and December 31, 2020 (Expressed in millions of US Dollars, unless otherwise indicated)

Assets	Note	06.30.2021	12.31.2020	Liabilities	Note	06.30.2021	12.31.2020
Current assets				Current liabilities			
Cash and cash equivalents	3.1	9,821	11,711	Trade payables		5,333	6,859
Marketable securities	3.2	602	659	Finance debt	25.1	2,861	4,186
Trade and other receivables	9.1	4,474	4,731	Lease liability	26	5,576	5,698
Inventories	10	7,204	5,677	Income taxes payable	11.1	174	198
Recoverable income taxes	11.1	540	418	Other taxes payable	11.1	3,761	2,636
Other recoverable taxes	11.1	1,394	2,177	Dividends payable	27.2	7	858
Others		1,648	1,230	Short-term employee benefits	12	1,818	1,953
		25,683	26,603	Pension and medical benefits	13	969	1,549
Assets classified as held for sale	23	4,611	785	Others		1,716	1,603
		30,294	27,388			22,215	25,540
				Liabilities related to assets classified as held for sale	23	961	685
						23,176	26,225
Non-current assets				Non-current liabilities			
Long-term receivables				Finance debt	25.1	40,644	49,702
Trade and other receivables	9.1	1,706	2,631	Lease liability	26	14,604	15,952
Marketable securities	3.2	49	44	Income taxes payable	11.1	353	357
Judicial deposits	14.2	8,107	7,281	Deferred income taxes	11.4	449	195
Deferred income taxes	11.4	564	6,451	Pension and medical benefits	13	12,930	14,520
Other recoverable taxes	11.1	3,439	3,158	Provisions for legal proceedings	14.1	2,228	2,199
Others		555	635	Provision for decommissioning costs	15	19,172	18,780
		14,420	20,200	Others		2,204	2,204
						92,584	103,909
				Total liabilities		115,760	130,134
				Equity			
Investments	22	2,058	3,273	Share capital (net of share issuance costs)	27.1	107,101	107,101
Property, plant and equipment	17	125,914	124,201	Capital reserve and capital transactions		373	1,064
Intangible assets	18	15,521	14,948	Profit reserves		73,046	65,917
		157,913	162,622	Accumulated other comprehensive (deficit)		(109,340)	(114,734)
				Attributable to the shareholders of Petrobras		71,180	59,348
				Non-controlling interests		1,267	528
						72,447	59,876
Total assets		188,207	190,010	Total liabilities and equity		188,207	190,010

The notes form an integral part of these interim financial statements.

UNAUDITED CONSOLIDATED STATEMENTS OF INCOME
PETROBRAS

Periods ending June 30, 2021 and 2020 (Expressed in millions of US Dollars, unless otherwise indicated)

	Note	Jan- Jun/2021	Jan- Jun/2020	Apr- Jun/2021	Apr- Jun/2020
Sales revenues	4	36,680	26,624	20,982	9,481
Cost of sales	5.1	(17,849)	(15,943)	(10,158)	(6,064)
Gross profit		18,831	10,681	10,824	3,417
Income (expenses)					
Selling expenses	5.2	(2,034)	(2,581)	(1,086)	(1,246)
General and administrative expenses	5.3	(533)	(702)	(260)	(291)
Exploration costs	20	(405)	(169)	(191)	(65)
Research and development expenses		(264)	(163)	(147)	(68)
Other taxes		(152)	(363)	(46)	(245)
Impairment of assets	19	(180)	(13,371)	(90)	-
Other income and expenses	6	(393)	242	(109)	499
		(3,961)	(17,107)	(1,929)	(1,416)
Income (loss) before net finance income (expense), results of equity-accounted investments and income taxes		14,870	(6,426)	8,895	2,001
Finance income		328	282	206	108
Finance expenses		(3,079)	(2,756)	(1,871)	(1,134)
Foreign exchange gains (losses) and inflation indexation charges		(869)	(4,334)	3,684	(1,231)
Net finance income (expense)	7	(3,620)	(6,808)	2,019	(2,257)
Results of equity-accounted investments	22.2	1,209	(509)	1,026	(211)
Net income (loss) before income taxes		12,459	(13,743)	11,940	(467)
Income taxes	11.3	(4,103)	3,331	(3,784)	31
Net income (loss) for the period		8,356	(10,412)	8,156	(436)
Net income (loss) attributable to shareholders of Petrobras		8,301	(10,132)	8,121	(417)
Net income (loss) attributable to non-controlling interests		55	(280)	35	(19)
Basic and diluted earnings (losses) per common and preferred share - in U.S. dollars	27.3	0.64	(0.78)	0.62	(0.03)

The notes form an integral part of these interim financial statements.

UNAUDITED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
PETROBRAS

Periods ending June 30, 2021 and 2020 (Expressed in millions of US Dollars, unless otherwise indicated)

	Jan-Jun/2021	Jan-Jun/2020	Apr-Jun/2021	Apr-Jun/2020
Net income (loss) for the period	8,356	(10,412)	8,156	(436)
Items that will not be reclassified to the statement of income:				
Actuarial gains (losses) on post-employment defined benefit plans				
Recognized in equity	1,719	1,683	1,722	1,683
Deferred income tax	(585)	(187)	(585)	(187)
	1,134	1,496	1,137	1,496
Unrealized gains (losses) on equity instruments measured at fair value through other comprehensive income				
Recognized in equity	–	(2)	–	1
Deferred income tax	–	1	–	–
	–	(1)	–	1
Share of other comprehensive income (losses) in equity-accounted investments	–	14	–	43
Items that may be reclassified subsequently to the statement of income:				
Unrealized gains (losses) on cash flow hedge - highly probable future exports				
Recognized in equity	2,451	(24,421)	8,042	(2,706)
Reclassified to the statement of income	2,307	2,443	1,194	1,043
Deferred income tax	(1,617)	7,472	(3,140)	566
	3,141	(14,506)	6,096	(1,097)
Cumulative translation adjustments (*)				
Recognized in equity	869	(5,224)	1,682	(261)
Reclassified to the statement of income	34	–	–	–
	903	(5,224)	1,682	(261)
Share of other comprehensive income in equity-accounted investments				
Recognized in equity	141	(617)	253	(13)
Reclassified to the statement of income	–	–	–	–
	141	(617)	253	(13)
Other comprehensive income (loss)	5,319	(18,838)	9,168	169
Total comprehensive income (loss)	13,675	(29,250)	17,324	(267)
Comprehensive income (loss) attributable to shareholders of Petrobras	13,651	(28,991)	17,299	(261)
Comprehensive income (loss) attributable to non-controlling interests	24	(259)	25	(6)

(*) It includes cumulative translation adjustments in associates and joint ventures.

The notes form an integral part of these interim financial statements.

UNAUDITED CONSOLIDATED STATEMENTS OF CASH FLOWS
PETROBRAS

Periods ending June 30, 2021 and 2020 (Expressed in millions of US Dollars, unless otherwise indicated)

	Jan-Jun/2021	Jan-Jun/2020
Cash flows from operating activities		
Net income (loss) for the period	8,356	(10,412)
Adjustments for:		
Pension and medical benefits (actuarial expense)	638	817
Results of equity-accounted investments	(1,209)	509
Depreciation, depletion and amortization	5,678	6,336
Impairment of assets (reversal)	180	13,371
Allowance (reversals) for credit loss on trade and other receivables	(4)	132
Exploratory expenditure write-offs	187	38
Foreign exchange, indexation and finance charges	3,652	8,205
Deferred income taxes, net	3,883	(3,614)
Revision and unwinding of discount on the provision for decommissioning costs	389	354
Inventory write-down (write-back) to net realizable value	(3)	372
PIS and COFINS recovery - exclusion of ICMS (VAT tax) from the basis of calculation	(973)	(3,257)
Disposal/write-offs of assets, remeasurement of investment retained with loss of control and reclassification of CTA	(71)	85
Early termination and cash outflows revision of lease agreements	(227)	(147)
Decrease (Increase) in assets		
Trade and other receivables, net	(735)	(504)
Inventories	(1,579)	1,106
Judicial deposits	(438)	(728)
Other assets	(182)	(421)
Increase (Decrease) in liabilities		
Trade payables	340	(292)
Other taxes payable	2,463	451
Pension and medical benefits	(1,663)	(659)
Provisions for legal proceedings	(35)	(269)
Short-term benefits	(228)	1,110
Provision for decommissioning costs	(325)	(172)
Other liabilities	92	1,090
Income taxes paid	(119)	(267)
Net cash provided by operating activities	18,067	13,234
Cash flows from investing activities		
Acquisition of PP&E and intangible assets	(3,135)	(3,371)
Investments in investees	(11)	(940)
Proceeds from disposal of assets - Divestment	502	434
Divestment (Investment) in marketable securities	91	145
Dividends received	200	104
Net cash used in investing activities	(2,353)	(3,628)
Cash flows from financing activities		
Changes in non-controlling interest	(14)	(25)
Proceeds from financing	1,668	15,796
Repayment of principal - finance debt	(13,558)	(7,222)
Repayment of interest - finance debt	(1,227)	(1,697)
Repayment of lease liability	(2,899)	(2,971)
Dividends paid to Shareholders of Petrobras	(1,848)	(1,020)
Dividends paid to non-controlling interests	(39)	(30)
Net cash provided by (used in) financing activities	(17,917)	2,831
Effect of exchange rate changes on cash and cash equivalents	300	(344)
Net increase in cash and cash equivalents	(1,903)	12,093
Cash and cash equivalents at the beginning of the period	11,725	7,377
Cash and cash equivalents at the end of the period	9,822	19,470

The notes form an integral part of these interim financial statements.

UNAUDITED CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

PETROBRAS

Periods ending June 30, 2021 and 2020 (Expressed in millions of US Dollars, unless otherwise indicated)

	Share capital (net of share issuance costs)			Accumulated other comprehensive income (deficit) and deemed cost				Profit Reserves								
	Share Capital	Share issuance costs	Capital reserve, Capital Transactions and Treasury shares	Cumulative translation adjustment	Cash flow hedge - highly probable future exports	Actuarial gains (losses) on defined benefit pension plans	Other comprehensive income (loss) and deemed cost	Legal	Statutory	Tax incentives	Profit retention	Additional dividends proposed	Retained earnings (losses)	Equity attributable to shareholders of Petrobras	Non-controlling interests	Total consolidated equity
	107,380	(279)	1,064	(68,721)	(13,540)	(17,322)	(886)	8,745	2,702	1,102	53,078	-	-	73,323	892	74,215
Balance at January 1, 2020		107,101	1,064				(100,469)					65,627	-	73,323	892	74,215
Capital transactions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(49)	(49)
Net income	-	-	-	-	-	-	-	-	-	-	-	-	(10,132)	(10,132)	(280)	(10,412)
Other comprehensive income	-	-	-	(5,245)	(14,506)	1,496	(604)	-	-	-	-	-	-	(18,859)	21	(18,838)
Appropriations:																
Dividends	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(44)	(44)
Balance at June 30, 2020	107,380	(279)	1,064	(73,966)	(28,046)	(15,826)	(1,490)	8,745	2,702	1,102	53,078	-	(10,132)	44,332	540	44,872
		107,101	1,064				(119,328)					65,627	(10,132)	44,332	540	44,872
	107,380	(279)	1,064	(73,936)	(24,590)	(15,034)	(1,174)	8,813	2,900	1,102	51,974	1,128	-	59,348	528	59,876
Balance at January 1, 2021		107,101	1,064				(114,734)					65,917	-	59,348	528	59,876
Capital increase with reserves	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2	2
Capital transactions	-	-	(691)	-	-	-	-	-	-	-	-	-	-	(691)	750	59
Net income	-	-	-	-	-	-	-	-	-	-	-	-	8,301	8,301	55	8,356
Other comprehensive income (loss)	-	-	-	934	3,141	1,134	141	-	-	-	-	-	-	5,350	(31)	5,319
Appropriations:																
Dividends	-	-	-	-	-	-	-	-	-	-	-	(1,128)	-	(1,128)	(37)	(1,165)
Balance at June 30, 2021	107,380	(279)	373	(73,002)	(21,449)	(13,900)	(1,033)	8,813	2,900	1,102	51,974	-	8,301	71,180	1,267	72,447
		107,101	373				(109,384)					64,789	8,301	71,180	1,267	72,447

The notes form an integral part of these interim financial statements.

1. Basis of preparation

1.1. Statement of compliance and authorization of unaudited consolidated interim financial statements

These unaudited consolidated interim financial statements have been prepared and presented in accordance with IAS 34 – “Interim Financial Reporting” as issued by the International Accounting Standards Board (IASB). They present the significant changes in the period, avoiding repetition of certain notes to the annual consolidated financial statements previously reported. Hence, they should be read together with the Company’s audited annual consolidated financial statements for the year ended December 31, 2020, which include the full set of notes (2020 Financial Statements).

These unaudited consolidated interim financial statements were approved and authorized for issue by the Company’s Board of Directors in a meeting held on August 4, 2021.

2. Summary of significant accounting policies

The accounting policies and methods of computation followed in these consolidated interim financial statements are the same as those followed in the preparation of the annual financial statements of the Company for the year ended December 31, 2020.

The IFRS standards that became effective on January 1, 2021 caused no material effects on these unaudited consolidated interim financial statements.

Regarding the Interest Rate Benchmark Reform (IBOR Reform), in order to prepare for the transition to alternative reference rates, the Company continues to monitor the pronouncements of regulatory authorities, aimed at adapting its financial instruments to the new benchmark. The Company has debts indexed to Libor (London Interbank Offered Rate), corresponding to 34% of total finance debt.

3. Cash and cash equivalents and Marketable securities

3.1. Cash and cash equivalents

	06.30.2021	12.31.2020
Cash at bank and in hand	507	552
Short-term financial investments		
- In Brazil		
Brazilian interbank deposit rate investment funds and other short-term deposits	2,604	2,592
Other investment funds	198	28
	2,802	2,620
- Abroad		
Time deposits	1,707	2,574
Automatic investing accounts and interest checking accounts	4,479	5,633
Other financial investments	326	332
	6,512	8,539
Total short-term financial investments	9,314	11,159
Total cash and cash equivalents	9,821	11,711

Short-term financial investments in Brazil primarily consist of investments in funds holding Brazilian Federal Government Bonds that can be redeemed immediately, as well as reverse repurchase agreements that mature within three months as of the date of their acquisition. Short-term financial investments abroad comprise time deposits that mature in three months or less from the date of their acquisition, highly-liquid automatic investment accounts, interest checking accounts and other short-term fixed income instruments.

3.2. Marketable securities

	06.30.2021	12.31.2020
Fair value through profit or loss	602	652
Amortized cost	49	51
Total	651	703
Current	602	659
Non-current	49	44

Marketable securities classified as fair value through profit or loss refer mainly to investments in Brazilian Federal Government Bonds. These financial investments have maturities of more than three months and are generally classified as current assets due to their maturity or the expectation of their realization in the short term.

4. Sales revenues

	2021 Jan-Jun	2020 Jan-Jun	2021 Apr-Jun	2020 Apr-Jun
Diesel	10,647	6,599	6,069	2,513
Gasoline	4,765	2,813	2,743	914
Liquefied petroleum gas	2,036	1,607	1,120	705
Jet fuel	827	926	401	76
Naphtha	693	930	362	258
Fuel oil (including bunker fuel)	723	388	388	122
Other oil products	1,883	1,193	1,005	501
Subtotal oil products	21,574	14,456	12,088	5,089
Natural gas	2,370	1,940	1,333	729
Renewables and nitrogen products	22	32	9	6
Breakage	161	234	94	143
Electricity	1,134	372	591	80
Services, agency and others	384	386	170	227
Domestic market	25,645	17,420	14,285	6,274
Exports	10,496	8,419	6,359	2,799
Oil	7,512	6,306	4,711	1,971
Fuel oil (including bunker fuel)	2,455	1,671	1,254	622
Other oil products	529	442	394	206
Sales abroad (*)	539	785	338	408
Foreign market	11,035	9,204	6,697	3,207
Sales revenues (**)	36,680	26,624	20,982	9,481

(*) Sales revenues from operations outside of Brazil, including trading and excluding exports.

(**) Sales revenues by business segment are set out in note 8.

In the six-month periods ended June 30, 2021 and 2020, the sales to BR Distribuidora represent more than 10% of the Company's sales revenues, mainly associated with the refining, transportation and marketing segment.

5. Costs and expenses by nature

5.1. Cost of sales

	2021 Jan-Jun	2020 Jan-Jun	2021 Apr-Jun	2020 Apr-Jun
Raw material, products for resale, materials and third-party services (*)	(7,610)	(6,979)	(4,950)	(2,541)
Depreciation, depletion and amortization	(4,404)	(4,972)	(2,165)	(2,077)
Production taxes	(4,984)	(2,807)	(2,630)	(961)
Employee compensation	(851)	(1,185)	(413)	(485)
Total	(17,849)	(15,943)	(10,158)	(6,064)

(*) It Includes short-term leases and inventory turnover.

5.2. Selling expenses

	2021 Jan-Jun	2020 Jan-Jun	2021 Apr-Jun	2020 Apr-Jun
Materials, third-party services, freight, rent and other related costs	(1,709)	(2,212)	(925)	(1,057)
Depreciation, depletion and amortization	(289)	(251)	(140)	(128)
Allowance for expected credit losses	6	(30)	1	(21)
Employee compensation	(42)	(88)	(22)	(40)
Total	(2,034)	(2,581)	(1,086)	(1,246)

5.3. General and administrative expenses

	2021 Jan-Jun	2020 Jan-Jun	2021 Apr-Jun	2020 Apr-Jun
Employee compensation	(376)	(514)	(191)	(226)
Materials, third-party services, freight, rent and other related costs	(112)	(136)	(48)	(42)
Depreciation, depletion and amortization	(45)	(52)	(21)	(23)
Total	(533)	(702)	(260)	(291)

6. Other income and expenses

	2021 Jan-Jun	2020 Jan-Jun	2021 Apr-Jun	2020 Apr-Jun
Pension and medical benefits - retirees	(439)	(488)	(221)	(189)
Unscheduled stoppages and pre-operating expenses	(651)	(815)	(351)	(462)
Losses with legal, administrative and arbitration proceedings	(275)	(165)	(326)	(115)
Gains/(losses) with Commodities Derivatives	(42)	(253)	(19)	(476)
Profit sharing	(58)	(11)	(30)	(5)
Voluntary Separation Plan - PDV	7	(944)	4	(903)
Equalization of expenses - Production Individualization Agreements	(52)	845	(9)	822
Variable compensation program	(195)	29	(101)	-
Results on disposal/write-offs of assets and on remeasurement of investment retained with loss of control	104	(85)	56	9
Reimbursements from E&P partnership operations	291	366	191	169
Amounts recovered from Lava Jato investigation	196	85	55	64
Fines imposed on suppliers	77	63	48	14
Reclassification of comprehensive income (loss) due to the disposal of equity-accounted investments	(33)	-	-	-
Recovery of taxes (*)	506	1,495	485	1,501
Early termination and changes to cash flow estimates of leases	226	147	157	53
Others	(55)	(27)	(48)	17
Total	(393)	242	(109)	499

(*) It Includes the effects of the exclusion of ICMS (VAT tax) in the basis of calculation of sales taxes PIS and COFINS, as set out in note 11.

7. Net finance income (expense)

	2021 Jan-Jun	2020 Jan-Jun	2021 Apr-Jun	2020 Apr-Jun
Finance income	328	282	206	108
Income from investments and marketable securities (Government Bonds)	74	119	45	52
Other income, net	254	163	161	56
Finance expenses	(3,079)	(2,756)	(1,871)	(1,134)
Interest on finance debt	(1,656)	(1,854)	(904)	(846)
Unwinding of discount on lease liabilities	(592)	(652)	(297)	(310)
Discount and premium on repurchase of debt securities	(849)	(262)	(666)	(2)
Capitalized borrowing costs	478	494	266	215
Unwinding of discount on the provision for decommissioning costs	(384)	(352)	(195)	(160)
Other finance expenses and income, net	(76)	(130)	(75)	(31)
Foreign exchange gains (losses) and indexation charges	(869)	(4,334)	3,684	(1,231)
Foreign exchange gains (losses) (*)	1,001	(3,776)	4,443	(2,009)
Reclassification of hedge accounting to the Statement of Income (*)	(2,307)	(2,443)	(1,194)	(1,043)
Recoverable taxes inflation indexation income (**)	474	1,842	461	1,793
Other foreign exchange gains (losses) and indexation charges, net	(37)	43	(26)	28
Total	(3,620)	(6,808)	2,019	(2,257)

(*) For more information, see notes 29.3c and 29.3a.

(**) Includes PIS and Cofins inflation indexation income - exclusion of ICMS (VAT tax) from the basis of calculation. See note 11.

8. Net income by operating segment

Consolidated Statement of Income by operating segment

	Apr-Jun/2021					
	Exploration and Production	Refining, Transportation & Marketing	Gas & Power	Corporate and other business	Eliminations	Total
Sales revenues	13,509	19,007	2,654	116	(14,304)	20,982
Intersegments	13,271	338	633	62	(14,304)	-
Third parties	238	18,669	2,021	54	-	20,982
Cost of sales	(5,606)	(16,737)	(1,660)	(114)	13,959	(10,158)
Gross profit (loss)	7,903	2,270	994	2	(345)	10,824
Income (expenses)	(457)	(523)	(665)	(278)	(6)	(1,929)
Selling	(5)	(403)	(669)	(3)	(6)	(1,086)
General and administrative	(28)	(39)	(16)	(177)	-	(260)
Exploration costs	(191)	-	-	-	-	(191)
Research and development	(106)	(3)	(12)	(26)	-	(147)
Other taxes	(23)	(24)	(24)	25	-	(46)
Impairment of assets	(7)	-	(79)	(4)	-	(90)
Other income and expenses	(97)	(54)	135	(93)	-	(109)
Income (loss) before net finance income (expense), results of equity-accounted investments and income taxes	7,446	1,747	329	(276)	(351)	8,895
Net finance income (expense)	-	-	-	2,019	-	2,019
Results in equity-accounted investments	33	520	33	440	-	1,026
Net income / (loss) before income taxes	7,479	2,267	362	2,183	(351)	11,940
Income taxes	(2,531)	(595)	(111)	(666)	119	(3,784)
Net income (loss) for the period	4,948	1,672	251	1,517	(232)	8,156
Attributable to:						
Shareholders of Petrobras	4,949	1,672	226	1,506	(232)	8,121
Non-controlling interests	(1)	-	25	11	-	35

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Consolidated Statement of Income by operating segment

Jan-Jun/2021

	Exploration and Production	Refining, Transportation & Marketing	Gas & Power	Corporate and other business	Eliminations	Total
Sales revenues	25,175	32,980	4,862	271	(26,608)	36,680
Intersegments	24,724	573	1,185	126	(26,608)	-
Third parties	451	32,407	3,677	145	-	36,680
Cost of sales	(10,840)	(28,574)	(2,992)	(264)	24,821	(17,849)
Gross profit (loss)	14,335	4,406	1,870	7	(1,787)	18,831
Income (expenses)	(979)	(921)	(1,411)	(638)	(12)	(3,961)
Selling	(5)	(738)	(1,272)	(7)	(12)	(2,034)
General and administrative	(60)	(71)	(33)	(369)	-	(533)
Exploration costs	(405)	-	-	-	-	(405)
Research and development	(191)	(6)	(17)	(50)	-	(264)
Other taxes	(41)	(63)	(47)	(1)	-	(152)
Impairment of assets	(102)	-	(79)	1	-	(180)
Other income and expenses	(175)	(43)	37	(212)	-	(393)
Income (loss) before net finance income (expense), results of equity-accounted investments and income taxes	13,356	3,485	459	(631)	(1,799)	14,870
Net finance income (expense)	-	-	-	(3,620)	-	(3,620)
Results in equity-accounted investments	56	628	73	452	-	1,209
Net income / (loss) before income taxes	13,412	4,113	532	(3,799)	(1,799)	12,459
Income taxes	(4,541)	(1,185)	(156)	1,167	612	(4,103)
Net income (loss) for the period	8,871	2,928	376	(2,632)	(1,187)	8,356
Attributable to:						
Shareholders of Petrobras	8,873	2,928	330	(2,643)	(1,187)	8,301
Non-controlling interests	(2)	-	46	11	-	55

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Consolidated Statement of Income by operating segment

Apr-Jun/2020

	Exploration and Production	Refining, Transportation & Marketing	Gas & Power	Corporate and other business	Eliminations	Total
Sales revenues	5,165	8,261	1,517	203	(5,665)	9,481
Intersegments	4,944	150	535	36	(5,665)	-
Third parties	221	8,111	982	167	-	9,481
Cost of sales	(3,505)	(7,429)	(610)	(205)	5,685	(6,064)
Gross profit (loss)	1,660	832	907	(2)	20	3,417
Income (expenses)	149	(1,304)	(654)	399	(6)	(1,416)
Selling	-	(695)	(539)	(6)	(6)	(1,246)
General and administrative	(56)	(50)	(19)	(166)	-	(291)
Exploration costs	(65)	-	-	-	-	(65)
Research and development	(41)	(3)	-	(24)	-	(68)
Other taxes	(74)	(47)	(3)	(121)	-	(245)
Impairment of assets	-	-	-	-	-	-
Other income and expenses	385	(509)	(93)	716	-	499
Income (loss) before net finance income (expense), results of equity-accounted investments and income taxes	1,809	(472)	253	397	14	2,001
Net finance income (expense)	-	-	-	(2,257)	-	(2,257)
Results in equity-accounted investments	(9)	(259)	25	32	-	(211)
Net income / (loss) before income taxes	1,800	(731)	278	(1,828)	14	(467)
Income taxes	(615)	160	(86)	577	(5)	31
Net income (loss) for the period	1,185	(571)	192	(1,251)	9	(436)
Attributable to:						
Shareholders of Petrobras	1,187	(566)	169	(1,216)	9	(417)
Non-controlling interests	(2)	(5)	23	(35)	-	(19)

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Consolidated Statement of Income by operating segment

Jan-Jun/2020

	Exploration and Production	Refining, Transportation & Marketing	Gas & Power	Corporate and other business	Eliminations	Total
Sales revenues	16,042	23,741	3,887	401	(17,447)	26,624
Intersegments	15,611	452	1,288	96	(17,447)	-
Third parties	431	23,289	2,599	305	-	26,624
Cost of sales	(9,412)	(22,826)	(1,955)	(398)	18,648	(15,943)
Gross profit (loss)	6,630	915	1,932	3	1,201	10,681
Income (expenses)	(13,379)	(2,218)	(1,327)	(169)	(14)	(17,107)
Selling	-	(1,345)	(1,213)	(10)	(13)	(2,581)
General and administrative	(103)	(111)	(46)	(442)	-	(702)
Exploration costs	(169)	-	-	-	-	(169)
Research and development	(103)	(6)	(3)	(51)	-	(163)
Other taxes	(90)	(89)	(12)	(172)	-	(363)
Impairment of assets	(13,167)	(43)	-	(161)	-	(13,371)
Other income and expenses	253	(624)	(53)	667	(1)	242
Income (loss) before finance expense, results of equity-accounted investments and income taxes	(6,749)	(1,303)	605	(166)	1,187	(6,426)
Net finance income (expenses)	-	-	-	(6,808)	-	(6,808)
Results in equity-accounted investments	(164)	(444)	23	76	-	(509)
Net income / (loss) before income taxes	(6,913)	(1,747)	628	(6,898)	1,187	(13,743)
Income taxes	2,294	443	(206)	1,203	(403)	3,331
Net income (loss) for the period	(4,619)	(1,304)	422	(5,695)	784	(10,412)
Attributable to:						
Shareholders of Petrobras	(4,617)	(1,268)	383	(5,414)	784	(10,132)
Non-controlling interests	(2)	(36)	39	(281)	-	(280)

9. Trade and other receivables

9.1. Trade and other receivables, net

	06.30.2021	12.31.2020
Receivables from contracts with customers		
Third parties	3,850	3,081
Related parties		
Investees (note 30.5)	682	664
Receivables from the electricity sector	229	205
Subtotal	4,761	3,950
Other trade receivables		
Third parties		
Receivables from divestments (*)	1,490	1,523
Lease receivables	458	467
Other receivables (**)	539	2,536
Related parties		
Petroleum and alcohol accounts - receivables from Brazilian Government (note 30.5)	525	482
Subtotal	3,012	5,008
Total trade and other receivables, before ECL	7,773	8,958
Expected credit losses (ECL) - Third parties	(1,565)	(1,528)
Expected credit losses (ECL) - Related parties	(28)	(68)
Total trade and other receivables	6,180	7,362
Current	4,474	4,731
Non-current	1,706	2,631

(*) It comprises receivable from the divestment of NTS and contingent payments from the sale of interest in Roncador field.

(**) As of December 31, 2020, it mainly includes amounts related to the purchase and sale of production platforms and equipment from our partners in E&P consortia, with financial settlement in the first quarter of 2021.

Trade and other receivables are generally classified as measured at amortized cost, except for receivables with final prices linked to changes in commodity price after their transfer of control, which are classified as measured at fair value through profit or loss, amounting to US\$ 417 as of June 30, 2021 (US\$ 507 as of December 31, 2020).

9.2. Aging of trade and other receivables – third parties

	Trade and other receivables	06.30.2021 Expected credit losses	Trade and other receivables	12.31.2020 Expected credit losses
Current	4,652	(111)	5,850	(130)
Overdue:				
1-90 days	86	(43)	205	(8)
91-180 days	13	(7)	15	(9)
181-365 days	16	(8)	42	(28)
More than 365 days	1,570	(1,396)	1,495	(1,353)
Total	6,337	(1,565)	7,607	(1,528)

9.3. Changes in provision for expected credit losses

	Jan-Jun/2021	Jan-Dec/2020
Opening balance	1,596	2,331
Additions	42	209
Write-offs	-	(667)
Reversals	(75)	(31)
Transfer of assets held for sale	-	(3)
Cumulative translation adjustment	30	(243)
Closing balance	1,593	1,596
Current	199	218
Non-current	1,394	1,378

In 2020, the write-offs are primarily related to the write-off of receivables from suppliers, relating to the construction and renovation of platforms.

Agreement with Companhia de Eletricidade do Amapá

On May 11, 2021, Petrobras signed with Companhia de Eletricidade do Amapá (CEA) a legal agreement for the termination of litigation and credit recovery in the amount of US\$ 63 (R\$ 314 million). The agreement establishes the payment of US\$ 27 (R\$ 133 million) to Petrobras, to be settled in 24 monthly installments. A discount will be granted on the remainder US\$ 36 (R\$ 181 million), provided that the payments occur on time. In case of default, as provided for in the agreement, Petrobras may demand the outstanding debt without discount.

The agreement is subject to the following suspensive conditions: (i) success in the bidding process for the privatization of the CEA and (ii) transfer of the controlling interest of the CEA by December 31, 2021. The effects of the agreement will be recorded when both suspensive conditions are met. Thus, the Company will recognize the receivable in the amount of US\$ 27.

On July 13, 2021 the bidding occurred for the privatization of CEA, in which Equatorial was the winner, meeting the first suspensive condition. The transfer of the controlling interest is pending, expected to occur before December 31, 2021.

10. Inventories

	06.30.2021	12.31.2020
Crude oil	3,145	2,242
Oil products	2,273	1,925
Intermediate products	502	396
Natural gas and Liquefied Natural Gas (LNG)	244	122
Biofuels	17	30
Fertilizers	16	8
Total products	6,197	4,723
Materials, supplies and others	1,007	954
Total	7,204	5,677

In the first half of 2021, the Company recognized a US\$ 3 gain within cost of sales, adjusting inventories to net realizable value (a US\$ 372 loss within cost of sales in the first half of 2020) primarily due to changes in international prices of crude oil and oil products.

At June 30, 2021, the Company had pledged crude oil and oil products volumes as collateral for the Terms of Financial Commitment (TFC) signed by Petrobras and Petros in 2008, amounting to US\$ 2,255, considering the prepayments made in January 2021, whose procedures for updating public records are ongoing.

11. Taxes

11.1. Income taxes and other taxes

Income taxes

	Current assets		Current liabilities		Non-current liabilities	
	06.30.2021	12.31.2020	06.30.2021	12.31.2020	06.30.2021	12.31.2020
Taxes in Brazil						
Income taxes	436	391	78	111	-	-
Income taxes - Tax settlement programs	-	-	47	45	353	357
	436	391	125	156	353	357
Taxes abroad	104	27	49	42	-	-
Total	540	418	174	198	353	357

Other taxes

	Current assets		Non-current assets		Current liabilities		Non-current liabilities (*)	
	06.30.2021	12.31.2020	06.30.2021	12.31.2020	06.30.2021	12.31.2020	06.30.2021	12.31.2020
Taxes in Brazil								
Current / Non-current ICMS (VAT)	704	507	302	293	930	642	-	-
Current / Non-current PIS and COFINS (**)	582	1,570	2,290	2,055	553	544	41	37
Claim to recover PIS and COFINS	-	-	710	681	-	-	-	-
CIDE	5	4	-	-	43	41	-	-
Production taxes	-	-	-	-	2,035	1,173	39	94
Withholding income taxes	-	-	-	-	53	106	-	-
Others	66	87	128	119	126	117	61	275
Total in Brazil	1,357	2,168	3,430	3,148	3,740	2,623	141	406
Taxes abroad	37	9	9	10	21	13	-	-
Total	1,394	2,177	3,439	3,158	3,761	2,636	141	406

(*) Other non-current taxes are classified as other non-current liabilities.

(**) It includes US\$ 292 (US\$ 1,230 as of December 31, 2020) related to exclusion of ICMS (VAT tax) in the basis of calculation of sales taxes PIS and COFINS.

Exclusion of ICMS (VAT tax) from the basis of calculation of PIS and COFINS

In June 2020, the Company obtained a favorable and definitive court decision regarding the exclusion of ICMS (VAT tax) in the basis of calculation of sales taxes PIS and COFINS. Following this decision, the amounts overpaid in the period from October 2001 to August 2020 were calculated by excluding the ICMS effectively paid from the basis of calculation of PIS and COFINS, and the Company recognized US\$ 3,091 as other recoverable taxes.

On May 14, 2021, the Supreme Federal Court (STF) determined that the ICMS amount to be excluded from the calculation basis of PIS and COFINS are the amounts reported in the invoices, which were higher than the amounts effectively collected. Thus, in the second quarter of 2021, an additional credit of US\$ 979 was recognized as other recoverable taxes.

The company enabled these credits and offset it with payment of other federal taxes, totaling US\$ 1,864 in 2021 (US\$ 1,857 in 2020).

As of June 30, 2021, the remaining balance for compensation relating to the exclusion of ICMS from the basis of calculation of PIS and COFINS, indexed to the SELIC rate, is US\$ 292.

The effects in the unaudited interim financial statements for the six-month periods ending June 30, 2021 and 2020 are detailed in the following table:

Nature	Effects in the Financial Statements	2021	2020	2021	2020
		Jan-Jun	Jan-Jun	Apr-Jun	Apr-Jun
Recovery of taxes	Other income and expenses	473	1,478	473	1,478
Inflation indexation	Foreign exchange gains (losses) and inflation indexation charges	455	1,780	455	1,780
Translation effects	Cumulative translation adjustments	51	(167)	51	(167)
		979	3,091	979	3,091
Pis and Cofins	Other taxes	(20)	(83)	(20)	(83)
Tax effects	Income taxes	(309)	(1,079)	(309)	(1,079)
		650	1,929	650	1,929

11.2. Tax amnesty programs – State Tax

As part of its on-going process of litigation management, in the six-month period ending June 30, 2021, Petrobras adhered to tax amnesty programs of the states of Rio de Janeiro and Bahia, generating a US\$ 158 gain arising from the reversal of part of the related provisions, of which a US\$ 120 gain as other income and expenses, and a US\$ 38 gain as finance income.

The main state amnesty programs to which the Company has adhered are the following:

State of Rio de Janeiro

The State of Rio de Janeiro instituted a settlement program called PEP-ICMS, under the terms of state law 189/2000, which allowed a 90% reduction of amounts due as a fine and interest.

In April 2021, the Company adhered to the program which reduced the expected settlement amounts for the ICMS disputes involving tax credits due to the cancellation of a plant of Gaslub (former Comperj) from US\$ 266 to US\$ 97. As a result, the Company reversed US\$ 169 of the related provisions. Subsequently, the Company made the full payment of the settlement amount in June 2021.

State of Bahia

The adhesion to the remission and amnesty program with the state of Bahia, entered into under the terms of state law 14,286/2020, allowed a 50% remission and a 90% reduction of fines and interest. The tax debts, arisen from the disallowance of tax credits, were settled in the amount of US\$ 21.

11.3. Reconciliation between statutory income tax rate and effective income tax rate

The following table provides the reconciliation of Brazilian statutory tax rate to the Company's effective rate on income before income taxes:

	2021	2020	2021	2020
	Jan-Jun	Jan-Jun	Apr-Jun	Apr-Jun
Net income before income taxes	12,459	(13,743)	11,940	(467)
Nominal income taxes computed based on Brazilian statutory corporate tax rates (34%)	(4,236)	4,672	(4,060)	159
· Different jurisdictional tax rates for companies abroad	(70)	(295)	(93)	440
· Brazilian income taxes on income of companies incorporated outside Brazil (*)	(199)	(495)	6	(236)
· Tax loss carryforwards (unrecognized tax losses)	(21)	(206)	9	(231)
· Non-taxable income (non-deductible expenses), net (**)	234	(52)	195	(22)
· Expenses with post-employment medical benefits	(90)	(188)	(46)	(94)
· Results of equity-accounted investments in Brazil and abroad	279	(102)	205	18
· Others	-	(3)	-	(3)
Income taxes	(4,103)	3,331	(3,784)	31
Deferred income taxes	(3,883)	3,614	(3,683)	144
Current income taxes	(220)	(283)	(101)	(113)
Effective tax rate of income taxes	(33)%	(24)%	(32)%	(7)%

(*) It relates to Brazilian income taxes on earnings of offshore investees, as established by Law No. 12,973/2014.

(**) It includes provisions for legal proceedings.

11.4. Deferred income taxes - non-current

The changes in the deferred income taxes are presented as follows:

	2021	2020
Balance at January 1	6,256	(372)
Recognized in the statement of income for the period	(3,883)	1,743
Recognized in shareholders' equity	(2,202)	5,564
Cumulative translation adjustment	(58)	(623)
Use of tax credits	-	(60)
Others	2	4
Balance at June 30,	115	6,256
Deferred tax assets	564	6,451
Deferred tax liabilities	(449)	(195)

The composition of deferred tax assets and liabilities is set out in the following table:

Nature	Realization basis	06.30.2021	12.31.2020
PP&E - Exploration and decommissioning costs	Depreciation, amortization and write-offs of assets	(2,674)	(3,205)
PP&E - Impairment	Amortization, impairment reversals and write-offs of assets	6,085	6,626
PP&E - Others (*)	Depreciation, amortization and write-offs of assets	(12,470)	(8,690)
Loans, trade and other receivables / payables and financing	Payments and receipts	2,077	3,913
Finance leases	Payments	772	1,190
Provision for legal proceedings	Payments and use of provisions	728	664
Tax loss carryforwards	30% of taxable income compensation	3,037	2,501
Inventories	Sales, write-downs and losses	314	158
Employee Benefits	Payments and use of provisions	2,322	2,882
Others		(76)	217
Total		115	6,256

(*) It includes accelerated depreciation, difference between units of production method and straightline method, as well as capitalized borrowing costs.

12. Employee benefits

	06.30.2021	12.31.2020
Voluntary Severance Program (PDV)	794	900
Employees variable compensation program	224	522
Accrued vacation pay	594	470
Salaries and related charges	254	204
Profit sharing	62	4
Total	1,928	2,100
Current	1,818	1,953
Non-current (*)	110	147

(*) Classified in other non-current liabilities.

12.1. Voluntary Severance Programs

Recognition of the provision for expenses occur as employees enroll to the programs. Changes in the provision for expenses relating to voluntary severance programs are set out as follows:

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	06.30.2021	12.31.2020
Opening Balance	900	140
Enrollments	26	1,076
Revision of provisions	(34)	(59)
Separations in the period	(123)	(245)
Cumulative translation adjustment	25	(12)
Closing Balance	794	900
Current	685	754
Non-current	109	146

During January 2021, the Company reopened the voluntary termination program for retired employees under the Brazilian Social Security Institute (INSS) before the enactment of the pension reform, for employees not yet enrolled or who have canceled enrollment for any reason until December 29, 2020, when 195 employees enrolled in this program.

On March 29, 2021, the Company opened the sixth opportunity for the separation of corporate employees, with application deadline on April 19, 2021, and 35 employees enrolled in this program.

The Company will disburse the severance payments in two installments, one at the time of termination and the remainder one year after the termination.

As of June 30, 2021, the amount of US\$ 502 refers to the second installment of 7,936 retired employees and US\$ 292 refers to 2,663 employees enrolled in voluntary severance programs with expected termination by July 2022.

12.2. Variable compensation program - Performance award program (PPP)

On January 26, 2021, the Company's Board of Administration approved changes in the criteria for granting PPP 2020 to employees (in relation to regulation approved on April 28, 2020). The regulation for this variable compensation program establishes that, in order to trigger this payment, it is necessary to have net income for the year, excluding impairment losses and foreign exchange gains (losses) from this calculation, associated with the achievement of the Company's performance metrics and the individual performance of employees and results of the departments.

The PPP for 2020 was fully paid by April 2021, in the amount of US\$ 479. The PPP expense for the first half of 2021 amounts to US\$ 195, accounted for within other income and expenses.

12.3. Profit sharing (PLR)

At December 29, 2020, the 17 unions representing onshore employees of Petrobras had signed the agreement for the PLR for the next two years before the deadline determined by the Collective Labor Agreement (ACT). Among the offshore employees, only one union had signed the agreement within the period defined by the ACT.

The current agreement for the PLR provides that only employees without managerial functions will be entitled to receive profit sharing with individual limits according to their remuneration.

In order for the PLR to be paid in the next two years, the following requirements must be met: (i) dividend distribution to shareholders approved at the Annual General Shareholders Meeting, (ii) net income for the year, and (iii) achievement of the weighted average percentage of at least 80% of a set of indicators.

The maximum amount of PLR to be distributed is limited to 5% of Adjusted EBITDA (a non-GAAP measure defined as net income plus net finance income (expense), income taxes, depreciation, depletion and amortization, results in equity-accounted investments; impairment, cumulative translation adjustment and gains/losses on disposal/write-offs of assets), 6.25% of net income and 25% of dividends distributed to shareholders, in each year. The PLR expense for the first half of 2021 amounts to US\$ 58 (US\$ 11 for the same period of 2020).

13. Employee benefits (post-employment)

The following table summarizes the Company's obligation recognized in the statement of financial position, net of plan assets (when applicable), at present value, revised annually by independent actuary:

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	06.30.2021	12.31.2020
Liabilities		
Health Insurance Plan	5,682	5,356
Petros Pension Plan - Renegotiated (PPSP-R) (*)	4,588	6,016
Petros Pension Plan - Non-renegotiated (PPSP-NR) (*)	1,243	1,621
Petros Pension Plan - Renegotiated - Pre-70 (PPSP-R Pré 70)	1,105	1,508
Petros Pension Plan - Non-renegotiated - Pre-70 (PPSP-NR Pré 70)	731	1,075
Petros 2 Pension Plan (PP2)	535	477
Other plans	15	16
Total	13,899	16,069
Current	969	1,549
Non-current	12,930	14,520

(*) In 2020, it includes obligations with contribution for the revision of the lump sum death benefit

Changes in the actuarial liabilities recognized in the statement of financial position:

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	Pension Plans			Health Insurance Plan	Other plans	Total
Changes in the net actuarial liability	Petros Renegotiated (*)	Petros Non-renegotiated (*)	Petros 2			
Balance as of January 1, 2021	7,524	2,696	477	5,356	16	16,069
Recognized in the Statement of Income	248	87	37	265	1	638
Past service cost	(1)	–	–	–	–	(1)
Present value of obligation	(730)	(33)	–	–	–	(763)
Plan assets transferred to PP-3	496	22	–	–	–	518
Sponsor contribution for PP-3	233	11	–	–	–	244
Current service cost	5	–	20	83	–	108
Net interest	226	82	17	182	1	508
Interest on the obligations with contribution for the revision of the lump sum death benefit	18	5	–	–	–	23
Recognized in Equity - other comprehensive income	(1,369)	(352)	–	–	2	(1,719)
Remeasurement effects recognized in other comprehensive income	(1,369)	(352)	–	–	2	(1,719)
Cash effects	(965)	(539)	–	(159)	–	(1,663)
Contributions paid	(134)	(41)	–	(159)	–	(334)
Payments of obligations with contribution for the revision of the lump sum death benefit	(341)	(102)	–	–	–	(443)
Payments related to Term of financial commitment (TFC)	(490)	(396)	–	–	–	(886)
Other changes	255	82	21	220	(4)	574
Others	–	–	–	–	(1)	(1)
Cumulative Translation Adjustment	255	82	21	220	(3)	575
Balance of actuarial liability as of June 30, 2021	5,693	1,974	535	5,682	15	13,899

(*) It includes the balance of PPSP-R pre-70 and PPSP-NR pre-70.

(**) On June 30, 2021, the Company prepaid the remaining balance of US\$ 447.

	Pension Plans			Health Insurance Plan	Other plans	Total
Changes in the net actuarial liability	Petros Renegotiated (*)	Petros Non-renegotiated (*)	Petros 2			
Balance as of January 1, 2020	10,231	3,264	989	11,986	24	26,494
Recognized in the Statement of Income	84	40	131	(1,672)	2	(1,415)
Costs incurred in the period	(298)	(93)	64	(2,348)	–	(2,675)
Service cost	382	133	67	676	2	1,260
Recognized in Equity - other comprehensive income	(344)	285	(391)	(1,957)	(8)	(2,415)
Remeasurement effects recognized in other comprehensive income	(344)	285	(391)	(1,957)	(8)	(2,415)
Cash effects	(474)	(265)	–	(308)	(1)	(1,048)
Contributions paid	(255)	(80)	–	(308)	(1)	(644)
Payments related to Term of financial commitment (TFC)	(219)	(185)	–	–	–	(404)
Other changes	(2,300)	(726)	(252)	(2,693)	(3)	(5,974)
Others	–	–	–	–	2	2
Cumulative Translation Adjustment	(2,300)	(726)	(252)	(2,693)	(5)	(5,976)
Balance of actuarial liability as of December 31,	7,197	2,598	477	5,356	14	15,642
Obligations with contribution for the revision of the lump sum death benefit	315	99	–	–	–	414
Cumulative Translation Adjustment	12	(1)	–	–	2	13
Total obligation for pension and medical benefits as of December 31, 2020	7,524	2,696	477	5,356	16	16,069

(*) It includes the balance of PPSP-R pre-70 and PPSP-NR pre-70.

Pension and medical benefit expenses, net recognized in the statement of income are set out as follows:

	Pension Plans			Health Insurance Plan	Other Plans	Total
	Petros Renegotiated (*)	Petros Non-renegotiated (*)	Petros 2			
Related to active employees	27	4	30	138	–	199
Related to retired employees	203	78	7	127	1	416
Obligations with contribution for the revision of the lump sum death	18	5	–	–	–	23
Net costs for Jan-Jun/2021	248	87	37	265	1	638
Net costs for Jan-Jun/2020	204	85	77	449	2	817
Related to active employees	14	2	15	71	–	102
Related to retired employees	102	39	4	64	1	210
Obligations with contribution for the revision of the lump sum death	8	3	–	–	–	11
Net costs for Apr-Jun/2021	124	44	19	135	1	323
Net costs for Apr-Jun/2020	69	43	47	212	2	373

13.1. Pension plans

The Company's post-retirement plans are managed by Fundação Petrobras de Seguridade Social (Petros Foundation), which was established by Petrobras as a nonprofit legal entity governed by private law with administrative and financial autonomy.

13.1.1. Renegotiated and Non-renegotiated Petros Plans (PPSP-R and PPSP-NR)

On March 29, 2021, the Deliberative Council of Petros approved the financial statements of the PPSP-R and PPSP-NR plans, which presented a surplus in the fiscal year 2020, reversing the scenario of successive deficits in the two largest defined benefit plans managed by Petros Foundation.

The table below presents the reconciliation of the surplus of Petros Plan registered by Petros Foundation as of December 31, 2020 with the net actuarial liability registered by the Company:

	PPSP-R	PPSP-NR
Surplus registered by Petros	(186)	(103)
Financial assumptions	3,673	1,122
Ordinary and extraordinary sponsor contributions	2,655	766
Changes in fair value of plan assets (*)	2,067	919
Others (including Actuarial valuation method)	(1,012)	(106)
Net actuarial liability registered by the Company	7,197	2,598

(*) It includes balance of accounts receivable arising from the Term of Financial Commitment - TFC signed with Petrobras, which Petros recognizes as equity.

13.1.2. Migration to PP-3 and intermediate revision of PPSP-R and PPSP-NR

On January 27, 2021, the Secretariat of Management and Governance of the State-owned Companies (SEST) and the Superintendency of Post-retirement benefits (PREVIC), approved the establishment of Petros Plan 3 (PP-3), as well as changes in regulations of Petros Plan - Renegotiated and Petros Plan Non-renegotiated (PPSP-R and PPSP-NR), not including pre-70 plans, determining the process of migration of participants to PP-3.

The PP-3 is a new pension plan with defined contribution characteristics, implemented as an exclusive option for voluntary migration of participants from the PPSP-R and PPSP-NR plans, not including pre-70 plans, whose deadline for enrollment was on April 30, 2021. The choice for migration is irreversible and irrevocable, in addition to terminating any link with the plan of origin.

On June 15, 2021, the validation of the PP-3 enrollments was completed, totaling 2,176 registrations, as well as technical and administrative feasibility studies were performed, allowing its implementation as of August 2021.

Thus, in the second quarter of 2021, the Company carried out an intermediate revision of the PPSP-R and PPSP-NR plans, which resulted in a US\$ 1,731 reduction in liabilities, comprising: (i) a US\$ 1 gain in the statement of income for the past service cost of the 2,176 participants who opted for the migration (as detailed in table "Changes in the net actuarial liability" previously presented in this note); (ii) a

US\$ 1,721 gain in shareholders' equity within other comprehensive income, mainly due to the increase in the discount rate applied to actuarial liabilities; and the remaining US\$ 9 as cumulative translation adjustments.

Petrobras will make a contribution in the estimated amount of US\$ 244, net of US\$ 18 paid in June 2021 for the revision of the lump sum death benefit, as set forth in the deficit settlement plan for PPSP-R and PPSP-NR. The contribution is expected to occur in September 2021, updated by the actuarial target of the original plans (PPSP-R and PPSP-NR).

In addition to the contribution, plan assets of PPSP-R and PPSP-NR will be transferred for the PP-3, in the estimated amount of US\$ 518.

The average durations of the actuarial liability related to PPSP-R and PPSP-NR plans, after this revision, are 12.77 and 11.99 years, respectively (12.43 and 11.51 as of December 31, 2020).

a) Actuarial assumptions

The actuarial assumptions for the intermediate revision carried out in the second quarter of 2021 have not changed in relation to those adopted in the annual revision in December 2020, except for the discount rate, which increased from 3.59% at December 31, 2020 to 4.27% on the PPSP-R, and from 3.53% at December 31, 2020 to 4.23% on the PPSP-NR.

13.1.3. Petros 2 Plan (PP2)

For the first half of 2021, the Company's contribution to the defined contribution portion of the Petros Plan 2 was US\$ 77 (US\$ 85 for the first half of 2020) recognized in the statement of income.

13.2. Health Insurance Plan

The Company's Board of Directors approved in 2020 a new management model for its health insurance plan, which started operating on April 1, 2021. The management of this plan is carried out by Petrobras Health Association (*Associação Petrobras de Saúde – APS*), a nonprofit civil association, through the self-management type, in accordance with the requirements of the National Supplementary Health Agency (*Agência Nacional de Saúde Suplementar - ANS*).

The new model generates no change in sponsors, benefit, coverage or scope on the plan, as well as no accounting effects.

14. Provisions for legal proceedings

14.1. Provisions for legal proceedings, judicial deposits and contingent liabilities

The Company recognizes provisions based on the best estimate of the costs of proceedings for which it is probable that an outflow of resources embodying economic benefits will be required and that can be reliably estimated. These proceedings mainly include:

- Labor claims, in particular: (i) opt-out claims related to a review of the methodology by which the minimum compensation based on an employee's position and work schedule (*Remuneração Mínima por Nível e Regime - RMNR*) is calculated; and (ii) actions of outsourced employees;
- Tax claims including: (i) claims relating to Brazilian federal tax credits applied that were disallowed; (ii) alleged misappropriation of VAT (ICMS) tax credits; and (iii) fines for non-compliance with accessory tax obligations;
- Civil claims, in particular: (i) lawsuits related to contracts; (ii) royalties and special participation charges, including royalties over shale extraction; and (iii) penalties applied by ANP relating to measurement systems.
- Environmental claims, specially: (i) compensation and fines relating to an environmental accident in the State of Paraná in 2000; and (ii) fines relating to the Company's offshore operation.

Provisions for legal proceedings are set out as follows:

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Current and Non-current liabilities	06.30.2021	12.31.2020
Labor claims	759	706
Tax claims	377	488
Civil claims	648	713
Environmental claims	444	292
Total	2,228	2,199

	Jan-Jun/2021	Jan-Dec/2020
Opening Balance	2,199	3,113
Additions, net of reversals	190	464
Use of provision	(261)	(744)
Revaluation of existing proceedings and interest charges	19	28
Others	6	20
Cumulative translation adjustment	75	(682)
Closing Balance	2,228	2,199

In preparing its consolidated interim financial statements for the six-month period ended June 30, 2021, the Company considered all available information concerning legal proceedings in which the Company is a defendant, in order to estimate the amounts of obligations and probability that outflows of resources will be required.

14.2. Judicial deposits

Non-current assets	06.30.2021	12.31.2020
Tax	5,868	5,154
Labor	885	831
Civil	1,161	1,095
Environmental	116	113
Others	77	88
Total	8,107	7,281

	Jan-Jun/2021	Jan-Dec/2020
Opening Balance	7,281	8,236
Additions	488	937
Use	(43)	(86)
Accruals and charges	76	90
Others	(15)	(4)
Cumulative translation adjustment	320	(1,892)
Closing Balance	8,107	7,281

In the six-month period ended June 30, 2021, the Company made judicial deposits in the amount of US\$ 488, including: (i) US\$ 168 referring to IRPJ and CSLL for not adding profits of subsidiaries and affiliates domiciled abroad to the IRPJ and CSLL calculation basis; (ii) US\$ 144 relating to the unification of Fields (Cernambi, Tupi, Tartaruga Verde and Tartaruga Mestiça); (iii) US\$ 98 related to IRRF on the chartering of platforms; (iv) US\$ 70 referring to IRPJ and CSLL in the deduction of expenses with Petros; and (v) US\$ 63 referring to several judicial deposits of a tax nature, mainly offset by (vi) US\$ 132 referring to indemnity action due to the unilateral termination of contract for the securitization of IPI credits.

14.3. Contingent liabilities

The estimates of contingent liabilities for legal proceedings are indexed to inflation and updated by applicable interest rates. Estimated contingent liabilities for which the possibility of loss is possible are set out in the following table:

Nature	06.30.2021	12.31.2020
Tax	26,091	24,511
Labor	7,743	8,179
Civil - General	5,491	4,621
Civil - Environmental	1,162	1,465
Total	40,487	38,776

The main contingent liabilities are:

- Tax matters comprising: i) withholding income tax (IRRF), Contribution of Intervention in the Economic Domain (CIDE), Social Integration Program (PIS) and Contribution to Social Security Financing (COFINS) on remittances for payments of vessel charters; ii) income from foreign subsidiaries and associates located outside Brazil not included in the computation of taxable income (IRPJ and CSLL); iii) tax on services provided offshore (ISS); iv) requests to compensate federal taxes disallowed by the Brazilian Federal Tax Authority; v) collection and crediting of ICMS by several states; and vi) collection of social security contributions over payments of bonuses.
- Labor matters comprising mainly actions requiring a review of the methodology by which the minimum compensation based on an employee's position and work schedule (*Remuneração Mínima por Nível e Regime* - RMNR) is calculated;
- Civil matters comprising mainly: (i) administrative and legal proceedings challenging an ANP order requiring Petrobras to pay additional special participation fees and royalties (production taxes) with respect to several fields; (ii) a public civil action that discusses the alleged illegality of the gas supply made by the Company to its Nitrogen Fertilizer Production Unit; (iii) regulation agencies fines; (iv) lawsuits related to contracts; and (v) lawsuits related to civil liabilities.
- Environmental matters comprising indemnities for material and collective moral damages to the environment and environmental fines related to the Company operation.

In the six-month period ended June 30, 2021, the increase in the balance of contingent liabilities is mainly due to the following events: (i) US\$ 505 in civil matters involving contractual issues; (ii) US\$ 233 referring to ICMS collection on inventories and value added; (iii) US\$ 187 referring to lawsuits involving civil liability; (iv) US\$ 139 in lawsuits discussing the difference in special interest and royalties in different fields; (v) US\$ 91 of requests for offsetting federal taxes not approved by the Federal Revenue Service of Brazil; and (vi) US\$ 110 referring to lawsuits involving the collection of IRPJ and CSLL deducting Petros' expenses. This effect was partially offset by: (vii) US\$ 638 reduction in collective lawsuits in which unions question the formula for calculating the RMNR Complement, based on the published minutes of the judgment session of the Declaratory Action of Constitutionality (ADC) No. 58 by the Federal Supreme Court in relation to the financial update indexes applied to labor debts; (viii) US\$ 339 for the review of amounts and transfer to probable loss in environmental indemnity and fine actions related to the Company's operation; and (ix) US\$ 58 for the write-off of amounts referring to the agreement related to the Company's operations in Ilha Grande Bay (RJ).

14.4. Minimum Compensation Based on an Employee's Position and Work Schedule (*Remuneração Mínima por Nível e Regime* - RMNR)

As of June 30, 2021, there are several lawsuits related to the RMNR, with the objective of revising its calculation criteria.

The RMNR consists of a guaranteed minimum compensation for employees, based on salary level, working conditions and location. Petrobras created and implemented this compensation policy in 2007 through Collective Labor Agreement with unions' representatives, and approved at employee meetings. This policy was questioned three years after its implementation.

In 2018, the Superior Labor Court (*Tribunal Superior do Trabalho* - TST) denied the special appeal filed by the Company. Petrobras filed an appeal and the Federal Supreme Court (*Supremo Tribunal Federal* - STF) suspended the effects of the TST decision and determined the national suspension of the ongoing lawsuits related to the RMNR.

On July 29, 2021, the rapporteur minister granted the appeal filed in one of the proceedings to reestablish the judgment that denied the claims, accepting the Company's thesis and recognizing the validity of the collective labor agreement freely signed between Petrobras and the unions, reversing the decision of the TST.

This decision is appealable, with no effects on the company's unaudited consolidated interim financial statements as of June 30, 2021, which present US\$ 143, classified as probable loss, recognized in liabilities as provisions for legal proceedings and US\$ 6,263, classified as possible loss within contingent liabilities (note 14.3).

14.5. Class action and related proceedings

Regarding the class action in the Netherlands, on May 26, 2021, the Court decided that the class action must proceed and that the arbitration clause of Petrobras' bylaws does not prevent the Company's shareholders from having access to the Dutch Judiciary and being represented by the Stichting Petrobras Compensation Foundation ("Foundation"). However, investors who have already started arbitration against Petrobras or who are parties to legal proceedings in which the applicability of the arbitration clause has been definitively recognized are excluded from the action.

As the decision deals with procedural issues, it is not subject to appeal at this stage of the lawsuit, except with judicial authorization. The class action will proceed to the merit discussion stage.

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In relation to the arbitration in Argentina, the Argentine Supreme Court has not yet judged the appeal filed by the Consumidores Financieros Asociación Civil para su Defensa ("Association").

As for the criminal actions in Argentina, related to an alleged fraudulent offer of securities, on September 14, 2020, the judge accepted the defense presented by the Company and decided that Petrobras could not be sued in a criminal case before the Argentine Justice. The Association appealed this decision, and the appeal is pending judgment. Regarding the action related to the alleged nonobservance of the obligation to disclose a press release, on March 4, 2021, the Court decided that the competence to judge this criminal action should be transferred from the Criminal Economic Court No. 3 of Buenos Aires to the Criminal Economic Court No. 2 in the same city.

14.6. Arbitrations in Brazil

In the six-month period ended June 30, 2021 there were no events that changed the assessment and information on arbitrations in Brazil.

For more information, see note 20.4.2 to the 2020 Financial Statements.

14.7. Tax recoveries under dispute

14.7.1. Deduction of VAT tax (ICMS) from the basis of calculation of PIS and COFINS

The Company filed complaints against Brazilian Federal Government challenging the constitutionality of the inclusion, from 2001 to 2020, of ICMS within the calculation basis of PIS and COFINS. In 2020, the Company obtained a favorable and definitive court decision on this claim, and the Company recognized the corresponding credit. The tax credit relates to the exclusion of the ICMS effectively collected when included in the basis of calculation of PIS and COFINS, as deliberated by the Federal Revenue of Brazil, as set out in note 11.1.

In relation to the amounts corresponding to the difference between the criterion established in the regulation and the ICMS amount reported in the invoices, these were not recognized as tax credit, since it was pending final decision of the Federal Supreme Court (STF).

On May 14, 2021, the extract from the minutes of the judgment of the STF on the motion for clarification filed by the Brazilian Federal Government was published and made it clear that the criterion to be used for the purposes of calculating the ICMS in the calculation basis of the PIS and COFINS is the amount presented in the invoice. Based on the decision of the STF, Petrobras recognized the asset related to the difference between these criteria. This amount is being offset in the Company's tax calculation.

The recognized effects relating to the exclusion of ICMS on the PIS and COFINS basis, as well as the offset of these amounts, are presented in note 11.1.

15. Provision for decommissioning costs

Non-current liabilities	Jan-Jun/2021	Jan-Dec/2020
Opening balance	18,780	17,460
Adjustment to provision	5	5,720
Transfers related to liabilities held for sale (*)	(358)	(519)
Payments made	(324)	(446)
Interest accrued	366	571
Others	(3)	15
Cumulative translation adjustment	706	(4,021)
Closing balance	19,172	18,780

(*) In the first half of 2021, it includes transfers to held for sale mainly related to US\$ 109 in the concessions of Peroá Group in Espírito Santo state, US\$ 97 in Miranga Group in Bahia state and US\$ 153 in Alagoas Group in Alagoas state. In 2020, it includes transfers to held for sale mainly related to US\$ 301 in the concessions in Bahia state and US\$204 in Rio Grande do Norte state (as set out in note 23 to these Interim Financial Statements and note 24 to the 2020 Annual Financial Statements, respectively).

16. The "Lava Jato (Car Wash) Operation" and its effects on the Company

The Company has monitored the progress of investigations under the "Lava Jato" Operation and, in the preparation of these unaudited consolidated interim financial statements for the period ended June 30, 2021, did not identify any additional information that would affect the adopted calculation methodology to write off, in the third quarter of 2014, amounts overpaid for the acquisition of property, plant and equipment. The Company will continue to monitor these investigations for additional information in order to assess their potential impact on the adjustment made.

In addition, the Company has fully cooperated with the Brazilian Federal Police (*Polícia Federal*), the Brazilian Public Prosecutor's Office (*Ministério Público Federal*), the Federal Auditor's Office (*Tribunal de Contas da União – TCU*) and the General Federal Inspector's Office (*Controladoria Geral da União*) in the investigation of all crimes and irregularities.

During the six-month period ended June 30, 2021, new leniency and plea agreements entitled the Company to receive funds with respect to compensation for damages, in the amount of US\$ 196 (US\$ 85 in the same period of 2020), accounted for as other income and expenses. Thus, the total amount recovered from Lava Jato investigation through June 30, 2021 is US\$ 1,483.

16.1. Investigations involving the Company

16.1.1. U.S. Commodity Futures Trading Commission - CFTC

In May 2019, the U.S. Commodity Futures Trading Commission ("CFTC") contacted Petrobras with an inquiry regarding trading activities related to the Lava Jato Operation. Petrobras reiterates that it continues to cooperate with the regulatory authorities, including the CFTC, regarding any inquiry.

16.1.2. Order of civil inquiry - Brazilian Public Prosecutor's Office

On December 15, 2015, the State of São Paulo Public Prosecutor's Office issued the Order of Civil Inquiry 01/2015, establishing a civil proceeding to investigate the existence of potential damages caused by Petrobras to investors in the Brazilian stock market. The Brazilian Attorney General's Office (*Procuradoria Geral da República*) assessed this civil proceeding and determined that the São Paulo Public Prosecutor's Office has no authority over this matter, which must be presided over by the Brazilian Public Prosecutor's Office. The Company has provided all relevant information requested by the authorities.

17. Property, plant and equipment

17.1. By class of assets

	Land, buildings and improvement	Equipment and other assets (*)	Assets under construction (**)	Exploration and development costs (oil and gas producing properties) (***)	Right-of-use assets	Total
Balance at January 1, 2020	4,450	70,378	21,952	40,897	21,588	159,265
Additions	-	4,587	3,090	365	4,338	12,380
Additions to / review of estimates of decommissioning costs	-	-	-	5,421	-	5,421
Capitalized borrowing costs	-	-	941	-	-	941
Write-offs	(4)	(438)	(461)	(187)	(1,271)	(2,361)
Transfers	(258)	2,676	(3,175)	1,336	(21)	558
Transfers to assets held for sale	(8)	(226)	27	(848)	(13)	(1,068)
Depreciation, amortization and depletion	(142)	(4,298)	-	(3,864)	(4,022)	(12,326)
Impairment recognition	(14)	(7,293)	(2,855)	(4,603)	(337)	(15,102)
Impairment reversal	-	5,542	482	1,612	124	7,760
Cumulative translation adjustment	(981)	(12,248)	(4,558)	(8,963)	(4,517)	(31,267)
Balance at December 31, 2020	3,043	58,680	15,443	31,166	15,869	124,201
Cost	5,450	107,199	27,544	60,902	23,780	224,875
Accumulated depreciation, amortization, depletion and impairment	(2,407)	(48,519)	(12,101)	(29,736)	(7,911)	(100,674)
Balance at December 31, 2020	3,043	58,680	15,443	31,166	15,869	124,201
Additions	-	728	2,842	1	1,089	4,660
Additions to / review of estimates of decommissioning costs	-	-	-	(1)	-	(1)
Capitalized borrowing costs	-	-	478	-	-	478
Write-offs	-	(47)	(167)	(14)	(71)	(299)
Transfers	(23)	779	(2,705)	2,026	(1)	76
Transfers to assets held for sale	-	(1,037)	(159)	(257)	3	(1,450)
Depreciation, amortization and depletion	(56)	(2,009)	-	(2,002)	(2,067)	(6,134)
Impairment recognition (note 19)	-	(186)	-	(8)	-	(194)
Impairment reversal (note 19)	-	42	27	19	-	88
Cumulative translation adjustment	145	2,007	587	1,212	538	4,489
Balance at June 30, 2021	3,109	58,957	16,346	32,142	15,360	125,914
Cost	4,744	110,783	28,422	63,540	25,020	232,509
Accumulated depreciation, amortization, depletion and impairment (****)	(1,635)	(51,826)	(12,076)	(31,398)	(9,660)	(106,595)
Balance at June 30, 2021	3,109	58,957	16,346	32,142	15,360	125,914
Weighted average useful life in years	40 (25 to 50) (except land)	20 (3 to 31)		Units of production method	8 (2 to 47)	

(*) It is composed of production platforms, refineries, thermoelectric power plants, natural gas processing plants, pipelines, and other operating, storage and production plants, including subsea equipment for the production and flow of oil and gas, depreciated based on the units of production method.

(**) See note 24 for assets under construction by operating segment.

(***) It is composed of exploration and production assets related to wells, abandonment and dismantling of areas, signature bonuses associated with proved reserves and other costs directly associated with the exploration and production of oil and gas.

(****) In the case of land and assets under construction, it refers only to impairment losses.

The right-of-use assets comprise the following underlying assets:

	Platforms	Vessels	Properties	Total
Balance at June 30, 2021	7,949	6,762	649	15,360
Cost	11,718	12,024	1,278	25,020
Accumulated depreciation, amortization and depletion	(3,769)	(5,262)	(629)	(9,660)
Balance at December 31, 2020	7,979	7,167	723	15,869
Cost	11,144	11,256	1,379	23,779
Accumulated depreciation, amortization and depletion	(3,165)	(4,089)	(656)	(7,910)

17.2. Unitization agreements

Petrobras has Production Individualization Agreements (AIP) signed in Brazil with partner companies in E&P consortiums. These agreements result in reimbursements payable to (or receivable from) partners regarding expenses and production volumes related to Atapu, Berbigão, Sururu, Albacora Leste, Tartaruga Verde and other fields.

The table below presents changes on the reimbursements payable relating to these fields:

	06.30.2021	12.31.2020
Opening balance	370	113
Additions/(Write-offs) on PP&E	(67)	278
Payments made	–	(17)
Other income and expenses	54	11
Cumulative translation adjustments	15	(15)
Closing balance	372	370

As of June 30, 2021, Petrobras has reimbursements payable amounting to US\$ 372 (US\$ 370 on December 31, 2020). In 2021, these agreements resulted in payments and recognition of additions and write-offs in PP&E, in addition to other net expenses of US\$ 52, reflecting the best available estimate of the assumptions used in calculating the calculation base and the sharing of relevant assets in areas to be equalized.

17.3. Capitalization rate used to determine the amount of borrowing costs eligible for capitalization

The capitalization rate used to determine the amount of borrowing costs eligible for capitalization was the weighted average of the borrowing costs applicable to the borrowings that were outstanding during the period, other than borrowings made specifically for the purpose of obtaining a qualifying asset. For the six-month period ended June 30, 2021, the capitalization rate was 6.08% p.a. (6.22% p.a. for the six-month period ended June 30, 2020).

18. Intangible assets

18.1. By class of assets

	Rights and Concessions	Software	Goodwill	Total
Balance at January 1, 2020	19,168	242	63	19,473
Addition	31	88	-	119
Capitalized borrowing costs	-	1	-	1
Write-offs	(173)	(3)	-	(176)
Transfers	(2)	(1)	(26)	(29)
Amortization	(8)	(58)	-	(66)
Impairment recognition	-	(6)	(6)	(12)
Cumulative translation adjustment	(4,302)	(53)	(7)	(4,362)
Balance at December 31, 2020	14,714	210	24	14,948
Cost	14,803	1,245	24	16,072
Accumulated amortization and impairment	(89)	(1,035)	-	(1,124)
Balance at December 31, 2020	14,714	210	24	14,948
Addition	12	59	-	71
Capitalized borrowing costs	-	2	-	2
Write-offs	(7)	-	-	(7)
Transfers	(43)	2	-	(41)
Amortization	(4)	(28)	-	(32)
Cumulative translation adjustment	571	8	1	580
Balance at June 30, 2021	15,243	253	25	15,521
Cost	15,336	1,351	25	16,712
Accumulated amortization and impairment	(93)	(1,098)	-	(1,191)
Balance at June 30, 2021	15,243	253	25	15,521
Estimated useful life in years	(*)	5	Indefinite	

(*) Mainly composed of assets with indefinite useful lives, which are reviewed annually to determine whether events and circumstances continue to support an indefinite useful life assessment.

18.2. Surplus volumes of Transfer of Rights Agreement

Atapu and Sepia

On April 9, 2021, the Board of Directors approved the signing of an Agreement with the Brazilian Federal Government that establishes the interests of Petrobras (Transfer of Rights regime) and the contractor for the surplus volume of the Transfer of Rights Agreement (Production Sharing regime) and the amount of compensation to Petrobras arising from the bidding for the surplus volumes in the Sepia and Atapu fields, which has not yet occurred. On April 14, 2021, this Agreement was approved by the Ministry of Mines and Energy.

With the publication of Ministry of Mines and Energy (MME) Ordinance No. 23/2020, complemented by MME Ordinance No. 493/2021, Petrobras and Pré-sal Petróleo S.A. (PPSA) revised and defined, prior to the bidding process for the Surplus volumes of the Transfer of Rights, the amounts of compensation to be paid by the new contracting party to Petrobras for the deferral of the cash flow in the two fields, as well as the participation in the Transfer of Rights and Production Sharing agreements.

The agreement between Petrobras and the Federal Government provides for the following terms: firm compensation of US\$ 3,254 for the 60.5% participation of the new contractor for the Atapu field and of US\$ 3,200 for the 68.7% participation for the Sepia field. In addition to these amounts, there is an earn out, due between 2022 and 2032, payable to Petrobras if the Brent oil price reaches an annual average above US\$ 40/bbl, limited to US\$ 70/bbl. If payable, the settlement of the first earn out installment will be subject to a grace period, postponing settlement from 2023 to 2024, adjusted at 8.99% p.a..

The foreseen payment terms will be reflected in a Co-participation Agreement that will bind Petrobras and the future new contractors in these fields, following the bidding process for the surplus volumes. The Co-participation Agreement will be effective as of the signing of the Production Sharing Agreement and the payment of the firm compensation to Petrobras, when the parties will have access to their participation in the production of the Sepia and Atapu fields.

On April 28, 2021, Petrobras expressed to the National Energy Policy Council (CNPE) its interest in exercising its preference rights in relation to the Second Round of Bidding for Surplus Volumes of the Transfer of Rights in the Production Sharing regime in the Atapu and

Sépia fields, with a percentage of 30%, considering the parameters disclosed in CNPE Resolution No. 05/2021, and MME Ordinance No. 08/2021.

The amounts corresponding to the signature bonus to be paid, if the participation percentages are confirmed under the terms above by the CNPE, will be US\$ 240 for Atapu and US\$ 428 for Sépia.

Búzios

On November 6, 2019, the ANP held the Bidding Round for the Surplus Volume of the Transfer of Rights Agreement, when the Company acquired a 90% interest in the exploration and production rights of the surplus volume of Búzios field, in the pre-salt layer of Santos basin, in partnership with CNODC Brasil Petróleo e Gás Ltda. (5%) and CNOOC Petroleum Brasil Ltda. (5%).

The signature bonus corresponding to the Company's interest in the amount of US\$ 14,912 was paid in the last quarter of 2019 and Production Sharing Contract was signed with PPSA, MME and ANP in the first quarter of 2020.

On June 11, 2021, the Company signed with Pré-sal Petróleo S.A. (PPSA) and its partners CNODC and CNOOC a Co-participation Agreement for Búzios field, to regulate the coexistence of the Transfer of Rights Agreement and the Production Sharing Contract for the surplus volume of the Búzios field.

The estimated total compensation due to the Transfer of Rights Agreement (100% Petrobras) by the Production Sharing Contract is US\$ 29 billion, which will be recovered in cost oil by the contractors. The amount was calculated based on the Ordinance 213/2019 of MME guidelines and took into account current market parameters, as well as the deferral of the production of the volume contracted under the Transfer of Rights regime, in order to maximize the Net Present Value – Brazilian Government NPV and maintain Petrobras' NPV calculated based on the effective date of the Co-participation Agreement. Since Petrobras has a 90% interest in this Production Sharing Contract, the estimated amount referring to the 10% interest of partners CNOOC and CNODC is US\$ 2.9 billion to be received by Petrobras in the month prior to the inception of the contract.

The partners and PPSA defined the Development Plans for the field, which are expected to result in a recoverable volume of 10,346 million boe during the term of the Co-participation Agreement, which expires in September 2050. This recoverable volume results in participations in the co-participated area of 26% for the Transfer of Rights Agreement and 74% for the Production Sharing Agreement. Considering the participation of each company in its respective contract and the participation of each contract in the co-participated area, the participation in the area is 92.6% for Petrobras and 3.7% for each of the partners. Within 30 days after the effective date of the Agreement, our partners in the consortium have the right to exercise the purchase option to acquire, each of them, an additional 5% interest.

The effectiveness of the agreement is subject to approval by the ANP, followed by the payment of compensation by CNOOC and CNODC to Petrobras.

The participation and compensation estimates presented are based on the beginning of the agreement term on September 1, 2021 and, as soon as the date is confirmed with the approval by ANP, the necessary adjustments will be made according to the accumulated production and investments made up to that date.

On the effective date of the Agreement, the partial disposition of the undivided economic interest of assets associated with Búzios field will be carried out, including the part of the signature bonus paid by Petrobras for this field, in exchange for financial compensation, resulting in a transaction analogous to a sale. The result of this operation will be presented as other income and expenses in the statement of income at that time.

On June 30, 2021, it is not possible to determine the final gain on this transaction as it depends on the effective date of the Agreement, since it has different percentages of undivided economic interest depending upon approval dates or could even be voided if not approved by ANP.

Since this bidding relates to the surplus volume of fields with technical and commercial feasibility already defined, the amount of the signature bonus paid will be transferred from intangible assets to property, plant and equipment after the Co-Participation Agreement becomes effective.

The volume of reserves will be incorporated considering the beginning of the effectiveness of the Co-participation Agreement for the Búzios field and reflected in the estimates of proved reserves for December 31, 2021.

19. Impairment

19.1. Impairment of property, plant and equipment and intangible assets

The Company annually tests its assets for impairment or when there is an indication that their carrying amount may not be recoverable, as well as the reversal of impairment losses recognized in previous years.

In the first half of 2021, impairment losses were recognized, in the amount of US\$ 180, mainly due to:

- Oil and gas production and drilling equipment in Brazil: the Company decided for the definitive discontinuation of use of platforms P-33 and P-26, in the Marlim field, resulting in their exclusion of CGU North group and testing for impairment as separate assets, with the recognition of a US\$ 190 impairment loss;
- Energy: approval for the sale of thermoelectric power plants Arembepe, Muryci and Bahia 1, located in Camaçari, in the state of Bahia. As a result, considering fair value net of selling expenses, a US\$ 79 impairment loss was accounted for in the second quarter of 2021;
- Producing properties relating to oil and gas activities in Brazil: the Company assesses for impairment of producing properties considering fair value net of selling expenses, resulting in a US\$ 61 impairment reversal in the second quarter of 2021, mainly due to the approval for sale of the Papa-Terra field, located in the Campos Basin, state of Rio de Janeiro (a US\$ 41 impairment reversal); and
- Oil and gas production and drilling equipment abroad: the Company decided to use in producing fields in the Santos basin, certain equipment that were previously part of platforms P-72 and P-73. Thus, considering estimated future cash flows for these assets, the Company recognized a US\$ 27 impairment reversal.

In the first half of 2020, impairment losses were recognized due to the significant and adverse effects on the oil and oil products market arising from: (i) the outbreak of the COVID-19 pandemic and its effects on the economic activity, and (ii) failure in negotiations between members of Organization of the Petroleum Exporting Countries (OPEC) and its allies to define production levels, which contributed to an increase in the global oil supply with a significant reduction in price in early March 2020.

These events led the Company to adopt a set of measures, aiming at preserving cash generation, as well as to revise its key assumptions such as Brent prices, exchange rates, oil product spreads, among others and, in the first quarter of 2020, impairment losses were recognized in the amount of US\$ 13,371, primarily due to:

(i) US\$ 11,798 relating to the effect of updated assumptions in the estimation of the recoverable amount of several E&P fields, notably in the following Cash Generating Units (CGU): Roncador, Marlim Sul, North group, Albacora Leste, Berbigão-Sururu group, CVIT group and Mexilhão; and

(ii) US\$ 1,356 relating to the hibernation of fields and platforms in shallow waters, affecting CGUs North group, Ceará-Mar group and Ubarana group, as well as Caioba, Guaricema and Camorim fields.

On November 25, 2020, management concluded and approved its 2021-2025 Strategic Plan, updating economic assumptions, as well as its project portfolio and estimates of reserve volumes, which support the impairment tests conducted in that reporting period. Thus, impairment reversals were accounted for in the last quarter of 2020, in the amount of US\$ 6,019, mainly on producing properties relating to oil and gas activities in Brazil.

19.2. Investment in publicly traded associate (Petrobras Distribuidora S.A. – BR Distribuidora)

On August 26, 2020 the Company's Board of Directors approved the disposal of the remaining interest in this Company and, on June 30, 2021, approved the price per common share of BR Distribuidora in the amount of US\$ 5.20 (R\$ 26.00) for the secondary public offering (follow on) of these shares, totaling US\$ 2,252 (R\$ 11,264 million), net of transaction costs.

Accordingly, considering the sale of the shares and the cash flows arising from this sale, a US\$ 404 impairment reversal was accounted for in the six-month period ended June 30, 2021.

20. Exploration and evaluation of oil and gas reserves

The exploration and evaluation activities include the search for oil and gas reserves from the date of obtaining the legal rights to explore a specific area to the declaration of the technical and commercial viability of the reserves.

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Changes in the balances of capitalized costs directly associated with exploratory wells pending determination of proved reserves and the balance of amounts paid for obtaining rights and concessions for exploration of oil and natural gas (capitalized acquisition costs) are set out in the following table:

Capitalized Exploratory Well Costs / Capitalized Acquisition Costs (*)	Jan-Jun/2021	Jan-Dec/2020
Property plant and equipment		
Opening Balance	3,024	4,262
Additions	222	428
Write-offs	(178)	(197)
Transfers	(145)	(494)
Cumulative translation adjustment	104	(975)
Closing Balance	3,027	3,024
Intangible Assets	15,057	14,526
Capitalized Exploratory Well Costs / Capitalized Acquisition Costs	18,084	17,550

(*) Amounts capitalized and subsequently expensed in the same period have been excluded from this table.

Exploration costs recognized in the statement of income and cash used in oil and gas exploration and evaluation activities are set out in the following table:

	2021 Jan-Jun	2020 Jan-Jun	2021 Apr-Jun	2020 Apr-Jun
Exploration costs recognized in the statement of income				
Geological and geophysical expenses	154	119	87	47
Exploration expenditures written off (includes dry wells and signature bonuses)	187	38	56	12
Contractual penalties	43	10	28	4
Other exploration expenses	21	2	19	1
Total expenses	405	169	190	64
Cash used in :				
Operating activities	174	120	106	48
Investment activities	245	276	130	127
Total cash used	419	396	236	175

21. Collateral for crude oil exploration concession agreements

The Company has granted collateral to ANP in connection with the performance of the Minimum Exploration Programs established in the concession agreements for petroleum exploration areas in the total amount of US\$ 1,765 (US\$ 1,631 as of December 31, 2020) of which US\$ 1,673 were still in force as of June 30, 2021 (US\$ 1,543 as of December 31, 2020), net of commitments undertaken. The collateral comprises crude oil from previously identified producing fields, pledged as collateral, amounting to US\$ 1,305 (US\$ 1,256 as of December 31, 2020) and bank guarantees of US\$ 368 (US\$ 287 as of December 31, 2020).

22. Investments

22.1. Investments in associates and joint ventures

	Balance at 12.31.2020	Investments	Transfer to assets held for sale	Restructuring, capital decrease and others	Results of equity- accounted investments	CTA	OCI	Dividends	Balance at 06.30.2021
Joint Ventures	813	5	(2)	-	109	20	-	(65)	880
Associates (*)	2,455	6	(2,129)	(175)	1,100	(71)	141	(153)	1,174
Other investments	5	-	-	-	-	(1)	-	-	4
Total	3,273	11	(2,131)	(175)	1,209	(52)	141	(218)	2,058

(*) It includes Petrobras Distribuidora and Braskem.

23. Disposal of assets and other changes in organizational structure

The Company has an active partnership and divestment portfolio, which takes into account opportunities for disposal of non-strategic assets in several areas in which it operates, whose development of transactions also depends on conditions beyond the control of the Company.

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The divestment projects and strategic partnerships follow the procedures aligned with the guidelines of the Brazilian Federal Auditor's Office (*Tribunal de Contas da União – TCU*) and the current legislation.

The major classes of assets and related liabilities classified as held for sale are shown in the following table:

					06.30.2021	12.31.2020
	E&P	RT&M	Gas & Power	Corporate and other business	Total	Total
Assets classified as held for sale						
Cash and cash equivalents	1	-	-	-	1	14
Trade receivables	-	-	-	-	-	24
Inventories	-	274	-	-	274	4
Investments	-	-	-	2,264	2,264	68
Property, plant and equipment	770	1,256	40	-	2,066	640
Others	-	6	-	-	6	35
Total	771	1,536	40	2,264	4,611	785
Liabilities on assets classified as held for sale						
Trade payables	-	-	-	-	-	22
Finance debt	-	-	-	1	1	13
Provision for decommissioning costs	960	-	-	-	960	640
Others	-	-	-	-	-	10
Total	960	-	-	1	961	685

23.1. Transactions pending closing at June 30, 2021

As of June 30, 2021, the amounts refer to (i) the remaining 10% interest in Lapa field; (ii) the Company's entire interest in Polo Peroá; (iii) onshore fields in Ceará, Bahia e Espírito Santo; (iv) RLAM Refinery; (v) onshore and shallow water fields and natural gas processing unit in the state of Alagoas; and (vi) remaining interest in BR Distribuidora.

The most significant progress under the divestment process is describe below:

Transaction	Acquirer	Date of approval / signing	Transaction amount (*)	Further information
Sale of E&P assets in the state of Espírito Santo (Polo Peroá).	OP Energy e DBO Energy	January 2021	13	a
Sale of the Company's entire interest in nine onshore fields, called Miranda group, in the in the state of Bahia.	Miranga S.A. (structured entity), subsidiary of PetroRecôncavo S.A.	February 2021	135	b
Sale of shares of the company that will hold the Landulpho Alves Refinery (RLAM) and its associated logistics assets, in the state of Bahia	MC Brazil Downstream Participações, a company of the Mubadala Capital group	March 2021	1,650	c
Sale of three thermoelectric plants powered by fuel oil, located in Camaçari, in the state of Bahia	São Francisco Energia S.A., a subsidiary of Global Participações em Energia S.A.	April 2021	12 (R\$ 68 million)	d
Sale of the entire interest in a set of seven onshore and shallow water fields called Alagoas group, and of Alagoas Natural Gas Processing Unit, located in the state of Alagoas.	Petromais Global Exploração e Produção S.A.	June 2021	300	e
Sale of the Company's remaining 37.5% interest in BR Distribuidora	Several	June 2021	2,271 (R\$ 11,358 million)	f

(*) Only amounts considered at the signing of the transaction.

a) Sale of E&P assets in Espírito Santo

Amounts due to Petrobras are composed of: (i) US\$ 5 was paid at the contract signing; (ii) US\$ 8 to be paid at the transaction closing; (iii) up to US\$ 42 as contingent payments provided for in the contract, related to factors such as Malombe's declaration of commerciality, future oil prices and extension of the concession terms. This transaction is subject to price adjustments and to the fulfillment of conditions precedent, such as approval by the Brazilian Agency of Petroleum, Natural Gas and Biofuels (ANP).

b) Sale of onshore fields in Bahia

Amounts due to Petrobras are composed of: (i) US\$ 11 paid upon the contract signing; (ii) US\$ 44 to be paid at the transaction closing; (iii) US\$ 80 deferred in three installments over three years from the transaction closing.

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The contract provides for the payment of conditional amounts of up to US\$ 85 in contingent payments related to future average Brent prices for the years 2022, 2023 and 2024.

This transaction includes price adjustments and is still subject to conditions precedent, such as approval by the ANP.

c) Sale of the RLAM refinery

The agreement provides for price adjustment due to changes in working capital, net debt and investments until the transaction closing. On June 9, 2021, the Administrative Council for Economic Defense (CADE) approved the sale.

d) Sale of three thermoelectric plants in the state of Bahia

The agreement is subject to price adjustments and to the fulfillment of conditions precedent, such as the approval by the CADE and by the National Electric Energy Agency (ANEEL). In addition, it includes a contingent payment to be deposited in an escrow account, depending on favorable decision of administrative proceeding.

In the second quarter of 2021, the Company recognized a US\$ 53 loss after taxes, due to the difference between transaction value and the carrying amount of net assets.

e) Sale of seven onshore and shallow water fields and a natural gas processing unit in the state of Alagoas

The agreement provides for the payment of US\$ 60 at the transaction signing and US\$ 240 at the transaction closing, and is subject to price adjustments and conditions precedent, such as approval by the ANP.

f) Sale of remaining 37.5% interest in BR Distribuidora

On June 17, 2021, Petrobras filed a request for registration of a secondary public offering (follow on) of common shares issued by Petrobras Distribuidora S.A. (BR Distribuidora), with the release of a preliminary offering prospectus. The Company offered 37.5% of the share capital of BR Distribuidora, corresponding to the remaining interest held by Petrobras.

On June 30, 2021, Petrobras approved the price per common share of BR Distribuidora in the amount of US\$ 5.20 (R\$ 26.00), totaling US\$ 2,271 (R\$11,358 million). Thus, in the six-month period ended June 30, 2021, a US\$ 404 impairment reversal was recognized, as detailed in note 19.

On July 5, 2021, the follow on was closed with the Company receiving US\$ 2,252 net of transactions costs.

23.2. Closed transactions in the six-month period ended June 30, 2021

Transaction	Acquirer	Signature date (S) Closing date (C)	Sale amount (*)	Gain/(loss) (**)	Further information
Sale of 30% of the Frade field concession. The transaction also includes the sale of the entire stake held by the subsidiary Petrobras Frade Inversiones S.A. (PFISA), in the company Frade BV.	PetroRio	November 2019 (S) February 2021 (C)	44	88	a
Sale of the Company's entire interest in Petrobras Uruguay Distribución S.A. (PUDSA).	DISA Corporación Petrolífera S.A.	August 2020 (S) February 2021 (C)	68	(3)	b
Petrobras Biocombustível S.A. (PBio) sale of all of its shares issued by BSBios Indústria e Comércio de Biodiesel Sul Brasil S.A. (BSBios) (50% of the share capital).	RP Participações em Biocombustíveis S.A.	December 2020 (S) February 2021 (C)	47 (R\$ 253 million)	(1)	c
Sale of the Company's 49% interest in companies Eólica Mangue Seco 1, 3 and 4, wind power generation plants.	V2I Transmissão de Energia Elétrica S.A.	December 2020 (S) April 2021 (C)	26 (R\$ 145 million)	19	d
Sale of the Company's remaining 10% interest in NTS	Nova Infraestrutura Gasodutos Participações S.A.	April 2021 (S) April 2021 (C)	277 (R\$ 1,539 million)	109	e
Sale of the Company's 51% interest in company Eólica Mangue Seco 2, a wind power generation plant.	Fundo de Investimento em Participações Multiestratégia Pirineus (FIP Pirineus)	February 2021 (S) May 2021 (C)	6 (R\$ 34 million)	4	f
			468	216	

(*) The amount of "Proceeds from disposal of assets" in the Statement of Cash Flows is composed of amounts received this period, including installments of operations from previous years and advances referring to operations not completed.

(**) Recognized in "Results on disposal/write-offs of assets and on remeasurement of investment retained with loss of control" within other income and expenses (note 6).

a) Sale of the Frade field

The transaction was closed with the payment of US\$ 36 to Petrobras, after price adjustments (including cash inflows from the sale of crude oil from the concession), in addition to US\$ 8 paid to Petrobras upon the contract signing. In addition, there is a contingent amount of US\$ 20 linked to a potential new commercial discovery in the field.

The original sale amounting to US\$ 100 was adjusted considering the cash flows arising from the Company's interest in the field from July 1, 2019 (inception date of the negotiation) to February 5, 2021 (closing date). In addition, there is a contingent payment amounting to US\$ 20 subject to a new discovery in the field.

b) Sale of Petrobras Uruguay Distribución S.A. (PUDSA)

The transaction was closed with the payment of US\$ 62 to Petrobras, in addition to US\$ 6 paid upon the contract signing, totaling US\$ 68. As a result of this operation, a US\$ 34 loss was reclassified to the statement of income, within other income and expenses, relating to cumulative translation adjustments arising from exchange rate variations recognized in PUDSA's shareholders' equity since de acquisition of this investment.

c) Sale of BSBios

The transaction was closed with the payment of US\$ 47 to Petrobras, including price adjustments. Moreover, US\$ 12 is held in an escrow account for indemnification of eventual contingencies, to be released according to terms and conditions set forth in the contract.

d) Sale of Mangue Seco 1, 3 and 4

The sale of Mangue Seco 1 was closed with the payment of US\$ 8 to Petrobras, including price adjustments. The sale of Mangue Seco 3 and 4 was closed with the payment of US\$ 14 to Petrobras, including price adjustments, in addition to US\$ 4 received at the signing, totaling US\$ 18.

e) Sale of remaining 10% interest in NTS

The transaction was closed with the payment of US\$ 277 to Petrobras, on the date of signing and closing of the transaction, including price adjustments.

f) Sale of Eólica Mangue Seco 2

The transaction results from the exercise of the preemptive right by FIP Pirineus, in accordance with the shareholders' agreement of Eólica Mangue Seco 2, and was closed with the payment of US\$ 6 to Petrobras, including price adjustments.

23.3. Other operation

On January 5, 2021, Petrobras acquired 100% of shares of the structured entity Companhia de Desenvolvimento e Modernização de Plantas Industriais (CDMPI) for US\$ 9 thousand. The difference between the amount paid and CDMPI's negative shareholders' equity, in the amount of US\$ 691, was registered as a capital transaction, reducing the shareholders' equity attributable to shareholders of Petrobras, while increasing non-controlling interests, since Petrobras already controlled its operations prior to this transaction. On April 14, 2021, an Extraordinary General Shareholders Meeting approved the incorporation of CDMPI.

23.4. Cash flows from sales of interest with loss of control

In the six-month periods ended June 30, 2021 and 2020, the Company disposed of its interest in certain subsidiaries over which control was lost. The following table summarizes cash flows arising from losing control in subsidiaries:

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	Cash received	Cash in subsidiary before losing control	Net Proceeds
Jan-Jun/2021			
PUDSA	62	(15)	47
Total	62	(15)	47
Jan-Jun/2020			
Petrobras Oil & Gas B.V.(PO&GBV)	276	–	276
Total	276	–	276

24. Assets by operating segment

	Exploration and Production	Refining, Transportation & Marketing	Gas & Power	Corporate and other business	Elimina- tions	Total
Consolidated assets by operating segment - 06.30.2021						
Current assets	3,886	14,074	3,275	14,985	(5,926)	30,294
Non-current assets	118,078	23,646	7,741	8,448	–	157,913
Long-term receivables	5,073	2,400	410	6,537	–	14,420
Investments	406	1,154	472	26	–	2,058
Property, plant and equipment	97,473	19,990	6,731	1,720	–	125,914
Operating assets	86,623	17,335	4,192	1,418	–	109,568
Under construction	10,850	2,655	2,539	302	–	16,346
Intangible assets	15,126	102	128	165	–	15,521
Total Assets	121,964	37,720	11,016	23,433	(5,926)	188,207
Consolidated assets by operating segment - 12.31.2020						
Current assets	5,333	8,170	1,975	15,337	(3,427)	27,388
Non-current assets	114,947	23,879	8,321	15,473	2	162,622
Long-term receivables	4,745	2,539	976	11,938	2	20,200
Investments	390	400	607	1,876	–	3,273
Property, plant and equipment	95,222	20,842	6,614	1,523	–	124,201
Operating assets	84,916	18,304	4,300	1,238	–	108,758
Under construction	10,305	2,537	2,315	286	–	15,443
Intangible assets	14,590	98	124	136	–	14,948
Total Assets	120,280	32,049	10,296	30,810	(3,425)	190,010

25. Finance debt

25.1. Balance by type of finance debt

In Brazil	06.30.2021	12.31.2020
Banking Market	2,136	5,016
Capital Market	2,711	2,512
Development banks	908	1,315
Others	10	11
Total	5,765	8,854
Abroad		
Banking Market	11,892	13,581
Capital Market	22,467	27,625
Development banks	–	201
Export Credit Agency	3,189	3,424
Others	192	203
Total	37,740	45,034
Total finance debt	43,505	53,888
Current	2,861	4,186
Non-current	40,644	49,702

Current finance debt is composed of:

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	06.30.2021	12.31.2020
Short-term debt	149	1,140
Current portion of long-term debt	2,152	2,383
Accrued interest on short and long-term debt	560	663
Total	2,861	4,186

At June 30, 2021, there was no default, breach of covenants or change in collateral provided or clauses that would result in change in payment terms compared December 31, 2020.

25.2. Changes in finance debt and reconciliation with cash flows from financing activities

	Balance at 12.31.2019	Additions	Principal amorti- zation (*)	Interest amorti- zation (*)	Accrued interest (**)	Foreign exchange/ inflation indexation charges	Cumulative translation adjustment (CTA)	Modification of contractual cash flows	Transfer to liabilities classified as held for sale	Balance at 12.31.2020
In Brazil	10,730	1,488	(1,080)	(352)	399	142	(2,473)	-	-	8,854
Abroad	52,530	15,535	(23,471)	(2,967)	3,187	1,667	(1,201)	(245)	-	45,035
	63,260	17,023	(24,551)	(3,319)	3,586	1,809	(3,674)	(245)	-	53,889

	Balance at 12.31.2020	Additions	Principal amorti- zation (*)	Interest amorti- zation (*)	Accrued interest (**)	Foreign exchange/ inflation indexation charges	Cumulative translation adjustment (CTA)	Modification of contractual cash flows	Transfer to liabilities classified as held for sale	Balance at 06.30.2021
In Brazil	8,854	-	(3,430)	(158)	159	127	213	-	-	5,765
Abroad	45,035	1,668	(9,254)	(1,106)	1,436	(220)	180	-	-	37,740
	53,889	1,668	(12,684)	(1,264)	1,595	(93)	393	-	-	43,505
Debt restructuring			(848)	-						
Deposits linked to financing			(26)	37						
Net cash used in financing activities			(13,558)	(1,227)						

(*) It includes pre-payments.

(**) It includes premium and discount over notional amounts, as well as gains and losses by modifications in contractual cash flows.

For the six-month period ended June 30, 2021, the Company used its cash, in addition to raising funds in the international capital market, to settle older debts and manage liabilities, aiming at improving the debt repayment profile taking into account its alignment with investments returns over the long run.

The Company repaid several finance debts, in the amount of US\$ 14,785 notably: (i) prepayment of banking loans in the domestic and international market totaling US\$ 2,893 and (ii) US\$ 6,965 to repurchase and withdraw of global bonds previously issued by the Company in the capital market, with net premium paid to bond holders amounting to US\$ 849; and (iii) total prepayment of US\$ 593 for loans with development agencies.

The company raised US\$ 1,442 through bonds issued in the international capital market (Global Notes) maturing in 2051.

25.3. Summarized information on current and non-current finance debt

Maturity in	2021	2022	2023	2024	2025	2026 onwards	Total (**)	Fair Value
Financing in U.S.Dollars (US\$)(*):	1,475	2,105	2,557	3,885	4,974	19,244	34,240	38,196
Floating rate debt	967	2,105	2,557	2,975	4,288	2,040	14,932	
Fixed rate debt	508	-	-	910	686	17,204	19,308	
Average interest rate	4.5%	4.7%	4.7%	5.1%	5.2%	6.5%	6.0%	
Financing in Brazilian Reais (R\$):	199	981	849	1,070	232	2,434	5,765	6,146
Floating rate debt	32	711	692	692	145	698	2,970	
Fixed rate debt	167	270	157	378	87	1,736	2,795	
Average interest rate	3.6%	5.1%	5.0%	4.7%	4.2%	4.2%	4.4%	
Financing in Euro (€):	33	-	-	340	14	1,209	1,596	1,853
Fixed rate debt	33	-	-	340	14	1,209	1,596	
Average interest rate	4.6%	-	-	4.7%	4.7%	4.7%	4.7%	
Financing in Pound Sterling (£):	64	-	-	-	-	1,840	1,904	2,185
Fixed rate debt	64	-	-	-	-	1,840	1,904	
Average interest rate	6.2%	-	-	-	-	6.4%	6.3%	
Total as of June 30, 2021	1,771	3,086	3,406	5,295	5,220	24,727	43,505	48,380
Average interest rate	4.5%	4.8%	4.8%	5.1%	5.1%	6.4%	5.9%	
Total as of December 31, 2020	4,186	3,282	5,892	5,961	6,229	28,338	53,888	61,517
Average interest rate	4.6%	4.8%	4.8%	5.1%	5.2%	6.4%	5.9%	

(*) Includes debt raised in Brazil (in Brazilian reais) indexed to the U.S. dollar.

(**)The average maturity of outstanding debt as of June 30, 2021 is 12.54 years (11.71 years as of December 31, 2020).

The fair value of the Company's finance debt is mainly determined and categorized into a fair value hierarchy as follows:

Level 1- quoted prices in active markets for identical liabilities, when applicable, amounting to US\$ 25,601 of June 30, 2021 (US\$ 33,236 of December 31, 2020); and

Level 2 – discounted cash flows based on discount rate determined by interpolating spot rates considering financing debts indexes proxies, taking into account their currencies and also Petrobras' credit risk, amounting to US\$ 22,779 as of June 30, 2021 (US\$ 28,281 as of December 31, 2020).

The sensitivity analysis for financial instruments subject to foreign exchange variation is set out in note 29.3.

A maturity schedule of the Company's finance debt (undiscounted), including face value and interest payments is set out as follows:

Maturity	2021	2022	2023	2024	2025	2026 and thereafter	06.30.2021	12.31.2020
Principal	1,152	3,157	4,768	4,840	5,998	24,370	44,285	55,130
Interest	1,072	1,984	1,794	1,679	1,481	25,521	33,531	38,953
Total	2,224	5,141	6,562	6,519	7,479	49,891	77,816	94,083

(*) A maturity schedule of the lease arrangements (nominal amounts) is set out in note 26

25.4. Lines of credit

						Amount
Company	Financial institution	Date	Maturity	Available (Lines of Credit)	Used	Balance
Abroad						
PGT BV	Syndicate of banks	3/7/2018	2/7/2023	4,350	–	4,350
PGT BV	Syndicate of banks (*)	3/27/2019	2/27/2024	3,250	–	3,250
PGT BV	The Export - Import Bank of China	12/23/2019	12/27/2021	750	714	36
Total				8,350	714	7,636
In Brazil						
Petrobras	Banco do Brasil	3/23/2018	1/26/2023	400	–	400
Petrobras	Bradesco	6/1/2018	5/31/2023	400	–	400
Petrobras	Banco do Brasil	10/4/2018	9/5/2025	400	–	400
Transpetro	Caixa Econômica Federal	11/23/2010	Not defined	66	–	66
Total				1,266	–	1,266

(*) As of April 30, 2021, Petrobras extended part of the Revolving Credit Facility. Hence, US\$2,050 will be available from February 28, 2024 to February 27, 2026.

26. Lease liabilities

The Company is the lessee in agreements primarily including oil and gas producing units, drilling rigs and other exploration and production equipment, vessels and support vessels, helicopters, lands and buildings.

Changes in the balance of lease liabilities are presented below:

	Balance at 12.31.2020	Remeasurement / new contracts	Payment of principal and interest (*)	Interest expenses	Foreign exchange gains and losses	Cumulative translation adjustment	Transfers	Balance at 06.30.2021
In Brazil	4,340	324	(753)	108	(98)	148	3	4,072
Abroad	17,310	477	(2,146)	492	(584)	576	(17)	16,108
Total	21,650	801	(2,899)	600	(682)	724	(14)	20,180

A maturity schedule of the lease arrangements (nominal amounts) is set out as follows:

Nominal Future Payments	2021	2022	2023	2024	2025	2026 onwards	Total
Balance at June 30, 2021	3,100	4,552	3,169	2,316	1,850	12,101	27,088
Balance at December 31, 2020	5,756	4,310	2,896	2,250	1,825	11,983	29,020

Payments in certain lease agreements vary due to changes in facts or circumstances occurring after their inception other than the passage of time. Such payments are not included in the measurement of the lease obligations. Variable lease payments in the first half of 2021 amounted to US\$ 371, representing 13% in relation to fixed payments (US\$ 386 and 13% in the same period of 2020).

In the first half of 2021, the Company recognized lease expenses in the amount of US\$ 46 relating to short-term leases (US\$ 82 in the same period of 2020).

At June 30, 2021, the nominal amounts of lease agreements for which the lease term has not commenced, as they relate to assets under construction or not yet available for use, is US\$ 80,655 (US\$ 67,408 at December 31, 2020). The increase in the first half of 2021 corresponds to new contractual commitment, including another floating production unit.

The sensitivity analysis of financial instruments subject to exchange variation is presented in note 29.3.

27. Equity

27.1. Share capital (net of share issuance costs)

As of June 30, 2021 and December 31, 2020, subscribed and fully paid share capital, net of issuance costs, was US\$ 107,101, represented by 7,442,454,142 common shares and 5,602,042,788 preferred shares, all of which are registered, book-entry shares with no par value.

Preferred shares have priority on returns of capital, do not grant any voting rights and are non-convertible into common shares.

As of June 30, 2021 and December 31, 2020, the Company held treasury shares, of which 222,760 are common shares and 72,909 are preferred shares.

27.2. Distributions to shareholders

On April 14, 2021, the Annual General Shareholders Meeting approved dividends relating to 2020, amounting to US\$ 1,977 (corresponding to 0.1515 per outstanding share). Thus, additional dividends proposed to ordinary shareholders in the amount of US\$ 1,128 were reclassified from shareholder's equity to liabilities.

On April 29, 2021, dividends were paid, in the amount of US\$ 1,990, updated by Selic rate (Brazilian short-term interest rate) since December 31, 2020.

27.3. Earnings (losses) per share

	Jan-Jun/2021			Jan-Jun/2020		
	Common	Preferred	Total	Common	Preferred	Total
Net income (loss) attributable to shareholders of Petrobras	4,736	3,565	8,301	(5,781)	(4,351)	(10,132)
Weighted average number of outstanding shares	7,442,231,382	5,601,969,879	13,044,201,261	7,442,231,382	5,601,969,879	13,044,201,261
Basic and diluted earnings (losses) per share - in U.S. dollars	0.64	0.64	0.64	(0.78)	(0.78)	(0.78)
Basic and diluted earnings (losses) per ADS equivalent - in U.S. dollars ^(*)	1.28	1.28	1.28	(1.56)	(1.56)	(1.56)

	Apr-Jun/2021			Apr-Jun/2020		
	Common	Preferred	Total	Common	Preferred	Total
Net income (loss) attributable to shareholders of Petrobras	4,633	3,488	8,121	(238)	(179)	(417)
Weighted average number of outstanding shares	7,442,231,382	5,601,969,879	13,044,201,261	7,442,231,382	5,601,969,879	13,044,201,261
Basic and diluted earnings (losses) per share - in U.S. dollars	0.62	0.62	0.62	(0.03)	(0.03)	(0.03)
Basic and diluted earnings (losses) per ADS equivalent - in U.S. dollars ^(*)	1.24	1.24	1.24	(0.06)	(0.06)	(0.06)

(*) Petrobras' ADSs are equivalent to two shares.

Basic earnings (losses) per share are calculated by dividing the net income (loss) attributable to shareholders of Petrobras by the weighted average number of outstanding shares during the period.

Diluted earnings (losses) per share are calculated by adjusting the net income (loss) attributable to shareholders of Petrobras and the weighted average number of outstanding shares during the period taking into account the effects of all dilutive potential shares (equity instrument or contractual arrangements that are convertible into shares).

Basic and diluted earnings (losses) are identical as the Company has no potential shares in issue.

28. Fair value of financial assets and liabilities

	Level I	Level II	Level III	Total fair value recorded
Assets				
Marketable securities	602	-	-	602
Foreign currency derivatives	-	72	-	72
Interest rate derivatives	-	31	-	31
Balance at June 30, 2021	602	103	-	705
Balance at December 31, 2020	652	115	-	767
Liabilities				
Foreign currency derivatives	-	(232)	-	(232)
Commodity derivatives	(18)	-	-	(18)
Balance at June 30, 2021	(18)	(232)	-	(250)
Balance at December 31, 2020	(10)	(269)	-	(279)

The estimated fair value for the Company's long-term debt, computed based on the prevailing market rates, is set out in note 25.

Certain receivables are classified as fair value through profit or loss, as presented in note 9.

The fair values of cash and cash equivalents, short-term debt and other financial assets and liabilities are equivalent or do not differ significantly from their carrying amounts.

29. Risk management

29.1. Derivative financial instruments

A summary of the positions of the derivative financial instruments held by the Company and recognized in other current assets and liabilities as of June 30, 2021, as well as the amounts recognized in the statement of income and other comprehensive income and the guarantees given is set out as follows:

	Statement of Financial Position				
	Notional value		Fair value		Maturity
	06.30.2021	12.31.2020	Asset Position (Liability)	06.30.2021	12.31.2020
Derivatives not designated for hedge accounting					
Future contracts - total (*)	(4,190)	(240)	(18)	(10)	
Long position/Crude oil and oil products	262	3,927	-	-	2021
Short position/Crude oil and oil products	(4,452)	(4,167)	-	-	2021
Forward contracts					
Long position/Foreign currency forwards (GPB/USD) (**)	-	GBP 354	-	23	-
Swap					
Foreign currency / Cross-currency Swap (**)	GBP 615	GBP 615	72	44	2026
Foreign currency / Cross-currency Swap (**)	GBP 600	GBP 600	(46)	(26)	2034
Swap - IPCA	R\$ 3,008	R\$ 3,008	31	47	2029/2034
Foreign currency / Cross-currency Swap (**)	US\$ 729	US\$ 729	(186)	(244)	2024/2029
Total recognized in the Statement of Financial Position			(147)	(166)	

(*) Notional value in thousands of bbl.

(**) Amounts in US\$ and GBP are presented in million.

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	Gains/ (losses) recognized in the statement of income			
	2021 Jan-Jun	2020 Jan-Jun	2021 Apr-Jun	2020 Apr-Jun
Commodity derivatives				
Crude oil - 29.2 (a)	–	(453)	–	(453)
Other commodity derivative transactions - 29.2 (b)	(42)	200	(19)	(23)
Recognized in Other Income and Expenses	(42)	(253)	(19)	(476)
Currency derivatives				
Swap Pounds Sterling x Dollar - 29.3 (b)	(3)	(297)	(32)	38
NDF – Euro x Dollar - 29.3 (b)	–	(21)	–	52
NDF – Pounds Sterling x Dollar - 29.3 (b)	9	(21)	5	2
Swap CDI x Dollar - 29.3 (c)	56	(307)	84	(61)
Others	1	(2)	–	–
	63	(648)	57	31
Interest rate derivatives				
Swap - CDI X IPCA	(10)	(17)	18	38
	(10)	(17)	18	38
Cash flow hedge on exports (*)	(2,307)	(2,443)	(1,194)	(1,043)
Recognized in Net finance income (expense)	(2,254)	(3,108)	(1,119)	(974)
Total	(2,296)	(3,361)	(1,138)	(1,450)

(*) As presented in note 29.3

	Gains/ (losses) recognized in other comprehensive income			
	2021 Jan-Jun	2020 Jan-Jun	2021 Apr-Jun	2020 Apr-Jun
Cash flow hedge on exports (*)	4,758	(21,978)	9,236	(1,663)

(*) As presented in note 29.3

	Guarantees given as collateral	
	06.30.2021	12.31.2020
Commodity derivatives	41	13
Currency derivatives	(79)	78
Total	(38)	91

A sensitivity analysis of the derivative financial instruments for the different types of market risks as of June 30, 2021 is set out as follows:

		Probable Scenario (*)	Reasonably possible scenario (*)	Remote Scenario (*)
Financial Instruments	Risk			
Derivatives not designated for hedge accounting				
Future and forward contracts	Crude oil and oil products - price changes	-	(55)	-109
		-	(55)	(109)

The probable scenario uses market references, used in pricing models for oil, oil products and natural gas markets, and takes into account the closing price of the asset on June 30, 2021. Therefore, no variation is considered arising from outstanding operations in this scenario. The reasonably possible and remote scenarios reflect the potential effects on the statement of income from outstanding transactions, considering a variation in the closing price of 25% and 50%, respectively. To simulate the most unfavorable scenarios, the variation was applied to each asset according open transactions: price decrease for long positions and increase for short positions.

29.2. Risk management of crude oil and oil products prices

The Company is usually exposed to commodity price cycles, although it may use derivative instruments to hedge exposures related to prices of products purchased and sold to fulfill operational needs and in specific circumstances depending on business environment analysis and assessment of whether the targets of the Strategic Plan are being met.

a) Crude Oil

In March 2020, in order to preserve the Company's liquidity, Petrobras approved a hedge strategy for exported oil already shipped but not priced mainly due to the high volatility at that time, both due to the effects of the oil price drop and the effects of the COVID-19 pandemic on the global oil consumption.

As a result of this strategy, from April 2020, transactions using forward (swap) and futures contracts were carried out. Forward transactions do not require initial disbursement, whereas future transactions require margin deposits, depending on the volume contracted. In the second quarter of 2020, there was a US\$ 211 loss in the forward (swap) transactions and a US\$ 269 loss in the futures operations.

b) Other commodity derivative transactions

Petrobras, by use of its assets, positions and market knowledge from its operations in Brazil and abroad, occasionally seeks to optimize some of its commercial operations in the international market, with the use of commodity derivatives to manage price risk.

29.3. Foreign exchange risk management

a) Cash Flow Hedge involving the Company's future exports

The carrying amounts, the fair value as of June 30, 2021, and a schedule of expected reclassifications to the statement of income of cumulative losses recognized in other comprehensive income (shareholders' equity) based on a US\$ 1.00 / R\$ 5.0022 exchange rate are set out below:

Hedging Instrument	Hedged Transactions	Nature of the Risk	Maturity Date	Present value of hedging instrument notional value at 06.30.2021	
				(US\$ million)	(R\$ million)
Foreign exchange gains and losses on proportion of non-derivative financial instruments cash flows	Foreign exchange gains and losses of highly probable future monthly exports revenues	Foreign Currency – Real vs U.S. Dollar Spot Rate	July 2021 to June 2031	61,127	305,769
Changes in the present value of hedging instrument notional value				US\$	R\$ million
Amounts designated as of January 1, 2021				61,502	319,608
Additional hedging relationships designated, designations revoked and hedging instruments re-designated				14,319	77,637
Exports affecting the statement of income				(7,338)	(39,893)
Principal repayments / amortization				(7,356)	(39,313)
Foreign exchange variation				-	(12,270)
Amounts designated as of June 30, 2021				61,127	305,769
Nominal value of hedging instrument (finance debt and lease liability) at June 30, 2021				66,403	332,162

According to the 2021-2025 Strategic Plan, there is an increase in expected exports and consequently in highly probable future exports, but not in an amount equal to or greater than the finance debt and lease liabilities subject to designation as hedge instruments. As a result, the relevant increase in Dollar/Real exposure observed during 2020 remains at June 30, 2021, as presented in item (c) below.

In the first half of 2021, the Company recognized a US\$ 15 gain within foreign exchange gains (losses) due to ineffectiveness (a US\$ 1 loss in the same period of 2020).

The average ratio of future exports for which cash flow hedge accounting was designated to the highly probable future exports is 100%.

A roll-forward schedule of cumulative foreign exchange losses recognized in other comprehensive income as of June 30, 2021 is set out below:

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	Exchange rate variation	Tax effect	Total
Balance at January 1, 2020	(20,517)	6,977	(13,540)
Recognized in Other comprehensive income	(21,460)	7,296	(14,164)
Reclassified to the statement of income - occurred exports	4,172	(1,419)	2,753
Reclassified to the statement of income - exports no longer expected or not occurred	548	(187)	361
Balance at December 31, 2020	(37,257)	12,667	(24,590)
Recognized in Other comprehensive income	2,451	(833)	1,618
Reclassified to the statement of income - occurred exports	2,307	(784)	1,523
Balance at June 30, 2021	(32,499)	11,050	(21,449)

Additional hedging relationships may be revoked or additional reclassification adjustments from equity to the statement of income may occur as a result of changes in forecasted export prices and export volumes following a revision of the Company's strategic plan. Based on a sensitivity analysis considering a US\$ 10/barrel decrease in Brent prices stress scenario, when compared to the Brent price projections in our Strategic Plan 2021-2025, would indicate a US\$ 3 reclassification from equity to the statement of income.

A schedule of expected reclassification of cumulative foreign exchange losses recognized in other comprehensive income to the statement of income as of June 30, 2021 is set out below:

	2021	2022	2023	2024	2025	2026	2027	2028 to 2030	Total
Expected realization	(3,354)	(7,408)	(6,206)	(4,613)	(3,012)	(2,533)	(2,648)	(2,725)	(32,499)

b) Information on ongoing contracts

As of June 30, 2021, the company has outstanding swap contracts - IPCA x CDI and CDI x Dollar, swap - Pound sterling x Dollar and Non Deliverable Forward (NDF) - Pound x Dollar.

Swap contracts – IPCA x CDI and CDI x Dollar

Changes in future interest rate curves (CDI) may have an impact on the Company's results, due to the market value of these swap contracts. The parallel shock was estimated from the average term of swap contracts (25% of the future interest rate). A sensitivity analysis on CDI through a parallel shock keeping all other variables remaining constant, would result in the impacts shown in the following table:

Sensitivity Analysis	Result
Parallel increase of 200 basis points	(14)
Parallel reduction of 200 basis points	23

c) Sensitivity analysis for foreign exchange risk on financial instruments

A sensitivity analysis is set out below, showing the probable scenario for foreign exchange risk on financial instruments, computed based on external data along with stressed scenarios (a 25% and a 50% change in the foreign exchange rates prevailing on June 30, 2021), except for assets and liabilities of foreign subsidiaries, when transacted in a currency equivalent to their respective functional currencies. This analysis only covers the exchange rate variation and maintains all other variables constant.

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Financial Instruments	Exposure at 06.30.2021	Risk	Probable Scenario (*)	Reasonably possible scenario	Remote Scenario
Assets	4,872		47	1,218	2,436
Liabilities	(97,116)	Dollar/Real	(928)	(24,279)	(48,558)
Exchange rate - Cross currency swap	(601)		(6)	(150)	(301)
Cash flow hedge on exports	61,128		584	15,282	30,564
	(31,717)		(303)	(7,929)	(15,859)
Assets	3	Euro/Real	-	1	2
Liabilities	(25)		2	(6)	(13)
	(22)		2	(5)	(11)
Assets	1,667	Euro/Dollar	37	417	833
Liabilities	(3,306)		(73)	(826)	(1,653)
	(1,639)		(36)	(409)	(820)
Assets	4	Pound	-	1	2
Liabilities	(24)		2	(6)	(12)
	(20)		2	(5)	(10)
Assets	1,933	Pound	36	483	966
Liabilities	(3,765)		(71)	(941)	(1,883)
Derivative - cross currency swap	1,678		32	420	839
	(154)		(3)	(38)	(78)
Total at June 30, 2021	(33,552)		(338)	(8,386)	(16,778)
Total at December 31, 2020	(43,263)		384	(10,815)	(21,631)

(*) At June 30, 2021, the probable scenario was computed based on the following risks: R\$ x U.S. Dollar - a 1% depreciation of the Real; Euro x U.S. Dollar: a 2.2% appreciation of the Euro; Pound Sterling x U.S. Dollar: a 1.86% appreciation of the Pound Sterling; Real x Euro: a 9.4% appreciation of the Real; and Real x Pound Sterling - a 9.7% appreciation of the Real. Source: Focus and Thomson Reuters.

29.4. Interest rate risk management

The Company considers that interest rate risk does not create a significant exposure and therefore, preferably does not use derivative financial instruments to manage interest rate risk, except for specific situations faced by certain subsidiaries of Petrobras.

The sensitivity analysis of interest rate risk presented in the table below is carried out for a 12-month term. Amounts referring to reasonably possible and remote scenarios mean the total floating interest expense if there is a variation of 25% and 50% in these interest rates, respectively, maintaining all other variables constant.

Risk	Probable Scenario (*)	Reasonably possible scenario	Remote Scenario
LIBOR 1M	5	6	7
LIBOR 3M	8	10	11
LIBOR 6M	367	412	457
CDI	114	143	171
TJLP	61	76	91
IPCA	84	105	126
	639	752	863

(*) The probable scenario was calculated considering the quotations of currencies and floating rates to which the debts are indexed.

29.5. Liquidity risk management

Following its liability management strategy, the Company regularly evaluates market conditions and may enter into transactions to repurchase its own securities or those of its affiliates, through a variety of means, including tender offers, make whole exercises and open market repurchases, in order to improve its debt repayment profile and cost of debt.

30. Related-party transactions

The Company has a related-party transactions policy, which is annually revised and approved by the Board of Directors in accordance with the Company's by-laws.

30.1. Transactions with joint ventures, associates, government entities and pension plans

The Company has engaged, and expects to continue to engage, in the ordinary course of business in numerous transactions with joint ventures, associates, pension plans, as well as with the Company's controlling shareholder, the Brazilian Federal Government, which include transactions with banks and other entities under its control, such as financing and banking, asset management and other transactions.

The balances of significant transactions are set out in the following table:

	06.30.2021		12.31.2020	
	Assets	Liabilities	Assets	Liabilities
Joint ventures and associates				
Petrobras Distribuidora (BR)	277	64	196	39
Natural Gas Transportation Companies	–	–	74	191
State-controlled gas distributors (joint ventures)	283	46	225	68
Petrochemical companies (associates)	11	6	17	9
Other associates and joint ventures	111	15	152	120
Subtotal	682	131	664	427
Brazilian government – Parent and its controlled entities				
Government bonds	1,485	–	1,632	–
Banks controlled by the Brazilian Government	8,604	2,280	7,676	3,707
Receivables from the Electricity sector	229	–	205	–
Petroleum and alcohol account - receivables from the Brazilian Government	525	–	482	–
Brazilian Federal Government - dividends	2	–	2	–
Empresa Brasileira de Administração de Petróleo e Gás Natural – Pré-Sal Petróleo S.A. – PPSA	–	28	–	–
Others	16	51	38	47
Subtotal	10,861	2,359	10,035	3,754
Pension plans	93	31	52	65
Total	11,636	2,521	10,751	4,246
Current	2,699	415	2,663	1,225
Non-Current	8,937	2,106	8,088	3,021
Total	11,636	2,521	10,751	4,246

The income/expenses of significant transactions are set out in the following table:

	2021 Jan-Jun	2020 Jan-Jun	2021 Apr-Jun	2020 Apr-Jun
Joint ventures and associates				
Petrobras Distribuidora (BR)	7,608	5,109	4,298	1,928
Natural Gas Transportation Companies	(304)	(972)	(59)	(451)
State-controlled gas distributors (joint ventures)	1,034	938	585	378
Petrochemical companies (associates)	1,590	1,424	822	445
Other associates and joint ventures	119	9	77	(84)
Subtotal	10,047	6,508	5,723	2,216
Brazilian government – Parent and its controlled entities				
Government bonds	20	23	13	10
Banks controlled by the Brazilian Government	(93)	(315)	(30)	(223)
Receivables from the Electricity sector	112	23	97	10
Petroleum and alcohol account - receivables from the Brazilian Government	22	3	11	1
Brazilian Federal Government - dividends	(4)	(3)	(4)	(1)
Empresa Brasileira de Administração de Petróleo e Gás Natural – Pré-Sal Petróleo S.A. – PPSA	(67)	(45)	(36)	(5)
Others	(33)	(10)	(43)	(10)
Subtotal	(43)	(324)	8	(218)
Total	10,004	6,184	5,731	1,998
Revenues, mainly sales revenues	10,604	7,863	5,870	2,888
Purchases and services	(486)	(1,397)	(106)	(682)
Income (expenses)	(147)	–	(104)	–
Foreign exchange and inflation indexation charges, net	(45)	(252)	(5)	(193)
Finance income (expenses), net	78	(30)	76	(15)
Total	10,004	6,184	5,731	1,998

The liability related to pension plans of the Company's employees and managed by the Petros Foundation, including debt instruments, is presented in note 13.

Petrobras on agreement with Amazonas Energia

On April 7, 2021, Petrobras and its subsidiaries Breitener Tambaqui S.A. and Breitener Jaraqui S.A. signed a legal agreement with Amazonas Energia S.A. (debtor) and Centrais Elétricas Brasileiras S.A. - Eletrobras (jointly responsible), in the amount of US\$ 77 (R\$ 436 million), for the collection of amounts relating to seven lawsuits, which will be suspended until the full settlement of the negotiated credits. The debt will be settled in 60 installments updated based on 124.75% of the CDI, from January 18, 2021 until full settlement.

The signing of the agreement generated a positive effect on the Company's statement of income in the second quarter of 2021 of US\$ 59 (R\$ 328 million), net of tax effects.

30.2. Compensation of key management personnel

The total compensation of Executive Officers and Board Members of Petrobras is set out as follows:

	Jan-Jun/2021			Jan-Jun/2020		
	Executive Officers	Board of Directors	Total	Executive Officers	Board of Directors	Total
Wages and short-term benefits	1.3	–	1.3	1.3	–	1.3
Social security and other employee-related taxes	0.3	–	0.3	0.4	–	0.4
Post-employment benefits (pension plan)	0.1	–	0.1	–	–	–
Benefits due to termination of tenure	0.2	–	0.2	–	–	–
Total compensation recognized in the statement of income	1.9	–	1.9	1.7	–	1.7
Total compensation paid (*)	3.9	–	3.9	1.7	–	1.7
Average number of members in the period (**)	9.00	10.33	19.33	9.00	9.17	18.17
Average number of paid members in the period (***)	9.00	5.00	14.00	9.00	4.00	13.00

(*) The variable compensation (PPP) paid to management is included in the Executive Officers columns.

(**) Monthly average number of members.

(***) Monthly average number of paid members.

For the six-month period ended June 30, 2021, expenses related to compensation of the board members and executive officers of Petrobras amounted to US\$ 6 (US\$ 6 for the same period of 2020).

On July 14, 2021, the Company's Annual Shareholders' Meeting set the threshold for the overall compensation for executive officers and board members at US\$ 9 (R\$ 47.06 million) from April 2021 to March 2022.

The compensation of the Advisory Committees to the Board of Directors is separate from the fixed compensation set for the Board Members and, therefore, has not been classified under compensation of Petrobras' key management personnel.

In accordance with Brazilian regulations applicable to companies controlled by the Brazilian Federal Government, Board members who are also members of the Audit Committee or Audit Committee of Petrobras and its subsidiaries are only compensated with respect to their Audit Committee duties. The total compensation concerning these members was US\$ 245 thousand for the first half of 2021 (US\$ 290 thousand with tax and social security costs). For the same period of 2020, the total compensation concerning these members was US\$ 189 thousand (US\$ 227 thousand with tax and social security costs).

31. Supplemental information on statement of cash flows

	Jan-Jun/2021	Jan-Jun/2020
Amounts paid/received during the period:		
Withholding income tax paid on behalf of third-parties	386	464
Capital expenditures and financing activities not involving cash		
Lease	1,094	1,105
Provision/(reversals) for decommissioning costs	(1)	12
Use of deferred tax and judicial deposit for the payment of contingency	–	1

32. Subsequent events

Sale of seven onshore and shallow water fields and a natural gas processing unit in the state of Alagoas

On July 5, 2021, Petrobras entered in an agreement with the company Petromais Global Exploração e Produção S.A. (Petro+) for the sale of its entire interest in a set of seven onshore and shallow water concessions denominated Alagoas group of fields and of Alagoas Natural Gas Processing Unit, located in the state of Alagoas.

The agreement provides for the payment of US\$ 60 at the transaction signing and US\$ 240 at the transaction closing, and is subject to price adjustments and conditions precedent, such as approval by the ANP.

Conclusion of the public offering of shares of BR Distribuidora

On July 5, 2021, the secondary public offering (follow on) of common shares issued by BR Distribuidora owned by Petrobras, in the total amount of US\$ 2,271, was closed with the Company receiving US\$ 2,252 net of transactions costs.

Sale of Papa-Terra Field

On July 9, 2021, Petrobras signed with the company 3R Petroleum Offshore S.A. (3R Offshore) a contract for the sale of its entire interest of 62.5% in the Papa-Terra production field, located in the Campos Basin.

The amount of the sale is US\$ 106, of which (a) US\$ 6 paid at the transaction signing; (b) US\$ 10 paid at the transaction closing; and (c) US\$ 90 in contingent payments provided for in the contract (contingent assets), related to production volume of the asset and future oil prices, and is subject to price adjustments and conditions precedent, such as approval by the ANP.

Itapu Co-participation Agreement

On July 12, 2021, Petrobras signed with Pré-sal Petróleo SA (PPSA) a Co-participation Agreement of Itapu, which will regulate the coexistence of the Transfer of Rights Agreement and the Production Sharing Contract for the Surplus volume of the Itapu field, in the pre-salt layer of Santos Basin.

Negotiations began after the bidding, held on November 6, 2019, in which Petrobras acquired 100% of the exploration and production rights of the surplus volume of the Transfer of Rights Agreement of Itapu field.

Petrobras and PPSA defined the Development Plan for the field, including estimates for production and recoverable volume. As a result, the Company's share in the area is 51.708% for the Transfer of Rights Agreement, with a total recoverable volume of 350 million boe, and 48.292% for the Production Sharing Agreement, with a total recoverable volume of 319 million boe.

The effectiveness of the Agreement is subject to approval by the ANP. Assumptions for oil and gas prices, discount rate and cost metrics used were established in the MME Ordinance No. 213/2019.

Sale of Polo Rio Ventura

On July 14, 2021, the Company closed the sale of its entire interest in eight onshore exploration and production fields, jointly named Rio Ventura group of fields, located in the state of Bahia, to 3R Rio Ventura SA, a wholly owned subsidiary of 3R Petroleum Oil and Gas SA.

After the fulfillment of the conditions precedent, the operation was concluded with the payment of US\$ 34 to Petrobras, including price adjustments, in addition to US\$ 4 paid to Petrobras at the contract signing. Further US\$16 will be paid in thirty months and up to US\$ 43 in contingent payments related to future oil prices.

Sale of Gaspetro

On July 28, 2021, Petrobras signed a contract with Compass Gás e Energia S.A. (Compass) for the sale of its entire interest (51%) in Petrobras Gás S.A. (Gaspetro), in the amount of US\$ 406 (R\$ 2,030 million), to be paid upon closing.

The transaction is subject to price adjustments and the fulfillment of certain conditions precedent, such as approval by the Administrative Council for Economic Defense (CADE). In addition, until closing, Petrobras will comply with the provisions contained in the shareholders' agreements of Gaspetro and natural gas distributors, including preemptive rights.

Minimum Compensation Based on an Employee's Position and Work Schedule (*Remuneração Mínima por Nível e Regime - RMNR*)

On July 29, 2021, the rapporteur minister granted the appeal filed in one of the proceedings to reestablish the judgment that denied the claims, accepting the Company's thesis and recognizing the validity of the collective labor agreement freely signed between Petrobras and the unions, reversing the decision of the TST.

This decision is appealable, with no effects on the company's unaudited consolidated interim financial statements as of June 30, 2021.

For further information, see note 14.4.

Sale of interest in electricity companies

On July 29, 2021, Petrobras signed contracts for the sale of its 20% interest in Termelétrica Potiguar S.A. (TEP) and 40% interest in Companhia Energética Manauara S.A. (CEM) to Global Participações Energia SA.

These sales amounts to US\$ 32 (R\$ 160 million), US\$ 16 (R\$ 81 million) for TEP and US\$ 16 (R\$ 79 million) for CEM, to be paid at the transactions closing.

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The transaction is subject to price adjustments and the fulfillment of certain conditions precedent, such as approval by CADE.

Anticipation of distribution to shareholders

On August 4, 2021, the Company's Board of Directors approved the anticipation of distribution to shareholders in the total amount of US\$ 6,066 (R\$ 31,600 million), equivalent to US\$ 0.4651 (R\$ 2.4225) per common and preferred shares, in two installments, as shown in the following table:

Payment	Date of register	Date of Payment	Common Shares		Preferred Shares		Total Amount
			Amount	Amount per Share	Amount	Amount per Share	
1st installment – dividends	08.16.2021	08.25.2021	2,300	0.3091	1,731	0.3091	4,031
2nd installment (*)	12.01.2021	12.15.2021	1,161	0.1560	874	0.1560	2,035
Total			3,461	0.4651	2,605	0.4651	6,066

(*) Subsequently, the Executive Officers will define the form of distribution of the 2nd installment, whether in the form of dividends or interest on capital.

Amounts translated into U.S. dollar based on the exchange rate prevailing at the date of the approval.

This distribution will be deducted from the Company's distribution for 2021 and will be adjusted by the Selic rate from the date of the payment to the end of the fiscal year.

33. Information related to guaranteed securities issued by subsidiaries**33.1. Petrobras Global Finance B.V. (PGF)**

Petróleo Brasileiro S.A. - Petrobras fully and unconditionally guarantees the debt securities issued by Petrobras Global Finance B.V. (PGF), a 100-percent-owned finance subsidiary of Petrobras. There are no significant restrictions on the ability of Petrobras to obtain funds from PGF.